

Institutional Analysis Assignment: Op-Ed

PPG1000 – Governance and Institutions

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How to solve the municipal infrastructure deficit for free

Canada can make sure its provinces properly fund municipalities by restructuring the incentives

Canada can solve a decades-long multibillion dollar deficit in spending on municipal infrastructure without raising taxes, borrowing a dime, or bowing to any partisan agenda. This might sound like [some bizarre telemarketing sales pitch](#), but it can be done by simply bolstering the political incentives currently holding back the funding municipalities need from the Federal and Provincial governments. By legislating the creation of an independent Board to study and solicit governmental and non-governmental input on infrastructure needs, Canadian citizens could have evidence-based spending levels attached to any pre-existing revenue stream already being transferred from Ottawa to each province.

The Board itself could be financed using some of the money already going to municipalities for infrastructure spending, and any recommendations it releases would be entirely up to Provincial governments to follow. In other words, the Board would produce non-binding recommendations, like the ones produced by Commissions of Inquiry, and it would be up to us as citizens to hold our Legislatures to the numbers.

The law that could create such a Board would be fully constitutional. As it stands, all Canadian cities fall exclusively under Provincial jurisdiction, and it has been that way since the drafting of the [Constitution Act, 1867](#). But today we all know that Canadian cities are important hubs for national and global prosperity, and that they are the most relevant level of government in the daily lives of [about 80% of Canada's population](#). This law wouldn't force provinces to raise a finger – it would simply give everyone an idea of how much they should be spending on

municipal infrastructure, opening the door to tough questions when provinces fall short of those levels.

The Board's recommendations would be national, which would make sure provinces can't default into some sort of collective stalemate in the hopes of ignoring this issue a little while longer. Some provinces, like [Manitoba](#) or [Saskatchewan](#), already share some of their provincial tax revenue with municipalities, but the levels are always insufficient, never guaranteed past the next provincial election, and will never be able to address this problem on a national level.

Finally, the Board would be empowered to provide independent and objective measures of the real deficits faced by municipalities. The Board would be designed to solicit public input from all levels of government, from civil society organizations and interest groups, and even from concerned citizens. It would then conduct its own research to calculate the recommended infrastructure funding levels, publicly forward those numbers to the Ministry of Finance in Ottawa, and then they would simply staple the Board's recommendations to [whatever revenue transfer works best](#). This would end the game of political hot potato every level of government is guilty of playing on this issue.

But here's the catch: in order for the law to work it would be up to us as citizens, working together or through our community groups, to actually hold provincial governments to account when they don't follow-through with the recommendations. And there will almost certainly be cases where, because of some unforeseen challenge or another, the Legislature simply won't be able to meet those levels. And in those cases, it is still up to us to make the Province explain its decisions, and for us to decide whether we accept their justification or not. In other words, the

entire plan works only if we use the recommendations to make provinces internalize their choices when it comes to municipal infrastructure.

In the end, this plan is about facilitating meaningful participation that can bring about meaningful change. Its about restructuring the political dynamics that have allowed provinces to shortchange cities for decades, without forcing governments to spend one way or another, and without disturbing the delicate constitutional balance we know as federalism. But while Ottawa can pass the law and staff the Board using a small fraction of pre-existing infrastructure funds, it would still be up to the elected representatives working in our Legislatures to agree to spend the money on municipal infrastructure.

If they don't, then we need to exercise our responsibility as active and informed citizens and hold their feet to the fire until they either properly fund public transit, social housing, roads and community centers, or give us a satisfactory reason for why they won't and why we shouldn't just find someone who will during the next election. Only then can Canada's cities become [the centers of innovation and prosperity that they should be.](#)