LOCAL ECONOMIC DEVELOPMENT IN THE POST-INDUSTRIAL SERVICE ECONOMY: MANUFACTURING COMMUNITIES IN THE OHIO RIVER VALLEY

DISSERTATION

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By

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ABSTRACT

Geographic research has been used to gain a better understanding of the human and spatial dynamics of local economic development. In these studies methods of inquiry use both qualitative and quantitative analyses to describe patterns of development at a variety of scales from discreet households to the global marketplace. Old industrial regions like the Ohio River Valley provide a setting to examine recent shifts in industrial production, namely from manufacturing to services over the past 35 years. This restructuring period in American economic history has been one of significant social, political and economic change. Many small communities in old industrial regions have struggled during the restructuring period to maintain levels of economic production. Changes in local economies occurred along with changes in local social and political structures, and have required improvement and expansion in local infrastructure and services as communities struggle to counter the effects of macroeconomic forces.

Three case studies performed in this dissertation detail three different trajectories of local economic development and local social and political structures involved in economic decision-making. Local growth coalitions create strategies to improve the preconditions for development along these trajectories. In some cases strategies are accepted across a community, whereas in other cases competing strategies emerge, often creating local development conflicts. In the case of Jackson and Wellston, Ohio, a strong local coalition has developed strategies to increase the number of externally-owned firms and manufacturing jobs in the local area by increasing capacities in both physical infrastructure and services. In this case, preconditions for development have been achieved, however few jobs were created by their efforts. In the case of Nelsonville, Ohio competing local coalitions created a conflict over regional highway bypass, which threatens to take retail, and tourist business away from the town. Here investment opportunities were lost due to a lack of social cohesion. In the case of Dresden, Ohio a strong locally owned manufacturing firm, Longaberger Baskets, dominates local development decision-making. In this case the interests of local business people who benefit from secondary effects of Longaberger-based tourism and retailing are ignored, as a lack of local service improvements have significantly limited potential earnings. Dedicated to the memory of 1LT James Edward Moore, A.E.F. 38th Infantry "Rock of the Marne" 1918

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CHAPTER 1

INTRODUCTION

1.1 Research Questions

Since the late 1960s, profound macroeconomic changes have occurred in the United States, and in similarly developed countries, which have culminated in the globalization of commerce and trade (Amin and Thrift 1994). In response to these broader changes, local economic development strategies in several U.S. communities have succeeded in redirecting development capital toward the service sector. By comparison, local agendas to re-industrialize manufacturing activities have had limited success, nonetheless manufacturing remains an important 'core' activity for many small communities in this Post-Industrial Service Economy context (Cohen and Zysman, 1987).

Previous research has often emphasized the macro-perspective of political economy. Global causes and local effects such as de-industrialization, neo-liberal governance, and capital flight typify one set of literature that reflects on the failings of Fordist production modes (Bluestone and Harrison 1982). A second body of literature addressing, the post-Fordist era of restructuring, examines the importance of flexible specialization modes in creating global supplier-assembler networks, which themselves create new spaces of production within the old industrial landscape (Gertler 1988; Scott 1988a). A revisionist approach has emerged in economic geography that examines local social forces, such as coalitions of community-based elites, countering the effects of global change. The role of localities as a major mediating, if not driving, force in development is emphasized in contrast to the conceptualization of regions and nation-states as homogeneous economies (Swyngedouw 1997; Cox and Wood 1997). The purpose of this research is to examine the spatial unevenness of development in small communities as a result of local efforts to negotiate macro-scale¹ economic change.

The primary question of this research is: How do local manufacturing communities negotiate the development process in the context of restructuring? To approach this, I hypothesize that individually, growth coalitions, infrastructure improvement, and local service complexes are, each, necessary but not sufficient components of local economic development. I propose that a combined framework -*three-stage local development process*, of social and political change (coalition building), infrastructure, and service development -- is a necessary part of a development framework within the early *Post-Industrial Service Economy* context. This process is introduced in Chapter 2 to theorize a generalized local economic development pattern for small industrial communities. The chapter, also, includes a *tripartite model of local development coalitions* to conceptualize the construction of community development coalitions. Also, the *Post-Industrial Service Economy* (*PISE*) is described to contextualize contemporary industrial structure small manufacturing communities.

The secondary research question asks, local economic development 'for whom and by whom?' This inquiry seeks to determine whether recent local developments have

¹ For the purpose of this research, macroscale can be defined as either national or global scale conditions that can interact with the local.

benefited the community as a whole or just those individuals within local development coalitions. Local development strategies can be compared between communities based on ability to create development opportunities in the form of employment, and improve local quality of life by developing employment opportunities and local amenities.

In the analysis, I present a two-tiered analysis of three case-study communities in Southeastern Ohio. Qualitative interview data collected from elite members of local coalitions is first used to determine the locally-specific economic development strategies and the degree to which local social networks, infrastructure, and services have been modified to respond to macroeconomic change. Quantified telephone survey data, randomly selected from the case study communities, is compared between the three communities to assess public perception of development strategies and their local economic impact. These analyses are then compared to measure the level of success for each case study community in mediating the effects of globalization.

1.2 Organization of the Dissertation

The following sections within the introduction (1.3 and 1.4) are an account of my interest in economic change of the Ohio River Valley region. The subsequent chapters are described here (also see Figure 1.1). Literature on restructuring is essential to the foundation of this research. Chapter Two reviews relevant local development literature from economic geography and related fields. Literature regarding interviewing elite informants is also discussed in the later part of the section. In addition, Chapter Two contains a proposed *three-stage local economic development process* as the conceptual model of *local economic opportunity* creation. This is appended by a post-Industrial

service economy framework to provide a means of contextualizing industrial structure in the case-study communities.



Figure 1.1: Structure of the dissertation.

Change, restructuring, and the importance of local social forces are integral to this study, in which local-scale analysis takes the forefront over the backdrop of regional networks and global hegemony. Chapter Three is an examination of national-scale restructuring and has subsections detailing the historical development of each case-study community up to the present. To further examine the processes and effects of local economic development I use two sets of analyses. Chapter Four contains a qualitative analysis of key informant interviews from local government, business and social organizations in three case study locations of Jackson-Wellston, Ohio, Nelsonville, Ohio, and Dresden, Ohio. Textual data from these interviews is used to illustrate the local development process from the perspective of actors within the community. Chapter Five contains a quantitative analysis of a community-level, random sample telephone survey from the three communities. Respondents were asked to rate aspects of local development strategies and quality of life. Data from these interviews are compared between case-study areas to measure community quality of life in relation local economic development pathways. Methodologies for these analyses are described at the beginning of each chapter. The dissertation is summarized in the sixth and final chapter.

1.3 Personal Perspective: (Part of) a life lived in the Ohio River Valley

My research interest in economic development in the Ohio River Valley originates with early life experiences and family history. I was born January of 1970, in Huntington, West Virginia at the temporal beginning and within the spatial core of deindustrialization in the United States. Three prior generations of family had been part of the local merchant class, owning a number of firms and playing a significant role inlocal business development². The Mossman and Moore clans had at various times during the Industrial Era been involved in banking real estate, river transportation, manufacturing, and lumber³. However, the decline of industrial era also meant the decline of Huntington and places of its kind. As a teenager in 1985, when my family moved to suburban Washington, D.C., I was unaware of 'macroeconomic forces' that had made my family 'economic refugees'. Migrating east and slightly northward to Northern Virginia didn't exactly feel like a shift to the Sunbelt, but for all intents and purposes it was. We left behind a closed building products firm, barely paying off company debts with the sale of company land. Our lumber mill and building supply business, sandwiched between a steel fabrication plant and the Chessie System rail yard, was very much a Rust Belt image of the time.

We landed in Reston, Virginia where a burgeoning government contracting and software industry was about to give birth to the 'Public Internet'. Post-Fordist service industries from defense contractors, to telecommunications giants had taken over the "Edge City" landscape and generated a regional economic boom and massive residential sprawl. My main geographic interest, at the time (age 15), was why my commute, a 15minute walk to school in Huntington, had now become an hour-long bus ride through suburban traffic.

It wasn't until graduate school that I began to ask, "What precisely went on back in Huntington?" Initially I wondered about class, how my family had come from

² Dan Mossman, in 1921, personally lobbied the International Nickel Corporation to open its first plant outside of Canada in Huntington. He and his partners profited from supplying real estate and building workers housing. The plant is still in operation today.

³ Following the Great Depression and the Ohio River flood of 1937, the family business was centered on the lumber and millwork business, dropping its original focus on pre-cut "catalogue" homes.

'industrial-era gentry' to become average middle-class suburbanites -- with two parents in professional service sector jobs driving hour-long commutes and paying a hefty mortgage. I initially decided that it was 'the economy' that had failed to produce new housing starts due to the high interest rates of the 1970s. I reasoned this was why our building supply, lumber and millwork company, Minter Homes Corporation, was unable to stay in business and we eventually had to sell off the retail and mill site. Emergent national construction product firms had put on competitive pressure; lumber wholesale chains, such as 84 Lumber, drained off local customers, as well. However, a long car trip with my father completely changed this perspective. "Yes, times were tough for everyone. But we were doing enough business to stay afloat. It was [our local competitors]⁴ who destroyed us."

This was not by fair competition at all. During the credit crunch of the late 1970s, a competing local firm had monopolized credit lines with all but one of the city's banks, our primary lender. That line of credit was eventually co-opted as changes in banking laws divested local control⁵ and prompted takeover by a regional financial firm. "No one would give us a line of credit in town, and I couldn't get one out-of-town because nobody knew us. We had rail cars full of redwood that we couldn't pay for." The company sold off assets and attempted to diversify into plastic building products, but to no avail.

⁴ My father wishes that our former competitors not be identified.

⁵ In 1976 the state banking commission in West Virginia ruled that recipients of lines of credit could not sit on the board of directors of state-licensed banking firms. Minter Homes Corp. had long held a directorship with the First Huntington National Bank, which was lost under the new regulation.

Labor skill was another critical issue that threatened to close the firm. "All but one of the mill workers were master craftsmen, the youngest of those was in his late 50s. [In the 1970s] we had only one new apprentice." Custom wood millwork had long been the firm's primary activity and was threatened by the eventual retirement of elderly mill workers. He went on to say, "These men were vastly underpaid for their skills, averaging \$3.00 an hour. I boosted their pay [to over \$5.00]. That's when I got in trouble with the [local competitors], who said 'Dan you're crazy. You'll drive us all out of business." He speculates that this is what initially got him into financial difficulties and eventually put out of business by his competitors.

As I drove with my father through the area, a number of factors regarding economic restructuring in the Ohio River Valley became evident. Access to capital was as significant a problem for producers as it was consumers. For local firms, competition for capital and markets with larger national and multinational firms was difficult, but local scale competitions for capital – as opposed to cooperation -- were also common. Likewise skilled trade labor (especially, hand crafts) was not replacing itself: automated processes and products were replacing much of them and many younger generation workers had sought employment in other sectors or places. With Ohio River Valley communities like Huntington experiencing massive economic change because either major employers were being bought out/shut down, by-passed for redevelopment, or imploding financially on themselves, how could they recover to develop a sustainable local economy?

1.4 Research in Southeastern Ohio

With the decline of manufacturing and natural resource industries, the struggle to survive for many industrial communities of the Ohio River Valley meant overcoming similar problems with capital access and labor during economic restructuring. Some disadvantaged places were not successful, becoming destitute and unable to attract new investment and prevent out-migration of workers. Others were able to redevelop sustainable economies, if not return to their previous level of prosperity. What made these communities thrive while others declined? This geographic question concerning the spatial unevenness of development is the motivation for this research.

Three case-study communities were selected because each showed some degree of success in negotiating the effects of globalization. In 1998, when this research was initiated, Jackson County, Ohio, whose core twin cities are Jackson and Wellston, stood as an example of successful branch plant developments in the restructuring era. Between the two cities, six externally-owned manufacturing plants and one agro-industrial mushroom farm had been established over the previous twenty-years. Nelsonville, Ohio is home to the headquarters of the Rocky Shoe and Boot Company and, at the time, was the site of the domestic assembly factory, which is now closed, the company having moved manufacturing operations to the Caribbean. The small city was less successful than Jackson in terms of restructuring it manufacturing base. However, Nelsonville had significant success in expanding employment through new, mainly public-sector service industries. Dresden, Ohio, unlike the other two locations did not have a history of largescale manufacturing. Nonetheless, the Longaberger Basket Company had emerged in less than twenty years to employ over 7,000 people and have revenues in \$1 billion range. How were these communities, to one degree or another, successful in their struggle to survive the effects of economic globalization?

CHAPTER 2

LOCAL ECONOMIC DEVELOPMENT LITERATURE AND CONCEPTUAL FRAMEWORK

2.1 Overview

This chapter examines how changes in local economic and industrial structure can be situated in the broader, global context. The focus of this discussion will be on localscale responses to macroeconomic change during the rise of the Post-Industrial Service Economy (PISE) in the United States. This framework is contingent upon multiple scales of economic exchange between national, regional and local entities. Competition between localities for limited capital resources is an important assumption (Cox and Mair 1989; Amin and Thrift 1994; Lash and Urry 1992). Inter-local competitions for development resources are not so much for capital in its pure, monetary form. Instead, local social networks, specifically government, businesses and community organizations, work together to compete for public infrastructure resources that can be used to create *local economic opportunity*. These opportunities emerge in tangible forms of local infrastructure such as roads, utilities, factory sites, education programs, tax incentives and other community amenities. Neither internal nor external sources of private development capital can be mobilized unless these infrastructure resources are intact within the community. Without the construction of this local economic opportunity, the desired end result of development in the form of new industrial operations and employment is far less likely to materialize in communities. How then can community-based development of local economic opportunity be conceived within the broader economic geography?

Economic restructuring of regions and local communities has attracted significant research in geography and related disciplines. As described in Chapter 1, one set of literature focuses on global causes and local effects of de-industrialization and capital flight with particular attention to the failings of mass (Fordist) production modes (Bluestone and Harrison 1982; Martin and Rowthorn 1986). In contrast to the global approach, a second body of literature examines the importance of flexible specialization modes at a more local level that create supplier-assembler networks, which in turn create new industrial spaces that appear in the old landscape of the post-Fordist era of restructuring (Gertler 1988; Scott 1988a). Third, a literature on the politics of local economic development has emerged where the focal point is on the role of local social and political forces as mediating influences in the impact of global change (Cox and Wood 1997; Swyngedouw 1997). Of specific importance in writings on the local politics of development is the role of localities as active forces in development. Consequently, emphasis is given to the individual qualities of regions and their constituent communities in the urban politics literature. In this dissertation, I use a hybrid of work in regulation, urban regime and growth machine literatures as well as work on the relationship of place, scale and social networks to situate this research in economic geography.

This chapter begins with a review of local economic development literatures. Then, I present a conceptual discussion of a generalized model, a *three-stage local development process*, which presents a framework for community restructuring and incorporates the role of social networks, infrastructure development and services into local economic development process. This is followed by a conceptual discussion of the broader industrial structure of the PISE with attention to variations in specialized manufacturing, and the development of various service sectors that may be used to evaluate local growth strategies.

2.2 Theoretical Perspectives on Local Economic Development

This dissertation builds on three related bodies of economic development literature to conceptualize local restructuring in communities. Regulation theory provides a temporal aspect signifying the economic crisis period at the end of the Fordist-industrial era, and emphasizes the integration of political and social relations that compose institutional action (Tickell and Peck 1992). Urban regime theory presents a frame where local collaboration between public and private interests results in governing of economic activity in cities (Lauria 1997; Ward 1996). As a parallel literature to urban regimes, the growth machine thesis further examines the roles of elites in creating local growth coalitions whose goal is local development through capital accumulation (Logan and Molotch 1987). Conflicts between growth and anti-growth or environmental coalitions entered these discussions as part of the negotiation process of local development (Cochrane 1999). As such, critical response in the literature to these assertions concerns the local response to globalizing forces as social divisions within communities emerge over development conflicts (Cox and Wood 1997; Cox and Mair 1989; Jonas and Wilson 1999). The critique extends to geographical fundamentals such as the oversimplification of concepts related to place and scale in development theories (Cox and Mair 1989).

2.2.1 Regulation Theory

In the context of macro-scale restructuring, regulation theories work to describe how the structure of long-term capitalist economies is modified following periods of significant socioeconomic change. Central to this perspective are `regimes of accumulation' that represent the necessary balance between production and consumption manipulated by state and private institutional policies to reproduce growth conditions local economic opportunity (Gertler 1999; Tickell and Peck 1992). Regulatory actions of the state or industrial conventions act to control the exertion of commercial activities, and thus, the accumulation of capital. Regulations can place limits on firms, such as with environmental laws, or offer incentives, such as local property tax abatements, and can affect the internal and spatial patterns of corporate investment (Scott 1988a).

As a temporal device regimes are long periods of economic stability, which tend to terminate with economic crises (Peck and Tickell 1995). Crisis periods can upset the regulatory organization of governance and require a restructuring of previously accepted norms and practices. Tickell and Peck (1992:193) state, "Under conditions of structural crisis regimes of accumulation break down. To Overcome this impasse, and for the capitalist growth process to be restored, a new structural coupling between accumulation and regulation must be established." Change as a result of crisis, materializes as new social institutions and governance form to regulate emerging production patterns and enterprise. Thus, regulation approaches focus attention on a process of social and economic *mediation* across apace and time (Tickell and Peck 1992).

Although early work in regulation theory tended to emphasize the nation-state scale of governance (Gertler 2001), perspectives on economic restructuring took a distinct turn from national to regional and local scales of analysis (Crump and Merrett 1998; Peck and Tickell 1995). These approaches prompted more social perspectives in economic geography (Barnes 2001). Thus, as national economic crises led to an increasing number of local social conflicts in the local development arena, geographic research interest in urban economies was elevated. This shift in research frame prompted new theories regarding state intervention in socioeconomic processes at the urban scale of analysis.

2.2.2 Urban Regime Theory

Urban regime theory focuses on the political role of the development coalitions, which form as a result of crisis in urban economies. As regimes of accumulation end in crisis periods, local conditions precipitate the emergence of new coalitions of collective action. Coalitions solidify into political organizations to influence or gain control of governing regimes, which in turn work to maintain the structure of the local economy (Lauria 1997). Local elites work to gain investment or regulatory and land-use influence over government in an effort to secure conditions for economic growth. Growth coalitions also create a political discourse of public support for growth and exchange as a means of development (Cox and Mair 1988; Jonas and Wilson 1999; McCann 2002). Using these concepts, regime theorists sought to explain the political economy of restructuring (Lauria 1997; Painter 1997). Growth coalitions are primarily composed of informal relations between local government and landed private capital interests, e.g. firms, banks, elites, etc. Local governments, dependent upon local tax revenues, are forced to maintain property values, employment, and sales levels to support government finances through tax revenues. Enhancing property values and attracting external investment are integral to this process. Private development and industrial interests have to be satisfied with these valuations because businesses exert a particular hold on local politics (Lauria 1997; Painter 1997).

As macro-scale capital resources become limited during economic restructuring, struggles emerge between localities for jobs and new industrial investment (Logan, et al. 1997). Urban places are then in competition with one another for national and global-scale public and private investment resources. As such, Lauria (1997) argues a number of actors and groups exert control in the local development arena, of which growth coalitions are one possibility. Other players such as labor unions, individual entrepreneurs and political parties may have significant influence in the process. Urban regime theory is solely concerned with the politics and dynamics of the growth coalition within this complex environment and is contingent upon institutions at national and global scales.

2.2.3 Growth Machine Thesis

The growth machine thesis focuses, at a more local scale, to study the grassroots ability of communities to maintain progress, the pro-active local ability to create change

in response to outside pressure. Central to these concerns in the literature is Harvey Molotch's "The City as a Growth Machine" (1976). In short, his thesis describes the efforts of local elites to gain investment, regulatory and land-use influence over government in an effort to secure conditions for economic growth through political dominance. Elite coalitions use their positions of power and social class to create discourse about public support for growth and to affect the notion of urban places as locations of exchange for land and buildings in a mode of 'improvement' (Jonas and Wilson 1999). Places were then in competition with one another for public and private investment resources from national or global-scale sources. As capital resources become limited, competition between localities for jobs and new industrial location increase. Molotch later updated these conceptual patterns in his collaboration with John Logan Urban Fortunes: the Political Economy of Place (1987). They focus on the community growth leadership of land developers, banks, and utilities, all "rentiers," who have a direct interest in exchange of properties and the expansion of infrastructure. These "place entrepreneurs" work in concert with other entities such as labor organizations, media, bureaucrats and educational institutions to leverage development initiatives and capital.

The local politics of growth coalitions also concerns the relationships between private interests and government. Public-private partnerships can be seen in two ways: one (as Logan and Molotch infer) a necessary formal institutional linkage between local business and public agencies to ensure the 'immobility' of firms in the area; and second as a sign of local dependency on the public incentives and regulatory flexibility demanded by corporate elites (Cochrane 1999). In effect growth coalitions machines wrest administrative control of local development projects away from government agency. In this way public input into the development process becomes marginalized in favor of elite interests, and thus creating a climate for local social conflict.

2.2.4 Growth Coalitions: A Critical Response

Out of these works came a critical response in geography regarding conflicts inherent to these elite local social organizations. Within the same community, there may be counter-development organizations that seek to protect the social, historical, and environmental integrity of the local area (Cox and Mair 1989; Jonas and Wilson 1999). Conflicts between government, business and community organizations are played out in media, legislative, and legal forums and through changes within or creation of new forms of governance (i.e. creation of new suburban municipalities, or election of neo-liberal reformers). New industrial places are then constructed as an arena for and outcome of struggle between growth coalitions and community interests (Lake 1990). The ability of communities to internally negotiate development conflicts may correlate to the construction of an affirmative place identity that is attractive to business.

Changes and theoretical innovation in new areas of economic research have both utilized the growth-machine thesis and criticized it for ideological limitations and scope. For instance, Ward (1996) contends that the urban regime approaches to U.S. cases are not generalizable to the highly-centralized planning systems of the U.K. and other European countries. Cox and Mair (1988) contend that there are several weaknesses in the growth machine theory. First, in a critique of the concept of "place entrepreneurs," scale issues were casually addressed with deference toward rentiers whose power exceeds the local, or are themselves, by place of residence, external to the place of development. Development conflicts were not solely confined within the urban arena, as public and private interests had far reaching political economic networks that crossed scales. Secondly, Cox and Mair see as problematic Logan and Molotch's disregard for use value of property and replacing it with exchange value as the capitalist's primary attachment to place, theorizing that developers will intensify the use of land for increased financial return. However in the conflict between developers and residents, use values, such as industrial development's effect on local property values, take precedence in the development negotiation process and provide a more realistic condition for the assessment of place. Third, the critique finds fault with the use of spatial terms such as 'place' and 'the local' as substitutes for usage of 'the urban.' This deficiency is that the growth machine thesis attempts to focus on urban specificity and not in manner, which addresses 'why' place and locality matter (Cox and Mair 1989).

As sociologists, Logan and Molotch were more concerned with the social constitution of growth coalitions and less so with the spatial and scale effects in their work (Beauregard 1989). Cox and Mair (1989) view scale in a 'contingent manner' with regard to development conflict as coalitions can act at a neighborhood or city level, or regional and beyond. Thus place and the conflicts within can be conceptualized at a variety of scales, and the political economy can be based upon networks of association that cross scale boundaries (Cox 1998).

Cox and Mair (1988; 1989) and Cox (1999) have also been critical of notions of 'place identity' in the growth machine model. They distill from Molotch (1976, and later work) an understanding of community that entails coalition divisions based upon class, ethnicity, and division of labor. Cox (1999) points to significant empirical literature that shows coalitions tend to ignore these social differences in exchange for local unity, what he terms 'territorial ideologies.' In the context of restructuring and competition between localities, local survival depends upon this type of cooperation to create 'worthy' places for investment. In turn, locality can be viewed as an 'agent' as locally dependent social and political structures come to identify with the local, and activate organizations and pride (propaganda) to that effect. As Cochrane (1999) states, "It implies that those agencies and institutions that are locally dependent also define themselves by (and reproduce themselves in specific ways because of) their particular location." Thus, the maintenance of place identity by and for local institutions is a necessary process to create distinction among competing localities.

Lake (1990) also addressed the understanding place in his critique of *Urban Fortunes.* He too criticized the oversimplification of scale to the urban. He proposed that place should be seen in context of "the intersection of the global and local," and that Logan and Molotch had artificially bounded the notion of locality to conveniently limit local outcomes to the outcomes of local actors. Scale is, thus, an important indicator for understanding the extent of competitive frame for development capital.

In conclusion, literatures of local economic development in the context of restructuring have: introduced the temporal frame of crisis, the changing regimes of accumulation; a notion of local coalitions who act in response to crisis; the power of elites in manipulating development; and the action of community organizations who work to protect local interests. As such, growth and change within communities is a regulated process of local struggles to mediate global economic forces, where localities attempt to reach across scales of representation and social relations in an effort to make *their* place matter via social interactions that develop an explicit and affirmative local identity.

2.3 Conceptualizing the Community: Place, Scale and Social Networks

In this dissertation the frame of research is the local community. The conceptual frame, however, is neither delimited nor bounded by a contiguous space. A complex of place identity, variable scales of interaction and social relations compose a geographic understanding of communities that integrates locality within a global construct (Murdoch and Marsden 1995; Painter 2001). For the purposes of this research, *community* is defined as a recognized place containing social networks and economic relations across scales of representation; an interconnectedness that extend beyond the local (Amin and Thift 1994).

In practical terms each community extends beyond fixed political boundaries, such as city limits, and may include other institutional designations, such as place of schooling, employment or mailing address. Community borders will, in many cases, overlap different scales of representation and some individuals may claim one or more community associations. This basic definition is used to establish a flexible notion of place that is modifiable in terms of the multiple-scale relationships necessary to create local economic opportunity (Swyngedouw 1997). For example, workers in a manufacturing plant that is within a city limits may or may not live in that same municipality. Some may live in a county-governed area and others may live within a

different city or county altogether, yet all are viewed as part of the same economic community. Multiple community overlap also occurs in other institutions: the social welfare system is a state-level operation, whereas schools are managed at the local level in special districts that often have a boundary system separate from town or county limits. Likewise development agencies in the United States, many of which have been re-scaled (Peck 2001) cover a variety of levels from state to region to county and local area. Thus, from the overlapping of scales of operation is integral to the *territorial* understanding of the socioeconomic definition of community (Swyngedouw 1997).

Conceptually the community structure is composed of a number of elements. In the following section, concepts of place, scale and social networks are examined in the context of development as factors that constitute the process where local economic opportunity is formed.

2.3.1 Place

The first aspect of community is the concept of place. Within general human geographic terms, place is defined as a portion of space, and places are designated settings in which social relations are constituted (Agnew 1987a; Duncan 2000). A locality, in similar terms, is an area of sub-national or sub-regional spatial scale (Painter 2000). Both terms can have alternate usage as a site can be described as 'having place' or from an individual's standpoint, a 'sense of place' where personal or social attributes precipitate associative spatial meaning. Similarly, locality can be used as a conceptual descriptor referring to the smaller-scale abstractions of broader issues such as networks of social relations (Massey 1993). From the perspective of this dissertation, place is socially

constructed, and in fact remade, as a response to the broader social and economic change of macro-scale restructuring (Crump and Merrett 1998).

Because community boundaries overlap, it is important to study the impact of 'place' on the views of those living within the borders. Since the inhabitants of a place often have differing goals, relations among groups become strained. Harvey (1985), in his essay on the "Geopolitics of Capitalism," summarized the tensions between places with fixed and places with mobile forms of place-based capital and labor power. Individual places have some quantity of fixed or immobile social and physical infrastructure. On the macro-scale, labor migration and industrial mobility would not be possible without the production of space and available selection of fixed places. Of the total capital and labor power available within a national economy, some portion must remain fixed for the remainder to become mobile.

Similarly, "sticky places," as defined by Markusen (1996), are industrial areas within advanced industrialized states that have been able to maintain a level of fixity by retaining external corporate investment. Places with insufficient fixed infrastructure or temporal declines in value may become subject then to a loss in capital investment as mobile capital moves elsewhere. Within the context of economic restructuring, these conceptual tensions are independent of scale and just as significant in small places as they are in large metropolitan areas (Smutney 2002; Marsden, Lowe and Whatmore 1990).

2.3.2 Scale

Scale flexibility is a necessity within this conceptualization, as towns, metropolitan cities, and sub-national regions can qualify as 'places,' but regardless of a
local or regional frame of analysis, external labor and capital exchange, as well as external political relations, are necessary conditions for localized growth and development. The global-local debate and the conceptual emergence of "glocalization"—the concept of transition to and from global and local--incorporates scale as an integral component of why 'place matters' in economic research. Swyngedouw (1997), drawing from a broad literature, contends that conceptions of place within "scaled spaces" are the contested arenas of power and social relations. In addition, "Scale emerges...as the arena where competition and cooperation find a fragile standoff." (145). This conception relies on a 'nested' notion of scales--different levels of scale are nested within another--which are constructed within "territorially embedded networks" (145). In the context of restructuring institutions, regulations, and power relations can shift from one scale to another, even jumping across scales to more strategic positions. Thus, place and scale work in concert toward the conceptualization of political economic action of restructuring, as scale determines the intersection between economic locality and global institutions (Swyngedouw 1997).

2.3.3 Social Networks

How then can place and scale relations be linked to examine social interaction? Network theories provide a possibility as a structured approach, as opposed to an interpretive framework, by creating models of social interaction and organization. This method lies in the understanding of actors (or singular groups) as nodes with defining characteristics and attributes within a population (Grannovetter 1973; Thrift 1996; Latour 1996; Murdoch, et al. 2000). The more important aspect lies in the network linkages where the social interaction and exchanges of information and power take place. Social networks have been used to examine local restructuring by creating a conceptual frame to diagram the structure of social relations in development processes: for example, within particular industries such as food processing (Murdoch, et al.2000) and rural governance (Woods 1997). Although these two areas of research are not easily rendered on a similar empirical frame, the actor-network approach provides a means of developing ideas on interrelations and agency within local politics and economy.

Actor-network relations have been proposed by some (Latour 1996) to be theoretically aspatial social constructs. While others (Murdoch 1998; Harvey 1969) contend social interaction can be seen in both *relative* social and *absolute* spatial terms. In an approach to understanding the relative structure of social relations, Latour (1996) promotes the advantages of actor-network theory by eliminating "the tyranny of distance" (371) as even the most remote of social connections may have material value. He also contends an indifference to scale within networks that, "A network is never bigger than another one, it is simply *longer* or *more intensely* connected" (371, original emphasis). Latour deposes a third geographical aspect of inside and outside, in relation to bounded space, as he sees networks as a continual multidimensional surface. However, networks of local economic development are not completely without the absolutisms of space, scale and place. Each can be an important factor in the development process. The value of Latour's abstractions is that they remove space, scale and place as ontological barriers and instead incorporate them as Murdoch (1998) identifies, 'relational' devices. Murdoch goes on to differentiate "spaces of prescription" and "spaces of negotiation"

(370). The former is where social relations based in fixed coordinates and more formal structures, and may incorporate distance; the latter where actors or groups negotiate variable social relations (Murdoch 1998). This dualism is useful for examining local development processes, where trade in manufactured goods encumbered by fixed distances, public capital allocation contingent upon variable scales of representation, and place specificity both fixed in terms of the territorial place, and variable in terms of representation and identity of locality, all together constitute spaces of social interaction.

In conclusion, places as the intersection of various scales and social networks serve as a conceptual nexus of community development processes. Communities are the settings for development but processes connected to economic change extend well beyond the local. Likewise these network relations have both absolute and relative aspects to the structure of social activity within the development process.

2.4 Three-Stage Local Development Process

This dissertation is focused on how communities create the conditions for development where economic opportunities emerge from the negotiations of social network relations. As stated previously communities compete with one another for development resources that can be used to create local economic opportunity. This section details a conceptual framework for local economic development integrating social relations and local competition in a three-stage process where opportunity conditions are constructed. First, the concepts of development and opportunity are defined within this framework. Then a generalized model of the three-stage local development process is presented as a framework for community restructuring that incorporates the role of social networks, infrastructure development and service development as three interrelated and conditional process by which local economic opportunity is established.

2.4.1 Local Economic Opportunity versus 'Actual' Development

The focus of this section is the processes that lead to the creation of local economic opportunity within a competitive context. For the purpose of this research a distinction is made between the *pre-conditions* for development and *actual* local development events. To reach the desired event of new firms and job creation, communities must first compete with other localities for development capital in terms of funding local infrastructure needs. Competitive advantages from one community to another depend upon several factors, including government-business cooperation (Clarke 1998), available infrastructure (Vickerman 1991), and tax structures (Peterson 1981). Together these factors constitute a variable level of place-specific local economic opportunity and specialization (Clarke 1998; Smith 2000). Funding for of these infrastructure-level components likely come from external competitive sources, such as state or federal agencies through programs such as Community Development Block Grants, state-level capital development funds and regional development agencies (Hanson and Berkman 1991; Thomas 2003). Actual development, resulting in new firms and jobs in the community, might not occur without sufficient competitive conditions being satisfied to establish a representation of locality suitable for investment (Clarke 1998). Thus, 'inward investment' that eventually results in local development of firms and jobs is predicated upon success in interjurisdictional competitions at the infrastructure level (Cox and Wood 1997). This social process of infrastructure

enhancement is at the root of local economic opportunity creation and the subject of the following model.

2.4.2 Three-Stage Model

To conceptualize how local-scale restructuring functions, I propose a generalized three-stage process of local economic development. In the following sections I describe the function of each of the three stages within the model (Figure 2.1): 1) local social structures, 2) physical and human infrastructure development, and 3) the growth of local service industries as a cyclical process; these three segments combine to create local development opportunity. This model is a cycle in that progress at one stage enables advancement at the next, and where completion of infrastructure projects feeds back and facilitates development at earlier stages. Although the three-stage cycle does not have to be complete for external or internal capital investment to begin, the model recognizes a generalized pattern for local economic opportunity to be created and actual development to occur.

2.4.2.1 Social Structure and Development

Changes in patterns of local social action emerged as a result of macro-scale restructuring in the United States. The introduction of neo-liberal budgetary policy during the Reagan administration lead to decentralization of federal development programs and privatization some of social service institutions, in which Jessop (1993) and others (Tomaney 1994; Peck 2001) describe as a 'hollowing out' of national governance in economic development policy-making. Through the 1960s and 70s local governments

Three-Stage Local Economic Development Process



Figure 2.1: Conceptual framework for local economic opportunity.

relied heavily upon federal funds for development programs. As much of that funding was eliminated in the 1980s, localities were left with the options of inaction versus developing strategies toward restructuring without significant financial resources (Kodras 1997; Clarke 1998). Simultaneously, there was private capital divestiture of some local services, especially following deregulation of transport and communication sectors in the 1970s (Baldwin 2001). This local crisis extended beyond economic development, national-scale changes left significant holes in local public administration and responsibility for at-risk populations, such as welfare recipients (Cope 1997). In sum, communities faced significant struggles to fund and administer local economic development projects and thus localities must derive their own place-based solutions. (Peck and Tickell 1994).

In many communities in the United States, local-scale public-private partnerships filled a policy-making hole left by decreased federal involvement in local economic development (Jessop 1993; Clarke 1998). Increased flexibility and investment of combined government and private capital were sought to solve deficiencies in public services and local infrastructure. 'Privatization' became the catchphrase for both the input of private investment capital to, and selling of traditionally public services. Partnerships between conventional public administrators and private institutions attempted to maintain the standards of living without significantly increasing local taxes to fund costly public services, such as municipal hospitals, or to create new local-scale public development agencies (Smith 2000).

In this emerging context the role of individual actors in the local development process increased significantly. Cox and Wood (1997) describe government officials and business leaders becoming 'development agents' who act on behalf of community economic interests. At the infrastructure development level these agents work to acquire for public grant funds and private capital investment. Likewise at the industrial development level cooperation and trust between government and business actors on development projects is, as Cox and Wood describe, a necessary condition for local site selection competitions. Within these relationships there must be a capacity to moderate differences between actors. Clarke (1998: 30) contends a local bargaining process is often necessary to "accommodate competing interests and ideas" and that many of these new arrangements may be informal, outside of local bureaucratic institutions. Clarke goes on, "The key is not just more institutions reducing transaction costs, or a thicker institutional setting, but new governance mechanisms that correspond to new economic contexts and social divisions." Precisely what form these partnerships take is in part dependent upon the size and scale of the individual projects at hand (Cox and Wood; Granovetter 1985).

Community organizations play a likewise necessary part in local social restructuring as actors in local development process (Amin and Thrift 1994; Cooke and Morgan 1994). For the purpose of this research, community organizations can include any type of embedded institution whose constituents are associated by place and a common interest in local quality of life. These can be any variety of groups, such as chambers or commerce, trade guilds, labor unions, women's organizations, environmental groups, and non-profit service providers. Community organizations provide a vital forum for local social connectivity, discussion, and collective action (Amin and Thrift 1994). Like public-private partnerships these groups play an important role in promoting local identity. This ranges from chamber of commerce advertising campaigns to community investment corporations hiring development consultants; it may also include the work of voluntary membership organizations, which promote tourism, festivals and other local amenities that create a unique local character. Such local identities are important for entry into regional (or higher) capital investment markets (Cooke and Morgan 1994).

In small community growth coalitions, government, business and community organizations can act as a local network to build external relationships with funding and regulatory entities at other scales, and synchronize local institutions toward interjurisdictional competition. A tripartite model of local development coalitions can be used to illustrate the social structure of small economic communities (Figure 2.2). The three nodes of local business, local government and community-based organizations form a network that, in concert, can create a continuity of social action toward local economic development (Amin and Thrift 1994).

To be effective coalitions should be attuned to enhancing fixed capital assets in the community must also be able to manage movements of capital in and out the local area (Peck 2001). The model incorporates network relations within the community and with actors or agencies at other scale of representation. However, local linkages vary in effectiveness at negotiating actual development and multi-scale relations may vary in configuration. Concepts in Granovetter's (1973) "The Strength of Weak Ties" can help explain the scale implications of local coalition linkages in the competition for external development capital. In this research, strong ties are likened to the formal linkages that exist in local development networks that often produce infrastructure-level capacity (Clark 1998). These include external linkages such as business relations with state



Figure 2.2: Tripartite Model of Local Development Coalitions.

legislators, local government relations with federal grant programs, or community group relations with federal regulators (Cooke and Morgan 1994). Spatially, strong ties tend to be spatially fixed within the local network or across scales within the hierarchy of governance and corporate structure. Although necessary for creating needed infrastructure and negotiating regulatory issues such as land use decisions, these fixed relations may not be sufficient to achieve success in industry-level competition to attract new firms and employment.

To address this insufficiency, Granovetter's more subtle 'weak ties' can be used to describe the external relations of local development actors characterized by possible and informal with other actors at different scales. Although such opportunities may appear to be 'by chance', such connections may produce essential connections with external developers. Murdoch (1998) explains that local actors can 'act-at-a-distance' across scales to create network relations. As part of this connection, a process *translation* occurs where, "negotiation, representation and displacement which establish relations between actors, entities and places" (Murdoch 1998: 362; after Callon 1986; Latour 1987). At some point in the acquisition of actual development events, weak ties become strong between local actors and external developers.

However, coalitions appear to require some level of local agreement on development strategy to achieve desired development results. Internal disagreements can prove frustrating to the overall development process. Coalition strategies of business and government interests can often promote and propagandize projects at the cost of other local interests (McCann 2002; Jonas and Wilson 1999). For example, McCann (2002) points to growth coalition strategies for redeveloping an old industrial site in Lexington, Kentucky into mixed-use residential area. In this case study, economic development interests out-of-step with the cultural aspects of community members delineated conflict between pro-growth actors and local anti-development organizations that had formed in response to a single redevelopment project. Although this local political conflict between economic and cultural interest did not limit the community's ability to garner development in terms of new firms and jobs directly, it is exemplary of the conflicts that can occur in the creation of local infrastructure and amenities, such as parks schools and specialized housing for seniors.

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For Amin and Thrift (1994) success in local growth projects is dependent upon, "the development among participants...of a mutual awareness that they are involved in a common enterprise." (14) Thus, internal network relations are dependent upon the mediation of local development conflicts and acceptance among community members of collective strategies.

2.4.2.2 Local Infrastructure Development

The second stage in the restructuring model is infrastructure development. Local social action through institutions and coalitions create flows of development funding for infrastructure (Clark 1998; Vickerman 1991). Realistically industrial places are not just social constructions, but are also physical manifestations of local economic capacity. Networks of highways, telecommunications, energy supplies connect industrial communities to the outside world while local utilities, industrial land, educational facilities, and streets all combine to form an internal complex of variable scope and specialization. These *physically* networked capabilities determine the degree to which local capital development can be expanded (Graham and Marvin 2001). Likewise the capacities of the networks also determine the scale of potential development in the community. Local advantages and deficiencies in physical capacity between places, such as communications bandwidth, are factors in the spatial variations of corporate investment (Malecki 1991)

Within the realm of communities seeking external capital investment, location choice by firms is based, in part, upon local infrastructure capacities. In the post-industrial era, situational factors, such as natural resource location, are not as important as

they once were for manufacturers (Florida 2002). In addition to features such as labor pool characteristics and utility volumes, local capacity also incorporates access to markets. Without the complex of local infrastructure in place, external firms may pass up the most spatially optimal location for one that has the necessary infrastructure available. A local government informant in Jackson explains, "The problem with infrastructure is that you have to make a commitment and investment ahead of time, with faith that you're going to use it down the road. And you could sit for several years, and it's a burden on the people who are here now to maintain and pay for that plant, with no apparent benefits for several years, but then all of a sudden the opportunity comes along, and if you're prepared for it, you can get it."

For small communities this means expansion of utilities and transport lines, and facilities have to be prepared in advance to attract investment (Graham and Marvin 2001; Vickerman 1991). Today, many local development agencies are building 'spec-sites,' empty industrial buildings awaiting tenants. Some are 'greenfield' locations that are built in recently constructed industrial parks with utility and transport access. 'Brownfield' locations are also popular, provided that they are retrofitted with new infrastructure and have been cleaned of environmental pollutants (De Sousa 2002); several federal grant programs managed by the Environmental Protection Agency (EPA) are directed toward site clean up and redevelopment. Employment training facilities are also well funded by state and federal program dollars, separate from general education spending. All of these physical amenities, once established, make an area more attractive to businesses seeking to expand into a given area.

2.4.2.3 Local Service Development

The third component of the model for this research is the development of local services. These services can be broken down into: government services primarily in the form of corporate tax flexibility, standard consumer services such as food and retailing, and lifestyle services like recreation and entertainment, which together form a complex of 'local amenities' (Florida 2002). Such service amenities can both increase the likelihood of local investment and increase quality of life for residents.

To place the role of public services in context, government as a service sector has played a significant role in local development events. From the perspective of firms seeking industrial locations, there are hundreds of potential sites across the U.S. Since the 1970s, state and local agents have attempted land and taxation strategies to attract industry (Clarke 1998; Peterson 1981). Most city, county, or regional development agencies seeking investment have business or industrial park and a variety of tax holiday or abatement programs available to prospective employers. Interjurisdictional competitions for firms and jobs can come down to the better tax package or the amount of land a community is willing to appropriate. But other regulatory conditions, such as state workmen's compensation bureaucracies (see Cox and Mair 1988) can also have a significant effect on industrial location choice. In sum this flexibility of governance to modify tax and regulatory structures, while still maintaining public services is viewed by external investors and firms as a necessary matter of economic efficiency (Florida 2002). But corporate costs are not the sole factor in the local services factors Local consumer services as they relate to community quality of life are another factor. Daniels (1993) points out that although most producer services, such as legal, engineering and accounting, are no longer required to be close to their industrial customers, yet consumer services must still be in close proximity. Furthermore, such local amenities have become important necessary component for competitiveness of constituent firms, in attracting clients, and in creating identity for the overall community (Florida 2002). Particularly for firm executives and managers who make location choices, the condition of local schools and housing stock, accessibility to specialized health care, proximity to the nearest airport, and consumer services such as shopping malls and dining; and are a few of the local service categories identified in this research.

In addition Florida (2002) points to the increasing desire for local lifestyle services in the PISE context. The 'creative class' including managers and businesspeople that he identifies as part of a mobile and selective contingent of place consumers, seek out local amenities associated with natural landscapes, recreation, entertainment, social interaction and diversity. To be attractive business sites, localities must attain a level of place-specific authenticity that emerges from this collection of local amenities in conjunction with government and consumer services. As such a local identity emerges, which is calculated in Florida's term 'quality of place'. Yet many of Florida's examples are drawn from large metropolitan areas and utilizing the site selection variables of high technology and producer-service firms. As, such these factors may have some effect within small manufacturing communities.

In conclusion, it is important to recognize the complimentary relationship between local services and the other stages of local economic opportunity creation. As local amenities are improved, a feedback occurs to the social and physical infrastructure stages increasing the potential conditions for development. The process of opportunity creation is dynamic and variable depending upon the effectiveness of social network relations in directing development towards establishing the necessary physical infrastructure and a sufficient complex of local amenities.

2.5 Measuring Development in the PISE: Development for Whom and by Whom?

How then can the level of local economic opportunity and actual development be evaluated? First, examination of development 'by whom and for whom' exposes a level of difference within the community. Drawing upon Ettlinger (1999) the concepts of local development should recognize well being of both corporations and workers. Modified, the same can be said of local growth coalitions and community residents. Development successes are only those that create increased investment at corporate level and improved quality of life for workers. However, like situations where companies may profit at the expense of employees, infrastructure-level investment that may improve conditions for growth coalitions may not benefit community members in general. Therefore, it is important to recognize that some factors that improve local economic opportunity conditions may not discernibly improve quality of life for the community. Conversely, actual development should be examined as to its ability to improve the local economy in general, including quality of life factors such as employment, benefits, and local amenities.

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To address these concerns, interview data for this research is collected from elites and analyzed in Chapter 4 of this dissertation. This is juxtaposed with data collected in random phone interviews with community members and in analyzed in Chapter 5. This methodological approach attempts to discern variability in perspectives on development patterns within each community and among the case studies of this research.

2.6 Conceptualizing the Post-Industrial Service Economy

To provide historical perspective for the conceptual model, the Post-Industrial Service Economy (PISE) is used to describe the current context of the national production system in the United States. With the decline of the industrial base beginning in the late 1960s, the relationship between local manufacturing and the global economy has been radically modified by advancements in information technology. Changes in production methods, product types, and consumer preferences all have been tremendously influenced by this revolutionary shift from heavy industry to a service and information economy (Dicken 1998; Bluestone and Harrison 1982). Distinct, and often rapid, changes have occurred in the products and services that characterize the new national economy of the United States. Responding efficiently and effectively to such alterations in the economy is frequently difficult for communities with minimal resources and dependent in the past on industrial manufacturing for economic livelihood. A growing reliance on servicebased production, now 80 percent of the U.S. GDP (Bureau of Economic Analysis 2001), compounded by the negative effects of swift economic change and foreign competition limit future economic opportunities for local manufacturing economies.

Research on service industries has become crucial to analyses of economic development. In all major service sectors the creation of large numbers of new firms, employment and increased revenues have culminated in economic predominance in more developed countries during the past thirty years (Tickell 1999; 2001). Most importantly, the information technology (IT) industry lies at the core of service era economic development (Castells 1989). What is unique and critical in our understanding of the IT industry is that information technology influences and enhances almost every other section of the economy. Services, manufacturing, and agriculture are all reliant on IT utilization during some part of the development, production or distribution process to increase economic exchange. IT itself is a service industry category, a manufacturing sub-sector, and a complimentary tool for development; its role is integral to each sector of the emergent global economy. Yet, even at this point in the process of macro-scale change Tickell (2001) contends there is still much to understand regarding the local politics service economy development.

In the contemporary context where information technology based services is the leading edge of national production, means of analyzing industrial classification require a conceptual reorganization around new products, production methods, and fickle consumers prone to changing tastes and preferences. Lobao, et al. (1999: 595) comment, "In the political economy literature, there is no scholarly consensus over the appropriate characterization of industrial structure, nor is there an established blueprint for assessing the empirical paths by which industrial structure might effect local well-being." Past categorization of manufacturing in the Industrial Era was commonly based upon the

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iterative relationship of the product to its raw material (e.g. primary production of coal, secondary production of steel, etc.). Other classification systems focused upon a variety of labor-based perspectives: the "sheltered" nature or stability of manufacturing labor (Jones and Kodras 1990); the degree of benefit received within a sector by laborers (McGranahan 1980; Rulli 1998); and jobs in relation to their position in 'core' or 'peripheral' industries (Bloomquist and Summers 1982). However, these systems provide only a partial taxonomy for explaining the relationship of redeveloping small manufacturing cities to national or global economic system. In creating a research frame for this project context-specific to the old industrial region of the Ohio River Valley, the following subsections describe a framework that situates local manufacturing and services.

2.6.1 Manufacturing in the PISE

This research examines three manufacturing approaches indicative of local patterns to development in the PISE. Using the categories outlined by Dicken (1998) flexible production, Fordist mass production, and craft production are present to some degree in the case-study areas of this dissertation. First, capital-intensive production using flexible production methods in Jackson-Wellston are automated, equipmentintensive operations where machine inputs are the primary source of capital investment and industrial output. Second, Nelsonville's former production paradigm was laborintensive Fordist production where standardized patterns of human inputs were incorporated on production lines. Third, Dresden relies on labor-intensive craft manufacturing where regionally or place-specific or cultural goods are the main type of product.

2.6.1.1 Flexible Production

Flexible specialization is a comprehensive concept of production, business relations, marketing, and consumption patterns, which together signify a new regime of accumulation where the organization of production is supported by innovative institutions, practices and technologies (Harvey 1988; Scott 1988a; Gertler 2000). New production methods have emerged in the recent restructuring period counter to the former 'Fordist' mode. In terms of industrial locations and local development, Scott (1988a) describes how Post-Fordist production patterns, such as 'just-in-time' supply networks, are modified by economies of scale and scope. Domestic cost limitations in the overall volume of production forced manufactures to search for new lower-cost labor markets. Likewise, producers went in search of external local economies in an effort to shift supply production outward as the cost of producing components internally became prohibitive. Together these factors explain the development of new industrial spaces as regional and, later, transnational supply networks emerged. Local development in these new spaces is often dependent upon labor surplus conditions and the integration of smaller firms into supply chains (Dicken 1998).

Automated manufacturing has developed some level of spatial fixity in Post-Industrial countries for several reasons. First, firm managers commonly view large capital outlays for machinery, specialized facilities, and technical training as nontransportable. Only at the end of equipment life cycles and through processes of labor de-skilling do specialized manufacturing activities become conditionally mobile (Harvey 1985; Myles 1988). Conversely, skilled labor is often a necessity in the frequently changing workplace of flexible manufacturing. True or not, corporate managers often perceive laborers from Post-Industrial countries, as more highly skilled than those in developing nations. In flexible manufacturing retooling operations require workers to have familiarity with machinery and adaptability to processes that are often productspecific, so when customer preferences change or new products emerge, manufacturing facilities can adapt quickly to meet demand. Additionally, some electronic controls and services are neither available nor repairable in developing countries. Therefore, processes requiring a high degree of information technology or other sophisticated equipment are more likely to adapt in Post-Industrial settings (Dicken 1998). Production of some types of goods is tied by location to market proximity. Centering production within assembly and wholesale networks or directly within consumer regions decreases delivery times and transportation costs. Goods such as pre-assembly parts, processed foods, building and energy products may fall into this category (Malmberg, Slovell and Zander 1996; Dicken 1998).

2.6.1.2 Labor Intensive, Fordist-style Production

The second section of manufacturing development is labor intensive Fordist-style production. During restructuring in the 1980s and 90s, labor-intensive production declined in the United States as firms sought out lower-cost production, often in overseas locations. In the market for labor-intensive manufacturing, newly industrialized countries (NIC) have a comparative advantage to Post-Industrial Service Economies in low-cost surplus labor (Dicken 1988). Even the most inexpensive rural labor in the United States competes poorly in price to the developing world's standards.

While flexible manufacturing production based upon large capital inputs of equipment now typifies American factories, automation does not come in a pure form or one that follows a "Taylorist" pushbutton mold (Clark 1981). In Post-Industrial countries, manufacturing managers realize that total production automation is more myth than reality due to the fact that machines cannot do everything necessary nor are they effective in comprehensive quality or product safety controls. Thus a hybrid of labor and automation is the common framework in Post-Industrial manufacturing, especially for strategic goods such as automobiles.

2.6.1.3 Craft Production

A third manufacturing sector, specialized craft products are those that meet particular and distinct consumer preferences. Manufacturers in this area are concerned with access and capitalization in niche markets, but are still dependent upon creativity (Florida 2002) and potentially large labor inputs. Often these products, such as sporting goods, luxury items, and crafts, are not considered necessities for daily life. This part of the manufacturing economy is subject to the surplus of consumer capital within the Post-Industrial Economy. Demand for specialized goods should not however be considered arbitrary within the national economy. These goods can still be mass-produced and can create significant development opportunities for manufacturing communities. Crafts are specifically important in creating local development opportunity. Cultural goods with regional or local specificity can be exploited on a global basis through specialized manufacturing investment. Louisiana hot sauce, Vermont maple syrup, Swiss chocolate, and Mission-style or Amish furniture are a few examples of products that sell nationally and even internationally, bringing in the hundreds of millions of dollars annually to local production enterprises.

2.7 Conclusion

As the global economic context changes local communities are forced to make adaptations in order to remain sufficiently competitive to survive. The challenge for many communities is in the formation of effective local social networks in order to court outside funding sources with which to improve infrastructure and services, as necessary preconditions for creating local economic opportunity, and attract corporations and employment. Using this model, communities, such as in the Jackson-Wellston case study, are able to adequately compete with other localities for growth opportunities, thereby perpetuating long-term economic development. Community success is pinned on the establishment of ties internally between government, business and community organization, which in turn allows them to establish social network linkages across scales with external institutions and investment.

However, when communities struggle to adhere to the model, as case study communities Nelsonville and Dresden will illustrate, economic opportunity can diminish. Corporation close or move sites, ending critical revenue sources for the community. Without the capital for infrastructure expansion or for service-based businesses to replace them, the community cannot successfully compete with other localities for new opportunities. The three case study communities are all attempting to create new economic opportunities; however, in order to understand the current economic situation in each community, it is important to become familiar with the economic history of each locality, which will be discussed in the following chapter.

CHAPTER 3

MACROECONOMIC CONDITIONS AND ECONOMIC HISTORIES OF CASE STUDY COMMUNITIES

3.1 Introduction

Although each place is unique, the local economic context of Jackson, Nelsonville, and Dresden, Ohio are linked by common, higher-scale relationships. I suggest that as the national and regional economic landscape has changed during the restructuring period, so too have local social constructions of place altered as a response to macroeconomic change. The primary question of this research -- How do local communities negotiate the development process in the Post-Industrial/Service Era economy? – requires an examination of the historical setting for each case study to better understand the effects of globalization upon the social construction of place. In this chapter, I provide an overview of national and regional scale competition for economic investment during the *restructuring period* (1965-2000) and a contextual baseline for each locality that incorporates change in the landscapes of production, labor, capital mobility, and political organization for the three case study communities during the same timeframe.

3.2 Macroeconomic Change

Over the past thirty-five years, national-level changes in American industry have often been characterized by examples of employment decline and mass closings of production facilities in old industrial regions such as the Ohio River Valley (Brown, et al 1996). Many historical events, both social and economic, can be cited as the beginning of destabilization in the U.S. economy in the 1960s and early 70s (Agnew 1987b; Piore and Sabel 1984). In the social arena, unrest over the Viet Nam war and conscription lead to a national-scale political conflict. At the same time, some localities within the military-industrial complex benefited economically from the war and other Cold War concerns. Likewise, a tenuous racial integration process, strife over gender equality, and stresses in urban redevelopment taxed the ability of the nation and localities to maintain a focus on the economic crises to come. Oil price shocks, a double-digit rise in loan interest rates, price inflation, and high unemployment typified the 1970s economic picture and hamstrung the ability of governments to fund domestic programs as development capital dried up.

Introduction of neo-liberal trade policies and decentralization of social and economic development program funding by the Reagan Administration in the early 1980s left communities to essentially 'fend for themselves' in terms of building institutional relationships and securing investment capital (Jessop 1993). As low-cost foreign locations increased in favor with firms, expanded mobility of private manufacturingsector investment increased the scale of competition in development capital for localities. No longer were site-selections for new industry limited to domestic or regional areas, nor were federal development program dollars assured. For communities in the Ohio River Valley, competition for new investment became a national scale competition for public capital, and a global scale challenge for private investment. Federal and state regulatory pressure also hampered new capital investment, with similar spatial effects, as industrial investment was increasingly directed toward regions with less intensive regulations regarding labor and environmental concerns, such as the American South or foreign locations.

3.2.1 Restructuring Period

How then is the *restructuring period* defined? Several theoretical perspectives use a similar framework to examine economic. In regulationist terms, crisis periods occur between cycles of growth or regimes of accumulation. Here conflicts over declining capital resources are eventually followed by economic reinvention and regrowth (Lee 2000). This emergent regime signifies political and social changes, as Meric Gertler (2000) describes:

Each regime ends in a crisis period of major instability and stagnation, and a new regime begins when new ways of organizing production are developed, supported by an appropriate set of public and private institutions and societal norms to structure labour markets and workplace practices.

Neo-classical interpretations also recognize the cyclical nature of expansion and decline in the global economy, known as Kondratieff cycles (Lee 2000; Berry 1970; Kondratieff 1935). Short-wave perturbations of boom and recession periods of a few years are common, but each is superceded by long-wave periods of growth or depression that occur on a 60-year wavelength (Stutz and de Souza 1997). Additionally, demographic transition theory indicates particular phases of population dynamics that are directly related to specific socioeconomic stages (Stutz and de Souza 1997). These

perspectives converge as the Industrial Era in the United States ends at dawn of the 1970s.

The recent restructuring period can be delimited as the timeframe in which decline of the industrial economy and rise of the Post-Industrial Service Economy coincide. Temporal boundaries of the restructuring period in the United States are not clearly defined in the literature. As to it's beginnings, some (such as Graham, et al. 1988) point to 1973, the time of the first OPEC oil crisis and a significant increase in interest rates, as the inception of significant economic downturn. The starting point can be pushed back further to the mid-1960s when U.S. manufactures first began moving operations to *maquilas* in Mexico and to other offshore locations (Wallace 1999; Piore and Sabel 1984) – a time which coincides to the rise of sunbelt locations based upon service production, e.g. Orlando and Phoenix. Great Britain experienced a concurrent de-industrialization starting in the mid-1960 (Massey 1994). In either case, changing investment patterns, increased mobility of labor-intensive or highly regulated activities (e.g. pollution creating) led to an inescapable decline in national manufacturing.

As to the end point of the decline, it is not definite whether or not the recent period of restructuring has ended. On the national scale, economic growth since the mid-1980s has been interrupted by recession periods, but in general has continued to parallel the development of the information technology industry. However, some regional and many local areas continue to struggle to reap the benefits of recent national progress.

3.2.2 Change in the National Economy 1965-2000

The economic shift away from manufacturing toward services can be illustrated quantitatively be examining changes in U.S. gross domestic product (GDP) and employment statistics over the post-World War II era. Manufacturing's share of percentage GDP has significantly declined since 1960 (see Figure 3.1), while services⁶ have continually risen in national prominence (Bureau of Economic Analysis, 2001). Employment has shown a similar, significant shift in the relationship between manufacturing and service sectors (Figure 3.2). On both of these comparisons, sectors such as mining, construction, transport, utilities, wholesale, retail, and government services show no major change in their share of production or employment. Only finance, insurance, and real estate (FIRE) show any additional significant increase in share, and agriculture the only notable decline (see Table 3.1).

A landmark change in the composition of economic production in the U.S. occurred in the late 1980s when the service sector exceeded manufacturing in both production value and share of employment. Statistically, this point can be interpreted as the ascension of the Post-Industrial era in the United States. Manufacturing, however, remains an important and large component of the U.S. economy, generating over \$1.4 trillion in output. Although real dollar growth in manufacturing has slowed, it has remained slightly ahead of inflation (Bureau of Economic Analysis, 2001).

⁶ Services, as defined in Bureau of Economic Analysis data collections (2002), are composed of the following sectors: lodging, personal services, business services, repair, entertainment, healthcare, legal, education, social services, and "other" undefined services. This broad category does not incorporate finance, insurance, real estate, transportation, or government services.



Percent Contribution to U.S. GDP of Selected Sectors 1950-2000

Figure 3.1: The manufacturing-services shift in GDP 1950-1990 (Bureau of Economic Analysis, 2001).





Figure 3.2: Figure 3.2: The manufacturing-services shift in GDP 1950-1990 (Bureau of Economic Analysis, 2001).

Share of U.S. GDP

1950	1960	1970	1980	1990	2000	Change
7.0%	4.0%	2.9%	2.4%	1.9%	1.4%	-5.7%
3.2%	2.5%	1.8%	4.0%	1.9%	1.3%	-1.9%
4.5%	4.6%	4.9%	4.6%	4.3%	4.7%	0.2%
28.6%	27.0%	24.0%	21.0%	17.9%	15.9%	-12.7%
9.1%	9.0%	8.5%	8.7%	8.5%	8.4%	-0.7%
6.7%	7.1%	6.9%	7.0%	6.5%	6.8%	0.1%
10.8%	9.6%	9.7%	8.8%	8.8%	9.1%	-1.7%
10.5%	13.3%	13.7%	14.9%	17.4%	19.6%	9.1%
8.2%	9.8%	11.6%	13.6%	18.5%	21.9%	13.7%
10.8%	13.2%	15.3%	13.8%	13.9%	12.3%	1.6%
	1950 7.0% 3.2% 4.5% 28.6% 9.1% 6.7% 10.8% 10.5% 8.2% 10.8%	195019607.0%4.0%3.2%2.5%4.5%4.6%28.6%27.0%9.1%9.0%6.7%7.1%10.8%9.6%10.5%13.3%8.2%9.8%10.8%13.2%	195019601970 7.0% 4.0% 2.9% 3.2% 2.5% 1.8% 4.5% 4.6% 4.9% 28.6% 27.0% 24.0% 9.1% 9.0% 8.5% 6.7% 7.1% 6.9% 10.8% 9.6% 9.7% 10.5% 13.3% 13.7% 8.2% 9.8% 11.6% 10.8% 13.2% 15.3%	1950196019701980 7.0% 4.0% 2.9% 2.4% 3.2% 2.5% 1.8% 4.0% 4.5% 4.6% 4.9% 4.6% 28.6% 27.0% 24.0% 21.0% 9.1% 9.0% 8.5% 8.7% 6.7% 7.1% 6.9% 7.0% 10.8% 9.6% 9.7% 8.8% 10.5% 13.3% 13.7% 14.9% 8.2% 9.8% 11.6% 13.6% 10.8% 13.2% 15.3% 13.8%	19501960197019801990 7.0% 4.0% 2.9% 2.4% 1.9% 3.2% 2.5% 1.8% 4.0% 1.9% 4.5% 4.6% 4.9% 4.6% 4.3% 28.6% 27.0% 24.0% 21.0% 17.9% 9.1% 9.0% 8.5% 8.7% 8.5% 6.7% 7.1% 6.9% 7.0% 6.5% 10.8% 9.6% 9.7% 8.8% 8.8% 10.5% 13.3% 13.7% 14.9% 17.4% 8.2% 9.8% 11.6% 13.6% 18.5% 10.8% 13.2% 15.3% 13.8% 13.9%	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

Share of Total Employment (FTEs)

6%
.0/0
.5%
.4%
.7%
.9%
.2%
.9%
.1%
.1%
.1%
- - - -

Table 3.1:Changes in the Share Percentage of Economic Sectors, 1950-2000 (Bureau
of Economic Analysis, 2001).

3.2.3 Emergent Economies During Restructuring

That the manufacturing sector has declined in is share of contribution to GDP, does not

mean it is not still an important growth area for the U.S. economy. Since 1950

manufacturing's share of GDP expanded from \$84 billion to \$1.5 trillion; employment in

manufacturing rose from 15.1 million workers to 18.1 million workers, with a 1980 peak

of 198.8 million (Bureau of Economic Analysis, 2001). Since the Post-Industrial Era emerged, new products, processes and technologies evolved which redefined the national manufacturing economy. Increased high-technology input within almost all sectors of the economy has significantly modified labor contributions, and the types of domestic production.

3.3 Economic Region

The region occupied by the three case study communities can be configured in three possible constructs: the North American Manufacturing Belt; The Ohio River Valley industrial region; and Appalachian Ohio. The North American Industrial Belt can be defined as the region extending from the East Coast Megalopolis westward to the Great Lakes. Its northern boundary extends into lower Ontario and the southern boundary of the region reaches into the Ohio River Valley. This 'greater' region is composed of a network of smaller urban production regions and resource areas, specifically mineral resource locations in the Appalachian Mountains and Canadian Shield. Ohio, with the exception of the agricultural areas in the north and west of the state, is fully incorporated into this larger framework. Traditionally, industrial northern Ohio is associated with the large steel and automobile networks along the Great Lakes and Pittsburgh complexes. Southeastern Ohio is an extension of the Pittsburgh steel complex, as well, but is also an important producer of fossil fuel energy products and chemicals - often associated with the Kanawha Valley (WV) industrial complex and Ashland (KY) fossil fuel processing complex.



Map 3.1: North American Manufacturing Belt (after Birdsall, Florin and Price, 1999)

The research area is also within the boundaries of 'Appalachian Ohio'. The regional appellation, Appalachia, denotes a particular social, political and economic construction that reveals intrastate regional difference based. The federal Appalachian Regional Commission (ARC) was established in the late 1960s to provide development assistance to designated counties in the region. Twenty-nine counties are in Ohio (Map 3.2). One of the more significant past ARC programs is the Appalachian Highway System, which established new road corridors throughout greater Appalachia. The commission today works through a number of sub-regional grant administration offices. Three of these are in Southeastern Ohio: Ohio Valley Regional Development



Map 3.2: "Appalachian Ohio". (Ohio Department of Development 2000)

Commission (OVRDC), based in Waverly, Ohio and serves the Jackson-Wellston area; the Buckeye Hills Hocking Valley Regional Development District, based in Marietta and serving the Nelsonville community; and the Ohio Mid Eastern Governments Association (OMEGA), based in Cambridge, Ohio and Serving the Dresden area. In addition the State of Ohio Governors Office of Appalachia has been established to coordinate statelevel programs across the three administration areas (Governor's Office of Appalachia 2002).⁷

3.3.1 Ohio River Valley Industrial Region

The Ohio River Valley (ORV) serves as a smaller configuration in which to place the case study locales. Although it could be perceived as a sub-region within the North American Industrial Belt, the physical Ohio Valley extends westward far beyond the traditional spatial boundary of the Belt at Cincinnati. For purposes of definition in this research project, the ORV includes all of the area within three county boundaries of the river. Also included are metropolitan statistical areas within or adjacent to the region, such as Dayton and Columbus, Ohio or Lexington, Kentucky.

During the restructuring period, a regional decline in the manufacturing sector has significantly changed the structure of employment in the region (Brown, et al, 1996). Overall the region experienced a 7.6% decline in manufacturing employment between 1970 and 1990. The northeastern section of the region experienced the most significant declines in manufacturing employment (Map 3.4).

⁷ Currently the Governor's Office of Appalachia manages \$4 million in projects aimed at Southeastern Ohio as a whole.



Map 3.3: Case-study locations within the Ohio River Valley research area.
Manufacturing Employment Percent Change by County Between 1970 and 1990



Map 3.4: Change in regional manufacturing employment in the Ohio Valley.

3.4 Local Histories and Present-Day Local Context

The following sections contain local histories of the case study communities. The data for this section was drawn from archival material and from corroborated field interview information.

3.4.1 Jackson and Wellston, Ohio

Jackson County's economic history began in the late 1700s with the resource exploitation of local salt brines. Salt, a necessary part of the food economy prior to electrification, was highly sought and was an important trade commodity in the frontier region of the early United States. The evaporation process to reduce mineral brines into salt required massive inputs of energy from local forests. Jackson's ties to national and global economies began with the declaration of the area as a salt reserve by the Federal government in 1789. In the early 1800s, discovery of additional geologic resources like coal and iron ore were the primary forces behind the population and industrial growth of Jackson County as little flat and arable land was available for any appreciable agricultural production. Iron products from Jackson County were traded globally, most frequently during times of war, prior to the age of the giant steel monopolies.

In the contemporary period, manufacturing and service firms owned by outside interests have characterized the county's industry. By the late 1960s, Jackson and Wellston's locational advantages of low-cost land, educated labor, and situation within the Ohio Valley industrial complex increased its potential as a site for new manufacturing plants. Compared to new industrial sites in foreign locations, this area offered many of the same production cost benefits as places like Mexico. Land and per-worker payroll costs for manufactures in Appalachian Ohio were significantly lower than in other Rust Belt locations. Being within close reach of national road and rail transport network hubs such as Chillicothe and Columbus, Jackson County also has a significant locational advantage. This created supply network access in close proximity to the new automotive



Jackson County Total Employment by Sector 1950-1990

Figure 3.3: Jackson County total employment by sector 1950-90 (US Census Bureau, decennial census 1950-1990).

industry just-in-time production networks in northern Ohio and Michigan, as well as being central to the national consumer wholesale distribution system. Both Midwesternregional and multinational firms developed operations the area. Relative location to natural resources also offers advantages, as Jackson and surrounding counties have large stocks of hardwood red oak forest, and are in close proximity to several coal-fired power generation plants. In manufacturing Midwestern-regional firms predominate in number: Merrillat (Adrian, Michigan), Lancaster Colony (Columbus, Ohio), Cambridge (Cambridge, Ohio), and OSCO (Portsmouth, Ohio). Small multinationals like Luigino's (Sanford, Florida), and global firms such as Pillsbury (London, UK) also constitute the corporate landscape. This section divides the economic history of the area into four main sectors: iron production; food processing; automotive and other manufacturing; and consumer services.

3.4.1.1 Iron Industries

Investment in iron ore smelting began with several wood-fired furnace operations that dotted the county by the 1850s. The process required the manufacture of charcoal, which eventually put some strain on local forest resources. Although some charcoal smelting process furnaces continued into the 1880s, following the American Civil War, iron furnaces in the area began to consolidate into larger capacity coal-fired operations (Ervin 1995). Four major coal-fired plants were in operation by 1873. Coal in Jackson and surrounding counties lay in shallow deposits and was easily surface-mined. Local iron producers also gained location-based production cost benefits as coal in this area was high-carbon content bituminous "stonecoal", which is comparable to anthracite and much more generative by volume than bituminous soft-coals found throughout much of Appalachia (Knepper 1997; Ervin 1995). Cast iron products from Jackson were sought after for their lustrous finish and exports of both pig iron and specialized castings made their way into international markets. Iron ores in Jackson County contained trace amounts of silicon, which laminated the exterior of castings to produce a rare grade





known as "silvery iron". Steel production in Jackson began in 1906 with the Jackson Iron and Steel Company (JISCO). Complimentary industries followed the introduction of local steelworks. Most notable were the Detroit, Toledo and Ironton Railroad railcar shops, which operated from 1906 to 1983. As steel became predominant in the early twentieth century and chromium steel alloys were introduced, demand for "silvery iron" products that were heavier and less stress resistant began to decline. By 1924, only two iron and steel works of significance remained, JISCO and the Globe furnace, begun in 1872, which had upgraded its operations (Ervin 1995). Both foundries operated into the late 1960s, when competition from multinational steel producers forced closure of smelting operations. Iron casting continued at JISCO until it closed in 1986.

3.4.1.2 James Rhodes, Governor of Ohio

Jackson County's demise as an iron production site was representative of the larger decline in the North American Manufacturing Belt, in which Ohio is centrally located. State and federal emergency economic development programs during 1970s did little to stem the tide of manufacturing decline in the region. The state of Ohio began to see some success in the late 1970s with restructuring of state government cabinet-level agencies whose sole intent was to bring industrial development and jobs to the state.

Governor Jim Rhodes, in his second term (1975-1983), created the Ohio Department of Development (ODOD) to act as the state's external promotion and development agent and to reinvest in existing industries. He also restructured the state Department of Education to better service public higher education and local vocational programs and boost the quality of the labor force. In its first eight years the ODOD succeeded in attracting over 200 new industrial locations, involving 50,000 jobs during a period of otherwise significant national economic crisis (Dudgeon 1991).

Rhodes was born in Coalton, Ohio, a few miles north of the city of Jackson. Although he spent much of his life in Columbus where he served as mayor, his personal connection to Jackson County remained strong. Rhodes took personal interest in redeveloping Jackson's failing industrial sector. Under Rhodes direction, ODOD coordinated the location of Merrilat Industries cabinet assembly pant to Jackson in 1980, and the Jeno's frozen pizza plant to Wellston in 1981. ODOD also financed the creation of the Jackson County Improvement Corporation (CIC), which was established to expand the development of Jackson's industrial parks.

3.4.1.3 Post 1980 Industries

OSCO Industries (formerly the Ohio Stove Company, headquartered and founded in 1872 at Portsmouth, Ohio) established its Jackson foundry in 1967 and was the first regional firm to locate a new facility in the area. The plant is the only operating remnant of the iron industry in Jackson County. OSCO produces castings for automotive parts and air conditioning and heating systems. Location in the city of Jackson was highly desirable due to the abundance of local foundry-experienced laborers and for its 45-mile distance from their main facility in Portsmouth.

3.4.1.4 Food Processing

Separate from the legacy of the iron industry, food processing has become the prominent manufacturing activity in terms of employment, comprising almost half the county's factory jobs. In the early 1970's, ready-made food innovator Jeno Paulucci

sought a location for a new frozen pizza production facility. He selected an industrial park in Wellston for the Jeno's frozen foods plant because of the city's favorable locational advantages. Pillsbury, whose name is on the plant today and is now part of the British multinational group DIAGEO, purchased the Jeno's plant in the early 1980s. DIAGEO has agreed to sell the Pillsbury brand to U.S.-based General Foods sometime in 2002. Additionally, in the 1970s, Campbell's subsidiary Vlasic began a mushroom growing operation in series of old concrete warehouses just south of the city of Jackson, which remains in operations today.

Another multinational, Purina opened a canned pet food operation at a renovated factory building in Jackson. However, by 1980 the Purina operation had moved out of the area. The same building was selected ten years later by Jeno Paulucci to house his new firm, Luigino's frozen foods, which makes frozen microwavable Italian and Asian-style dinners. The Jackson site was Luigino's original manufacturing facility that was joined by a second Duluth, Minnesota facility in 1998.

Pillsbury and Luigino's have expanded their facilities to produce multiple frozen food product lines. Both companies have made large capital equipment investments that fixed their operations firmly to their Jackson County locations. In the early 1990s Pillsbury invested \$180 million in new process equipment for the Wellston plant. Specialized equipment and processing lines for their frozen food products are unique, product-specific, and large in size. The cost of moving these facilities to another location would not be economical and are considered a locational-fixed investment. The food processing industry agglomeration in the county has a stable market based upon high product quality and comparatively low production cost that ensures low retail prices for the targeted child-adolescent foods market.

Product demand also ensures the embeddedness of frozen food production in Jackson County. The market for microwavable frozen 'mini' foods (like pizza rolls) continues to expand, including exports by Luigino's to European Union countries. Although many U.S. firms shy away from the processing of food to be sent to the EU because of the strict sanitation and content regulations required for plant certification, the Jackson facility has a separate annex dedicated to EU-approved foods manufacture.

3.4.1.5 Automotive and Other Manufacturing

Automotive parts manufacturing also became a prominent new industry in the 1970s when Akron, Ohio-based Goodyear Automotive opened a new facility to manufacture plastic automobile and truck parts. By 1980, automotive parts-based employment totaled over 600 people. In the early 1990s Cambridge Industries, to whom Goodyear had sold the plant, turned the plant's operation into the manufacture of lightweight truck body parts for the "just-in-time" assembly facilities in Ohio and Michigan. Lancaster Colony also operates an injection molding auto part accessory manufacturing plant in Jackson. At the current time, automotive products employment in the county is approximately 800 persons.

In 1981, Michigan-based Merrliat, one of the United States largest kitchen cabinet manufacturers opened a production facility in Jackson. Merrilat's location choice of Jackson was based primarily on the city's close proximity to red oak timber supplies in Southern Ohio. The plant employs 430 people in the cutting, assemblage and finishing of cabinetry. Oak shortages in Southern Ohio, in part due to a moratorium on logging in the Wayne National Forest, has forced regional wholesalers to find logs from other parts of Appalachia and Merillat's location in Jackson is no longer linked to local timber supplies.

Kuppenheimer clothing manufacturing operated a single plant in Wellston, from the mid-1970s through the early 1990s, producing men's business wear for a factorydirect retail-chain. The company's eventual bankruptcy in 1996 was due to intense competition from other discount retailers, leading to the plant's closure.

There have been no new industrial plant openings for nearly ten years in Jackson County. The Jackson County Economic Development Board has made several investments in two industrial parks attempting to attract more business to the area. One 'spec-site' facility was completed in 2001, featuring a 50,000 square foot interior and eight loading docks (Jackson County Economic Development Board, 2001)

3.4.1.6 Consumer Services

Retail trade and food services became increasingly significant in the local economy through the 1980s and 90s. The two sector's combined employment exceeded that of manufacturing in 1990 (see Figure 3.2). New retail spaces were developed along East Main Street in Jackson to include restaurants, fuel, movie theaters, motels and large retailers such as Kroger and Wal-Mart. The heavy concentration of service retailers was due to both the agglomeration of manufacturing facilities nearby and proximity to the intersection of US-35 with Ohio Route-32, an Appalachian Regional highway corridor. This regional transportation node is a waypoint along the routes that connect Cincinnati and Chillicothe to Athens, Ohio and Parkersburg and Charleston, West Virginia. In the 1990s, noticeably lacking in the Jackson and Wellston service sector was a health care facility. Two Southern Ohio-based regional healthcare companies, Holzer in Galliapolis and Adena in Chillicothe, sought Jackson as a market for expansion. Holzer was first to open a new 60,000 square foot clinic north of Jackson in 2000. Though the facility offers an extensive list of outpatient services, it does not offer major surgical or long-term inpatient care: those patients are referred to the main Holzer facility in Gallipolis, 30 miles away.

3.4.2 Nelsonville, Ohio

From the early 1800s through the 1970s, small towns throughout the Ohio River Valley region developed local economies based on extraction and transportation of coal, and manufacturing of other local natural resource-based products such as lumber, clay brick, glass, and iron. Economic crises such as the radical rise in petroleum prices in 1973 and high rates of price inflation in the late 1970s severely hampered the ability of rural and small local production centers to compete in global markets. In terms of coal production in Appalachia, increased reliance on surface strip mining and demand for lowsulfur sub-bituminous coal from the Western U.S. significantly altered the source locations and mode of production for that resource (Harvey 1986). In coal transportation, federal railroad deregulation and increased competition from trucking were in part to blame for abandonment of many local rail links in Appalachia. By the late 1980s, several coal trade-dependent small industrial communities in the Ohio River Valley were struggling for economic survival. Over time, some communities developed secondary and service industries: these either suffered under the strain of economic crisis or provided alternate pathways to economic development.

One community that falls in the latter category is Nelsonville, Ohio, which lies in the Hocking River Valley midway between Columbus, Ohio and Parkersburg, West Virginia. Industrial development in Nelsonville began with the completion on the Hocking Canal extension of the Ohio and Erie Canal in 1840. The town developed around the terminal at the eastern end of the canal, which connected the Hocking and Ohio rivers with the upper Scioto River and Columbus. Surface and subsurface coal mining operations from Athens County and the surrounding counties of Hocking and Perry supplied the terminal. Rail service from Columbus to Nelsonville by the Hocking Valley Railroad began in 1869. The local population at this time grew to over a thousand, as the town became a mercantile center. By 1879 a town square had been completed featuring stores, banks and an opera house (Beatty and Stone 1984).

Coal, timber, clay brick products, and natural gas were exported from Nelsonville throughout the late nineteenth and early twentieth centuries. In 1887, one of the first electrical power stations west of the Appalachian Mountains was built southeast of town at Poston. Originally coal slag, a low-combustion byproduct from the local mines, was burned to produce electricity for coal loading operations and local residences. Later plant upgrades necessitated a switch to burning bituminous coal. In 1915 an 11-mile electric trolley line was established to connect Nelsonville with Athens, the local county seat and site of Ohio University (Beatty and Stone 1984). The commuter rail link, and later

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automobiles, established Nelsonville as a bedroom community for government and education activities in Athens.

Several small secondary-industry firms, ones that employed 50 to 100 workers each, emerged in the early twentieth century. These include the Hocking Brewery, Hocking Valley Brick Company, Nelsonville Electric and Manufacturing Company, Sharp Manufacturing Company, and Nelsonville Foundry and Machine Company. The town was also the regional center of mining operations for New York Coal, Sunday Creek Coal, Drydock Coal, and the Carbondale Coal. Following the end of World War II, the population of Nelsonville exceeded 5,000 persons (Nelsonville Tribune 1947).

By the 1980s, most secondary industry, with the exception of shoe and brick manufacturing, had disappeared. Rail loading of coal in Nelsonville ended about this same time and subsequently the Hocking Valley rail freight line was decommissioned. The aging Poston Power Plant was closed as newer, higher capacity stations came on-line to supply the region. As shown in Figure 1, percentage employment in manufacturing has declined since 1960 from a high of 27% to an all-time low of 16%. Mining employment of city residents also declined between 1950 and 1990 due to closure of local coalmines and a turn to mechanized strip mining. One brick manufacturer, Columbus-based General Clay Products Corporation, remains in operation.

3.4.2.1 Shoe Manufacturing

In 1920, the McGovern Shoe Company expanded operations and moved part of its production from Logan, Ohio 13 miles southeast to Nelsonville. At the beginning of the Great Depression the original McGovern factory was not economically viable and closed



Figure 3.4: Nelsonville city resident employment 1950-1990. (US Census Bureau)

its doors. In 1932 local merchants William and Michael Brooks, given the empty factory by the Nelsonville town council, founded the Wm. Brooks Shoe Company (Brooks Shoe, henceforth). Through its sixty-five year history, Brook's Shoe has gone through three generations of family ownership. During the Great Depression demand declined, but production increases during and following World War II raised Brooks employment in Nelsonville to over two hundred (Rocky 1999; Beatty and Stone 1984).

In the late 1980s Brooks Shoe planned a significant corporate restructuring. The firm changed its brand and corporate name to Rocky Shoe and Boot Corporation. Rocky focused on a niche market in waterproof hunting, heavy-duty work, and outdoor footwear. In an effort to raise new investment funds the Brooks family presented an initial public stock offering in 1993. This public sale of stock provided capital to build the new corporate headquarters and factory outlet retail center in Nelsonville.

Related to this corporate reconfiguration, Rocky opened two wholly owned leather processing and cutting supply operations in the Dominican Republic. The supply units overseas allowed Rocky's Nelsonville factory to change its process focus to footwear stitching, soling, and final product assembly. The foreign supply expansion also allowed the Nelsonville operation to expand to approximately 370 workers. Rocky saw corresponding benefits from reduced payroll and training costs in the Dominican Republic as part of production expansion.

The shift to overseas production and an increase in corporate service activities continued. In 1999, the company opened a new 200,000 square foot distribution center to the west of the city to meet increased demand for their products (Rocky 1999). The new warehouse was situated at the end of the four-lane section of US-33 in the direction of Columbus and easy connections to Interstates 70 and 71. In the fall of 2001, the company announced a complete realignment of all production. The Nelsonville factory was closed due to comparatively higher labor costs than Caribbean island locations. In addition to expanding production in the Dominican Republic, Rocky also opened a facility in Puerto Rico to fulfill new contracts for military boots, valued at \$8.9 million annually (InvestQuest 2002). Federal contracting standards on assembly and content requirements stipulate that military materiel be made in the U.S. or its territories. Rocky's average per employee-hour labor cost between Nelsonville and Puerto Rico was reduced from \$11 to \$6. Average per employee-hour labor cost in the Dominican Republic is \$1.25 and in China, from where the company now receives some components, the cost is \$0.40per hour (Price 2002).



Map 3.6: Nelsonville, Ohio industrial locations

3.4.2.2 Hocking College

Education became a new development sector for the city in 1968 when the State of Ohio opened the Tri-County Vocational Center in Nelsonville to foster job training in the Appalachian region of Ohio. Renamed Hocking College, it received full accreditation as a two-year institution in 1982. Today the college enrollment is over 6,000 students (Hocking College 1999). Nelsonville's percentage employment in education has more than doubled since 1990 due to the Hocking College expansion. Second-order effects of the college's growth have been significant in the local economy. Home and apartment rentals in Nelsonville provide considerable income for local real estate owners and, as a bedroom community of Athens, Nelsonville is home for several employees of Ohio University (12 miles away). City government has benefited from the annexation of land surrounding the Hocking College, which allows collection of revenues from payroll taxes. The student population provides a large market for food and retail trade vendors along Canal Street (US route 33—see map 3.6), a heavily traveled regional highway. Several franchised multinational fuel and fast-food chain locations now line the corridor along the center of town. Service and retail trade employment, which was somewhat low in 1980, had trended upward by 1990, comprising 53% of the labor force (see Figure 3.3).



Figure 3.5: Stuart's Opera house in the Nelsonville Town Center

3.4.2.3 Correctional Institutions

In addition to the development of education, retail trade, and shoe manufacturing sectors, Nelsonville also benefited from publicly operated state and regional correctional facilities. Three facilities were established in Nelsonville in the 1990s as a result of lobbying by local government officials from Athens and Hocking County. The state-operated minimum-security Hocking Correctional Institution employs 155 staff and correctional officers. It serves as the medical and residential center for Ohio's elderly and infirmed convicts. The SEPTA Center, and Hocking Valley Community Residential Center are small, low-security residential units, employing less than 25 persons. These facilities provide rehabilitation for nonviolent adult and juvenile offenders, respectively.

3.4.2.4 Tourism and Retailing

Specialty retail trade and tourism is another area of recent development in Nelsonville. In addition to consumer service expansion and the Rocky outlet store along the Canal Street corridor, a new commercial development effort is in place for the city's Public Square. Rocky and Mossy Oak, a camouflage hunting clothing and accessory manufacturer, have opened retail locations in the town center. The town center also features two locally owned banks, a bar-restaurant, and an upscale beauty salon and day spa. Anchoring the town square's redevelopment is Stuart's Opera House, a playhouse originally built in 1879. The building, which burned in 1980, has been completely restored and renovated. The Baird-Stuart Foundation, a development trust began by the local Baird family, funded much of the opera house reconstruction and operation in conjunction with the Hocking Valley Museum of Theatrical History, Inc. (Southeastern Ohio Regional Freenet 1999). The Baird-Stuart Foundation, along with the local Town Center Foundation, has raised and invested funds for the redevelopment and historic preservation of the Public Square. The opera house is open for plays and recitals several times each month.

The Hocking Valley Scenic Railroad, an additional history-based tourist attraction, has been maintained since its decommissioning from the CSX Transportation system as a scenic passenger train. The Hocking Valley Scenic Railroad provides seasonal train trips on historic rolling stock along the river, departing from the old city station (Hocking Valley Scenic Railroad 1998). The rail program works in concert with the travel and tourism programs at Hocking College through a project known as Robbin's Crossing, a living history museum along the tracks that is operated by students during the railroad's operating season. The scenic railroad has become a significant weekend tourism draw to Nelsonville, especially in autumn weekends during the height of the fall colors.

3.4.2.5 Transportation and Growth Conflict

In 1996 the Ohio Department of Transportation (ODOT) announced its intentions of upgrading US-33 in Nelsonville from two to four-lanes by building a local bypass around the downtown. In the state's view, a regional four-lane highway provides a vital transport link to the core interstate highway system. As engineering plans were released in 1998, local business leadership headed by the Rocky Shoe and Boot, Corp. organized the South Bypass and Flood Control Coalition. Their aim was to have the highway redesigned to follow close to downtown, not two miles away as proposed. Following a swift election-year response from the Governor's office, they were able to express their concerns and secure a redesign of the plans in a private consultation with ODOT administrators.

However, some anti-growth members of the local city council expressed concerns over traffic and safety issues under the current road configuration. The city was forced to spend significant monies to maintain the busy roadway through town. Likewise many citizens voiced concerns over noise and child safety.

Three years passed as the local debate and ODOT redesign process continued. In the Autumn of 2001, ODOT announced it would revert to its original plan of a northerly bypass that would fall outside the city limits. Concerns over the local consumer service market, which had grown significantly along the US-33 Canal Street Corridor, are now at the forefront of discussion in the local business community.

3.4.3 Dresden, Ohio

Dresden, Ohio began as a small agricultural center in northern Muskingum County, 16 miles north of the county seat Zanesville⁸. Located on the Muskingum River it began as a canal town on the Ohio and Lake Erie Canal system. Later served by two railroads, the Pennsylvania and the New York, Chicago & St. Louis (Nickel Plate Road), the town continued as a local market for consumer goods and agricultural supplies.

In the early twentieth century, prior to the Great Depression, manufacturing in the community consisted of a woolen mill, small paper plant and the Dresden Basket Company. The basket company produced industrial baskets used by the pottery industry in Eastern Ohio⁹ (Longaberger 2001). When the company closed in 1936 its stock and equipment was purchased by John W. Longaberger, one of its former employees, who continued weaving part-time. (Dresden Village Association 2000).

Dresden has also been a bedroom community for Zanesville. A regional manufacturing and service center, Zanesville (pop. 27,355) has restructured its industrial sector from factory town to becoming a large production and warehousing center for food processing and consumer products firms. Zanesville's situation along an Interstate and central location within the Eastern U.S. and Canadian wholesale market is often cited to attract external firms into the region. Several firms headquartered in the Columbus area (60 miles away) utilize the relative location, inexpensive land, and competitive labor costs of Zanesville for their food processing operations. These firms include restaurant

⁸ Historical place-level employment data is not available for Dresden as it does not meet the minimum size threshold for statistical aggregation as a city.

⁹ Clay and silica sands were important natural resources in the region and led to the development of large ceramic and glassware firms such as Anchor Hocking, in Lancaster, Ohio.







Map 3.8 Map of Dresden, Ohio.

chains Bob Evans Farms (Mattingly Foods as subcontractor), Wendy's, White Castle, and Worthington Foods, producing diet and vegetarian foods for grocery sale.

In the early 1980s, the Milwaukee-headquartered Miller Beer Company considered Dresden as a potential site for a large-scale brewery. The Zanesville area was targeted as a low labor cost location along the Interstate 70 corridor that could serve as Miller's production site for the Eastern Midwest. The area north of Zanesville was considered for ample ground water supplies that met chemical composition standards required in the brewing process. Miller eventually located the plant in Trenton, Ohio (south of Dayton) where 650 workers are employed.

3.4.3.1 Longaberger Basket Company

As described earlier, John W. Longaberger carried on the legacy of the Dresden Basket Company by purchasing the closeout equipment and making baskets part-time on his own. He worked as a machine operator at the Dresden Paper Mill, but continued his craft as a hobby and source of extra income to support his family of twelve children (Longaberger 2001). His sons Larry and Ritchie picked up basket-making abilities from their father. Son David, who owned the local grocery store and a restaurant in Dresden, decided he could sell the family-made baskets in his and other shops in the region. Unable to attract investment to start a basket company from local banks, Dave Longaberger decided to use his existing businesses to subsidize the J.W. Longaberger Handwoven Basket Company.

In 1976, he hired his first full-time weavers, local women who worked unpaid until the company was finally able to obtain a bank loan in May of 1977. Because John Longaberger had recently passed away, son Larry was enlisted to train the weavers. Basket weaving in Ohio had traditionally been a male activity, similar in status to other wood working such as furniture making. This historic gendered division of labor was no barrier to the female weavers who learned the skills quickly and well (Longaberger 2001). The feminization of production and marketing of baskets would later be a key to the company's success.

Much of the technique in basket making relies on wooden forms around which wood strips are woven to produce a strong and standardized product. Forms rest on specialized horses that help weavers rotate the baskets easily. Dave Longaberger was able to have the forms and horses his father had saved from the Dresden Basket Company reproduced for his new company. The production facility was a partially renovated woolen mill in Dresden that had been idle for over two decades. Little competition existed in the market for collectable baskets. Longaberger produced a strong woven-type basket originally made of hickory like the industrial baskets made by the Dresden Basket Company. Longaberger switched to maple as it was easier to work with and strong enough for domestic use, if required. Leather and brass accoutrements were also added to the baskets to increase their quality and value. Although many foreign made baskets were available in the home decoration market, the Asplin Basket Company of Hartville, Ohio (70 miles northeast of Dresden, between Canton and Akron) was the only known producer of similar high-quality construction baskets in the region. Asplin's owners were, however, interested in leaving the business. Longaberger had purchased maple splints from Asplin and agreed to buy the company and maintain the Hartville facility for splint production to supply the Dresden weaving operation.



Figure 3.6: Longaberger corporate headquarters, Newark, Ohio. (Seltzer 2000)

Longaberger Basket Company (LBC) also made a strategic business change by shifting to a 'direct sales marketing' format, similar to Amway or Tupperware brands. Baskets were sold to consumers invited to at-home shows where different designs were viewed and orders were placed. The company abandoned all retail sales of their products and relied solely on direct sales made by their 'Sales Associates'. Associates act as independent agents who purchase stock wholesale from LBC and resell to consumers. Not bound geographically, associates are allowed to sell where they please, though senior sales associates act as regional directors and manage distribution.

Several years passed before LBC was to turn a profit. Dave Longaberger's debts mounted and he sold his restaurant (1980) and grocery (in 1983) to maintain enough cash flow to keep the basket business afloat. Despite significant sales growth and opening a

new production facility near Frazeysburg in 1986, the company showed a \$7 million loss that forced a restructuring of product lines and across-the-board pay cuts. Intense marketing efforts resulted in a turn-around that erased the corporate debt and in 1990 LBC showed its first annual profit.

3.4.3.2 Dresden as a Tourist-based Retailing Center

By the late 1980s, Longaberger baskets had garnered a loyal following of collectors. Many of these individuals became incorporated into the company's direct sales network as associates. New customers continued to respond to the appeal of the decorative designer baskets that represented the pastoral lifestyle of agrarian Middle America (see Chapter 2 regarding craft products in the post-Industrial economy). By this time, many sales associates and loyal customers traveled to Dresden and Frazeysburg to visit the company and its weaving facility. In 1989 the first antique and craft retail stores, associated with LBC-based tourism, began to open along Main Street in Dresden. In addition to general antique merchandise and memorabilia, shops began selling antique baskets, 'retired' (resold) Longaberger originals and accessories such as cloth basket liners. A small number of restaurants and bed and breakfast facilities opened in town as well. Today, there are roughly eighty businesses engaged in tourism-based retail and consumer services in Dresden (Dresden Village Association 2001).

Longaberger remains a family-owned firm and has made an important impact and imprint on the local area by funding a number of corporate service and renovation projects. In the town of Dresden, the company has contributed to a number of community infrastructure projects including town park revitalization and expansion, several new facilities at the Tri-Valley High School, funded the Dresden Senior Center and contributed the 'World's Largest Wicker Basket,' a local source of pride and point of interest for tourists (Longaberger 2001). The company has made an aesthetic impact on the area, as well. Longaberger first opened a basket shop on Main Street in 1977 and converted it to a larger corporate retail store in 1988. At this time Dave Longaberger began to finance renovations on homes and storefronts along the Main Street corridor. His concern for the community's image heightened as sales associates and customers began to travel to Dresden for 'basket bees' and to visit the company offices. Longaberger also converted the old elementary school in 1994 to become the company's training center (Longaberger 2001). This investment paralleled the growth of other private retailing shops attempting to cash-in on the basket phenomenon. By the early 1990s much of the Main Street corridor was under rapid redevelopment (see Map 3.7). In 1995 it was estimated that 400,000 visitors were coming to Dresden annually.

3.4.3.3 Longaberger Corporate Expansion

By 1990, company revenues were in excess of \$100 million and production had grown beyond the capacity of the Dresden and Hartsville facilities. The first of a series of manufacturing buildings was opened just east of the town of Frazeysburg. Though the company headquarters remained in Dresden¹⁰, this new building was the company's initial step to expand outside of the town limits. LBC's ability to expand production within the town boundaries was limited. Dave Longaberger had already purchased the old woolen and paper mills and no large parcels for a bigger facility were available. The next closest areas of flat land available for industrial development lay a few miles to the

¹⁰ The Longaberger Company Headquarters were in Zanesville from 1984-1990; Dresden 1990-1997; and at the present location in "The Basket" in Newark since 1997 (Longaberger 2001).

northwest in the valley along Wapatomika Creek¹¹. The other possible choices were to move to pre-fabricated facilities in either Zanesville or Newark. Proximity to Dresden was important to Dave Longaberger's desire to provide economic opportunities for local residents.

The new factory location decision exposed some connectivity problems in production. As sales volume expanded and employment increased, transportation access became a critical issue for LBC. Ohio Rt. 16, the main east-west highway used by workers and connecting the company to freight hubs in Columbus, was only two lanes. During shift changes the local roads could become congested and safety was an additional concern. Telecommunication capacity and speed were also deficient in the area and the company's ability to take advantage of new internet sales technology was hampered.

By 1995, the company had expanded the manufacturing campus to four production facilities and laid the foundation for a new corporate headquarters in Newark, 15 miles west of Frazeysburg (LBC 2002). LBC invested in its own fiber optic cable connection to Ameritech in Columbus, forty miles away. The company also entered the political patronage arena by supporting then governor George Voinovich. This state level-influence was utilized to promote the expansion of Rt. 16 to four lanes from Newark to the manufacturing campus, which was completed in 2001.

LBC's new headquarters building, a seven-story basket-shaped concrete and steel structure, was opened in 1997. Dave Longaberger expanded his interest in community

¹¹ The surrounding terrain is continuous hills. The Wapatomika Creek valley lies in a section of a glacial outflow plain, part of the Teays Valley system, formed by the melting of glaciers roughly 10,000 years ago.

aesthetics to include the roadway landscapes on the highways between Newark and Dresden. Private land easements and public highway adoptions were arranged so that white farm fencing, flags, and flowerbeds could be built and maintained by LBC. In 1999, the Longaberger Homestead opened next to the manufacturing campus. The Homestead serves as the new retailing facility and features a restored four story barn (where basket making lessons are held), several small replicas of buildings significant to the Longaberger family, and a large company outlet store which features the company's new product lines¹² (pottery, wrought iron, dinnerware, and cloth basket accessories) and merchandise from associated firms. The Homestead is designed to also serve as an entertainment center that features musical concerts, several restaurants, factory tours and living history exhibits.

Total sales for the company reached a peak of \$1 billion in 2000; to include 36.8 million units, 9.3 million individual baskets. Full-time employment in 2000 also peaked at nearly 8000 workers (LBC 2002). Economic downturn in 2001 hampered corporate sales for the first time since the late 1980s. At the end of this research layoffs occurred as a result of decreased sales and over 800 people were taken off the payroll.

3.5 Conclusion

This chapter has presented the three case study communities with regard to local economic history. Each place has a unique development trajectory and corresponding growth strategy as defined by local growth coalitions. The Jackson and Wellston strategy is directed at the expansion of manufacturing branch plants of companies external to the

¹² Only a small number of basket styles are sold at the homestead. Most models can only be purchased through sales agents.

region. Nelsonville, in transition away from manufacturing by a locally owned company, is set on a mix of development opportunities including, wholesale warehousing by Rocky, state-sponsored services in the form of the college and prisons, and tourist-based retailing. Dresden's future lies in both the growth of Longaberger's manufacturing operations and the tourist-based retailing attached to the basket industry. In the next two chapters analyses are performed to better understand the local social processes of development which result in local development coalitions, infrastructure and services that establish the preconditions for development and potentially lead to new firms and jobs in these communities.

CHAPTER 4

QUALITATIVE ANALYSIS OF INTERVIEW DATA

4.1 Introduction

In previous chapters this research has reviewed the literature regarding local economic development, discussed a conceptual framework to better understand these processes and presented a context for three case study communities. To illustrate the ways these communities negotiate the development process in the context of macroeconomic restructuring, this qualitative analysis relies on information collected from local key-informants in the three case study communities.

The results show that, comparatively, the Jackson-Wellston area has the most effective local growth coalition and development strategy, but despite these conditions, only a small amount of employment growth has been created and no major firms have come to the area in ten years. Since Nelsonville is a politically divided community in terms of local economic development organization, it was unable to effectively negotiate state highway plans to bypass the town and, therefore, mitigate potential negative effects on local tourism-based retailing. Like Jackson-Wellston, Dresden, which has seen significant employment growth, also has an effective coalition. However, local service development needs are too slowly met. As a result, Dresden's potential tourism revenue is not realized.

This first section describes the interview participants, format and questions. The following sections discuss issues of elites as key-informants, section 4.2, and analytical methods for this research, section 4.3. Analytical results, and local social organization in comparison to the *tripartite model of local growth coalitions* are presented in section 4.4, which is divided into three subsections to describe major development issues in each of the case-study communities. How local restructuring patterns operate across the three communities in the context of the *three-stage local economic development process* is discussed in section 4.5.

The information contained in this chapter is primarily gained through local interviews. Data was drawn from interviews with thirty individuals throughout the region. Some additional material has been gained from local news media and is cited accordingly. Nine key-informants were selected from each community and follow-up interviews were conducted with three regionally based informants. In concordance with the conceptual framework, interviewees were drawn equally from local business, government and community organizations: three respondents from government, three from community organizations, and three from local businesses. This strategy provides a balanced means of triangulation in evaluating local social processes. Each participant was guaranteed confidentiality of his or her identity. Thus personal names, position titles and institution names are not presented in this document. Of the government informants overall, six held upper level elected or appointed positions in municipal government, two held positions in county government (one elected and one appointed), and two held state-

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level positions (one elected, a local informant, while the other was career civil service, a regional informant). Selected as community organization informants were directors from three city or county business associations, one director from county-level service organization, two from regional service organizations, two heads of county-level public-private ventures and one administrator from an educational institution. Within the pool of business informants, five were local business owners and four were managers from outside corporations.

What then are the challenges to the collection of interview data in relation to representative groups in the development process? Individual actors, although their interactions may reflect the collective interest of their groups, are a primary source of detailed information, and represent their own individual institutions. The use of key informants drawn from several agencies, firms and organizations across the spectrum of local, government, business, and community groupings can provide an efficient means of data collection. Interview selections from among local leaders, liaisons, managers, and executives offer the possibility of in-depth knowledge of the personal interactions between groups, and thus inform the researcher about direct functional relations that turn the wheels of local development. Interviewees' stories of negotiations frequently become candid, to the point where we learn that the forums for successful development often turn out to be a restaurant or somewhere between the first and nineteenth holes at the country club. The value of such opportunistic data is that it speaks to the nature of the industrial location markets in North America where increasingly footloose firms whose location choices are less restricted by fixed resources and is more influenced by issues of market access and local amenities.

Key informants also have their limitations. To make the most of research interviews, contact with the most knowledgeable or senior member of an institution's organizational chart is preferred. The class-bias of elite information within the community must be acknowledged (See section 4.2.1). The key informant approach is far from a complete research conceptualization of a 'community voice', and even the most knowledgeable of sources may have or present incomplete information. A multilayered approach involving members of the community at large is a valuable juxtaposition to measure the secondary inputs to and effects of local development decision-making. As a comparison, interview data with community members is analyzed in Chapter 5.

Interviews were set within a 45-minute to 1.5-hour timeframe, depending upon informant availability. Each interviewee was given a short preparation by telephone a week before a single face-to-face interview. Some interviewees received follow-up phone calls to verify information. Survey instruments were pre-tested by academic colleagues to identify possible mechanical difficulties in survey instruments and data categorizations.

Each participant was asked a series of 51 questions from a semi-structured survey instrument (see Appendix A). Survey design emphasized elicitation of information on local development issues while measuring variation among communities in local social and political activity, infrastructure development and service development issues. Some questions were open-ended, and others were categorical asking interviewees to rate aspects of local development on a given scale. A majority of the collected verbal data came from the first three questions, which were open-ended. Respondents were asked to respond, in detail, to the following questions:

1. What were the most critical business and economic issues of the past thirty years?

2. What are the most critical business and economic issues that the community faces today?

3. What social and economic risks does the community face?

The categorical questions served to triangulate, or underscore data in the openedended responses (Lofland and Lofland 1995), as well as provide information on processes of local social interaction, physical infrastructure development, and the availability of local services. Some respondents tendered open-ended answers to categorical questions. Likewise, many categorical questions were answered early on in the initial set of questions and were recorded accordingly on the survey form, negating the need to actually ask those questions.

Interviews were tape-recorded and later transcribed into text files. Using qualitative data software, described in Section 4.3.1, informant narratives were identified by type of informant and location and coded into categorical themes based on the conceptual framework to create a detailed description of local economic development processes.

4.2 Qualitative research issues

Since qualitative research relies heavily on the individuality of the respondents, it is important to carefully examine those people. It is particularly important to look at the key informants. Key informants are subjects who are especially articulate on local issues
or individuals with access to specific knowledges within the research frame (Lofland and Lofland 1995). They can be conceptualized in a number of ways depending upon the conceptual structure of the subject matter. In one manner, key informants can be seen as gatekeepers who can help create research linkages with locally specific information and guide researchers to additional sources via personal contacts. In this study, they can be categorized as local elites, who through their station in society have access to privileged information, and by their position, are primary actors with decision-making roles, such as business management, community organization directors, or government leaders (Cox and Mair 1988). Their access to local social interactions and institutional information provides the clear advantage in timesaving. Entrée to knowledgeable persons can also provide contact with local information that is unpublished or considered private in nature. However, key-informants can be poor indicators of issues outside of their status group in society. Bias in key informant data should be acknowledged for relevant social differences in perspective. The participation of local elites, as key-informant interviewees, presents particular bias issues, detailed in the following two subsections.

4.2.1 Local Elites in the Literature

A number of important issues regarding elites, as a focus of study, have been raised, which have been considered important enough to devote special editions of the academic journals, *Geoforum* (1999; 30:4) and *Environment and Planning A* (1998; 30:12). These discussions primarily concern political-economic relations and methodological concerns over 'elite biases' within research.

Elites, in general terms, can be characterized as powerful members of hierarchical social structures or as controllers of scarce resources (Eldersveld, et al. 1995). The social position of both researcher and elite interviewee is important to understanding their mutual relationship and how it will affect the overall study. In certain cases, some researchers may have to directionally "study up" to elites, instead of peering down upon less authoritative subjects (Ostrander 1995; Cormode and Hughes 1999).

Because of the possible effects on the product of the research, the situated knowledge of elites is also an area of concern. Key-informants are associated with the "strategic logic and historical contingencies" (Schoenberger 1991:181) behind decisionmaking in corporate or community enterprises. As actors within a network of social relations, they have both access to and often are also the generators of corporate or locally specific information not accessible by individual members of the general public (Ward and Jones 1999). The ontological downside to this is that all situated knowledge, even that gained from the most powerful of elites, is still biased in its objective form (Barnes 2000). Furthermore, data gained from elite interviews can be tainted in several ways, given concerns about confidentiality, interpersonal bias—based upon class, race, gender, age, ethnicity, sexual identity—between researcher and subject along with issues concerning the interview setting (Lofland and Lofland 1995; Berg 1998; Mullings 1999). Analysis of such data depends, then, on data validation though verification techniques during the questioning, via other informants, and by performing background research on institutions and communities.

4.2.2 Challenges in Methodology

Interview researchers, whether targeting elites or any other group, differentiate interview types on the basis of methodological structure (Schoenbaum 1991; Berg 1998). 'Standardized' or 'structured' surveys ask distinct questions with categorized or close-ended answers. 'Unstandardized' or 'semi-structured' survey types ask more open-ended or free-association types of questions. These two evidentiary strategies have variable degrees of effectiveness with regard to interviewing elites. Standardized surveys that ask the same questions of all respondents provide a level of comparability between subjects and, given that some data may be quantifiable, afford a means of statistical generalization. Structured surveys can then provide a mechanism more amenable to formal hypothesis testing (Schoenbaum 1991). Despite this rigorous empirical approach, highly structured surveys lack detailed material in the responses. Some readers could view this lack as making the research too general to apply to a specific situation with its exceptions and unique circumstances.

Another problem with purely standardized research is that elite subjects can have knowledge regarding decision-making processes and social network relations that are not categorical in nature. Ignoring this uncategorized knowledge can seriously affect applicability of the end product. On the other hand, by design, semi-structured approaches are able to capture detailed answers and provide interviewers with the necessary flexibility to probe respondents for in-depth information. This reflexive approach can also be tailored to modify research methods as institutional forms change over time (Ward and Jones 1999). Schoenbaum (1991) points out that repeatability and generalizability are "sacrificed" in the unstandardized approach in order to reveal factors

"rendered opaque" by statistical aggregation. Scripts and protocols within questionnaires can be followed or modified during the interview to follow 'leads' or to allow elite subjects to expand upon topics they feel are important. Additionally, interviewers have the ability to act within, direct, or choreograph sessions, in what Berg (1995) describes as the "dramaturgical" approach to interviewing, where the researcher is continuously reflective and interpretative of her/his interactions with the subject in terms of verbal and non-verbal communication.

Given the advantages and disadvantages of both standardized and unstandardized approaches, it would seem that for access to the key informant information, a semistructured interview method is more appropriate in most cases (Hughes 1999). While standardized survey instruments are still very important tools in local economic development research, elites are less likely to participate or feel 'engaged' within an interview if they are not allowed to elaborate on subjects about which they possess specialized knowledge.

Some structure, however, is necessary in the interview process. Communication with key informants poses certain methodological risks that may not be present in more general interviews. Control is an issue where researchers may face challenges (Schoenbaum 1991; Hirsch 1995; Hunter 1995) because individuals such as politicians, managers or executives often consider themselves the leaders of conversations conducted within or about their institutions. Given that semi-structured survey instruments will have some format that interviewers will want to follow, it is important for responses to stay within the bounds of the research frame, and at a minimum, with a set of key-topics that are to be covered. Time and effort may be wasted on conversations where the

discussant becomes too dominant. Similarly, researchers should not attempt to exert too much control over the interview process or respondents may shy away. Interview locations are of additional concern: allowing respondents to choose interview locations may allow them to feel empowered—from behind their desk, for instance—and thus respond in more frank or possibly embellished manner. Conversely, restricting or forcing interview locations on key informants may create suspicion or feelings of discomfort and also may not work within frequently limited time schedules (Elwood and Martin 2000). The value of phone interviews with key informants should also be carefully considered, as an interviewee's time and attention cannot be monitored directly by the researcher (Berg 2000).

Language and meaning can create methodological challenges within the interview itself. Interpretation and analysis are dependent on the reliability and validity of collected verbal/textual data. Elites may respond in subtle degrees of ambiguity with concern for sensitive issues or embellishment with regard to items of personal pride. Differences in terminology can also create bias and reduce the effectiveness of the interview. The ideological worlds of academics and political or business people may intersect only slightly (Hirsch 1995). Thus, verification is an important tool in respect to the validity of collected data. It is important for researchers to do background investigations of key informants and their institutions (Berg 1995; Hunter 1995). Methods such as questionnaire triangulation also allow the researcher to probe a subject for different perspectives upon a single issue and develop a more accurate account. Standardized surveys or secondary data are also helpful in concert with qualitative interviews to assure reliability and validity of data through the cross-referencing of issue-based information.

4.2.3 Challenges in Theory

The clear advantage of interviews is that they provide contact with the decisionmakers and important actors within networks of social and economic change. In a theoretical vein, key informant interview research provides access to certain local knowledge unattainable by any other means; therefore, over the past decade research into elites and governance have moved from primarily national and regional-scale analysis to include a significant number of local-level case studies (Ward and Jones 1999). Local knowledge and power meet in the form of elite intersections in social networks (Hunter 1995; Cochrane 1998). 'Elite localism,' as defined by Peck and Tickell (1995) and other analysis, leads to a theory of local social and economic relations that are controlled by powerful decision-makers. Similarly a focus on the individual, versus the organization, has emerged as more cultural applications in economic geography have signified a movement away from structural analyses. This approach works in concert with new economic conceptualizations, as corporate elites are constituted 'glocally' along with local leaders, through the processes of mediation and investment (Cormode and Hughes 1999; Hughes 1999). Elites then provide researchers with access to locally important issues from a variety of perspectives that can include decision-makers internal and external to the community. It is, however, important to situate this type of as 'explanation' is not found "in elites themselves, but in the broader systems, processes and structures of which they are a part," and which they can describe (Cochrane 1998). It is also meaningful to recognize how the interviewer's interpretation of economic theory in one instance affects interaction with elite subjects and, at the same time, influence their analysis and theorization.

Linda McDowell (1992) in her critique of Schoenberger (1991) points to this issue by asking whose "true reality" is represented in her [Schoenberger's] theory building. The critique points to Schoenberger's reliance on creating an empirical reality based upon the scientific method--adapted for qualitative data through intensive verification. The approach may be an effort to give qualitative methods the appearance of rigor similar to that found in national and regional-scale quantitative studies, which predominated development research prior to the 1990s. In contrast, McDowell's argument that intensive interview research of elites, such as Schoenberger's, is "not merely *complementary* to large-scale quantitative techniques but essential to reveal the underlying causal mechanisms and structures that lie beneath observed behavior" (McDowell 1992: original emphasis). It can be argued further that a critical approach to elite data interpretation and analysis could also add to understanding of the underlying forces behind development patterns and contextualization of local social relations. Yet, if researchers stray too far from the materiality of the elites themselves, they risk further theoretical disassociation from ground-level reality.

Personal reflexivity, in the form of methods discussed earlier in this section is important to situate the researcher in relation to the elite subject (Del Casino, et al. 2000). However, Ward and Jones (1999) argue that this must be matched by a similar level of theoretical reflexivity to form a more structured ontological pattern. They propose a system of political-temporal contingency to theoretically identify the perspectives of elite subjects and help researchers place themselves in a more adept methodological mode. (see Del Casino, et al. 2000 for further differentiation of realist and post-structural approaches). Elite research can be of great benefit to theory building during periods of political-economic change.

As key informants, elites can offer investigative access to situations long before secondary data can be available to confirm shifts in areas such as investment, policy or location choice. This can allow communities to change destructive trends or emphasize positive ones in such a way that economic conditions within the community can be improved in the timeliest way possible. However it is important to recognize that informants likely have incomplete information regarding all aspects of the local development process. Thus, multiple informant perspectives should be consulted on such complex subjects.

4.3 Analytical Methods

In this research, I use content analysis, which focuses on the literal material from the respondents, to examine the composition and theoretical patterns in the data. Language from interviews or documents is used as source for identifying patterns of social relations and thus aids in the theory-building process. Both overt and latent forms of information can be extracted from the body of data by a means of coding relevant and relational information. A variety of items can be coded and tracked for commonality and difference between respondents.

In the coding process, Berg (1995) states that content analysts can select from classifications such as terms, themes, characters, statements, concepts, and commonalities and semantics--the use of language by individual voices. Coding processes can follow one or several of these formats. Terms themselves are the smallest unit and specific

words can be measured in frequency distribution. However, individual words may be impractical as analytical device as multiple meanings and usages may persist. Themes, defined as phrases or sentences that carry particular meaning, can prove to be more practical unit to track and provide a more definite source of meaning. Characters refer to individuals (or groups) that are also mentioned by respondents. These actors are charted within the conceptual framework and within the theory-building process to determine local networks of social relations. Statements refer more to detailed remarks or examples presented by respondents. Commonalties and differences between statements from individual respondents are also important to code as they may infer certain knowledges of practices, persons and groups within the research topic. Similarly, concepts are ideological units that also constitute possible relationships between respondents (Berg 1995). Additional spatial and scale relation references can also serve qualitative geographers in reference to items such as place, scales, social difference and boundaries.

4.3.1 Qualitative data software: NUDIST NVivo

Qualitative data-analysis computer programs are important data organization devices for ethnographic researchers. QSR's NUDIST and its most recent incarnation, NUDIST NVivo, are text coding-based theory builders, which can be used with a variety of data including interview transcripts, news reports and other archival material. Procedurally, textual data is coded and cross-referenced within the study group. Output is based upon searches for relationships within the designated conceptual parameters. In this way, NUDIST is used mainly as organizational tool. The data organization in NUDIST makes coding much more efficient, particularly when dealing with large quantities of interview text. Items such as statements, themes, concepts or characters can be categorized in NUDIST and modify conceptual nodes and linkages. NUDIST features the ability to search the whole data set for single or related words and phrases from different respondents. This can aid in the cross-referencing process by displaying content relationships across interviews that may not be apparent from looking at the whole body of text.

For this analysis, I divided each of the interviewee's answers into separate statements using a word processing program. After reviewing the text statements, I assigned one or more codes that were based on a coding framework. This framework, as listed in Table 4.1, divided all statements by interviewee location and perspective, specifically government, business or community organization—as drawn from the tripartite model of local development coalitions. Then if the statement pertained to one or ore of the following: local development strategies, social linkages at scales outside of the local, evidence of social network conflict and cooperation, and development processes as they relate to the three-stage local development process as discussed in Chapter 2. Each of these classifications is considered a node by the software, and coded statements are listed under each node.

Many narrative sections were coded in more than one node. Multi-coded nodes can be cross-referenced to perform specialized searches with a particular conceptual subject. For example, if there is interest in local business perspectives on the development of physical infrastructure a cross-referenced search could produce

Coding Framework

- (1 3) /Community/Nelsonville
- (1 4) /Community/Jackson
- (1 5) /Community/Dresden
- (2 1) /Perspective/Government
- (2 2) /Perspective/Business
- (2 3) /Perspective/Community_Group

(3 1 1) /Development_Strategy/Internal_Capital

- (3 1 2) /Development_Strategy /External_Capital
- (3 1 3) /Development_Strategy /Public

(3 2 1) /Coalition_Linkage/State (3 2 2) /Coalition_Linkage/Regional

- (3 2 3) /Coalition_Linkage/National
- (3 3 1) /Coalition/Conflict
- (3 3 2) /Coalition/Cooperation

(3 4 1) /Development/Social

- (3 4 2) /Development/Physical_Infrastructure
- (3 4 3) /Development/Services

Table 4.1: Coding framework for qualitative analysis.

statements with both codes. The analysis could be further divided to see which statements dealt with development conflicts or if they related to state-level scale relations. Any number of coding combinations could be utilized. Keyword text can also be integrated into these searches. If, for example, statements regarding development conflicts involving the state department of transportation were of interest, then a keyword search of the conflict node for terms such as 'transportation' or 'ODOT' could be performed.

4.4 Results of Textual Analysis

This section is divided into three community subsections with the results of the content analysis for each case study. Each contains a descriptive analysis of local development within the conceptual frame of the *three-stage local economic development* process (Figure 2.2) toward local economic opportunity creation as communities respond to the effects of macroeconomic change. Specifically, this section describes to what degree local social networks, physical and human infrastructure development, and the growth of local service industries, together as a multi-stage process, create local economic opportunity, the preconditions for new firms and jobs to come into the community. The tripartite model of local growth coalitions (Figure 2.3) is used as a framework to evaluate the structure and effectiveness of social networks internal to local growth coalitions. Graphic representations of local coalition structure in comparison with the generalized model are presented at the beginning of each subsection. Within the analyses key informant narrative quotes from the field interviews are used to illustrate the development strategies and economic situations in the communities. These are presented verbatim with minor grammatical and mechanical editing and are intended to emphasize local perceptions of development processes.

These case studies also attempt to describe the current development strategies, conflicts and cooperation that are specific to each community. Overall the three-stage development process is evident to some degree in each of the communities. Likewise the structure of local growth coalitions is variable depending upon local social and political conditions. These issues are covered further at the end of the chapter in a general discussion of community development across the three communities.

4.4.1 Coalitions, Economic Opportunity and Employment in Jackson County

Of the three cases, Jackson County has the most comprehensive local social organization and infrastructure and has made the most recent improvement in local amenities, particularly the new Holzer medical clinic. The local development process is guided by a well-organized local coalition under the umbrella of the Jackson County Economic Development Authority, who provides a forum for discussing, planning, and coordinating public funding of projects. Jackson County's local development network most resembles the conceptual framework proposed in this research (see Figure 4.1). In the Jackson-Wellston area there is communication and exchange among all participants: government, business, and community organizations; however, not all actors may be on equal footing. For example, the city of Wellston does not possess the local public capital resources or the amount of developed industrial land that the city of Jackson does. Likewise, only a few local business people hold negotiating power similar to that of branch-plant executives in Jackson. Nonetheless, bilateral social exchange occurs between groups and local actors across the two communities.

Early in the local economic restructuring process, changes came about in local political and social relations that made a direct improvement in local development. In the past, strong party affiliation led to conflict during economic negotiations; however,

Jackson-Wellston Coalition Framework



Figure 4.1: Local Coalition Framework in Jackson-Wellston area.

the situation has changed in recent years. A local government informant describes the

current political climate:

The surprising thing, I guess, is the different political sides here, yet that never seems to be a problem. For instance, I'm a Republican; I hired a Democrat....Our state representative, Don Cherry's a Republican. Our state senator's a Democrat. Our United States' Senator's a Republican; Congressman, Democrat....I can call Ted Strickland up--he's a Democrat-- and I feel like Ted would do as much here as he will someplace that's not. I've never felt like there's no point in calling this one because he's the wrong political party. [Interviewer: Has it always been that way?] It's not always been this way. There's times in the past that there was partisan politics...They don't prescribe to one party or another as strong as people of my parents' generation. Historically, Jackson County party politics was a partisan affair based upon cultural heritage. Descendants of Welsh immigrants were typically Republicans, and ethnic Germans were Democrats. In most public matters, including economic development, local administration bent to one party's constituency or another. Such a pattern existed in Jackson County well into the recent period of economic restructuring. Only in the late 1980s did local partisanship diminish in favor of inclusive local politics concerned with promoting economic development interests. With local political differences aside, a more efficient social process toward development could be established.

Following the State of Ohio-led industrial redevelopment programs of the early 1980s, localities became more responsible for economic development activity as state programs switched foci toward local development grants and attracting large multinationals to the state. Like other Ohio communities, Jackson County could no longer rely solely on the patronage of governor James Rhodes (see section 3.4.1.2) after his retirement in 1983. Because regional and local priorities were often different, conflicts arose during the period after the patronage stopped. The first major local social and infrastructure challenge was the decommissioning of local rail lines by the then Chessie System (now CSX Transportation) in 1987. Low-volume rail branches were a liability for the transportation multinational, which intended to scrap the lines, selling off track material and land.

Realizing the implications of a lack of local rail service, Jackson city mayor, John Evans, organized a community meeting that drew 500 participants. A survey of business operators revealed that over 2000 local jobs were linked to rail supplies and product 110

shipments. Because of the meeting, a non-partisan committee of local leaders was formed to address the issue. Already in place were federal and state programs to fund short line rail projects. Although, public grant funds raised by the committee were not sufficient to finance the line and equipment purchase costs, a regional metal foundry firm, OSCO, put up the additional funds to complete the establishment of the Great Miami and Scioto Railway – a 90-mile branch system that connects to the CSX mainline in Chillicothe. The railway creates a small annual profit. Locally controlled rail service has also improved flexibility for factory supply networks by developing individualized delivery schedules. This is an example of a proactive local effort to develop infrastructure for the community; the community would use similar strategies as further conflicts developed.

The City of Jackson has expanded similar public-private ventures through ownership of municipal electric power and water distribution. Municipal control over transport and utility prices has become an important bargaining chip with companies located inside the city and potential new firms. Not only can tax rates be negotiated, but prices for utilities and rail delivery also can be modified as a locational incentive. Both Jackson and Wellston cities and Jackson County established community improvement corporations (CICs) in the 1980s to manage tax abatements and industrial land sales. The role of CICs is described by a local community organization executive:

They function almost as another form of government in the sense that they can issue bonds to improve things. In some counties, their economic development office is kind of merged with the CIC. And we're separated into two different entities, but the county CIC presidents sit on the [Jackson County Economic Development] board.

These separate, public-private entities were important local economic development organizations, but under the format of divided authority as described here, jurisdictions were unable to help each other in terms of attracting new firms to the area. Local officials learned important lessons regarding interjurisdictional competition for external private capital. For example in 1993, Toledo, Ohio-based Heidtman Steel selected Butler, Indiana over Jackson as a site for a new steel mini-mill. Despite the embeddedness of the local iron casting activities and an in-state preference, Jackson's CIC was unable to offer a competitive tax-abatement package to Heidtman's Steel-Dynamics division and lost the bid. In the Heidtman case, it was evident to CIC members that local connections with state-level development and tax agencies were lacking and that more needed to be done to increase public capital concessions at the state and federal levels.

In 1997, as a response to problems such as the Heidtman Corporation's decision, economic development relations between area government, business, and community organizations were formally institutionalized into the Jackson County Economic Development Board. As a medium for social connectivity between groups, the economic development board provides an open forum for discussion and planning. The board consists of approximately 40 directors drawn evenly from business, local government, school systems, and representatives of community organizations, including the chambers of commerce. The board has a full-time director and administrative assistant. The board acts as the primary agent for both Jackson and Wellston Industrial Parks as well as a number of other commercial locations in the county. A number of primary concerns addressed by the Board, including creating new jobs preserving existing jobs, and enhancing the quality of employment, are linked to developing new infrastructure. For the board, new job creation means either attracting additional firms to the community or creating incentives for existing employers to expand, which is important because it brings additional people and revenue into the area.

Attracting externally based firms to Jackson has had only minimal success in the past decade. A number of recent projects to improve industrial infrastructure, including a 50,000 square foot 'spec site' industrial facility and a rail spur within the Jackson Industrial Park, have been completed according to a Jackson County Economic Development Board report in 2001. Water and sewer capacities have also been expanded in both Jackson and Wellston industrial parks in anticipation of new facilities. In combination with local tax and utility cost breaks, the board sees Jackson County as competitive with other domestic industrial locations that have low labor costs. Through the efforts of the board, economic opportunity has increased in the local area; however, the goal of attracting additional major employers (those requiring 200 or more local employees) has not been realized.

The second primary goal for the board is preserving the existing firm base and increasing the level of local employment, and corporate expansion incentive programs have been numerous. With the board's help, existing firms have expanded operations to increase local employment levels. A local government informant illustrates some of depth of local employment preservation:

We hear from some employers that employees aren't trained as well as they would like. We've kind of got a mixed bag. Some employers are very pleased with the employees they have; some people say they have a hard time finding good employees. In Columbus, the thinking seems to be that they want the people from Jackson County, and [people go to] places like Columbus to get the jobs. And our goal is to move the jobs into our area so we can have the tax base to furnish the services we need. So part of the problem I've found is there's a stigma related to Jackson County, and for some reason, that keeps some people from looking, and there's some cultural differences.

An informant from the community organization explains the situation further:

The important thing that helped us to get industry...Number one's location. We happen to be in a good location highway-wise. There's a lot of highways run through. Jackson County has good infrastructure to accommodate industry. We have gotten very strong in Jackson County in the last few years to improve business, and that reverts back to an adequate supply of water. And without that, you can't get [branch plants] without being [a] big supplier of water and sewer. We've had water and sewer both available; those were in place. And I think the other thing the city of Jackson has been very cooperative with industry--to work with industry, and I think we're perceived to be cooperative. I think we are anyway. I hope we are. We certainly try to be.

The board has arranged several state and federal development loan guarantees as

well as current workforce training grants to finance employment expansions at the Pillsbury and Luigino's food plants. Therefore, the board has become a conduit for area firms to acquire public capital assistance. Likewise, a number of utility infrastructure upgrades have been built to meet expanded industrial output. Such corporate incentives play an important role in the spatial fixity of Jackson-Wellston's branch plant operations.

A secondary activity for the board is increasing the quality of local employment. Local development actors noted that a significant number of local residents were employed outside the area, some of whom commuted as far as Columbus on a daily basis. These were identified as professionals and skilled laborers whose income potential and choice of suitable jobs were limited in the local area, but who chose to live there because of a personal attachment to place. Jobs in Jackson County were generally limited to low and medium skilled workers. Some lived in the county, but many traveled from adjacent counties (Gallia, Meigs and Vinton) where employment was limited. It is possible that a two-tier special division of labor exists with regard to the class and mobility of labor in the local area. High-skill and higher-benefit labor tends to commute outward while lower-skill, lower benefit workers commute in on a daily basis (discussed further in Chapter 5). A local government informant expresses the concern over well-paying jobs:

What we really need, I think,...like everywhere in the country, we need some high-tech industries. Luigino's is a plant that's [acceptable to work], but they're entry-level jobs. It's jobs that you can go in--so many of them--and learn a job in a couple days. So, you're never going to make \$20.00 an hour working that kind of job. We need some jobs that our young people who go away to college and your technical schools or colleges and get degrees in technical fields and come back to Jackson and have a job.

A community informant agrees that the types of jobs in the county are not as desirable as community leaders would like:

[Quality jobs] is one of the focuses that [the Jackson County Economic Development Board] has tried to push. Of course, we're not going to turn anything down, but if [board members] made the statement that they'd rather see, instead another 500 jobs...they'd rather have 50 or 60 highly-skilled, highly-paid positions.

Some local business people also express concern over the level of skill in the

regional labor pool; however, the concern is not over the lack of educated, white-

collar jobs. It is over the lack of skilled tradesmen and other vocational workers.

[I'll] tell you that we're lacking in people that work with their hands, skilled labor. I cannot find heating/air conditioning people. I cannot get people who learn the technology and understand circuitry. I cannot find people to be plumbers, carpenters, bricklayers. Labor to dig a ditch? You can find all you want. If you pay them, you get them. But to get skilled labor? It's impossible. What we're into is [that] either you're a laborer or you go to college. That's the mode people are in.

For 2001, the board reported 251 new positions were created through expansion of existing plants and the addition of a few small employers. Of these, 100 were touted to be "mid-level positions in commercial/industrial establishments," (Jackson County Economic Development Board 2001). Despite the fact that no new major employers or high-benefit employers have come to the county in recent years, local services and quality of life have increased because of development coalition efforts. Numerical counting of jobs created or new full-time employees may measure actual development events, but do not capture the increases in quality of life that expanded infrastructure and services provide.

The final goal of the board is service development within the county. Jackson County development actors realize that small cities have their disadvantages when it comes to local living standards since often the accessibility of services is limited. The quality of local services such as education, health care and housing thus become important local characteristics. Attracting corporations also means attracting managers and executives who will live in and visit the community. This can often be a difficult task as a local business informant illustrates:

The picture for more business and industry looks pretty good because there's infrastructure in place, industrial parks and land available, and transportation's improving. So that table is set. But I would say the big issues, as far as attracting [businesses] now that the table is set, is getting improved health care, and improved--or a better image, a better perception of--the schools than what we have now, decent schools. The buildings are not new; they're old. Most of the school buildings [are] thirty years or older. A lot of them are much older, 70 to 80 years old, so it does not give a good impression. Schools are underfunded compared to more wealthy areas of the state, and a lot of times, industries come in--prospective industries come in--[and] that's what they look at, you know. 'Do I want my kids to go to school here?' A number of important local service improvements have taken place in the past few years. Most notable is the opening of the new Holzer Clinic facility in 2000. Before the opening of the Gallipolis-based healthcare provider, there were no 24-hour emergency care or outpatient specialist providers in Jackson or Wellston. Development board officials arranged land and abatements for the new building, just north of the Jackson city limits. Adequate housing for corporate managers and executives has also been identified as a major problem as described in the words of a local government informant:

We had a hard time getting executives to move into our community because there's mobile homes throughout the county. And to someone like me that grew up in the area, they're not a problem, but to somebody coming in from a subdivision or a different kind of area. . . . In 1990, we had a \$120 million expansion at Pillsbury; it created 600 new jobs. What was frustrating was that the executives built houses in Athens.

Housing is not the only problem in the area; a lack of other facilities can be equally damaging to the county's ability to attract executives. Other external-capital oriented developments include expansion of runway facilities at the Jackson County airport to accommodate larger corporate aircraft. In addition, a small number of new single-family housing units aimed at middle-income purchasers have been built. Health care improvement and new housing also increase local living standards for existing residents. However, Jackson County still lacks amenities such as a regional shopping mall and entertainment services found in larger urban centers. These are available in regional service centers such as Athens, Huntington, West Virginia and Columbus, but require significant travel time to reach, deterring those who may wish to move to the area. In conclusion, the economic development strategies of Jackson County work effectively to create the necessary preconditions for development because an effective local coalition based upon the inclusion of local business, government and community group into the development process. The lowering of political party agendas and the acceptance of an 'all for one' ethic among members of the development coalition housed within the Jackson County Economic Development Board has created local social efficiencies and improved the localities ability to make connections with important actors at higher-scale that have provided for funding to establish needed infrastructure and services. The missing piece of the external investment in manufacturing strategy is the lack of new firms and employment entering the community in recent years. The coalition will have to continue to improve the community and increase external contacts to compete with similar industrial locations in context of the post-911 national economic downturn in the United States.

4.4.2 Coalition Discontinuity and Local-State Conflict in Nelsonville

Nelsonville, despite sufficient local tourist activity and consumer services available, has been troubled by local conflicts with the state and internal divisions thathindered local infrastructure planning, in particular local highways. Local coalition structure (see Figure 4.2) is divided into groups based upon support or opposition for the planned highway bypass, which threatens developing local tourism-based retailing. Local government officials are the dividing line between preservation of local growth strategies and state transportation plans for the larger region. The inability of local development actors to

Nelsonville Coalition Framework



Figure 4.2: Local Coalition Framework in Nelsonville

work collectively reduces the capacity to mitigate the potential negative effects of statelevel planning.

In contrast to Jackson County, where the actors have been fairly united during restructuring, the city of Nelsonville has a history of local-state conflict over issues of local governance. The governing actions of local coalitions are constituted by interactive relationships between community institutions. The structure of local governance has been an issue that has significant effect on local economic development processes (Painter 2001). As an individual institution in Nelsonville, the municipal government's capacity as a development agency has been limited, and the challenges of running a small city have been compounded by budgetary constraints and poor political organization.

In 1992, the State of Ohio classified Nelsonville in a state of 'fiscal emergency' and a trustee was appointed to oversee city accounts. Expenditures on aging infrastructure and frivolous appropriation by the city council created a deficit which the city's limited revenues from property and payroll taxes could not meet. At that time, the city had a mayoral executive, an elected official charged with all spending functions. Rumors of cronyism in municipal contracts worsened the situation. As part of a statemandated restructuring plan in 1995, the city voted to change the government to a city manager-based government. The council's appropriation function was also changed so that the city manager would be responsible for budgetary management. Local community informants express a cautiously optimistic outlook:

We've had an awful lot of turnover in our town government, and there seems to have been, over the past two or three years, transitions that we've gone through. And we haven't gone without people that I think have been ineffective, but, at the present, it appears the ones here now are able to move forward and get some things done.

A local business leader agrees:

I think we moved through a deterioration of quality city civic-minded persons who were willing to serve, who get verbally beaten up by the citizens, and I think we really lost our edge at getting really good quality people in city government. And I think that was at a low about 4-5 years ago, and it's starting to come back up, where you're seeing — and I'm not saying they weren't community minded but just a different level of interest. But I think the point is [that] it moves, the quality of those [people on city council].

The new system was not implemented without difficulty. The first city manager

departed after two years, leaving the city with their municipal engineer as the acting

manager. Conversely, the city council has found the change in governance has meant that

they can spend more time to discussion of development issues. Some council members

are able spend time lobbying prospective business opportunities to the city and working on issues such as creating a GIS database for utility, tax and property records management. The overall results of administrative change have been positive. The role of the city manager's office has been modified to include grants administration. Many operating costs for municipal operations, such as the police force, are mandated and funded by state and federal outlays; however, funds for economic development must either from the city budget, local private sources or outside funding sources. Nelsonville's size and financial problems have limited its ability to sell municipal bonds. Despite all of the problems, improvements were made; therefore, in 2000, the state released the city from financial receivership.

The most recent local-state conflict and challenge to the local community has been the development of regional transportation, namely the planned Nelsonville U.S.-33 bypass. Since the late 1960s, state transportation planners have envisioned a limitedaccess corridor on highway US-33 from its intersection with Interstate 77 north of Charleston, West Virginia, to Fort Wayne, Indiana, increasing traffic volume between Athens, Columbus, and Lima, Ohio, along the way. This proposed plan was not, however, part of the larger Appalachian Highway corridor system. In the 1970s, West Virginia completed a four-lane bridge across the Ohio River at Ravenswood to connect US-33 to nearby I-77. Ohio, however, never went beyond the planning stage in rerouting the four-lane US-33 corridor. Therefore, the so-called "bridge to nowhere" in Ravenswood did not connect to any town on the Ohio side of the river (Lane 2002). Over time, four-lane sections of US-33 were built mainly as high volume feeder routes into the region's towns and cities. Bypasses were built around some cities such as Athens, Logan, Bellefontaine and Marysville, but two-lane stretches through downtown Lancaster, Nelsonville, and Pomeroy remained, despite four-lane approaches into town—each of the latter three cities are now being bypassed.

In the mid-1990s, regional connectivity, road safety conditions and state-level economic development concerns prompted the State of Ohio to complete the four-lane corridor between Columbus and Ravenswood. In 1998, ODOT released preliminary plans for two possible routes for a Nelsonville highway bypass; one north of the city and one south of the city limits. Community response to the plan was mixed, as some local development actors recognized the threat it posed to the plans for developing downtown retailing. A local community informant explained a rather tense situation with the state:

Just as an example--in kind of how the government works, you know-there is a bypass coming through Nelsonville. And there will be a bypass. The state seems to have very little consideration for the impact that their current route will have on this community. We need the transportation, but a bypass will really hurt the business opportunities that are in this town. Industry wouldn't locate here unless there's highway improvement. How they can transport goods? So that's one issue. And there's the community, and it will dry up if there's a bypass. So there's just alldifferent ways to look at it.

Local business members led by Rocky Boot executives met with concerned community organizations, such as the Baird Stuart Foundation, and some local politicians and citizens. Their collective concern regarding the plans was the lack of highway access to downtown. Both state plans set the highway away from the river and beyond visual distance of commercial district. The only exits were at the eastern and western ends of Canal Street. A local government informant describes how the placement of the new roadway was critical to local growth strategies: The route 33 bypass, which we know is coming.... The two [exit] areas that ODOT has proposed for us are not acceptable to us. No one has been able to figure out a way for those two bypasses to work for Nelsonville; we feel it will have a very negative impact on Nelsonville. That's why the community has proposed a third optional bypass: one that brings it closer to town and showcases the business district of 33, which [has] grown extensively over the last 10 years, especially the last five, and creates flood protection all at the same time. What we're trying to do is preserve as many of the jobs as we have and create an environment for new jobs. That being if we can get this bypass where we want it, create flood protection (Some of that land that's in the flood plain right now? We'll be taking it out of the flood plain) and it could then be developed.

A community leader explains the outlook for those most affected by the change:

The people to take the worst hits are the service stations and fast food. I don't know if Rocky is strong enough by itself to drag people in [as a retail attraction].

Together the group referred to itself as the South Bypass and Flood Control

Coalition. The name refers to the alternate route proposed by members to route the

highway along the course of the Hocking River next to downtown Nelsonville. The

group's idea regarding an alternate plan had some precedent, presented by a local

business informant:

It's the same thing that happened here in the early 70s with Athens. And Athens lobbied the state and made an appeal to them to give them flood control and to allow the highway to showcase their best natural resources, which is the college and the surrounding hills. And when you go through, I think they do that very effectively. The other thing they did was they very effectively dredged out a river that had forever been a major problem for them, and they've not had a flood since. We are asking that same thing. All we're saying to ODOT is [to] use the same dollars to give us flood control that you'll be using anyway to build a highway system. And we're just asking that [the new road corridor] be in close proximity to the river. Maybe the river would have to be re-routed on a turn or two, and we're told that that's impossibility. That, we know better. The Olentangy River was moved up there by [Interstate] 270, I think [by] three miles.

The coalition made a plea to the office of then governor, George Voinovich, for assistance in redirecting ODOT's planned route. The group was effective in creating a communication link with the state executive and was eventually able to have a third route, along the river, researched by ODOT's planning department. The coalition's efforts at collective action began to receive national attention and were mentioned in a 1999 CNN Larry King Live interview with the Rev. Jesse Jackson. Jackson's Rainbow/PUSH Coalition was attempting to branch out to poor Appalachians, as an underrepresented and economically segregated group. Nelsonville and Rocky Boot specifically were cited as a success story of a small community working together to maintain local industry. The attention, unfortunately, was insufficient to garner any more support for the cause.

The local coalition claimed that road traffic was necessary for the survival of the city's economy. Rocky's retail stores, the consumer services along Canal Street, the retail property in the Town Center, and the Hocking Valley Scenic railroad were all dependent upon through traffic for revenues, retail employment, and support of property values. Neither the coalition nor ODOT was sure the degree to which the bypass would damage the local economy. Rocky's outlet store operation would attract some tourist-based retail traffic; however, this was not expected to support other consumer service businesses in their current locations—some would have to move to highway exit sites. Many in the coalition, including those with real estate holdings, were banking on tourism to become the next boom in the local economy and felt the northern bypass would diminish the city's future potential as a destination. Some politicians also feared significant loss of municipal land and payroll tax revenues. The final results of the political struggle would prove their fears to be justified.

The remaining difficulty for the coalition's proposed roadway was Hocking College ownership of riverside land in the eastern part of the city. College trustees were not supportive of campus property being used for the road project. In the meantime, the governorship changed to Robert Taft, who was less involved with the issue, thereby diminishing the state-level connection on the South Bypass Coalition. In 1999, under pressure from the governor's office, ODOT hired a private consultant who recommended a four-lane route through town be considered on the existing road bed but did not recommend a route along the river (Coble 2001).

The coalition attempts to affect ODOT's planning did not go beyond consideration of the south bypass. Attempts to rally local opposition, such as coalitionpaid billboards warning local residents of the economic consequences, were not successful (Claussen 2001). Eventually, the alternate roadway plan along the river was dismissed by ODOT officials as 'too costly'. ODOT's claims were threefold. First, at least three bridges would have to be built, adding cost to the project. Second, a number of wetland mitigation projects would have to be established in order to lessen the environmental impact on the ecosystem. Finally, floodwalls would have to be constructed, meaning that some part of the river's course would be modified which would increase flood potential.

The coalition did not accept this response. Members believed that despite the added expense to the state, any other location would diminish local economic potential. They also stated that a comprehensive flood control project would open a significant amount of land to development within the city limits since much of the undeveloped land in Nelsonville lies within the Hocking River 100-year flood plain. Because of the environmental impact, ODOT preferred the so-called "green" corridor, running through the hills north of the city that would avoid wetland and floodplain environments in the

river valley. Faced with opposing pressure from the state, a breakdown of cohesion amongst local groups began to develop because not all local politicians were in opposition to the bypass. In July 2001, Nelsonville city council members voted 4 to 3 on a non-binding resolution to support the northern "green" route if selected by ODOT. In an interview in a local newspaper, council member Bill Wend, who voted for the resolution, stated the reasons for his position:

We're on record as supporting the Valley South route. I don't see any problem with supporting the northern "green" route. I think it needs to be noted that this resolution is not saying that City Council prefers the northern route. What it's saying is we would support their decision to build the northern route. My personal preference is the Valley Route, but we all know that isn't going to happen.

(quoted in the Athens Messenger, July 31, 2001.)

An effective local dialogue with ODOT officials was not evident at this point. In a statement to the same local newspaper, council member Ralph Davis, who voted against the resolution, criticized the state for its inflexibility during negotiations:

They're going to put this 33 bypass wherever they want to, the cheapest route. That's the way I feel about it. [ODOT District 10 Deputy Director] George Collins or no one from District 10 has come before Council and said this is the final or best route. That's why I can't support this.

(quoted in the Athens Messenger, July 31, 2001.)

The deficiency in community cohesion in terms of a singular voice and an effective coalition among local groups lessened the local power of the community and weakening its ability to effectively bargain with the state.

In September of 2001, Rocky announced it would close its manufacturing plant in Nelsonville; however, its two outlet stores and headquarters would remain downtown. The company had recently completed a new 200,000 square foot distribution center on

US-33, west of the city on the existing four-lane roadway leading to Columbus and Interstates 70 and 71. Rocky ownership's attachment to place in Nelsonville remained intact despite the threat of the road project. Although the bypass was not responsible for the factory closure, the road project was a part of Rocky's location choice for the new warehouse. The lack of developable land within the city limits, due to the flood plain issue and U.S. Forest Service land outside of the city limits, meant that without state or federal assistance with flood control, no new large industrial facilities could be built in Nelsonville. The result was a significant loss of potential municipal revenue in payroll and land taxes for the city.

In December of 2001, ODOT announced the final selection of the north bypass route around the city limits with two alternate connections to the existing four-lane stretch in Hocking County. The cost of the project was estimated at \$100 million, and construction would not begin until 2006. ODOT organized two stakeholders meetings in May of 2002 so that transport officials could discuss project details with invited local administrators from the area. Although Nelsonville's city council had accepted that the bypass would run north of town, several details remained to be determined. Under a separate resolution, the council raised concerns about the ODOT plan at the first meeting:

- Inclusion of a third interchange to increase access to the center of town. The original plan was to close Ohio Route 78 access from the north of town completely and impeding travel and emergency services.
- Moving the highway north of the Hocking Correctional Institution to reduce road noise in nearby neighborhoods and avoid the destruction of several homes and the loss of associated city property taxes.
- Adjusting the location of the eastern interchange to a location next to existing consumer service businesses.
- Adjusting the location of the western interchange off private housing development where a \$1 million public water and sewer expansion was planned.

(Tingley 2002a; Tingley 2002b)

The council was joined by the Athens County Commission, Nelsonville-York School Board, local township trustees and the Board of Trustees of Hocking College in support of the changes. ODOT responded by offering to build a bridge over Route 78 without an interchange and agreed to modify the western interchange as not to disrupt planned development in the area. The requests for northern realignment around the prison and the third interchange were declined since at least \$21 million additional would be required. ODOT environmental administrator Timothy Hill stated the reasons at the second hearing. "The traffic doesn't warrant any more than two interchanges. If we are going to spent another \$12 million [on a Route 78 interchange], there has to be a traffic need." (quoted in the Athens Messenger, May 31, 2002.) The town mayor of nearby Buchtel, John Sullivan, responded to the state's position the same evening by saying, "We need those three interchanges, and we're not going to settle for anything less." (quoted in the Athens Messenger, May 31, 2002.) Joy Padgett, director of the Governor's Office of Appalachia, attempted to mediate, but Nelsonville city council chairman, Clinton Stanley, threatened legal action to stop the project before abruptly leaving the hearing with Sullivan and Nelsonville city manager, Mark Fiorello (Tingley 2002a).

In an effort to contain the situation, Padgett, in a June 2002 speech to the Nelsonville city council, attempted to convince the city to accept the current ODOT plan. As the state government's representative to the region, Padgett is positioned as an actor for state-level development. In this role, Padgett's support of local interests is secondary to regional development. Likewise, tourism and retailing are less important than transportation and industrial development. During the meeting, Padgett attempted to placate the town by saying that eventually they would achieve their goals in some form.

"Nelsonville is an absolutely perfect Appalachian community which can be turned around...like a diamond that just needs polishing," she said. Ohio Department of Development representative Mike Jacoby, citing state budgetary limitations, also stated that if the community did not approve the final plan that construction, appropriations might be lost to other projects (Tingley 2002c). Nelsonville council members did not respond well to the state's 'carrot and stick' approach. The state-local conflict was summed up by Nelsonville council member Greg Smith, who said, "If it comes down to me destroying my community for the greater good of Appalachia, I'm not going to do it."(quoted in the *Athens Messenger*, June 26, 2002). The city plans open public meetings on the project in July of 2002 (Tingley 2002c).

Conflict between the local and regional interests continued to simmer. Then statelevel interests in the area were consolidated when Hocking College trustees voted to support the plan after securing an agreement with ODOT to realign the planned eastern interchange at Ohio Route 691 with a new Hocking River bridge leading to the college entrance. Trustees, who are selected on a regional basis, also claimed business people in adjacent communities were pressing to get the bypass plan completed (Tingley 2002c). This move essentially ostracized Nelsonville, putting it into a position where regional public perception could be turned against the town for impeding regional growth.

It stands to reason that singular and consistent local planning and a more effective state liaison apparatus would have better served the community through out the past four years of negotiation with ODOT. A historical disconnection between local business and community organizations with their municipal government counterparts set the stage for dysfunction in the state-level negotiation process. The local South Bypass coalition's attempt to change the initial route of the highway was hindered by a state-level change in elected officials. Voinovich's administration officials appeared more responsive to the concerns of local business, whereas Taft's administration officials seem more interested in the growth and transportation access of the regional economy. This change appeared to diminish the participation of local private capital interests in the bypass discussion although no major efforts appear to have been made to connect with the newly elected state government. Subsequently, without the help of private local interests, city officials felt incapable of confidently negotiating with ODOT over the final plan details. The state's interest in cost savings and protecting environmentally sensitive areas was paramount over concern for local access and business preservation. At no time did a comprehensive local coalition exist to present a singular voice in the negotiation process. Had such a consistent and unified local coalition been in existence, then it might have been possible to more effectively manage collaboration and cooperation in the highway's planning process. The future of Nelsonville's development as a tourism and retailing center in combination with Rocky's service components and state facilities is still undecided. Reduced local accessibility could result in significant job losses within the retailing and consumer service sectors. Rocky's continued interest in Nelsonville as a corporate headquarters may also diminish if outlet store retail revenues fall significantly.

In summary, Nelsonville's recovery from a public fiscal crisis and private industry's transition from manufacturing to retail and corporate services left the community with the need to create local economic opportunity in the tourism and retailing sector. Opportunity creation may now be in considerable jeopardy with the potential for diminished local transportation access. The strength or weakness of local

coalitions is a partial factor in the eventual outcome. The flexibility of state government interest in regional development will also play a role. In this case, local assertions do not appear to have effectively mediated the detrimental effects of higher scale globalizationrelated policy. The lack of singularity in local coalition efforts does appear to have played a significant function in the situation as higher scale relations were not effectively maintained.

In conclusion the development strategy to recreate Nelsonville as a tourism-based retailing center is threatened not only by the planned bypass but also by the lack of a cohesive local development coalition that can more effectively mediate external forces, like state-level transportation planning. Competing local interests and institutions generate a local social climate where the town's place identity is internally contested. The external result is that local agency is lost as state-level transportation officials co-opt economic development priorities, justifying their actions as a response to an indecisive (and socially ineffective) community. One explanation could be that Nelsonville lacks a local forum for economic development discussion that is inclusive of all the town's government, business and community institutions. Another possibility could be that the town lacks definitive leadership in politics and economic development. The negative outcome of the restructuring of town government is that with council-based governance no single individual or agency is invested with the role of development leadership. In this situation limited local social cohesion and representation lead to a poorly executed development strategy and ineffectual response to external forces.
4.4.3 A Corporate-dominated Coalition in Dresden

By comparison to the other communities Dresden has a varied but effective local coalition dominated by Longaberger Basket Company (LBC) which has produced significant highway infrastructure improvement but has been ineffective in addressing local consumer service and tourism needs, such as entertainment, food, and hotels. The social discontinuity caused by Longaberger's influence over the development process limits the role of local government planning. However, within the local coalition, LBC does interact with other businesses and community associations in planning for partially company-funded projects such as parks and school improvements. Government interaction in by Lonagberger is variable depending on the scale of the public capital investment in the project (see Figure 4.3). For example, Longaberger subsidizes planning for new road projects to speed approval by state and county officials, and LBC funded construction of a new Dresden fire station to improve local insurance ratings and service near their facilities. Frazeysburg, the closest incorporated town to LBC's factory, does not, however, receive any assistance or communication from Longaberger. The company's attachment to place with Dresden is reflected in LBC's investment in placespecific community quality of life enhancements and public services.

Like Nelsonville, tourism and transportation access in Dresden have a significant role in local identity and economy. These issues are likewise interrelated with the construction of local social organizations as an indicator of effective local economic opportunity creation. Dresden has an effective local social and political organization, which is in a slightly modified form of the tripartite network proposed in this research.

Dresden Coalition Framework



Figure 4.3: Local Coalition Framework in Dresden.

Local business and community organizations are strongly aligned with Longaberger Basket Company in developing a tourist-based retail economy for the area. Since the death of company president Dave Longaberger in 2000, the Longaberger Basket Company (LBC) and the larger community have sought to fill the void left by his community planning vision and beneficence. Though LBC is still a privately owned and locally headquartered operation, company relations with the Dresden community have changed significantly. A Dresden-area government informant illustrates Longaberger's contributions to the community as well as the impact of his death: Our county is very proactive in overall county development. But when it comes to Dresden, they've been lacking in what they've put forth out here in terms of funds and overall development. For many years, [Dave Longaberger] was the kind of person that if he wanted something done, he just went out and did it. He paid for it himself. Then, there came a time where he'd ask for cooperation, and he'd get some. But if he didn't get it, then he'd pay for it himself anyway. So then, as people caught onto that and the county caught onto that, they're going to put their money elsewhere in the county because they know if it doesn't get done by them, Dave Longaberger will take care of it. But those days are over, and we've had a real struggle trying to make the county aware that we don't have someone up here funding us anymore, and so it's been a struggle.

Despite the passing of its president, LBC still holds a dominant position in the local development decision-making. Without a planning or development agency in Northern Muskingum County, LBC's interests often take priority over other development needs in the area, which can seriously skew the money allocation to their benefit. Dresden's town government and local small business owners play a secondary role in coalition building and efforts to enhance tourism. LBC does not interact with officials in Frazeysburg despite the fact that it's manufacturing and retailing complex borders the town limits. Likewise, Muskingum County officials only interact with LBC when the company requires county-level resources. Most of the company's public infrastructure needs have been highways. And the politically well-connected corporate board has been able to garner the attention of state legislators and Ohio Department of Transportation officials.

Conceptually in this case, a sole dominant firm and a single associated community organization, the Dresden Village Association, are directly linked in the local development frame as unbalanced partners in a growth coalition, the company being more dominant because of its resources. Government resources flow toward the company and are accessed by the coalition only at a similar level when public regulation or appropriations are necessary. Although Dresden town government participates in the local development process, their power to act has been diminished with LBC's expansion outside of the town limits. A local business informant explains underlying concern about the local circumstances:

I know that [there] was a lot of interaction between the county commissioner and LBC to improve the highway up here and the state highway department. But as far as working with other, smaller businesses ,I don't think there's been that [cooperation]. I mean this is so unusual and so unique because LBC has been such a huge driving force and large, and the rest of us are just like pin dots compared to what their company is [with] the impact they have on employment and other jobs and developing infrastructure and all those kinds of things.

Officials in the town of Frazeysburg publicly report little, if any, contact with the company. LBC's complex has its own water and sewer facility and direct access to the new highway. Frazeysburg, unlike Dresden, has not benefited from corporate contributions such as land and development monies for local schools. The town's predicament may be that it has nothing to offer LBC in terms of accessibility space or services. By comparison, the town of Dresden, despite the company's expansion outside of the town limits, still plays a significant role in corporate identity and contributes to the company's draw on tourism. LBC, regardless of its growth in scale, still relies on a symbiosis with Dresden as a 'real' landscape on which to base their culturally commodifed product, hand woven maple baskets.

Private ownership and significant capital resources put LBC in a distinctive position to manipulate local development, but corporate interests in cooperative planning with local government regarding tourism and services development have been incomplete. The Dresden area's tourism and retailing economy has a considerable draw of daily visitors who visit the LBC Homestead and shop the Chestnut Street corridor. However, visitors are restricted in their stay since additional consumer services, specifically lodging, multiple restaurants, and entertainment, are not available. These limitations have had a particular effect on growth patterns within the town of Dresden where tourism is a 9:00 to 5:00 activity. Local residents and businesses do not benefit from additional service opportunities, as is the case in areas with more complete productspecific tourism economies, such as Hershey, Pennsylvania or Napa, California. Although the community has significantly benefited from the increased employment and entrepreneurial opportunities and has increased quality of life, expanded consumer services for local residents have not been realized.

Lodging in Dresden is restricted to a limited number of rooms mainly in bed and breakfast facilities run by local homeowners and one motel. Evening activities, such as theatres and children's entertainment, as well as full-service restaurants, are non-existent. Multi-day visitors and the frequent bus tour groups generally stay overnight in Zanesville and sometimes Newark. This causes a particular ire in Dresden town officials as hotel 'bed taxes' are being collected in Zanesville and are not redistributed. Others see the lack of lodging capacity and evening activities as limiting Dresden's growth possibilities as a major tourism destination. A community informant describes efforts to attract tourists explain further:

We've been trying to pull in restaurants [and] hotel-type businesses because there's plenty of tourist attraction here, but there's not a lot of housing or food for the tourists, so that's one of the things we struggle with...[W]e've been working, trying to get some of those funds up here because the merchants in the Dresden area feel we bring a lot of tourists to this area. We don't have a hotel. Well, we have one inn up on the hill, but we don't have a lot of facilities for [tourists] to stay, so we direct them all to Zanesville, and they're making all that bed tax money. And the county gets that bed tax money, but they're not investing back in this area. It's better, but there's a lot of tension that way because the Dresden residents and merchants feel like the county is not putting forth...The benefits they're receiving is much more than they're putting forth. A local government informant explains other problems concerning keeping the tourists in town:

We had to make a lot of different changes in our infrastructure to handle some of the changes that were going on with the increased traffic flow on our street. Some of our streets weren't wide enough; we'd have up to sometimes 100 bus tours a day coming in, and the village had to put in new sidewalks, new curbs, and new streets. And we still have a major street problem.

Although tourists were courted and welcomed, the town's resources are simply insufficient to appropriately handle them. Additional infrastructure is necessary to ensure growth, and tensions grow over allocation of money to build facilities.

In part, these tensions draw upon resentment by Dresden residents because of LBC's decision to locate the new basket plants, company headquarters and the Homestead retail complex outside of town. Questions arose as to why the town was not integrated into the company's plans for expansion because it adds to a sense that LBC's departure diffused Dresden's ability to develop further as a municipality and tourist destination. The company response is that infrastructure and space were the main limitations to staying in Dresden. Despite using 'the Dresden story' as a vehicle to sell its products, LBC sees its area of influence and needs as greater than the town can support--in terms of production and administration facilities, and in recognition of its large, multi-county labor market area.

There is clear evidence that LBC has reproduced an expanded corporate landscape to develop a broader territorial expression, independent of the local community. Planning with local officials was minimal beyond standard permitting. The company did not request any tax abatements for their factory or Homestead facilities. A community organization and then a local business informant provide insight into the view of LBC's relationship with Muskingum county government: Tax abatement people have big arguments about tax abatements. [They think] basically, if you own a business, you should get a tax abatement. Dave Longaberger never asked for a tax abatement. He thought people should pay their taxes, and corporations should pay their taxes. He had a tough time paying them in the mid 80's, [but] he paid them.There's just always a difficulty to get county officials to look beyond the boundaries and to see the region at its length...many times the economic forces don't know community or county boundaries...The parochial county kind of mentality is an impediment to coming together as a region and being able to pool resources, that then you can compete on a national stage for some investment. Because money is such an important element in the city's growth, the amount paid by each corporation continues to be a point of conflict.

The corporate headquarters building, nicknamed 'the Basket' (Figure 3.4), is located on the eastern edge of Newark, 16 miles from Dresden where tourists flock to see the seven-story concrete and steel basket-shaped structure. Though visitors are welcome to enter the grounds and go inside the building, it is a working office, and there is not much else to see. The Homestead property can be described as a 'Disneyfied' facility, complete with historical buildings that have been moved to or replicated on the property and a pastoral motif shopping facility--all located next door to the company's industrial weaving plant. Each Homestead structure has a traditional exterior with a myriad of activities including restaurants, retail shops, weaving classes, performance spaces, and kitchen demonstrations inside.

Expression of the corporate image goes well beyond company property. Through special agreement with state highway management, a roadside 'Longaberger Country' billboard is in plain view as LBC has modified the highway landscapes between their company headquarters in Newark to the Homestead and on to Dresden. The company has taken ODOT 'Adopt-a-Highway' programs to a new level with white fencing, flags, and flowerbeds for several miles along Routes 16 and 60. Highway development is the most salient example LBC's flexible approach to interacting with county and state government. In the late 1990s, the company became concerned with access to the new Homestead and basket plant in Frazeysburg. LBC set out to negotiate four-lane highway connections west to Newark, northeast to Coshocton, and south to Zanesville. The Route 16 corridor leading from Newark was divided highway for seven miles but then narrowed to two lanes three miles west of Frazeysburg, and another four-lane section on Route 16 ran three miles south of Coshocton. Although, ODOT planners had considered connecting the limited access sections, no formal proposal was ever created. LBC approached ODOT for an appraisal of the project. The company offered to pay part of engineering and planning costs to 'fast track' the project on the ODOT new construction priorities list. This would be similar to an arrangement in the early 1990s between The New Albany Company and ODOT for similar transportation concessions. A local business informant explains the traffic situation:

[The] situation with employees spread out over a relatively large area of East-Central Ohio (about 13-some counties) [is that] they're driving 30, 40, 50 minutes to come to work. They're driving mostly on two-lane rural roads. So the ability to get down to and from safely in a reasonable amount of time was something,...and ODOT did respond by building a four-lane through northern Muskingum County, which will give us a better access. But also then, when you generate 600,000 tourist visits, basically between April and November every year, you worry about that access as well. So, when we talk about infrastructure, we also talk about the highway system as well.

This connection with the state was not done with the cooperation of any local advisory group. The company made the sole determination of a local infrastructure need

and conscripted state resources unilaterally. The company's relations with county and state agencies are on a per need basis and often involve significant private capital input. A similar case is in progress with the development of an expanded roadway from Zanesville. LBC has entered into a development cost sharing agreement with Muskingum County and ODOT to re-engineer Route 60 north of Zanesville, which has a considerable number of tight curves and elevation changes. LBC's self-sufficient approach to local development allows the scale flexibility with variable levels of government and increases access to public capital resources while decreasing development time on projects. As such, not everyone is included in these negotiations for infrastructure. Without and open venue for negotiation with LBC, local citizens, groups and municipal governments are not fully integrated into the planning process in the Dresden area.

4.5 Discussion: Three Stages of Local Economic Opportunity

According to the tripartite model presented in Section 2.4.2.1, a community is most likely to consistently generate economic opportunity by first establishing a comprehensive local social network. By working within local social networks to achieve a common goal, individuals and groups use their resources toward the growth of their community. These social networks attract capital internally and externally in both the public and private sectors. The resources drawn into an area can then be used to establish the preconditions of infrastructure and services, making the community more attractive to additional businesses. This discussion displays how these case-study communities, to some degree, follow the three stages of local economic development; social restructuring, establishing the preconditions of physical infrastructure and service conditions.

4.5.1 Social Structure

As stated in Chapter 2, local capitalists, institutions, and community organizations compete other communities for public infrastructure resources used to create *local economic opportunity*. Generally, individuals do not have sufficient resources to create this opportunity alone; however, working together within a local social network, localities are more able to achieve their economic goals. Sometimes, even though conditions for opportunity are satisfied, dialogue may not happen, but the possibilities are nonetheless present, given there are open relations between local government business and community organizations.

Each case study community fits into the tripartite model to some degree, by creating some form of social network. In Jackson County, where the model is most closely followed, economic opportunity is growing. As the local coalition works with community government to build infrastructure, external capital is drawn into the area. Schools, health care facilities, and local retail are all showing signs of improvement. Some new services, such as the medical clinic, are created which encourages further growth, but the acquisition of large industrial firms will require persistence and patience. In contrast, Nelsonville has been unable to hold together a unified local coalition, the first stage of the process. Because of a lack of internal social agreement, infrastructure growth projects stall or are directed to other communities. This further discourages external investment into the community limiting community growth. Without government services and locally-based development funding, Nelsonville's level of opportunity would likely diminish. Dresden, however, deals with another problem. Due to an established dominance of a single corporation, infrastructure projects have been skewed in favor of that one company; however, as the company changes and local coalition efforts draw capital into a more even distribution, the community will likely see development opportunities in the future, if Dresden's retailing community has more input into the infrastructure and service planning process.

Two common findings regarding social structure amongst these case studies are the establishment of multi-scale relations and local government reorganization. Once an effective local social network is implemented, a following phase of building multi-scale social relations may be necessary to achieve the end goal of development in the form of new firms and employment. Social networks must be able to not only work on their own level of control but also establish connections with entities wielding authority over them, such as state and federal government. These links are particularly important in drawing funding to an area. The Nelsonville bypass is a clear example of the problems brought by ineffective ties to higher scales of government. A Nelsonville interviewee explains:

Now we're starting to think about economic development. Our governor virtually has shown no interest in economic development, but I'm going to try and change that. The governor needs to be a leader in economic development. Our [elected] government hasn't been involved [in mediating the bypass issue].

Historically during the early stages of macroeconomic restructuring, many local social and political institutions were not adept at managing change. Business people and community organizations ranging from chambers of commerce to labor unions were not

sufficiently organized to protect and promote local capital and employment interests. Local governments discovered that 'help from above' was not forthcoming as appropriate connections were not available with state or federal representatives and bureaucrats. Communities were often ill prepared to take on the task of redevelopment conflict, and lack of coordinated effort created barriers that were difficult to overcome. It seems that economically successful communities are rarely divided on social and political development issues because, as a rule, investment capital is averse to dysfunction in local political and labor situations. Once previously unsuccessful communities have strengthened ties with outside authorities to increase capital, they will often begin generating economic opportunities. The value, and difficulties of local government leadership in coalitions should not be overlooked. An informant in Nelsonville describes the initial successes of the change to a city-manager style municipal government:

Our first city manager we hired was really good at getting these grants, he got us about \$2 million in grants, and that was just about unheard of in Nelsonville. Grants for roads, infrastructure, things like that, paving, run a new sewer line (around the neighboring townships) which was a great plus for us because now we have sewer in that area, that's one of the few areas in Nelsonville that can be developed. There's a housing development going on over there right now because of that sewer line.

The difficulties in local administration in Jackson:

Finding local officials with the capabilities to do the things that need to be done. That can serve on the school board, city council that have the expertise or the training, the understanding I guess, to do those jobs, has become more and more difficult. Because the job has become harder, and a lot of times people in the business and the community, they don't want to subject themselves to criticism, and that kind of thing. And an official in Muskingum County describes the situation in Dresden:

The school trustees have been very good as a whole, they've been very cooperative to work with...and Dresden village [government] has been great – Mayor Lane has been a tremendous leader and individual in that community – his leadership's been very important in many, many different aspects.

Historically, the primary focus of American urban political machines (as opposed to growth machines) during the Industrial Era was to preserve a modern notion of the stable utopian city-state (Jonas and Wilson 1999). Local social and political change consumed the attention of politicians during much of the early crisis era. In order to attract investment necessary to create opportunity, local governments must be willing to change the role and characteristics of government practices. Local governance restructuring can take on several forms. One possibility is a change in political party constituency. Polarity in local party politics can shift as constituents blame one party for the local restructuring crisis and allow another to come to power. Local bipartisanship is another possible outcome as party boundaries erode, reflecting centrist ideologies at the national scale or recognizing that local infighting is socially detrimental. Long-tem bipartisanship as described in Dresden:

We sit here in this town ever since I've been here in 1965 on this council, and I can't sit here and tell you being mayor who is a Democratic and who is a Republican. We don't pay attention to that here. It has no effect on our operations or decisions at all.

And the change in political attitudes in Jackson:

I think more people, the younger people and the next generation, people might show their [flexibility]. They don't prescribe to one party or another as strong as people of my parents' generation. They consider themselves to be independent. Any Republican or Democrat primary, all the time, they'll cross back and forth, they'll vote here and there; where

my parents were, that generation was pretty much on either side, if you were Republican, you voted straight Republican, or straight Democrat, you didn't cross over.

These efforts to restructure local politics have significant funding implications. The struggle for localities to finance and expand community investment is a common problem in Post-Industrial Service Economy communities (Tickell 2001). The pathways to economic development are often variable from place to place. Access to limited sources of investment capital is gained through a small number of channels, namely state and federal government, corporations, and venture capitalists. Sources of capital can be categorized either by the economic sector to which it is directed or by location of the source of funds: specifically whether the source is internal or external to the community.

In the Jackson-Wellston case industrial plant operations is from sources external to small manufacturing cities. In Dresden, internal sources of industrial investment often emerge as result of place-specific social relations and/or incentives from local governments. In the case of Nelsonville, where investment is available but conditions are no longer suited for manufacturing, a transition has resulted in a shift to service-based production. These three development pathways are outlined in the following section on the development of precondition infrastructure.

4.5.2 Infrastructure Development

The capital resources needed to devise a shift in local manufacturing or to a service-based economy comes to a community in one of two ways. If capital comes from external sources, communities compete with one another to attract businesses that bring firms and jobs into the area. In order to court these businesses, most communities

attempt to create the strongest possible infrastructure including utilities, facilities and services such as tax incentives, and local amenities--both for the business itself and for its employees. The other way for communities to generate capital is internally, from businesses or locally headquartered lending institutions. With the money from these sources as seed capital, communities can create a more attractive business area drawing further capital, which then continues the cycle.

4.5.2.1 Infrastructure's Role in Attracting External Investment

External capital investment in manufacturing communities can be accessed from either public or private sources. The general pattern followed is that of public capital acquisition occurring in the primary stage to fund the necessary infrastructure that creates conditions for private investment opportunities. Once local infrastructure reaches a sufficient precondition level to satisfy manufacturing facility site requirements, a secondary phase of investment from externally-based private sources becomes possible.

For example, state government infrastructure funds can help the local process of raising the level of external investment. In these situations some minimum level of infrastructure, such as roads and water supplies, will likely be required and will utilize existing systems. A Jackson area interviewee describes such a situation:

We had when Luigino's came in, they wanted to expand, they couldn't expand because the wastewater plant would not handle their [sewage output]. The state of Ohio came through with grants and loans and money to allow us to expand the plant, our plant, so that in turn allows Luigino's to expand here.

In these case study areas infrastructure improvements are incremental and focused on specific needs. Wholesale infrastructure improvements are unlikely. True large-scale 'greenfield' developments are infrequent and are most likely to occur at sites that require significantly large land space, such as new automobile assembly plants (DeSousa 2002). However there is a growing interest amongst development agencies, such as the Jackson County Economic Development Board, in small to medium sized pre-fabricated facilities known as spec-sites that are built as ready-made for firms.

As the initial source of precondition investment, public funding emerges from sources at several scales and provides for a variety of infrastructure needs. Governmentsponsored economic development funds are generally aimed at establishing or expanding physical facilities within the realm of public utilities such as roads, water lines, sewers, power and communication grids, or transport such as roads, air service, and rail lines. External public funds also may be locally focused on preparing human infrastructure in terms of workforce training programs and special financial relief for areas that experience plant closings prior to transition to new business development. Additional social infrastructure support is provided for through broader statewide or federal programs, such as unemployment insurance, disability, and welfare. The difference between the types of funding is that most often monies for physical infrastructure programs are only available on a competitive basis, whereas social infrastructure programs are mainly guaranteed through statutory provisions.

If a locality requires an extension of water and sewer lines, county levies or intrastate regional development agencies are often able to provide the necessary upgrades. On the other hand, the most common issue among the case studies, transportation, may require the deeper pockets, engineering capacity, and regulatory oversight of state-level transportation agencies where competition with other

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communities may be intense for expanded highways and branch rail system purchasing

funds. A Dresden respondent details the state's recent roadway expansion in the area:

There have been a lot of improvements, particularly on the roadways. From a state level, they're expanding what used to be [old] route 16 ... it was mostly two lanes and they're making that four lanes all the way through...[from Columbus] over to [Interstate] 77... And [Muskingum County] is running a road from Zanesville to Dresden with very few connections off of it because we have state route 60 that goes from Zanesville to Dresden, but there's a lot of communities along there, a lot of turn-offs, and the congestion is pretty getting high. So, they're trying to alleviate that by putting up [more road capacity].

Yet the state may neglect some areas where industrial development potential is not as evident as in Nelsonville:

Going back to transportation, the state, I don't think does enough for rural and distressed areas in terms of transportation. They don't really force the issue. If you look along the red lines along the highway [map], you see that's where all the development is. There's a big wide gap between Interstate 71 and Interstate 77, so that the state needs to have more concern about that. If you have a [new] sewer [at the Poston Industrial Park] where nobody can get to, it doesn't do any good having a sewer.

Similarly, new water or sewage treatment plants are likely to require the volume of funds

only available in federal trust funds established for such projects. For a community to be

successful at establishing adequate infrastructure to attract external investment, access to

public funding at a variety of levels must be attained through strong financial and socio-

political relationships.

In the second phase of externally funded local development, industrial properties

are marketed by local development coalitions to interested firms. In the national site

selection market, localities are in competition with one another for new firm locations.

Concurrently, firms are in search of locations that fit corporate requirements. These provisions include, but are not limited to, utility capacity, access to supply networks, prefabricated facilities, and workforce characteristics such as wage structure and skills.

Due to time pressure on firms to respond quickly to changes in markets, development opportunity windows on new facilities can be short. If a location does not have adequate physical infrastructure already in place, then firms may not consider it at all despite other positive local characteristics such as low wages. Thus, localities must be well prepared in advance for opportunities to emerge.

4.5.2.2 Local Investment in Infrastructure

Local capital can also maintain and develop industrial operations. Although infrequent in the PISE, locally based individual capitalists and locally headquartered firms and banking institutions can provide the necessary impetus and financing for new or expanded manufacturing in communities. In some cases like Longaberger, privately held local capital is utilized to develop the manufacturing complex. In the case of Rocky Shoe and Boot the recent opening of the company distribution center was an important part of mediating the closure of the companies local shoe factory.

Despite the privately held and place-based nature of internal capital investment, local government assistance is often necessary in the precondition development stage. Private development coalitions, institutions, or individual capitalists can rarely complete the planning and infrastructure development stage effectively without some form of regulatory assistance. Anticipation of future employment and tax revenue guarantees may be the incentives for government assistance to local private capital investment. For example the rail system in Jackson:

We have probably a unique system here, that I'm not aware of anywhere else, in fact, I've given testimony before the U.S. Congress and assisted other cities and other states, a couple communities here in Ohio. We have a railroad in the city of Jackson that is a, uses federal dollars, state dollars, local dollars and private dollars to purchase that rail line. And we operate across four counties.

Once infrastructure projects are completed and an acceptable level of local economic opportunity is reached, development projects under the auspices of local private capital interests can take place. Investment capital can be controlled either by individuals, family foundations or through collective local partnerships of non-familial members. Individuals and institutions attempt to bring money in from both external and internal sources. Because costs of building infrastructure are prohibitive, it is rare that communities can provide sufficient financial capital from purely inside sources; however, without human capital inputs, new investment might not be attracted to the area. In Nelsonville the value of locally owned firms and services is described:

Rocky is the exception; they're putting a lot back. Mostly they're putting back in term so personal resources, not necessarily financial, Mike Brooks has a passion for the community, Dave Fredericks, their controller, does the same, and Mike's brother. That's real vital to this community, because they are a public traded company, although their stock just took a beating. Now the Edwards family is another family that gives and gives and gives - they work real hard, they're a family who started with nothing and Joe Edward, the patriarch, started out with a little TV sales idea and built it into a local TV cable network and since that time they owned the grocery store that was just sold to Kroger's and expanded and they own a pit stop business that one of the sons runs south of town as well as the 10 cinema theater.

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However, an over-reliance on a single source of income can be detrimental to a community's growth. As demonstrated in Dresden, where a single company is responsible for shouldering most of the capital generation, the community itself is open to damage if that corporation chooses to move or downsize. Diversified revenue sources are an important part of the model. Once the capital is infused into the local economy, current businesses can grow, which strengthens possibility for future expansion.

4.5.2.3 Service Development

The third element in this competitive framework is that localities with industrial development capacity will attempt to distinguish themselves from other places. In terms of government services, many localities have resorted to offering special tax abatement programs, which provide tax-free, tax-deferred, or variable rate property tax assessment over a period of time with a gradually decreasing discount. The value of tax incentives can outweigh other factors such as physical infrastructure as was the case for a site selection competition in Jackson:

We had a steel mill that was interested in locating here or Toledo, Ohio and Butler, Indiana. We put a package together, and one of the things that was a problem here and in Toledo both, we could not provide electricity at the voltage that they needed. The only one close to us is about three miles away...it took about a month, and we had to tap the line [to gain the necessary voltage]. [Jackson County Economic Development Board] put a very competitive package together, and probably at 11:00 at night I got a call at home from the consultants who said, "well, Jackson's not going to be it - it's going to Butler." And it was due to tax structuring and Indiana was able to give them a better tax incentive program than

In the case of Jackson, municipal ownership of utilities has been an additional tool to maintain local manufacturing firms:

The City of Jackson has been pretty active, also, in annexing - there's a lot of the firms - a couple of the big plants were just like on the edge of town, just out of town, and they wanted city utilities, city [services] ... the city's point of view, was not really to get the extra taxes and utilities, even though that would certainly help. They did it because the industries wanted it...the city has extended a lot of utilities or has utility agreements even though some of these places are just outside of the city or whatever. So they've been pretty active in helping these industries out, and giving them whatever they want, cooperating with them, improving utility facilities so, a big water user doesn't have to worry about capacity or anything of that sort of thing.

However, since almost all cities and counties in the United States offer some type of tax abatement program to potential new firms the result may be that a *level playing field* has emerged across the national site selection market in terms of ready-made infrastructure and corporate tax relief. With so many competitive markets in existence, how do firms differentiate from location to location, especially in areas where wages are at the national minimum?

Access to local services can play a role in these situations. Corporate managers may have affinity for certain local characteristics that influence their location choice parameters. For example, whether a potential industrial site has an airfield nearby where a corporate Learjet can land may be a potential factor. What may 'make or break' a community's chance at external private investment could be *executive choice*. Individual decision-makers, who sign the contracts, have the final say. In general, executives are not necessarily highly informed, purely 'rational' economic decision-makers, nor are they whimsical shoppers who select locations on the basis of the quality of local golf courses. Instead, a synthetic notion of the executive who analyses the corporate bottom line, in combination with local amenities can be utilized to frame the decision-making processes of external investment. Despite a community's best efforts to establish the conditions for local economic opportunity and compete in the national site selection market,

development may not occur due deficiencies in local amenities. A Jackson area

informant describes the value of such amenities:

Our airport, one of the reasons we have been blessed with some of the businesses we have is because of our airport, runway, jets out. Air travel in the last 10 to 15 years has changed dramatically. People used to fly in here in their little single-prop planes and they came in their twin-engine 4-prop planes, and then they started bringing in little jets, and now they're bringing in big jets. There's the guy that owns Enterprise National Car Rental, he's president of that in New York City, and he flies into Jackson Airport to visit Athens, because Athens airport is not big enough. Our runway is long enough to handle his jet. But right now, Luigino's is the same, they've gone from a certain size aircraft, and they're not getting into the bigger aircraft...We're blessed, we've got the longest between Gallipolis, Jackson, Chillicothe, we're longer than Chillicothe, and we're kind of hub to all those areas.

In viewing examples of external investment, from the perspective of local

government and community representatives, corporate behavior can appear to be random.

Conversely, business executives view their resources and temporal frame in locational

decision-making as being extremely limited, and external firms may use published

resources to establish a list of possible location choices that have necessary infrastructure.

More often, development consultants and local agents direct firms to one site or another

due to a specific set of qualitative preferences, local amenities such as retailing,

restaurants, health care, executive housing, and educational access--specifically directed

at the 'acceptability' of the workforce. A Jackson city official explains problems with the

available labor pool:

And then one of the things, that we experience here, the workforce is about 100 employees in the city. We'll have an opening, and it's not unusual to have roughly 100 applications for that. But then when you get through, you probably got four of five that's qualified. I think the low skill level is very evident in anything but technical [skills are lacking].

A regional development group describes the aim of their secondary school workforce development programs:

And unlike food, which really requires a fairly unskilled workforce to get off the ground, technology requires some more serious skills and we basically realized that, well, we can't do a lot attracting people here or whatever until the workforce [improves]...And whatever business you go into, you've got to be tech-savvy and be able to figure things out, figure how to use technology in that business even if you don't start a continual business of your own...So, the idea is that if we have the entrepreneurial seed in here, [college-bound local students] be able to come back here after those four years. So we're doing a lot of stuff on workforce development, trying to fill in the pieces that nobody else is doing, working with area businesses to do tech training for their employees [before they enter the workforce].

Capturing the eyes of prospective firms may appear to involve some level of

chance, yet even in the thinnest of weak ties, a network relation still exists (Florida 2002). In spatial terms these patterns of relations can reach far into the transnational realm. A community's ability to increase and eventually strengthen the ties can determine the level of future opportunity.

The complement of services in each community varies to some degree in relation to the local Post Industrial Service Economy service classification (as presented in Figure 3.1), and deficiencies in local services exist in each case. As discussed previously, Dresden has a well-developed small businesses community aimed at retailing goods to tourists, but only a few cater to tourists who wish to stay overnight in town. Jackson County has recently increased critical local services, such as health care (Holzer Health Clinic), but some complain that there are too few locations to shop for clothing and housewares. Nelsonville, with local food services readily available and served by a community hospital, also has limited access to non-food consumer goods. A Nelsonville

community organization informant describes the local entertainment fare:

[Shopping?] Not really. There's [Rocky] that has outdoor camping gear, but if you want a dress, you go to Athens or Lancaster; you go somewhere else. Food service? We have a lot of fast food. We have the Ramada Inn, which is nice. We have a restaurant on the north end of town, but if you really want to find restaurants, you have to go elsewhere.

In Dresden the link between increased transportation and services is exposed:

I guess maybe the only thing would be, as I've mentioned, with the new route coming through maybe more opportunities for motels, restaurants, truck stops, that type of thing that we don't have. It wouldn't be in our immediate town, but it would be in our immediate area.

In Jackson services have shifted significantly:

Consumer services [have] increased, well, that's a hard one to gauge, because we shifted from local mom-and-pop clothing and shoe stores to Wal-Marts. So the service is still there, but the numbers differ . . . Lower, but basically buy the same products. [Sales volume] probably increased, but the numbers have decreased, you know what I'm saying...Like downtown Wellston used to have four clothing stores, now there are no clothing stores. Downtown Wellston used to have three shoe stores, now there's one.

Many community residents in the region rely on access to non-food consumer products at

regional shopping malls in locations like Athens, Zanesville and Columbus.

If labor-intensive industries are in decline, local employment and financial crises can ensue regardless of the internal or external nature of operation ownership. Conscious decisions, on behalf of local coalitions, to shift to new processes or products can stem the tide of competition from other firms and industrial locations, such as overseas facilities with lower labor costs. Another route is to shift the local economy toward service production on a community basis. Local capital has played an important role in facilitating these transitions. The role of local private foundations in Nelsonville's

redevelopment of historic real estate is critical:

There's a local group called the Town Center Committee. Nelsonville is trying to preserve the Victorian Mall, and a lot of buildings around the square have gone through some really nice renovations and . . . the Town Center Committee people are trying to bring more business back into the square, because a lot of it has shifted out. But some of our local [businesses are] on the square, and they just did a wonderful job restoring that building. We also have the Stuart Foundation and there's the opera house guild that has worked very hard and has [worked] through the Stuart Foundation and their matching money--whatever the foundation gives off and organizations that apply for that money,

Likewise retailing's importance in Nelsonville's future:

[Mike] Brooks has been active in attempting to bring other vendors here. It was instrumental in bringing Mossy Oak, who is doing very well here in the public square. We were to create [Town Center] as a theme and do a lot more of exactly of that type of thing, which is what you've observed, and here's Rocky who reportedly is doing \$5 million plus off this 33 corridor. They're a destination business and they're bringing lots and lots of people in here just for them. They spill over to the Mossy Oak store as well as the Rocky Square One store. We just need more of that same item so that the consumer has other places to shop and other items to create interest. We've been endeavoring to bring that about. It's moving slowly and we're confident that we can make that happen with out town center organization if in fact we continue that traffic.

And the Dresden's advertising local shopping:

So what we're doing now is trying to be proactive in reaching drive-in traffic, so we've been working on [information brochures], in different rest areas, different high-tourist areas, increasing our billboards in other areas. Not just trying to attract locals. We've done advertising in *Ohio* magazine and different travel publications like that.

This process of creating local economic opportunity via local capital interests

shares a similar pattern with the external investment framework. As in cases of external

capital development, a similar process of precondition infrastructure development

through local amenities takes place. When local capitalists choose to endow their home communities, investment takes place conditioned upon the place-specific qualities and capacities of the local area.

New forms of local production and employment can fall into one of several service sectors. Large employment service industries can emerge in public or private service sectors, and communities can achieve significant service employment in both areas. Public sector services such as healthcare and education often provide high benefit employment with relatively high job security. Producer services such as finance and utilities can also provide quality employment for transitional communities (Daniels 1993). A significant percentage of employment in consumer services often does not provide adequate employment in terms of pay and benefits to meet the needs of persons in transitional communities. Despite a community's efforts and ability to change its employment base from manufacturing to services, service jobs may not provide an adequate standard of living for many community members and result in a crisis of underemployment.

4.6 Conclusion

The Jackson-Wellston area development strategy works well to create the necessary preconditions for external investment. Effective local social network relations between government, business and community organization under the aegis of the Jackson County Economic Development Board have instilled a sense of cohesive growth strategy, leadership and a forum for local discussion where potential development conflicts can be mediated. The result in terms of infrastructure is that utility capacities,

transport, and new facilities are on-line and ready for potential firms and employment. Likewise tax abatement programs, free industrial land, and low cost utilities are further public-source amenities that increase local competitiveness. With these preconditions satisfied, it is a significant finding that no new firms have entered the community recently. The paradox of development preconditions and actual development events is exemplified well in the Jackson-Wellston case. Actual development events will require Jackson to make further social connection at scales external to the community. Likewise Jackson-Wellston lack a full compliment of local amenities, specifically consumer services like clothing and food establishments.

Nelsonville's division between its competing development coalitions is a significant limiting factor for the creation of local economic opportunity. Some signs of constructive social change are evident, such as the reconfiguration of town government. However, the bypass issue has created a rift among local development actors and institutions which hinders the community' ability to socially act as a cohesive network toward a unified strategy of developing Dresden as a tourism-based retailing economy. In terms of infrastructure, the Nelsonville area has the capacity and facilities, particularly the historic town center and Hocking College, in preparation for potential new businesses and employment. Local amenities are there as well in the form of restaurants, lodging, entertainment facilities, and other consumer services necessary for the tourism driven strategy. However, what has possibly hamstrung Nelsonville is a lack of an open forum for and definitive leadership in local economic development; neither local government figures, business people, nor community group leaders have organized in an open and inclusive public manner to give definition and determination to the local development

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strategy. Nelsonville, instead of mediating the global through local action against statelevel forces has focused on inward negotiating local conflicts and thus lost it ability to compete for regional tourism and retailing consumers.

Dresden's development situation is the inverse of Nelsonville. With the domination of Longaberger in defining local development priorities, the development potential of local retailers and other tourism-related services is hindered by their lack of voice in defining local strategy. Socially, effective linkages exist between business, community, organizations, and government. However, Longaberger's direct government relations at the state-scale predominate in the accession of public funding resources, specifically for highway expansion. In one sense there is development strategy leadership on Longaberger's behalf to improve manufacturing infrastructure. On the other hand, the priorities of other area business are not integrated into the community's tourism development strategy, specifically the expansion of local amenities that assure sales and tax revenue, as well as quality of life improvements, for the towns of Dresden and Frazeysburg. Without services that meet the needs of multi-day tourists coming into the Dresden area, such as restaurants, hotels and entertainment increased sales revenues for local merchants may not be realized and potential local tax revenues will be kept in Zanesville.

The struggle to construct the preconditional infrastructure and local service amenities is common among the three communities. The benefits of theses efforts are not solely for the attraction of external investment. Local access to goods and services also allow communities to keep monetary capital within their own local economy rather than sending consumers to the region's large cities. Thus, through sales and employment

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taxes, and local banking, communities internalize investment and increase potential for even stronger local infrastructure and amenities. Communities without such infrastructure, local amenities and without the cohesive social networks to build them are at a competitive disadvantage for investment, as such; they struggle economically and lose opportunities to other communities. However, by creating the preconditions for development, coalitions also improve local quality of life factors such as, transportation, utilities and communication capacity, consumer services, and other important local amenities such as health care. Even though development in the form of new firms and employment in the manufacturing sector may not materialize, increases in services and service employment can fill some, but not all gaps in the needs of local people.

CHAPTER 5

QUALITATIVE ANALYSIS OF COMMUNITY SURVEYS

5.1 Introduction

In the previous chapter findings from local key informants provided an analytical perspective from local elites on the processes of local development. To address the research question regarding, "local development for whom and by whom?" this chapter examines the public-level agreement with local growth strategies and public satisfaction with local quality of life as an outcome of economic development. This analysis uses telephone interview data from each of the three case-study communities. The results show that in general the community is in agreement with development strategies as constructed by local growth coalitions. However, public satisfaction with development strategy outcomes, specifically local employment opportunities, is generally low. In each of the communities there is strong dissatisfaction with the availability of good paying. benefited employment. Only in Dresden, with a large number of well paid, benefited positions with Longaberger, does public satisfaction with local employment approach a level of general approval—40% satisfied. Commuting patterns also suggest insufficient local job availability, as a large percentage of locally based workers have to travel outside the community to find employment.

The chapter is divided into research design, and analytical sections. The research design section contains descriptions of survey questions, respondent demographics and the comparative statistics used in this analysis. The results section is divided into 1) a general findings section, comparisons of local development variables between each community, appended by a section on local commuting patterns; and 2) a regression analysis of the general findings, which controls for the social characteristics and location of survey respondents to further compare differences between communities. A concluding summary follows the section on commuting

5.2 Research Design

The aim of this research is two-fold. In one aspect the quantitative research presents a public-level comparison to the elite-level data presented in the previous chapter on qualitative data analysis. In another way this data is used to draw comparisons between communities regarding public-level response to questions regarding local development growth strategies and their effect on local quality of life. The questions and data for this analysis are extracted from a telephone survey of economic development issues within the Ohio River Valley region. The following sub-sections describe the selection of survey questions, outline demographic characteristics of respondents and representation the actual population, and a description of the comparative statistics used to determine variations among and between the three case study communities

5.2.1 Selected Variables

The data for the three communities was drawn from a regional survey of community economic development, which asked questions regarding primary and secondary employment, at-home employment, housing, commuting, demographics, and local development issues. Sixteen variables were selected from the larger survey in three subject areas: local development strategies, quality of life factors and commuting patterns. Most questions were answered using a Lickert scale with five possible answers, to rate statement agreement or satisfaction with local development questions.

The first set of questions gauges public agreement with growth coalition strategies of the three communities. The purpose of this comparison is to gauge the public agreement with local development strategies and to compare between communities public response to development strategies. Seven questions were chosen from the larger survey to analyze agreement with local development strategies:

CMTYBUS: The bestway to improve our community is to develop the businesses already in the community

EXTNBUS: The best way to improve our community is to attract outside corporations.

PRISONS: Attracting or being a site for a prison is a good way to improve a community like ours.

TOURISM: Attracting tourism is a good way to improve a community like ours. PUBLIC\$: Financial help from the state and/or the federal government is necessary for this community to develop effectively in the future.

GLOBAL-: Global trade is hurting my community because good jobs are leaving for other countries.

GLOBAL+: Global trade will create more benefits for my community than it will create problems.

The first variable, CMTYBUS, rates public agreement with strategies that

promote businesses already in the community. EXTNBUS rates agreement with

strategies to attract businesses external to the community. TOURISM rates public

support for local strategies to attract external consumers to the community as a means of

development. PUBLIC\$ rates local support of capital investment from state and federal government sources. Not all forms of public investment are seen as positive to local development. Support for correctional institutions as a local development strategy is rated in the variable PRISONS. Two questions rate perception of global trade effects on local development. GLOBAL- rates opinions on whether global trade has been harmful to local development. GLOBAL+ reports public speculation of global trade as a possible benefit to local development. These questions are used to examine how people view macroeconomic exchange as a factor in local growth strategies.

A second set questions rate public perception of local quality of life factors.

These are used to estimate satisfaction with quality of life as outcomes of local growth

strategies, and compare levels between communities. Six questions were chosen from

the larger survey to examine of satisfaction in local quality of life factors:

JOBSPAY: Now please let me ask you how satisfied are you with the following aspects of your community? First, the availability of full-time jobs that pay well. Are you...

JOBSBEN: The availability of jobs that provide good benefits, such as health insurance?

SCHOOLS: The quality of schools?

HIGHWAY: The road and highway system leading from our community to larger cities?

PASTCON: All in all, over the past 5 years would you say that, in general, your community has become more or less desirable as a place to live or has it stayed about the same?

FUTRCON: In the next two years or so, would you say that economic conditions (like jobs, income) in your community are likely to become...

To examine specific local quality of life factors, employment conditions in each

community are rated in two variables, JOBSPAY and JOBSBEN. JOBSPAY gauges

local satisfaction with availability of jobs that pay well, whereas JOBSBEN rates

perception of local access to position with benefits such as health insurance. Two questions to measure satisfaction with local public services and infrastructure: SCHOOLS, rates satisfaction with the quality of local schools; and HIGHWAY rates public opinion on highway access to regional cities. PASTCON, examines public satisfaction with the local community as becoming a more or less desirable place to live over recent years. FUTRCON rates opinions of likely future local economic conditions.

In relation to the questions regarding transportation access and employment, a third set of data details the commuting patterns of local residents as an indicator of local employment opportunity. Variables commuting time (MINUTES) and miles to work (MILES) and county locations for place of work, are used to construct a hypothesis regarding a generalized spatial division of labor for these communities.

5.2.2 Survey Respondent Characteristics

Telephone interviews were performed by the Scripps Survey Research Center at Ohio University in Athens, Ohio. Potential respondent phone numbers were selected at random from local zip codes in each case-study area. A sample of 500 complete responses was selected from 639 surveys for the three study communities—139 surveys were incomplete and eliminated from the final data set. Of these 500 completed surveys 212 are from Dresden-Frazeysburg, 132 from Jackson-Wellston, and 156 from Nelsonville. Demographic characteristics of general survey and each sample community are found in Table 5.1.

In general, survey respondents were majority middle-aged, female and almost all were Caucasian. Most respondents were married and only one-third had children in the household. Overall sixty per cent were educated up to the high school level, while forty per cent were had at least some college education or higher. Sixty per cent were also married or voluntarily cohabitating, with fifteen per cent who had never married, and twenty-five per cent formerly married. The median income category for total respondents was between \$20,000 to \$25,000, annually.

Among the three communities, characteristics of age, gender, ethnicity, and education are nearly identical between Jackson and Dresden. Nelsonville respondents tend to be younger more predominantly female, more likely to be unmarried, slightly more ethnically diverse, more highly educated, and with lower median income. The number of Hocking College students in the population explains variations in the Nelsonville sample. Many of the students live off-campus in town and were accessible to telephone surveyors. The proximity of Ohio University, fifteen miles away in Athens is another factor that may affect the Nelsonville sample demographic.

By comparison to 2000 Census data, the sample population appears to be similar with the exception of gender. Percentage comparisons are presented in Table 5.2. At the time of this study, 2000 place-level census data for Ohio is only available for: gender, age, ethnicity, number of children in the household, and commute, in minutes, to work. By contrast, in all three community samples gender variation, averages seventeen per cent higher in females than the census statistics. Explanation for the gender bias lies in the sampling methods of the phone survey center. No purposeful discrimination based upon gender was made at the start of each phone interview. Eveland, et al. (2002) reports that women tend to be more willing participants than men, by a ration of 3:2, when telephone surveys are selected randomly from the general public.

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Demographic Characteristics of Respondents

	Total	Dresden	Jackson	Nelsonville
Gender				
Male	31.8%	31.6%	35.1%	29.3%
Female	68.2%	68.4%	64.9%	70.7%
Median Age	48	50	48	43
Median Income	22500.0	22500.0	27500.0	17000.0
Ethnicity				
African-Amer.	0.5%	0.8%	0.6%	0.0%
Caucasian	94.5%	98.7%	95.7%	88.0%
Hispanic	0.7%	0.0%	0.0%	2.2%
Asian-Amer.	0.0%	0.0%	0.0%	0.0%
Native Amer.	2.9%	0.0%	3.1%	6.5%
Other	0.7%	0.4%	0.0%	1.6%
Refused	0.7%	0.0%	0.6%	1.6%
Children in Household				
No	66.6%	66.0%	62.1%	71.2%
Yes	33.4%	34.0%	37.9%	38.8%
Education				
High School or Lower	60.1%	59.8%	64.4%	56.6%
College or Higher	39.6%	39.7%	35.0%	43.4%
Other	0.3%	0.4%	0.6%	0.0%
Marital Status				
Never Married	14.5%	6.6%	14.6%	25.3%
Married or Cohabitate	60.0%	71.6%	60.0%	44.2%
Separated, Divorced,				
or Widowed	25.5%	21.8%	25.4%	30.5%
Commuting				
Average Miles to Work	16.6	18.0	17.4	13.5
Average Minutes to Work	20.5	22.3	21.0	17.2

 Table 5.1:
 Survey respondent demographics by community.
Comparison of Sample to 2000 Census Data

	Dresden		Jackson		Nelsonville	
Gender	Census	Survey	Census	Survey	Census	Survey
Male	45.5%	31.6%	46.0%	35.1%	52.9%	29.3%
Female	54.5%	68.4%	54.0%	64.9%	47.1%	70.7%
Median Age (over 18)	49.5	50.0	48.9	48.0	43.0	43.0
Ethnicity						
African-Amer.	0.2%	0.8%	0.6%	0.6%	2.8%	0.0%
Caucasian	99.6%	98.7%	98.8%	95.7%	96.4%	88.0%
Hispanic	0.5%	0.0%	0.9%	0.0%	1.2%	2.2%
Asian-Amer.	0.0%	0.0%	0.3%	0.0%	0.5%	0.0%
Native Amer.	0.1%	0.0%	0.5%	3.1%	1.2%	6.5%
Children in Household						
No	70.8%	66.0%	69.1%	62.1%	76.5%	71.2%
Yes	29.2%	34.0%	30.9%	37.9%	23.5%	38.8%
Commuting						
Average Minutes to Work	20.1	22.3	22.7	21.0	25.1	17.2

Table 5.2:Sample comparison to 2000 Census data.

5.2.3 Variance tests

To describe distinctions between case studies based upon agreement with local development strategies and public satisfaction with quality of life factors, statistical variance tests are used to examine differences among the three case study communities for each question. Kruskal-Wallis and analysis of variance (ANOVA) measure the statistical variations *among the three communities*. The Wilcoxon Rank Sum W (Wilcoxon) and Tukey Honestly Significantly Different (Tukey HSD) test are used to determine variability *between each community* in pairwise comparisons. In addition

linear regression analysis is performed to test variability between communities while controlling for the social characteristics of the sample respondents.

Kruskal-Wallis is a non-parametric test used to compare mean differences of ordinal data variables, such as the Lickert-scale responses in the development of the questions in this section. Under the assumption of a continuous distribution in each group, the Kruskal-Wallis test ranks each observation and determines variability between mean rank values. The formula is:

$$H = \frac{12}{N(N+1)} \sum_{i=1}^{k} \frac{R_i^2}{n_i} - 3(N+1)$$

N = total number of observations in all three communities $n_i =$ number of observations in community i $R_i =$ sum of ranks in community i

Figure 5.1: Kruskal-Wallis statistic (after McGrew and Monroe 1993).

ANOVA is generally used to test variability of means in nominal data, such as commuting miles and minutes to work. The statistic tests variability between multiple populations by comparing sample means between the separate groups and within each individual group. To derive the F-statistic, a ratio of between-group variability, divided by within-group variability is used:

$$F = \frac{MS_B}{MS_W}$$

 MS_B = mean squares between communities MS_W = mean squares within communities

Figure 5.2: ANOVA test statistic (after McGrew and Monroe 1993).

ANOVA test assumes that each group is normally distributed and all have equal sample variances. Generally, ANOVA measures interval or ratio scale data sets, however other applications are possible (Norusis 2000; McGrew and Monroe 1993). For the Lickert scale ordinal variables in this research, ANOVA is performed as a backup check of rank-based analysis accuracy.

The Wilcoxon statistic is used to test relationships between each of the two communities Like the Kruskal-Wallis test, the Wilcoxon is used for non-parametric data. This test ranks responses and determines the statistical variance of ranks within the data set. The test statistic:

$$Z_{W} = \frac{W_{i} - \overline{W}_{i}}{s_{W}}$$

$$W_{i} = \text{sum of ranks from community } i$$

$$\overline{W_{i}} = \text{the mean of } W_{i}$$

$$s_{W} = \text{the standard deviation of } W$$

Figure 5.3: Wilcoxon test statistic (after McGrew and Monroe 1993).

In this analysis, the Wilcoxon test is used to examine the cases of significant variance found in the ANOVA and Kruskal-Wallis test. Wilcoxon Z-score will show where two community distributions are either similar or varied. One, two, or all three paired comparisons can have significant variance and indicate the nature of observed variance in the three-way comparison.

As a second analysis of the statistical variation between individual places, the Tukey HSD was performed to test the mean variation of each community against the other two community means. This pairwise process varies from the Wilcoxon statistic as the Tukey HSD utilizes the principle of a studentized range distribution where the number of means being compared is integrated into the determination of the critical value of a t statistic (Lane 2003):

$$t_s = \frac{M_i - M_j}{\sqrt{\frac{MSE}{n_h}}}$$

 $M_i - M_j$ = difference between communities *i* and *j* means MSE = the mean square error n_h = the harmonic mean of sample sizes from *i* and *j*

Figure 5.4: Tukey HSD statistic (after Lane 2003).

In this analysis the Tukey HSD is used as a post hoc subset of the ANOVA. The Tukey t_s score will show will show where two community distributions are either similar

or varied. These results are analyzed in conjunction with the ANOVA and Kruskal-Wallis statistics among the communities and directly with the Wilcoxon results for comparison between community pairs. These tests of variability are meant to give a more comprehensive picture of the differences between places with regard to and in light of the predominant development strategies in each community. Discussion of regression analysis is located in section 5.3.2.

5.3 Analytical Results

This section is organized into two primary subsections. The first a report of general findings (5.3.1) with percentage data and variance statistics: 1) a comparison of variations regarding public agreement with development strategies between each community (5.3.1.1); and 2) a community comparison of public satisfaction with development outcomes (5.3.1.2), which is appended by an analysis of local commuting patterns (5.3.1.3). The second primary subsection (5.3.2) is a regression analysis of the general findings that shows the variability between communities controlling for the factors of gender, age, marital status, income group, education level, and housing status. As respondent characteristics in the sample data did not closely represent the larger known population, this additional analysis was performed to compare variability between communities controlling for these factors. This is followed by a concluding discussion of the chapter (5.4).

5.3.1 General Findings

In the following segments statistical similarities and contrasts between communities regarding local development strategy and quality of life variables are

examined using percentage results and the variance tests described in section 5.2.3. Public opinion appears to support local development strategies as expressed by local growth coalitions. Simple examination of the percentage response data reveals majority public support regarding development of existing community businesses (CMTYBUS), attraction of businesses external to the community (EXTNBUS), increasing tourism (TOURISM), and state and federal investment (PUBLIC\$). In each community growth strategy there are efforts to promote local business, increase investment from outside the community and to attract tourism, although it is less important in the Jackson case. The most striking contrast is the general public concern with employment opportunities in local communities. A large number of survey respondents expressed their dissatisfaction with the availability of local jobs that pay well (JOBSPAY) and provide benefits (JOBSBEN). Increased local employment opportunities are an anticipated outcome of each local development strategy. The results show that sufficient volumes of high benefit job opportunities for local residents have not been created as a result of local development efforts. Examination of commuting data supports this finding as many respondents, travel outside of town for daily work. This analysis describes commuting patterns of local residents as a description of local employment conditions and is intended to give some perspective on quality of life factors and the structure of local labor pools.

5.3.1.1 Public Agreement with Local Development Strategies

In general ANOVA and Kruskal-Wallis test statistics (Table 5.4) show no variation among the three communities in CMTYBUS and EXTNBUS variables. These development strategies, developing current local industries (CMTYBUS) and attracting

Total	CMTYBUS	EXNTBUS	PRISONS	TOURISM	PUBLIC\$	GLOBAL-	GLOBAL+
Strongly Disagree	1.2%	2.0%	25.6%	2.2%	1.4%	2.8%	10.8%
Disagree	8.4%	12.9%	43.5%	10.2%	15.2%	18.1%	40.7%
Neutral	10.8%	9.4%	10.2%	8.1%	7.5%	7.8%	13.6%
Agree	65.6%	55.7%	14.4%	57.7%	53.6%	48.0%	17.2%
Strongly Agree	11.4%	16.1%	2.2%	19.1%	17.2%	16.7%	3.0%
Don't Know	2.7%	3.9%	4.1%	2.8%	5.1%	6.6%	14.8%
Dresden	CMTYBUS	EXNTBUS	PRISONS	TOURISM	PUBLIC\$	GLOBAL-	GLOBAL+
Strongly Disagree	0.0%	2.3%	33.8%	2.3%	2.8%	1.4%	11.8%
Disagree	8.5%	17.8%	46.5%	8.5%	26.8%	25.6%	39.8%
Neutral	11.3%	7.5%	3.8%	5.2%	8.5%	5.2%	12.3%
Agree	60.1%	50.7%	10.3%	56.8%	40.8%	41.2%	20.4%
Strongly Agree	15.0%	15.5%	1.4%	25.4%	14.6%	19.4%	3.3%
Don't Know	5.2%	6.1%	4.2%	1.9%	6.6%	7.1%	12.3%
Jackson	CMTYBUS	EXNTBUS	PRISONS	TOURISM	PUBLIC\$	GLOBAL-	GLOBAL+
Strongly Disagree	1.5%	1.5%	15.6%	1.5%	0.7%	1.5%	0.8%
Disagree	8.8%	6.7%	51.1%	14.8%	9.0%	22.0%	42.4%
Neutral	8.8%	10.4%	14.1%	10.4%	6.7%	10.6%	17.4%
Agree	74.3%	63.0%	12.6%	59.3%	64.2%	47.7%	17.4%
Strongly Agree	6.6%	15.6%	1.5%	10.4%	15.7%	9.8%	2.3%
Don't Know	0.0%	3.0%	5.2%	3.7%	3.7%	8.3%	19.7%
Nelsonville	CMTYBUS	EXNTBUS	PRISONS	TOURISM	PUBLIC\$	GLOBAL-	GLOBAL+
Strongly Disagree	2.5%	1.9%	23.1%	2.5%	0.0%	5.7%	17.7%
Disagree	8.0%	11.7%	33.1%	8.8%	5.0%	5.0%	40.5%
Neutral	11.7%	11.1%	15.6%	10.0%	6.9%	8.8%	12.0%
Agree	65.4%	56.2%	21.3%	57.5%	61.9%	57.2%	12.7%
Strongly Agree	10 50/	17 20/	2 00/	10 10/	21.00/	10.00/	2 20/
0,0,0,0	10.5%	1/.3%	3.8%	18.1%	21.9%	18.9%	5.270

Percentage Data on Development Pathway Variables

 Table 5.3:
 Percentage results of local development strategy questions.

	ANO	VA	Kruskal-Wallis Test	
Variable	F	Signif.	Chi-Square	Signif.
CMTYBUS	0.899	0.408	1.754	0.416
EXTNBUS	2.948	0.053	3.502	0.174
TOURISM	4.667	0.01	13.234	0.001
PUBLIC\$	21.459	0	30.259	0
PRISONS	11.457	0	23.65	0
GLOBAL-	3.954	0.02	8.49	0.014
GLOBAL+	3.962	0.02	10.113	0.006

Mean Variance Among Three Communities

Bold statistics are significant at 95% confidence.

Table 5.4: Statistical variance results among the three communities.

	Dresden-Jackson	Jackson-Nelsonville	Dresden-Nelsonville			
Variable	Z-score	Z-score	Z-score			
CMTYBUS	-1.26	-0.36	-0.89			
EXTNBUS	-1.81	-0.66	-1.17			
TOURISM	-3.60	-1.73	-1.86			
PUBLIC\$	-3.47	-1.71	-5.15			
PRISONS	-3.87	-0.84	-4.25			
GLOBAL-	-1.00	-3.08	-1.87			
GLOBAL+	-1.32	-3.23	-2.03			
Bold statistics are significant at 95% confidence.						

Mean Varience Betweeen Two Communities: Local Development Pathways

Table 5.5: Wicoxon test of development pathways between communities.

Dependent	(1)	(j)	Mean	Sig.	
Variable			Difference (i-j)		
CMTYBUS	Duradan	Jackson	0.111	0.429	
	Diesden	Nelsonville	0.083	0.595	
	T 1	Dresden	-0.111	0.429	
	Jackson	Nelsonville	-0.028	0.953	
	NT 1 '11	Dresden	-0.083	0.595	
	Nelsonville	Jackson	0.028	0.953	
EXTNBUS	D 1	Jackson	-0.255	0.050	*
	Dresden	Nelsonville	-0.156	0.282	
	Testara	Dresden	0.255	0.050	*
	Jackson	Nelsonville	0.098	0.665	
	NT-1	Dresden	0.156	0.282	
	Nelsonville	Jackson	-0.098	0.665	
TOURISM	Draadan	Jackson	0.318	0.007	*
	Dresden	Nelsonville	0.147	0.305	
	Testara	Dresden	-0.318	0.007	*
	Jackson	Nelsonville	-0.171	0.278	
	Malaamuilla	Dresden	-0.147	0.305	
	Nelsonville	Jackson	0.171	0.278	
PUBLIC\$	Durali	Jackson	-0.465	0.000	*
	Dresden	Nelsonville	-0.638	0.000	*
	Indenau	Dresden	0.465	0.000	*
	Jackson	Nelsonville	-0.173	0.282	
	Malaamuilla	Dresden	0.638	0.000	*
	Nelsonville	Jackson	0.173	0.282	
PRISONS	Draadan	Jackson	-0.358	0.008	*
	Diesden	Nelsonville	-0.518	0.000	*
	Indenau	Dresden	0.358	0.008	*
	Jackson	Nelsonville	-0.160	0.416	
	NT-1	Dresden	0.518	0.000	*
	Nelsonville	Jackson	0.160	0.416	
GLOBALN	Draadan	Jackson	0.081	0.791	
	Diesden	Nelsonville	-0.261	0.066	
	Indenau	Dresden	-0.081	0.791	
	Jackson	Nelsonville	-0.343	0.026	*
	Nalsonvilla	Dresden	0.261	0.066	
	neisonville	Jackson	0.343	0.026	*
GLOBALP	Dresden	Jackson	-0.131	0.568	
	Diesuell	Nelsonville	0.243	0.107	
	Indean	Dresden	0.131	0.568	
	Jackson	Nelsonville	0.373	0.019	*
	Nelsonville	Dresden	-0.243	0.107	
	TNEISUIIVIIIE	Jackson	-0.373	0.019	*

Tukey HSD Comparisons

* the mean difference is significant at the .05 level.

Table 5.6: Tukey HSD test of development pathways between communit	ies.
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external capital investment (EXNTBUS), follow local development strategies in each case study. Only Dresden shows a minor variation in terms of decreased interest in external investment—this can be attributed to the local ownership and high levels of satisfaction with the locally owned Longaberger Basket Company. Statistical variability among all locations is detected in responses for TOURISM, state-sponsored development (PUBLIC\$) and prisons as employment generators (PRISONS,) global trade as harmful to local development (GLOBAL-) and global trade as beneficial (GLOBAL+). Interpretation of these variations is in the following section.

Test statistics show no variation among the three communities in CMTYBUS. Preservation of the current local economic structure is a majority concern for respondents. Between the three communities, 77% of respondents confirm the general public concern for maintaining existing economic structures. Embedded local economic activities are viewed as positive regardless of local development patterns. Likewise, Tukey HSD (Table 5.6) shows only a slight variation between the three communities in EXNTBUS. Although Nelsonville and Jackson respondents are strongly in favor of external investment, Dresden respondents seem least concerned with attracting outside corporations. Local ownership and place specificity of its products lend to Longaberger's prominence in the labor market, which may have an effect on public confidence in the local economic structure. Successful local private capital development, such as the Longaberger case, may have some negative influence on public interest in external private capital investment.

Although test statistics show a positive response to tourism as a means development, the results vary significantly among communities. All three communities 177

were highly in favor and have similar response patterns, yet both pairwise variance tests (Tables 5.5 and 5.6) show significant differences between Jackson and Dresden. Jackson respondents, majority (69.7%) in favor of tourism, were significantly higher in terms of disagreeing responses (16.3% disagreement) relative to the other communities. Jackson's lack of significant tourist attractions and remoteness from large population centers may be a reality understood by some respondents. Tourism does not factor into the overall development scheme purported by Jackson County's development officials. Local embeddedness plays some role in regional tourism and local traditions, such as the county apple festival. Apple motifs adorn street signs and the Jackson water tower despite the fact that apples were last harvested commercially in the county nearly twenty years ago.

Nelsonville and Dresden are highly dependent upon tourism as a factor in local development. Test statistics between the two communities indicate the similarities in public agreement. Nelsonville's tourist industry is seasonal peaking during fall hunting season and the autumn tree foliage that attracts ridership on the Hocking Valley Scenic Railroad. Retail and consumer services associated with hunters and tourists are the premise for plans to attract tenants to the Town Center by creating a pedestrian outlet mall. Dresden, by comparison, is fully engage in year round tourist-based retailing. Dresden respondents were the highest, at 82.2%, in agreement that tourism is an important development pathway.

Although there is significant statistical variation between communities regarding public investment (PUBLIC\$), all thee communities show majority support for state and federal public investment and discontent regarding prisons (PRISONS) as a local public service development. ANOVA and Kruskal-Wallis test show response to state and 178

federal public capital investment for local development (PUBLIC\$) are varied among the three communities. Jackson and Nelsonville share similar response patterns, whereas Dresden displays a separate trajectory as it shows significant variance in both pairwise tests. Jackson residents, majority (79.9%) in agreement to the statement, are aware of significant federal capital investments in the regional highway system, rail system and utility services in the area. Nelsonville also has benefited from significant public investment in education and correctional institutions. It stands to reason that community members in both locales would favor further forms of public investment.

Dresden, with 29.6% disagreement and comparatively lower, 55.4% agreement, has not received the level of public investment as have the other two—with the exception of recent regional road expansion projects. The prominence of Longaberger and local merchants as local private capital employers may also diminish local interest in public capital investment. It is also possible that conservative politics associated with private capital development has some overall effect on attitudes towards public funding by promoting 'smaller' governance and minimizing public entitlements.

In PRISONS, there is a significant difference between the three communities in terms of prisons as means of improving local employment conditions, as shown in the ANOVA and Kruskal-Wallis results. Traditionally prisons are viewed as a detriment to community identity. In Nelsonville, with five local correctional institutions, a majority of respondents are against prisons as a form of local development. However, relative to the Jackson and Dresden cases, Nelsonville has a much higher agreement rate on prisons as a viable development option. Variance between communities is not clear in this case. With regard to both PUBLIC\$ and PRISONS data, respondents may recognize employment from state sponsored institutions in Nelsonville, including Hocking College, as an important source of service employment. New prison construction is an extreme case of state-led local employment development. Despite positive effects of employment and local multiplier effects, state-operated industries such as waste management, military bases, prisons and airports can have negative social and environmental downsides for rural communities. However, these activities, when integrated into a larger development scheme, may not lead to local identity problems. Nelsonville is not known as a 'prison town:' Rocky Boots and tourism dominate community identity even though prisons play a significant positive role in local employment and state investment.

Public agreement is majority in the negative regarding global trade's past effects (GLOBAL-) on the local economy, with similar majority skepticism of global trade's ability to benefit the future in the future (GLOBAL+). All three communities are in majority agreement about patterns of global trade negatively affecting local employment. In GLOBAL-, Nelsonville varies significantly in terms of little disagreement with the statement, at 10.7%. By comparison, in Jackson and Dresden roughly a quarter disagrees with the statement. The low level of disagreement on the impact of global trade in Nelsonville is likely associated with the recent shift of Rocky Boot's manufacturing operations to the Caribbean. For GLOBAL- significant variance between Jackson and Nelsonville cases is shown in the pairwise comparisons.

Global trade is perceived in all of the case study areas as having a negative effect on local employment. Proof of actual local employment loss in Dresden and Jackson may be harder to come by. The Kuppenheimer sewing plant closure in Wellston is the 180 only case in recent decades of global employment competition negatively affecting either of these two study areas. This collective negative attitude toward global trade may have more regional or national roots as the basis of this perception.

An obverse result is found in response to GLOBAL+ and comparisons between communities are similar to GLOBAL-. One difference is Nelsonville's 5% increase on this question in support for global trade as beneficial; a variance which is indicated in the pairwise comparison with Jackson and the Wilcoxon statistic with Dresden for GLOBAL+. The most significant change between the two questions is the increase in uncertainty between GLOBAL- and GLOBAL+. 'Don't Know' responses (see Table 5.3) averaged 6.6% in GLOBAL- and jumped to 14.8% in GLOBAL+ and neutral responses went from 7.8% to 13.6% respectively. Over 50% of total respondents find that global trade is neither helpful nor potentially beneficial. Conversely, 20% find globalization as locally advantageous and nearly 30% express uncertainty. Dresden and Jackson, with wholly private capital-based development patterns and sustained manufacturing at the core of local industry, appear more open to the possibilities of global exchange.

5.3.1.2 Public Satisfaction with Local Quality of Life Factors

Percentage results for quality of life questions are presented in Tables 5.7 and 5.8, and are followed by variance test results in Tables 5.9 through 5.11. In the variables regarding public satisfaction of development outcomes, there is statistical similarity among localities only in data on future community economic conditions (FUTRCON). Statistical variability between locations is detected in responses on past local desirability

Total	PASTCON		FUTRCON
Less Desirable	13.8%	Much Worse	4.5%
About the Same	38.1%	Worse	21.6%
More Desirable	44.5%	About the Same	43.4%
Don't Know	3.6%	Better	20.2%
		Much Better	1.4%
		Don't Know	8.9%
Dresden	PASTCON		FUTRCON
Less Desirable	9.1%	Much Worse	5.6%
About the Same	33.0%	Worse	16.3%
More Desirable	52.6%	About the Same	47.0%
Don't Know	5.3%	Better	18.6%
		Much Better	0.9%
		Don't Know	11.6%
Jackson	PASTCON		FUTRCON
Less Desirable	6.2%	Much Worse	4.4%
About the Same	36.9%	Worse	25.5%
More Desirable	55.4%	About the Same	34.3%
Don't Know	1.5%	Better	24.8%
		Much Better	2.9%
		Don't Know	8.0%
Nelsonville	PASTCON		FUTRCON
Less Desirable	26.5%	Much Worse	3.1%
About the Same	45.8%	Worse	25.3%
More Desirable	24.5%	About the Same	46.3%
Don't Know	3 20%	Better	18.5%
	5.270	20000	10.070
	5.270	Much Better	0.6%
	5.270	Much Better Don't Know	0.6% 6.2%

Percentage Data on Quality of Life Variables, Part 1

Table 5.7:Percentage data on quality of life variables, part 1.

Total	JOBSPAY	JOBSBEN	SCHOOLS	HIGHWAY
Very Satisfied	2.4%	3.0%	17.7%	12.9%
Satisfied	21.7%	24.5%	45.0%	48.9%
Neutral	14.5%	11.8%	10.5%	5.5%
Dissatisfied	36.9%	38.6%	15.5%	17.8%
Very Dissatisfied	19.3%	15.1%	4.8%	13.9%
Don't Know	5.2%	7.0%	6.5%	1.0%
Dresden	JOBSPAY	JOBSBEN	SCHOOLS	HIGHWAY
Very Satisfied	4.3%	5.2%	29.5%	26.2%
Satisfied	35.7%	35.7%	51.0%	57.1%
Neutral	20.0%	14.3%	3.3%	5.7%
Dissatisfied	23.8%	29.5%	9.0%	6.2%
Very Dissatisfied	10.0%	9.5%	1.9%	3.8%
Don't Know	6.2%	5.7%	5.2%	1.0%
Jackson	JOBSPAY	JOBSBEN	SCHOOLS	HIGHWAY
Very Satisfied	0.8%	0.0%	13.7%	5.4%
Satisfied	18.2%	24.2%	44.3%	68.5%
Neutral	12.9%	12.1%	13.7%	6.9%
Dissatisfied	41.7%	39.4%	20.6%	12.3%
Very Dissatisfied	20.5%	14.4%	5.3%	6.2%
Don't Know	6.1%	9.8%	2.3%	0.8%
Nelsonville	JOBSPAY	JOBSBEN	SCHOOLS	HIGHWAY
Very Satisfied	1.3%	2.6%	5.2%	1.3%
Satisfied	5.8%	9.6%	37.4%	21.3%
Neutral	8.3%	8.3%	17.4%	3.9%
Dissatisfied	50.6%	50.0%	20.0%	38.1%
Very Dissatisfied	30.8%	23.1%	8.4%	34.2%
Don't Know	3.2%	6.4%	11.6%	1.3%

Percentage Data on Quality of Life Variables, Part 2

Table 5.8:Percentage data on quality of life variables, part 2.

	ANO	VA	Kruskal-Wallis Test		
Variable	F	Signif.	Chi-Square	Signif.	
PASTCON	28.341	0	49.042	0	
FUTRCON	0.58	0.561	1.224	0.542	
JOBSPAY	48.064	0	79.556	0	
JOBSBEN	26.808	0	47.751	0	
SCHOOLS	31.708	0	63.153	0	
HIGHWAY	136.885	0	167.082	0	

Mean Variance Among Three Communities

Bold statistics are significant at 95% confidence.

Table 5.9: Statistical variance results among the three communities

	Dresden-Jackson	Jackson-Nelsonville	Dresden-Nelsonville	
Variable	Z-score	Z-score	Z-score	
PSTCON	-0.43	-5.98	-6.10	
FUTCON	-0.29	-0.96	-0.93	
JOBPAY	-5.27	-3.11	-8.61	
JOBBEN	-3.54	-3.04	-6.75	
SCHOOL	-5.21	-2.11	-7.63	
HIGHWY	-4.47	-8.82	-11.98	
Bold statistics are significant at 95% confidence.				

Mean Varience Betweeen Two Communities: Local Quality of Life Indicators

Table 5.10: Wicoxon test quality of life indicators between communities.

Dependent	(<i>i</i>)	(j)	Mean	Significance
Variable			Difference (i-j)	
PASTCON	Davidan	Jackson	-0.044	0.832
	Dresden	Nelsonville	0.487	0.000 *
	T 1	Dresden	0.044	0.832
	Jackson	Nelsonville	0.531	0.000 *
	NL-1	Dresden	-0.487	0.000 *
	Nelsonville	Jackson	-0.531	0.000 *
FUTRCON	Duradau	Jackson	-0.047	0.882
	Dresden	Nelsonville	0.064	0.775
	Indraan	Dresden	0.047	0.882
	Jackson	Nelsonville	0.111	0.537
	Nalconvilla	Dresden	-0.064	0.775
	Nelsonvine	Jackson	-0.111	0.537
JOBSPAY	Draadan	Jackson	-0.688	0.000 *
	Diesden	Nelsonville	-1.073	0.000 *
	Indraam	Dresden	0.688	0.000 *
	Jackson	Nelsonville	-0.385	0.007 *
	Malaanvilla	Dresden	1.073	0.000 *
	Nelsonvine	Jackson	0.385	0.007 *
JOBSBEN	Draadan	Jackson	-0.475	0.000 *
	Diesden	Nelsonville	-0.855	0.000 *
	Indraan	Dresden	0.475	0.000 *
	Jackson	Nelsonville	-0.380	0.013 *
	Malaanvilla	Dresden	0.855	0.000 *
	Inelsoliville	Jackson	0.380	0.013 *
SCHOOLS	Dresden	Jackson	-0.616	0.000 *
	Diesdell	Nelsonville	-0.905	0.000 *
	Jackson	Dresden	0.616	0.000 *
	Jackson	Nelsonville	-0.289	0.072
	Nelsonville	Dresden	0.905	0.000 *
	INCISOIIVIIIC	Jackson	0.289	0.072
HIGHWAY	Dresden	Jackson	-0.419	0.001 *
	Diesuell	Nelsonville	-1.805	0.000 *
	Jackson	Dresden	0.419	0.001 *
	JACKSUII	Nelsonville	-1.386	0.000 *
	Nelconville	Dresden	1.805	0.000 *
	1 NOISOIIVIIIC	Jackson	1.386	0.000 *

Tukey HSD Comparisons

* the mean difference is significant at the .05 level.

Table 5.11: Tukey HSD test results for quality of life variables.

factors (PASTCON), availability of well-paid employment (JOBSPAY), availability of employment that provides health benefits (JOBSBEN), local school quality (SCHOOLS), and regional highway connectivity (HIGHWAY). In general, these results show that public satisfaction with local employment opportunities and benefits is marginal to low. However, the data suggests public satisfaction with public services and infrastructure tends to be high, with the exception of highways in Nelsonville.

There is no significant variance between the three communities in FUTRCON. Respondents appear generally torn over the possible outcomes of local development strategies in light of global economic conditions. Overall, the study areas appear not to express a consensus regarding near-term, future local economic prospects. In PASTCON, Nelsonville is also generally undecided about perspectives regarding past community performance and livability, however Dresden and Jackson share a majority view (52.6% and 55.4%, respectively) that community conditions have improved in recent years. Likewise paired variance statistics show significant differences in the responses between Nelsonville and the other two communities. This parallels the relatively high levels of 'satisfied' responses for many Dresden and some Jackson residents with regard to the quality of available jobs as seen in JOBSPAY. Yet, dissatisfaction ranks highly in Jackson and Nelsonville. Unlike Dresden, these communities have large numbers of low-benefit hourly retail and consumer service jobs—Jackson does have some high-benefit manufacturing positions whereas similar positions in Nelsonville have been eliminated.

Dresden has, by virtue of Longaberger, a large number of high-benefit full-time manufacturing positions. Likewise retailing in Dresden is commonly owner-operated,

which tends to produce higher employee satisfaction that consumer service employment in externally owned firms such as fast food restaurants. Nelsonville's struggle to develop suitable employment for all local residents is clearly indicated in the percentage data. The late-restructuring period demise of labor-intensive manufacturing and transition to a wholly service-based economy has produced low-levels of public confidence in local development schemes.

The quality of employment is further compared in JOBSBEN. In close relation to JOBSPAY, there is no statistical similarity in responses among the communities, nor are any commonalties found between any two, with one exception. Dissatisfaction with the availability of benefited employment is very clear in Nelsonville and evident in Jackson, however a much larger proportion of Jackson respondents were either neutral or in agreement that local positions provided the pay and benefits of local jobs. Dresden with over 39% satisfied has a much lower response as dissatisfied. Regression analysis also shows a negative correlation between age and satisfaction with pay and employment. Younger respondents tend to be more satisfied with job earnings across the three communities and older workers may have fewer opportunities to increase pay.

Benefited employment is a significant area of deficiency for all three communities. Health insurance as a paid benefit is only available to full-time employed workers (over 32 hours per week) and is not required for workers in small business. Underemployed workers, who hold one or multiple hourly jobs, often do not have access to or cannot afford company insurance plans, and simultaneously make too much money to qualify for public Medicare plans. This phenomenon, a problem in each of the study communities, is a reflection of a deficiency in the national health insurance system.

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An unexpected result is in the high rate of satisfaction with schools in each community (SCHOOLS). Current funding crisis in the state of Ohio does not seem to have registered in the response regarding the quality of local schools. A third unanticipated result was the high rate of satisfaction in the Jackson County results with the regional highway system (HIGHWAY). Popular protest regarding the status of U.S.-35 between Jackson and Chillicothe is visible in the form of numerous signs and bumper stickers touting the high number of fatalities on the heavily traveled two-lane road. This did not materialize in the percentage data.

In SCHOOLS, the perception of the quality of local schools also showed little statistical commonality among the three communities, with Jackson and Nelsonville comparison being closest as significant variation was only detected in the Wilcoxon statistic. Overall, there is a general satisfaction with local schools, an average of 62.7% expressed satisfaction of either degree. Dresden participants rated local schools extremely high compared to the other cases. Private investment in local school facilities and programs by the Longaberger Foundation improved local schools despite difficulties in ratifying district bond amendments. Jackson and Nelsonville show similar distributions in the response, and only show significant variability in the Wilcoxon statistic and Tukey HSD not indicating a variance. Nelsonville, with the lowest satisfaction by comparison, is disadvantaged by the small size of the municipal school population. Scale effects may limit the capacity of modest amounts public capital to effect school quality. Respondents in rental and leased housing appear to approve of the quality of local school and homeowners appear to be less satisfied.

Public response to HIGHWAY regarding accessibility to regional cities shows significant variability among communities. Similar to the JOBS statistics, the comparison of Jackson and Nelsonville shows the least variation. Local development officials identify two-lane sections along regional corridors to Columbus as bottlenecks, hindering access. This does not appear to match the public sentiment in either the Jackson or Dresden case. Nelsonville's response is likely skewed to the negative by the social unrest caused by the planned by-pass around the city limits.

For all communities regional highway connectivity create access to services in other locations, however, significant travel time may be required. A regional mall, medical specialist, or commercial airport may take 90 minutes to reach. Job locations for some skilled and professional labor can be found in regional cities while residences are maintained locally, despite a three-hour roundtrip daily commute. Neither the distances nor the deficiencies in regional road networks appear to affect respondents in Dresden or Jackson. In this next section, commuting patters in the case study communities are examined to look at relationships with local employment concerns.

5.3.1.3 Commuting Patterns

In relation to the results concerning public perception on local employment opportunities, commuting data suggest that a sufficient number of employment positions are not available in the case study communities. On average 42% of all respondents travel fifteen or more miles to work on a daily basis¹³ (see Figure 5.5). Such a significant

¹³ Sample populations for the phone survey were selected from zip codes that cover each municipality and some surrounding areas. Fifteen miles of travel would likely put the workers outside of their local municipality



Average Miles to Work

Figure 5.5: Average commuting miles to work for all communities.

portion of workers going to other locations possibly indicates insufficient potential employment in these case study communities.

This hypothesis regarding limited local employment assumes, however, that individuals prefer to live and work in the same community. Regional labor markets may also have some effect on employment locations. Local key informants suggested that many workers were coming into the case study communities from peripheral counties to work. The same effect may hold for higher scale labor market areas. For example, a resident of Jackson may find more opportunities in larger regional service centers such as Chillicothe, Athens, or as far as Columbus.

Among the three communities there is no significant difference in the pattern of commuting on the basis of mileage to place of work (MILES) or travel time (MINUTES)

to place of work as seen in Table 5.12. There is evidence of a spatial division of labor where a comparatively larger percentage of lower-skill workers stay within local areas for employment, and a bigger percentage of higher-skill workers travel medium distances (15 to 35 miles) daily for work—Nelsonville varies in terms of local attraction of high educated workers due to the college in town. Percentage comparisons are used to examine the differences in travel to work by labor class. When travel-to-work data is cross-tabulated with data on education level, results show a noticeable spatial variation in commuting patterns between lower and higher educated groups.

	ANOVA		
Variable	Ν	F	Signif.
MILES	267	0.696	0.500
MINUTES	267	1.395	0.250

Table 5.12: AVOVA of commuting data among communities.

In Figures 5.6 to 5.9, travel time in minutes is used to illustrate these variations for the total survey and by community. In this comparison, level of education is used as a proxy for labor skill. Workers who have an education level up to a high school diploma are labeled 'secondary' and workers with some college education or higher are labeled 'collegiate'. The percentages represent the portion of the particular education classification. In each case outside of the 45 minute range there is a gap and then a number of outliers. These represent the small number of workers who travel to the Columbus metropolitan area for daily employment. To show end locations data can also



All Communites Minutes to work

Figure 5.6: Percent of secondary educated and college educated commuting minutes to place of work for all communities.



Dresden Minutes to Work

Figure 5.7: Percent of secondary educated and college educated commuting minutes to place of work for Dresden.



Jackson Minutes to Work

Figure 5.8: Percent of secondary educated and college educated commuting minutes to place of work for Jackson.



Nelsonville Minutes to Work

Figure 5.9: Percent of secondary educated and college educated commuting minutes to place of work for Nelsonville.

Dresden Commuting Patterns



Figure 5.10: Commuting patterns of Dresden respondents.

(Percentage represents portion of workers within the particular education classification.

Jackson-Wellston Commuting Patterns



Figure 5.11: Commuting patterns of Jackson respondents.

(Percentage represents portion of workers within the particular education classification.)

Nelsonville Commuting Patterns



Figure 5.12: Commuting patterns of Nelsonville respondents.

(Percentage represents portion of workers within the particular education classification.)

be cross-tabulated with survey response regarding county of employment. In the Figures 5.10 through 5.12, county bar graphs and numerical results represent the percentage of workers within an education class that travel from case study communities to each county. If for example 10% secondary and 20% collegiate are reported for one county, it means that 10% of all secondary educated workers and 20% of all college educated workers from the case study community, work in that particular county. These maps show that although many workers may be traveling outside of their local municipality, many may still be employed within the home county or an adjacent county. There are a higher proportion of lower skilled workers working in their home county, and a larger percentage of higher skill workers in outside counties.

Among communities, Jackson and Nelsonville show a large portion of all workers staying in the county for work. Dresden workers tend to be more spread out in their work location to places such as Licking (Newark) and Coshocton Counties. This also shows the daily of a small number commuters heading to Columbus from each of the case study communities.

5.3.2 Regression Analysis of General Findings

An additional regression analysis was performed to compare variability between communities controlling for sample demographic characteristics, as some did not closely represent the census population and others were unknown at that scale. The procedure used was an ordinary least squares (OLS) linear regression. Each of the local development strategy and quality of life indicators, and commuting data were tested as dependent variables against the respondents social characteristics of: gender (SEX), age (AGE), marital status (MARRIG), household income category (INCOME), education level (EDUCATE), and housing status (HOUSING); as independent variables. As stated in section 5.2.2, the respondent sample demographic characteristic of gender is significantly different from the overall local population. The selection of SEX as an independent variable is aimed at factoring gender bias in the sample for community comparison. Likewise, the other independent variables were chosen to account for respondent demographic biases to better understand the statistical similarities and differences between communities for the dependent variables. Each community sample could be biased if a particularly strong demographic characteristic is present and controlling for local socioeconomic structure, communities can more equitably compared. To determine community variation, respondent locations were also used as independent variables. Jackson-Wellston (JACKSON) and Nelsonville (NELSONV) were used as included variables and Dresden was the excluded community used for comparison of tscores.

The independent variable data is scaled for SEX as male=0, female=1; AGE in years; MARRIG 0=never married, 1=married, or 2=divorced; INCOME is represented by the median values of household income categories ranging from to; EDUCATE 0=secondary, 1=some college or higher; HOUSING 0=rent, 1=own; JACKSON and NELSONV are 1=community resident, 0=resident of one of the other two communities. The following results are presented in sections on agreement with development strategies, satisfaction with quality of life factors and commuting data

5.3.2.1 Regression Analysis of Development Strategy Variables

Results for the dependent variables regarding local development strategies are presented in Tables 5.13 and 5.14. In CMTYBUS there are neither significant variations between communities when controlling for demographic characteristics nor are there any significant independent variables. This appears to confirm the general public support for strategies that favor businesses existing currently in the community. EXTNBUS regression is significant, but low r^2 value (0.056) shows little power as a descriptive model. Significant marriage and income variables show that the married and divorced, and higher income earners are most supportive of development strategies that incorporate external business investment. Between communities Jackson and Nelsonville are similar in their support for these strategies, whereas Dresden with a strong locally owned firm in Longaberger, is significantly different in a relative lack of support. In the statistical comparisons uncontrolled for demographic characteristics, from section 5.3.1.1, differences between Jackson and Nelsonville were not significant.

PRISONS regression is significant, but low r^2 value (0.061) shows little power as a descriptive model. In the uncontrolled comparisons significant differences were shown in both Dresden-Jackson and Dresden-Nelsonville pairings. However, when controlling for respondent social characteristics in the regression analysis, the expected significant differences between Nelsonville and the other communities is evident. Nelsonville is significantly higher in its support for correctional institutions in comparison to Dresden and Jackson. Public facilitates including prisons and Hocking College in Nelsonville have provided significant benefits in employment and state investment in the community.

CMTYBUS				EXTNBUS			
R	r^2	F	Sig.	r	r ²	F	Sig.
0.126	0.016	0.656	0.730	0.238	0.056	2.415	0.015
Independent	Standardized			Independent	Standardized		
Variable	Beta	t	Sig.	Variable	Beta	t	Sig.
SEX	0.018	0.329	0.742	SEX	-0.001	-0.024	0.981
AGE	0.041	0.612	0.541	AGE	0.063	0.961	0.337
MARRIG	0.077	1.205	0.229	MARRIG	0.137	2.179	0.030
INCOME	0.093	1.417	0.157	INCOME	0.169	2.592	0.010
EDUCATE	-0.037	-0.625	0.532	EDUCATE	-0.015	-0.265	0.791
HOUSING	-0.032	-0.500	0.617	HOUSING	0.021	0.322	0.747
JACKSON	-0.027	-0.437	0.663	JACKSON	0.126	2.076	0.039
NELSONV	0.044	0.665	0.506	NELSONV	0.129	2.010	0.045

Regression Analysis of Development Pathways, Part 1

PRISONS				TOURISM			
R	r ²	F	Sig.	r	r ²	F	Sig.
0.246	0.061	2.622	0.009	0.196	0.038	1.651	0.110
Independent	Standardized			Independent	Standardized		
Variable	Beta	t	Sig.	Variable	Beta	t	Sig.
SEX	-0.122	-2.218	0.027	SEX	0.044	0.803	0.422
AGE	-0.018	-0.280	0.779	AGE	-0.020	-0.299	0.765
MARRIG	0.107	1.724	0.086	MARRIG	0.087	1.380	0.169
INCOME	-0.029	-0.456	0.649	INCOME	0.047	0.740	0.460
EDUCATE	-0.001	-0.024	0.981	EDUCATE	0.078	1.358	0.175
HOUSING	-0.001	-0.021	0.983	HOUSING	0.031	0.495	0.621
JACKSON	0.087	1.446	0.149	JACKSON	-0.157	-2.608	0.010
NELSONV	0.216	3.386	0.001	NELSONV	-0.049	-0.773	0.440

Bold statistics are significant at .05 level.

Table 5.13: Results of regression analysis of development strategy variables, pt. 1.

PUBLIC\$				GLOBAL-			
r	r ²	F	Sig.	r	r ²	F	Sig.
0.322	0.104	4.707	0.000	0.243	0.059	2.431	0.015
Independent	Standardized			Independent	Standardized		
Variable	Beta	t	Sig.	Variable	Beta	t	Sig.
SEX	0.057	1.072	0.284	SEX	0.019	0.335	0.738
AGE	-0.053	-0.837	0.403	AGE	0.082	1.234	0.218
MARRIG	0.116	1.901	0.058	MARRIG	0.108	1.684	0.093
INCOME	0.031	0.498	0.619	INCOME	0.003	0.039	0.969
EDUCATE	-0.014	-0.249	0.803	EDUCATE	0.015	0.254	0.800
HOUSING	0.021	0.345	0.730	HOUSING	-0.028	-0.430	0.668
JACKSON	0.239	4.055	0.000	JACKSON	0.019	0.299	0.765
NELSONV	0.333	5.322	0.000	NELSONV	0.202	3.084	0.002

Regression Analysis of Development Pathways, Part 2

GLOBAL+

r	r^2	F	Sig.
0.122	0.015	0.536	0.829

Standardized		
Beta	t	Sig.
-0.055	-0.911	0.363
-0.024	-0.326	0.745
0.026	0.375	0.708
-0.051	-0.727	0.468
-0.008	-0.124	0.901
0.042	0.604	0.546
-0.019	-0.290	0.772
-0.103	-1.485	0.139
	Standardized Beta -0.055 -0.024 0.026 -0.051 -0.008 0.042 -0.019 -0.103	Standardized Beta t -0.055 -0.911 -0.024 -0.326 0.026 0.375 -0.051 -0.727 -0.008 -0.124 0.042 0.604 -0.019 -0.290 -0.103 -1.485

Bold statistics are significant at .05 level.

Table 5.14: Results of regression analysis of development strategy variables, pt. 2.

Additionally, men appear to significantly support prisons as a viable local development option as compared to women, who expectedly, are less positive.

TOURISM model is not significant, but significant differences between communities show Jackson as relatively unsupportive of tourism-based development strategies. Dresden and Nelsonville appear to have the general support of respondents regarding tourism as an integral part of their local economic development strategies. PUBLIC\$ regression is significant, and an r^2 value (0.104) shows some power as a descriptive model. Between communities, Jackson and Nelsonville show similarity in support for state and federal investment as part of growth strategies. Dresden is significantly different as reliance on Longaberger's history of private investment in the local economy possibly mask public interest in state-sponsored investment. GLOBALregression is also significant, but low r^2 value (0.059) shows little power as a descriptive model. Nelsonville appears to have significantly higher disdain for global economic exchange, as many local jobs were recently lost in Rocky's move of shoe assembly operations to the Dominican Republic. By comparison Jackson and Dresden, although negatively affected by global competition on a broader scale, have not been so directly affected. For GLOBAL+ there are neither significant variations between communities when controlling for demographic characteristics nor are there any significant independent variables. Although the uncontrolled variance tests showed significant difference between Nelsonville and the other two case study areas, this appears to confirm the general public disagreement with strategies that favor multinational business in relation to community development.

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5.3.2.2 Regression Analysis of Quality of Life Factors

Results for the dependent variables regarding quality of life factors are presented in Table 5.15. PASTCON regression is significant, and an r^2 value (0.131) shows some power as a descriptive model. Respondents with higher incomes appear to significantly support the statement that local conditions have improved in the past five years more than lower income individuals. This may indicate dissatisfaction with lower income residents with the longer-term outcomes of recent development strategies. As expected, Nelsonville residents are most dissatisfied with recent negative events such as the by-pass and the loss of manufacturing jobs at Rocky. In FUTRCON there are neither significant variations between communities when controlling for demographic characteristics nor are there any significant independent variables. This appears to confirm a general ambivalence about improvement in local job and income conditions across the three communities, possibly due to low public confidence in current development circumstances at local and macroeconomic scales.

JOBSPAY regression is significant, and an r^2 value (0.207) shows demographic characteristics have some strength as a descriptive model. Age is significant as younger residents appear to be more satisfied with local employment conditions and older workers may not have as many higher paying opportunities in the case-study communities. Jackson and Nelsonville are significant and similar in respondent dissatisfaction with pay and employment in their community--in the uncontrolled tests Jackson and Nelsonville were found to be significantly different. Significant levels or community unemployment and underemployment in low-benefit service positions may explain the dissatisfaction.
PASTCON		_		FUTRCON		_	
r	r^2	F	Sig.	r	r^2	F	Sig.
0.362	0.131	5.958	0.000	0.163	0.027	1.064	0.388
Independent	Standardized			Independent	Standardized		
Variable	Beta	t	Sig.	Variable	Beta	t	Sig.
SEX	-0.025	-0.466	0.641	SEX	-0.089	-1.560	0.120
AGE	0.021	0.336	0.737	AGE	-0.001	-0.015	0.988
MARRIG	-0.035	-0.571	0.568	MARRIG	-0.021	-0.333	0.740
INCOME	0.210	3.343	0.001	INCOME	0.049	0.731	0.465
EDUCATE	0.007	0.129	0.897	EDUCATE	0.066	1.108	0.269
HOUSING	-0.058	-0.950	0.343	HOUSING	0.000	-0.006	0.995
JACKSON	0.070	1.180	0.239	JACKSON	0.018	0.289	0.773
NELSONV	-0.227	-3.613	0.000	NELSONV	-0.063	-0.950	0.343
JOBSPAY				JOBSBEN			
r	r^2	F	Sig.	r	r^2	F	Sig.
0.455	0.207	10.373	0.000	0.354	0.126	5.586	0.000
Independent	Standardized			Independent	Standardized		
Variable	Beta	t	Sig.	Variable	Beta	t	Sig.
SEX	0.081	1.590	0.113	SEX	0.042	0.770	0.442
AGE	-0.130	-2.188	0.029	AGE	-0.101	-1.598	0.111
MARRIG	0.015	0.260	0.795	MARRIG	0.019	0.304	0.761
INCOME	-0.066	-1.123	0.262	INCOME	0.035	0.550	0.583
EDUCATE	0.003	0.061	0.951	EDUCATE	-0.053	-0.934	0.351
HOUSING	-0.043	-0.731	0.465	HOUSING	-0.049	-0.798	0.426
JACKSON	0.301	5.353	0.000	JACKSON	0.185	3.116	0.002
NELSONV	0.406	6.839	0.000	NELSONV	0.349	5.589	0.000
SCHOOLS				HIGHWAY			
r	r^2	F	Sig.	r	r^2	F	Sig.
0.421	0.177	8.212	0.000	0.629	0.396	26.668	0.000
Independent	Standardized			Independent	Standardized		
Variable	Beta	t	Sig.	Variable	Beta	t	Sig.
SEX	0.050	0.941	0.348	SEX	-0.024	-0.546	0.586
AGE	-0.068	-1.111	0.267	AGE	-0.033	-0.638	0.524
MARRIG	-0.043	-0.706	0.481	MARRIG	-0.023	-0.456	0.649
INCOME	0.052	0.829	0.408	INCOME	-0.022	-0.439	0.661
EDUCATE	0.034	0.621	0.535	EDUCATE	0.003	0.057	0.955
HOUSING	-0.153	-2.548	0.011	HOUSING	-0.088	-1.751	0.081
JACKSON	0.258	4.444	0.000	JACKSON	0.134	2.780	0.006
NELSONV	0.349	5.698	0.000	NELSONV	0.627	12.342	0.000

Regression Analysis of Quality of Life Variables

Bold statistics are significant at .05 level.

Table 5.15: Results of regression analysis of quality of life variables.

Dresden, by comparison, appears to have a more stable pay situation with positions at Longaberger and tourism-based retailers. JOBSBEN regression is significant, and an r^2 value (0.126) shows some power as a descriptive model. Age does not show significance, however there are similar patterns between communities, as in JOBSBEN, including the difference indicated in uncontrolled variance tests.

SCHOOLS regression is significant, and an r^2 value (0.177) shows demographic characteristics have some strength as a descriptive model. Respondents who did not own homes were significantly less satisfied with school quality. As gender, income and education variables were not significant, this may indicate that those with increased residential mobility and those lacking land tenure are disenfranchised from local education systems. Dresden appears to be more significantly satisfied with local schools than Jackson or Nelsonville, despite their general approval. One explanation could be the significant amount of private funding by Longaberger for the Tri-Valley school district. HIGHWAY regression is significant, and an r^2 value (0.396) shows these demographic characteristics have strength as a descriptive model in terms of satisfaction with highway connectivity. Though no demographic variables were significant, differences between communities are evident, especially with strong discontent over the by-pass situation in Nelsonville. Jackson was also significantly different from Dresden, in that Dresdeners tends to have very high regard for highway connectivity as opposed to Jackson residents who harbor some dissatisfaction, possibly based on the incomplete section of limitedaccess highway between Jackson and Chillicothe.

5.3.2.3 Regression Analysis of Commuting Data

Results for the dependent variables regarding commuting data are presented in Table 5.16. MILES regression is significant, and an r^2 value (0.139) shows some power as a descriptive model. A significant difference is revealed when controlling MILES for demographic characteristics. Male, younger and secondary educated respondents appear to travel further than females, older and more educated persons. This may be that as laborers younger, less-educated men possibly travel to job locations around the region for high-benefit manufacturing and mining jobs and to large cities to work as laborers and in construction trades. As in the uncontrolled statistics, no significant differences were seen among the communities. MINUTES regression is significant, but low r^2 value (0.094) shows some power as a descriptive model. Males again, appear to have higher travel times to place of work than females. Female members of the labor force are known to face limitations in commuting travel due to gendered domestic responsibilities and other time limiting factors (Hanson and Pratt 1995). And like MILES, no significant differences were seen among the communities.

5.4 Conclusions

These analyses show that despite the apparent public agreement with local development strategies, respondents have a general level of dissatisfaction with the employment situation in each community. Respondent percentage data regarding agreement with development strategies confirms much of the local situation as presented in the qualitative and archival findings. Statistical comparison between communities indicate across the board support for local business initiatives in concert with the

MILES				MINUTES			
r	r ²	F	Sig.	r	r ²	F	Sig.
0.373	0.139	3.909	0.000	0.306	0.094	2.508	0.013
Independent	Standardized			Independent	Standardized		
Variable	Beta	Т	Sig.	Variable	Beta	t	Sig.
SEX	-0.185	-2.657	0.009	SEX	-0.218	-3.049	0.003
AGE	-0.186	-2.403	0.017	AGE	-0.115	-1.444	0.150
MARRIG	-0.086	-1.175	0.242	MARRIG	-0.017	-0.221	0.825
INCOME	0.123	1.558	0.121	INCOME	0.050	0.621	0.535
EDUCATE	-0.151	-2.169	0.031	EDUCATE	-0.107	-1.494	0.137
HOUSING	-0.073	-0.909	0.365	HOUSING	-0.003	-0.032	0.974
JACKSON	-0.113	-1.505	0.134	JACKSON	-0.107	-1.389	0.167
NELSONV	-0.118	-1.508	0.133	NELSONV	-0.126	-1.564	0.120

Regression Analysis of Commuting Variables

Bold statistics are significant at .05 level.

Table 5.16: Results of regression analysis of commuting variables.

attraction of external firms as strategies for development; the exception being Dresden where the appears to be significant dependence and confidence in the development brought on by Longaberger and secondary retailing in the community. The public realization of tourism's importance is most significant in Dresden and Nelsonville, whereas Jackson-Wellston do not have the necessary amenities. Support for public financing and state facilities is strong among three communities, although Dresden resident is less impressed with state investment as a development strategy due to Longaberger's local investment in public services. And attitudes toward the effects of globalization tend to confirm a general public concern for the influence of external economic forces although some feel that global economic linkages could be beneficial to local economies. Public satisfaction with quality of life factors does not appear to mesh as well with qualitative and archival findings local satisfaction with economic outcomes. In accordance with expected results, respondent perception of past conditions appeared to confirm the public satisfaction with development in Dresden and Jackson-Wellston areas where economic downturn in Nelsonville resulted in a mixed response in the survey. Data on future conditions do not present a clear picture of public perception of potential outcomes of current local development strategies among these communities and may indicate a disconnection between the long-term goals of growth coalitions and public perception which is tinged by unstable macroeconomic conditions. Employment-related variables are also mixed. As expected Nelsonville respondents we most dissatisfied, but despite strong development strategies and organization in Jackson-Wellston, a majority there was dissatisfied with earnings and benefits. Schools were generally perceived as sufficient, with Dresden respondents appearing to be especially satisfied with recent renovations to the local schools through donations by the Longaberger Foundation.

Highway satisfaction results also showed some unexpected results. As expected in Nelsonville highway dissatisfaction as a result of the by-pass was clearly evident. However only slight public dissatisfaction with highways in Jackson-Wellston was indicated in the results. This may be a case where elite perception of transportation connectivity and public satisfaction with highway development may not be the same. Commuting data is less clear on travel patterns as indicators of satisfaction with local quality of life. Uncontrolled data show a level of class difference among community members in spatial patterns of secondary versus college-educated travelers for the Jackson and Dresden areas. Higher percentages of less-educated workers tend to travel 208 within the local area and a higher percentage of more educated tend to work further away. The opposite is true for Nelsonville and may indicate that small factory communities versus service communities have different spatial divisions of labor. The date controlling for demographic characteristics also points that young, less-educated males may be traveling significant further to work locations than other respondents. Despite inconsistencies between case studies, commuting data has brought some interesting findings to light. In the following chapter these data comparisons are discussed further in light of the development strategies of each case study community.

CHAPTER 6

CONCLUSIONS

6.1 Summary of Findings

This research explored the process of economic development in small industrial communities that struggle to create *local economic opportunity* by restructuring local development coalitions, enhancing physical infrastructure, and improving local services. The research also tested how local development strategies of recent decades have affected public perception of local quality of life. In sum, growth coalition configuration and development strategies make a significant impact on a community's ability to create economic development opportunities that *can* eventually lead to employment and local services and, thus, be considered indicators of spatial variations in community development. New jobs are not a guaranteed result of growth coalitions efforts: however, increased services do provide some level of positive development in terms of improved quality of life for local residents.

In Chapter 1, I proposed that effective growth coalitions, infrastructure improvement, and local service complexes were each necessary, but not sufficient, components of local economic development if communities were to negotiate the effects of macroeconomic change. Additionally, it is proposed that a combination of these components within a *three-stage local development process* was necessary for localities to restructure in the emergent Post-Industrial Service Economy. This process linked changes in local society and politics, improved physical infrastructure, and service development to the generation of economic opportunity, setting the table for potential new growth in firms and employment.

As discussed in Chapter 2, a community's capability to mitigate local deficiencies in each segment of the *three-stage local development process* improves the level of economic opportunity. With regard to local social networks, I hypothesized an optimal local form, *a tripartite model* of local government, community organizations, and business interests working together, with a mutual exchange of information and dialogue among groups and collectively agreed upon goals for local development. In terms of infrastructure, the qualitative analysis in Chapter 4 infers that communities across the United States with similar industrial parks, tax abatement offerings, and utility development programs have created a national *level playing field* for attracting external businesses. Services, such as health care, transportation, education systems, and consumer services are all important factors in the assessment of local economic potential as they create a complex of local amenities, consistent with Richard Florida's (2002) findings.

As shown in Chapter 3, I have found each community has a unique embedded economic history and development pathway that affect place identity and situation in larger regional and national economic scales. Jackson and Wellston Ohio, with a long history of iron and coal industries, benefited early in the restructuring process from stateled programs to encourage new branch plant development in other manufacturing sectors.

More recently, with a decline in direct state assistance, Jackson County has strived to maintain and slowly expand manufacturing employment in the community, but the of 'factory town' continues. Likewise, during the economic crises of the 1970s and 80s, Nelsonville received state employment assistance in the form of public service facility development, a state technical college and prisons, while a boot manufacturer with a long-standing in the town attempted to maintain operations into the 1990s. Eventually, manufacturing gave way to corporate services when Rocky Shoe and Boot moved production to the Caribbean, but expanded retailing and distribution centers in the Nelsonville area. Dresden, historically an agricultural and mercantile town with a small paper plant, emerged as an important new manufacturing center of nationally sold craft goods where product ties to historical place identity have also generated a strong local tourism economy.

In Chapter 4, interview data is used to examine the local political and economic processes in each of the case study communities from the perspective of development officials. Qualitative analytical results showed that in the Jackson-Wellston case a strong local government-led growth coalition with local business and community organizations had, since the mid-1980s, successfully made higher scale connections to public capital sources for funding infrastructure projects and improving local services. Conversely, expansion of job opportunities as a result of these enhancements has been minimal. No new factories have opened in the area in over ten years. However, local quality of life factors for local residents have improved as local services health care, governance and utilities have been enhanced. These local amenities have improved quality of life for residents as well as improving the preconditions for local development.

In Nelsonville, social divisions within the community have precluded efforts to form a cohesive community protest against the Ohio Department of Transportation and its plan to build a highway bypass around the city. Although a restructuring of municipal governance occurred in the last decade, city government has been ineffective as an independent arbiter of local concerns with the regional transportation plan. In fact, a majority of council members have been in support of the project. Local business and community groups fear a significant loss of retailing and tourism when the highway is constructed. The state, not hearing a unified message from the local area has made it's own decision on the highway's alignment with few concessions toward community concerns over downtown access points. This leads to the hypothesis that without a unified local coalition, communities will likely have difficulty in negotiating with higher scale entities that appear to threaten the economic livelihood of the community.

Dresden's success as a new industrial place and tourism-based retailing economy has been substantial. Examination of the local growth coalition structure has revealed the dominance of the Longaberger Basket Company in the community development process. Though Longaberger often communicates with and supports programs of local government and community groups, the company's business successes and economic development leadership has not been without some negative local consequences. Corporate expansions outside of the town limits have cost Dresden significant property and payroll tax revenues. Similarly a lack of local amenity development, specifically consumer service, such as food, entertainment and lodging, in concert with growth of tourist-based retailing, have also placed limits on the expansion of the local economy and restricted public tax revenues. Longaberger's main development concerns have been

with highway expansion and the corporation has engaged county and state government to fast-track projects with private planning and engineering funds and little public input at the local level. The findings in the Dresden case are that the dominance of a large corporation, with strong individual leadership, in a local development framework has advantages in terms of supporting employment and providing private capital for local development projects. At the same time, corporate infrastructure development and higher-scale government relations may by-pass some local-level needs.

Development of local services has had an important role in the economic restructuring of the case study communities. In each community, consumer services (food and general merchandise in Jackson and Nelsonville; tourism retailing in Dresden) have grown to provide significant local employment. Many of these jobs, however, are low paying, without benefits, and contribute to social welfare concerns associated with underemployment. Service sectors such as, governance, health care, education, utilities and transportation provide the multiple benefits of increasing local economic opportunity, increasing local quality of life, and providing higher paying and benefited employment opportunities. Many of these service categories are yet to be realized at high levels in the case study areas. There is room for improvement in the development of these local amenities to increase economic opportunity and quality of life in these communities.

In Chapter 5, I attempt to determine whether local development strategies have benefited the community as a whole or just those individuals within growth coalitions. Quantitative analytical results show that the general public is in agreement with development strategies as constructed by local growth coalitions. However, public satisfaction with development strategy outcomes, specifically local employment 214 opportunities, is generally low. In each of the communities there is strong dissatisfaction with the availability of good paying, benefited employment. Commuting patterns also suggest insufficient local job availability, as a large percentage of locally based workers have to travel outside the community to find employment. When assessed between low-skill and high-skill workers, commuting patterns suggest that there is to some degree a local spatial division of labor: people with more education tend to travel to adjacent localities while the lesser-educated work in the local area at a higher rate. This opens a possible are of future research to examine daily commuting into and out the case study locations, and develop a more complete model of local labor movement based on skill levels of laborers from the surrounding region.

6.2 Discussion

The interview data reveals that effective social networks internal to inclusive growth coalitions are critical for creating the preconditions necessary to economic development. These social relations, by taking advantage of elite information and combining individual resources, are able to partially control capital investment more effectively than individually working separately. Statistical data shows that, overall, the public supports the development strategies implemented by such social networks. While communities with ineffective networks struggle economically, communities with strong social networks have proven quite effective in improving infrastructure, specifically transportation and utilities, as well as increasing services that improve local quality of life. Most citizens in the communities agreed that they were satisfied to some degree with local education and health care, elements important in reflecting quality of life. However, despite the best efforts of social networks to improve job pay and benefits, the public remains dissatisfied with these aspects of job quality; high-salary, high-benefit employment has not materialized from any of the economic opportunities, resulting in a serious epidemic of underemployment. This evidence supports the conclusion that while social networks are necessary in building economic opportunity and can be highly successful to a point, they are not sufficient for satisfying community demands for development.

In order for growth coalitions to increase public satisfaction, employment concerns must be alleviated through creation of additional job opportunities; such jobs must be more than non-benefit, minimum wage positions. To do so, local coalitions must become multi-scale actors by forging ties to regional, national, and global entities that can provide capital for local improvement. Local networks must be able to act beyond the precondition stage, which is filled with possibilities, and move onto a level where they make actual connections with prospective firms and increase the possibility of development events. If coalitions are unable to rectify the current situation of unemployment and underemployment, public satisfaction will deteriorate. Since many of the area residents already face lengthy commutes to find higher-benefit employment, it is possible that the situation will eventually force people to move closer to their place of employment and possibly result in further depopulation of older industrial communities like Jackson-Wellston and Nelsonville. Likewise improving local amenities in will create potential for increase tourism and raise the quality of life and number employment opportunities in Nelsonville and Dresden.

6.3 Future Research

This study is oriented toward understanding the spatial unevenness of development in small communities as a result of economic restructuring in the United States over the last four decades. I would argue that additional local-scale research on small cities might inform the understanding of the inner workings of local governance, industrial location theory, and subjects such as underemployment, poverty, and labor markets, which have been briefly covered in this work. Peck (1996: 263-4) states that just as labor markets should be studied at national scales, "there is an equally strong case for analysis at the local level (the scale at which labor is mobilized on a daily basis...)" In relation to this research, case studies of similar size communities can be extended to other old industrial areas of United States and Canada or Western Europe. Additional inquiries can aid in the development, modification and testing of generalized local economic development processes and a model of local growth coalitions. Likewise, additional studies can identify other forms of local social and political structure, as well as variations in local development strategies not discussed in this research.

Second, further research into development influence and impact on quality of life by local services is warranted. A survey of professional location consultants and corporate managers might provide some insight on the configuration of services externally based firms seek as place attributes in their location choice decisions. Similarly, a study of how local service configurations affect a community's ability to raise public and private funds would further the understanding of services as an attractor of development capital. Third, studies of the phenomenon of tourism-based retailing related to craft manufacturing and other specialty markets, like hunting and fishing, can be undertaken. These types of small markets are frequent in rural localities. Multi-million dollar placeoriented brands similar to Longaberger and Rocky Boot, such as Yankee Candle in South Deerfield Massachusetts, McIlheny's Tabasco-brand sauce in Avery Island, Louisiana, or L.L. Bean in Freeport, Maine may provide further insight into the nature of this economic geographic type.

A final area to investigate further is the role of individual capitalists in local development. People like Gov. James Rhodes in the Jackson-Wellston case, Mike Brooks in Nelsonville and Dave Longaberger in Dresden, each played decisive leadership roles in local development. These are the capitalist 'rentiers' (Peck 1995; Logan and Molotch 1987) who were capable of providing leadership, political influence and private capital to jump-start local development during local economic crisis periods. Their impact in these cases should not go unrecognized and can provide a comparative basis for research on local development leadership.

APPENDIX A

SURVEY INSTRUMENT FOR QULITATIVE ANALYSIS

The Ohio State University						
Ohio River Valley, Small to Mid-Size Cities Survey		Y	Su N	rvey	#	
Informant Name		Coı Sig	nfid neo	l lentia d	ality	Agr.
Informant Phone Number		Loc	al /	Area	1	
Informant Position	A	В	С	D		Actual
Gender						
Age						
Highest Level of Education						
Racial Ethnic Category						
Years in Current Position						
Sector				1	I	
"The following questionnaire is aimed at collecting information on the local issues of economic development over the past 30 years and the current state of the local economy, as well. Feel free to share your personal knowledge and knowledge of issues in the community. At any time you wish to elaborate on any of the questions, please do so. As stated in the prior document, the information you provide is confidential and protected."	٨	P	C	D		
1 whether the most entitled husing and entitled the first second se	A	Б		ש		
30 years?						
2. What are the most critical business and economic issues that the community faces today?						

- 3. What social and economic risks does the community face?
- 4. How would you rate the cooperative effort of businesses with local economic development issues?

Comments:

5. How would you rate the cooperative effort of community groups with local economic development issues?

Comments:

6. How would you rate the cooperative effort of government agencies with local economic development issues?

Comments:

Naming specific firms:

- 7. What are the most important industries and firms in the community? What firms are new to the area? What firms have had a long history in the community?
- 8. Do local business actively participate in the community organizations and activities?
- 9. What firms moved into the community and why?
- 10. What firms moved out of the community and what attracted them there?
- 11. What impacts have these firm changes had on the community?
- ^{12.} What role has state and local government played in preserving and improving the local business economy?

Naming specific groups (political, community, labor):

- 13. Which local community groups participate in economic development?
- 14. Do any groups work to maintain the number of, or specific firms in the area?

High	Low	None		_	Note
High	Low	Vone			Note
L L	×	Sec. 2			
Hig	Lo	Non			Note

15. How are labor organizations cooperative/combative with the business community?

When did these occur?

Naming specific agencies:

- 16. What Federal, State and Local agencies have been responsible for economic development or decline in the community?
- 17. Which agencies have had the most impact?
- 18. Which agencies have been least effective?

In the community:	А	В	C D	
19. How have business, trade, and community organizations been involved in economic development or community-business relations?				
20. Has the business climate in the county improved, declined or stayed the same?	Imp.	Dec.	Same	Time Period
 21. Has there been and increase, decrease or stability in the number firms or production of: 	Inc.	Dec.	Sta.	Time Period
Resource extraction (mining timber)	\vdash	\square		
Heavy manufacturing (metals, tires)	\vdash			
Light manufacturing (food apparel)				<u> </u>
High-technology manufacturing				
Producer services (payroll, call centers)				
Consumer services (non-healthcare)				
Healthcare services				
Utility services				
Public-private ventures				
Government social service (non-health)				
Comments:				
22. The local area is best suited for new business in:	Yes	No	Uns.	Note

Agriculture

Resource extraction (mining, timber) Heavy manufacturing (metals, tires) Light manufacturing (food, apparel) High-technology manufacturing Producer services (payroll, call centers) Consumer services (non-healthcare) Healthcare services Utility services Public-private ventures Government social service (non-health) Comments:

- 23. Does the community have sufficient infrastructure to attract new business?Comments:
- 24. What physical infrastructure improvements are needed most in the community:

Transportation Education Power Water Communications Other (explain)

25. Are local workers adequately trained and educated for to meet the needs of new businesses?

Comments:

26. Are there sufficient banking and financial resources in the community?

Comments:

 What voice in local economic development for the whole community have:



Local Businesses Labor Organizations Large-employment Firms from outside the community Community Organizations Local Government State Government Federal Government	
Communities have many economic issues they must address	
28. What positive input have the following groups contributed to the economic needs of the community?	Large Small Not Helpful Unsure
Labor Organizations	
Labor Organizations Large-employment Firms from outside the community Community Organizations Local Government State Government Federal Government	
29. What types of community organizations are involved in local economic development?	Large Small None Unsure
Chamber of Commerce	
Churches	
Democratic Party	
Republican Party	
Reform Party	
Labor unions	
Women's	
Environmental organizations	
Business leaders	
Local charitable organizations	
Ethnic societies	
Masons	
Lions	

Kiwanas Ruritans Media (TV/radio) groups Other (explain)		
Many local groups have political relationships		
30. Local businesses have strong ties to:	Yes No Some Uns.	Time Period
State Legislators		
Governor		
Congressional Representative		
Senators		
Federal Executive Agencies		
31. Local government members have strong ties to:	Yes No Some Uns.	Time Period
State Legislators		
Governor		
Congressional Representative		
Senators		
Federal Executive Agencies		
32. Local community organizations have strong ties to:	Yes No Uns.	Time Period
State Legislators		
Governor		
Congressional Representative		
Senators		
Federal Executive Agencies		4
Network details:		
33. To what degree have women become more prominent in the labor force?	High Mod. Low None Uns.	Time Period
34. To what degree have women become involved in business management?		



- 43. Are state taxes a serious quality of life problem for the community?
- 44. Are local taxes a serious quality of life problem for the community? Taxation Comments:
- 45. To what extent has NAFTA had on the economic well-being of the community?
- 46. Have any environmental laws or regulations had any effect on the economic development of the community?
- 47. Has the community's natural and human environment become:
- 48. Have businesses participated in the government planning process?
- 49. Have community groups participated in the government planning process?
- 50. Have business/community/government leaders engaged in travel to other domestic or foreign to call on prospective businesses?
- 51. Have government economic development agencies been successful in the local community?





2. Has the local government established a business retention program?					1
3. Has the local government established a business attraction program?					1
4. Is there a local small-business development program?					
5. Has the local government established an industrial park?					
6. Does the local area have adequate infrastructure to meet the needs of business?					
7. Does the local government have a new business tax-incentive program?					
8. Does the county/city have a business-zoning plan?					
9. Has the local government engaged in state/federal grant programs?					
10. Does the local government have an economic development professional on staff?					
11. Does the local government have a land-use planner or environmental professional on staff?					
12. Does the local government contract planning or development consultants?				H	
13. Is there a long-range community development plan?				ч	
14. Is there a long-range land-use plan?					
15. Are there state extension agents involved in economic development for the area?					
Federal Devolution Questions: 16. Since 1996, how have the number welfare recipients in the community changed?	Incr.	Decr.	No Chng. Unsure		Note

- ^{17.} Since 1996, how has the local government's dedication of time for Temporary Assistance to Needy Families programs changed?
- ^{18.} Since 1996, have the number of government employees dealing with welfare changed?



Details on welfare programs:

For Business Contacts:

- 1. Naming specific firms:
- 2. What businesses have strategic partnerships or other allegiances?
- 3. What local supplier firms are there in relation to local manufacturers?
- 4. What firms rely upon local, natural resources?
- 5. What local businesses receive any state or local government tax preferences?
- 6. Which businesses have any export production?
- 7. What firms have phone service centers in the community?
- 8. Is the community's infrastructure suitable for current business needs?
- 9. Does the community have the infrastructure to attract new business?
- 10. What issues have affected the quantity and quality of labor in the community?
- ^{11.} What new local entrepreneurial businesses have emerged since 1970, and which have been successful?

For Community Contacts:

- 1. How has the quality of life changed in the community over the last 30 years?
- 2. What changes in the quality of schools, health care, and environment have occurred?

- 3. How well has state and local government been responsive and provided for the community's needs?
- 4. How has the quality and quantity of jobs changed over the last 30 years?

	Federal Devolution Questions:						
5.	Since 1996, how have the number welfare recipients in the community changed?	Incr.	Decr.	No Chng.	Unsure		Note
6.	Since 1996, how well has the quality of local government's dedication of time for Temporary Assistance to Needy Families programs changed?					l	
	Comments:						

7. Since 1996, how has the role and scope of community groups dealing with welfare issues changed?

Details on welfare programs:

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