





# NORTH AMERICA (CANADA AND THE UNITED STATES)

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# NORTH AMERICA

232

United Cities and Local Governments



## I. Introduction

This chapter compares local government and decentralization in Canada and the United States. These two North American countries share important, parallel inheritances. Both are settler societies that emerged out of British colonialization. The similarities in their local government systems have frequently led to their classification together (Hesse and Sharpe 1991; Sellers 2006, 2007), and with other countries with similar legacies such as Australia and New Zealand.

Both countries are established constitutional democracies with federal structures of government. Both possess highly developed economies and have in common legal, institutional and cultural legacies from British colonization from the seventeenth to the nineteenth centuries. Other colonial and pre-colonial legacies also mark the practice of local government in certain areas of each country. Most notably, French influences have been strong in the Canadian province of Québec, and have also affected aspects of institutional practice in Louisiana in the U.S. In parts of each country, indigenous traditions remain important to local government practice.

Local government in both countries was established in the original British colonies prior to the creation of a national government. The arrangements for local government in what would become New England in the United States grew directly from those in early colonial settlements. In Canada, provincial acts of the 1840s and 1850s established the framework of local government prior to the Constitution Act of 1867.

Although present-day local government in these countries can possess considerable powers, it lacks either national constitutional protections or a legislated grant of autonomy. What powers local governments have received have come from either na-

tional legislation or measures taken by individual states or provinces. In both federal countries local government is a creature of federal states, provinces, or territories. In Canada and a number of U.S. states, state legislatures determine the content and powers of local government. The main exceptions are provisions in some U.S. state constitutions for local government powers. In the United States, approximately half of these documents specify some general power for local governments.

Institutional practice in these countries also reflects the legacies of the British *ultra vires* principal that limits the general purpose authority of local governments. The “Dillon Rule” in the United States –the principle that local governments cannot claim powers beyond those specifically granted by the state legislatures—provides a good example. Thirty-one of the fifty U.S. states continue to apply Dillon’s Rule to all municipalities, and eight further states apply it to some but not all types of municipalities (Richardson, Gough and Puentes 2003: 17). Increasingly, however, exceptions to this principle have been introduced. Beginning in the nineteenth century, U.S. states legislated guarantees of general local government authority in “home rule” legislation as well as in state constitutions. This trend continued up to the 1990s. As a result, local government in all but three states has some degree of home-rule powers, and 28 U.S. states have broad powers that in some cases amount to grants of full local autonomy to treat local affairs (USACIR 1993). In Canada, in 1994 in Alberta, in 1999 in British Columbia and, since 2000 in Ontario and Québec have also given broader powers to localities, even as larger cities continue to call for additional institutionalized local powers.

These variations reflect another way that local government in the United States, and to a lesser degree Canada, differs from that of many other countries. Because dif-

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ferent U.S. states have established a variety of legislative frameworks, there are some fifty American local government systems. Even within states, the diversity of local arrangements has produced more heterogeneous systems of local institutions than elsewhere. Most of the largest cities in the United States, as well as Montreal, Winnipeg, Vancouver and Saint John in Canada, have individual charters from their respective state or provincial governments.

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local responsibilities in greater detail, and has specified mechanisms for accountability in a variety of specific functional domains, such as local educational services, environmental regulation, and planning. In the United States but much less frequently in Canada, privatization has emerged as a more recurrent strategy in service delivery. In various ways, local governments have also evolved practices to address the growing horizontal interconnectedness of localities and regions. In Canada these reforms have often taken the form of inter-governmental consolidation or metropolitan governance; in the United States, informal inter-local cooperation and special district governance have proliferated.

In both countries, state or provincial governments as well as local governments themselves, have been the sources of reforms. The extent of recent reform generally has fallen short of the comprehensive reforms passed in New Zealand or parallel reforms in Australia. But local governments in Canada and the United States already possessed many of the powers recently given to local governments in the two Australasian nations.

## II. Local Government Structures and Their Evolution

The evolution of local government structures in Canada and the United States needs to be understood in relation to the distinctive model of local decentralization that has long prevailed in these countries. On the one hand, the national and other higher level governments have generally granted local governments limited legal authority compared with that permitted in continental European countries, and less financial support from above. On the other hand, local governments are also less subject to the direct local supervision of territorial field offices or prefectures, and enjoy high levels of local fiscal autonomy compared with counterparts in Europe and Asia (Sellers 2006; Sellers and Lidström 2007). In recent years, the elaboration of policy-making in North America, both at local and higher levels, has changed this model in several functional areas. Higher level governments have introduced new responsibilities in many of these areas. Although this trend can be seen as a move toward centralization in one sense, new activities and often new powers and fiscal resources for local governments have often accompanied it.

Local government takes a variety of forms, with a different nomenclature in each country (Table 1). In the United States, local government in many states has at least two traditional tiers of government: counties and towns. Counties play an important role in every state outside of New England as major providers of general services like courts, jails, land records, welfare, health, and roads. A number of eastern and Midwestern U.S. states have also maintained an intermediate level of town or township governments between counties and municipalities. The legal status of the town level varies considerably according to state laws. In Canada counties and their equivalents generally have less power and are only present in some provinces, but the types of municipalities

**Table 1** Governmental and Country Characteristics

Name	Canada	United States
Inhabitants (thousands)	31,362	288,205
Area (km <sup>2</sup> )	9,984,670	9,631,420
Inhabitants/km <sup>2</sup>	3	30
GDP/capita	€ 35,758	€ 42,623
National	Federal Government	Federal Government
Intermediate	Provinces (10), Territories (3)	States (50)
Local:		
Upper Tier:	Counties, Regions, Districts (199)	Counties (3,034), consolidated Cities
Lower Tier:	Cities, Towns, Villages, Townships (3731)	Townships/towns (some states) (16,504) Municipalities (Cities, Boroughs, Villages) (19,429) Special Districts (48,558)

Note: Population and GDP data for 2002; Area (land and water) for 2006; Canada (Upper tier), United States, 2006 (Canada (lower tier).

Sources: (area) CIA World Factbook (retrieved December 10, 2006 at <https://www.cia.gov/cia/publications/factbook/geos/us.html>); (population and GDP) OECD Statistics Portal (retrieved December 10, 2006 at [http://www.oecd.org/statsportal/0\\_2639,en\\_2825\\_293564\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/statsportal/0_2639,en_2825_293564_1_1_1_1_1,00.html)); (governments) Rivard and Collin 2006, p. 5; Commonwealth Local Government Forum 2002a, p. 2; Commonwealth Local Government Forum 2002b, p. 3; U.S. Census Bureau (2002), p. 3.

vary widely. Single-tier local governments predominate in all but three provinces of Canada, Ontario, Québec, and British Columbia.

**Local government consolidation and inter-local governance.** Recent trends toward new regional arrangements or local government consolidation in much of Europe have had mixed resonance in North America. Part of the reason for this may be the roles that established governmental units –Canadian provinces and territories, U.S. states, and U.S. counties and towns-

hips– have played in providing regional and inter-local governance. Especially in the United States, informal and specialized inter-governmental arrangements have often taken the place of formal and general-purpose institutions.

In Canada, consolidation of local government units took place in Québec, Nova Scotia, Ontario and a number of metropolitan regions since 2000 (Rivard and Collin 2006). More recent initiatives have rolled back some of these reforms in Québec and elsewhere. In the United States, the

degree of consolidation has always varied widely by regions. In recent decades consolidation and annexation of territory by local governments have been commonplace in faster growing areas of the South and West, but have remained more limited or exceptional in the Northeast and other areas of older settlement. On the whole, recent counter-trends toward creation of new municipalities have offset counter-trends toward consolidation. From 1992 to 2002, the number of municipal governments increased by 150 to 16,504 (U.S. Bureau of the Census 1992, 2002).

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Local government consolidation has been only one of several types of arrangements that could foster inter-local governance within metropolitan regions. An upper tier of local government or a new form of functional cooperation among municipalities may also provide mechanisms for this task. Practical moves in this direction over the past decade have taken a variety of forms.

Canadian provinces and municipalities have undertaken some of the most far-reaching reforms in metropolitan governance. Mainly in eastern Canada, reorganizations in most metropolitan areas have produced more encompassing metropolitan units of governance. Alongside the consolidations of municipalities, regional bodies have been formed in three provinces, and metropolitan planning initiatives have taken place in a number of the largest metropolitan areas (Rivard and Collin).

Such a move is less apparent in the United States. Only a few of the large metropolitan areas, such as Portland, Oregon, and Minneapolis-St. Paul in Minnesota,

have developed distinct metropolitan institutions. County governments like King County in metropolitan Seattle, Washington, and Pima County in metropolitan Phoenix, Arizona, have encompassed large portions of the metropolitan area, and have often addressed issues on a metropolitan scale. In a few small-to-mid-sized metropolitan areas, such as Jacksonville, Florida, and Sacramento, California, consolidation of city government into county government has created what amounts to a metropolitan government (Leland and Thurmaier 2004). Advisory regional councils of governments, a legacy of federal requirements for transportation planning, frequently provide a basis for coordination of planning issues. Most states also authorize cooperation among local governments (Richardson, Gough and Puentes 2003).

Much more than in Canada and other countries, inter-local governance in the United States has taken place through separate, special-purpose district governments that are independent of local governments. The largest number of these (13,506 in 2002) administered separate public school systems across the country. Others deal with water and sewers, hospital services or transportation. Although the total number of these districts (48,588), as counted by the U.S. Census of Governments, exceeds the number of traditional local governments (35,933), the actual number of specialty, inter-local districts is probably higher. The number of school districts declined slightly (900) from 1992 to 2002, typically due to consolidation among municipalities within metropolitan areas. But the number of other special districts increased by 3,500 over the same period. In Canada too, most primary and secondary education is administered by school boards independent of local government, and a number of agencies, boards, and commissions see to special functions jointly shared among municipalities. Unlike their U.S., counterparts, however, these boards do not have independent powers of taxation.



Decentralization has attracted the most critical attention in the United States where both local government powers and local geo-political fragmentation have remained extensive. Patterns of local governance there have been found to exacerbate inequalities among de facto segregated groups by means of inequalities in local services (Joassart-Marcelli, Musso and Wolch 2001; Blakely 2000). In particular, inequalities in educational opportunities in the United States have generated widespread debate and many reform initiatives.

The wider effects of regional integration between North American countries for local governance are difficult to discern, and

less pronounced than the consequences of cross-border integration across Europe. The most notable impact has occurred in the cross-border regions of Cascadia in the Pacific Northwest mainly between the provincial and state governments (e.g., Blatter 2001).

### III. Functions, Management and Finance

#### III.1. Finance

In terms of its place in public expenditures, public finance and functions, local government in Canada and the U.S., occupies an average place within the spectrum of developed countries. In the

Table 2 Financial management

	Australia	Canada	New Zealand	United States
Total Public Expenditure (% of GDP)	37%	42%	42%	35%
(per capita) (Euros)	€ 11,486.56	€ 13,717.90	€ 9,692.57	€ 14,507.04
Local Public Expenditure (% of GDP)	2.4%	7.5%	3.9%	9.6%
(per capita) (Euros)	€ 275.68	€ 1,031.16	€ 380.50	€ 1,386.30
Local/Total Public Expenditure (%)	6.6%	17.8%	9.4%	27.4%
Local/Total Public Investment (%)	6%	NA	16%	8%
Local Revenues:				
Local taxes (% of local revenues)	38%	41%	58%	38%
Property tax (% of local taxes)	100%	92%	91%	72%
Local tax autonomy (0 (high) - 2 (low))	0.34	0.12	0.43	0.82
Grants (% of local revenues)	16%	40%	10%	39%

Sources: (Public expenditure) OECD in Figures 2005; (Local expenditure) IMF Government Finance Statistics (Australia, Canada, US: 2001, New Zealand: 2003); (Local Revenues, Taxes and Grants) IMF Government Finance Statistics (Australia, Canada: 2001; US: 2000; New Zealand: 2003); (Local tax autonomy, Supervision of borrowing) Sellers and Lidström 2007, Table 4; (public investment) U.S. Bureau of the Census, 2005 Statistical Abstract of U.S. Section 9; Compendium of Government Finances: 2002 Table 1; (Australia and New Zealand) Briliantes et al. 2007, Table 4.

United States, the role of local government has generally been more pronounced, but in Canada that role still exceeds local government powers in other countries with similar British colonial legacies, including Australia and New Zealand. The relative discretion that North American local governments exercise over their own finances, and the modest supervision by higher government officials also set local government in both countries apart from most of their counterparts worldwide, including in Europe and East Asia.

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**Expenditures.** Overall, the proportion of Gross Domestic Product (GDP) devoted to governmental expenditure in Canada and the U.S., remains somewhat lower than the average for the OECD (Table 2). The local government portion of this expenditure, though it varies considerably, also remains below levels reported for Northern Europe. In Canada and the United States, 18% and 27%, respectively, of public expenditure was distributed to local governments. The bulk of these distributions is spent on education. Education consumes 57% of all local expenditure in the United States, and 40% in Canada. Security services such as police and fire represent about eight percent of local expenditures in the United States, nine percent in Canada. In both countries, local public expenditures as a percentage of the total public expenditure have also crept upward slightly in recent years.

**Revenues.** Locally raised revenue pays for most educational and security expenditures. As in other former British colonies, such as Australia and New Zealand, the property tax remains by far the most important source of local government revenue. In Canada, it has generated 80% to 90% of all local tax revenues. In the United States, partly in the wake of tax-

payer resistance in some states, other local taxes, such as sales taxes, income taxes and user fees grew from 22% of local tax revenues in 1975 to 28% in 1999. Even so, the property tax has continued to supply 72% of local tax revenues (OECD 2001).

A distinguishing feature of the property taxes, as well as most other local taxes in these countries is the comparatively large degree of discretion local authorities possess in setting rates and in assessing property. Ratings of local tax autonomy consistently show this discretion to be high compared with that seen in other countries. In the United States, the laws of some individual states restrict local initiatives to raise taxes or change assessments by requiring prior approval by local voters. In Canada, setting these rates is almost always left to the discretion of local government but subject to control by the provinces.

In both countries local governments have in recent years found themselves less reliant on grants from higher level governments for local revenues. In the United States and Canada, state or provincial grants for education and other services remain considerable but modest by comparison with many other OECD countries. The current 39 percent of total revenues in the U.S. represents a decline from levels of up to 45 percent in the late 1970s, but has fluctuated over the 1990s and early 2000s. The current 40 percent in Canada represents a decline from levels as high as 50 percent in the late 1970s, down 2 or 3% from levels in the 1980s (OECD 2001).

**Revenues in relation to tasks.** Despite dwindling access to funds from above, as well as local opposition to tax increases, local governments in Canada and the United States have assumed more responsibilities. Additional areas of responsibility that are increasingly being delegated to local governments include: environmental regulation, planning, transportation, public health, immigration, education, emergency

preparedness and security. Even so, the fiscal autonomy of local government in these countries makes local governments especially vulnerable to unfunded mandates. Higher-level governments sometimes contribute funds for these added tasks through legislation and new policies. But higher-ups can impose such tasks without contributing funds, leaving local governments to cope as best they can.

In Canada, the Federation of Canadian Municipalities has noted an increase in the delegation of responsibilities to municipalities. Although the local government portion of expenditures remained stable relative to the provincial level from 1990 to 2000 – increasing in some provinces but declining in others (Diaz 2003) – local revenues as a percentage of the whole have decreased. In the United States, despite the federal Unfunded Mandates Act of 1995, the federal government has imposed such measures as the No Child Left Behind Act of 2002, which gave state governments incentives to administer regular tests as measures of performance for public schools. The resulting programs in many states gave rise to accusations that the Act really just forced school districts to abandon more

worthwhile programs in order to provide resources for the new standardized tests.

**Local government borrowing.** In the face of such pressures, there have been shifts in restrictions on local borrowing. This practice has been most widespread in the United States (Sbragia 1988). Although often conditioned upon local voter approval, borrowing by local governments is subject to approval by a higher level government in only one state. In Canada, local borrowing sometimes generally requires approval by a provincial board, and has been more limited. In both North American countries, local governments have also turned to user fees and other charges to supplement revenues.

### III.2. Functions

The limited role of local government in the overall public expenditure and revenue of these countries reflects limits in the functions that local government has assumed. With the exceptions of local education and public safety, local governments continue to play a subsidiary role to central and intermediate level governments in the broad run of public policies (Table 3). In recent

Table 3 Local Government Functions

Functions	Australia	Canada	New Zealand	United States
<b>Planning</b>				
Housing	State, Local	Province, Local (DS)	Central, Territorial (DS)	Federal, Local (DS)
Town Planning	Local	Province (DS), Local	Regional	Local
Agriculture land planning	State	Province, Local (DS)	Local	State (DS), Local (DS)
Regional Planning	Local		Regional	State (DS), Local (DS)
<b>Education</b>				
Pre-School	State	Province	Central	Local (DS)
Primary	State	Province	Central	Local
Secondary	State	Province	Central	Local
Vocational and Technical	State	Province	Central	State, Local
Higher Education	Federal, State	Federal	Central	State

Table 3

Local Government Functions (Continued)

Adult Education	State	Province	Central	State, Local
Other	State		Central	
Provision of Social Services				
Kindergarten and Nursery	State	Province	Central	State, Local (DS)
Family Welfare Services	State	Province	Central	Federal, State, Local
Welfare Homes	State, Local (DS)	Province, Local (DS)	Central	
Social Security	Federal	Province	Central	Federal
Others			Territorial (DS)	
Provision of Health Services				
Primary Care	Federal	Province	Central	(Private)
Hospital	State	Province	Central	Federal, Local (DS)
Health Protection	Federal, State, Local	Federal, Province	Central, Territorial	Federal, State, Local (DS)
Mental Hospital	State	Province	Central	State
Water Supply				
Water and Sanitation	State, Local	Local	Territorial	Local (DS)
Water supply	State, Local (DS)	Province, Local	Territorial	Local (DS)
Energy Supply				
Gas Services	State	Province	Central, Regional	Local (DS)
Electricity	State	Province	Territorial (DS)	Local (DS)
Public Transport				
Roads	State	Local	Central, Territorial	Federal
Transport	State	Local	Central, Regional, Territorial	State, Local
Urban Roads	State, Local	Local	Territorial	State, Local
Urban Public Transport	Local	Local	Territorial	State, Local (DS)
Ports	State	Federal, Province, Local	Territorial (DS)	Local (DS)
Airports	State	Federal, Province, Local	Central(DS), Territorial(DS)	Federal, Local (DS)
Other transportation				Federal, Local (DS)
Business Development Support				
Agriculture, forests, and Fisheries	Federal, Province, Local (DS)	Federal, Province	Central, Territorial (DS)	Federal, State
Economic Promotion	Federal, Province, Local (DS)	Province, Local	Central(DS), Territorial(DS)	State, Local (DS)
Trade and Industry	Federal, Province, Local (DS)	Federal, Province	Central (DS)	Federal, State, Local (DS)
Tourism	Federal, Province, Local (DS)	Federal, Province, Local	Cen(DS), Reg(DS), Terr(DS)	State, Local (DS)
Other Economic Services	Federal, Province, Local (DS)		Central(DS), Territorial(DS)	Local (DS)
Security				
Police	State	Local (generally)	Central, Regional	Local
Fire	State	Province, Local	Regional, Local	Local

DS: Discretionary Services by the local authority. For Australia, provinces includes territories.

Sources: Commonwealth Local Government Forum (2002a, 2002b, 2002c); Stephens and Wikstrom. 2000, p. 156; supplemented by author's research on government websites.



years, however, local governments have become more active in a wide range of policy domains in both countries, mirroring certain global trends. The most widespread trend has been toward the growth of multi-level governance as both local governments and higher-level governments assume new roles in areas where they were less active before.

**Local government functions.** Local governments in Canada and the United States take on certain functions that are unusual in most established democracies. The greater local expenditure in the North American nations stems largely from local government responsibilities in education and public safety. In the United States, individual states assign to local governments responsibility for primary, secondary and pre-school education, as well as for police and public safety. These traditional areas of local responsibility have become more complex in recent years, but have remained comparatively stable in recent decades.

Canadian provinces and U.S. states vary widely in their responses to other functions relegated to local government. Several provinces and states, for instance, have their own policies for land use and agricultural planning; others have set down specific mandates for local planners to follow. In most states and provinces, however, planning remains predominantly a local function. Provision of health and social services also varies. Some states and provinces have enacted legislation that gives localities more responsibility for welfare services, hospitals and other matters. Ontario, for instance, assigns localities authority for administering social security and kindergartens; other provinces do not.

Environmental services, planning, building permits, land use, sanitation, and refuse collection usually require some local responsibility, as they do in many countries. Even road maintenance may require some local government participation, especially

in urban areas in Canada. In both countries, cultural services, such as museums, may also fall to local government along with some responsibility for local infrastructure, and fire protection or health services.

Over the past four decades, there has been a gradual expansion in the number and types of responsibilities local governments have taken on. However, most have involved some sharing of responsibilities with higher government tiers. In several domains where local governments have become more active, such as environmental policy, waste management, public health, and transportation, authorities at the national, provincial or state level may play as decisive a role as local authorities.

**Shifts in local service provision.** One of the most far-reaching recent transformations in provision of local services has been the shift toward privatization. Contracting for services with private businesses or nonprofit organizations has become a common practice among local governments in the United States. For the most part, this has come about without the legal mandates that have spurred privatization in New Zealand or Europe. In the U.S., privatization is now well-established as a pragmatic alternative when other resource channels will not serve. In surveys, two thirds or more of local managers report that privatization has been considered and approved as an alternative to public provision (ICMA 2003). After a surge in the 1990s, it seems safe to say that privatization has been a staple of local government since 2000. Although privatization has been on the agenda in Canada as well, it has not been pursued as aggressively as it has in the United States. Even so, in neither country has the shift to privatization been as dramatic as it has been in Australia, New Zealand, and some European countries.

Local entrepreneurship, in the sense of local ownership of utilities, transport authorities, and facilities, is more limited than it is in parts

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of Europe. However, it is common to find local governments generating revenue through administration of airports, ports and other commercial operations. In the United States, special authorities controlled by local governments typically take on these administrative roles. The city of Los Angeles, for instance, derives a large portion of its revenue from Los Angeles International Airport and the Port of Los Angeles.

United States more than 60% of all government employees work in local government. This rate approaches that of the Nordic democracies or Japan, where much of the welfare state is administered locally. In Canada the proportion is lower but still considerable at 35%.

These contrasts owe largely to the differences in the functions local government has assumed. Although local government in Canada and the United States is not responsible for large public health sectors and social benefits as in the Nordic countries, it retains responsibility for some of the most labor-intensive public social services. The overwhelming proportion of the additional local personnel in the United States works in the localized education system, and in both North American countries public safety officials also make up much of local government staff. The additional sectors of social service, health, infrastructure and educational provision in Canada also employ personnel who work at provincial or national levels in Australia and New Zealand. The low staffing levels in these countries also

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### III.3. Administrative capacity

The size of local government staffs varies widely. This has not prevented implementation of largely parallel practices designed to secure integrity in local government, to carry out management reforms, to introduce at least limited elements of e-government, and to pursue policies supporting gender equality.

**Personnel.** Far more people work in local government than might be expected in light of the comparatively modest expenditures at the local government level (Table 4; compare with Table 2 infra). In the Uni-

**Table 4** Government Personnel, by Level of Government

Name	Australia	Canada	New Zealand	United States
Total	1,485,800	2,552,613	227,220	19,869,558
National	248,500	357,308	205,540	2,878,819
Federal units	1,090,600	1,313,379		4,370,562
Local	146,700	881,926	21,680	12,620,177
Percentages				
National	17%	14%	90%	14%
Federal units	73%	51%		22%
Local	10%	35%	10%	64%

Years: 2000 (United States), 2001 (Australia, Canada, New Zealand).

Source: OECD 2002.

reflect the consequences of systematic policies that have contracted out more of infrastructure and local services.

The growth of local government in the United States has outstripped that at other levels. While the federal government has declined as a proportion of all government personnel, and the state governments have maintained essentially the same proportion, local governments now hire four percent more government employees than in the 1980s (U.S. Department of Commerce 2006). In Canada, local government employment declined along with public employment over the course of the 1990s. It has been rising again since 2002 (Statistics Canada 2006: pp. 6-7), roughly in tandem with growth in provincial government employment.

**Public service rules and guarantees for employees.** A distinguishing characteristic of local government in both countries is the absence of a national civil service for local government. In most other developed countries, either a national civil service or a national local civil service dominates local government staffing. But in North America, municipal hiring is by individual, private law contract. Although there are civil service systems in many local governments, the character of these varies widely (e.g., Freyss 1995). Partly as a consequence, many local government employees are recruited locally. Within specific domains of local government activity, professional credentialing and certification often provide a partial substitute for civil service standards. This is notably true in the United States, where public school teachers, police officers, firefighters and financial officials must have professional accreditation and associated training.

Mechanisms for enforcement of public integrity are present in each country. Most U.S. states and Canadian provinces have enacted codes of conduct for public ethics that include openness and proper resolution of conflicts of interest. Often provisions for

ethics in local government are part of a more general system of norms applied to all public employees within a state or province. Measures of this kind have helped to assure comparatively high standing for public officials in these countries (World Bank 2006).

*A distinguishing characteristic of local government in both countries is the absence of a national civil service for local government*

**Reforms and management initiatives.** Efforts to improve quality and efficiency have proceeded steadily at the local level in the United States and Canada, though it is difficult to assess how much difference these efforts have made. Professional organizations like the International City/County Managers Association have sought to provide benchmarking studies and best practices guidelines for these local efforts.

**E-government.** A growing majority of local governments in both countries have adopted "e-government" practices. Most local governments now have websites; larger municipalities use these to distribute increasing volumes of public information. Local e-government varies widely in scope and amount. Studies in the United States show that it is most extensive and widespread among wealthier communities where residents can easily afford computers, and are apt to be highly educated (Reece 2006). Several municipalities and some state and provincial governments have moved beyond passive online content. In Canada, Nunavet and Yukon have "introduced legislation which allows council and committee meetings to be held electronically." (UNESCAP 2005).

**Gender equality policies.** In both countries, an array of general workplace guarantees of civil rights extend protections on gender equality to local governments.

## IV. Local democracy

In the workings of democracy at the municipal and other local levels, Canadian and U.S. local governments maintain some of their most distinctive practices. Non-partisan elections, single-member electoral districts, frequent elections, direct democracy, and greater local choice of institutions set local institutions in these countries apart. A number of these practices mark clear divergences from inherited British traditions, as well as from the institutions in comparable countries like Australia and New Zealand.

### IV.1. Parties and partisanship

*Voters in the United States and Canada often have the opportunity to vote more frequently for local officeholders than do their counterparts in other countries*

In Canada and the United States the overwhelming proportion of local elections are non partisan. Canadian candidates tend to be listed either as independents, or to be affiliated with local, rather than national parties (UNESCAP 2005b). Even when national politicians run for local office, the links between local elections and national party organizations remain loose. In the U.S., most states, particularly those in the "reform" areas of the South and West, require elections to be non-partisan. In larger cities, partisan affiliations are often well known even in formally non-partisan elections and can play an important role.

### IV.2. Elected executives

Although a variety of arrangements characterize local elections, several broad institutional patterns have predominated (Table 5). In the United States some 38% of municipal governments feature a mayor-council system, with an elected mayor who often exercises considerable independent authority (MacManus & Bullock, 2003 pg. 3). This arrangement is most common in larger cities. A growing majority of U.S. cities – a 2001 survey estimated the proportion at 53% – have adopted instead a council manager system. In this system the mayor is elected by the council from among its members and usually has few powers. In Canada, ma-

yors of lower-tier authorities are generally elected. But in rural authorities, the mayors, reeves and wardens who exercise executive authority are generally appointed by councils.

### IV.3. Council voting systems

Council voting systems vary, but display some overarching commonalities. Although the single-member district method of election is part of the British local government tradition, in the United States at-large elections have grown to predominate. In a 2001 city council survey 45% of councilors in cities with populations over 25,000 reported this form of elections, compared to 28% with ward elections and 26% with a mixture (Svara 2003; p. 13). Among cities over 200,000, however, ward elections remain most frequent. In Canada as well, the type of representation varies among and within provinces. There the ward system with first past-the-post voting generally predominates.

### IV.4. Citizen participation

One of the distinguishing features of local government in Canada and the United States has been the greater extent of participatory opportunities for local citizens. Electoral terms are short, elected offices often more numerous, direct democratic procedures like recall and referenda more widespread, and citizen commissions have long been a regular feature of local government.

Voters in the United States and Canada often have the opportunity to vote more frequently for local officeholders than do their counterparts in other countries. The three years that correspond to the average term in U.S. cities for elected executives and councilors, and corresponding practices in Canada, represent only one dimension of this additional opportunity. Even for councils with four-year terms, the terms are often staggered so as to schedule an election for part of the council every two

years. In the U.S. there are often multiple local electoral offices, including boards, local administrative officials and sometimes local judges. Recall elections for local officials are authorized in around half of U.S. states. In California these have become a regular occurrence. Term limits in a growing number of U.S. localities have also prevented incumbents from holding on to safe seats. Finally, referenda are a more regular feature of local politics in much of the United States than in any country other than Switzerland. Although resort to direct democracy varies widely by state and region, voting now plays a major role in transportation, infrastructure and public finance in such states as California, Ohio

and Washington State. Canada also has a long tradition of referenda (Hahn 1968). With the exception of three-year council terms, these practices set both countries apart from fellow former colonies Australia and New Zealand.

Participation in local elections is relatively low, conforming to the international trend of higher voter turnout for elections at higher levels. This tendency is particularly pronounced in the United States where electoral turnout has been lower than it is in other countries affiliated with the Organisation for Economic Co-operation and Development (OECD). Local election turnout as a proportion of the eligible popula-

Table 5 Local Democracy

	Local councils		Local executive				Direct democracy	
	Proportional/ majority rule	Constituencies	Term	Mode of selection	Term	Collegial / unitary	Recall	
Australia	preferential or plurality systems (4 states), preferential or proportional representation (2), proportional representation (1)	One	3-4 years	Mostly popular election, some indirectly election	3-4 years	Unitary	No	Infrequent
Canada	Generally, plurality	Multiple	3 years, 4 years or 23 years	Direct election (8 provinces), indirect election (2)	3 years, 4 years or 2-3 years	Unitary	No	Frequent: for taxes, planning
New Zealand	Plurality	Multiple	3 years	Direct election	3 years	Unitary	No	Occasional, infrastructure and electoral rules
United States	Mostly plurality, some multimember districts and single nontransferable vote systems	Multiple, one and mixed	3.3 years on average	Direct election (50%), indirect election (50%),	Generally 2-4 years (3 on average) (5%), Otherwise unitary	Collegial (5%), Otherwise unitary	Authorized in half of states, occasionally used	Frequent or very frequent: revenues, infrastructure, annexation issues

Sources: Bush (1995); Commonwealth Local Government Forum (2002a, 2002b); International City/County Management Association (1997); McManus (1999); Mouritzen and Svava (2002); United Nations Economic and Social Commission for Asia and the Pacific (2002a, 2002b); Zimmerman 1997; Canadian provincial and territorial local government acts.

tion has been estimated as low as 10% (Hajnal and Trounstine 2005). A study of five major U.S. metropolitan areas from 1996 to 2003 showed an average turnout of 29% for municipal elections, compared with an average turnout of 57% for the presidential election of 2000 (Sellers and Latner 2006). In Canada, where the only available measures are for the major cities, local election turnout since the 1990s ranged between 41% and 49% of the eligible population in general election years, and between 31% and 39% in off-year elections.

The traditional New England town meeting, a legislative assembly of citizens themselves, survives today in only a very small proportion of U.S. local governments. But citizen commissions and boards remain a regular feature of local government throughout Canada and the United States, and several municipalities have adopted innovative new forms of citizen participation in recent years. Several larger cities of Canada and the United States have adopted systems of neighborhood-level councils with elected representatives (Berry et al . 1993; Rivard and Collin 2006: 7). Most of these councils have been confined to advisory powers. In a few cases, such as the borough system of New York City and the neighborhood councils of San Antonio, sub-municipal councils of this sort also exercise governmental powers. A few Canadian municipalities have also experimented with such innovations as participatory budgeting. New practices in such functional areas as planning have also included consultations with neighborhood associations and even individual residents in the preparation of local development plans.

#### **IV.5. Choice of localities to determine the shape of their own institutions**

In Canada and the United States, local governments have historically exercised considerable authority over the shape of their institutions. General laws governing

municipal government in the provinces and states offer a choice among a variety of different legal forms, as well as discretion to choose different voting systems, executive forms, and other electoral processes. As a practical matter, choices vary only moderately among a limited number of standard types, often depending on population size and the rural or urban character of a jurisdiction. Especially in the areas of later European settlement –outside the northeastern region of the United States, for example– state laws for annexation and municipal incorporation facilitate the formation of new local governments as well as the public annexation of land. Throughout the U.S. and in a number of Canadian cities, many larger city governments have been maintained through a specifically legislated charter under the state government. This leads to even more distinctive institutional arrangements for each such city. A charter of this kind enables higher-level governments to establish the local government's structure, fiscal authority and other powers for each city. Local authority of this kind is unusual in Europe, or even Australia and New Zealand, although it is fairly common in developing regions.

#### **IV.6. Local political representation**

Representation of women in local government has increased in recent decades. In a 2001 survey by the U.S National League of Cities, 28% of city council members were female, two percent more than in 1989 (Svara 2003, p. 5). In the city councils of large cities, as well as 'liberal' states like New York, the number has risen to more than 30% (*ibid.*; Anthony Center: 2006). In 2002, 17% of mayors in cities with populations of 30,000 or more were women (Conway 2005: 60). Female representation was highest, 44%, on local school boards (*ibid.*). In Canada the proportion is somewhat lower. A 2004 national survey by the Federation Canadian of Municipalities reported that only 21.7% of municipal councilors were women (Feder-

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tion of Canadian Municipalities 2004: 9), with much lower representation of women from minority ethnicities.

Representation of racial and ethnic minorities continues to pose problems in both countries. In the United States, with the rise of majority-minority jurisdictions in many central cities, African-American, Latino and Asian-American representatives have in many places acquired a significant or even predominant role in local councils. In cities of all sizes – especially in the largest ones – surveys indicate that minority representation doubled from 1979 to 2001 (Svara 2003: p. 7). But studies continue to show under-representation of minorities in relation to their numbers, a situation often linked to low electoral turnout and other factors (Hajnal and Trounstine 2005). Similarly, a 1998 analysis of council members in Montreal showed only 29% from the ethnic minority groups that comprised 43% of the total population (Simard 2000: p. 17).

#### **IV.7. Traditional institutions**

In particular regions in both countries, indigenous populations from the years before European settlement continue to maintain traditional institutions that can alter or replace the workings of other local governments. In some cases, relations between indigenous local practices and local government have become enmeshed in renewed debates about indigenous claims to land title and forms of sovereignty (Langton et al. 2004). Wider systems for providing services and maintaining infrastructure have also had to be modified to accommodate local self-government through traditional institutions.

In Canada, where there are some 1500 indigenous tribes, a series of treaties since the 1970s has established the right of First Nations to self-government (Morse 2004). The need for cooperation with the local governments has led First Nation treaty

negotiators for British Columbia to agree to a protocol that guarantees local government representatives a place in treaty negotiations.

On the 550 Indian reservations in the United States, the tribal government is the local government authority. Reservations are exempt from certain taxes, such as state sales taxes, and often maintain their own tribal courts. The isolation and poverty of many reservations makes settlements some of the poorest in the country (Kalt and Cornell 2000).

#### **IV.8. Decentralization and oversight of local government**

Adhering to the British system that influenced the early development of these countries, higher-level governments in Canada and the United States do not rely on the territorial representation of a prefect, or a comparable general representative at the local level. In the federal systems of the two countries, separate departments of the states, provinces and territories provide general oversight. In Canadian provinces and territories, Ministries or Departments of Local Government provide this function. In the U.S. states, the Secretaries of State generally have this responsibility. In both countries, the oversight activities include supervision of local elections, administrative records, and other requirements including those for balanced budgets.

National governments in both countries have, for several decades scaled back direct intervention into municipal affairs. Canada eliminated its federal ministry of urban affairs in the 1970s; the Department of Housing and Urban Development (HUD) in the U.S., has also reduced its role. However, the national governments have undertaken some initiatives in recent decades, intervening directly in local affairs. In Canada, the creation of a Minister of State for Infrastructure and Communities in 2004, which became the Minister for Transport, Infrastructure. In certain areas, such as grants for housing or community de-

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velopment or the administration of national parks in the United States, direct intervention of this sort bypasses officials of state and provincial governments. In areas like transportation planning or regulation of air and water pollution, the federal government in the United States has enlisted state governments in national regulatory schemes, and sometimes works alongside state officials at the local level.

Higher-level governments, therefore, do retain some broad powers to oversee local affairs, and to intervene in local government activities. Canadian provincial ministers responsible for local government, in addition to broad oversight and approval powers, can go so far as to dissolve local councils and appoint administrators to carry out local government functions. In the United States as well, state governments are generally empowered to take over administration of local governments that default on financial obligations or otherwise fail. This has occurred, for instance, in the takeover of the urban Philadelphia school district by the state of Pennsylvania. These powers are also typical of higher level governments in other systems with British colonial legacies, including, once more, Australia and New Zealand.

Among politicians, the holding of multiple electoral mandates offices for local and state or national office is rare, and is largely, if not entirely, prohibited by conflict of interest laws. Although politicians have often moved between offices at different levels, they do so through a succession of posts. In U.S. states, where term limits have increasingly restricted the number of mandates a politician can serve, moving between state office and local office has become increasingly common.

#### IV.9. Public opinion on local government

As in most advanced industrial democracies with longstanding institutions, skepticism about public officials and politicians has increased. In both the United States

and Canada, however, the public opinion of local government appears to be somewhat more positive.

Since the 1970s in the United States, the public has placed growing trust in local government, particularly in comparison with government at higher levels. In 1972, a Gallup survey showed that 12% placed "a great deal" and 51% "a fair amount" of trust in local government – a total of 63%. In 2005, 23% expressed "a great deal" of trust and 47% "a fair amount" – a total of 70%. From 2001 to 2004, the proportion in both categories averaged 5 % higher than trust in state government, and eleven percent higher than trust in the federal government.

In Canada as well, a recent survey showed skepticism about the performance of the federal government, but positive assessments of the performance of local government in facing local issues (Infrastructure Canada 2006). Fifty three percent of respondents rated local governments "excellent" or "good" in addressing these issues. This compared with 37% for provincial governments, and 32% for the federal government.

#### IV.10. Local Government Associations

As in other countries with highly developed systems of local governance, national associations of local governments and local government officials play diverse roles. The Federation of Canadian Municipalities (FCM) began in 1901 as the Union of Canadian Municipalities. In the United States, the National League of Cities (NLC) was founded in 1924, and the United States Conference of Mayors in 1932. Much of local government legislation is a matter of state or provincial and territorial law. Local government associations formed within these intermediate levels of government are also very active and influential. Associations of local professionals, such as the International City/County Management Association, have also been a major factor.

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One of the most important roles that these organizations have served is as corporate representatives of the interests of local governments in national and state or provincial policymaking. The U.S. Conference of Mayors (USCM), for instance, emerged in the 1930s from the first successful efforts by a coalition of mayors to secure a package of federal financial aid targeted to city governments during The Depression. The Canadian Federation of Municipalities (FCM) has increasingly gained recognition as a voice for protection of the rights of municipalities in national debates. By con-

trast, the U.S. national organizations have in recent decades scaled back efforts to influence national policy. State or provincial organizations of municipal governments are often more active at these lower levels of government, where most policies and frameworks for local governments are crafted.

#### **IV.11. National organizations also take on other roles**

Documenting and disseminating best practices and information about local government has been a goal for all of these

# NORTH AMERICA

250

United Cities and Local Governments

associations. This role has been especially prominent among the national associations in the United States. The National League of Cities (NLC) maintains a database of local government practices, and a Municipal Reference Service that collects information on local government activities around the country. Both the NLC and the International City/County Managers Association regularly conduct surveys of local governments. Their surveys have become the most important source of information on broad trends at the local level. In the U.S., national forums linked to the USCM and the NLC bring local officials together regularly to discuss issues of common concern. Networking both domestically and internationally among local governments

has also been an important element of these activities. As part of its initiatives for local capacity building, the FCM has established the Center for Sustainable Community Development (CSCD). The FCM also maintains a Green Municipal Fund (GMF), a unique \$550 million endowment from the federal government devoted to environmental sustainability and local capacity building. Since 1987, Canadian municipalities have authorized an International Center for Municipal Development to represent the FCM in international work. In both countries, international partnerships have proliferated outside as well as within the auspices of national association activities.





## V. Conclusion

In both Canada and the United States, local government has evolved quite far from its original British colonial legacy. Their parallel evolution has given these settler nations a distinctive type of local government that can be understood only partly through comparison with contemporary British local government, or even with local government in other former British colonies. Long-standing features of these systems include limited legal status, comparative local fiscal autonomy, a modest municipal role in overall public finance, a strong role in local civic action, and an emphasis on local democracy. By comparison with Europe and East Asia, these systems may seem to embody a limited role for local government. But that role is also much more institutionalized and robust than in many newly decentralizing countries, and less subject to supervision from above than in most of the developed North.

Within both countries, but especially within the United States, considerable variety continues to mark local governance. Local government remains subject to different legal frameworks by state or province, and even by individual city. Informal and formal inter-local arrangements also differ widely, even across a single metropolitan area. Such common trends as the growth

of local government, the shifting of responsibilities to the local level, and the search for new inter-local and public-private arrangements for governance show few signs of abating.

In the United States, local government has thrived even as it has confronted widespread decentralization, greater supervision, intergovernmental fragmentation and an increasingly limited role in national policy. Local government powers in some states include general authorizations like those of Northern Europe, and overall, local government has one of the highest proportions of public employment in the world. Both this proportion and the local government portion of public spending continue to rise. The growing trust of citizens in local government suggests that this growth will continue.

Canadian local governments traditionally possess more limited powers and fiscal resources than do those in many U.S. states, but this may be changing. Local government representatives have lobbied for strengthening these powers. New governmental units, and planning at the metropolitan level have taken hold, and the trust of citizens in local government remains high.

*In both Canada and the United States, local government has evolved quite far from its original British colonial legacy*

