

Municipal Reorganisation in Quebec*

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This study is based on the assumption that municipal government has a certain autonomy and can influence decisions even at an upper level of government. Local political institutions have an existence of their own even though they are formally creatures of the provincial authorities. They are part of institutional arrangements by which the political system as a whole is held together and functions. Actors within these institutions may develop and stand for local interests that come to be challenged by municipal restructuring.

Territorial restructuring, as featured by mergers or amalgamation of municipalities, represent a critical challenge to local autonomy and identity, and may be perceived as an earthquake by local officials and populations. For some policy makers and some experts, however, restructuring may respond to other objectives such as managing metropolitan areas, ensuring equity in taxation and in the level of services, reinforcing local institutions in order to increase responsibilities and attain downsizing goals at the provincial level (Tindal and Nobes Tindal 2000; Sancton 1991; Bourne 1991).

Decisions to reorganise municipal structures represent major issues for a variety of social and political actors and are of special interest to provincial and local decision makers. High expectations are placed upon the provincial authorities who have the responsibility for municipal institutions. Some provincial authorities may want to impose their own policy agenda; others simply react to interest groups. The question of municipal restructuring can be approached as a process of agenda setting in Quebec where projects for change have been proposed for decades without results comparable to those in other provinces. What

* A first draft of this paper was presented at a round table on municipal legislative renewal in Canadian provinces, Annual Meeting of the Canadian Political Science Association, Sherbrooke, 1999.

is so particular about institutional arrangements at the municipal level in Quebec?

This study considers municipal reorganisation projects which started in the early 1990s and are still under discussion. It is a case study of a policy that is still to be completely adopted, within the context of ongoing debates about the pros and cons of municipal reform. This situation is relevant for a study of what Kingdon calls “streams” affecting public policy making. Three types of streams or windows which create opportunities or openings for action are identified as determinants of the policy making process (Kingdon 1995). The problem stream refers to all activities related to the identification and the diagnosis of a problematic situation. Perceptions of the nature of a problem and even problem recognition are at issue in the initial stages of policy making. Secondly, the political stream carries conditions related to politics, relations of power and partisanship, what Kingdon defines as the narrow sense of the political (1995). Hence, the political mood of key actors towards a given policy proposal creates conditions that may either block or propel policy depending on whether the mood is negative or positive. Third, the policy stream refers to the policy priorities that are imposed by the limited time and resources that can be devoted to any given policy. Policies struggle for a place on the decision agenda where opportunities move ahead of the others. Kingdon points out that these streams may develop separately or may converge and facilitate the adoption of a given policy.

This model seems appropriate for the analysis of municipal reform. In fact, this field has raised considerable discussion in the past in terms of the recognition of the problems to be solved by reform (the problem stream). Moreover, the provincial and the municipal mood has settled the conditions for political mobilisation and debates over the issues of municipal restructuring (political stream). Finally, the policy stream is of utmost relevancy in the context of strong pressure for reform in competing fields such as the health and education programs.

Our hypothesis is that the cumulative effects of the three streams may explain the slow pace of structural changes in the municipal system in Quebec. Although structural changes have been on the governmental agenda for quite a while as a problem, the shift of municipal reform to the position of policy priority and the opening of the policy window to propel the proposal into the decision agenda is very recent.

This study is based upon an analysis of:

- ▶ The background and the content of the report of the *Commission Nationale sur les Finances et la Fiscalité* (the Bédard report) issued in April 1999;
- ▶ Interviews with provincial and municipal leaders;
- ▶ The content of press conferences from the municipal associations;
- ▶ Interest group mobilisation for support or for protest; and
- ▶ An array of activities related to provincial/ municipal relations.

Only a small part of this last element of analysis is visible to the public at this time.

The argument in this paper is presented in four parts. First, the general urban situation is described in order to demonstrate the uniqueness of municipal arrangements in Quebec. Second, previous governmental attempts at municipal reform are reviewed briefly. Third, the 1999 Bédard report on local finances and taxation is analysed. Fourth, the reorganisation plan which was issued in March 2000 and partly put into legislation in the following months is discussed.

The Urban Situation in Quebec

Canadian provinces have largely used their powers over municipalities to create new entities, redefine their mandates, impose territorial restructuring or change the rules for taxation. Government policy in the field of municipal affairs, however, has followed different paths from province to province and Quebec stands out on many significant grounds. On the one hand, Quebec has appeared as rather conservative in municipal restructuring, having a number of municipalities that has not significantly decreased over the 20th century. Moreover, Quebec was the last province to adopt planning and land use legislation in 1979. On the other hand, the Quebec Government has proven to be innovative in the field of electoral legislation with the creation of electoral districts in all cities of 20,000 or more and the implementation of four-year terms of office for mayors and city councillors. Quebec municipalities have a more favorable citizens/elected officials ratio than in other provinces because of the implementation of larger city councils. Furthermore, municipal and school district elections are separated whereas these elections are held simultaneously in other provinces. These unique features do not all contribute equally to local democracy, but they indicate, for better or worse, that distinctive paths have been followed in Quebec policy making.

The structure of the municipal institutions in Quebec was modeled on that of the parishes and villages of the early days of the colony. Today's agglomerations along the Saint Lawrence river and other major or smaller waterways spread from these numerous first communities. Some of them have evolved into major metropolitan centres, such as Montreal, Quebec City, Chicoutimi, Hull, Trois-Rivières and Sherbrooke. Most of the remaining communities have remained as small, autonomous rural communities widely spread across the regions. Quebec's municipal map has remained by far the most fragmented in Canada.

Quebec has six out of the 25 Canadian metropolitan areas within its limits. With Ontario, it is in the group of the most urbanised provinces in Canada (Marshall 1994). Montreal (3.3 million) is the second largest metropolitan area, after Toronto (4.3 million) and ahead of Vancouver (1.8 million) or Ottawa-Hull (1 million). Yet, Quebec has an exceptionally high number of small municipalities. With 90 % of the municipalities with 10,000 or less residents, the municipal framework is dominated by small and rural entities (Table 1). Out of the

1414 local municipalities, only 125 are in the 10,000 or more bracket and only five are over 100,000. Cities are the home of 70 % of the population today. These figures, however, should not hide the suburbanisation process that has been going

TABLE 1 Local Municipalities by Population, Quebec, 1998

Population Range	Municipalities		% of Total Population
	N	%	
< 500	274	19.4	4.7
500 to 999	338	29.9	--
1,000 to 1,499	188	--	--
1,500 to 1,999	130	--	--
2,000 to 2,999	142	46.4	25.0
3,000 to 3,999	80	--	--
4,000 to 4,999	40	--	--
5,000 to 9,999	76	--	--
10,000 to 24,999	77	5.4	17.2
25,000 to 49,999	27	1.9	13.3
50,000 to 99,999	16	1.1	15.2
> 100 000	5	0.4	24.5
Sub-total	1393	85.5	98.0
Nordic Villages	14	1.0	0.1
Others	7	0.5	> 0.1
Total Municipalities	1414	100.0	--
Population	--	--	(7,111,148) 100%

Source: MAM 1998, Prévisions budgétaires des organismes municipaux 1998. Québec: Publications du Québec, tableau 53.2

on for the last forty years. The large number of urban dwellers who now live in the outskirts of the core cities represents a significant voice in our case study.

Only a few important territorial amalgamations have been realised over the last decades. The creation of the City of Laval (just off the Island of Montreal) is one example. In addition, the two cities of Baie Comeau and Hauterive and some cities in the Quebec City area were merged. Each time, the provincial government's decision was very controversial and may have contributed to the electoral defeat of the provincial party in power at the time of the mergers.

Municipal Restructuring: A Political Mine Field

Municipal restructuring in Quebec has been at the core of intensive debates for decades without resulting in significant institutional changes in urban or rural areas. A voluntary approach to amalgamation was encouraged by government in

the 1960s. Although accompanied by financial incentives, this approach did not produce any significant reduction in the number of municipalities. In the 1970s, a case-by-case approach under a provincial Government initiative lowered the number of municipalities from 1,600 to 1,500. In the 1980s, priority was given to reinforcement of the regional level, with the creation of the Regional County Municipalities (RCM) and, in 1983, the launching of a Government proposal for decentralisation with *Le choix des régions* (Cournoyer 1998).

These provincial initiatives have had political consequences. If the initiated changes were perceived as too radical by the municipal élites, governing parties suffered in subsequent elections. After being active in ad hoc amalgamation, the Liberal government (1960-1966, and 1970-1976) was sent to the Opposition in the National Assembly in part because it introduced a major proposal to create two tier governments in the regions outside the three major metropolitan areas. Between the two periods of power for the Liberals, the Union Nationale government succeeded in creating three urban communities in the major metropolitan areas and was defeated in 1970. As for the Parti Québécois Government, its portfolio in municipal reorganisation was characterised between 1976 and 1985 by far reaching projects of decentralisation prior to its 1985 electoral defeat.

The suggestion of this policy-politics conundrum may seem simplistic in view of the multiplicity of factors associated with electoral outcomes (Bernard 1996). But many observers and political advisers share the opinion that full range municipal reform may incur serious political costs for a provincial government.

In 1990, shortly after re-election, the Liberal Government initiated a project to transfer responsibilities and costs for police services and local roads. This project targeted small localities where the Liberal Party does not find its major supporters. To respond to pressing problems in the Montréal area, the Government established a commission whose report was issued in 1993 (the Pichette Report). Shortly after, the six central cities of the province issued a report focusing on their specific problems and the need for cooperation at the metropolitan level. These two reports were not followed by substantive Government policy at that time.

The Amalgamation of Small Municipalities

The Ministry of Municipal Affairs initiated a municipal amalgamation project in 1996. Small municipalities were targeted as a first part of a larger program designed to correct the fragmentation of the municipal level. Municipal governments were considered too numerous and too small to be efficient. Financial support was offered to 400 municipalities with a population under 10,000 as an incentive to help in the amalgamation studies. The amalgamation project was revised in 1997 and a \$375 million contribution from municipalities to the provincial budget deficit reduction effort was imposed on the smaller as well as

on the larger municipalities. The minister also added some compelling conditions to his amalgamation project. Any failure to participate in this project would be followed by a reduction of provincial funding for municipal programs starting in 1997. This program was based on a highly publicised research report by an economist who arrived at the conclusion that the average cost of services was lower if small municipalities were merged (Brisson 1996).

Following public hearings held in the fall of 1996, the Government twice postponed the deadline for the implementation of the amalgamation program in the face of strong opposition from the Association of Rural and Regional Municipalities and others. In its report issued in April 1999, the Bedard Commission reiterated the need for amalgamation. During this period, 103 small municipalities merged into 49 new ones and 142 are currently conducting feasibility studies.

The Montréal Region

Montréal's expansion on both sides of the Saint-Lawrence River and the difficult adjustment of this urban reality to the fragmentation of the local political scene have been an object of concern for many years (Collin 1998). Our discussion of the situation in Montréal starts in 1993 with the Pichette Report (Groupe de travail sur Montréal et sa région 1993). This largely business-oriented group developed a coherent vision for the economic development of the Montreal area within the context of the global market. The group hoped this approach would promote a regional consensus in favour of more intra-regional cooperation.¹

The group defined the parameters of its work in reference to the need to contain urban sprawl, to respond to an increased need for services and infrastructure, to face the needs of regional transit and environment protection in the metropolitan area. The notion of "city region" was introduced as a way to promote cooperation within a huge territory with some 100 municipalities, 12 RCMs, and one urban community. The Commission proposed the creation of a regional council, composed of members delegated from area municipalities, the abolition of the twelve RCMs, and the formation of four territorial service boards. In addition to these proposals connected to municipal institutions, the Commission proposed the merger of the five administrative regions of the metropolitan area into a single one, as well as the merger of the five regional development councils (Cournoyer 1998).

The commission's report met with strong opposition from many sides:

- ▶ The suburban municipalities did not share the commission's diagnosis of their management practices, and reaffirmed their unwillingness to be part of

1. We are grateful to an external reviewer who mentioned this relevant comment.

the solution of problems caused by what they considered to be the core city's extravagances and bad management

- ▶ The Association of Rural and Regional Municipalities rejected the report on the basis that no change was necessary to the structure of regional municipalities
- ▶ The proposal to change the map of the five administrative regions in the Montreal area worried many Cabinet ministers and failed to generate consensus inside Government

The Pichette Report was left with no immediate output until the nomination in January 1996 by the Parti Québécois Government of a Cabinet minister responsible for the metropolitan region. The new minister came with a mandate to build up the necessary conditions in the region for the establishment of a metropolitan development commission. Once more, consultations were initiated with the area municipalities, representatives of the business community and socio-economic groups. Again, strong opposition appeared, even when the minister stated that the planned commission would not deal with the problems of the City of Montreal.

Following the consultations in the fall of 1996 on the proposed metropolitan development commission, the Government backed up on its proposal. It stated the metropolitan commission would not touch the RCMs in the Montreal area and that the commission's role would be consultative rather than decisional. A bill was introduced in the Quebec Legislature in early 1997 to create a Metropolitan Development Commission (MDC) with the responsibility for building cooperation around urban planning issues. The idea of a consultative regional body was not accepted by the Association of Rural and Regional Municipalities nor the suburban municipalities within the Montreal Urban Community or in the outskirts of the Island. The core city, however, supported it, along with the business community and the major daily newspapers.

In view of this lack of consensus and with a provincial election anticipated in the fall of 1998, the creation of the Metropolitan Development Commission was postponed. The Parti Québécois Government, re-elected on November 31, 1998, appointed a cabinet minister from the Montréal area with the port folio of "municipal affairs and the metropolis."

This presentation of the background to legislative reform in Quebec would miss out a very strategic point if the 1997 "deal" involving the Quebec Government and the Association of Urban Municipalities was not included. The provincial government imposed an annual contribution of \$375 million on all municipalities for a three year period (1997-2000). The government argued that everyone should participate in the fiscal effort confronting the Quebec Government, including municipalities. All municipalities were therefore required to pay their proportionate share to the local activities special financing fund (LASFF). This government decision was interpreted by the municipalities as an unacceptable "transfer" of costs to decentralised entities which had conscientiously delivered

balanced budgets year after year. Despite an initial vociferous opposition to the decision, the Association of Urban Municipalities finally agreed to collaborate while opposition from the Association of Rural and Regional Municipalities was ignored by the Government. The deal with the first Association was conditioned by a Government promise to create a commission on local finances and taxation. This commission was put in place in April 1998, a few months prior to the November 1998 provincial elections, and the report was issued in April 1999.

The Commission nationale sur les finances et la fiscalité locales

The *Commission nationale sur les finances et la fiscalité locales*, chaired by Denis Bédard, was mandated by the Quebec Government to examine the sources of revenue of local governments, ways of improving the equity and the efficiency of the municipal fiscal regime, and metropolitan taxation system. It was asked to take into account the Government's intention to "improve" public finances without increasing the overall tax burden and look specifically at Montréal's financial situation.

The commission's report, issued in April 1999, is composed of seven chapters. Four chapters deal with financial matters, two with local public sector reform, including school boards, and one with local management and labor relations. The large report with 108 recommendations on taxation and municipal structures and functions is based on the following views:

- ▶ There is a need to *increase local financial autonomy*. With the lengthy use of financial statistics, the report reasserts that the financial situation of municipalities as a whole is healthier than that of the province and that there is reasonable room for an increase in the contribution of municipalities to the funding of public services
- ▶ According to the Commission, however, *local structures* are not adapted to fulfill their role in "Quebec's local contemporary *dynamique*" (Québec 1999: 159). A detailed analysis of the local public sector is presented, with emphasis on the multiplicity of local units (including special districts), the inefficiency of the administrative territorial maps, the duplication of services, the absence of vision for the region, the deficiency of local democracy, the limits of real estate taxes, and the existence of fiscal inequities and fiscal enclaves. These characteristics are defined as elements of the general problematic applicable to all municipal governments.
- ▶ Other elements are added to describe the *situation in metropolitan agglomerations*: sterile inter-municipal competition, poor planning and the external costs of commuting. The report, indeed, passes severe judgments on the municipal situation, calling for drastic structural changes.

The major recommendations of the Bédard report concerning structures were as follows:

- ▶ The 96 Regional County Municipalities be reinforced on the basis of three important changes: a transfer of some local municipality responsibilities, the direct election of the members of the regional county councils and the right for the RCMs to raise their own taxes.
- ▶ The municipalities in four metropolitan areas, except Montréal and Quebec City either to engage in discussions leading to a major transfer of responsibilities to a two-tier government or merge and remain in their respective RCM for regional planning functions.
- ▶ The municipalities in the Montreal and Quebec City areas should be amalgamated: into 20 municipalities for the greater Montreal area (five maximum for the Island of Montreal), and into five or six in the Quebec metropolitan area.
- ▶ Metropolitan structures should be created in the Montreal and the Quebec metropolitan areas, with officials directly elected and autonomous taxation powers.

This report is interesting as an attempt at policy renewal. It is well documented and brings substance to the debate. The Commission responded to its ministerial mandate by adopting a straightforward and encompassing approach. The argument concerning structural reform is built on an extensive use of fiscal indicators, a detailed and critical analysis of local current practices in the field of taxation, as well as a systematic analysis of the sharing of responsibilities in the public sector. With this multidimensional view, the report opens up the way for the adoption of a municipal reform that would be far more comprehensive than the ad hoc reorganisations of the 1970s and 1980s. It presents a coherent argument in favour of reform which would include the three basic dimensions of municipal government: structures, responsibilities and process (democracy).

Reactions to this report were immediate and mostly negative on the municipalities' side. The municipal representatives challenged the report's approach and what they described as a diversion of the Commission's mandate. For the Association of Urban Municipalities, the Bédard Commission's mandate was to focus on finance and taxation, not on structures. It rejected any proposal opening the road to the reinforcement of RCMs and was horrified at the idea of losing a monopoly over direct taxation and at the possibility of directly electing leaders of regional governments.

The mayors of the cities of Montreal and Quebec were more nuanced in their reactions. Although they shared their colleagues' rejection of direct election and direct taxation at the second-tier level, they endorsed the Commission's diagnosis concerning metropolitan fragmentation, inefficiency in economic development strategies and inequity in the sharing of public expenditures within metro-

politan areas.

The persons speaking against the Commission's recommendations largely outnumbered those in favour and the structural issues raised in the report were superficially addressed by the urban and rural municipal authorities. In fact, it is likely that most of the mayors did not read the voluminous report. The format of the document better suited the academic world than the world of municipal leaders. The data were presented at a high level of aggregation so that individual municipalities could not identify themselves in the tables.

The Commission's report set the table for confrontation between Government and the municipal world. On one side, a "white paper" leading to formal public consultation and followed by legislation was an option for the Government. Municipalities, on the other side, were preparing for war.

The Aftermath of the Bédard Report

After the first wave of reactions to the Bédard report, discussions of municipal reform in the public arena were halted. Public servants in the Ministry of Municipal Affairs worked on policy proposals, while municipal officials prepared their next year's budget. At the centre of the latter's working group lay the question about the necessity to budget for another year their contribution to the "local activities special financing fund" (LASFF) to which they had contributed since 1998.

At the end of the summer 1999, a Montreal daily newspaper published a series of articles on proposals the newspaper suggested would likely be included in the coming white paper on reorganisation. These proposals concerned the creation of a megastructure for the Montréal area and the reorganisation of RCMS. *Le Devoir* reported that such proposals provoked a "rebellion" within the Parti Québécois deputation in the National Assembly as well as in the municipalities (Lévesque 1999).

Within this context, Louise Harel, the Minister of Municipal Affairs, issued a statement to reiterate the objectives of the reform. She clearly summarised the five problems in need of a solution, in order: the "dramatic inequity in municipal financial systems"; problems of urban sprawl; problems related to the uneven distribution of the costs of social housing within the Montreal area; the inefficiency of highly fragmented municipal structures; and, lastly, the inadequacy of urban management (Internet site: Communiqués c4129).

Was this ministerial statement intended to sound the end of the debate? The impact went in this direction as Ms. Harel initiated some negotiations with the two municipal associations in October 1999 with the hope of coming to a fiscal agreement early enough to be included in the process of developing municipal budgets. Many scenarios were put forward, some involving transfers to the local school boards of the costs of student transportation accompanied by a major increase of the local school tax levies. In order not to penalise local taxpayers,

the provincial Government required that municipal governments decrease their own level of taxation while the Government would put an end to the municipalities' contribution to the special financing fund (LASSF). During this bargaining process, the two associations representing the municipalities appeared to be at odds with one another and failed to converge in their efforts to come to an agreement with Government.

In December 1999, after Ms. Harel's announcement that the bilateral discussions involving the Government and the Associations had failed, the Government established a committee of eight cabinet ministers to study the reorganisation question. The Minister of Municipal Affairs reiterated a few weeks later that the elaboration of the white paper on reorganisation was under way. On March 3, 2000, following Cabinet endorsement of the reform proposal, Ms Harel issued a "*reorganisation plan*" which had been endorsed by Cabinet a few days earlier.

The 'Reorganisation Plan'

The "reorganisation plan" has a two-level structure: first, it focuses on the three major metropolitan areas (Montreal, Quebec and Hull), and second, the municipalities outside these areas. The strategy, therefore, is to deal first with the three regional governments or *communautés urbaines* which were put in place in 1970 and where 70 % of Quebec's population lives and then to deal with the RCMs and the smaller municipalities.

The Minister of Municipal Affairs, at the outset, outlined the general framework of the Government proposals. She announced a range of projects pertaining to regional government and tax-base sharing, responsibilities of RCMs and municipal amalgamation. The proposed decision agenda is spread over two years, with the publication of the white paper in April 2000, the introduction of legislation in June 2000, implementation in January 2001 and the abolition of tax re-distribution as of January 2002.

In the three major metropolitan areas, the plan proposes the establishment of metropolitan commissions with planning and coordination functions pertaining to land use, public transit, economic development, inter-municipal services, social housing, garbage disposal and tax-base sharing. The Government proposes to review the RCM's responsibilities in this context since some of the functions of the proposed commissions overlap those of the existing RCMs.

As for the calendar, the municipal reorganisation process in the three major metropolitan areas began in April 2000 with the creation of an advisory committee in each area (with a membership composed of mayors and chairpersons of each area's RCMs) and the nomination of a prominent Government delegate as committee chair. These advisory committees have a twofold mandate. First, they are asked to make recommendations to the Minister of Municipal Affairs concerning inter-municipal services and infrastructure and ways of implementing a tax-base sharing model. Second, the advisory committees are expected to make

recommendations to the Minister pertaining to municipal amalgamation and options for jointly providing some specific services. In the Montreal area, the committee is specifically mandated to examine different merger scenarios, ranging from the City of Montreal's proposal for "one island, one city" to the very radical proposal to create a single municipality covering all of the metropolitan area. A similar mandate was given to the Quebec City and Hull area committees.

The presentation of the provincial budget was a different political event but had important linkages with the reorganisation plan. When the Minister of Finance and Vice-Premier, Bernard Landry, issued his fifth annual budget on March 14, 2000, he announced a series of measures aimed at the municipalities and with the explicit intention of "smoothing" the relations of his Government with the municipal world. The announcement of the end of the municipalities' contribution to the "local activities special financing fund" (LASFF) as of 2001 (but not as of 2000 as the municipalities had requested) is relevant to this discussion. Furthermore, he announced up to \$155 million as special assistance to the municipalities for the reorganisation plan, with explicit reference in his budget speech to urban centres and RCMs. He also announced, however, the end of the redistribution by the provincial Government to the municipalities of the proceeds from the tax on the telecommunications, natural gas and electricity (TGE) network. This last item was supported by the small municipalities who were not affected by the measure, while it created much dissatisfaction on the part of larger cities.

Were the relations between the Quebec Government and the municipalities effectively softened? The image which the media showed over the following weeks did not confirm this wishful thinking.

Reactions and Follow-up to the "Reorganisation Plan"

As the "reorganisation plan" had been expected for quite a while, the reactions were quick to come from the associations representing the urban and the rural municipalities and from specific mayors. Both associations condemned the plan on the basis that the priorities should be reversed to favor a solution of the fiscal problem before dealing with structural problems. The Chairman of the Association of Quebec Urban Municipalities (AQM) claimed the proposed mergers will necessarily lead to an increase in taxes as long as legislation concerning labour relations at the municipal level is not amended. This critical point has been a central issue for the urban municipalities for a long time. The Bédard Commission, for example, had recognised this point in its report.

There is more, however, to the urban mayors' rejection of the Harel plan than discontent over labour legislation. The Chairman of the AQM accurately voiced the Association's point of view when he stated that "the Government would be well advised to understand that for a large majority of municipal

elected officials, a new fiscal agreement is of much more importance than the Harel reform, and that the latter would have a lot more chance of success in an environment stabilised by a new fiscal agreement” (translation from Laframboise 2000).

For some mayors, such as the group north of Montreal, any anticipated increase in taxation was to be condemned. Clearly, the dominant argument in opposition to the Minister’s action plan focused on the perceived inappropriateness of the proposal’s fiscal recommendations. These mayors refused to contribute to the funding of metropolitan services and infrastructure, as well as to any kind of “rescue” of the major central cities. Other mayors attacked the consultation process. Some of them refused to sit on the committees; others challenged the composition of the committees on the basis of the anticipated under-representation of the mayors.

Over the months following the release of the reorganisation plan, an opposition movement was initiated by suburban municipalities in the Montreal and in the Quebec City area. The movement focused on the amalgamation component of the plan and the territory to be included in the proposed metropolitan commissions. With ads in the daily newspapers and billboards, the movement mobilised suburban electors -- mostly property owners -- and established a “rapport de forces” with Government. As discussions were ongoing, the Government offered to increase the funding that the municipalities would receive for the implementation of the plan, reconsidered the responsibilities that would be handed over to the metropolitan commissions, and agreed to increase municipal representation on the commission councils. But these accommodations did not convince the suburban municipalities.

The opposition movement culminated with the organisation of referenda in the suburban municipalities. The electors were asked a question with a similar wording pertaining to their support of a reorganisation plan that would involve substantive tax increases and service degradation. Although the results are not binding for the provincial authorities, a fair proportion of the voters responded by supporting rejection of the reform by their local officials. With voter turnout between 10 and 35 %, 90 % or more of the suburban voters rejected the amalgamation with an overwhelming majority.

The Quebec Parliament adopted legislation to create the Greater Montreal Metropolitan Commission. Later on, in November 2000, the Government introduced a bill proposing the merger of municipalities in the province’s five major metropolitan areas and the creation of five new large cities (Montreal 1.8 million, 28 municipalities merged; Quebec 504,000, 13 municipalities merged; Longueuil 380,000, 8 municipalities merged; Gatineau-Hull 200,000, 5 municipalities merged; and Lévis 118,000, 10 municipalities merged). With the “one island/one city” proposal for Montreal, the new city will become the second largest in Canada (after Toronto), and Quebec City will be the ninth largest.

Following the introduction of this legislation, public hearings were held in early December and adoption of the Bill is scheduled to take place before the end

of 2000. In January 2001, transition committees will be formed in each of the five areas. Municipal elections will be held in November 2001, and the five new cities will start their official existence as of January 2002.

The “forced merger” proposal met with very strong opposition from the suburban mayors in the Montreal area, and to a lesser extent in the Quebec and the Outaouais areas. Citizen committees were formed in a few suburban municipalities with activities mostly in the form of billboards and rallies² urging the Government to withdraw the bill. Citizens expressed their opposition when suburban municipalities held popular votes on the “forced mergers”. As the 2000 Canadian federal election approached, protesting municipalities organised a campaign against the Bloc Québécois candidates³, aiming to influence indirectly the Parti Québécois provincial government.

The major daily newspapers, however, favoured the Government proposal, with the important exception of *The Gazette*. The *Gazette* editors voiced the opinions of the anglophone population of the Montreal area. The merger proposal carried a linguistic dimension in Montreal that was absent in the other regions concerned with the merger proposal. In fact, 14 of the 28 municipalities to be merged on the Island of Montreal enjoy a bilingual status under the Province of Quebec’s *Charte de la langue française*. The anglophone campaign against the merger proposal was based largely on the assumption that the Bill’s provisions for the protection of the rights of the anglophone populations were not satisfactory.

In contrast to the opponents of mergers, the “pro forces” have not been very active. The central cities, some feminist groups and some socio-democratic citizen groups were visible participants. Spokespersons for the government have been very few after the introduction of the Bill -- primarily the Quebec Premier and the Minister of Municipal Affairs.

The arguments in favor and those against the reorganisation plan can be summarised as follows :

- ▶ The proposers and the defenders of the reorganisation argue the plan is necessary to attain several objectives, notably the “modernisation” of the municipal structures, increased coordination at the metropolitan level, a better planning capacity to curtail urban sprawl, and last but not least, reduction of the fiscal disparity that characterises the municipal system in the metropolitan areas where some municipalities figure as fiscal “para-

2. Ironically, the Union of Suburban Municipalities of Montreal Island, a dissident branch of the Quebec Union of Municipalities, organised a large rally of suburban protestors which took place in the downtown district of the City of Montreal, a gesture that was interpreted by Mayor Bourque, from the City of Montréal, as showing the protestors’ *de facto* identification with the central city...

3. The Bloc Québécois Party is an independentist party on the federal political scene. It is known as the federal branch of the Parti Québécois, Québec’s independentist party.

dises” while others face an overload of public charges for regional infrastructures and services.

- ▶ The opponents of the reorganisation tend to focus their arguments on the merger component of the plan: they wish to protect their level of services and quality of life, they fear that the new city will be inaccessible and they wish to protect the local community and the liberty of choice for the home owners. They also contend that a cost sharing approach, rather than “forced mergers”, would be a more appropriate strategy for the reduction of fiscal disparities between municipalities.

The present will to move forward with the reorganisation Bill will significantly change the municipal government in Quebec. There will be fewer municipalities and a revised pattern of responsibilities between the borough councils, the enlarged city governments and the metropolitan communities. At the time of preparation of this publication, the ongoing process precludes any strong conclusion as to the outcome. Until the third reading of the Bill and the implementation of the law, some legislative amendments can be expected. Our view, however, is that the Bill will move forward in substance.

Conclusion

The policy process of municipal reform has not yet come to its completion. The plan has moved, however, from the government agenda to the policy agenda with the initiation of legislation. We now turn to this decision process for a final interpretation using Kingdon’s three determinants of change in the policy process.

The Problem Stream

The problem stream pertains to the identification of what is wrong with a situation and whether there is a need to correct it. Our case study shows that extensive discussions took place on the nature of the problem at hand. Is there a real problem with multiple municipal structures? What is the problem with suburban municipalities doing as they wish? Why destroy what is working well? There obviously is no agreed upon answer to these questions on the part of Government, local elected officials, municipal workers’ unions, the daily newspapers, experts or citizens. A major obstacle to consensus, however, has been neutralised. The Government came to a fiscal agreement with the two associations of municipalities in the fall of 2000 and promised to support the extra costs of the territorial mergers with special subsidies. Moreover, taxpayers’ resistance was weakened when simulations of the impact of the mergers on the taxpayers of the different municipalities were made public. As a whole, the projected tax decrease

for a majority of taxpayers curtailed the opposition to merger on the part of citizens of the central cities as well as of certain suburbs. The debate concerning the best solution continues amongst specialists, but there is consensus concerning the necessity to correct fiscal inequity at the metropolitan level.

Although the opponents to the Bill have concentrated on the forced character of the mergers rather than the consequences of mergers *per se*, the nature of the problem underlying the opposition to the authoritative imposition of restructuring has not been extensively discussed. "Forced mergers" has been a campaign slogan but not an issue clarifying device. Finally, the intervention of federal parties in the debate did not help clarify the issues underlying a municipal problem which is clearly a provincial responsibility.

Nevertheless, the interests at stake for local politicians are still high as a majority of them will probably lose their electoral base. Consequently, the opposition of the local political class in the suburbs may be supported by subjective interests which add to the more objective views concerning the reform of local institutions.

The respective salary levels of the municipal work force is another important component in the merger plans. An argument that municipal workers benefit from advantageous labour conditions in comparison to other government employees has been building up for several years. As the reorganisation bill was introduced, the municipal labour unions were prompt to mobilise and oppose any proposal which would change the labour negotiation process between the municipalities and the labour unions. The complex issues include salary, conditions of work and rules for collective bargaining each of which contributed to the unions' opposition platform.

The Policy Stream

The policy stream refers to the accumulation of knowledge and the determination of the policy community within a specific policy field. In Quebec, specialists in government agencies and in the universities have had a long lasting concern for metropolitan reform. They have from time to time voiced their frustration more or less publicly in view of what they perceived as low Government receptivity towards recommendations for reform. This favourable attitude towards reform can be illustrated by the numerous reports and proposals that have been written over the last decades (Table 2).

Support from the academic community is now more fragmented in view of the merger proposal. Many urbanologists, especially in the Montreal area, are opposed to the "one island/one city" proposal. Their fear of excessive centralisation and bureaucratic dictatorship is far less resented by specialists in the Quebec or the Outaouais areas where the scale of the reorganisation and the issues are not as diversified and complex as they appear in Montréal. Still, the policy community's fragmentation reflects the divisions that are present in the different

political and social groups of the local communities of which they are part.

After a moment of hesitation following the failure to reach a fiscal agreement with the municipalities in the fall of 1999, and with the final fiscal agreement one year later, the Quebec Government has clearly set the policy priority on municipal reorganisation. The Government's will to move forward with this priority does not seem to be shaken by the opposition movement that is, for the most part, supported by the suburban forces.

The Political Stream

Municipal reorganisation has been taking place in the midst of a turbulent political stream, the major protagonists of which have been presented in this paper. Central city mayors, major daily newspapers (except Montreal's *The Gazette*), some progressive social groups and some specialists in the urban field are sup

TABLE 2 Calendar of Major Stages in Provincial Municipal Relations in Quebec, 1997-2000

October 1997	Agreement between the Quebec Government and the Union of Quebec Municipalities to the effect that the municipalities will contribute \$375 million for the next 3 years to help the Quebec government reduce the deficit of its annual budget. The Quebec government, in return, will create a task force on fiscal problems.
April 1998	Creation of the National Commission on local finances and taxation.
December 1998	The newly elected Premier of Quebec, Lucien Bouchard, chooses Louise Harel as cabinet minister for Municipal affairs. The Ministère de la métropole is merged with the Ministry of Municipal Affairs.
April 1999	Release of the report of the National commission on local finances and fiscalité entitled <i>Pacte 2000</i> (Bédard Report).
September 1999	Leakage of information as to the content of the White Paper on municipal reorganisation (Harel proposals). Mobilisation of the municipal world against the recommendations of the Bédard Report. Rumors of a "rebellion" against the Harel proposals within Government and within the municipal world.
November 1999	Unsuccessful discussions involving the Quebec Minister of Municipal Affairs and the two associations of Quebec municipalities to agree to put an end to the municipal contribution to the "local activities special financing fund", to reduce by \$640 million municipal taxation over a 4 year period and to support the creation of a tax sharing mechanism in the metropolitan areas.
March 2000	The minister of Municipal Affairs releases a "reorganisation plan" and announces a white paper to be issued in April 2000, followed by legislation in June 2000, and implementation in January 2001.

porting reorganisation. The suburban mayors, suburban citizen groups, municipal workers' unions and the English language Montréal Gazette are in opposi-

tion.

The opposition movement's voice is heard much louder than that of the supporters. This situation can be explained by the fact that the Government's strategy is to centralise its interventions in the hands of a few prominent political figures and to use selected high profile public and private forums for announcements. At this time, however, it seems clear that the Government will move ahead with the reorganisation plan.

Our final comment addresses the nature of the reorganisation proposal that is basically a structural reform. The Government has put forward a proposal for a three-level institutional design, with the borough councils at the lower level, the municipality at the centre of the structure and the metropolitan community at the broader regional level. From a policy point of view, these three components are inseparable because of their complementarity. The enlargement of the municipal territory to form the new large cities is closely linked to the creation of first-level boroughs with significant decision power and capacity (resources).

This reorganisation opens up some interesting opportunity for a renewal of the political leadership in the major urban areas of the province. Municipal political parties and community groups will have to redefine their territory and enlarge their programs to give place to more concerns about socio-economic planning and quality of urban life. The issues at stake in the new cities hopefully will challenge new candidates prompted by feelings of collaboration and renewal of the municipal role.

Our case study shows that municipal reorganisation processes share common characteristics. They challenge the incumbent politicians. They appear as threats to what locally has long been taken for granted or established as vested interests. Although they are structural and institutional in nature, they are seen as calling upon important values related to democracy and quality of urban life. Municipal reorganisation, then, represents a provocative change and is seen as such in all places.

Our study suggests some significant differences from other mergers such as the Toronto experiment of 1997. In our case, the central city leaders and groups are mostly favourable to the reorganisation plan. In their view, the governmental proposal is justified by a need for more equity and coordination at the metropolitan level. In Quebec, the issues at stake bring into opposition the central city forces to the suburban forces, and the latter to the provincial Government. In the Toronto megacity project, the provincial Government proceeded with opposition from both the central city and suburban governments.

These final remarks, of an exploratory nature, should be tested empirically in further research. Research also is needed to assess the impact of structural reforms, such as the one examined in this paper, on urban policy.

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