Role of Multilevel Governance In Urban Public Transit
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Abstract

In an increasingly urbanized society, Canadian governments face considerable challenges in guiding economic development and facilitating services within their jurisdictions. For densely populated and growing cities and regions, constant changes are difficult to plan for. This work considers two case studies, Toronto and Vancouver, to demonstrate the use of network management practices by provincial and federal governments. It is argued that unequal power relations necessitate network management in order to influence policy direction within a multilevel governance context.

In an increasingly urbanized society, Canadian governments face considerable challenges in guiding economic development and facilitating services within their jurisdictions. For densely populated and growing cities and regions, constant changes are difficult to plan for. The literature has devoted considerable attention to shifting patterns in government and to the emergence of governance arrangements. Public transit, in many large urban areas, is critical for alleviating traffic congestion and encouraging business investment in the local economy. In this paper the implementation and governance of public transit will be analysed as an example of multilevel governance. Using a network theory framework, it is argued that multilevel governance in public transit is characterized by unequal power relations. As a result different actors select policy instruments that will allow them to influence transit policy in favour of their preferences and interests. The paper will provide a summary of multilevel governance theory, policy instruments and constitutional arrangements. Case studies of Toronto and Vancouver will be analysed using these theoretical elements to demonstrate the governance arrangements in Canadian public transit service.

In policy and public administration governance refers to a wide-range of theories which seek to expand the study of politics away from government actors to include various societal, global and private interests (Chhotray and

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Stoker, 2010: 18). These theories are diverse and include network management theory, theories of delegation, social interpretive theories, the bounded rationality school and cultural institutional theory (Chhotray and Stoker, 2010: 26-46). In general, governance theories are concerned with smaller, more efficient government which, which engages civil society, and is characterized by legitimacy and accountability (Kjær, 2004: 10-11). Privatization, agencies, competition, decentralization and citizens’ empowerment are all themes within governance (Kjær, 2004: 26-31), which may be reflected in various aspects of this analysis.

Where the focus of this paper is on multilevel governance, governance takes on a specific meaning focused on the “diffusion of power” (Harmes, 2006: 725) away from traditional levels of government directly associated with public transit. This diffusion creates an arrangement of “vertical interactions” between the federal, provincial and municipal orders of government (Young, 2012: 5-6). This can also be framed as decentralization, which promotes decision-making in a multilevel context. Directional guidance can come from a central authority, such as the federal government, but specific details are optimally left to local decision-makers who are more closely positioned to the policy problem and implementation (Kjær, 2004: 29). Young categorizes traditional forms of government as Type I and labels special purpose “agencies and authorities as Type II; the second type being of interest as this essay considers decentralized, multilevel decision-making (2012: 6). In this context network management theory will be adopted as the primary lens for analysis of transit policy and implementation.

Network management theory focuses on the management of networks of governments and other actors to set policy objectives and their implementation (Chhotray and Stoker, 2010: 27). This theory focuses on the way in which government guides the processes and outcomes of decision-making by networks by structuring networks and facilitating “joint decision-making” (Chhotray and Stoker, 2010: 27). In many cases this will involve the role of intergovernmental relations in public transit (Young, 2012: 7) and also the policy instruments used to engage other sectors of society. A range of formal and informal policy instruments are available to government actors in order to influence and manage these networks (Chhotray and Stoker, 2010: 28-29). These styles of involvement will be compared with Howlett’s policy instruments below, including their role in managing networks.
Policy instruments or tools refer to the “means or techniques for achieving goals” which are available to government (Howlett, 2009: 74). Howlett has suggested that the type of instrument(s) selected depends on the policy level and level of government involvement desired. The policy level refers to the degree of abstraction that Howlett has typified as (1) “general abstract policy aims”, (2) “operationalizable policy objectives”, and (3) “specific policy targets” (Howlett, 2009: 75). In a network of multilevel governance, different levels of policy construction can be undertaken by actors. Not only can implementation take place separate from policy setting, but also different aspects of policy decision-making may happen separately.

Howlett has also pointed to four categories of resources available for use in implementing policy: information, authority, treasure, and organization that can be utilized in both substantive and procedural instruments (2005: 35-37). Substantive instruments refer to the provision of “goods and services” (Howlett, 2005: 35) that can be seen as analogous to Chhotray and Stoker’s formal category of network management (2010: 29). These could involve training, regulations, grants or direct administration (Howlett, 2005: 36). Related to informal network management are the procedural instruments that focus on intergovernmental relations and can include topical education, political agreements, research funding, or institutional reform (Chhotray and Stoker, 2010: 28-29; Howlett, 2005: 36-37).

While typologies such as those outlined by Howlett are useful in understanding the nature of different policy instruments, the most effective use of these instruments involves a combination or “blend” which are suitable for the context (Bressers and O’Toole, 2005: 135). It has been pointed out that “[i]nstruments are not parachuted onto an empty stage to debut a policy-relevant soliloquy” (Bressers and O’Toole, 2005: 135). The context for new policy instruments is complex and involves existing policy instruments (Bressers and O’Toole, 2005: 135), ideology and other social, political and economic considerations (Howlett, 2005: 41-42). The use of instruments in the context of governance is primarily concerned with steering both public and private actors to achieve desired outcomes (Howlett, 2005: 45) and can happen simultaneously at multiple levels. The relative power of each level of government depends on the constraints that exist: institutional/legal, political and fiscal (Table 2.5 in Howlett, 2005: 47).
One example of an institutional/legal constraint on instrument choice is the constitutional allocation of powers in Canada. Public transit generally is a municipal responsibility in Canada and municipalities are allocated to the provinces in s. 92(8) of the Constitution Act, 1867. Provinces create cities in legislation and have the ability to establish the varying “frameworks within which municipalities operate” (Young, 2012: 8). It has been suggested that the advent of modern federal involvement in municipal affairs came in 1998 with emergence of balanced federal budgets and growing literature demonstrating the need for “social investment” in Canada’s communities. This initial foray was targeted at children as an investment in Canada’s growing knowledge-based economy (Bradford, 2014: 12-14). Throughout the early 2000s, new federal initiatives emerged to bring together networks of actors and provide funding on important social challenges (Bradford, 2014: 14-15). While the constitutional context for municipal oversight rests with the provinces, the federal government has used its considerable spending power to influence and shape governance at the municipal level (Bradford, 2014: 14) including transit. While the federal spending power has been used to influence provincial policies since the early-twentieth century (Telford, 2003: 24) the more recent widespread influence of municipal affairs through the spending power appears to coincide with the emergence of multilevel governance in Canada.

Case Study 1: Toronto

Having outlined some of the basic concepts in multilevel governance, policy instruments and the constitutional context an analysis of two case studies will proceed. The cases to be considered are Toronto and Vancouver. These municipalities, including their public transit systems, have been studied at length and each case reflects different arrangements of governance networks.

For many years Toronto’s transit system was considered a model of effective planning and implementation. During the mid- to late-twentieth century “a visit to Toronto was almost mandatory for planning and transportation officials in North America” and around the world (Soberman, 2008: 191). Toronto gained attention as an example of excellent planning because it focused on subway construction at a time when most cities in North America were constructing expressways, which encouraged the use of private vehicles. Also of note was the creation of a “metropolitan form of
government” which centralized “land-use and transportation decision-making powers” (Soberman, 2008: 191).

Beginning in 1954, the Metropolitan Toronto area was serviced by a single transit authority, the Toronto Transit Commission (TTC). Representatives of the six municipalities oversaw the TTC: Toronto, Etobicoke, North York, Scarborough, York and East York, as a second-tier regional transit system (Golden and Slack, 2006: 35). The TTC utilizes an integrated model involving subways, streetcars, intermediate capacity rail transit (the Scarborough RT), and buses with a single-fare system (Soberman, 2008: 197). This is contrasted with models that have parallel, competing services offered by multiple transit authorities (Mees, 2005: 38-39) or that found in Montreal where multiple municipal authorities operate within a densely populated region (Breguet and Vaillancourt, 2008: 266). The integrated model was praised as largely responsible for Toronto’s transit success.

The context for transit and municipal government in Toronto has changed since 1998 and into the twenty-first century as Metro Toronto was amalgamated into the new City of Toronto (Soberman, 2008: 192). Additionally, the regional municipalities of Halton, Peel, York, and Durham have an increasing level of interconnectivity with Toronto and the TTC no longer represents the only dominant actor in providing transit services for those who visit, live in, or work in. Mississauga Transit, York Region Transit and GO Transit all operate within the City of Toronto, offering cross-boundary and regional services for commuters (Soberman, 2008: 201). While the TTC now serves a unified municipality, the greater regional context for the municipality has grown to include new areas that it does not primarily serve. Cross-border service by the TTC, Mississauga Transit and York Region Transit is minimal and is meant to ferry passengers to the neighbouring transit authority (Soberman, 2008: 201).

GO Transit does not simply provide cross-border services, but is a regional transit service offering services in the City of Toronto, the City of Hamilton, Halton Region, Peel Region, York Region, Durham Region, Wellington County, Dufferin County and Simcoe County (Soberman, 2008: 199). This service area is 8,300 km² and involves surface rail and buses (Soberman, 2008: 202). GO Transit was created in 1967 by the province and primarily serves to move commuters from surrounding areas to the downtown core of Toronto (Soberman, 2008: 199-200). As such it is a key
component of transit services in Toronto as many workers in the city live outside its boundaries in other municipalities (Soberman, 2008: 193-94).

In recent years GO Transit has been under the ownership and control of Metrolinx, an agency established by the province to “improve the coordination and integration of all modes of transport in the Greater Toronto and Hamilton Area” (Metrolinx.com, April 1, 2015). Metrolinx represents an effort by the province of Ontario to manage the network of transit authorities and services operating in a densely populated and interconnected area. GO Transit, PRESTO, Smart Commute, the Transit Procurement Initiative (TPI) and the anticipated Union Pearson Express all operate under the umbrella of Metrolinx.

PRESTO is a fare payment card that is used and accepted by eight transit authorities, primarily in the Greater Toronto and Hamilton Area (GTHA) but also in Ottawa (Metrolinx.com, April 1, 2015). The card is administered by the province through Metrolinx to facilitate the movement of people throughout GTHA in far less coercive manner than merging transit authorities or creating a new regional authority. This may be viewed as a formal intervention in network management through the use of a substantive policy instrument as outlined above. The province has opted to maintain a single-tier municipality structure with single-tier transit authorities, which are networked to promote cross-border commuting which is made easier.

It is interesting to note that unlike other transit authorities using the PRESTO card, the TTC is introducing the card gradually in its system (Metrolinx.com, April 1, 2015). This may be the result of the TTC’s relatively strong position within the area as a transit provider combined with the logistics of implementing a new payment system on such a large system. The TTC, as the transit authority with direct access to the largest centre of business and employment (Soberman, 2008: 194), has a relatively strong position in relation to the other authorities nearby. Transit authorities in municipalities, which are marketed as bedroom communities, might perceive greater value in an integrated payment system than the TTC might perceive. Additionally, the TTC operates a complex network of services, and upgrades to equipment will undoubtedly incur significant costs.

If PRESTO can be viewed as a formal intervention, Smart Commute may be an example of an informal intervention. Smart Commute is a service offered to employers and commuters to encourage them “to explore different
commuting options, such as carpooling, transit, cycling, walking, telework and flexible work hours” (Metrolinx.com, April 2, 2015). Smart Commute can work with employers to facilitate the development of employer commute programs. Primarily, Smart Commute is concerned with sharing information and encouraging employers to work with their employees to “ease gridlock while helping [commuters] save time and money” (smartcommute.ca, April 2, 2015).

The province, through Metrolinx, is also involved in facilitating the purchase of transit equipment and technology through TPI. This program, which “aims to reduce per unit costs,” has 29 participating municipalities and transit authorities, allowing for an “increase [in the] quality of vehicles procured, and provide an open and transparent procurement process” (Metrolinx.com, April 2, 2015). This program has a much wider scope than Toronto or the region around it. In fact the TTC does not participate in TPI, although GO Transit and many of the nearby authorities do (TPI, 2014: 6).

The Union Pearson Express (UP Express) is a new rail spur that will connect Union Station in downtown Toronto with Pearson International Airport in Mississauga. The UP Express offers several examples of how a service can be provided through multilevel governance and public-private partnerships. This initiative has leveraged the 2015 Pan Am/Parapan Am Games, which will be held in Toronto. The Games themselves are a multilevel governance project that involves the federal, provincial, and multiple municipal governments, as well as an array of other partners (Toronto2015.org, April 2, 2015).

The UP Express involves four stations connecting to TTC, GO Transit, Via Rail and the airport and utilizes the PRESTO payment card as one payment option (upexpress.com, April 2, 2015). While the route is operated by a provincial agency, private partners will provide some of the services on the UP Express. These include electronic ticket sales and wireless internet services. Rather than developing and implementing these services, which would take considerable technical expertise, the government agency has opted to contract out these services. The firm contracted to provide e-ticket services will include mobile phone ticket options for travellers, in addition to online sales and ticket sales through “travel sites such as Expedia and Kayak” (bytemark.co, November 6, 2014). The wireless internet (WiFi) service provider will design and install the service on both train carriages and in the stations (nomad-digital.com, February 9, 2015). Metrolinx wished to provide
modern commercial options to its customers and it selected a policy which incorporated private-sector involvement rather than providing the services itself.

The analysis of Toronto’s transit network has thus far focused on provincial/municipal intergovernmental affairs and the role of private sector actors. The TTC offers an example of federal involvement to add to this analysis. In 1998, the province of Ontario cut all funding to the TTC (Horak, 2012: 234), both capital and operational, and urged a review of business practices with a preference for privatization (Mees, 2005: 40). Privatization did not proceed and as a result of continued lobbying by the city and focused efforts by the new City of Toronto Intergovernmental Relations office federal and provincial funding was secured by 2002 (Horak, 2012: 236). Federal funding for the TTC only supports capital costs as part of the Canadian Strategic Infrastructure Fund (CSIF), including a five-year federal-provincial-municipal CSIF agreement signed in 2004 (Horak, 2012: 235-36). Unlike the provincial involvement in transit, which includes agencies that provide direct services as well as facilitate education and procurement processes, the federal involvement is limited to infrastructure funding support under the Federal Spending Power. The ability of the federal government to influence transit will be shown on a broader scope in the following case of Vancouver.

Throughout this case study the use of network management by both the federal and provincial levels of government can be seen as they utilize formal and informal policy instruments to guide policy direction. The strongest example is seen in Metrolinx which employs a variety of programs and services within the transit sector. GO Transit is a direct, formal intervention by the province into a largely municipal service to facilitate the movement of commuters across municipal boundaries. Further, Metrolinx provides a series informal, non-compulsory services which aim to change commuter behaviour and encourage better business models for transit services. These programs do not impose compulsory standards for municipal transit agencies, nor do they impose direct penalties or incentives for residents and workers to change their behaviour. Rather, the province, through a network of programs and agencies seeks to influence individuals and transit agencies to relieve traffic congestion and lower pollution within a densely populated area.
Case Study 2: Greater Vancouver Regional District

The case of Vancouver differs from that of Toronto in two key ways: Vancouver, unlike many Canadian cities, has not been amalgamated with nearby municipalities; and only one transit authority exists in the Vancouver area. For the purposes of this study the Greater Vancouver Regional District (GVRD) will be the scope of focus because it is these twenty-one municipalities that are served by Translink, the transit authority (Hutton, 2012: 269). The GVRD is “a federation of municipalities administered by an appointed board made up of elected officials” and is separate from Translink (Hutton, 2012: 269). An element of this federated system is that it has not been imposed by the province and is established by the municipalities (Smith and Oberlander, 2006: 147). Some of the municipalities included in GVRD include the City of Vancouver, Richmond, Burnaby, Delta, New Westminster, Surrey, Langley, Port Coquitlam and Maple Ridge (Smith and Oberlander, 2006: 150).

The Vancouver transit authority, Translink has can trace its origins to the 1998 creation of the Greater Vancouver Transportation Authority (GVTA). Translink is the popular title by which the GVTA is known. The creation of Translink represented a decentralization of transit implementation and authority from the provincial level to a more local level where it was believed “that the needs of the Vancouver region were different from” the rest of the province (Smith and Oberlander, 2006: 163). Previously BC Transit, a provincial agency, had provided transit services throughout the province; Translink is, instead, governed by a board comprised of members selected from the GVRD (Smith and Oberlander, 2006: 163).

Translink carries unusual powers to levy taxes in order to fund its activities. Because Translink is indirectly elected, its leadership is seen as more removed from local accountability, there is a perception that “more fully empowered” officials are difficult to hold to account. Smith and Oberlander suggest that the GVRD, which was “primarily a forum where locally elected mayors and councillors could discuss, negotiate and make voluntary agreements” on regional issues, is now selecting representatives from amongst its members to exercise taxation and service implementation policies (2006: 162-64). Within a governance framework there is generally a desire to enhance accountability, especially as an opportunity to enhance citizen engagement. This governing structure appears to be inconsistent with those goals, however it is worth noting that the regional authority was
devolved from centralized provincial administration and might be seen as a progressive step toward more accountable transit service.

To bring some focus to the involvement of the federal government in Vancouver’s regional transit services, the remainder of this section will focus on the RAV/Canada Line project. Like Toronto’s UP Express, the RAV/Canada Line project was propelled by a major international event: the 2010 Vancouver Winter Olympics (Smith and Oberlander, 2006: 165). The project was first referred to as the Richmond-Airport-Vancouver (RAV) line (Smith and Oberlander, 2006: 164) but ultimately became known as the Canada Line at least in part as a reflection of “the federal government’s financial support” (Hutton, 2012: 275). As a result it will be referred to as the Canada Line going forward in this paper.

The Canada Line project expanded service of Skytrain, a subsidiary of Translink, to include a line that would improve service, linking the airport and downtown Vancouver. The project was overseen by Canada Line Rapid Transit, Inc., “a Crown corporation of sorts” which was governed by representatives of the federal government, provincial government, Translink, local municipalities and the airport (Hutton, 2012: 275). This multilevel partnership encountered significant local resistance, especially within Translink, however provincial and federal influences helped to move the project forward.

While Richmond and the City of Vancouver, who saw themselves as benefiting significantly from the Canada Line expansion, enthusiastically supported the project, other municipalities had significant objections to the proposal and it was defeated twice by Translink’s board before being approved on a third vote (Hutton, 2012: 275-76). One objection to the Canada Line was that the regional body had already established transit priorities, which the project was seen as disrupting (Smith and Oberlander, 2006: 165). It has been suggested that the provincial and federal pressure that led to the approval of the Canada Line (Hutton, 2012: 276) demonstrates that the decentralization of transit in the Vancouver region has not truly resulted in more local control over transit service (Smith and Oberlander, 2006: 165). It might also demonstrate the reality of multilevel governance and the relative power differences between the actors involved in this transit network (Hutton, 2012: 276).

Within a multilevel governance arrangement the federal and provincial governments have different instruments available to them to influence the
network of actors involved in a project like the Canada Line. A significant policy instrument for the federal government is its spending power, which it employed in this case. Federal funding for capital costs was announced at $450 million (Smith and Oberlander, 2006: 165), which can be compared with much smaller amounts granted, including a $26 million capital contribution to Metrobus in St. John’s (Dunn and Pantin, 2012: 206) and $8.1 million to Saint John (Marquis, 2012: 137). While the federal contributions cited for St. John’s and Saint John were for considerably smaller projects, it is clear that the federal government viewed the Canada Line as an important policy objective and sought to encourage local and regional authorities to give it greater priority through substantial funding. The federal government lacks constitutional jurisdiction in this area and employed its most substantial option to advance its goals.

Provincial involvement in the project may reflect a more traditional example of “power politics” as suggested by Hutton because of the constitutional jurisdiction that the provincial government enjoys over municipal and local matters (2006: 276). However, the overall transit arrangement and the Canada Line project itself retain clear indications of multilevel governance at work as federal, provincial, regional, municipal and private interests interact to define and implement policy priorities. Private involvement in Translink is part of its corporate structure as it contracts out elements of its planning and implementation functions (Siemiatycki, 2008: 241). In the case of the Canada Line project, the province made private-public partnerships (P3s) a condition of funding (Smith and Oberlander, 2012: 165). A “special-purpose agency,” Partnership BC was formed to encourage these types of arrangements throughout the province, both for funding and management purposes (Hutton, 2006: 276).

The use of network management by the federal government is more clearly illustrated in the case of Vancouver. While the Ontario provincial government held jurisdiction to more directly influence transit policy and commuter behaviour in Toronto, the federal government, influenced by New Public Management (NPM) ideas about appropriate government involvement in service delivery, encouraged private involvement in the Canada Line development by attaching P3 conditions to the funding it made available. At least some actors at all levels of government saw the Olympics as beneficial to Vancouver, its neighbours, British Columbia, and Canada. As a result Translink and other actors found the federal funding too attractive.
to turn down even if they objected to the private sector’s involvement in the new development. Further, although not all actors within the GVRD viewed the Canada Line as a priority, the substantial funding offered by federal government elevated its importance at the local level. Principally through its considerable funding capacity, the federal government was able to bring the Canada Line to realization by bringing existing networks and influencing the construction of new networks.

Conclusion

The cases of Toronto and Vancouver demonstrate the reality of multilevel governance in Canadian public transit policy and implementation. Toronto is a case of single-tier municipal government that is intensely interconnected with nearby municipalities and is served by multiple, interlinking transit authorities. Vancouver, particularly the GVRD, provides an example of two-tier municipal structure that is served by a single transit authority. In both cases multilevel governance involves federal, provincial, and local authorities as well as private actors. Although these represent two of the largest urban areas in Canada, and consider projects directly related to large-scale international events, it is clear that strict provincial-municipal relations no longer describe the range of transit arrangements present in Canada. Further examples, which are beyond the scope of this paper, can offer additional opportunities to study the variety of governance arrangements that can be found in Canada.

Although all levels of government are now involved in transit service in Canada, the roles available to them are limited by constitutional constraints. Federal involvement is largely limited to funding through the federal spending power. Although this reflects the inability of the federal government to pass legislation regarding transit the spending power does yield significant influence. This is in large part due to the opportunity that local authorities may perceive in the offer of sizeable funding. Provincial governments have the opportunity to directly involve themselves in transit operations both through their jurisdiction over municipalities and the creation of agencies.

This analysis has shown that multilevel governance characterizes public transit implementation in Canada. Toronto and Vancouver are two cases that demonstrate existing arrangements of transit, which are characterized by multilevel government involvement as well as private firms.
The nature of each level's involvement is determined both by its interests and the policy instruments it considers available and appropriate. Network theory provides a framework for viewing the role of policy instruments in influencing other actors, including bringing together actors to form networks or modify existing ones.
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