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# Revisiting rural economic development: New Localism's potential in Canadian local government

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For decades, the role of local government has evolved, where the expectation has moved beyond the provision of local services towards developing innovative approaches to enhance the socioeconomic livelihoods of citizens. Devolution and downloading have exacerbated the growing expectations of local government, as local and regional governments are given new roles and responsibilities, including local economic development. Rural local governments are particularly at risk, as many do not have the capacity to manage these new roles, nor have there been appropriate governance approaches designed. Through a systematic review of three dominant and one emerging literature on rural development, this article addresses gaps in existing research and practice through creating a framework for rural local government. This framework can be used to further examine the practice and theories in public management as it applies to rural local governments.

## KEYWORDS

local government, New Localism, new public management, rural, systematic literature review

## Introduction

The role of local government has evolved over recent decades, extending beyond the traditional functions such as providing water, sewer, and road networks to facilitating new and innovative ways for economic development, among other duties passed down to them from higher levels (Skelly, 1995; Grant and Dollery, 2010). In responding to these new requirements, rural local governments face challenges providing local services due to limited human and financial resources compared to more populated regions (Hassan, 2016). Local governments are now required to have an increased role for social and economic development (DeFilippis and Saegert, 2012; Grant and Dollery, 2010). Responding to these increased roles is particularly difficult in rural local governments that are confronted with a “do more with less” approach where responsibilities are increasing at rates much faster than human and financial resources (Gibson and Dale, 2022).

Knowledge on local governments and their role in economic development has been a focus of professional and academic literature across multiple disciplines. There are, however, important scholarly and practice gaps in the literature attributed to continually changing financial pressures, human-resource shortages, and increasing standards for infrastructure, services, and governance (Connelly et al., 2009; Douglas, 2022; Nelson, 2003). Our understanding of rural local governments is further compromised by the urban bias in local government and public administration studies, requiring further examinations of governing and economic development capacity of these governments (Vodden et al., 2016). At the provincial and federal levels in Canada, efforts have been

made over the past decades to build capacity among rural local governments to respond to these continually changing dynamics (Saputra et al., 2024; Savoie, 2008; Vodden et al., 2014). Yet, despite program and policy changes seeking to better equip local governments to facilitate local economic development (Government of Newfoundland and Labrador, 1994; Newfoundland and Labrador Department of Municipal and Provincial Affairs, 1999) more research is needed to understand how effective these efforts have been and how local governments can facilitate economic development themselves (Freshwater et al., 2011; Schoburgh, 2014).

New Localism, originally proposed to address local political restructuring in light of global economic change, emerged as a concept to explain actions and activities led by local governments (Goetz and Clarke, 1993; Katz and Nowak, 2017). Much of the research on New Localism takes place in urban local governments, with the application of New Localism in rural local governments identified as a research gap yet having potential for the purposes of rural economic development (Katz and Nowak, 2017). There are calls to investigate its application to Canada, and in particular, rural local governments (Bradford, 2002, 2016; Taylor and Bradford, 2015). New Localism differs from the dominant discourses in Canadian local government literature, which has suggested devolution should not occur as local governments—particularly rural—do not have the capacity nor resources to fulfill roles and responsibilities now required of them (Malette, 2006; Martin et al., 2012). It is worth noting that New Localism should not be interpreted as a singular, uniformly positive governance form, but that it is a nascent concept, which adds further consideration to existing discourse in academia, such as devolution vs. decentralization, as well as neoliberal localism. This research contributes new insights to the research gap noted by Katz and Nowak (2017) regarding New Localism and its potential conceptual value for rural economic development led by local governments in the Canadian context.

This article addresses two research questions. First, what is the conceptual overlap between New Localism and three dominant themes in economic development influencing rural local government in Canada? Second, what is the potential influence of the conceptual overlap for rural local governments and public administration as it relates to economic development? It is critical that urban government approaches should not be blindly used by rural governments (Gabehart, 2023). Rural governments are not simply opposite of urban governments. They have distinct population densities, economies, cultures, and priorities which influences public management. In addressing these research questions, a brief overview of literature is provided on three key concepts that frame the context in which rural local governments and their economic development efforts operate in Canada. The section ends by highlighting the potential overlap of these concepts. A systematic review of literature was operationalized to address the research questions. Based on the systematic review analysis 10 common themes emerging between New Localism and the dominant Canadian literatures. The summary explores the implications of the overlap for research, policy, and practice in rural local governments in Canada. The results provide not only insights for rural economic development and local government administration but also an opportunity to further refine concepts and theories of New Localism in the future for the public administration and public management knowledge bases.

## Background

### Canadian local government administration

Local government systems in Canada originated as a response to the settlement pattern largely dictated by proximity to natural resources, access to markets, as well as influences from Europe (Tindal and Tindal, 2004). Given the rudimentary forms of transportation and communication from the British government at the time, there was a need to have some form of local entity handling day-to-day affairs. This form of local government was imposed on Indigenous territories, disposing Indigenous peoples (Prusak et al., 2016). The British North America Act (1867), which established Canada, stipulated local governments were not to serve the needs of local residents, but merely an administrative extension of the province. Isin (2003, p. 2) notes two key aspects about local governments emerging from this act:

- 1) They are created at the pleasure of the legislature and need not require the consent of the people in the affected locality. The act of incorporation is not a contract between legislature and local inhabitants.
- 2) The authority conferred on the corporation is not local in nature but derives from the provincial government.

While the role of local governments continues to evolve in Canada, Isin's statements about the legislative responsibilities for local governments remain the same. The ability for local governments to operate as democratic institutions in Canada—to be accountable and responsible to their constituents—is flawed given their statutory and regulatory requirements within their different provincial government domains. Local governments must balance their ability to deliver services, manage property and assets, and meet the demands of residents while retaining a positive relationship with their provincial government. Rural local governments in particular are at higher risk, where their smaller populations are paired with less capacity, few resources, extensive infrastructure demands and often large geographical areas, where a large proportion of their budget is sourced from provincial transfers (Ansell et al., 2021; Martin et al., 2012).

Uptake in neoliberal policies over the past decades has contributed to many challenges local governments face. In the era of neoliberalism, federal governments have been shrinking the size of the public service, as well as devolving various responsibilities to the provincial level (Lobao et al., 2018). Subsequently, many provinces have followed suit, moving provincial responsibilities to the local level (McBride and McNutt, 2007). Rural local governments are particularly at risk, with limited capacity and a declining and unstable resource base (Shearmur and Poirier, 2017). Canadian local governments have become increasingly responsible for larger portions of infrastructure projects, wastewater services, flood risk management, and housing, and yet the devolution of capacity has not occurred at the same rate nor scale as the devolution of these new responsibilities (Barrett and Vodden, 2022; Valentina and Putera, 2025).

There are three dominant literatures in the context of economic development in rural local governments in Canada: Staples Theory, Evolutionary Economic Geography (EEG), and New Public Management (NPM). These concepts have impacted the evolution of economic development for rural local governments, which has historically been influenced by a series of waves over a period of

decades. It is important to examine these dominant literatures beside the nascent literature of New Localism. This following section highlights how rural local governments have been historically influenced by these waves and provides evidence that a new wave may be approaching in the form of New Localism.

## Staples Theory

Prior to World War II, federal government activities to promote rural economic development focused on macroeconomic level theory grounded in export-led growth and that economies are developed by exporting raw, natural resources (Innis, 1933). Innis used Canada as an example and argues that the country's economy of exporting exploited natural resources has shaped its culture, history, and political economy as raw commodities, such as fish, fur, lumber, and minerals were shipped from the "periphery" or hinterland to the "core" or heartland (Weaver and Gunton, 1982; Argent, 2017; Millard and Tronrud, 2018).

In practice, Staples Theory often led to a heavy dependence on few, largely European markets and a reliance at the local level on external forces beyond their control (Barnes and Hayter, 1994; Halseth and Sullivan, 2003). This resulted in the "Staples Trap," a dependency on a single extractive resource that generates pervasive impacts on the local economy as noted by Innis and others (Hutton, 2002; Millard and Tronrud, 2018). As a result of the Staples Trap, rural economies are truncated at the local level. Rather than relying on multiple sectors for diversification, there is minimal processing and value-added, resulting in few complex input–output relationships and minimal diversity in economies. This also results in a continuing high employment dependency on natural resource industries and resulting vulnerability to external decisions and commodity markets (Argent, 2017; Millard and Tronrud, 2018). Scholars have suggested that the Staples Trap remains pervasive in Canada today, as well as in other Commonwealth nations, such as Australia (Carter, 2018).

## Evolutionary economic geography

EEG literature focuses on rethinking path dependency on traditional regional economic drivers. EEG was initially established to connect evolutionary economics with economic geography and is used to provide alternative explanations for differences in regional growth from other economic development theories (Boschma and Frenken, 2006; Boschma et al., 2017). EEG provides a geographical lens on the sets of embedded routines—the organizational skills, tacit knowledge, and/or innovative processes—of local governments that are typically difficult to codify but significant for New Localism (Boschma and Frenken, 2006). EEG also accounts for the space and time in which changes in local areas take place, and how they innovate and transition to path renewal at different paces (Plummer and Tonts, 2013). EEG has accounted for innovation and endogenous potential and highlighted that routines are unique and place specific. Further, it highlights that an "explanation to why something exists intimately rests on how it became what it is" (Dosi, 1997, p. 1531). Here, EEG prioritizes path-dependent processes given how the past inherently impacts the probability of future scenarios. Canadian scholars have used EEG as a framework in rural settings, with research examining

natural resources development (Halseth et al., 2014) and tourism sector development (Brouder, 2014, 2017).

## New public management

In addition to Staples Theory and EEG, NPM is an important third concept influencing rural local governments in Canada. In part due to a critique of the Westminster system, NPM was developed to move away from traditional models of public administration (Rhodes et al., 2009). In the 1990s, NPM was considered the gold standard for public administration for central governments (Farazmand, 2006). It was established during a period where governments emphasized smaller public sectors and placed greater emphasis on private sector practices, thus incorporating various corporate and financial management techniques across government.

Considering NPM as part of the public administration context in this study helps situate the reality in which local governments operate. Since the 1980s, delegation of responsibilities to lower levels of government has occurred in various ways despite their limited capacity to effectively address the new roles required of them. The scale of these devolved responsibilities did not occur at the same scale as the devolution of resources or power, providing further demands and fiscal and human resource pressures on rural local governments (Breen et al., 2019).

An understanding of NPM and its influence can help conceptualize the potential of New Localism for rural local governments in Canada. In both literature and practice, New Localism was initially used to describe the shift towards decentralizing political power, where local governments are compared to regional and national governments and considered less bureaucratic, more efficient, and where local councillors are perceived to be more accessible to their constituents compared to other layers of government (Corry and Stoker, 2002; Lowndes and Sullivan, 2008). The concept of New Localism emerged as a response to address what was happening at the local level as a result of devolution of powers (Goetz and Clarke, 1993). New Localism was established in part as a response to top-down hierarchical approaches to local development, with a focus on governance and community collaboration (Hettne, 1999; Katz and Nowak, 2017; Scott, 2016; Valentina et al., 2025), which may have encouraged entrepreneurialism in rural local governments.

## Methods: systematic review of literature

### Approach

The systematic review of literature follows the methods outlined in the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) approach, which has been used in reviews conducted by Breen et al. (2021), among others. Specific steps of the systematic literature follow best practices noted by Siddaway et al. (2019) and is similar the methodology and layout of systematic reviews of literature in other social science research (Bechard et al., 2024; Boman and Rosenberg, 2024).

The previous discussion highlights the apparent common characteristics of Staples Theory, EEG, and NPM relevant for rural

economic development. No formal study articulating the interconnection of these three concepts, nor of its potential overlap with New Localism is available. This is despite the prevalent use of all four of these concepts within the academic discourse on local government and development. Hence, the objective of this review is to determine what common key characteristics of rural economic development within the nexus, its overlap with New Localism, and its potential conceptual value for rural economic development led by local governments.

As identified as a best practice by Siddaway et al. (2019) to ground truth findings, two databases were selected for the search: Web of Science and Scopus. Scopus is a database that has been used by other geographers (Breen et al., 2021) whereas Web of Science has a significant repository of social science literature. These two databases also have the tools to facilitate a systematic review of literature effectively. The dates of the search ranged from January 1, 1991, to December 31, 2022. This time range represents the emergence of NPM, captures the main developments of the EEG literature, and captures the recent writing of Staples Theory. The systematic literature search utilized a series of search terms featuring the four core concepts this review is exploring and the Boolean connectors used to obtain other relevant information while retaining the integrity of the key concepts (Table 1). Forward and backward citation chasing was not utilized.

As it appeared unlikely that many sources would emerge with the requirement of all four key terms search permutations with various combinations were used, including:

- EEG and NPM.
- EEG and Staples Theory.
- EEG and New Localism.
- NPM and Staples Theory.
- NPM and New Localism.
- Staples Theory and New Localism.
- EEG, NPM and Staples Theory.
- EEG, NPM and New Localism.
- EEG, New Localism and Staples Theory.
- NPM, New Localism and Staples Theory.

Lastly, inclusion and exclusion criteria were developed. Given the potentially limited literature based on the search terms, research featuring both urban and rural governments in all countries were included. Relevant peer-reviewed conference proceedings were also considered. Articles featuring New Localism via the New Labour in the United Kingdom movement were omitted, however, as New

Localism in this context differs from the purpose of this study. In addition, while articles using acronyms from EEG and NPM were included, however, the abbreviations of EEG and NPM representing different meanings were omitted. With further consideration to eligibility criteria, there was specific focus on EEG, NPM, and Staples Theory literature since 1991 given the significance of the Hood (1991) article on NPM, while recognizing much of the EEG literature did not begin until early to mid-2000s). Staples Theory was established in the 1930s, however, the timeline of approximately 90 years is too extensive for this study. Eligible articles will represent literature focusing on economic development; literature focusing on local governments—both rural and urban—from January 1, 1991 to December 31, 2022, in the English language.

## Review method and coding

The primary author led the literature search, with guidance from a research team (including the secondary author). Potential biases in this approach were mitigated through two strategies. First, the approach for conducting the literature review, codes, and coding process were reviewed by the research team through a series of meetings. Second, an initial assessment of a random sample of articles from the literature search was reviewed by the authors and research team to determine if the eligibility criteria and search terms warranted further review. No revisions were required, and as such a complete search of the literature was conducted. The identification of literature involved two stages: (i) an initial review by title and abstract of each source to determine if it met the eligibility criteria, and (ii), a thorough review of all articles meeting the eligibility criteria.

A hybrid system of both closed-coding and open-coding was utilized. A preliminary list of overlapping key characteristics for Staples Theory, EEG, and NPM were identified from the literature and were used as the basis of the close-ended codes (see Table 2). An initial list of 10 closed code terms was utilized. Once the initial closed-coding process was complete, an open-coding process began illuminating key themes that were not initially identified. Through the open-coding process, four additional codes emerged that were relevant for the study. Microsoft Excel was used to maintain a complete repository of the coding throughout this project. It is recognized that several of these codes have many similarities and interconnections. The labelling of such codes were identified by how they were articulated in the literature.

## Results of systematic review

### Findings: quantitative results

As identified in Table 3, when searched individually, thousands of articles from EEG and NPM resulted in each database, while the results for Staples Theory and New Localism were lower. In several instances, such as when combining Staples Theory and New Localism, there was no literature found, nor were there any articles that identified all four concepts. Given that, connecting the concepts for the search reduced the number of eligible articles from over 100,000 to the 100 s.

A rigorous process was undertaken to determine which articles remained relevant for this study. Many articles initially identified were

TABLE 1 Search terms for the systematic review of literature.

Search terms	Boolean connectors
“Evolutionary Economic Geography”	OR EEG; economic geography; rural economic development; regional development; community economic development; local economic development
“New Public Management”	OR NPM; Public Administration
“New Localism”	Given the specificity, there are none
“Staples Theory”	OR Staples Thesis

TABLE 2 List of codes employed in the systematic review of literature.

Codes	Open/ Closed	Rationale
Path dependence	Closed	Preliminary review indicated path dependence is a key component for both EEG and Staples Theory
Economic development	Closed	Economic development is the basis for both EEG and Staples Theory, with NPM having potential impacts for economic development
Agency	Closed	Preliminary review indicated agency is a key component for both EEG, NPM and New Localism. Coding reflects both the agency of individuals/communities, or the lack thereof in light of these concepts
Devolution	Closed	A fundamental component of New Localism, devolution is active in theory and practice for both EEG and NPM
Political economy	Closed	Present in both Staples Theory and NPM, coding ranges from politically led economic decisions, trade, and globalization
Corporate management techniques	Closed	A fundamental component of NPM, corporate management techniques were also used to assist with the nation-building objectives of Staples Theory in Western economies
Place and space	Closed	A cross-cutting component among all concepts which denotes spatial considerations and nuances of individual places and spaces
Structural changes	Closed	A cross-cutting component among all concepts which may indicate structural changes from a local, regional, provincial, national, or international level
Lock-in	Closed	A cross-cutting component among all concepts. Historically tied to natural resources, lock-in can also refer to political ideologies, policies, or the entrenchment of histories
Politics	Closed	A cross-cutting component among all concepts; how politics shapes the realities in each specific concept
Innovation	Open	Themes of innovation were relevant in eligible articles, particularly as it pertains to EEG, innovative approaches led by local governments, and other innovative policies and/or solutions
Entrepreneurialism	Open	Often view as a subcomponent of innovation, the volume of discussions surrounding entrepreneurialism in eligible articles warranted its own coding, particularly in the EEG and New Localism literatures
Rural	Open	Several eligible articles discussed the unique opportunities and challenges rural local governments faced. Given the research objectives, rural was coded and reviewed separately
Networks	Open	The relevance of networks emerged in the literature across multiple concepts, particularly as it helped shape structural changes and assisted with economic development

removed from consideration for three reasons. First, many of the articles that were categorized as either EEG or NPM were not actually used in the correct connotation for this study. Examples include referencing economic development but not in light of EEG or highlighting a new “public management” but not the concept of NPM. There were also many articles that had either EEG or NPM in the title but referenced concepts outside the purview of the study. Second, there were many articles that overlapped between the two databases. As an example, 77 of the same articles were present in both the Web of Science and Scopus searches of EEG and NPM—only five of which were relevant for this study. Finally, most of the articles that resulted from the New Localism search were in reference to the New Labour movement, which was deemed to be outside the scope of this study. As such, two relevant New Localism sources remained for analysis. While these results may be perceived as a small sample size, it does align with similar sized sample sizes of other systematic reviews of literature in the social sciences (Hennink and Kaiser, 2022; Shaheen et al., 2023). Table 4 provides an overview of the literature selected for inclusion in this systematic literature review.

## Findings: qualitative results

Beyond the quantitative results from the search, two qualitative characteristics of the literature reviewed are noteworthy. Despite the absence of local government in the search criteria, yet its

relevance for the study, all 19 articles selected for analysis focused on local government as the object of their study. Further, 12 articles focused on both rural and urban governments to encompass the entire geography of a region (i.e., a state or country).

Second, the geographic representation of the findings was global and covered varying locations and scales. One article used the European Union as the geographic focus, with six articles focusing on European countries. Four articles selected the Canadian province of British Columbia for their geographic analysis. Three articles used different states in the United States for their research. Two articles focused on Australia as a whole, with another focusing specifically on the Australian state of Tasmania as well as one set of authors conducting research in New Zealand. The final article surveys all local governments in Israel. With respect to their emphasis on the various concepts and theoretical approaches that this study brings together, literature based in Canada and Australia used Staples Theory as the basis of their work, while much of the European literature focused on EEG, and the American and Israeli material focused on NPM and New Localism, which was expected given the contexts from which these ideas arose. Lastly, much of European literature focused on countries impacted by the Cold War, and how these concepts may have potential for their future prosperity. Table 5 provides a geographic breakdown of the included articles and its relevant concepts.

Lastly, the methodological PRISMA approach for identifying, screening, determining eligibility, and inclusion is noted in Figure 1.

TABLE 3 Results from the systematic review of literature.

Web of Science		Scopus	
Search permutation <sup>a</sup>	Results	Search permutation <sup>a</sup>	Results
EEG	133,862	EEG	121,610
NPM	35,558	NPM	27,253
Staples Theory	18	Staples Theory	47
New Localism	77	New Localism	115
EEG and NPM	149	EEG and NPM	133
EEG and Staples Theory	7	EEG and Staples Theory	8
EEG and New Localism	3	EEG and New Localism	0
NPM and Staples Theory	1	NPM and Staples Theory	0
NPM and New Localism	2	NPM and New Localism	1
Staples Theory and New Localism	0	Staples Theory and New Localism	0
EEG, NPM and Staples Theory	1	EEG, NPM and Staples Theory	0
EEG, NPM and New Localism	0	EEG, NPM and New Localism	0
EEG, Staples Theory and New Localism	0	EEG, Staples Theory and New Localism	0
NPM, Staples Theory and New Localism	0	NPM, Staples Theory and New Localism	0
EEG, NPM, Staples Theory, New Localism	0	EEG, NPM, Staples Theory, New Localism	0

<sup>a</sup>Search permutation of each term include the parameters noted in Table 1.

TABLE 4 Articles from the systematic review of literature identified for further analysis.

Search permutation	Total relevant articles
EEG; NPM	12
EEG; Staples Theory	4
EEG; New Localism	1
NPM; New Localism	1
EEG; NPM; Staples Theory	1
Total	19

## Analysis: overlap between the Staples Theory, EEG, NPM and New Localism

This section provides results from an analysis of the articles identified through the systematic literature review and their overlapping characteristics within the literatures on Staples Theory, EEG, NPM, and New Localism. The top 10 codes identified through the systematic review of literature are presented in Table 6, including the number of times each code was identified and the frequency of each code compares to the total number of occurrences. Each of these overlapping characteristics are discussed in order of their frequency.

TABLE 5 Geographic breakdown of the relevant articles.

Web of Science	Rural/Urban	Geography	Concepts
Hoffman (2018)	Both	Slovenia/EU	EEG, NPM
Olcina et al. (2020)	Both	Spain	EEG, NPM
Wellbrock et al. (2013)	Rural	EU	EEG, NPM
Dodescu and Chirila (2014)	Both	Romania	EEG, NPM
Habuda et al. (2019)	Both	Czech Republic	EEG, NPM
Nel et al. (2019)	Rural	New Zealand	EEG, New Localism
Beeri and Yuval (2015)	Urban	Israel	NPM, New Localism
Scopus			
Ryser et al. (2019)	Rural	Canada	EEG, NPM, Staples
Stokan and Raleigh (2018)	Urban	Detroit	EEG, NPM
Fløysand and Jakobsen (2013)	Rural	Norway	EEG, NPM
Markey et al. (2019)	Rural	Canada	EEG, Staples
Markey et al. (2022)	Rural	Canada	EEG, Staples
Halseth et al. (2014)	Rural	Canada	EEG, Staples
Argent (2013)	Rural	Australia	EEG, Staples
Both Web of Science and Scopus			
Morgan (2010)	Both	North Carolina	EEG, NPM
Reese (2014)	Both	Michigan	EEG, NPM
González and Gale (2020)	Both	Tasmania	EEG, NPM
De Mattis et al. (2022)	Both	Italy	EEG, NPM
Wear (2012)	Both	Australia	EEG, NPM

## Economic development

One the most common themes across all articles was economic development, and the various ways it impacts (and is impacted by) local governments. Researchers suggested the current economic conditions of a community are influenced by the embedded social, cultural, and economic norms that have been historically present in a local area (Fløysand and Jakobsen, 2013). This impacts the ability of a local government to engage in exogenous or endogenous development, establish diverse policy tools, or incorporate entrepreneurial practices. Regarding these nuances, Reese (2014, p. 627) noted:

The old saying “if all you have is a hammer, every problem looks like a nail” is a good metaphor for how local economic development policy has been implemented in cities across the nation... As a result, economic development policies tend to be highly path dependent; older tools continue to be used even while new ones are added.

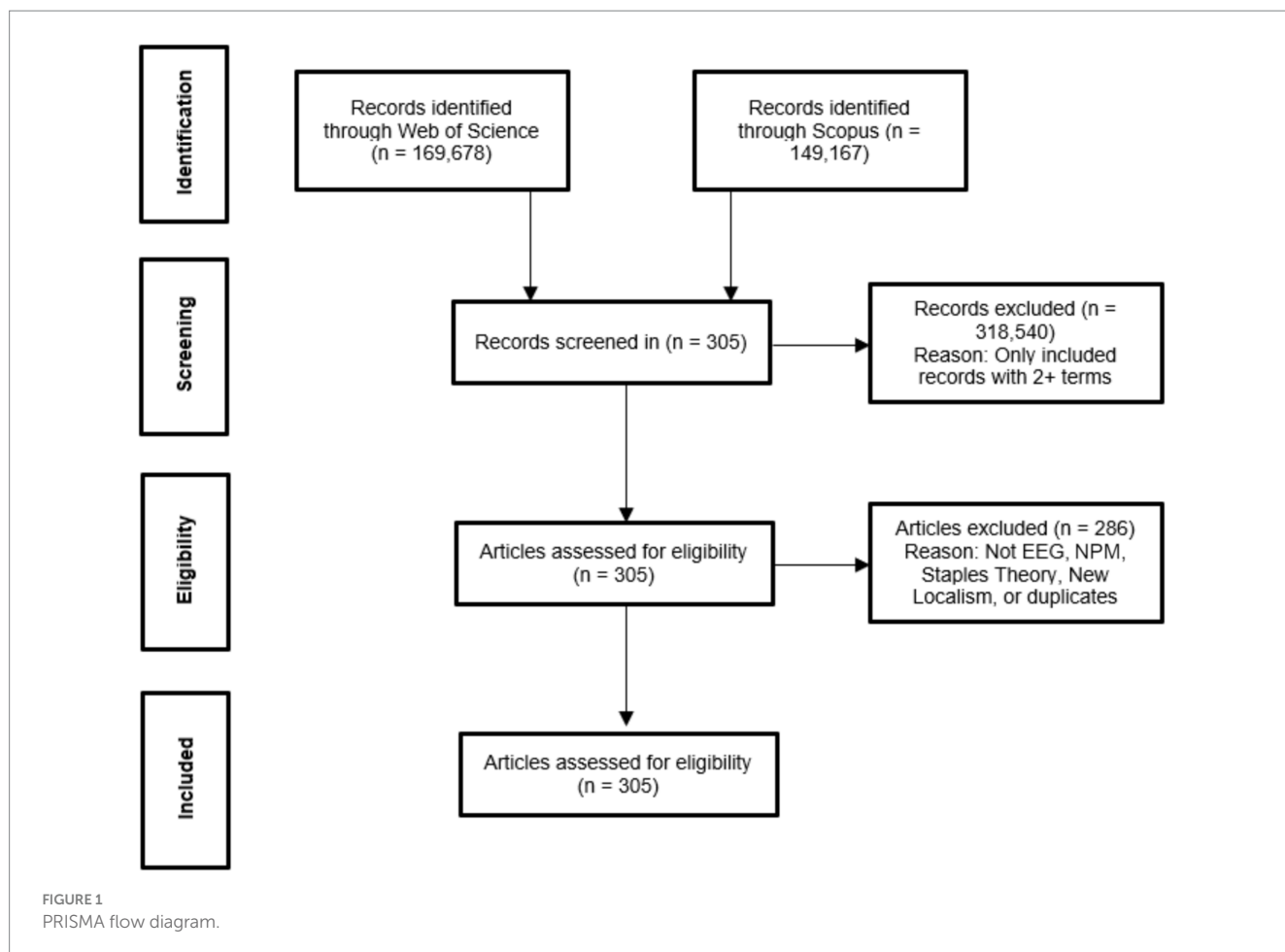


TABLE 6 Codes and occurrences.

Code	Number of times coded	Percentage of total occurrences
Economic development	114	20.1%
Structural changes	59	10.4%
Path dependence	54	9.51%
Place and space	48	8.45%
Devolution	44	7.75%
Rural	40	7.04%
Agency	38	6.69%
Entrepreneurialism	34	5.99%
Innovation	32	5.63%
Politics	30	5.28%

Older policy tools continue to be used by some local governments, such as making their community attractive for investment, or “smokestack chasing,” though there is increasing interest in more endogenous economic development policy (Stokan and Raleigh, 2018). Another policy tool that is becoming of increasing interest to local governments is investing in ways to enhance the quality of life for residents, whether that is new amenities, prioritizing greenspaces, or having affordable housing. There is also agreement that a

human-based-capital approach can have positive impacts for economic development (Morgan, 2010; Reese, 2014).

Entrepreneurialism was touted by several researchers as having potential for economic growth in both rural and urban areas. Rather than focus on recruiting new firms, or seeking to expand existing firms, entrepreneurialism represents a shift to entrepreneurship, cluster development, and small business growth (Fløysand and Jakobsen, 2013). Other researchers suggested that entrepreneurial presence is an indicator of economic growth, with their study confirming there is a correlation between economic activity and local government entrepreneurialism (De Mattis et al., 2022). There was also consensus among various researchers that innovative governance arrangements are linked to both innovative public policy and entrepreneurialism (De Mattis et al., 2022; Morgan, 2010). Through EEG, it is demonstrated how innovative economic development policies range from new service delivery arrangements, new mechanisms for planning, and enhancing governance arrangements and collaboration (Morgan, 2010). Lastly, several researchers identified the role of local government in taxation and demonstrated the success of local governments to implement innovative tax structures for industrial development, in part with collaboration with the central government, to reap the best possible local benefits (Argent, 2013; Morgan, 2010; Reese, 2014; Ryser et al., 2019).

The literature noted that economic development occurs at varying scales, which aligns with changes occurring within EEG over different

temporal and spatial scales (Markey et al., 2019). Scholars have suggested local and regional governments are the most appropriate level of government to lead innovative economic development policies (Dodescu and Chirila, 2014) as they are typically more agile in turbulent economies (Morgan, 2010). Political power at higher levels of government is focused on national development, narrowing in on urban areas as growth centres, limiting the ability for rural local governments to receive benefits from nation-led development (Argent, 2013).

## Structural changes

Rampant structural changes have been occurring over the past several decades that have directly impacted rural local governments. These changes have occurred external to local governments but have also been internally led by local governments and have had a myriad of impacts for economic development. Authors such as Argent (2013) and Halseth et al. (2014) have identified the implications of central government's role in a staples economy for rural local governments, which can lead, for example, to economic and political lock-in. Rural economies continue to be shaped by government policies which, in recent times, have removed economic benefits from local regions. Respecting these external changes, Markey et al. (2019, p. 25) noted:

Politically, the unfolding of neoliberalism has reduced regulatory commitments that once tied industry, and the economic benefits from industrial activity to resource-dependent communities. Economically, forces of globalization, heightened competitiveness, and flexible production have altered traditional dependencies that once tied resource industries in more robust ways to surrounding communities. The result is the declining influence of local governments in resource management decisions, and declining direct and indirect economic benefits to these jurisdictions from industrial resource extraction.

Local governments can also lead structural changes for their communities. Much of the EU literature was related to governance changes in light of devolution, whereas the American literature has been related to strategic planning of communities, which may include evolution from previous forms of path dependency (Syamsir et al., 2025; Beeri and Yuval, 2015; Habuda et al., 2019; Wear, 2012). When considering public management structural changes, Beeri and Yuval (2015) suggested that New Localism is the superior form of public management compared to NPM; while under NPM central authorities have power over the future trajectories of local governments, New Localism allows local governments to lead strategic planning themselves.

Whether led by local government or external forces, structural changes have implications for economic development. Morgan (2010) links the influence of NPM to local governments leading economic development initiatives and outlines various uncertainties of economic development under the NPM model, such as the accountability of local government initiatives, performance-based incentives, among others, and subsidies provided to encourage development. There is potential to evolve beyond these approaches by employing new service delivery arrangements or working collaboratively with other entities. Morgan (2010) argues there is a correlation between innovative

governance and management techniques and successful innovative economic development policies, where a strong presence of governance can lead to significant positive changes for economic development. Similarly, EEG can complement Staples Theory to break the path dependency that is present in local governments and assist rural areas to find new economies (Halseth et al., 2014; Markey et al., 2022).

## Path dependence

Path dependency reinforces core-periphery dynamics that generate barriers for local governments within the periphery (Halseth et al., 2014; Markey et al., 2019; Ryser et al., 2019). Two key themes emerge from path dependency relevant to local economic development: (i) economic dependency, where peripheral regions are subject to the market demands of the commodity they are supplying, eventually resulting in disadvantages for the local government and economy in the long term as prices fluctuate and/or substitutes or alternative suppliers are found, and (ii) truncated development, where local governments struggle to develop other economic sectors and are instead reliant on the vulnerability that comes with depending on a single sector in a global market (Halseth et al., 2014; Markey et al., 2019; Ryser et al., 2019).

As initially articulated by Innis, a "Staples Trap" creates vulnerabilities from exposure to an extractive resource sector based on systems implemented by local, provincial, and national governments (Argent, 2013). Specifically, the Staples Trap further permeates path dependency within communities, ranging from industry supporting local sports teams to having preferred candidates in political elections, making the Staples Trap more entrenched and it more difficult for local governments to diversify local economies (Argent, 2013). Often, the result is local governments providing incentives to retain the existing industry, which then becomes an expectation from industry of the local government which is challenging to break (Reese, 2014).

Various challenges are associated with path dependency as demonstrated by the case studies identified in this review. Path dependency results in unequal distribution of wealth and capital, and uneven benefits from the core compared to the periphery. Further, in most cases, any temporary labour that resulted from a staples project will likely dissipate once the project is concluded (Argent, 2013). Reliance on extractive resources presents further challenges such as economic (Argent, 2013; Halseth et al., 2014; Markey et al., 2019) and socio-cultural (Fløysand and Jakobsen, 2013) lock-in, which is discussed in further detail in a later section. Argent (2013) also noted establishing path dependency relationships is a colonial approach to economic development, where the British came into places such as Canada, established colonies and built infrastructure, only to remove the resource and send the benefits back to the United Kingdom resulting in systemic consequences for Indigenous people that continue into the present day.

Despite the challenges of path dependency, some researchers were optimistic at the potential to break path dependency. Particularly, combining EEG and Staples Theory provides a way to envision the creation of new pathways, vis a vis new industries, technologies, or clusters local governments can lean into (Markey et al., 2019, 2022). Case studies suggested the EEG framework has helped break lock-in from local governments dependent on sectors such as oil, gas, and forestry

(i.e., path reversion) whereas in other cases, while the primary commodity remains a key economic driver, EEG has changed the future trajectories of a local government (Markey et al., 2022). When discussing breaking path dependency, Ryser et al. (2019) noted “local governments can leverage their rights, invest in research, and seize the agenda in underdeveloped senior government policy environments” (p. 39).

Lastly, Nel et al. (2019) discussed path dependency in the context of New Localism. These researchers note that Kiruna, Sweden was successful in breaking path dependency from the mining industry, moving onwards to different sectors. While Nel et al. (2019) believe this may be the exception, under New Localism where enhanced capacity is provided at the local level, breaking path dependency was successful.

## Place and space

Comments on place and space primarily identify that geography matters. Staples Theory, EEG and NPM articles note the practices and idiosyncrasies of their individual cases are subject to embeddedness in relation to their particular places, networks, and power structures, as well as the way in which individuals, industry, and levels of government interact within the global economy and consequent impacts for local economic conditions (Fløysand and Jakobsen, 2013; González and Gale, 2020; Habuda et al., 2019; Morgan, 2010; Wear, 2012). In addition to physical and social-political geographies, the history of places also matters, as the policies and practices of the past have led to current economic conditions, returning to path dependency (Fløysand and Jakobsen, 2013), as well as the presence and utility of other place-based assets (Ryser et al., 2019).

New Localism researchers also put relevance on place and space. Nel et al. (2019) identified how devolution has shifted power, functions, and resources to the local level, resulting in the development of new local spaces. Given this, researchers suggest New Localism highlights the importance of social capital and place-based leadership, which they believe will build the future resiliency of rural local governments (Beeri and Yuval, 2015).

## Devolution

Devolution is a primary theme in New Localism and is also evident in both the NPM and EEG literature. Devolution is related but not synonymous with decentralization. Typically, devolution refers to the transferring of statutory powers between levels of government, while decentralization is a public management strategy that refers to changing the level of public administration and service. There are competing ideas behind devolution and decentralization. Decentralization can occur because local governments are in the best position to deliver services because strategically it is believed that the local level is the most effective level of government for specific powers and responsibilities (De Mattis et al., 2022). In North America and in other areas, however, this view differs. As Ryser et al. (2019) suggest, governments frequently download responsibilities such as economic development to local governments, while failing to provide the resources or additional jurisdictional authority for them to carry out their duties effectively.

Hoffman (2018) highlights the experiences of devolution and government reform that occurred within EU countries. Significant

government reform (including municipal government reform) has occurred since 1991, which has often coincided with practices of NPM. The primary responsibility devolved in the EU to local governments focuses on economic development, which, in most cases, was considered unsuccessful. The only successful example identified by Hoffman (2018) was in Poland, where the central government only allocated responsibilities that the local government had capacity for. Despite the capacity challenges faced by local governments attempting to facilitate economic development, Hoffman (2018) suggested devolution triggered the creation of new, innovative policy tools and service delivery arrangements out of necessity. This was done through a variety of avenues, but predominantly out of collaboration with actors within the local area. Hoffman's (2018) claims local governments are the best level of government that can employ innovative public management techniques and develop innovative policy tools.

Nel et al. (2019) suggest the benefit of New Localism, which relies on devolution to empower local governments, is that the local level gains authority to make decisions that reflect local labour, culture, and resources. Such a public management framework challenges traditional models of governance and reduces local-central tensions pertaining to devolution, given its ability to equip local governments to make decisions for the betterment of their individual socioeconomic prosperity (Beeri and Yuval, 2015).

## Rural urban differences

The articles outlined differences in innovation between rural and urban areas. Innovation is often measured through urban-centric indicators, which Fløysand and Jakobsen (2013) believe does not capture the level of innovation nor the specific characteristics of the innovation processes that take place in rural areas. Innovation occurs at an incremental albeit important rate in rural areas, and it is often a result of establishing social networks and sharing knowledge and new ideas (Fløysand and Jakobsen, 2013). These networks and the innovations that result tend to be relatively more important in rural compared to their urban local government counterparts given the distinctive culture and spatial dynamics of rural areas (Wear, 2012). Rural innovation tends to rely on knowledge exchange, and opportunities for place-based development (Wellbrock et al., 2013).

Path dependency emerged as another primary theme within the rural code which, given the nature of natural resource industries, is a distinctively rural issue, though as Markey et al. (2019, 2022) identified, there is potential to break that dependency in rural areas through EEG. There are also significant implications of path dependency for rural infrastructure. For example, the lagging infrastructure to attract industrial development and the demand on infrastructure when facilitating such developments that add pressure to archaic and aging infrastructure serves as a reminder that the industrial project and the benefits for the community associated with it are now largely gone (Markey et al., 2019, 2022). Rural local governments may be able to diversify their economies through the practices of EEG. In many cases, however, this is contingent on political will and the capacity of local government to facilitate economic development (Markey et al., 2022).

Lastly, Nel et al. (2019) outlined predominantly positive implications New Localism may have on rural local governments. New Localism has an opportunity to fulfill the capacity gap of rural

local governments by first addressing the local leadership capacity and assessing the potential for endogenous development. [Nel et al. \(2019\)](#) believe that there are higher levels of community-based social capital in rural communities, and so during periods of economic restructuring, local businesses are more willing to be a major contributor to the welfare of the community.

## Agency

The literature review reiterated that agency is a common theme within the EEG, NPM, and New Localism literatures, as citizens desire more power in the decision-making process of the state. This can be mobilized through a variety of avenues, such as a social network, where the knowledge generated, and the reciprocal trust built among actors within a network make citizens more comfortable working together towards common objectives ([Fløysand and Jakobsen, 2013](#)). Commonly, governments would also enact partnerships between citizens and relevant stakeholders to influence the decision-making process, though some researchers believe there is a lack of accountability for governments in partnerships to incorporate citizen perspectives in policy ([González and Gale, 2020](#)).

Governance is a key aspect of agency and was identified by several researchers. [Stokan and Raleigh \(2018\)](#) identified the power of governance when utilized by public administrators, as it gives potential for efficiency, synergy, inclusion, and empowerment if community buy-in is achieved when implementing a program. Specifically, multi-level governance has potential to connect all levels of authority within a decision-making process ([González and Gale, 2020](#)), though as [Wellbrock et al. \(2013\)](#) explain, it can also be used to mask the reality that most power remains with the central government.

Scholars argued that agency can be used as a tool to facilitate economic development. As noted by [Stokan and Raleigh \(2018, p. 113\)](#): “community economic development implicitly assumes a democratic political system in which people have an opportunity to express their preferences.” [Morgan \(2010\)](#) outlines how meaningful participation among community stakeholders can assist in strategic planning for a local government’s economic development endeavours. Further, collective agency is needed for successful place-based development, yet more work is needed for governments to develop more collaborative modes of governance ([Argent, 2013](#); [Wear, 2012](#); [Wellbrock et al., 2013](#)).

Agency is also a key component of New Localism, which focuses on the perspectives of local individuals on the decision-making process and everyone has a say, whether they are an elected official or another actor ([Beeri and Yuval, 2015](#)). [Beeri and Yuval \(2015\)](#) believe New Localism can achieve social capital by bringing together actors working together for a common objective. Further, it is noted the community will develop bottom-up approaches to development and reject top-down interventions to their local government.

## Entrepreneurialism

The literature review identifies both how local governments can facilitate entrepreneurial growth as well as how they can become more entrepreneurial in their actions. Researchers agree that there is an important role for local governments to facilitate networking between

firms, institutions, and other levels of government to help support entrepreneurialism and subsequently economic growth ([Fløysand and Jakobsen, 2013](#); [Stokan and Raleigh, 2018](#)). Other scholars provide evidence of the connection between facilitating entrepreneurialism and economic growth, and how local governments require innovative public policies to facilitate entrepreneurship ([De Mattis et al., 2022](#)). Examples of such policies are those which rely on alternative approaches to stimulate job creation and private investment, which often require place-specific solutions to contribute to economic development ([Morgan, 2010](#)).

Researchers also emphasized how local governments can be entrepreneurial. [De Mattis et al. \(2022\)](#) suggest that the governance of local government can build the presence of entrepreneurialism in the development of local economic development policies. This is pressing in times of a turbulent economy, when there is a need to be more entrepreneurial in the administration of local government and their economic development endeavours ([Morgan, 2010](#)). There is evidence entrepreneurial local governments promote private investment, lead job creation and training, and facilitate entrepreneurship, particularly in rural areas ([Morgan, 2010](#)). This is, in part, related to the unique culture and social capital present in rural communities ([Olcina et al., 2020](#)). When discussing New Localism, [Nel et al. \(2019\)](#) suggest in periods of devolution, rural local governments can become entrepreneurial and lead endogenous development and resilience.

## Politics

Politics was another key theme that emerged from the coding, particularly as it pertains to its influence on economic development and strategic planning. Indeed, researchers agreed that economic development is the role of the government ([Morgan, 2010](#)). [Stokan and Raleigh \(2018\)](#) note that community economic development can be fostered in a democratic political system where citizens have the ability to openly express their opinions. Such governments rely on taxation, however, and both taxation ([Olcina et al., 2020](#)) and tax incentives ([Reese, 2014](#)) are seen as being political in the context of attracting development. While these are common practices of politicians, [Argent \(2013\)](#) identified how this can become a risk when individuals with corporate control over key economic sectors extend that influence to political power.

There are opportunities for politics to be used for purposes of collaboration and governance ([Wellbrock et al., 2013](#)) and enhance the role of place and place-based assets within a community ([González and Gale, 2020](#)). However, many governments fail to effectively do this, where basic political expectations are not fulfilled ([Habuda et al., 2019](#)) and politics can hamper institutional reform that may benefit local governments ([Wellbrock et al., 2013](#)).

## Innovation

Due to devolution during the neoliberal era, local governments are forced to become innovative to continue to offer services and meet growing expectations. This is, in part, related to EEG, where institutions and local governments are required to be flexible and innovative ([Halseth et al., 2014](#)). Researchers suggested this can be

done in three primary ways: regional innovation systems, innovative public policy, and innovation as knowledge.

Fløysand and Jakobsen (2013) label regional innovation systems as place-based development on specific industries that involve collaborative and innovative approaches to enhancing regional opportunities for the sector. This is done, in part, with the recognition that the region is the superior scale to modernize innovative processes (Dodescu and Chirila, 2014; Fløysand and Jakobsen, 2013; Habuda et al., 2019; Morgan, 2010).

Morgan (2010) also identified the significance of innovative public policies led by local governments for economic development. This begins with the basis of governance and ensuring that local governments are positioned to enact innovative policies in the first place. Innovative policies may include investing in quality-of-life amenities making their communities a more attractive place to live, to programs that can benefit companies and their workers.

Lastly, collaboration was identified as an important tenant for rural innovation (Habuda et al., 2019). This was attributed to the significance of knowledge exchanges in rural areas, and the propensity to collectively solve economic barriers facing the community, such as enabling economic diversification (Fløysand and Jakobsen, 2013; Wellbrock et al., 2013).

## Summary of results

To summarize the results from the analysis, Table 7 provides an overview of key findings from each of the 10 themes.

## Discussion

The first research question of this paper sought to understand the conceptual overlap between Staples Theory, EEG, NPM, and New

Localism as it relates to rural local government in Canada. The research demonstrates there are significant overlaps in the Staples Theory, EEG, and NPM, and New Localism literatures. Staples Theory shows the history of macro rural economic development as evident in countries such as Canada and Australia, and how natural resources have often been used to exploit local and regional economies. This history and the reliance rural local governments have had (and many continue to have) on resource-based industries is an important characteristic to note for this study. Further, distinct aspects of EEG feature time and history, differing from other economic geography theories, with the concept centralizing on the routines of firms (or in this case, local governments) for their unit of analysis. With EEG, history is an indication of path dependence, which subsequently influences economic development. By comparison, NPM imposes corporate management techniques and establishes key performance indicators to measure success. In doing so, public policy at the local level is consequentially developed via doing more with less. NPM, and the subsequent public policy developed, is shaped by the political ideologies of elected officials, which has impacted structural changes in local areas as noted through Staples Theory and EEG. New Localism recognizes that the impacts identified in the Staples Theory, EEG, and NPM literature are most profound at the local level, where local governments can take ownership over their future. There is a component of place and space in Staples Theory, EEG, and NPM. Agency, or the lack thereof, is featured in EEG and NPM, though the extent to which agency exists at the local level is debatable as noted by Rainnie (2021), yet highly sought after in New Localism literature (Nel et al., 2019).

While there is limited research on the interconnection of the Staples Theory, EEG and NPM bodies of literature, Rainnie (2021) suggests there may be merit in connecting these concepts. Rainnie (2021) argues that considering EEG and the ongoing devolution of responsibilities under NPM, local leadership has become increasingly important as regions may not only lock-in to particular

TABLE 7 Summary of the results.

Code	Summary
Economic development	Pervasive across most articles, researchers highlighted how economic conditions of a community are influenced by their unique histories, with shape the future trajectories of economic prosperity, whether through traditional or innovative development activities
Structural changes	Neoliberalism exacerbated the structural changes in local areas through public policies which have removed the economic benefit and autonomy of local governments. In several cases, these local governments responded with innovative governance arrangements
Path dependence	Local governments are often most at-risk to the impacts of path dependence and the Staples Trap. However, several communities demonstrated potential to break path dependency and create new economic pathways through New Localism
Place and space	Uniqueness of place and space are shaped by their past, their culture, and their assets, which influence their future
Devolution	Findings provide differing perspectives on the appropriate level of devolution to local governments, which range from suggesting the positive impacts of devolution to exercising caution when devolving roles and responsibilities to the local level
Rural	Realities of rural communities differ from urban communities. Path dependency is more pronounced in rural areas. New localism has potential to have positive impacts on rural local governments
Agency	In response to the increased desire of citizens to influence the decision-making process, local governments have adopted new governance arrangements to harness social capital from individuals
Entrepreneurialism	Local governments have an increased role for economic development, with evidence provided that municipal entrepreneurialism has had positive impacts for local governments for enhancing socio-economic prosperity of their communities
Innovation	Innovation is present among local governments through regional innovation systems, public policy, and knowledge exchanges
Politics	Politics influences economic development, strategic planning, and the incorporation of governance in local communities

resources, but also to particular relationships, which range from other levels of government to other organizations and institutions. These ideas resonate with concepts of Staples Theory as well, a theoretical perspective that is important to consider in the rural Canadian context. Rainnie (2021) suggests that the overlap of EEG and NPM is the significance of place. While EEG typically focuses on broader scales, it can become more granular when considering the context and importance of place leadership at the local level. Rainnie (2021) concludes by arguing that both the EEG and NPM concepts fail to appropriately address the role of agency in the public policy process, and that under a NPM system, public servants now have the role of place leadership—a gap that New Localism has potential to address.

This research identified several ways that Staples Theory and New Localism interact and are interconnected. First, aspects of path dependency are central to Staples Theory, with scholars identifying how New Localism recognizes this dependency and provides capacity to break it. New Localism researchers identified that local government can be effective in capitalizing on innovative tools to maximize the growth potential in their community. Further, both Staples Theory and New Localism literature identified the impact of utilizing tax revenues to build on strategic priorities, whether that was negotiating new agreements when attracting industrial development or having the appropriate social capital and leadership to spend revenue responsibility for the betterment of the community. These aspects align with governance and finance as key components of New Localism.

Overlap is also evident between EEG and New Localism. Economic development is a theme central to both concepts. Related discussion on entrepreneurialism is particularly noteworthy. In the process of seeking to break path dependency, the EEG and New Localism literatures suggest how rural local governments need to innovate and become entrepreneurial to reach economic prosperity. Evidence was provided on the correlation between entrepreneurial local governments and positive economic development outcomes, which is a key measure of success for New Localism. Similarly, discussions around enhancing place-based development practices, particularly in rural areas, aligns with the locally led development priority for New Localism.

Similarities are present between NPM and New Localism, as both concepts provide insight for public management practices. The literature discussed overlap with agency, although NPM employs a top-down approach, whereas New Localism works via bottom-up approaches to reconcile central and local government differences through fostering local agency in the decision-making process. This, by extension, has ramifications for the governance process, which was identified in both the literature and the criteria for New Localism noted by Katz and Nowak (2017). While some researchers argued New Localism is the superior public management model, many researchers also reached a consensus that NPM is dated and that an updated public management model recognizing the realities of local government is needed.

This analysis highlights how New Localism overlaps with the three dominant literatures impacting rural local governments in Canada. There are implications of New Localism in areas such as place and space, structural changes, and politics. In addition, there are overlaps among areas not initially identified, such as the role for local government, and the unique impacts for rural areas. There is

alignment among these four approaches in their emphasis on the governance of local places, and on local governments becoming innovative and entrepreneurial to change historical dependencies, establish new tools and leverage external resources for locally led development. The overlap of Staples Theory, EEG, NPM, and New Localism can be seen in Figure 2.

In the context of Staples Theory, EEG, and NPM, there is a gap in understanding a governing model and conceptual framework that would consider the realities of rural local governments from all these perspectives and allow further capacity to build socio-economic prosperity. This research questioned whether the overlap of Staples Theory-EEG-NPM-New Localism could fill this gap. From this review, there's evidence of ways they overlap potentially to address this gap. For the case of rural local governments in Canada, their actions are influenced by the operating context of Staples Theory, EEG, and NPM, which has shaped their past and present economies. This operating context helps us understand and expand our understanding and potential implication of New Localism. Previously, New Localism has been understood through research conduct in urban local governments in the United States. Using Staples Theory, EEG, and NPM, this paper has identified that core themes of these concepts overlap with New Localism, suggesting potential utility in rural local governments in Canada and beyond. Specifically, New Localism differs from Staples Theory, EEG, and NPM, as it recognizes the value and places emphasis on the local level. This is particularly relevant for rural local governments, which face different opportunities and challenges compared to urban governments related to their socioeconomic characteristics, with agency for decision-making being centrally important for rural residents (Gabehart, 2023). The overlap of New Localism with Staples Theory, EEG, and NPM works well in the context of rural Canada—a commonwealth country with an economic development history tied closely to extractive resources. Further work is required to apply the SENN model to future research in rural local governments in Canada and other similar localities. Although devised based on the Canadian landscape, there appears to be an applicability of the SENN Model to other jurisdictions with similar economic and government contexts, such as the United States, Australia, and Europe. The SENN model should be interpreted as a hypothesis-generating model, and that a feasible next step in operationalization may be to include sample indicators for each of its 10 dimensions.

From a theoretical perspective, this article brings together approaches from vastly different disciplinary backgrounds. As identified, the theoretical footing may contrast with among these approaches—the structural and resource-dependent nature of Staples Theory may not fully align with EEG's emphasis on innovation, or the efficiency and output-driven values of NPM could conflict with the participatory and democratic principles provided within New Localism. Each of these concepts emerges from unique backgrounds. The SENN model does not reconcile these differences, but it does recognize these contestations. Given the breadth of each concept, it should be highlight that the application of the principles of each context may differ from context to context, and the empirical use of, for example, NPM in one case may focus on adhering to private sector principles, whereas in another case it may focus on establishing indicators of success. The nuances of each individual concept, and the overlap of the four concepts within the SENN model, has an opportunity to be built upon for future research.

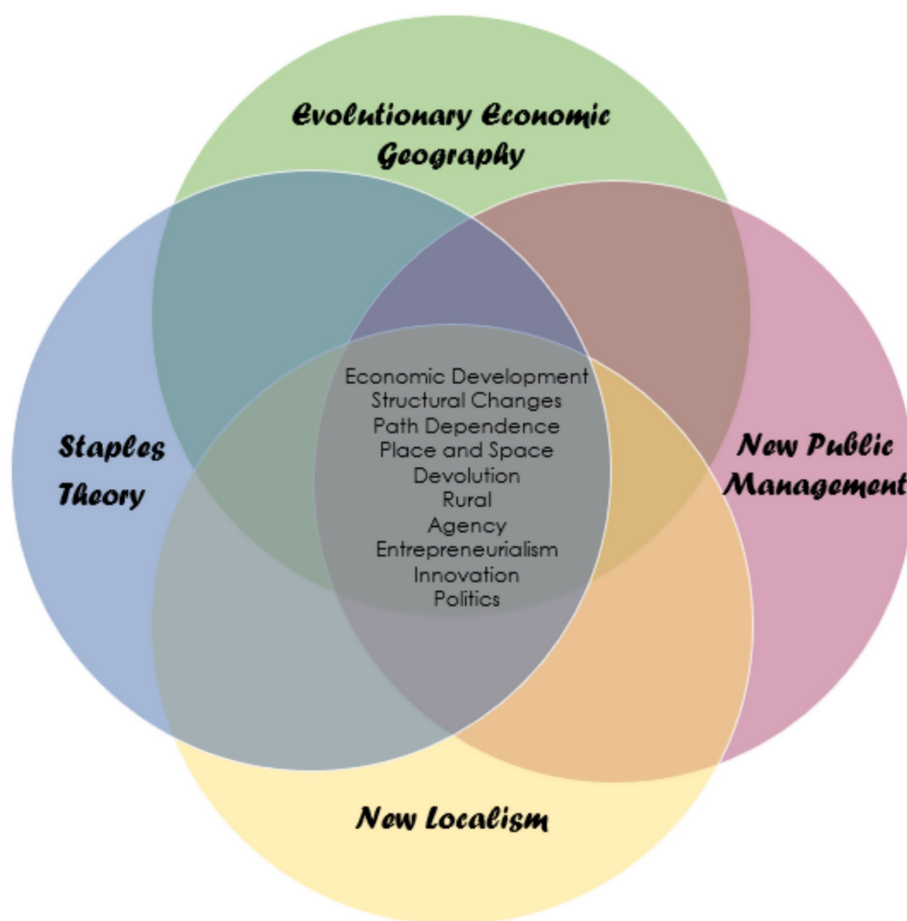


FIGURE 2

The Staples Theory-Evolutionary Economic Geography-New Public Management-New Localism (SENN) model.

The second objective of this research is seeking to understand the potential influence of this conceptual overlap for rural local governments in Canada and public administration as it relates to economic development. While the SENN model may be used for either urban or rural research, it is worth noting that the 10 core characteristics are inherently rural, as the articles and analysis has suggested. Researchers have suggested how the impact of devolution and other structural changes are exacerbated in rural local governments, with particular respect to facilitating economic development in path dependent economies (Argent, 2013; Halseth et al., 2014). The ways in which rural local governments can innovate and diversify their economies differs from their urban counterparts, largely related to the limited capacity of smaller governments, paired with their distinct population densities, economies, cultures, and other socio-economic characteristics (Gabehart, 2023; Markey et al., 2022). It was also suggested that, given these restraints, agency and governance may have a more pronounced effect in rural communities, where collaboration can contribute to additional capacity when working towards shared objectives (Wear, 2012; Wellbrock et al., 2013). This research has potential to help public management for local governments. This research focused on identifying the overlap of these bodies of literature, but does not include indicators or measurable tools. Further research and application of the model is required. The operationalization of the SENN model should be tested to provide

further empirical valuation of its applicability for rural local governments.

This research was geographically centered in the Canadian context given the influence EEG, NPM, Staples Theory, and to a lesser extent, New Localism, have on local governments and public policy. Although emerging from the Canadian experience, the SENN model could be applied in other geographical contexts. The parallels in the local government approaches in Canada and other Commonwealth countries (Brunet-Jailly and Martin, 2010; Paris et al., 2020) could facilitate transferability. The findings could also apply to countries in the Global South, however, it is important to heed research indicating approaches to economic development in the Global South may be less top down and more focused on community empowerment approaches (Muluk et al., 2025). There are opportunities to examine and evaluate the SENN Model outside the Canadian context.

## Conclusion

This research reiterated Gabehart's (2023) argument to articulate that rural governments are not simply opposite of urban governments but have various nuances worth exploring. As this paper has identified, rural approaches to economic development have historically been resource dependent, which creates both opportunities and challenges

depending on the ebbs and flows of the commodity value. These dependencies have shaped cultural, history, and the political economy of rural governments, which influences a myriad of socio-economic factors such as employment, education, politics, agency, place, and pathways to innovation. New Localism scholars have emphasized the value of local leaders in economic development, particularly in rural communities, given the level of cohesion and social capital that is often evident in smaller areas (Beeri and Yuval, 2015; Nel et al., 2019).

New Localism has particular relevance for rural local governments and public management. In an era of globalization, NPM practices make local governments particularly vulnerable, while the state historically protected citizens from economic disruption. As industries increasingly seek out competitive local places in the global economy this leaves rural places vulnerable to market and corporate demands (González and Gale, 2020), which can lead to the Staples Trap and economic lock-in (Argent, 2013; Halseth et al., 2014; Markey et al., 2019, 2022). Given these common scenarios, researchers are calling for new and enhanced public management practices when local governments integrate with the global economy, where local and regional actors in rural areas join and develop priorities essential for the socioeconomic prosperity of their communities (Wellbrock et al., 2013). Given the value placed on local authority and autonomy, New Localism has potential to serve as this new model (Beeri and Yuval, 2015). These conclusions should be interpreted as emerging findings which contribute to the understanding of the nascent topic of New Localism, rural local government and public administration, and that further research is required to build on these findings. Secondly, it is worth determining through future studies whether the SENN model has use rural local governments, such as equipping them with greater capacity, providing potential to generate economic prosperity in rural communities and regions in Canada and elsewhere. Researchers, public policy makers, and local governments would be remiss not to consider the overlaps identified by the SENN Model that are and will likely continue to influence rural economic development.

## Data availability statement

The original contributions presented in the study are included in the article/supplementary material, further inquiries can be directed to the corresponding author.

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## Author contributions

JB: Data curation, Investigation, Conceptualization, Writing – review & editing, Methodology, Resources, Funding acquisition, Project administration, Validation, Formal analysis, Writing – original draft, Visualization. RG: Methodology, Conceptualization, Supervision, Writing – review & editing, Resources, Validation.

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