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No Joke! Local Government and  
Intergovernmental Relations in Canada

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**Abstract:** There is a common joke that a good Canadian can turn almost anything into an intergovernmental issue. But the question of how local governments in Canada relate to provincial/territorial governments and to the federal government is not a joking matter. After what might be described as an era of provincial ascendance in the period from the end of World War II until the Millennium, locality has now re-emerged as a key organizing concept.

Indeed, according to one of Canada's leading economists, the term "glocalisation" (Leet, 2005) refers to the increasing tendency of people to see issues through both a local and a global prism. If this perspective holds true, it is important to understand the contemporary relationship between Canada's local governments and the other two levels of government in our federation.

This paper provides an overview of the financial and legal context of municipal intergovernmental relations in Canada since the mid-1980s. It also explores Canadian intergovernmental relations in terms of local government performance reporting, local government effectiveness in dealing with a broad range of local problems as well as the implications of reporting and effectiveness on prevailing views about the extent to which local governments in Canada should be autonomous from the other two levels.

Key themes to be discussed include: (1) the fluidity of the intergovernmental fiscal relationship; (2) the entanglement of local governments and the voluntary sector in dealing with local issues and intergovernmental arrangements; (3) the fact that provincial governments and the federal government have alternately employed a *carrot and stick* approach to local government performance reporting; (4) the disconnect between focusing on policy and program effectiveness and quests to improve the effectiveness of municipal government *per se* through intergovernmental engagement; and (5) the debate over the optimal level of autonomy for municipal governments in Canada.

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