

Rural Economic Development in the Iron Cage? Measuring Constraints on Municipal Development in Ontario

RESEARCH SUMMARY

Rural municipalities in Ontario face constant pressure to pursue economic development strategies that mirror what the province endorses, and what neighbouring municipalities do, rather than drawing primarily on local circumstances and community priorities. This thesis surveyed Economic Development Officers and Chief Administrative Officers across rural Ontario to better understand the pressures they face when pursuing local economic development. The research asked practitioners how each of the following pressures takes shape in their communities and whether they act as a constraint on local decision-making:

1. Pressure from government rules, priorities, and requirements
2. Pressure to copy neighbouring municipalities to appear credible and professional to peers
3. Pressure from professional norms and standards set by consultants and professional associations

The data was collected and analyzed during spring 2026.

FINDINGS

- ❑ **Provincial rules, priorities, and requirements place the most significant constraints** on local economic development decision-making
- ❑ **Pressure is felt across all levels of government**, but provincial authority most directly limits what is possible locally
- ❑ **Copying neighbouring municipalities is universal among practitioners surveyed**, creating a pull away from locally driven approaches
- ❑ **Similarities in economic development strategies across rural Ontario** are driven in part by this widespread peer imitation

- ❑ **Professional norms and standards shape how practitioners frame their work**, but are rarely experienced as a direct constraint on local decision-making
- ❑ **Limited ability to pursue innovative or locally driven strategies was reported by most practitioners**, suggesting constraint is real but not absolute in rural municipalities

IMPLICATIONS

The barriers to locally driven economic development in rural Ontario are built into the system, not solely a matter of practitioner capacity or ambition. Addressing them requires provincial policy attention in three areas:

- ❑ Greater flexibility for rural municipalities to pursue locally driven economic development
- ❑ Increased fiscal capacity to reduce dependence on provincial direction
- ❑ Investment in rural municipal capacity to support place-based approaches and reduce reliance on peer imitation

How we address these pressures depends on how we view rural municipalities. Are they subordinate units of the province to be controlled, or representative governments with a mandate to respond to their local communities?

FURTHER INFORMATION

This thesis publication can be accessed online at [The Atrium \(University of Guelph\)](#)

ABOUT THE AUTHOR

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