

AUTONOMY AND DISCRETION IN LOCAL GOVERNANCE:

A Rural and Small Town Perspective

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Autonomy and discretion are two key concerns often raised in public discussions of municipal governance. Provinces are restructuring their municipal statutes to provide more autonomy to their municipalities, and local governments are challenged by the responsibilities implied. But, what exactly are we talking about when we say autonomy?

What is the impact of more discretion at the municipal level, and how does it relate to other factors that affect the ability to meet local needs? Are all municipalities embracing the drive for more autonomy? How do discretion and autonomy impact rural and small town communities?

Unlike the urban focus of most of the research already done in this area, we turned our lens to rural and small town Canada. We were curious to find out what role discretion and autonomy has in these smaller places. This article is a summary of what we have found so far.

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What Is Everyone Talking About?

Autonomy is the power of localities to function freely from the oversight of authority from higher levels of government, and to legislate and regulate the behaviour of their citizens. Municipal governments have autonomy when they

have the legislative authority to act.

Discretion, on the other hand, is the extent to which local decision makers can put their authority and plans into action. It requires both autonomy and resources. Discretion is key to a municipal government's ability to meet the needs of its community and the demands of service provision from the province.

Discretion depends on autonomy from higher levels of government. Without it, a municipal government would simply be following orders from the province, and would not have the freedom to make decisions on behalf of the community. However, while autonomy is a necessary condition of discretion, it is not sufficient. Our research indicates that without the proper resources – financial resources, human resources and local support – autonomy cannot be exploited by municipal leaders, and discretion becomes limited.

Rural and Small Town Canada

As part of the New Rural Economy (NRE) project of the Canadian Rural Revitalization Foundation (CRRF) <<http://nre.concordia.ca>>, we are particularly interested in rural municipalities.¹ In many ways, these municipalities face unique challenges in com-

¹ CRRF and the FCM have recently established an alliance to examine rural and urban interdependence.

parison with cities. They usually have smaller budgets, and therefore less spending and borrowing power, but have a much closer relationship to their residents. The provision of services, such as roads, waste management and recreation facilities, are also quite different with a population base of a few hundred or thousand, rather than hundreds of thousands. Our research is designed to understand what those unique characteristics mean.

Part of this research includes the analysis of four case studies – two in rural Saskatchewan, and two in rural Ontario. We conducted interviews with municipal councillors and administrators and looked at the municipal legislation for the two provinces. We will draw from these four sites in order to explore our findings.

Interviewees in all of our sites told us they have a great deal of autonomy from the province – within their areas of jurisdiction they have the freedom to make their own decisions about finances and governance for their municipalities. The two sites in Saskatchewan, Hampsen and Hollow Corner,² for example, have in the past used their autonomy to develop unique ways of providing services to their residents. However, interviewees in each of these towns clearly stated that they believe their present ability to meet local needs is limited by factors other than autonomy – primarily by financial resources and by their citizens.

While the degree of autonomy in the two Ontario sites is technically the same for both municipalities, those interviewed in the Township of Shannon seem to experience a greater level of discretion than those interviewed in Lawrencetown; they indicated a much greater level of confidence in their ability to carry out their decisions, as opposed to feeling limited by the opinions of residents, the actions of past councils, or their financial circumstances.

Thus, while autonomy is clearly important to municipal governments, the degree to which a municipality is able to exercise that autonomy in the form of discretionary action can be limited by other factors, and appears to vary quite a bit between towns.

Case Study Findings

We identified three possible reasons

for the differences in levels of experienced discretion between the four municipalities.

First, the local government in Shannon has proactively gained the input of their residents. They are not worried about citizen reaction because they have received input from their residents throughout the planning and budgeting process. For ex-

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² Pseudonyms are used for each of our sites in order to protect the confidentiality of our research participants.

ample, they organized a committee of residents to create the strategic plan and their associated budgets. The municipality also provides considerable transparency through the town website – giving residents access to the entire planning process and opportunities for feedback. As a result, the municipal council has considerable capacity to take initiatives and to

choose among various options for their town because they have *greater support from the local community*.

In Lawrencetown, by contrast, input from residents is generally only solicited towards the end of a decision-making process and residents are viewed more as an impediment to change than as a means of change. The same is true of both Saskatche-

wan sites: they feel hesitant to try and incorporate input from the local citizens. In Hollow Corner, the sentiment is that the residents are financially strained themselves, and are therefore unwilling or unable to collectively engage in or support new initiatives. In Hampsen, it is said that the residents feel they should have lower taxes since they receive fewer services than those living in urban areas.

The second reason for the different levels of discretion is that despite being of similar size, the towns have differing levels of *financial resources*. Shannon has recently experienced significant increases in their property assessments, and has therefore been able to lower tax rates while still increasing their revenues. They have also felt the freedom to enter into debt in order to implement local projects. All three other sites, on the other hand, have had difficulty increasing taxes and raising funds for their projects and services. For example, Hampsen and Lawrencetown are both struggling with deferred maintenance on their infrastructure, and Hollow Corner is experiencing difficulty in finding the funds to extend their water lines to all of the residents who would benefit from the service. The end result is that Shannon has more freedom to initiate and plan for the future, while the other three sites feel as though they are just barely getting by.

Finally, the *level of expertise* in the government and administration of Shannon is higher than in the other sites. This may be related to the higher levels of education and administrative experience in Shannon and a large summer seasonal population, which has taken great interest in the local government. In Lawrencetown, some concern was expressed that the members of council do not have experience managing large projects or large amounts of money; they do not understand the financing options available to the municipality, and are timid about taking risks. Hampsen's council also lacks expertise and is

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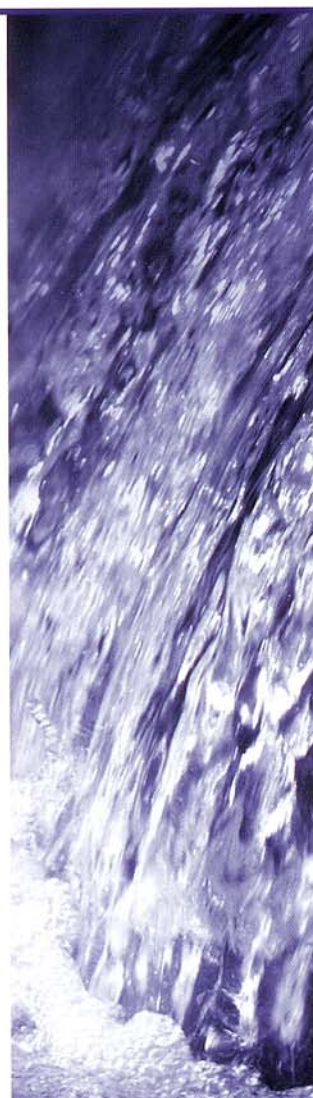
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largely dependent on their administrator. However, due to the loss of their long-term administrator and the inability to find a qualified replacement, they have struggled with management and meeting basic administrative tasks. This resulted at one point in not being able to present a budget. In Shannon, on the other hand, town councillors are proud of their collective experience and expertise, which they believe gives them an advantage over many other small places.

Building Discretion

Respondents in all four of our case studies stated that they have sufficient autonomy from the provincial government. It appears, then, to be the other three factors – *community support*, *financial resources*, and *expertise* or human resources – that limit the discretion they desire and

without which further autonomy will have little to no impact. These results provide useful insights for a strategy to build that discretion.

Getting local people involved, despite the heavy demands on time and energy that it often entails, seems to be one important component. Getting citizens involved by rallying their support around projects of social importance can be a starting point. Hampsen was successful in doing this around the renovation of the town hall, which resulted in donations by local groups. However, this level of involvement is insufficient on its own, and must be followed by further integration into the municipal decision-making process. Shannon demonstrates there are multiple ways in which this can be achieved, including high levels of transparency and citizen participation in goal setting, implementation and evaluation. This ap-

proach informs citizens about municipal activities, builds council legitimacy and provides a broader pool of human resources.

Financial resources for municipalities depend largely on property taxes, but there are several other sources of financing that can be used. For example, a 2004 report by Infrastructure Canada lists transfer payments, loans, bonds, trust funds, revolving loan funds, development charges, special district financing, public-private partnerships, and taxation as potential mechanisms for financing infrastructure in municipalities.³

3 Infrastructure Canada. January 2004. "Infrastructure Financing: A Literature Review of Financing Mechanisms." Research and Analysis. Accessed in November 2005 at <http://www.infrastructure.gc.ca/research-recherche/rresul/rs/rs08_e.shtml>.

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The ability to make sound financial choices and to initiate and motivate the community in a proactive direction also depends on the human resources and expertise available to a municipality. Some municipalities, such as Lawrencetown, may have less-experienced leadership, but they also may compensate for this limitation by proactively seeking advice and training.

The Association of Municipal Managers, Clerks, and Treasurers of Ontario, for example, offers correspondence courses on topics such as municipal administration, and municipal accounting and finance. The Ontario Good Roads Association offers training for municipal leaders and workers on topics such as human relations, management, municipal legislation, legal responsibilities, and practical urban maintenance.

In Saskatchewan, there is a Mu-

nicipal Leadership Development Program offered through the Municipal Relations Division of the province, which offers courses in topics such as public relations, human resources, planning, and economic development.

Small municipalities may also turn to regional or provincial governments for planning and development advice.

In conclusion, our respondents welcomed the new autonomy that is promised by the reorganization of local governments, but there was clearly great diversity in their ability to take advantage of the opportunities it entails. In order to make good use of discretion, a municipality must draw on all of its resources; it must make use of the legislative autonomy that exists, find innovative ways to increase financial resources, focus on and build local human resources, and perhaps most of all – inspire and welcome local participation and support. MW

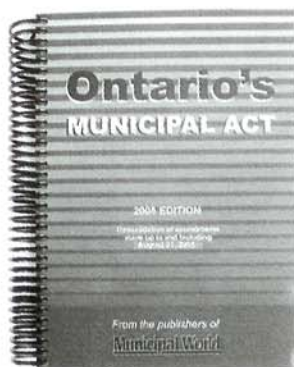
alist College has resulted in a very effective management and leadership initiative” says Don Houghton, Manager of Human Resources for Lennox and Addington. “Our managers have been very positive in their feedback. As the next phase of training unfolds, we hope to be able to offer an opportunity for participation to managers in our local municipalities. This will really broaden the training opportunities across our whole county.”

Is it working? The overwhelming feedback from Group 1 has been positive.

“The key is that we are focused on a broad range of administrative competencies,” says Dick Shannon, CAO of Prince Edward County. “Most of our past development activities were one-day and off-the-shelf to achieve economies of scale. This program is extensive, tailored to our needs, and raises the bar for our managers. I’m delighted with the results so far and it should get even better as we tweak and modify the program.” MW

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