

# Intelligence MEMOS



From: Zachary Spicer  
To: Ministers of Municipal Affairs across Canada  
Date: October 13, 2016  
Re: **INTER-MUNICIPAL COOPERATION, NOT AMALGAMATION, THE BETTER ROUTE TO IMPROVE SERVICING IN CANADA'S CITIES**

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Over the past 50 years, [provincial governments](#) in Canada have looked toward building bigger municipal governments in the face of local servicing challenges. Externalities and inefficiencies are usually solved through amalgamation and annexation, as provincial governments create “franken-municipalities”, combining urban, rural and suburban communities in the same local government.

The challenge with this approach is that it not only sets the stage for conflict, but it also creates problems in servicing efficiency. Amalgamation is an ineffective and outdated mechanism. Inter-municipal cooperation, on the other hand, can be an effective means of providing services while not sacrificing economies of scale and scope. Municipalities may voluntarily enter in to a range of agreements to contract or share the costs of service production and delivery. Hence this approach can potentially save money and enhance service quality without sacrificing local autonomy.

Rather than looking immediately to heavy-handed tools like amalgamation and annexation to [solve local servicing challenges](#), provincial governments should instead focus on establishing the type of conditions that facilitate inter-municipal cooperation.

Effective inter-municipal relationships require information. Provincial governments should consider providing resources on establishing inter-municipal agreements. For example, the provinces should set up a database of existing agreements across the country, which would allow municipalities to examine a range of agreement and comparative information that may ease their entry into inter-municipal service sharing or contracting. Provincial governments could also make staff available to help negotiate agreements. Additionally, provincial governments could also provide a forum for dispute resolution if cities encounter challenges in establishing or maintaining agreements. Finally, provincial officials should also make available data on potential cost-savings and strategies for overcoming the costs of setting up agreements. Municipal staff and politicians recognize the value of cooperation. What they need are the resources to complete these arrangements on their own terms.

Perhaps most importantly, provincial government should look to British Columbia, where a flexible [regional district system](#) gives municipalities a forum to discuss and introduce new shared services. Like no other in Canada, British Columbia's regional district system fosters and encourages cooperation by explicitly structuring upper-tier municipalities (regional districts) as agents for their lower tier (member) municipalities, allaying municipalities concerns of losing autonomy. These regional districts are “regional coordinators”, rather than “regional authorities.” Regional districts are highly representative, decentralized and flexible, yet stable. Since their creation in 1965, through the process of experimentation and innovation, regional districts have evolved to meet the particular needs of their member municipalities. As a result, service arrangements tend to be structured to capitalize on economies of scale, contain service spillovers, enhance service capacity, accommodate various geographic scales, and promote policy coordination.

Provincial support can build more inter-municipal service sharing relationships than provincial edict. What Canada's municipalities need is a strategy to build cooperative relationships, not a heavy-handed approaches designed to bind reluctant partners together through shotgun marriages.

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