

The Culture of Economic Development in Ohio: A Case Study in Defiance County¹

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ABSTRACT. Economic developers in Northwest Ohio have faced enormous challenges since the economic restructuring of the 1970s. Local factors also impact on local economic development efforts. This is a case study of rural economic development in a postindustrial economy in terms of the culture of economic development. A qualitative approach was utilized and data were gathered from interviews with five key economic decision-makers in Defiance County, OH, to gather a better understanding of the cultural influences on economic development there. The results revealed that the culture of economic development in this rural county could be described in four major themes: the widely embraced economic strategy of improvement of the business climate, a lack of "state vision" in economic development, perception of the need for collaboration between state government and private enterprise, and the process of globalization as a force that had dramatically affected the social and economic fabric of their community. These results imply that there is a great need for state facilitation of interpersonal networks across government agencies and private enterprises. However, in light of the state government's perceived unwillingness or inability to collaborate, continuing to embrace the current economic development framework may be detrimental to progress in local economic development.

OHIO J SCI 107 (2):2-9, 2007

INTRODUCTION

Many rural areas in the industrial midwestern US have faced enormous challenges since the economic restructuring of the 1970s, which resulted in a massive reduction in the manufacturing base and the creation of a services based economy. With the resulting loss of manufacturing jobs, population, and tax base, economic development efforts have been stymied in many rural areas. Aside from these macro-economic factors, local factors impact the nature and effectiveness of economic development as well.

Northwest Ohio, a predominately rural region, has faced many of these challenges. Defiance County, a rural county in northwest Ohio, is a case study of the challenges of rural economic development in a postindustrial economy. Economic development in Defiance County, like other rural areas, is being impacted by numerous factors: the competitive globalization of local industries, the need for development of its workforce, industry downsizing, and the loss of industry to other states and foreign countries. A study of Defiance County's culture of economic development may provide a better understanding of the economic development process there as well as provide useful knowledge that could be drawn upon for collective economic development planning, attracting, maintaining, and developing higher level job opportunities and better economic growth for the population of northwest Ohio.

Malizia (1994, p 84) defines economic development as "the on-going process of creating wealth in which producers deploy scarce human, financial, capital, physical, and natural resources to produce goods and services that consumers want and are willing to pay for." In exploring economic progress and its links to economic culture, Porter (2000) defines culture as attitudes, values, and beliefs that influence economic prosperity. Cultural attributes such as work ethic, value of education, invention, and investment comprise complex links in the social structure constituting the microeconomic business environment of communities. Porter further defines economic development as the long-term process of constructing a body of interdependent micro-economic incentives

and capabilities that act to upgrade and underpin contemporary forms of productivity. Porter maintains that the specialization and the quality of incentives as inputs aimed at the economic markets served by business is key to sustained improvements and growth.

Helmsing (2001) maintains that the heightened localized nature of economic development is affected by externalities and learning, which are connected together by governance. Effective governance allows for a larger range of externalities, or well-known facts, to be utilized for economic development. More recently, organizations and regions have begun to support learning, or education and training, because it enhances local economic development competence.

Culture has been defined as the shared norms, values, and beliefs in a community (Frederking 2002). Studying culture as part of the economic development processes is important because the way in which culture is organized can have an impact on economic development. Culture, for example, if organized in a way that is resistant to change, may negatively impact economic development. Culture may also persist, however, without having a negative impact on economic development.

Scholars have also held that contemporary economic development must emphasize individual wellbeing (Boyes and Melvin 2002; Riddell and others 2002; Todaro and Smith 2003). Wellbeing, when understood in terms of culture, can be measured in terms of an individual's freedom of choice in one's own life, through her or his capability to obtain and use material commodities, maintain personal values and beliefs, and expand individual social and economic participation (Todaro and Smith 2003).

Reese and Rosenfeld's (2001) position provides an understanding of the complexities of cultural factors in local economic development. They describe one such complexity, civic culture, as a broad set of categories such as shared visions (past and future), issues encompassing components which may or may not be problematic, and governmental regimes that generate policies (Reese and Rosenfeld 2001). The praxis of local government and market forces make up the dialogues of culture. For example, Evans (1996) emphasizes that facilitation of interpersonal networks and community norms by governments builds social

¹Manuscript received 18 July 2005 and in revised form 27 November 2006 (#05-13).

capital, which is an effective strategy in economic development. Stone (2001) emphasizes that civic culture may be more than just the structuring process between government and the market's division of labor.

Previous research on economic development in Ohio has revealed the emphasis on improving the business climate as the primary focus of economic development (Burnier 1992; Zorn 1986). Incentive-based economic development policy has been at the center of this focus (Rayball 1995). Also, previous research has revealed that enterprises expect and demand incentives from communities. In Ohio, as in other places, these incentives include grants, loans, abatements, tax breaks, and job creation tax credits for investors. Economic development strategies used by the Ohio Department of Development (ODOD) have also been studied (Rayball 1995). The ODOD emphasizes a development strategy of working with businesses to help them take advantage of tax credits and other financial incentives.

Improvement of the local business climate has been cited as an important incentive for economic development in Ohio (Zorn 1986). Enhancing the business climate involves attention to infrastructure such as waste water treatment, sewer lines, street and sidewalk improvement, and improvement of industrial sites. A survey of businesses in Ohio, conducted in 1997, concluded that economic development programs as they existed then had limited impact on economic development and that the efficiency and effectiveness of economic development programs would be enhanced by an emphasis on retention of existing organizations. Infrastructure improvements were viewed as one way to strengthen existing organizations (Bachelor 1997).

While all of these factors may impact the success of economic development, relational factors are also important in economic development, and in how strategies are conceived, accepted, and carried out in localities. Studies of the culture of economic development might assist in better understanding how economic development strategies are developed and implemented locally.

There has been little research conducted on the culture of economic development. This study examines the culture of economic development in Defiance County, in northwest Ohio, between 1990 and 2000. Defiance County faces many of the challenges midwestern manufacturing communities are facing in the 21st century, and is a good location for a case study of this type. A global economy, changing demographics, and a substantial decrease in manufacturing are three of the major shifts this northwest Ohio county is challenged to address.

MATERIALS AND METHODS

A qualitative approach was utilized so that rich data could be gathered in the field. In-depth interviews were completed with five key economic decision-makers in Defiance County to gather a better understanding of the cultural influences on economic development there. Participants were individuals who served in economic development, government, and business leadership positions in Defiance County. The interviewees were selected so as to include representation of corporate, non-profit, and city and county government viewpoints. The respondents were asked to share their views of economic development in the Defiance area after a decade of little economic growth.

The choice of a face-to-face qualitative interview method allowed greater effectiveness in sorting out the complex issues of economic development and culture. First and foremost, the

voice of key economic decision-makers can provide insights into a complex situation which are not otherwise available. A second reason a qualitative approach was selected is that a general inductive approach allows research findings to emerge from the frequent, dominant or significant themes inherent in the raw data collected in interviews (Thomas 2003). This provides a systematic framework for investigating the culture of economic development from the perspective of the actors involved in it. A third reason for selecting a qualitative approach is that the in-depth interviews provide a strong base by which the triangulation of data can be drawn upon to review the themes that emerge within the interview data. The qualitative interview process allows for more in-depth, intensive interviews and it answers why and how come questions. It also allows for probing attitudes and behaviors, and reasons for certain attitudes and responses (Newman and Benz 1998).

Further, the qualitative interview process yields better results with sensitive, open-ended questions, and more precise answers in a natural interview context (Shuy 2002). Chirban's (1996) relational interview method was chosen to further the interaction with the interviewees. This process allows for prepared, open-ended questions to be interwoven in the conversation to facilitate and enhance a deeper relationship between interviewer and interviewee. The relational stance allows the interviewer to better understand the interviewee and the information provided by him or her.

Interviewees were asked to discuss changes related to economic development they had observed in Defiance County over time. These changes included observations of the available workforce, workforce educational attainment, employment by industry, and matching of education training levels from area educational institutions with industry needs. The interviewees were also asked about problems encountered in retaining existing business, attracting new business, type of businesses, and factors which positively or negatively influence retention and expansion. All interviews were tape recorded and transcribed. Transcripts were analyzed in terms of major themes about the culture of economic development which recurred in the interviews.

RESULTS

Demographic and economic data were compiled in order to provide a profile of Defiance County in the 1990s. In 2000, Defiance County had a population of 39,500 and was ranked 64th in population among Ohio's 88 counties (US Census Bureau 2000a). Between 1990 and 2000, Defiance County grew by 150 persons, a percent change of 0.4% (Table 1). Both rates are to be compared with a 4.6% growth rate in the state as a whole between 1990 and 2000. This is much lower than the rate of growth of the US for this time period (13.2%). The Ohio Department of Development projects that the population of Defiance County will increase to 39,754 by the year 2015, growth rate of 0.6%. The total state population is projected to increase from 11,353,140 to 11,588,000 or 2.1% by 2015 (ODOD 2004).

Table 2 shows characteristics of the adult labor force for the US, Ohio, and Defiance County (those between the ages of 18 and 64 years). Just over 60% of the 2000 population of Defiance County was between 18 and 64 years old. This proportion is on par with that of the US (61.8%) and Ohio (61.3%). The elderly comprised 12.9% of the county population in 2000 (5,098) and, although a slightly smaller proportion (12.9%), this

TABLE 1

Population data for United States, Ohio, and Defiance County 1990, 2000, 2015.

	1990 Population	2000 Population	% Increase 1990 to 2000	2015 Projected Population	% Increase Projected 2000 to 2015
United States	248,709,873	281,421,906	13.2%	310,133,000	10.2%
Ohio	10,847,115	11,353,140	4.6%	11,588,000	2.1%
Defiance County	39,350	39,500	0.4%	39,754	0.6%

Source: ODOD 2004; US Census Bureau 1990c; US Census Bureau 2000c.

is on par with the state (13.2%; 1,507,757) and the nation as a whole (12.4%; 34,999,753) (US Census Bureau 2000c).

Table 3 shows educational attainment for those 25 years or older in the US, Ohio, and Defiance County in 2000. Just over 80% of the US population aged 25 years and older has a high school diploma or higher degree. Ohio (83%) and Defiance County (84.7%) had higher proportions of those with a high school diploma in 2000. Although the proportions of those with a high school diploma or higher grew between 1990 and 2000, the gap between those with a bachelor's degree or higher in Ohio and Defiance widened by over 2.0 percentage points between 1990 and 2000. In 2000, of those who were 25 years or older, in Ohio, 21.1% had a bachelor's degree or higher, while just 14.2% of those in Defiance County had a bachelor's degree or higher. Furthermore, the proportion of those who had a college degree or more grew by only 1.8%, from 12.5% to 14.3% over the decade, while for the entire state this proportion increased by more than double that rate, 4.1%, or from 17.0% to 21.1%. Notable is the fact that the gap between the US and Ohio remained the same 3.3% from 1990 and 2000. In 2000, Defiance County had a high school drop out rate of 15.3% (Ohio = 17.0%) and in 1990, 23.2% (Ohio = 24.3%). Moreover, Defiance County had lower proportions of high school dropouts than both the state and the US in 1990 and 2000. Also, the proportions of those who dropped out of high school decreased between 1990 and 2000 in the US, in Ohio, and in Defiance County.

Over the 12-year period, total employment increased in the US, in Ohio, and in Defiance County according to the Census

Bureau (1990b) and the Bureau of Economic Analysis (BEA 2004) (Table 4). The US had the largest percent growth in total employment, 44.4%. Ohio had 36% growth in total employment and Defiance County employment grew by 25.3% between 1990 and 2002. Services employment also grew in all three regions. Services include such industries as transportation utilities, wholesale and retail trade, finance, insurance and real estate, government, and other services. Services employment in the US grew by the largest percentage of the three (33.8%). Ohio services employment grew by 29.9%, and Defiance County services employment grew by just 13.9%. Overall, manufacturing employment declined between 1990 and 2002. Manufacturing decreased by over 1/5 in the US, in Ohio, and in Defiance County (Table 4).

Table 5 shows median household income for the US, for Ohio, and for Defiance County for 1989 and 1999 (US Census Bureau 1990a; 2000b). Defiance County had the highest levels of median income in both 1989 (\$31,505) and 1999 (\$44,938). The median household income in the United States in 1999 was \$41,994 (1989 = \$30,056). In the state of Ohio, the 1999 median household income was \$40,956 (1989 = \$28,706). The state of Ohio, however, had the largest increase in median household income between 1989 and 1999, 42.7%. This was slightly larger than Defiance County median household income growth, 42.6%. In the US as a whole, median household income grew by 39.7% over that decade.

Data were also gathered in in-depth interviews with people involved in economic development on Defiance County. Four

TABLE 2

Adult population of United States, Ohio, and Defiance County, 2000.

	2000 Population	2000 Workforce Ages 18-64 years	% of Population in 2000 Workforce	2000 Population 65 years +	% of Population 65 years +
US	281,421,906	174,136,341	61.8%	34,991,753	12.4%
Ohio	11,353,140	6,957,044	61.3%	1,507,757	13.3%
Defiance County	39,500	23,919	60.1%	5,098	12.9%

Source: United States Census Bureau 2000a,b,c.

TABLE 3

Educational attainment in United States, Ohio, and Defiance County population, 25 years and older, 1990-2000.

	2000			1990		
	US	Ohio	Defiance Co.	US	Ohio	Defiance Co.
Population 25 Years +	182,211,639	7,411,740	25,426	158,868,436	6,924,764	24,362
% w/o HS Diploma	19.6%	17.0%	15.3%	24.8%	24.3%	23.2%
% HS Diploma or Higher	80.4%	83.0%	84.7%	75.2%	75.7%	76.8%
% w/B.A. Degree or Higher	24.4%	21.1%	14.3%	20.3%	17.0%	12.5%

Source: United States Census Bureau 1990a,b,c; 2000a,b,c.

TABLE 4

Changes in employment by industry United States, Ohio, and Defiance County, 1990-2002.

	Total Employment 2002	Total Employment 1990	% Change Total Employment 1990-2002
United States	167,033,500	115,681,202	44.4%
Ohio	6,703,991	4,931,357	36.0%
Defiance County	23,287	18,586	25.3%
	Services Employment 2002	Services Employment 1990	% Change Services Employment 1990-2002
United States	112,583,800	84,165,566	33.8%
Ohio	4,446,908	3,422,216	29.9%
Defiance County	10,126	9,987	13.9%
	Manufacturing Employment 2002	Manufacturing Employment 1990	% Change Manufacturing Employment 1990-2002
United States	15,800,400	20,462,078	-22.8%
Ohio	907,138	1,141,383	-20.5%
Defiance County	5,767*	7,334	-21.4%

*For Defiance County, 2002 totals do not include 2,961 jobs that were not disclosed by industry to avoid identification of individuals or establishments.
Source: Bureau of Economic Analysis 2004; United States Census Bureau 2000b.

TABLE 5

Median household income, United States, Ohio, and Defiance County, 1990-2000.

	1989 Median Household Income	1999 Median Household Income	% Increase Median Income 1989-1999	Relative Value of 2000 CPI Adj. Median Income in 1990 \$	Percentage Increase CPI Adj. 1990 to 2000 Rel. Value
United States	\$30,056	\$41,994	39.7%	\$31,900	6.1%
Ohio	\$28,706	\$40,956	42.7%	\$31,100	15.3%
Defiance Co.	\$31,505	\$44,938	42.6%	\$34,100	8.2%

Source: United States Census Bureau 1990a, 2000b.

major themes emerged from the interviews. First, all respondents were invested in the economic strategy of improvement of the business climate, with incentive-based economic development as its main focus. The second theme to emerge was a generally held perception among them of a lack of "state vision" in economic development. Third, respondents by and large viewed collaboration between state government and private enterprise as a much needed but missing element in economic development in northwest Ohio. Fourth, the process of globalization was viewed by respondents as a force to be reckoned with, one that had dramatically affected the social and economic fabric of their community.

Most of those interviewed were wedded to the idea of incentive based economic development. They thought that incentives, or lack thereof, were the defining factors in the ability or inability to attract or retain business in Defiance County. Several interviewees voiced the perception that a major infrastructure improvement, the development of the "Fort to Port" NAFTA highway, was needed as an attraction for new business. US Route 24 (US 24) is a major east-west highway that traverses Defiance County. It is the most direct route between Fort Wayne, IN, and Toledo, OH. Because of this direct link, US 24 has been nicknamed "Fort to Port." The Ohio Department of Transportation (ODOT), the Indiana Department of Transportation (IDT), and the Federal Highway Administration (FHWA) are proposing highway improvements. The plan would include improving traffic flow, level of service, and roadway safety, as well as improving the regional transportation network. The improvements would also enhance future economic growth for local and regional businesses (ODOT 1999).

All interviewees voiced the opinion that the US Route 24 transportation program would make a considerable contribution to the economic development of Defiance County. One respondent said,

"Locally, we had better luck...um...as you know, US Route 24 is in the planning stages. I think we've already seen some investigation of Defiance County and northwest Ohio for future investment because of this part of the NAFTA (North America Free Trade Agreement) highway coming into our future..."

The respondent later stated,

"I cannot underemphasize [sic] the importance of US Route 24. When that highway gets completed, we are going to be sitting right in the middle of the industrialized Midwest. Sitting

in the middle of Chicago, Detroit, Cleveland, Columbus, Cincinnati, Dayton...even Indianapolis. And I think that we will draw a natural look from many distribution companies that would need to be in the center of those cities."

Those interviewed also felt that another element of infrastructure, workforce development, was an important factor in economic development of the county. There was a perception that those with more education were leaving or had left the county. The remaining workforce was less-educated and needed development of skills. They felt workforce development was necessary as a business retention strategy as well as to be more competitive at attracting new businesses. One respondent noted, "I would have to see a study on this to prove my opinion, but it would appear to me our workforce has transitioned to a younger, but perhaps less affluent type of workforce." Another said,

"The skills have not stayed current with today's trends and consequently we are kinda playing catch up to the area... What's been the deterring factor of bringing in industry to the area...people are mobile. We don't have as much to offer when it comes to bringing in an entire workforce."

A third interviewee felt the state could do more to provide these types of incentives.

"There are many more programs and I'd use our plant out of state as an example. There are more programs offered by the local trade schools or technical schools [there] to ...to help us, uh, find employees, train employees for what our needs are, and then get them into the workforce."

The second theme to emerge was that of a general perception that the state government lacked "vision" in terms of an effective strategy for economic development. Within the framework of incentive based economic development, respondents viewed state government as being responsible for providing the much needed incentives. Respondents thought that there was a connection between state budget priorities and the lack of economic development in Defiance County in the 1990s. For example, one interviewee said, "One of my biggest concerns right now is the state vision and state strategy toward economic development." Another commented that issues like "Fort to Port" were not very high on the governor's agenda due to the lean budget situation. Another stated, "There are bad budget shortfalls in the state, less economic tools. I'm concerned that there aren't any state strategies for economic development."

The perception of lack of vision of state government in economic development was further reinforced for several respondents by their perception that because the state budget was so tight and funding available for economic development had been so drastically reduced, that even discussion of economic development funding needs was being squelched by state officials. One respondent reported that when he brought up the issue of “Fort to Port” development, a regional economic leader discouraged bringing up this issue in larger state social economic summits. Another respondent thought that the job training acts (Job Training Partnership Act and the Workforce Investment Act) were ideal for manufacturing companies to retrain and retain the county labor force to be globally competitive. However, this respondent also noted that the state budget reduced its support and job training programs had been put on hold. This interviewee also reported that discussion of this topic had also been discouraged by state officials at social networking meetings.

Respondents felt that the state’s lack of vision in economic development was also evidenced by its taxation policies. Because individual wealth in Ohio is taxed at a higher rate relative to surrounding states, interviewees felt that this provided a disincentive for business to locate in the state and indeed posed problems for retention of existing businesses in the county. One respondent cited a recent report from the Regional Growth Partnership (RGP), a public-private, nonprofit development corporation that fosters local, national and international economic growth opportunities for the city of Toledo and Northwest Ohio (RGP 2005).

“The Regional Growth Partnership in Toledo...did a study of Ohio’s taxation, both for business purposes and personal purposes. The conclusions were that because of [Ohio’s] ...individual tax rate structure, Ohio is not a good place to accumulate wealth in... and I do agree...that the state of Ohio in general...dissuades people from living here. Uh, because we tax individual wealth at a higher rate than many states, and so we see an out-migration to states such as Florida or Arizona or states that do not have the individual tax that we have.”

The third theme was the need for collaboration between state and local governments and private businesses as a tool for effective economic development. As one respondent simply put it, “inter-governmental cooperation is the best way to development.” Additionally, several interviewees mentioned there was not a clear way to understand the intentions of both government agencies and private interests attempting to coordinate economic development. Another respondent suggested the possibility that an educational institution (such as Defiance College or Northwest State Community College) might be able to bring together the polar interests and assist in a collaboration between the public and private sectors.

The fourth theme was globalization of the world economy and its effects on economic development in Defiance County. All of the respondents recognized that major structural changes had occurred in the manner in which business was conducted in Defiance County (as it had in other localities). One said, “Defiance County enjoys an expansion of retail trade growth, particularly in the city of Defiance; however, these jobs are in the range of the minimum wage.”

Acknowledging the loss of better paying manufacturing employment another respondent said,

“We have experienced loss of manufacturing jobs. Lord knows, it is so competitive out there. It is not about manage-

ment, in my opinion...it’s about competition, this global competition. And we have lost our share of manufacturing jobs in Defiance City and Defiance County, but we only need to look around northwest Ohio and it’s pretty consistent.”

The past few decades had wrought a major change in the ownership of business in Defiance County, and these changes were attributed to globalization. As one respondent recalled,

“It used to be, when the local industry...when the industry was locally owned...[you] never worried about it going to Tijuana, that simply was not...simply were not going to do that. [But now] I could read the headlines this morning, there’s always that sword of Damocles over your head, I could read in the headlines this morning that [a large manufacturing industry] was now considering closing in Defiance.”

Another said,

“...locally, we had some old line family owned companies, and you are aware of that...we see those [businesses] transition and into a family founder retiring, and in some cases, the... next generation is actually retiring and so I don’t think that we have the strong base of family’s wealth here in the county as much as we did in the past either. With the move away from family owned companies...I think [national companies with local operations] being the largest anchor employers...um...we are not the headquarters of those corporations and any wealth that is accumulated is not staying here or even in Ohio necessarily...”

Because this process of globalization had changed the structure of the economy, these respondents agreed that job creation had occurred in Defiance County, however, the jobs that had replaced the relatively higher paying, unionized jobs were minimum wage jobs in the services sector.

“The other thing is, although we’ve done well on keeping and creating a number of jobs, retail and service, those are not high paying jobs necessarily. So we have some factors working against wealth creation.”

When asked about growth in retail and service businesses, another interviewee stated, “Yes, certainly, look at the north side. Menards is a big hirer, Lowe’s is a big hirer; all these big box places hire a lot of people.” Several respondents recognized that the creation of services jobs was not necessarily a boon to economic development in the county. Several discerned that there are more two-income households in the county, while acknowledging that income earners are working harder and more hours on the job to maintain their past income level.

Respondents were concerned about quality of life as an element of successful economic development. This was evidenced by the concern about wealth accumulation for individuals, the desire to provide better-paying jobs, and the concerns about the growth of two-income households in the county. While respondents did detail many of the negative aspects of economic development in the current local economic and political climate, they did, as a group, extol several of the positive qualities of Defiance County. These qualities included that the Defiance County workforce possessed a strong work ethic, and is a strong workforce for manufacturing type jobs.

Although all interviewees stated that college graduates and other highly skilled workers were leaving the region, the economic effect on the county was not noticeable because there were plenty of newer workers who were attracted to the manufacturing jobs still available. Interviewees mentioned that Defiance County does

not have the amenities or job opportunities to recruit or to maintain high tech business, although all interviewees were positive about the attractiveness of the new Defiance Regional Medical Center and Defiance Clinic and the higher skill jobs each provides. Collectively, the interviewees agreed that there could be economic benefits if a program directed at higher end or higher-level jobs is initiated. One interviewee stated,

“We’re losing quality college educated people, but we have people moving into the community, some of whom are college educated, most of whom are not, but are blue collar workers. Because we offer an excellent blue collar environment here...”

DISCUSSION

Like previous research on economic development in Ohio has found, the culture of economic development is organized around improvement of the business climate through providing incentives to attract and retain business (Rayball 1995). Also, as found in previous research, respondents in this study viewed infrastructure improvements, namely the “Fort to Port” US Route 24 redevelopment, as an extremely important element of future economic development in the county and surrounding region (Zorn 1986). These respondents also shared the belief that it was largely the state government’s responsibility to provide support for the incentives that are necessary to spur local economic development. This framework fits well with Porter’s (2000) definition of economic development.

The economic development actors interviewed for this study did not perceive the state government as being effective in terms of economic development. Helmsing (2001) spoke of the heightened localized nature of economic development in terms of externalities and learning which are connected together by effective governance. Because respondents felt that there was a disconnect between state and local governments, they perceived that a very limited array of externalities existed for their use in economic development as provided by the state. Instead, they felt powerless to overcome several negative externalities such as globalization of the economy, lack of state funding for workforce development, and the state’s taxation policies. Indeed they perceived that the state created several negative externalities (for example, tax structure) that hindered their progress toward successful economic development.

The culture of economic development in Defiance County was also exemplified by these respondents as they expressed shared values such as perceptions of the county’s workforce having a strong work ethic and their view that a strong manufacturing base was a positive quality. As one respondent stated, Defiance County offers “an excellent blue collar environment.”

These respondents described a strong local civic culture as well (Reese and Rosenfeld 2002). They shared a common vision of the future, probably one that is very realistic in that by and large they accepted that attempts to develop high tech, highly skilled employment would probably not be the best economic strategy for this county. The participants also shared a common vision of the past. Several of them reminisced about how family owned businesses had stabilized the local economy for so long, and that these companies were committed to community improvement (unlike some of the absentee business owners currently doing business in the county).

There is a perception of a disconnection in civic culture between state and local governments. In fact, instead of facilitating

interpersonal networks, the state was perceived as hampering communication, and therefore impeding localities in terms of building social capital, a necessary element of successful economic development (Evans 1996). Respondents also felt that the state, due to its lean budget, wanted to muffle communication about economic needs in the localities. Interviewees were often vague, or possibly reluctant, in discussing their opinions about interpersonal networks and community norms. Any comments regarding state facilitation of social networks resulting in social capital were not straightforward, and more than likely viewed as nonproductive due to the perceived lean state budget.

Respondents reported there being a “don’t ask, don’t tell” policy among state economic development personnel. They were encouraged not to mention their local economic development needs at regional economic summits and other events. This perhaps relieves pressure on the state to provide funding and other support to localities for economic development. At the same time however, it discourages discourse about the needs of economic developers and puts a damper on formation of effective economic strategies. This lack of facilitation of interpersonal networks by the state government fed a perception among respondents that the state government lacked a vision for local economic development.

These results imply that there is a great need for state facilitation of interpersonal networks across government agencies and private enterprises. However, in light of the state government’s perceived unwillingness or inability to collaborate, holding onto the current economic development framework may be detrimental to progress in local economic development. As Federking (2002) predicted, this inability to change or adjust the cultural framework may have a negative impact on future economic development.

Although the current study highlights the unique contributions a qualitative study can make to increase the understanding of rural communities undergoing dramatic shifts in macroeconomic factors, there is a need for more research. In particular, longitudinal studies with the opinion leaders interviewed will make a substantial contribution to the academic literature and the culture on economic development. Several more case studies should be conducted in northwest Ohio. Perhaps urban and rural counties could be compared to determine if major differences in the culture of economic development exist across northwest Ohio.

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