

Municipal Governance

Neoliberal Urban Governance and the Amalgamation of Toronto

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The 1997 Ontario Government decision to amalgamate the six boroughs of Metropolitan Toronto into a single-tier megacity continues to have a profound impact on the politics and governance of Canada's largest city. After briefly reviewing the history of the megacity, this essay will place amalgamation within the context of the ideology espoused by the Mike Harris Progressive Conservatives. It will argue that amalgamation was a key piece of the PC's neoliberal agenda and was justified to the public in neoliberal terms. The essay will also show how the megacity reshaped Toronto's political geography, making it more respective to neoliberal policy and urban governance.

Introduction to the Focus on NeoLiberal Ideology

For many Torontonians, the two-tiered government of Metropolitan Toronto (commonly referred to as Metro) is little more than a distant memory, which lives on only in the names Etobicoke, Scarborough, and North York. However, the legacy of Metro continues to shape the political geography of the city, and the 1997 provincial government decision to amalgamate Toronto into a unified single-tier megacity stands out as one of the seminal moments in its political history.

As befits the political and social importance of the event, the debates which surrounded amalgamation have been the subject of considerable academic study over the last 15 years. Authors such as Isin, Boudreau, and Horak have all attempted to identify why different groups supported or opposed amalgamation, how each side organized their campaign, and what the failure of the anti-amalgamation forces tells us about the human geography of Toronto (Siemiatycki & Isin, 1998; Boudreau, 2000; and Horak, 1998). A particular focus has been placed on the ethnic and social make-up of the competing sides and especially on the white, middle-class nature of the anti-amalgamation campaign

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group, Citizens for Local Democracy (C4LD). Several authors have pointed to C4LD's social exclusivity and inability to attract minorities and the working class as reasons for the movement's failure (Siemiatycki & Isin, 1998 and Horak, 1998). For these authors, the story of amalgamation is first and foremost a story of two different socio-economic groups struggling over two different visions of the city they call home.

Instead of following Isin and others in focussing on class and ethnic divisions and the white middle-class dominance of C4LD, this essay will focus on the ideological foundations of the debate and particularly the ideology of the provincial government of the time. The debates, which took place in informal spheres during the first months of 1997, provide an interesting insight into ethnic divisions and the changing social geography of the city. However, as amalgamation was an initiative of the Progressive Conservative (PC) provincial government, it can only be understood in the context of the neoliberal ideology espoused by that government. Isin and others have pointed out the neoliberal nature of amalgamation and have noted that, as a unilateral provincial action, it revealed the political weakness of Canadian municipalities. However, no author has completed a focussed study placing amalgamation in the wider ideological and political context of the 'Common Sense Revolution' (CSR).

This essay will attempt to accomplish this important task, analyzing to what extent amalgamation was a part of the neoliberal CSR agenda and exploring the implications of this ideology for Toronto's political geography and urban governance. The first third of the paper will contextualize the analysis, first by outlining the contours of the amalgamation debate and the ways in which it was fought out on the urban political landscape, and next by turning to explain the origins of neoliberalism in Ontario. The essay will then study the rhetoric used by the PC government inside the legislature to defend amalgamation in order to understand how the proposal represented their neoliberal agenda was applied to urban governance. Finally, it will explore the amalgamation debate and subsequent political developments in the unified city to reveal how amalgamation has allowed neoliberalism to gain newfound influence in the governance of Toronto.

Amalgamation: the Issue and the Actors

Before studying the ideological foundations of the amalgamation proposal and its impact on urban governance in Toronto, it is important to first clarify the purpose of the amalgamation proposal, and to highlight the key groups on both sides of the debate. Bill 103, also known as the City of Toronto Act, was tabled in the Ontario Legislature on December 17, 1996 by Al Leach, the Minister for Municipal Affairs in Mike Harris' PC government (Hansard, 17 December 1996). The bill sought to bring an end to a governance structure that had persisted since the creation of Metropolitan Toronto in 1953, with six (originally more) lower-tier governments handling local services and planning while the Metro government coordinated major services such as transit, police, and housing across all the municipalities. Bill 103 proposed to merge these six municipalities—Toronto, York, East York, Etobicoke, North York, and Scarborough—into a single-tier

megacity governed by a mayor and council of 44 members (Isin and Wolfson, 1999). Bill 103 was the culmination of several months of debate within the PC government, and the preferred option of amalgamation had been leaked to the press in late October (*Toronto Star*, 1996, A1). Although there had been debates in the past about the future of the rather complex two-tier system of government, the proposal still came as a shock to most, as it was assumed that it would be the distant and unloved Metro government which was likely to be eliminated (Hansard, 16 January 1997).

Opposition to the bill formed almost immediately, and was expressed through both formal and informal political channels. The political leaders of the lower-tier municipalities, especially Mayor Barbara Hall of Toronto, were some of the first to organize opposition to a bill that would redraw the political geography of their cities. Their struggle culminated in a series of referenda organized in early March which showed a large majority of respondents opposed to amalgamation (Boudreau, 2000). However, the strongest opposition was expressed through C4LD, a campaign group working outside formal political channels, which organized large protest meetings and marches throughout the winter of 1997 (Horak, 1998). As previously stated, many authors have highlighted that C4LD was a predominately white, middle class organization, which drew its membership primarily from educated professionals living in the old City of Toronto. This was also the social and geographic group most strongly opposed to the megacity (Isin, 2000).

The formal political opposition inside the provincial legislature drew heavily on the rhetoric and actions of C4LD and used the size of the informal protests and the 'no' vote in the referenda as justification for their opposition (Hansard, 1997). Thus opposition to the megacity was launched on a number of different spatial scales and conducted through both formal and informal channels. Supporters of amalgamation were much less vocal, but they did include a number of right-leaning suburban councillors (Ibbitson, 1997). In the end, however, it was the provincial legislature that would decide the fate of the government's proposal, as in the Canadian federal structure the provinces have full control over municipalities (Isin, 2000). The New Democratic Party (NDP) did lead a massive filibuster that delayed the final passage of the bill until late April, but the PC's majority in the legislature meant that its eventual passage was assured and the amalgamated City of Toronto came into existence on January 1, 1998. To understand why the provincial government would expend so much political capital on a seemingly arbitrary and intrusive change to the governance of Toronto, one must first explore the ideology that the PCs brought to Queen's Park.

The Origins of Neoliberalism in Ontario

The PC government elected in 1995 is seen as the first truly neoliberal government in Ontario history. Neoliberalism is a political ideology that first gained wide currency in the developed world in the late 1970s, and brought about a fundamental change in the relationship between governments and their citizens. Ronald Reagan and Margaret Thatcher are widely seen as having led the first successful neoliberal governments,

and both oversaw large tax cuts, reductions in social spending, and the privatization or deregulation of major industries. However, some, such as William Tabb, argue that the first shift actually took place at the municipal level, in the 1970s budget crisis in New York City, which saw the city taken over by an Emergency Financial Control Board (EFCB) led by financial institutions and the state government. The EFCB mandated significant layoffs and massive cuts to education and local services, causing serious social dislocation in poor minority neighbourhoods such as the South Bronx (Tabb, 1982). Tabb points to the EFCB as the beginning of a new political geography and form of governance, the 'neoliberal state,' where political leadership is focussed on the needs of large corporations and residents are seen as consumers rather than citizens, often forced to pay user fees for services that had previously been universal.

Neoliberal governments are modelled on the corporations they seek to serve, with efficiency and competitiveness being the new watchwords (Keil and Boudreau, 2005). At the scale of municipal politics, this naturally leads to a new form of urban boosterism, where the civic leadership uses local government as a tool to achieve growth at all costs. Although civic boosterism has existed for hundreds of years, it has taken on a new form and intensity in the globalized, neoliberal world of the last thirty years, where cities are competing across international borders to attract business and investment (Logan and Molotch, 1987). The need to compete with other 'world cities' is often used by neoliberal local politicians as an argument for cutting services, reducing taxes, and putting the interests of businesses ahead of those of the city's residents (Keil and Boudreau, 2005).

From 1943-1985, the Progressive Conservative Party of Ontario governed the province for 42 consecutive years under the leadership of a series of moderate progressives such as Leslie Frost and Bill Davis. Under Frost and Davis, the PCs had routinely won a plurality of seats in central Toronto (Ibbitson, 1997). However, David Peterson's Liberals successfully captured the middle ground of Ontario politics in his 1985 and 1987 victories. Meanwhile, the right-wing Mike Harris got the PCs to endorse a new neoliberal direction by winning the 1990 leadership convention. Supported by a number of young neoliberal ideologues, Harris got to work crafting a political vision built around smaller, more efficient government, individual responsibility, and reduced taxation (Ibbitson, 1997). They entitled their platform the Common Sense Revolution (CSR), and were able to feed off public frustration with Bob Rae's NDP government to win a landslide victory in the 1995 election.

However, the neoliberal message faced some resistance in the City of Toronto, with the Conservatives finishing third in many downtown ridings, breaking with historical patterns (Boudreau, 2000). The new government immediately went to work reforming welfare and cutting public sector pay, leading to massive protests and a government-wide strike. The civic leadership in the City of Toronto played a major role in this opposition, resisting the cutbacks and supporting the striking workers (Ibbitson, 1997). Unlike the suburban municipalities, many of which were led by PC supporters and had already shifted to a New York City style neoliberal focus, Toronto City Council had been dominated by progressive

reformists since the early 1970s (Ley, 1996). The unique political geography of the old City of Toronto, which had allowed this reform to flourish despite the rightward turn elsewhere in the Greater Toronto Area, was a frustration to the PCs, and the City increasingly became a target of their neoliberal agenda. Amalgamation would become a tool of the provincial government to bring neoliberalism into this last bastion of progressivism.

The NeoLiberal Arguments for a Toronto Megacity

To understand how amalgamation fit in with the PCs neoliberal agenda to reform urban governance, the records of the debates on Bill 103 in the provincial legislature, where government ministers put forward their unfiltered arguments in favour of the megacity, must be examined. On January 14, 1997, Minister Leach introduced Bill 103 for second reading with a short speech outlining the government's arguments in favour of amalgamation. The argument had two major foci, both drawn straight from the playbook of neoliberalism: a more efficient delivery of services, and a government that would make Toronto competitive with the other major cities. To make his argument about cost savings, Leach cited a study by the consulting firm KPMG suggesting that Metro Toronto could save \$350 million annually through the elimination of duplication in service delivery and administration (Hansard, 14 January 1997). His choice of this consultant report is telling, as there had been other less optimistic studies, such as the Golden Report commissioned by former Premier Bob Rae, which Leach and the government repeatedly chose to ignore (Ibbitson, 1997). A common theme in neoliberal governments has been to put weight on the advice of outside experts rather than on the work of public officials, as the private sector is seen as more efficient (Isin, 2000). It has become clear that this decision to ignore the other reports was the result of ideological blindness, as studies since 1998 have concluded that the merger did not reduce the cost of delivering services or save taxpayers' money through the elimination of duplicate administration (Schwartz, 2009, 485-6).

Leach also employed the 'government is too large' rhetoric, which is common among neoliberals, using general public distaste for politicians to justify the megacity. He specifically mentioned that the megacity would result in a smaller number of councillors and a clear line of responsibility down to the individual voter (Hansard, 14 January 1997). Leach and the other members of the PC government would repeat these themes over the following weeks. On January 16, Scarborough Centre MPP Dan Newman (PC) again cited the KPMG report and made further arguments highlighting the increased efficiency, including the harmonization of municipal bylaws, which would result from amalgamation (Hansard, 16 January 1997). Several other MPPs also pointed out that their constituents wanted lower taxes and more efficient government above all else, and stated that the primary goal of amalgamation was to achieve these aims (Hansard, 3 March 1997). Thus amalgamation was repeatedly framed by the PCs as an improvement in the efficiency of government, a seductive call that had been used repeatedly in the building of other aspects of their neoliberal project.

The amalgamation of Toronto was also only one piece of a larger struggle to improve the efficiency of local government through reorganization and downloading. Although the PCs repeatedly tried to present the amalgamation proposal as separate from their disentanglement legislation, which called for the merger of dozens of school boards and the downloading of welfare expenditure, it was not a coincidence that these items all came up for debate during the same week in January 1997 (Ibbitson, 1998). The disentanglement bills were a key part of the CSR and an attempt to force the neoliberal agenda on to local governments across the province (*Toronto Star*, 1997). Amalgamation would help to facilitate this 'disentanglement' and be a model of the efficient, neoliberal local government the PCs hoped to create. The amalgamation of Toronto would be just the first of many mergers which would be forced upon communities large and small across the province in the name of efficiency (Kushner and Siegel, 2005). Amalgamation demonstrated the weakness of municipalities in the Canadian system of government and the power of the provincial government to shape urban political geography to suit its needs and ideology.

The other major argument put forward in the legislature was based upon another key neoliberal principle—that of improving the competitiveness of all levels of government. In the municipal context, this was closely tied to the civic boosterism discussed earlier; only in this case the boasting was being done by the province on behalf of Toronto, again revealing the shallowness of municipal power. On January 14, Al Leach pointed out that Toronto faced global competition and that only amalgamation would give it the tax base and international stature to thrive as a truly world-class city (Hansard, 14 January 1997). MPP Newman later reiterated this point, suggesting that only a unified Toronto would have the modern economic and political infrastructure necessary to continue to be a major international centre (Hansard, 28 January 1997).

The government would repeatedly bring up the importance of creating a municipal structure that would bring the growth and investment to Toronto that the city needed to be successful. This argument has been made in cities across the world over the last 30 years as the neoliberal logic of competitiveness has become the norm (Logan and Molotch, 1987). However, the reform progressives who led the old City of Toronto had resisted this logic to some extent, focussing more on quality of life issues and attempting to avoid the 'growth at all costs' mentality when possible (Ley, 1996). The PC clearly sought to end this resistance through amalgamation and hoped to encourage the entire City to adopt the focus on economic competitiveness that a unified city would help to facilitate. Thus, it is clear from the pro-amalgamation rhetoric of the PC ministers, which focussed on increased efficiency and competitiveness, that the megacity was an integral part of the provincial government's neoliberal agenda for municipalities.

The Geographic Impact of NeoLiberalism in Toronto Post-Amalgamation

The megacity debate itself and subsequent political developments reveal the extent of the ideological clash in the unified city and demonstrate how amalgamation has allowed

neoliberalism to gain newfound influence over the governance of Toronto. Despite the amalgamation referenda showing 70% of Metro residents opposed the megacity, a poll taken by the City of Toronto at the height of the anti-amalgamation protests showed that 42% of residents across the city supported amalgamation while only 49% were opposed (*Toronto Star*, 1997). This supports the arguments of Siemiatycki and Isin (1998) which suggest that the vocal, predominately white and middle class leadership of C4LD was not reflective of the wider population of Toronto, which was much more ambivalent about the megacity. There were numerous indications that this support for amalgamation came primarily from the suburban municipalities, which were significantly more receptive to the arguments of efficiency and competitiveness than the downtown progressives (Ibid). In addition to electing more neoliberal local administrations, the suburban municipalities had increasingly diverged politically from the old City in recent provincial and federal elections, electing a majority of neoliberal MPPs in 1995 (Walks, 2004; Boudreau, 2000). Thus the urban-suburban geography of the amalgamation conflict went beyond the socio-economic division highlighted by Isin and was also driven by a growing ideological divide between urban and suburban residents.

The 1997 elections for the amalgamated city further demonstrated this ideological division and showed how amalgamation had given neoliberalism an opening to shape the politics of the entire city. Amalgamation was not a major issue of debate in this first municipal election, as both leading candidates for mayor of the megacity, former North York Mayor Mel Lastman and former Toronto Mayor Barbara Hall, accepted the finality of the provincial government's change. However, the two candidates did put forward starkly different visions for the city, with Lastman running on a more neoliberal platform of a tax freeze and a law and order based approach to the problem of homelessness (Stanwick, 2000). The fact that Lastman was elected with a slim majority city wide, based entirely on strong victories in North York, Scarborough, and Etobicoke, can be seen as showing the strength of neoliberal ideology in suburban Toronto, an ideology that could now overwhelm the liberalism of the downtown.

It is tempting to suggest that Lastman's victory was less about ideology than it was about an ethnic divide, with Lastman capturing the predominantly minority suburbs while Hall was limited to the same white middle class groups that had dominated C4LD (Siemiatycki and Isin 1998). However, a quantitative study of the election results by Hannah Stanwick shows that, overall, the proportion of immigrants in a ward had little impact on the election results. Although immigrants make up a higher proportion of the suburban population, turnout among immigrants appears to have been much lower than among whites, with Lastman's victory likely coming primarily from conservative suburban white voters (Stanwick, 2000). The 1997 election reveals that neoliberalism versus progressivism was now the key political divide in the new city, and that amalgamation had made possible neoliberal governance across all of Toronto.

Amalgamation has not only brought the ideology of neoliberalism into the politics of old Toronto, it has changed the way that local services are administered. Deborah Cowen has found that, since amalgamation, recreation policy has been standardized across the city based upon the neoliberal model. User fees have been implemented at city pools and summer camps in the old City of Toronto, which previously were universally available to all citizens free of charge (Cowen, 2005). Usage of central city facilities dropped in the years after the implementation of fees as they became unaffordable for lower income residents (*Toronto Star*, 2005). The new political geography of the unified city allowed the neoliberalism of the suburban majority to overwhelm the previously strong progressivism of the urban core and has begun to reshape local administration.

Recent political developments indicate that the neoliberal influence of the suburbs has not weakened, and the amalgamated city continues to be riven by an ideological divide with a clear spatial form. Current Mayor Rob Ford was elected on a platform of cost-cutting, reducing taxes, and eliminating wasteful bureaucracy similar to that of the Mike Harris and Mel Lastman. The spatial distribution of his support, not surprisingly, maps on to the same urban-suburban divide seen in the Harris years, with his strongest supporters in the suburbs and fiercest opponents in the core. His term in office has seen the further expansion of neoliberal administrative practices into the core of the city, such as privatized garbage pick-up modelled on the system used in pre-amalgamation Etobicoke. The events of the last 15 years have made it clear that, through amalgamation, the Mike Harris government succeeded in creating a new City of Toronto where neoliberal ideology could be successful.

Conclusion

The creation of the Toronto megacity was an important piece of the neoliberal agenda of the Harris PCs which has reshaped the political geography of the city, making it more receptive to neoliberal urban governance. Although amalgamation was manifestly a struggle over the political geography and governance of Toronto, which led to cleavages in the urban community along social and ethnic lines, it was driven first and foremost by the ideological considerations of provincial politicians. Thus it can be argued that a study of the competing ideologies of the amalgamation struggle and the insights they provide into urban governance in Toronto can be even more valuable than a study of ethnic and social divisions. To that end, a focussed study of the progressive ideology of the megacity's opponents would also be a highly welcomed addition to the literature.

The provincial government's decision to amalgamate continues to have serious implications for Toronto's governance. Toronto is a city with two distinct ideological traditions which has seen numerous neoliberal reforms in recent years, most of which are strongly opposed by much of the urban core. Torontonians are made aware on a daily basis of the ideological divisions in our city and the challenges that they pose for the administration of our urban community. Whether we can make the next 15 years of the Toronto megacity work any better than the first 15, only time will tell.

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