Human Services:
The Future Role
of Local Government
in Ontario

M.P.A. Paper - August 1993

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Governments at all levels are facing profound challenges. Political and economic constraints, compounded by rising social needs, have strained public sector services and resources. Governments are now reviewing and appraising how and with whom they do business. Nowhere is this more apparent then in Ontario with the current government’s preoccupation with its economic woes and fervent bid to disentangle provincial-municipal relations in its attempt to grapple with these issues.

The paper's premise is that local government’s role in human service planning, management and delivery is being eroded and that if the current trends as identified through provincial initiatives and provincial-municipal agreements continue, local governments will have little or no say in the management, planning or delivery of human services.

It is acknowledged that one singular theory, philosophy or circumstance cannot account for this disturbing development. History, institutions pressures, economics, social developments, demographics, and politics all play a part in formulating this phenomenon.

This paper is divided into four sections. The first section is a review of the academic literature as it relates to local governments. Section one attempts to document why local governments exist and what type of services they could and should provide? Section two is an analysis of the pressures and/or catalysts which have stimulated the current review and the various options put
forth to reorganize service delivery at the local level. Section three is a review of current provincial initiatives. This section will relate these initiatives to the academic literature and catalysts identified in sections one and two. Section four is a summary and conclusion.
SECTION 1: LOCAL GOVERNMENTS

WHY THEY EXIST

AND

WHAT TYPE OF SERVICE COULD

AND

SHOULD THEY DELIVER
Section 1: Local Governments:

Why they exist and what type of service could and should they deliver?

Most academics and practitioners agree that local governments exist to provide services. However, consensus quickly breaks down into two main camps when asked: What type of services they should provide? or, Are they an effective service provider and political body? One camp sees local government as the most effective means of ensuring services are aligned with local conditions and local needs, as vehicles to obtain widespread public participation in democratic decision making and as defence against the tyranny of a centralized bureaucracy. The other camp sees local governments, and in particular local politics, as squabbling, self serving and counter productive units which appease local potentates at the expense of the public good.

In practical terms the debate is one of centralization versus decentralization in the delivery of services and in democratic accountability. Most individuals expect equality of treatment. To this extent some central guidance and surveillance is necessary. The question is: Has this centralized control gone too far? Senior levels of government now meet more than half the total amount of local expenditure and inevitably exercise control over local policy and priorities through detailed administrative regulations.

The extent of this control and dependency is highlighted by the current "financial crisis" in Ontario. The provincial government's full throttle attempt to contain its operating deficit, through legislative and fiscal constraints have made it virtually impossible for municipalities to
effectively plan and coordinate services in their own jurisdiction.

George Jones and John Stewart have espoused the virtues of local government. Their viewpoints are both supported and reflective of a great deal of academic literature. In an attempt to discipline the writer these points have been summarized below and are discussed separately. 1

1. Local governments diffuse political power and authority in a society in order that it is not concentrated in one central location.

This distrust of any concentration of political and administrative power personifies the pluralists' or the American attitude towards power. Pluralists believe that, by fragmenting political and administrative power, it is harder for special interests to seize, concentrate and abuse power. Former President Madison wrote that the rights of individuals of the minority will be in little danger from interested combinations of the majority if society itself is "broken into so many parts, interests, and classes of citizens". Pluralists argue that their approach supports democratic action in that governmental decisions are not the result of the majority's united concern on a certain policy matter but is the result of the steady appeasement of relatively small groups. They argue that the numerical majority is incapable of undertaking any coordinated action and that only the various components of the majority have the means for action". 2

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The counter argument against pluralist theory is the doctrine of administrative efficiency. Woodrow Wilson in his writing criticizes the pluralists. Wilson stated that to divide power out to many makes it ineffective, absurd and irresponsible. Wilson believed that power was necessary for achieving effective administration. "Large powers and unhampered discretion seem to me the indispensable condition of (administrative) responsibility ... There is no danger in power, if only it be not responsible". 3

At the complete opposite end of the spectrum are Bentham, Chadwick and the Utilitarians. These reformers saw local government as the enemy of democracy. They saw local government as "job-oocracies" or local headmen which must by controlled by a strong democratically elected central government.

In reality neither camp is right. A more pragmatic view is expressed by Dilys Hill. Hill argues that one cannot argue for one level of democracy over another. Local and national democracy are one system. There is no such thing as local democracy, separate and autonomous and justified solely in terms of the self governing community. The fabric and relationships are unlike those of the Victorian times. Individual, local, regional, national and international needs are all intertwined. Hill argued that national political parties, pressure groups and the mass media expressed the citizen's needs and views far better than can an outdated local government. 4

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2. Local governments are more cost effective through the establishment of local standards. Local standards avoid the uneconomical utilization of resources when nation standards are imposed on communities when those national standards are unrelated to local perceptions of need.

The underlying presumption in this statement is that local governments can both define what is a local need and can satisfy this need within their own geographical domain. In today's mobile, urbanized society what constitutes a community or a local need is getting harder to quantify or define. The hypothesis that a community is analogous to a local government unit is even harder to defend. Individuals look to local, regional and national professional and leisure associations for action and influence rather than to their local governments. They may live in one municipality, work in another municipality and expend leisure activities in a third municipality.

Egalitarians would emphasize national standards. They believe individuals must have both equality of opportunity and equality of consideration. In terms of society this means equal treatment before the law and equal accessibility to public services. In their view it would be a mistake to give small scale local governments an increased part in addressing or defining society's social needs. The egalitarian would indicate that local autonomy would result in excessive spillovers into adjacent jurisdictions and that only through internalizing the impact across a large national base can the effects of these spillovers by avoided. Opponents to this view would point to a study by Williams in 1966 in which he demonstrated in principal, that a
set of specific grants related to the magnitude and incidence of such spillovers is the most
efficient policy response. The problem is not the theory, but the practical problem of measuring
accurately enough for this purpose the effects of the transfers. Even Williams admitted that due
to this constraint and the predictable opposition to such explicit transfers, the typical policy
response has been to attempt to internalize spillovers by jurisdictional consolidation. 5

The economies of scale argument has also been used to justify increased central power.

Supporters of the doctrine of administrative efficiency would argue that centralized functions
could take advantage of their size to gain benefits from economies of scale. Pluralists would
point to a studies completed in 1968 by Gupta and Hutton and in 1969 by Page and by Bennett
in 1980. In these as in other studies, empirical evidence whether commissioned or independently
undertaken, is very thin and has failed to provide convincing evidence in the support of the
economies of scale above a certain size. 6

Pluralists argue, that if economies of scale existed within a given service, these potential gains
could be realized through the establishment of collective consumption and production units. For
example, a municipality acting as a collective consumption unit may contract with another
municipality or some other unit of government to supply police services, fire services, educational
services or any wide range of other public services. In this way local autonomy and economies

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in service deliveries can be achieved simultaneously.

In reality, centralisation does not mean the end of local delivery units. As government departments become more overburdened, pressure to decentralize to field agencies, or devolve more functions to local authorities, increases. Coordination between services in the field becomes even more necessary; traditionally, this is a prime function and justification of local government.7

Economists, such as Tiebout, Rothenburg and Oates, place great emphasis upon the efficiency properties of decentralization. Tiebout and other public choice supporters believed that government services should be designed to operate in response to market forces. They stressed that the efficiency-generating properties of decentralization and the use of the free market system facilitates a closer correspondence between preferences and outcomes. In examining the operation of the public sector, they immediately look for quasi-market mechanisms which will perform for it an analogous role to that of the market for the private sector. To this end, they would support a greater utilization of user fees in governmental services, open competition between various jurisdictions, private delivery of "public services", decentralization of services and a reduction in provincial or national standards.

3. Local governments, through citizen participation, are more knowledgable and sensitive to local demands than a remote centralized bureaucracy.

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This statement embodies the classical Victorian liberalistic philosophy about local government. Academics such as John Stuart Mill and Tocqueville wrote that local self government was a necessity, in that it provided a unique local setting for community action and fraternity, political education and as the cradle for participatory democracy.

George Langrod whose views are reflective of the French view of the relationship between the central and local governments, considers the national state as the only truly democratic level of government. Langrod states that democracy is concerned with the nation state as a whole and with majority rule, equality and uniformity. Local self-government, by contrast, was parochial, and was concerned with local differences and separatism. Langrod also argues that local government is not the classroom for budding politicians, that few national leaders come from the local arena, and that local politics are more likely to reinforce narrow sectional interests than an appreciation of democracy. The citizen is more likely to learn about democracy from national politics and national issues. 8

Although Langrod's views are reflective of the French's governmental structure, they are more in tune with an ever increasing modern and urbanized environment. Today, political and economic concerns of the citizen are drastically different from those suggested by the Victorian theorists. They are generally apathetic about the administration of local services and have little or no detailed knowledge of their council or its contributions to local life. Voter turn out is low in comparison to regional and national elections. They generally accept what services are provided and only become involved in dealing with the local governmental bureaucracy when

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personally dissatisfied or effected.

Today with the advances in affordable communication technology, the creation of mass political parties and pressure groups and the coverage of local events by the national media, individuals can make their views known, protect their interests and influence political leaders as easily at one level of government versus any other level. The Victorian era where direct participation was necessary to communicate individual preferences and wants is no longer the reality. Central governments are now no more remote than the telephone or the local government office around the corner.

4. Local governments by their size and accessibility are in a better position to control governmental bureaucracy than a centralized institution.

The last statement is akin to the initial statement. It embodies a fear not of centralization but of the administrative power through the establishment of self-perpetuating bureaucracies. In the pluralist model there is a suspicion of executive power: Power is given to the politicians, interest groups, and citizens. In the administrative efficiency model, much more power is given to experts and professional bureaucrats.⁹

Pluralists felt that local self-government, responsible to an immediate public opinion, reduced the potential power of the officials and that the modern committee system, through the councillors’ close supervision of council work also led to democratic control.

Similar to the pluralists, public choice advocates believed that smaller units of government by adopting to local market preferences are more responsive and accountable to the local electorate. In this service delivery model services would be based on incentives and payoffs. Scholars using this approach suggest that complex overlapping systems of governance, operating under appropriately constituted decision rules, may lead to better results—particularly within the context of the highly complex and changing pattern of interaction characteristic of modern urban and industrialized societies. 10

In direct contrast to public choice economists are the beliefs of administrative efficiency supporters and Weber’s concepts of bureaucratic administration. Weber defined a bureaucratic administration as an objective organization. Weber noted bureaucracy as having a rational character: rules and means. Weber believed that through technical application of these rules to factual situations and through this application the bureaucracy could control the public service delivery system so that they were uniform, equitable, and efficient. Weber in his writings also saw the potential of the bureaucracy to overpower the political official. Weber stated “The political master finds himself in the position of the dilettante who stands opposite the expert facing the trained official who stands with the management of administration”. 11


In Ontario, Weber's school of thought has both dominated and influenced the formation of public service institutions at the provincial level and has had a direct bearing in the evolution of the current Provincial-Municipal Relationships. It is therefore imperative that we review the current theory on what motivates and influences, positively or negatively, administrative bureaucracies.

Administrative Bureaucracies

From the late 1950's onward the nature, as well as the scope, of governmental services has changed. The relation between staff and councillors has also changed, the need for expertise has increased and committee work has become increasingly more demanding. Hodgetts and Dwivedi found that government employment, as defined by those who worked in provincial departments, had increased from 38,370 to 209,760 by 1971, or 500 percent. Using a broader definition of provincial public employment that includes those directly employed as well as those in government enterprises. Statistics Canada counted almost 500,000 provincial employees in 1980. Some 43 percent of this total public sector employees work for the provincial governments. 12

Policy Maker

The growing professionalism of the bureaucracy and the increasing complexity at both the local and national level is changing the traditional roles of councillors and officers. Professional methods and treatments are described in stupefying jargon and professional servanters increasingly

claim the sole right to decide whether their efforts have been a success or a failure. The professional becomes distant and autocratic under the cloak of professional objectivity, while the customer/taxpayer becomes resentful and suspicious of the professional's interference with his freedom and judgement. Professional servicers also demand control over decisions about service priorities and policies which in democratic political systems should properly be made by elected representatives. 13

Two studies conducted by Downs in 1967 and Halperin in 1974 found that policies were increasingly being moulded, from initiation to implementation to accord with the interests of the bureaus and not necessarily those of the public's. 14

To a great extent, the roles are now reversed so that the official is the policy maker and the councillor carries out routine administration in committee. Not only do bureaucrats typically have some significant discretion in interpreting legislation, it is often true that the same bureaucrats or others nearby designed the legislation in the first place. This circular process, with the bureaucracy located at both ends, gives bureaucratic policy makers a double opportunity to inject their values and goals into the shape of policy. 15

Defining Public Interest

Local officers, particularly chief officers, are in touch with a broad spectrum of local opinion

and are, as would be expected, broadly reflective of the professional and middle class.... Leading officers, used to consulting informally with local elites, believe that they are behaving quite properly and do not see that they are consulting a minority opinion. In a similar way they may regard councillors as one among many general sources of public opinion rather than as the single voice of the public will. 16

**Fragmentation**

Large bureaucracies tend to fragment along professional or functional lines. This fragmentation results in governments being comprised of many distinct, relatively independent and sometime uncontrollable parts. Coordination of governmental policies is made increasing/difficult as barriers, intentional or otherwise, are erected as these separate bureaucracies pursue their own self-interests and policy formation along narrowly defined perspectives.

**Self Interest**

Tullock states that bureaucracies are composed of self interested individuals who advance their careers by seeking promotion to higher positions and that these advancements are dependent on favourable recommendations from superiors. Tullock considers that these career oriented functionaries will select strategies where they will repress information that is unfavourable. This filtering process will systematically distort information. The larger the bureaucracy the greater will become this distortion. The conclusion is that large bureaucracies become: prone to error, cumbersome in adapting to rapidly changing conditions, less controllable and actions taken may

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be unrelated to events. As the size of the organization grows they exceed the bounds of efficient team work and generate grossly inefficient performances as individual pursue their career opportunities.

Bureaucracies devote themselves to the advancement of their own political objectives. "Mile’s Law: Bureaucrats will seek to advance the interests of the department or subdepartment or bureau for which they work." To this end, public bureaucrats will work to mobilize their constituencies and clients in support of their policies. They will seek political partnerships with those interest groups which work most closely with them and which are most directly affected by their decisions. 17

Eliminates Competition

As the senior level bureaucracy exerts its authority it tends to dominate and control junior levels. This is especially true with the introduction of Health and Social programs established throughout the 1960's, 1970's and 1980's. As these programs were introduced, the local bureaucracy became increasing more responsible for the day-to-day operations of these programs and, as part of this responsibility, they were required to devote a disproportionate amount of resources to sort out and comply with senior guidelines, as well as to perform reporting and evaluations for the senior levels. This, coupled with fiscal dependency effectively, gave senior bureaucrats control over its junior partners.

Bureaucracies try to avoid competition by creating a domain in which they have as much autonomy as possible and thus are free of jurisdictional disputes with other agencies and levels of government. Some strategies to eliminate competition are:

1) To stay within its own policy segments.

Bureaucrats within these segments are most free to make valuative decisions without strong opposition. Furthermore, bureaucratic policy making is most likely to be silent inside a policy segment that is heavily influenced by professionals, policy sub-governments and old allies.

2) To limit the number of actors in their sphere by restricting competition, and by regulating the access of new interest groups.

The bureaucracy often declares what categories of citizens are to be represented, is largely hidden from public view and is controlled by the bureaucracy. The bureaucratic decision may appear to be highly representative and democratic, but the representatives themselves do not control the rules of bureaucratic representation, and it often turns out that those rules can be changed without their consent. 

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SUMMARY

The point in the debate for or against local government in the academic literature can be essentially categorized into different ideologies depending on how they relate to economics, politics and equality.

Economist like Tiebout espouse the virtues of local government. They reject the establishment of regionally or nationally imposed standards on the basis that they are inefficient. They believe that local preferences are the best substitute for market forces and therefore result in the most economical allocation of resources.

The Victorian theorists, Mill and Tocqueville, believe that local government is a necessary component of a democratic society. Critics such a Dilys Hill and George Langrod argue that this is not the case and that this romantic view of local democracy no longer applies to today's modern communities and is outdated if in fact it ever existed in the first place.

Pluralists have fear the concentration of political and administrative power and thus argue for smaller units of local government to counter-balance this perceived threat.

In contrast, utilitarians believe in complete centralization of political power. They see local government as diverse and self serving.
Individuals indoctrinated in the theory of administrative efficiency, as characterized by Weber, believe in economics of scale, in the concentration of responsible political power and in the efficiency inherent in a responsible and an accountable bureaucracy. In their view local governments should be concerned only with the efficient execution of service delivery.

Section 1 also spends a substantial amount of time devoted to the inherent strengths, weaknesses and motives of governmental bureaucrats. The bureaucracy is a major player and stakeholder in the establishment of and in the implementation of any new governmental relationships. Politicians may be driven by some ideological doctrine or the need to appease the electorate. Bureaucrats by contrast are motivated by other needs and desires. These needs and desires play a major part in provincial policy formation and as such as will be highlighted in section three of this paper.
SECTION 2:

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Pressures and stimuli which have contributed to the need to reorganize the way public services are delivered.

As in most organizations, change is stimulated by one or more causative factors. These factors can be categorized into four major areas: economics, social, technological and political.

ECONOMIC

The Ontario economy is currently experiencing the worst downturn since the great depression.

During other downturns since 1930’s output, as measured by the gross domestic product, fell an average of only 2.4% whereas output in the current recession has slid by 7.8%.¹

The social assistance caseloads in Ontario soared to a total of approximately 637,000 households in December 1992 compared to 197,000 households in 1981.

The unemployment rate has reached 10.8% and is not expected to abate until the late 1990’s. Ontario has been struck the hardest of all the provinces; between February 1990 and February 1991 Ontario lost 260,000 jobs or 80% of the total job losses in Canada.²


The impact of General Agreement on Tariffs and Trade (GATT), Canada - U.S. Free Trade Agreement (FTA) and North American Free Trade Agreement (NAFTA) has resulted in fundamental changes to the rules of the game. This coupled with a changing North American and world economy has resulted in a fundamental restructuring in Ontario's economic base.

Ontario is shifting from a manufacturing to a service based economy. Employment in the manufacturing sector as compared to the total provincial employment figure dropped 7.1% from 24.8% in 1981 to 17.7% in 1992. By contrast employment in the service sector increased by 7.7%, from 65.1% in 1981 to 73.8% in 1992. The end result for many workers is that they have fallen victim to what is referred to as "structural unemployment". This can be seen in the most recent unemployment statistics: almost 40% of unemployment among those 45 years of age and over is long-term, compared with 21% in 1990.3

Rapidly escalating expenditures on welfare assistance, driven partly by the deteriorating economy and partly by provincial reforms to the system have strained both local governments' financial resources and the provincial-municipal tradition of cost sharing for social services.

Structural changes in the Ontario economy have simultaneously: undermined local tax bases, increased the demand for locally provided services, reduced the ability to pay of local taxpayers, and constrained the capacity of the provincial government to provide the necessary offsetting assistance. This in turn has generated significant taxpayer resistance to tax and spending

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increases by all levels of government. Taxpayers are now questioning the structure of government itself. Inefficiencies in the delivery of public services and duplication of programs and facilities - between lower tier and upper tier governments, between school boards and between local governments generally and the provinces - might have been tolerated by the public ten years ago. Today, such apparent inefficiencies are giving rise to widespread taxpayer resistance. ⁴

Implications of Economic Trends

The shift from a manufacturing to a service sector economy also alters the make up and support required by the business community from the various levels of government. The service sector business is typically small, less unionized, and more likely to hire part time workers. These characteristics are typically associated with reduced employee protection and benefits such as disability income, pension, extended health care, life and dental insurance. The end line is that there will be a greater reliance on the public safety net. There will be a greater demand placed on social assistance, disability and other income support such as health and social services.

In addition, technical advances in travel and communication have brought the impact of international trade to the door step of the local neighbourhood. Goods and Services can be produced in one corner of the world and delivered to another in terms of days or weeks. This has meant that items can be produced on a large enough scale in one location to meet the demands of a single country or contingent. The business community now have the opportunity to locate anywhere in the world. Local barriers (fiscal, legal, and technical), that lead to inconsistencies in taxing goods and services, dictate product standards, restrict operating

procedures, and complicate the exchange of goods and services, create different competitive environments between localities that can be exploited by the business community. International corporations will tend to seek out locations where these barriers do not exist in an attempt to lower production costs and obtain greater access to world markets.

Social programs and policy decisions which impact on the cost of doing business, such as labour and safety standards, will come under extreme pressure. Jurisdictions which maintain these barriers will see their economy shrink as businesses move to alternative locations or are driven out of market by cheaper imported goods and services. In an attempt to compete, North American corporations are undergoing a transformation gradually towards high-value production of goods and services to meet the unique needs of particular customers. These items cannot be easily duplicated by high-volume competitors around the world. Corporations, therefore, are trying to increase labour productivity by hiring more highly skilled staff and by reducing or flattening hierarchies. The need to increase the productivity of the business sector will require investments in physical infrastructures and in educational institutions. Education will play a major role to increase labour force's productivity especially at the bottom level of the workforce which now lacks the skills needed to command higher wages.

The current recession, coupled with increased global competition will place significant economic and social burdens on all levels of governments. According to O'Connor, economic development in the globalized economy state has inevitably brought pressures for the centralizing of control and for the delimitation of larger units of administration over which the planning and administering of services might be made more effectively.

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Urbanization

In 1851, the first census indicated that in British North America 13 percent of the population was living in incorporated centres of 1,000 or over. Throughout the 1960's and 1970's Canada experienced the highest rate of increase in urban population - 4.1% annually over the comparable countries of Britain, United States, France and Australia. In 1961, the census showed that the total population had increased sevenfold and that the level of urbanization had reached 70 percent of the total population. By the year two thousand it is expected that 73% of Canada's total population will live in twelve major centres.6

The traditional pattern of urbanization has changed in response to changing demographics, changing family structures, changes in the economic base from manufacturing to service, and by developments in information technology and in transportation. Unlike urbanization patterns in the past modern urbanization is no longer associated with the city centre focus model. Communities in a physical sense do not exist. Communities are centred around areas of special interests or leisure activities. Individuals no longer depend on the inner city for work or cultural enrichment. Robert Fishman in his article entitled, America's New City: Megalopolis Unbound, describes massive suburban cities with no distinct physical or cultural city centre or community. These cities are made up of planned self sufficient housing complexes, malls and highways. They lack any definable borders, centre or periphery, or any clear distinction between residential, industrial, and commercial zones. Instead, shopping malls, research and production facilities, and corporate headquarters all seem scattered amid a chaos of subdivisions. The community,

as such is defined not by a collective group of inhabitants within a geographically defined area, but instead, are defined by the individuals through their consumption patterns. The pattern formed by these destinations represents the city that is particular to the family or to individual. The new city is a à la carte. The more varied one's destinations, the richer and more diverse is one's personal city.

Immigration

Along with the globalization of the business community comes the immigration and emigration of economic refugees between countries and within countries themselves. Throughout the 1980's Canada's immigration has averaged approximately 140,000 persons per year of which Ontario receives 52.4%. In 1990-91 this amounted to 179,371 immigrants. Northern Europe formerly provided most new immigrants. Asia, the Caribbean, Latin America, Africa, Poland and Portugal are now the dominant countries of origin. 7

The result in Canada has been a steady colouring of the national identity. Each individual brings with them their own political and cultural values, their own language and their own traditions. Government agencies must now adapt and contend with communicating in a variety of languages, being sensitive to varying values and to potential political and racial conflicts. The most recent example is the Toronto Transit Commission which offers a service to provide information in 140 different languages. Previously information was only offered in English. The challenge is now to provide a sense of community where individuals from diverse backgrounds

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can participate in Canada’s economic and social life. Local governments have a dual role in
social change. Cities are the places where traditional social patterns and values are changed
to meet the needs of industrial society. It is where immigrants are integrated into the social
framework of the new society. The relative scarcity of blue-collar occupations, and the
intensified demand for highly educated or skilled people in the central cities, may well create a
situation which will trap the immigrant or unskilled worker into the culture of poverty. The
massive shifts in populations and the social costs incurred in any economic adjustment will
place significant financial pressures on governments.

Aging Population

Statistics Canada in 1989, projected that the proportion of Canadians under age 18 would drop
from 25% to 20% in 2011 and will continue to decline in future years. By the time the baby
 boomers reach retirement age, they will form the basis of a very large and important component
of the population. This coupled with an increase in the average life of 7.5 years for females
and 8.5 years for males over 1971 rates, will result in a dramatic shift in society’s proportion of
elderly persons. In 1971, people 65 and over represented 8.4% of the population. In 1980 this
has increased to 10%, and will increase to 14% in 2001 and 20% in 2021.8

Changing Household Structures And Income

The large family, once an important source of labour for the operation of the farm, has little
rationale in an urban setting. Indeed, the urban environment, combined with the newer
methods of birth control, have created new stresses on the basic social institution of the family.

8 A.J. Suprun, Shaping the Future: Care for the elderly into the 21st Century, Masters Paper, M.P.A.
Queen’s University, 1984, p. 19.
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The traditional nuclear unit, as defined by a husband, a wife and their biological children, is becoming obsolete with the fall in family size and the greater incidence of divorce, remarriage and single parenthood. These facts are reflected in 1986 Canadian Census which revealed that 459,755 children (15% of all children in Ontario) lived in lone parent families. Of these, 83% lived with a single mother and one fifth of the all the children in Ontario who live in families rely on social assistance to meet their needs. 9

Implication of Social Trends

Canadian society is fundamentally changing. Changes in the population’s age structure, composition of families, income distribution, and immigration are all contributing to these trends.

The declining birth rate and the dramatic increase in the proportion of population 65 years of age and older will mean that seniors will be supported by a shrinking labour force. Health, pensions, housing, and other services for seniors, may divert resources from capital investment in productive enterprises and will create social conflicts and deteriorating standards of living for both young and old alike.

Immigration will increase the demand for programs for integration and education. The varying social and cultural backgrounds that immigrants bring with them will define what a community should or should not be. Institutions will have to adapt to these changing values. Legislators will have to define how best to deal with the social consequences of conflicting values inherent in public policy.

The breakdown in the family unit will demand a greater need for public assistance in the form of outright assistance to low income families, child care, or indirectly, through adapting labour laws and business practices to reflect the changing labour force.

**Demand for services**

Expectations on the part of citizens have risen in terms of the services they want from government and to a greater extent in the urban areas. Many local politicians and more local administrators are discovering that there has been a substantial shift in the type of demands made upon them over those demanded in the past.

In many cases, the forces that are driving these events are beyond the control of any one level of government. Politically, there is a recognition that one level of government can not be treated in isolation to another. "Water tight compartments" are untenable because of the interrelationships that exist between the functions. For example, education, which is normally the responsibility of elected school boards, is of prime concern to the provincial. What has developed is a complex system of financial transfer at the federal-provincial and provincial-municipal levels.

In June 1992, a conference was held in Montreal, sponsored by the Federation of Canadian Municipalities, entitled Communities in a Global Village. Topics included: cross border shopping and its devastating impact on the Canadian retail sector; imperfect market competition; excessive concentration of power; unmet needs for services and an endangered ecosystem that threaten the future of rural and remote communities; practical and innovative
approaches to establishing strong ties with racial and ethnic communities and new immigrants; and dealing with the impact of transforming the economy from one based on industrial manufacturing to one based on service information. Other problems were: over fishing in the Grand Banks and its impact on coastal communities; the deregulation of the transportation industry and its impact on domestic routes; and G.A.T.T. rulings and their impact on agricultural communities and the brewing industry.

The dilemma is that most of the solutions to these problems are at or caused by senior levels of government. Goods and Services, sales, liquor and gas taxes are controlled at the federal and provincial levels. These items are cited as the major contributors to cross border shopping. Provincial and Federal levels are also responsible for environmental standards, unfair labour and business practices, industry regulations, monetary policies, establishment of fishing quotas on the Grand Banks, immigration, negotiating trade agreements and making presentations before international regulatory bodies. The local level is left to nurture local business ventures and to deal with the social consequences of globalization. Recommended courses of action discussed at the conference included such items as twinning municipalities with municipalities in potential trading countries, encouraging cottage industry through local workshops, assisting immigrants in business ventures, and endorsement of U.N. Day for the elimination of racial discrimination.

It is little wonder why the public is apathetic towards municipal elections. Unless an issue affects them directly, there is little incentive for them to vote in local elections. The perception is that local governments do not possess the necessary authority and fiscal power to meaningfully effect their livelihood.
This rationalization is not new. As far back as 1969 the Economic Council of Canada recommended a coordinated attack by all levels of governments to the problems of the deterioration of the physical environment (pollution, inadequate urban transportation, poor housing, improper allocation of land use, and lack of recreational facilities). In their observations the Council suggested three major institutional reforms as the starting point for an effective solution: a) the transfer of responsibility for social services and area-wide physical services to the senior levels of government; b) the creation of adequate planning agencies on a regional basis; and, c) the development of new (metropolitan) forms of municipal governments.

**TECHNOLOGY**

Technological change and industrialization were the most dynamic factors which provided the necessary conditions for rapid urbanization. The explosion in the ability to communicate electronically has lead to a second transformation in society's interactions. The advent of T.V., satellites, computers, interactive software, video displays, fax machines, etc. has allowed for mass communication on an international scale. The business and entertainment communities have taken advantage of these tools to both exchange information and to sell their products. The domination of the air waves by these communications has threatened the local distinctiveness and historical patterns in the exchange of information. At the national level, the impact of American popular culture on Canadian society, if continued to exist, could result in a erosion of the autonomy of Canadian institutions and identity.

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At the local level the information age has contributed to Robert Fishman's Megalopolis where communities are defined not in terms of physical space but in terms of time and consumption patterns. This type of development could not exist without the advent of this new technology. The relative decline in the importance of physical locality sounds a more ominous note for local government. One of the basic foundations used to support local government is that it is accessible to the public. It is argued that, by virtue of their size and proximity, they are in a better position to access local wants and needs. The advent of low cost technology now allows business as well as senior levels of governments to communicate directly to individual citizens. Local governments can no longer assume that they hold an exclusive position as being best able to access local wants and needs. Technology to this extent may be the greatest potential threat to defending an autonomous local government.

POLITICAL

Changes in the Provincial attitude towards the Role of Local Government

Changes in the municipal sector have been ongoing since its inception. However, developments in the post World War 2 era has seen a dramatic alteration in the attitudes the province holds towards the role of municipalities. The analysis of the late Kenneth Crawford in his paper "Some Aspects of Provincial Municipal Relations" written in 1950, argued that one matter was essentially non-negotiable, that was that a system of local government is "indispensable to effective administration". Unfortunately, his paper itself showed little proof that his assertion was in fact true, and it down played the fact that the relationship between a municipality and the province is one of master and servant.
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The province used to respond to demand for services at the local level by expanding its fiscal role through the use of conditional funding. In the late 1950's, an alteration in this approach become evident. The alteration was in attitude. Leslie Frost, the Premier of Ontario from 1949 to 1961 and of his successor John Robarts, the Premier from 1961 to 1971, embraced the rhetoric of the era as typified by the statement in the 1973 Budget "... concrete examples of the governments's policy of enhancing the autonomy of municipalities and broadening the scope for decision making at the local level." Lionel Feldman concluded however, that during this time the reverse was occurring. The continuous transfer of services up the ladder resulted in a steady erosion of real decision-making at the local level with local governments fading in importance and relevance to the citizen at large. Feldman, in his comparison of the establishment of Special Purpose Bodies and Regional Governments in Ontario to New Brunswick's experiences with the Program for Equal Opportunity, 1966, the Regional District approach in British Columbia, 1964 and the Manitoba Government's efforts to secure support for its plan to reorganize Metropolitan Winnipeg, 1971, concluded this trend was occurring throughout Canada.11

Special Interest Groups/Citizen Dissatisfaction

The economic environment and society's general shift to the right, as influenced by Reaganism in the United States, has lead to the philosophy of administrative efficiency being the predominant ideology surrounding any discussion on government restructuring. The public today

is more concerned with the level and quantity of service than esoteric arguments about the sanctity of lower level having the right to provide the function. Inequalities or perceived duplication of services at the local level or between local authorities are being as indefensible anomalies, rather than democratic local variations. The predominant philosophy of administrative efficiency and the public's general apathetic and nonpolitical attitude towards government has in general assisted the provincial transfer of power from the local level to the provincial level. 12

Political leaders and their bureaucracies are perceived by the public as too remote, out of control and uninformed. In the States, these same concerns led to the participatory democracy movement in the early 1960's. The first evidence of the movement was in the War on Poverty, Economic Opportunity and Model Cities programmes. The federal administration, in return for aid, demanded greater local involvement for local participants. The people who would benefit from better services, the poor, the black, the unemployed, would sit on the boards to run the programmes, work as welfare helpers and so on. Decentralization of decision-making was crucial to theory and practice alike. Popular demand for ordinary people to have a greater say has arisen because of dissatisfactions with governments; leaders seemed too remote, they could not be controlled and they did not consult or inform the electorate before they acted. 13 Influenced by events which occurred in the United States and fuelled by a general dissatisfaction with government, individuals and special interest groups in Ontario are demanding a greater say in how governments are run.

A second dimension is among local governments themselves: It is the conflict between urban and rural residents. As urbanization increases, it continues to infringe in rural areas resulting in conflict. The current local government structure as it exists reinforces this conflict. Rural interests, by promoting a highly fractionalized municipal system, can fight an effective rearguard action and can effectively maintain control over decision making procedures at the local level. It is argued that on occasions rural interests have been prepared to allow the provincial government to take over more of their functions as a trade off for the maintenance of this fractionalized system of municipal government. From the Rural point of view, the transfer of functions to the provincial level represents a net gain in any case because many of these services were never provided by the municipal government.

Accountability

The public's demand for satisfaction and accountability has lead politicians, in turn to demand more accountability from its bureaucrats. Democratization of the bureaucracy is seen as a potential solution to this predicament. The solution to this dilemma is to reorientate the bureaucracy to include the public in institutional arrangements. Large bureaucracies, however, can only be made democratically accountable through administrative and political decentralization, that is, by a vastly greater role for individuals in the governance of bureaucracies at their output ends. The incorporation of new political interests among elected officials must be combined with sufficient administrative reorganization to provide the additional check of client empowerment on administrative behaviour. 14

The potential threat of this democratization is that agencies or sectors of the bureaucracy may be captured by special interest groups. In the United States this concern has brought about the rethinking of bureaucratic independence.

The initial effort to reform public administration in the United States was rooted in the belief that the public's interest was best served by giving administrative agencies a great deal of independence within the political systems. In recent years, however, there has been a dramatic shift in the reform perspective. The reformers of the 1960's and 1970's seem bent not on extending, but on curtailing the independence of bureaucratic organizations. They argue that bureaucracies represent formidable concentrations of power in contemporary society, and that executive agencies should be brought back within the political system and made more accountable. The problem of insufficient control over bureaucracy is particularly acute in agencies that are closely tied to some dominant group or cluster of groups outside of government. In these agencies, public power is seemingly exercised, not in behalf of the community at large, but for the benefit of special interests that seek favourable treatment from government officials. These agencies have been said to be captured by the groups they serve, thus becoming governmental havens of powerful or even predatory interests. The common criticism of these agencies is that their effort to serve the needs of specialized segments of the population (oil industry, airlines, pharmaceutical houses) inevitably leads them to neglect the welfare of the public at large. The strengthening of citizen participation in bureaucracy, is seen as one mechanism to restore public control over previously independent agencies.
Bureaucratic Initiatives

The combination of financial constraint and growing public and central government dissatisfaction with local authorities' services has led to a search for new forms of organization and to new approaches to the delivery of services. Influenced by the political climate, by Reaganism and by the doctrines of administrative efficiency and public choice, governments are developing a new approach or philosophy towards the public they service. The public is no longer seen as simply taxpayers but instead as customers or consumers of public goods.

Business practices such as those heralded in Peters and Waterman's book, *In Search of Excellence*, tools such as strategic planning with its emphasis on stakeholders and customers, and Total Quality Management (TQM) with its emphasis on quality and service, have been adapted by government practitioners.

The extent of this adaption of private sector methods to the public sector is highlighted in a book by Kieron Walsh entitled *Marketing in Local Government*. In his book Walsh states that "Choice is fundamental, not incidental and that individual choice is supportive of local government, in that the public service that is valued will be supported by individual choice". 15

Walsh states that the more a service involves the user then the more important it is to develop higher levels of participation. If people cannot influence the level or quantity of services they receive they will become suspicious or worst will cease to value them. Generally representative

democracy needs to be supplemented by other methods of citizen involvement if it is to be accepted as legitimate and accountable. This process of accountability can be an opportunity for marketing and for the authority to build its image.¹⁶

**Implications of Political Trends**

Government will be under extreme pressure to become more accountable to the politicians and to the public they serve. In order to accomplish this, however, major shifts in attitudes and structures will have to occur within the administration itself to strengthen the lines of communication between the bureaucrats and the people they serve and to create an effective means for the elected representatives to oversee their performance. Marketing and delivery tools used in the private sector will be applied to government. These simulated market-like conditions will be designed to counter the weakness in reward-penalty systems in governments and to strengthen control over bureaucracy by representatives of the wants and needs of broader sections of the public.¹⁷

The threat here is that the bureaucracy itself is both the designer and implementer of these changes. Politicians may find themselves hand-cuffed by the very controls they put in place to make the bureaucracy more accountable to the public. Politicians are elected to make decisions. A poorly designed or implemented system may see the politicians abrogating their responsibility to the taxpayer/market or to the professional bureaucrat who will act as this new marketing professional and interpreter of the public interest. This potentially could reduce


government to the politics of the supermarket and would threaten the system of representative democracy.

In addition to the dynamics of political accountability is the emphasis on fiscal accountability. The economic climate and society's general shift to the right is earmarked by predominance of the doctrines of public choice and administrative efficiency. Both of these doctrines will result in a lessening of the role local government will play in the future. Services will tend to be shifted upward while the remaining services will be under greater pressure to be financed by user fees in which the forces of the market place will dictate the level of service.
SUMMARY

Governments in all levels are under significant financial and political pressures. The country is currently undergoing the worst recession since the great depression. This, coupled with aging population, advances in technology, and social and structural changes brought about by the globalization of the world economy, has placed new demands for services upon governments without any additional sources of funds to finance them. Solutions to these problems are complex and multi-faceted. Problems and their solutions can no longer be isolated to one particular geographic area or to one functional area. In most cases, solutions to these problems are beyond the power of the local government, and in some cases, are even beyond the power of the senior levels of governments to solve. The general trend of these developments is to push the responsibility for the administration of these problems up the ladder to more senior levels of government which have the means and the authority to address the issues.

In part, as a reaction to these events and as a result of a more conservative attitude, the public is becoming increasing disillusioned with government and are demanding more political and fiscal accountability. Business practices have been heralded as the answer to many of the government's problems and are being continually applied to government institutions in an attempt to resolve them. Economies of scale, public choice, public participation and administrative efficiency are battle cries used in any discussions involving government reorganization. These philosophies coupled with the advances in technology, have given the provincial government the means and the political support to exert greater control over local functions. Social and economic trends give the province the reasons to assume more control.
SECTION 3:

REVIEW OF PROVINCIAL INITIATIVES
Section 3: Review of Provincial Initiatives

The encroachment of the provincial government on local responsibilities is not new to Ontario. What is new is the degree and the accelerated pace at which this is occurring. Municipalities are now expressing open concern as to what their future role will be. In May of 1993 the Association of Municipalities of Ontario (AMO) released a newsletter entitled Local Governance in the Future. In that newsletter AMO expressed concerns over:

Subordinate status of municipalities,

Erosion in municipal decision-making authority and ability to deliver services cost effectively,

Concerns about Provincial government attitudes towards municipalities, Pressures on the limited property tax base due to provincial actions and initiatives,

Proposals for new local special purpose bodies,

Challenges to the representativeness of municipal corporations, and

Treatment of municipal government as just another interest group.

It is not surprising AMO expressed these concerns. What is surprising is that they did not do so sooner. The earliest instances of extensive intergovernmental involvement occurred during the economic depression of the 1930's. During this time provincial municipal relations assumed a more superior-subordinate character. In cases of municipalities in default, all local affairs came under the management of the provincial government.¹

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The relationship between the province and local government has always been one of master and servant. Section 92 of the Constitution Act of 1867, gave exclusive power to provincial legislatures for municipal institutions. The consequence of this is that municipalities are only responsible for the duties and sources of revenue which have been specifically delegated to them by their provincial legislatures.

A cursory review of provincial statutes reveals a significant trend in that many of the provincial statutes are simply permissive in nature and are designed to limit the power of the municipality to enact bylaws in only those particular subject areas, as delegated. The provinces, over the years have shown a willingness to guard these rights jealously against any perceived threat. On two occasions the Canadian Federation of Mayors and Municipalities, unhappy with this arrangement, attempted to have municipalities recognized as a legitimate level of government during the constitutional talks in 1970 and in 1992. In both attempts the provincial governments denied them access to direct participation in these constitutional negotiations.

Throughout the period of the 1950’s to the 1970’s Ontario experienced rapid growth in population and an acceleration in the rate of urbanization. The result was the requirement of massive public expenditures in infrastructure, hospitals, policing and other services to meet the demands of its citizens. As these demands increased, local governments required greater assistance from their provincial governments. These events for both political and practical reasons, as identified in section 2, began to change the province’s attitude towards local government. The general feeling on the part of the province was, and still is, that its local
governments were not capable of dealing with the problems of the day without very direct provincial control and assistance. The arguments used to defend this encroachment by the provincial authority are shown in appendix A to this section.

It was during this same period that the Ontario government established Regional Governments, as recommended by the Select Committee on The Municipal Act and Related Acts (Beckett Report) in 1965 and regional development boards. Feldman, in his studies, concluded that these consolidations of local units were not an endorsement of local government but instead a move by the province to become actively involved in the functions and responsibilities of local institutions. This trend, he believed, was rooted in the belief that whenever there were local service problems through disparity in a service level or in the incapacity to perform these services, the solution was to pass the responsibility for that function up to a level of government that had both the will and the capacity to act.²

Feldman's conclusions are supported by similar findings by Professor Fesler, a Professor of Political Science at Yale University. Fesler stated that in general terms efforts to "strengthen local government" by consolidating local governments into units with resources to act, linked in a two tier system to an area wide government is centralization with a decentralizing wish to maintain the romantic's ideal characteristics of local government. ³

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This romantic's view of citizen participation, with its face to face contract, is still evident in many of the province's recent initiatives. However, as this section highlights, the vehicle for citizen participation is not representative local government but instead stakeholder participation on select appointed boards.

Regional Governments established during this time were seen as tools of the province to become more involved in local activities but, as these jurisdictions grew in size, and in importance they began to be seen by the province as a threat to its own authority. The province, like any other bureaucracy, attempts to eliminate or contain its political rivals. The first example of this occurred in 1977.

In 1977 the Royal Commission on Metropolitan Toronto recommended that provincial legislation pertaining to Metropolitan Toronto be amended to remove as much detail as possible. The commission felt that the existence of detailed legislation and specific procedures straight-jacketed municipalities and effectively reduced their flexibility and capacity to govern. The province's unwillingness to act upon this recommendation clearly leaves one with the impression that they saw the granting of greater discretionary powers to municipalities as a potential encroachment on their exclusive rights and privileges.

In a second example, the province curtailed the growing fiscal and political influence of these regional units and in particular Metropolitan Toronto, by creating a series of regional governments (ie Region of York) on Metro's boundaries based on the recommendations in the
Status Report on the Toronto Centred Region. This act severely limited the territorial, political and planning jurisdiction of Metropolitan Toronto and effectively eliminated a jurisdictional rival.

The province also limited municipal authority by clinging to established special purpose bodies despite several reports condemning these institutions. One such report, the Report of the Royal Commission on Metropolitan Toronto, identified over 108 special service bodies in Metro Toronto alone. The Royal Commission expressed grave concerns over the proliferation of these organizations and their impact on the ability of local government to govern effectively. The Commission's solution to his problem was to recommend that the statutory provisions for all special purpose bodies within Metropolitan Toronto, with the exception of boards of education, be removed and the authority be assigned to the respective councils.4

The Royal Commission's conclusion concerning special purpose bodies were echoed by series of studies and commissions conducted throughout this period at the federal, provincial and local levels. To a varying degree all of the reports sighted problems of accountability, control, coordination and efficiency as justifications to eliminate special service bodies and to transfer their authority to locally elected governments.

In 1979 the Waterloo Region Review Commission, in a similar vein, recommended the elimination of special service bodies, with their authority being transferred over to the Region Government in whole or in part. In particular the report recommended that the District Health Council and the Social Resource Council report directly to the Regional Council.

Given this barrage of reports recommending similar results: Why did the province not act on these recommendations? The problem is that the elimination of these special purpose bodies and the transfer of their responsibilities to a local government would have drastically altered the relative master servant relationship that the province enjoyed and wished to maintain. This is particularly true for the Ministries of Health and Community and Social Services (COMSOC) who through regulations, board appointments and financial dependency controlled a significant portion of these special purpose bodies.

As illustrated, the province was unwilling to give up any authority and was in fact trying to acquire more authority over local matters by shoring up its own resources through consolidations within its own departments. These enhanced departments had the means and the necessary fiscal and statutory resources to assume greater control over their jurisdictional rivals. As an example, the Departments of Municipal Affairs and Treasury and Economics merged into one overall department known as Treasury and Economics and Intergovernmental Affairs. It was this department which ensured that at the 1972 Provincial-Municipal Federal Relations Conference, that provincial government would speak to the federal government on behalf of the municipalities and not the municipalities themselves.
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In conjunction with the consolidation of government units and the uploading of functions to these units, the Ontario government saw it necessary to strengthen its senior civil service through a concerted recruiting programme. Feldman describes these recruits as rational men, technically advanced, intellectually self confident and convinced in the doctrine that government's role was to provide services economically and efficiently. Weber himself could not have chosen a better persona to typify the professional bureaucrat. The province's institutions began to reflect in structure and in actions Weber's ideal model of a professional bureaucracy with all its strengths and weaknesses. It is little wonder that the doctrine of administrative efficiency came to dictate provincial policy during this period as it was these public officials which held the ears of the Premier and his senior Ministers. 5

Bureaucracies, in theory, act in their own self interest by eliminating competition. One way bureaucracies can eliminate competition is to insulate themselves in their own policy segments. Provincial ministries, in particular, have shown a tendency to use this practice to control activities within their own policy domain. W. H. Palmer in his concluding remarks in the Report of the Waterloo Region Review stated "... The propensity for provincial ministries to create local images of themselves such as school boards, police commissions, or district health councils, may be natural, but it could also be responsible for the erosion of local government to the point where it may become nothing more than a series of local administrations tied to together by Queen's Park." 6

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This propensity is not limited to special service bodies. It also extends into the realm of provincial-municipal relationships. Municipalities in general are organized along functional lines which correspond to the various ministries (ie Roads/Transportation, Social Service/COMSOC). This was both encouraged and supported by the province through the establishment of standards, professionalism and conditional funding. In many cases, the provincial bureaucracy plays a greater role in program direction than the local elected official simply by, restructuring the prescribed terms and conditions in its conditional funding formulas. For example, the system of grants which relate to the building and maintenance of roads has long been rigidly tied to conditions imposed by the provincial highways department. In a similar vein, the provision of water and sewer services have been made by the Ontario government laying down absolute standards. The end result is that the provincial bureaucracy controls a significant amount of local activity through the use of regulations, conditional funding and professional standards to the extent that local variation and discretion is becoming increasingly non-existent. This then raises the question; Are the financial and organizational structures of the municipalities conducive to establishing a clear and concise statement of local interests over and above ongoing functional concerns?

Throughout the 1960's, 1970's and 1980's there was mounting demand for governments to become more involved in health and social services. In response to this demand and through encouragement from senior levels of government, local governments expanded their scope to include the delivery of these services. The provincial government, unwilling to share its taxing authority with municipalities, assisted and encouraged local governments' expansion into these
programs by providing conditional funding. The conditions associated with the funding along with the establishment of several different service delivery models succeeded in blurring both the political and financial accountability of those institutions responsible for delivering the programs. The result is a honey combed network of provincial/municipal delivery systems, financial agreements, standards and accountability. In response to this situation, to lobbying efforts by the Association of Municipalities of Ontario and to the public's outcry for more efficient and responsive government, the province commissioned a report (the Hopcroft Report).

Hopcroft Report

The Hopcroft Report was issued in March, 1991. The Report was commissioned by the Ministry of Municipal Affairs to review the financial relationship between the province and its municipalities in an attempt to disentangle the system and to make it more accountable and responsive to the needs of the local populace.

The recommendations and the inherent philosophies governing the Hopcroft Report is reflective of the attitudes and political environment which have influenced provincial government initiatives over the past several decades and whose underlying principles have influenced current provincial initiatives.

The Report concluded with six guiding principles (shown in Appendix A) to be used in determining the appropriate level of government to be responsible for a given service. In addition the Report made 39 specific recommendations. The most significant recommendations are discussed below.
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The Report recommended that income redistribution and issues of spillover become the exclusive responsibility of the province. To this end, the report concluded that health and social service, welfare assistance, child care, assisted housing and even homes for the aged were redistributive in nature and should be the exclusive responsibility of the Province. This recommendation, if followed, effectively eliminates local governments from human service planning.

The Report also recommended not to enhance taxing powers for municipal governments, either exclusively or on a shared basis. One of the Report’s guiding principles was encapsulated in the saying "Pay to say or If you can’t pay you can’t say". The Report’s recommendation limiting the taxing powers of local government, by its own criteria, ensures that local governments will always be in a subordinate position to the province.

The Hopcroft Report, unlike AMCTO, did not call for the elimination of special service bodies. They instead recommended that each level of government be represented on these boards in proportion to their financial obligations. The Report’s main concern with special purpose bodies was not one of effective planning, effective coordination or the obtainment of public accountability but instead financial accountability. This combined with the recommendations on taxation and on issues of spillovers leaves no doubt that health, social services and other human services will be exclusively addressed by the province through special service bodies. Agencies, such as the District Health Councils or the Social Planning Boards will be responsible

for integrating human services planning with the local municipal services in order to achieve a vital economic and healthy community.

In summary, the Hopcroft Report is important for procuring consensus on a general set of principles to be used in guiding the disentanglement of provincial - municipal relationships. The dilemma for municipalities is that those guiding principles which are currently being adhered to in the human services sector do not support the position that municipalities are equal partners or are a legitimate level of government. Those principles instead relegate municipalities to the function of local service provider or worst just another interest group.

Current Provincial Initiatives

The provincial-municipal relationship over the last thirty years has had both a legal and administrative disposition for the provincial bureaucracy to assume a greater role in local government activities. Much of this disposition on behalf of the Ontario government was the result of pragmatic decisions made in an attempt to meet the demands of the day, in a belief in the doctrine of administrative efficiency and in an equalitarian philosophy toward service access and delivery.

Current provincial initiatives are again based on these same pragmatic and philosophical considerations, however, they are now being applied to the economic, social and political issues of today.
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Ontario, as identified in section 2, is in the worst depression since the 1930's. Structural unemployment and the impact of globalization on the business community has racked the province's economy. The province has announced two initiatives to combat these pressing issues. These initiatives being the establishment of two series of boards, the Community Economic Development Boards and the Ontario Training and Adjustment Boards.

The establishment of Community Economic Development Boards was announced by Mr. David Cooke, the Minister of Municipal Affairs for Ontario, in a June 22nd, 1992 address to the C.A.O. Association of Ontario. He stated that these Boards will plan economic development for their area and will also be empowered to issue local bonds, guaranteed by either their local municipality or the province, to aid local development.8

The second initiative, the Ontario Training and Adjustment Boards (OTAB), was initiated by the province in conjunction with the federal government. The federal/provincial agreement outlined that these local boards would be responsible for providing needs assessments, funding decisions on local programs, and strategic planning as to labour needs and access. The relevant background report highlights the relative importance the provincial government placed on this program. In that report it was emphasized that "Renewing our economy depends on developing a highly skilled adaptable workforce... Knowledge and its application will be the key to Ontario being able to effectively compete in a global economy." It is the hope of both the federal and provincial governments that these boards will provide the necessary ingredient for Ontario to compete in a global economy.

Human Services: The Future Role Of Local Government in Ontario

The Canadian society is changing. An aging population, immigration, changing family structures and the continued effects of urbanization have placed pronounced demands on local and provincial resources.

The province has responded to the effects of an aging population by adapting and reforming its current health and social services to the elderly through an incentive entitled "Long Term Care Reform" and by giving enhanced duties to District Health Councils.

A second provincial initiative, entitled "Child Care Reform" has been "announced" to address the effect of society's changing family structure. This program is designed to plan, manage and coordinate children services through an appointed Early Childhood Authority.

Immigration and politics determine not so much the type of service but how these services are carried out. The province's attitude towards local government has not significantly changed over the last thirty years, however, the most recent initiatives reflect a growing belief that local governments are not representative of the "communities" they serve.

Local Governments Are Not Representative Of The Communities They Serve

Through economic circumstances or philosophy, the political climate today is highlighted by the following characteristics: a belief in public choice, a growth in special interest groups, a general dissatisfaction of governments by the public and an increased demand to make politicians and their bureaucracies more accountable. The merging of all these factors, along with the public's
need to have greater say, has had the effect of changing the orientation of government operations. Governments are now becoming customer focused. To do this, officials are looking to the private sector for solutions. Governments are now applying marketing and business techniques to public goods and services. The result is a disturbing assumption which is inherent in the province's most recent initiatives. That assumption being that local governments do not adequately represent the communities they purport to service.

Ministries are now defining communities in terms of the needs or the characteristics of the population they serve. Similar to Robert Fishman's concept of an individually defined city, these communities are not defined in terms of physical geography but in terms of individual consumption patterns. This "enhanced definition" of what comprises a community shakes one of the fundamental reasons for maintaining local government in its current form. That reason being the belief that local governments are best suited to determine local needs and wants. The provincial bureaucracy now feels they can identify and assess the needs of their program's target groups through the use of private business marketing techniques more effectively than a locally elected government.

In June 1991 Honourable Zanana Akande Minister of Community and Social Services presented a statement concerning the legislation on 'Redirection of Long-Term Care Services. In that statement is was apparent that as part of the consultation process the province made a conscious decision to communicate directly with the public in order to assess the public's wants and needs. The province conducted some 3,000 public meetings, involving 75,000 participants,
across the province and in doing so effectively bypassed the public's locally elected representatives. From the provincial government's perceptive local government was seen as just another participant in the public input process.

Municipalities were greatly concerned, not with the intent of the Long-Term Care Reform, but how the consultation process was carried out. AMO argued that the municipal sector was not consulted prior to the release of the report even though they are major players in planning local needs and in the delivery of services to the elderly through their home care programs, health departments and homes for the aged. The province's condescending attitude towards local government is accented by the fact that there was no municipal consultation prior to the recommendation to create the Service Access Organizations (SAO), which will have the effect of taking personnel, service delivery and responsibility away from existing municipal operations.

In each example, the current provincial initiative contains a proposal to establish an autonomous special purpose body to plan, manage or deliver the program. In all cases, their governing boards are made up of appointed individuals from selected target groups. In addition to the target-group consideration there is a rider, similar to the one for the Multi-Service Access Agency, that these agencies will provide opportunities for French-speaking, aboriginal and ethnocultural groups to participate in developing programs to ensure that they are responsive to their cultural, racial, spiritual and linguistic needs.

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* Ministry of Health, Ministry of Community & Social Services & Ministry of Citizenship, Partnerships in Long - Term Care: A New Way to Plan, Manage and Deliver Services and Community Support, Toronto: Queen's Printer, April 1993, p.1.
To summarize:

Representation on the Multi-Service Agency’s Board (previously the Service Access Board) is to be made up of one third service providers officials, one third consumers of the service and one third others, including locally elected officials.

Representation on the proposed Community Economic Development Boards are to be made up of labour representatives, members of the business community, elected officials and people at large. Local government, in this scenario will be relegated to that of a single voice on a board, which has the potential to make that municipality financially liable by guaranteeing local bonds. This minority voice is even more disturbing given the fact that the municipal sector plays a major role in economic development through the establishment of official plans, the provision of infrastructure and the promotion of local development.

Representation on the Ontario Training and Adjustment Boards will be made up of labour, business, social action groups and educators. Municipalities are not even represented on the proposed boards which will plan one of the major foundation blocks to economic development, a skilled labour force. Even the proposed boundaries, as proposed, are based on geographical, economic and social considerations. They have no resemblance to existing municipal boundaries (see Appendix C).

This lack of representation is not new. Evidence of local government's declining role has been present with every new provincial policy statement. In fact the Provincial-Municipal Social Services Review (PMSSR) conducted in 1990 was the last report which advocated support for a role for local government in human resource planning and needs assessment. All subsequent reports and initiatives recommended representatives be placed on boards by virtue of their characteristics in an attempt to make the boards more representative of the community they serve.

In April of 1991, AMO expressed its frustration over the declining role of local government participation, in a report entitled Accountability and Special Purpose Bodies: The Example of District Health Councils (DHC's). In that report AMO expressed the following:

"Past provincial government reports related to the management and delivery of social services have philosophically treated municipal governments as one of many administrative agents of the Province. For example, in the previous government's report, Managing Ontario's Social Services Agency Relations and Accountability, municipalities are classified as "community boards/agencies" accountable to the Ministry of Community and Social Services."11

AMO has argued that in the delivery of social services municipalities are not accountable in the same manner as private non-profit corporations. Municipal councils are elected bodies accountable to their electorate in the similar manner that provincial political representatives are

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11Association of Municipalities of Ontario, Accountability and Special Purpose Bodies: The Example of District Health Councils, Report 91-6, April 1991, p. 3
accountable to their electorates. In particular, they objected to the enhanced role of DHC's as they would put council in a subordinate role and in effect, would require a non-elected body to make recommendations on decisions of an elected body."12 For example, DHC approval would be required before a regional council's health department's budget could be submitted to the Minister of Health for funding.

The current provincial initiatives will make it almost impossible for municipalities to plan services in an effective and coordinated fashion. These agencies, as proposed, will have extensive planning, management and fiscal responsibilities in areas previously deemed to be within the jurisdictional realm of local government. For example, the District Health Council through the Long Term Care Reform will now have responsibility in consultation with the Ministry, consumer representatives, hospitals, health professionals, community agencies and health service centres to develop area wide planning principles which will define the basic and essential services which should be available within each area. ... to meet the specific needs of each district .."13

As evident by a survey completed in February 1992, by the Haldimand Norfolk District Health Unit, DHC's are becoming more and more active in developing human services and/or social plans. Many of the DHC's surveyed saw their expanded roles as it relates to Long Term Care

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Reform and to the Premier's Health Council adoption of the World Health Organization's definition of a Healthy Community as the necessary mandate to assume the role as facilitators in establishing Human Service Plans.

The question is; If DHC's are preparing human services plans, OTAB's are preparing skill development plans, Community Development Boards are preparing economic plans, and Early Child Authorities are preparing plans for children services who are these bodies reporting to? and Who will coordinate these plans?

In short, it is the respective provincial ministries who will have the responsibility to approve these plans. In each of the province's initiatives, the agency's primary contact is with the local area office of their respective Ministry. No mention is every made of provincially or locally elected representatives. In many respects Elcock's and Yates's conclusion as to the bureaucracy's role in policy making (referred to in section 1) is becoming increasingly true in Ontario. The bureaucracy in these initiatives have gained a legitimate role in defining the public interest. They now have a voice in policy formation, as directors of program development, and as gatekeepers of information.

The Role of the Provincial Bureaucracy

In 1990 a report entitled "Provincial-Municipal Social Services Review" (PMSSR) recommended that the upper tier municipal governments have primary responsibility for preparing a community service plan. In that report it was argued that municipalities are already involved in social
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services in the delivery of programs and in their planning as it relates to growth, development and quality of life. This coupled with numerous independent reports calling for an enhanced role for regional governments in health and social services made it appear, on the surface, that devolution of these services would logically go to the municipal sector. The question which this raises is: If the province was looking for decentralizing the integration, planning, coordination and delivery of local health and social services why were these reports, endorsed by their respective ministries, so contrary to the initiatives proposed? One reason could be that these reviews were not endorsed by their respective bureaucracies. The majority of the representatives on the PMSSR task force were from the municipal sector, along with political representation from the respective ministries. Professional bureaucrats were not represented nor did they control the process.

Bureaucracies have two strategies to eliminate competition. One is to stay within their own policy segment. The second is limit the number of actors involved in the process. In the case of the Long Term Care Reform both of these strategies were used.

The Long Term Care Program's main thrust was to allow for the integration of health and social services for the elderly and the disabled through coordinating and planning agencies. The policy was spear-headed by the Ministry of Health, Office of Senior Citizens Affairs, Office of Disabled Persons, and the Ministry of Community and Social Services, with assistance from the Cabinet Office and Management Board of Cabinet. Much of the philosophy was derived from a report entitled 'Local decision making for Health and Social Services' produced by the
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premier's council on Health Strategy and lobbied for by the Consumer's Association of Canada (Ontario), The Ontario Coalition of Senior Citizens' Organization and the United Senior Citizens of Ontario. Although done with the best of intentions, there is perception that lobbying efforts by these senior citizens groups "captured" both the Premier's Health Council and the Ministry of Health to act in their group's best interests. A more blatant example of the capture theory is in a report issued by Ministry of Health entitled "District Health Councils: Partners in Health Planning". This report recommended a substantially enhanced role for District Health Councils in: the allocation of funds, the determination of human resource requirements in the health field and in the integration of health and social service planning. What is not said in the report is that the draft proposal was written by the Provincial Association of Chairmen of District Health Councils and that the only solicited feedback was from district health councils before publication of the report. One must question why the Ministry of Health would endorse a report, from such a biased source, unless it is complimentary to the course that the Ministry was wishing to advance.

The bureaucracy in both cases gained a needed consensus on a policy direction it wished to pursue. The bureaucracy, by isolating the debate to those special interest groups, effectively limited the input of descending opinions and thereby the debate on potential competing priorities and public interests.

The Long Term Care initiative highlights how the provincial bureaucracy controls provincial policy formation. Once the Strategies for Change report, which laid the foundation for Long
Term Care Reform, was adopted in principle, the province created a new division to oversee the reform, the consultation process and the implementation of the program. The province hired fourteen area managers while the Strategies for Change report was still being discussed by municipalities throughout Ontario. These area managers, with their obvious bias, were placed in positions to conduct and control the public consultation process in a direct attempt to reduce the threat that this policy initiative would falter. These managers were placed in sensitive positions which provided the opportunity to filter information and to determine the public interest and concerns for a program, whose success, their jobs depended on. The implementation strategy for long term care reform again gave substantial powers to the provincial bureaucracy. These managers are now responsible to work with local planning groups to determine which programs and services are most needed in order to allocate resources. By contrast, the locally elected official, had no say in the development of the strategy and only token representation on the program's proposed special purpose bodies.

The provincial ministries, in an attempt to control local program administrators, have also established: key indicators to measure performance, community profiles to determine the level of need for community service, consistent accountability standards for service providers and detailed care standards to be used in nursing homes and homes for the aged. These standards and regulations are so detailed that in one section of the "Long Term Care Facilities Manual" it describes the type, frequency and method to be used by a nurse in the administration of mouthwash to a resident.
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The proposed initiatives will also allow the bureaucracy to control the number and type of players in the game by giving them the authority to approve appointments to these agency boards. For example, appointments for the consumer representatives, within the Region of Haldimand Norfolk, are to be screened by the local administrator and then sent to the area manager for review. Given this degree of scrutiny and lack of definable criteria, it can be argued that these representatives are not being chosen for their non-partisan positions, but rather for their support or endorsement of the local or area administration.

The end result is that agencies become controlled by the very administration they purport to direct. John L. Langford in his studies of independent agencies found evidence to suggest that within the agencies themselves the boards are more often than not the puppets of management, in keeping with practices in the private sector. Similarly, there is little reason to suspect that advisory committees or wider community would - except in the case of powerful signs of mismanagement - have any incentives to ask hard questions."\(^{14}\)

SUMMARY

In Ontario, the provincial government has shown a pre-disposition to assume a greater role in local activities. This disposition is the result of both pragmatic decisions to address the problems of the day and to an underlying belief in the doctrine of administrative efficiency.

Through these decisions, the province has assumed a greater role in local activities through the use of regulations, conditional funding, professional standards and direct intervention. At the same time, the provincial bureaucracy has grown in terms of size, resources and authority to the point now that it has become a major determinant in provincial policy formation and implementation.

The effects of the current recession, the globalization of the world economy and changing demographics, coupled with the public’s outcry for increased accountability, has caused the province to scramble in an attempt to adapt. The province is trying to rationalize its structure through an analytical review of Provincial - Municipal Relationships and through ad hoc cut backs via the Social Contract initiative. Ministries and bureaucrats at the same time are becoming customer-oriented in an attempt to appease the public’s need for participation and accountability.

Decentralization and devolution of provincial authority to autonomous agencies in the health and social services sectors has been recommended: to address the effects of the recession and changing demographics, to reduce the spillover effects associated with social programs and to appease the public need for accountability and participation.
Evidence of similar patterns in government reorganizations in Britain, Germany, Australia and other provinces in Canada gives credence to the philosophies and assumptions outlined in sections 1 and 2 of this paper in that something is more at play here than the mere circumstance or events unique to Ontario.

In Britain similar patterns developed throughout the 1970's. Regionalized ministry offices or non-elected boards were established in the Departments of the Environment, Trade and Industry and Health. As well the reorganization of the National Health Service provided for a system of eighteen non-elective Area Health Boards in England and Wales to which local authorities surrendered their personal health services. These Boards had substantial financial and other powers over the area authorities.

The problem in Ontario is that on the surface these special purpose bodies appear to addressing all of the above needs but in reality, the province has delegated little, if any, real responsibility. The province, in particular the bureaucracy, is controlling these agencies in the same manner as it controlled local government.

The dilemma for local government is that the establishment of these agencies with their enhanced planning and administrative functions, make it impossible for the local municipality to plan and co-ordinate local services effectively. The controlled manner in which participation is allowed and the representative made up of these agency boards, delegates local government to the status of a mere participant in determining and in planning human services for their community.

This section has also shown that the provincial bureaucracy plays a significant role in promoting the provincial government's initiatives. The devolution of human services to a series of autonomous agencies has elevated the bureaucracy's authority and indirectly those of its political superiors. The bureaucracy by promoting the use of coordinating and planning agencies and by expounding on the virtues of pluralistic accountability and devolution has placed itself in the position as gatekeeper and primary players in determining the public interest. The break down of the disentanglement process and the chaos created by the social contract has only strengthened the provincial bureaucracy's authoritarian role. This authority unless curbed will be at the expense of local government as a viable institution.

A warning to local governments in Ontario is that George Langrod's theory on local democracy may become a reality. Langrod stated a political system without local self-governing units is not necessarily undemocratic, local government is but "a technical arrangement within the mechanism of the administrative system" and that because decisions in the localities are made by bureaucrats rather than elected representatives does not mean that the system itself is non-democratic.16

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APPENDIX A:

The arguments to defend the gradual encroachment of the provincial authority during the 1960's and 1970's as identified by Feldman fall into four major categories as shown:

1) **There is a need to ensure that all municipalities, of the same type, provide a similar range of services.** Permissive legislation is inadequate to achieve this objective and, therefore, the provincial government must take action to ensure that these services are provided at the local level.

2) **The financial capabilities of the municipalities are uneven and there is a divergence in the standards of service provided.** The provincial government, therefore, must support essential services by direct financial contributions. The very fact that the province must exercise control over expenditures to ensure that the money provided is properly spent.

3) **The existing municipal boundaries are inappropriate to meet needs which can be effectively handled only through a cooperative effort on the part of several adjoining municipalities.** The province, therefore, must create specialized authorities on which the several municipalities affected will have representation. Since the financial requirement tend to be large, the province must make a financial contribution and exercise the essential control function.

4) **The nature of the problem is in reality provincial in character rather than local; therefore the province should take over the responsibility for operating the programs in this particular area.**
The Hopcroft Report’s Six Guiding Principles for establishing what level of government is appropriate for a given service.

#1 Programs whose objectives are income redistributive in natures should be provincial responsibilities.

#2 The degree and type of spillovers should determine the level of government responsible for policy/service management.

#3 The service should be provided at the level which is most cost efficient.

#4 The service should be provided where it can be most effectively delivered.

#5 The degree of interest and the need for standards should determine the level of government responsible for policy/service management.

#6 To promote accountability financing, policy/service management and delivery responsibilities should be aligned at the appropriate level of government.

When we compare the criteria used to justify the encroachment of the province in municipal activities in the 1960’s and the 1970’s to the criteria identified in Appendix A to section 1 or to the six principles outlined in the Hopcroft Report there is relatively no significant discrepancies. The Hopcroft Report although less verbose captures the main points raised by Feldman and as well as those identified in section 1. In conclusion the set of criteria used today to justify provincial encroachment is not unlike those used in 1970 or for that matter, in 1930. The only difference is in the players and in the circumstances in which these criteria are applied.
APPENDIX B: Major Reports And Their Implications

District Health Councils:
Partners in Health Planning
(October 1989)
Recommended expanded role for District Health Councils in the areas of allocating funds; determining human resource requirements in the health field, strengthening area wide planning and achieving integration of health and social services planning.

Ministry of Community & Social Services
Provincial-Municipal Social Services Review
(March 1990)
Endorsed a strong role for local government in social services. Recommended regional or county governments be responsible for a community social services plan (human service planning)
Recommended the assignment of service management responsibility to municipalities for all child care and community based support services.

Premiers Council of Health Strategy
Adopted the World Organization's definition of Health, which links economic and social conditions to the health. The impact is that it expands the mandate of the health sector to plan and promote health strategies by taking a holistic approach to health and health prevention. Introduces the concept of Human Resource Planning.

Strategies for Change Comprehensive
Reform of Ontario's Long Term Care Services
(May 1990)
Established strategy for Long Term Care Reform. Emphasized equality of access and services to the elderly and the need to coordinate services with consumer and stakeholder participation.
Recommended separate purpose bodies to coordinate, plan and manage services.
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Premier's Council on Health Strategy
Local Decision Making For
Health & Social Service
(March 1991)

Recommended: Decentralization by devolution of budget allocation, service management; service planning; service coordination; service monitoring and evaluation responsibilities using one of two models. The special purpose body or the local government model.
Recommended: Corporate integration of the Ministries of Health and Community and Social Services.
Recommended: The model chosen must provide a system for community participation as member on agency boards of directors and shall specifically include clientele of the service.

Premier Council on Health Strategy
Achieving the Vision
Health Human Resources
(March 1991)

Established goals and guiding principles for Health Human Resource Planning in Ontario.
Introduces TQM practices with stakeholder participation into evaluating programs and health institutions.
Recommended the establishment of Health Resources Planning Agency to liaise with Cabinet and to implement human resource planning in Ontario.3

Hopcroft Report (March 1991)

Established principles and recommendations, if implemented would see a massive transfer of health and social service planning and management from local government to the province or to special purpose bodies.
Legislative statement by the Minister of Community and Social Services
Redirection of Long Term Care Services (June 1991)
Minister announced plans to establish 40 new agencies. These agencies will be responsible for accessing and coordinating the needs and services for elderly and that these boards will represent the communities they serve as appointed by the provincial government.

Premier's Announcement on Disentanglement (August 1991)
Formation of a steering committee to coordinate a process of provincial-municipal disentanglement.

Premier's Council on Health Strategy
From Vision to Action
Introduced the concept of Comprehensive Health Agencies, similar to those in Europe.
Emphasized the depoliticizing of service delivery and decision making and the advantages this has for effective resource allocation and service delivery.

Provincial Legislation to Create Ontario Training & Adjustment Boards (November 1992)
Allows for the creation of independent Ontario Training and Adjustment Boards to assess, plan and implement training and skill development on behalf of the local labour force.

Initial Disentanglement Agreement (January 1993)
Province agrees to assume financial responsibility for welfare in exchange for 2,200 kms. of road and property assessment services.
Partnerships in Long-Term Care
(April 1993)

A change from Service Coordinating Agencies to Multi-Service Agencies., establishment of funding equity across the province, District Health Councils are responsible through long term care committees to plan, evaluate and implement reforms within provincial guidelines. They would also monitor and recommend budget allocations to the province.

Consumers will work with the Ministry of Housing, Long Term Care Offices and District Health Councils to develop supportive housing.

Emphasized access and equality of services across Ontario.

Building Partnerships in Long Term Care Reform
(May 1993)

Emphasized role of District Health Council and the Long Term Care Committee.

Indicated:
System must be consumer oriented and responsive.
System must reflect ethno-cultural and spiritual communities.
System must promote wellness.
System must be efficient, coordinated and equitable.
Retained local Long Term Care Offices to review, negotiate, approve and monitor program budgets and liaise between the Ministries, the community and the District Health Councils.
APPENDIX C: Ontario Training And Adjustment Board Jurisdictional Map

A review of the two maps indicates that the jurisdictional boundaries for the individual OTAB's do not correspond to any set of municipal boundaries at the local, regional or county level. These boundaries are based instead on economic hinterlands and labour markets. As in Robert Fisherman's megalopolis the community is defined by an individual's consumption pattern. In the OTAB's case, the unemployed is the program's targeted population and the community is defined as the local labour market surrounding a major economic hub. The dilemma is that with a consumer oriented organization each program defines its own community depending on their target group and as such no two programs will agree on a common definition of what comprises a community. This fact is more visually apparent in the OTAB example because the boundaries of their "community" is defined in geographical terms similar to municipalities.
Southern Ontario

1. Hawkesbury-Cornwall
2. Ottawa-Pembroke
3. Kingston-Brockville
4. Belleville-Hastings
5. Lindsay-Peterborough
6. Oshawa-Cobourg
7. York
8. Peel-Halton
9. Niagara
10. Hamilton-Burlington
11. Hamilton-Burlington
12. Saran & Area
13. Lake St. Clair
14. Kitchener-Guelph
15. Georgian Bay
SECTION 4:

CONCLUSION AND SUMMARY
CONCLUSION AND SUMMARY

Section 1 highlighted some of the theories and bureaucratic motives as to why certain decisions are made concerning service delivery, planning and management of public goods. Section 2 reviewed the current pressures and stimuli which contributed to the need for governments to adapt to these changing circumstances along with the implications these changes would have on local government's authority. In general, Section 3 provided evidence that, both in the past and in the current provincial initiatives, these theories and stimuli are playing a major part in provincial policy formation.

The paper's initial premise that local government's role in human service planning, management and delivery is eroding has definitely been proven. The Ontario government's recent initiatives with Long Term Care Reform, enhanced roles for District Health Councils, and the proposals to establish a series of special bodies in the health and social services area, are all diminishing the role local governments play in human services.

In January 1993, the province and the AMO reached a tentative agreement on disentanglement. In that agreement the province would assume financial responsibility for welfare and property assessment services and although this tentative agreement was subsequently rejected by municipalities, the province indicated it would unilaterally proceed with the principles outlined in the "agreement". This action along with the principles outlined in the Hopcroft Report, appears that the province is content to have the provision of hard service, or those services relating to property, remain with local government.
This provincial stance is founded in the fact that these services have little, if any, income redistribution component to them, have minor impact or spillover effects on adjacent jurisdictions, are geographically defined in that they can not be moved, and, are usually most effectively produced at the local level.

This can not be said of services related to people. These services match all of the criteria used by the province in the past to assume greater control in local activities. The current social, political and economic pressures only heighten these justifications.

The only exception to this trend is the City of London’s attempt to integrate a social plan with their land use plan. The motivation for London to pursue such a comprehensive social plan was that it was an imposed condition by the Ministry of Municipal Affairs for approval of the London/Middlesex annexation.

This raises the question: Do municipalities truly want to remain involved in human service planning and delivery? In general, most small lower tier municipalities are willing to forfeit human service planning and delivery to the province or its designate. These municipalities have neither the resources nor the vested interest to retain human services at the local level. This stance, in large part accounts for the wide spread acceptance of the principals outlined in the Hopcroft Report.

Appendix A compares AMCTO’s and the Hopcroft Report’s recommendations as to the function each level of government should provide. In each case AMCTO recommends that human
services be a provincial responsibility, even in the case where the Hopcroft Report recommends that the service should be a shared municipal-provincial responsibility.

The largest resistance to the most recent provincial initiatives has come from the larger municipalities and in particular from regional governments. It is at this level, through their various associations such as AMO and the Ontario Municipal Social Services Association (OMSSA), that lobbying efforts are being exercised and concerns are being expressed. As an example, AMO’s report entitled Municipal Option: Local Authority for Health and Social Services is very much an attempt to gain support amongst the public and the municipal sector to support local government, and indirectly the regional governments, by retaining human services at the local level.

Unfortunately this may be too little too late. The experiment with London’s social plan, if successful, may lead the province to reconsider its approach to local government’s role in human services planning. However, the evaluation of their success will come too late for the vast number of local governments who have neither the time, the inclination nor the resources to stem this avalanche of provincial reforms.

In May 1993, AMO wrote a policy paper which stated the fundamental re-structuring of provincial - municipal responsibilities for health and social services will have a major impact on the future, focus and relevance of municipalities as local governing authorities in Ontario.¹

The unfortunate conclusion for local governments is that their authority is being continually eroded in the human services sector, to the point where they are becoming local providers of hard and property related services and less of a legitimate and effective level of government.
APPENDIX A

(DIVISION OF RESPONSIBILITIES BETWEEN MUNICIPAL AND PROVINCIAL LEVELS OF GOVERNMENT)

### ADVISORY COMMITTEE RECOMMENDATIONS

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* indicates that protective inspection may be undertaken by either level of government

P = Provincial  
M = Municipal  
S = Shared
### Division of Responsibilities between Municipal and Provincial Levels of Government

The table below outlines the recommended division of responsibilities and funding for various functions between municipal (M), provincial (P), and shared (S) levels of government. The recommended policy/service management (POLICY/SERVICE MGMT), delivery (DELIVERY), and funding (FUNDING) for each function are indicated.

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**existing Provincial parks to remain the responsibility of the senior level of government**

- **P** = Provincial
- **M** = Municipal
- **S** = Shared

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4 - 6
BIBLIOGRAPHY


