

SAFEGUARDING THE HEARTLAND:
COUNTY GOVERNMENT AND COMMUNITY SURVIVAL
IN THE ERA OF GLOBALIZATION

by

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ABSTRACT

This dissertation examines local government spending decisions in the rural Midwest in order to address the central question: How do county governments attempt to deal with the forces of globalization—including the loss of jobs and the outward migration of their young, educated population—at the same time dealing with an increasingly aged population in need of health care? This mixed method study included spending data from county budgets coupled with interviews with county commissioners; together providing insight into the ongoing process of funding health care and assistance to capital. The answer is these seemingly contradictory state functions do not conflict with one another at the county level in Iowa for the years under study. Gaming revenue emerged as an important (or sought after) revenue stream. Commissioners articulated ways they were impacted by larger social/economic forces as well as their local attempts to secure community in a globalized world.

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Table of Contents

Abstract	iii
Acknowledgements	iv
Tables, Graphs, Photos	viii
Chapter 1 Introduction	1
Background	1
Rationale	7
Chapter 2 Review of the Literature and Theory	11
(Neo-) Marxist Theories of the (Welfare) State	11
Role of the State Under Globalization/Global Capitalism	15
Medical Sociology and Health Policy: Rural Health Care	
Focus	31
Local Economic Development in the United States	35
Competing and Contesting Theories, Local Development	43
Chapter 3 Research Methods	48
Quantitative Research Questions and Methods	49
Selection of States, Counties, and Study Years	51
Data Sources	54
Variables	55
Dependent Variables	55
Independent Variables	57
Validity and Reliability	60
Data Analysis	61
Limitations	65
Qualitative Research Questions and Methods	66
Data Collection: Sample Selection	69
Interviewee Selection Process in Iowa	70
Interviewee Selection Process in Kansas	75
Characteristics of the Interview Sample	77
The Interviews: Format and Process	80
Qualitative Data Analysis	87
Limitations	90
Chapter 4 Quantitative Results	93
Brief Overview of the Quantitative Research Questions	
and Study Design	93
Quantitative Research Question 1: Extent of Spending on	
Health Care and Economic Development	95
Quantitative Research Question 2: Statistical Difference in	
Spending Over Time?	106

Table of Contents, cont.

Quantitative Research Question 3: Relationships of Social/ Demographic Changes for County Health Care and Economic Development, Correlations	107
Quantitative Research Question 3: Multiple Regression, Explaining Spending at the Local Level	120
Chapter 5 Winners and Losers, Counties and Gaming	134
The Numbers (from Iowa)	138
In Their Words	143
Give Me a Few Good Reasons	152
The Unspoken Finding	155
Summary and Conclusions	156
Chapter 6 Globalization Transforming the Heartland:	
Accounts from County Officials	158
Introduction	159
Does Globalization = Internet?	160
Race to the Bottom and Globalization Threats	162
Global Markets and Global Industries:	
Losers and Some Winners	165
Oil and Ethanol: The Great Promise for Rural America in a Global World?	168
Globalization: Our Young People Move Out, “Others” Move In	169
Lost and Forgotten (indicative of very rural counties)	173
Chapter 7 Discussion	178
Review of Research Project and Findings	178
Extent of County Funding and Changes in Allocations over Time	179
Competing Interests? Contradictions in the Role of the State? Not at the County Level...	182
Explaining County Allocations: Influential Demographic or Economic Factors	183
Unexpected Findings: The Impact and Desire Of Gaming Revenue	186
Commissioners Speak of Globalization	187
Limitations	188
Significant Contributions to the Literature	189
Looking Ahead, Moving Forward	193
References	196

Table of Contents, cont.

Appendices

Appendix A: Glossary of Variables	221
Appendix B: Letter of Introduction	224
Appendix C: Participant Form Letter	225
Appendix D: Consent Form	226
Appendix E: Interview Guide	228

List of Tables, Graphs and Photos

Table 3.1.	Demographic Characteristics of the Study States	69
Table 3.2.	Demographic Characteristics of the Interview Sample, by state	92
Table 3.3.	Occupational Categories of the Interview Sample	79
Table 4.1.	Basic Statistics for Per Capita Spending on Economic Development Programs by Counties in Iowa	96
Table 4.2.	County Allocation towards Economic Development, Quartiles over Time	97
Table 4.3.	Big Spenders on Economic Development Program and Total Economic Development Spending, per capita	100
Table 4.4.	Breakdown of Health Care Expenditures, county averages in Iowa, adjusted per capita dollars, 1997-2003.	102
Table 4.5.	Means, standard deviation and range of Total Health Care Spending (calculated with and without Mental Health/ Development Disabilities Programs) by Year	103
Table 4.6.	Big Spenders on Total Health Care Expenditures and Counties with Highest Hospital District Levies, per capita	105
Table 4.7.	Expected (Hypothesized) Demographic and Social Effects on County Spending in Iowa	108
Table 4.8.	Correlation Matrix for Total Health Care Spending	110
Table 4.9.	Correlation Matrix for Health Care Spending, Part Two	113
Table 4.10.	Correlation Matrix for Economic Development Program	115
Table 4.11.	Correlation Matrix for Summed Assistance to Capital	118
Table 4.12.	Hierarchical regression of Total Health Care Spending on Year, Unemployment Rate, Assessed Valuation, Household Size, Rural County, Population over the Age of 65 years, Median Income per capita, Border County, Semi-Urban Influence Code, Adjusted Summed Assistance to Capital	123

List of Tables, Graphs and Photos continued

Table 4.13.	Hierarchical regression of Total Health Care Spending on Year, Property taxes, Household Size, Urban/Influence Code, Percent over 65 years, Median Income, Border County, Population Growth County, Land area, and Summed Assistance to Capital (N=396)	125
Table 4.14.	Hierarchical regression of Economic Development Spending (logged) on Year, Border County, Unemployment rate, Assessed Valuation, Land area, Property Tax, Urban/Influence Code, Population Density and Total Health Care spending	128
Table 4.15	Two-tier Hierarchical Regression Analysis of Total Assistance to Capital on Year, Population Loss, Border County, Gaming Revenue, Property Tax, Assessed Valuation, Percent 65 years and older, and Total Health Care Spending	130
Table 4.16	Two-tier Hierarchical Regression Analysis of Summed Assistance to capital on Year, Population Loss, Unemployment Rate, Border County, Gaming Revenue, Property Tax per capita, Assessed Valuation per capita, Percent 65 years and older, and Total Health Care Spending	131
Table 5.1.	Major Sociological Journals and the “Study” of Gaming	137
Table 5.2.	County Gaming Revenue in the State of Iowa, 1997-2007	139
Graph 5.3	Per Capita County Gaming Revenue in the State of Iowa	142
Table 5.4.	Per Capital County Gaming Revenue in the State of Iowa	140
Table 5.5.	Adjusted Property tax rates per capita for Gaming and Non-Gaming Counties in Iowa (1997, 1999, 2001, 2003)	151
Table 5.6	Adjusted Total Health Care Spending per capita for Gaming and Non-Gaming Counties in Iowa (1997, 1999, 2001, 2003)	155
Photo 6.1.	Closed and Broken JCPenney Co.	163
Photo 6.2.	English Only Storefront	172
Photo 6.3.	Lost and Forgotten	174
Photo 6.4.	Saturday Morning, Traffic in a County Seat downtown.	176

Chapter 1: Introduction

It has become cliché to say that modern communications and technology have created a globally interdependent world. Yet, very little is known about the roles and activities that counties play in an increasingly global society. (Menzel, et.al. 1992)

This dissertation examines local government financial decisions, expressed through county budgets and contextualized through interviews with county officials, in order to understand the ongoing process of community survival in rural America. Karl Marx provided the theoretical foundation for sociologists to argue and examine how public policy is shaped by and for powerful interests, typically related to capital interests (see Feagin 1988; Logan and Molotch 1987; Mills 1956; Perrucci and Wysong 1999; Pollin and Luce 1998). Governmental decisions have wide-ranging impact on the lives of citizens, including at the local level. While most citizens do not understand how and where their local property taxes are spent, local governments are attempting to do more with less. At the same time, public and political debate continues between public sponsored health care versus “free market” ideology as a way to deal with economic change and challenges. This dissertation examines county spending allocated to these two (seemingly contradictory) state functions. I will now discuss why this important with some background information.

Background and Theoretical Framework

There have been powerful social forces at work during the past twenty or thirty years affecting rural Midwestern states: economic trends as in the loss of rural employment and the corporationization of family farms (Cigler 1993) as well as significant demographic changes in rural areas such as the loss of population, especially younger residents, resulting in an increase in median age (U.S. Department of Agriculture 2007). The movement of people out

of rural and into urban areas is on-going with significant consequences in terms of inequities in the tax base and services available to residents of rural counties. Yet, we as sociologists can and should research how counties in rural states are responding to such large and powerful forces.

While the United States is usually classified (or espoused) as a nation with high levels of market self-regulation and a lower degree of state control over the economy (Block 1994; Eisinger 1990; Zysman 1983), various Marxists theories argue the two spheres of economy and the state are linked in the United States (see Domhoff 1978, 1996; Feagin 1988; Miliband 1969) as do many scholars who do not consider themselves Marxists (Eisinger 1990). Eisinger reports that “the budgets of state economic development agencies for all states increased between 1982 and 1988 by nearly 300 percent” (1990: 526). Local governments are indeed in competition with one other to attract and maintain a vital business environment within their boundaries (Bowman 1988; Blair et al. 1984; Fisher and Peters 1998; Goetz and Kayser 1999; Grady 1987; Kantor 1995; Levy 1990; Peterson 1981; Watson 1995; Wolman with Spitzley 1999). The 1980s marked the beginning of a global restructuring of manufacturing. Cities and local governments were in shock as they attempted to deal with the large loss of jobs and a downward spiraling tax base at the same time as the federal government cut support for services at the state and local level (Barnes 1992; Fainstein and Fainstein 1989). Communities were left with little federal oversight in their attempts to boost their tax base the only way they knew how: de facto economic development and subsidies to businesses (Bartik 1991; Fainstein and Fainstein 1989; Fisher and Peters 1998; Jenkins, Leicht and Wendt 2006; Riposa 1996; Wolman with Spitzley 1999). As a result, economic policy has moved to the local level.

At the same time, with the influence of neo-liberal ideology, the tone regarding the role of government has been shifting, both in the United States and abroad. Neo-liberalism is the political legacy of Ronald Reagan and Margaret Thatcher in which government seeks to “free” the market from governmental regulation and oversight, continue the progression to secure private property and the movement away from or slashing state-funding of social goods such as health care and education (Friedman 2000; Harvey 2005; Katz 2001; Prasad 2006; Schram 2000; Stiglitz 2002). Antonio and Bonanno (2006) offer a rephrasing to “neomercantilist” to emphasize the state role in securing growth for business with subsidies for capital, socializing risk at the expense of social goods and moving away from the redistribution of wealth. They write, “On the campaign trail Clinton spoke about ‘putting people first,’ but his administration did not follow through on achieving this aim or balancing the roles of government and the market” (Antonio and Bonanno 2006:15). This ideology seemed to control the nation and state policy and provides a framework for this examination, especially as health care reform was thwarted under the Clinton Administration and had implications for access to health care in America.

The lack of health care reform saw an increase of the uninsured in America. The United States Census reported in 2003 that around fifteen percent were without health care insurance. This same report also noted that employer based health care coverage dropped to around sixty percent (see also Quadagno 2005). The availability of health care in rural areas is also problematic (Moscovice and Stensland 2002; Stensland, Brasure and Moscovice 2000; Zimmerman and McAdams 2005). Rural states such as Iowa have reported an increase in the percentage of their citizens without insurance (U.S. Census 2004). The Institute of Medicine reports increases in the uninsured because community hospitals and other health care

providers are unable to sustain services with increasing numbers of patients who cannot afford their services as well as the cuts in public health (2003). Accessibility to health care services is a vital component for any community, just as are education, jobs, and churches (see Zimmerman and McAdams 2005), thus there is an important link between health care and economic development. Both health care and local economic development expenditures are often considered vital for the health of a community or county as the citizens need jobs and the county needs a viable tax base. At the same time, access to health care in rural areas is threatened with rural hospital closures and the selling of medical practices (Moscovice and Stensland 2002; Moscovice 2003; Stensland et al. 2000). Thus, counties have incentives to spend public monies both for supporting (social) services such as health care and for investing in economic development. The purpose of this research is to investigate what counties actually do and how decision-makers talk about their actions in responding to these dual pressures.

This dissertation examines commitment to both areas of health care and economic development as public expenditure categories at the county level in hopes of filling some gaps in the literature on local economic development using a sociological lens missing in such research. This examination of health care and economic development spending builds on the theoretical work of James O'Connor (1973), Claus Offe (1984) as well as Jürgen Habermas (1973) in the exploration of the contradictions of capitalism; specifically, the role of the state to both assist the marketplace in the accumulation of capital along side of the need of the state to provide for the needs of its populace when economic and/or social circumstances threaten the stability of the system. This study also contributes to the emerging literature regarding the transformation of the state and the importance of space,

geography and the state's role in the governance of their 'space' (see Brenner 2004; Harvey 2001; Hirst and Thompson 1995; Sassen 1998, 1999a, 2000; Strange 1996).

In this dissertation I assess not only how much counties allocated (over the years 1997-2003), but also given the longitudinal (panel) data I collected, I investigate if these commitments changed over time. In the examination of county-level expenditures on health care and economic development spanning six fiscal years, I analyzed local spending in times of economic prosperity (1997) and recession (2003).

The year 1997 provides a beginning point of study, a time in which the prosperous 1990s were well established but health care reform was no longer politically possible. Why 2003? At the time I began this study, 2003 was the most recent *actual* expenditure data I could gather, and 2003 is a year in which we saw states struggle with budget shortfalls as state governments were deep into the fiscal federalism, counties receiving cuts from state and federal government. The year 2003 is also a time in which the loss of manufacturing jobs became an election issue. Talk of globalization was in high gear and on the radar of many rural and average Americans. With the examination of the actual expenditures for 2003, we can better understand how county governments allocated scarce funds that year in the midst of an economic downturn.

In addition to changes in spending, I also explore what socio-economic factors might have influenced county commissioners to assign county funds to the areas of local economic development and health care. A previous study on which I worked found several factors that positively influenced county level spending on health care: a higher than average per capita income coupled with a lower population density equates greater spending on health care (Zimmerman, McAdams, Wiebold-Lippisch and Oslund 2004). Does this hold true for

Iowa? And what about economic development? Current studies are contradictory and limited (Fisher and Peters 1998; Rubin 1988; Wolman with Spitzely 1999). There is a great need for a systematic examination of county level spending on economic development (Bartik 1991; Marando and Reeves 1991; Menzel et al. 1992). Case studies prevail while broader investigations of county level spending are rare or non-existent, as Wolman with Spitzely¹ report:

The reason that resource deployment measures are not used is straightforward and obvious: They are not available through the usual national data sources for local government expenditure and manpower (i.e., the U.S. Bureau of the Census's annual *City Government Finances* and *City Government Employment*). The only way to obtain them is by going to individual local governments and compiling them. This would be an extremely difficult task. (1999:235)

This dissertation is unique in that it examines all county spending within one state over a 6-year time frame.

Lastly, this dissertation goes even further in that I also interviewed county commissioners for more in-depth answers. These interviews focused on local spending efforts to mitigate social forces. I also wanted to see how county commissioners identified global forces impacting their communities; and what perceived actions they were taking in response. Stated as research questions, this study will investigate the following: What is the extent of per capita spending in counties on economic development programs, total assistance to capital more broadly and towards total health care? Have there been statistically significant changes in the allocation of these funds over time from 1997 to 2003? What demographic or larger social factors might explain, potentially predict, county spending in each of these categories? And do health care and economic development

¹ Wolman with Spitzely write, "a reasonable measure to which a local government engages in economic development activity should be related to resource deployment toward that end—in terms of either dollars spent on economic development purposes or employees devoted to that function" (1999:235).

compete for the same finite resources? Finally, how do county commissioners frame and speak about globalization affecting their communities and do they express agency in how they can react to globalizing forces?

Rationale

Over the past few decades, issues of the fluidity of capital and fierce interstate competition in the global economy have resulted in dramatic economic and demographic changes to the American heartland. Although scholars are aware of the larger social forces that threaten rural communities, we know little about how local governments are dealing with these issues. This dissertation bridges the large-scale social force of globalization to the local level. Similarly, economic development is an area gaining ground in a more macro examination but locally it does not get a lot of attention from sociologists. “Economic development is the process of improving the economic base of a community, expanding its supply of jobs and its taxable base,” writes Kirk McClure of the Department of Urban Planning at the University of Kansas (2003:10). Others contend that economic development could and should include a focus on the needs of the community and how perhaps non-profit institutions (such as health care and educational institutions) can benefit the entire community (Adams 2003). Doeksen, Loewen and Strawn (1990) also remind us of the importance of a community hospital for the physical as well as economic well-being of a community (see also Doeksen, Johnson, Biard-Holmes, and Schott 1998). Issues concerning the fluidity of capital are intensely felt by rural areas. They find it particularly difficult to survive as “rural areas find it hard to compete with urban areas in attracting manufacturing and especially high-tech firms as rural counties do not have the appeal of urban amenities” (Cigler 1993:94-95). Cigler argues this equates to a “relative decline in income: high

unemployment, low workforce participation, and a high level of out-migration are serious concerns” for rural areas (1993:93). Are counties competing with states and cities for foreign business enterprises? (see Menzel et al. 1992) and are they also allocating funds to insure access to health care in their local communities?

There are other reasons to analyze local government efforts at the county level. In the U.S., county governments are often at the receiving end of governmental mandates (Berman 1993). They must take on additional functions such as assisting with national security and helping to bridge gaps created by federal cuts in our nation’s public health and poverty relief programs—this along side of enhancing the economic vitality of their communities.

Counties are often referred to as an archaic form of local government and a form often criticized in political science and public administration journals (see Menzel et al. 1992 for a discussion of such critiques). Yet, taking an international comparative view of health care organization, in Sweden the twenty-one county-councils are the governmental units with primary responsibility for health care—as well as culture and transportation (Fact Sheet on Swedish Health Care, <http://www.regeringen.se/sb/d/4114>). Sweden and other Nordic countries find/require county level government capable to fulfill many state functions. Some scholars have argued the need for county level data and research here in the United States especially as counties serve as the liaison between a state and its citizens and their role is increasing as they become more and more responsive to the concerns of their citizens with the incorporation of additional services (Coopa 2000; Marando and Reeves 1991; Menzel et al. 1992). Moreover, counties are becoming increasingly important in terms of “handlers of rural government functions” and “administrative units for state policies” (Marando and Reeves 1991; see also Salant 1993). Marando and Reeves also note that counties are often

subject to greater state oversight, thereby increasing the likelihood of accuracy in accounting and standards. Reiterating the lack of research examining county roles and responsibilities, scholars cite the importance of changing county functions in relation to the growth of urban areas (Marando and Reeves 1991) and in the wake of continuing federal cuts (Menzel et.al. 1992).

For all of the aforementioned reasons, county level data and an overall research design focused on counties for this study is ideal. County level data are especially relevant in rural areas: if we were looking at an urban state or urban areas, cities would be more appropriate, but since I am looking at rural Midwestern states struggling to retain and perhaps grow their population base, and the county government level is more appropriate. Finally, in terms of feasibility, not only are the data more consistent and standard,² but also the number of counties (approximately one hundred per state) versus cities (multiple hundred for each state) makes for a more manageable data set.

In reviewing the literature on local economic development, I found the logistics of this research to be complex and contradictory. However, something that many scholars agree on is the examination of local governmental funds is vitally important. This proposed study will examine the often-neglected county level of public monies going towards health care and economic development. While outside factors affect rural communities, so do local policymaking decisions that can either “mitigate or exacerbate such trends” (Reese and Fasenfest 2004:18).

The current, competing theories³ regarding decisions at the local level are steeped in political science with some work in political economy. However, there is space for more

² This I also know from personal experience working with county and city level data in the nearly nine states.

³ I will review these theories in the literature review found in Chapter 2.

broad based sociological research in this area. Furthermore, this study offers broad theoretical value by better understanding local economic dynamics of globalization work and impact the ground (local) level. Analyses from the data I collected provide valuable and informative findings on how counties are attempting to finance their current and future needs to compete in a global world.

Chapter 2: Review of Literature and Theory

The questions I seek to answer in this study not only require mixed methods but spring from several different veins of scholarly research and theory. This examination of the ongoing process of community survival in rural America was informed by research and theoretical debates in political sociology regarding the theories of the state (mainly Neo-Marxist), the role of the state under globalization/global capitalism, and medical sociology with special emphasis on rural health care. Outside the discipline of sociology, I drew upon studies of public policy, specifically the areas of community studies and urban studies to assess local economic development. I provide a condensed analytic review of the literature and theory that helped to inform (and are subsequently informed by) this study.

(Neo-) Marxist Theories of the (Welfare) State

My theoretical training includes the Marxian framework for sociologists to argue and examine how public policy is shaped by and for powerful interests, typically related to capital interests (see Feagin 1988; Logan and Molotch 1987; Mills 1956; Perrucci and Wysong 1999; Pollin and Luce 1998). More contemporary research critically examines the economic troubles of the 1970s as the beginning of a rapid dismissal of the welfare state. Quadagno (1987) writes, “the tenuous compromise between capitalism and democracy forged by the Keynesian welfare state had broken down and that public social benefits had become a fetter on the economy” (pg.113). The tension and contradictions of capitalism were visible and therefore became the focus of much Neo-Marxist work. These scholars examined the contradiction between capitalism’s desire or need for accumulation versus the need for legitimation or stability that the welfare state provides (Block 1987a; Gough 1979; Habermas 1973; Offe 1984; O’Connor 1973). Block reviews work looking at the fiscal crisis

of the state and calls for sociologists to bring the crises of capitalism to the fore since industrial capitalism affects and shapes all aspects of society (1981). Other Marxist theories related to welfare spending include the questioning of capitalist power on/over state policies providing a critique to the 'pluralist' theorists such as Dahl (Domhoff 1978, 1990, 1996; Miliband 1969; Poulantzas 1978 [1968]). I will touch upon these concerns briefly.

O'Connor's work, *The Fiscal Crisis of the State*, is an exemplary example of Neo-Marxist work which seeks to explore the contradiction of the welfare state in terms of maintaining stability and legitimation of the capitalist system and class (1973). Said another way, O'Connor sees the contradiction between democracy and capitalism. The growing welfare state [in the years he wrote the book] could threaten the accumulation principle and this worried some economists. O'Connor stated the principle of accumulation would win over expanded welfare benefits (legitimation). Offe agreed with O'Connor's basic premise of systematic contradictions of capitalism and the many roles the state plays in attempts to sustain the emerging form of advanced or late capitalism (1984). Offe shows us that the state has 'allocative' and 'productive' policies to attempt to deal with this strain; however these policies both reinforce the accumulation of capital (allocative) at the same time threaten the accumulation by providing policies that enhance welfare (productive) that could otherwise be purchased in the market (1984). Essentially, the welfare state both aids the accumulation of capital and threatens it at the same time (Offe 1984; see also Habermas 1973). Offe's work also speaks to the belief that the welfare state is part of the capitalist dominated state, a point which many other Neo-Marxists can agree on, such as Domhoff and Miliband, which I will discuss next.

Domhoff writes that pluralists often “ignore the class structure and organizational context that encompasses decision-making” (1978:xiii). In a later piece he chastises Skocpol and other state-centric (state autonomy) theorists for also failing to see the importance of capitalist power over the state (1996). Domhoff instead argues that we can witness how the ruling class dominates the United States at all levels in four processes: special interests, policy formation, candidate selection, and the ideology process (1978). Miliband has a similar view of the interconnection of capital grooming and influencing state managers and thus, state policies (1969). Poulantzas critiques the interactional, network based power analyses that Miliband offers as he believes that power then is boiled down to individuals rather than structure (see Barrow 2002 and Jessop 2002). What turned out to be a rather entailed intellectual debate in *New Left Review*, suffice it to say that Poulantzas focused more on the structures (including ideological) that reinforce the capitalist mode of production (see Poulantzas 1978 [1968]). Furthermore, Poulantzas also speaks of a ‘relative autonomy’ on the part of the state: “state’s relation to the field of the class struggle, in particular its relative autonomy vis-à-vis the classes and fractions of the power bloc, and by extension vis-à-vis its allies or supports” (1978 [1968]:256). His concept of ‘relative autonomy’ does set him apart from other Marxists, at the same time highlighting another set of state theories: power resource theory.

Jill Quadagno’s work bridges several welfare state theories. One might regard her as a Neo-Marxist as an element of her work examines how powerful corporate interests impact social policy, albeit it racial policies (1984; 1990; 1994) or how corporate support of an altered [privatized and capital investments] Social Security program will replace the longstanding social insurance tone of the program (Myles and Quadagno 2000; Quadagno

1999). Her most recent work examines how and why the United States is the lone industrialized nation without a national health care (2005). In this book she reviewed the historical situations and causes of failed health insurance reform. She argues the effective mobilization of some “stakeholder” group (i.e., physicians afraid of losing their autonomy, private insurance companies influencing public opinion to reject health care reform) effectively blocked legislation that would have provided health care coverage for all Americans. Her work exemplifies the examination of powerful groups impacting and influencing the state.

Frances Fox Piven and Richard A. Cloward have long argued public policies regarding the poor are based on social control, keeping the poor from disturbing social institutions and maintaining stability (1993). Piven and Cloward argue that capitalists ensure the welfare state is harsh, punitive, and offer only meager benefits to ensure a cheap labor market for their disposal (1993 [1971]; see also Piven 1999a; Piven and Sampson 2001). In Piven and Cloward’s classic work *Regulating the Poor* (1993 [1971]), they purport that the poor and working classes are left out of political process (therefore lack political power), and must resort to civil unrest and chaos to have their interests heard. *Regulating the Poor*’s Marxist orientation is reflected in the authors’ claim that the government responds to the civil unrest with welfare state expansion to preserve the status quo of the economic and political system (Piven and Cloward 1993 [1971]).

Neo-Marxists theories of the welfare state flourished in the 1960s through the 1980s. While many scholars continue to write from this perspective, they have had to endure some criticisms, sometimes from friends as well as foes. For instance, Fred Block critiques neo-Marxist theories as too simplistic and reductionist as its theorists “felt compelled to explain

any particular state policy as reflecting the interests of one or another fraction of the capitalist class” (1987b:16). Skocpol also levies such attacks (1985; see also Skocpol and Amenta 1986; Skocpol and Ikenberry 1983). At the same time Block levies a harsh critique on Marxist thought, he does not want to view himself as no longer a Marxist; instead settled to declare himself a *Post-Marxist*. Post-Marxism, according to Block, continues to ask the “questions that Marx posed” because they are “central for understanding and transforming our social world” (Block 1987a:135). This is also the theoretical framework I use to frame the questions of community survival in rural America.

Role of the State Under Globalization/Global Capitalism

Before exploring the debate concerning the role of the state in global capitalism, I first must cover different ways states typically interact with the economy within their borders. The typology that follows is considered the classical way to view how states interact with markets; however it is not without critique (see Block 1994). Much of what follows (including the typologies) comes from Ó Riain’s review article in which he frames four dominant state-market interactions during the course of the “postwar Golden Age of capitalism—an era when economic growth and rising living standards were sustained” for the majority of industrialized nations (2000:188). These four models are: 1) liberal states, 2) social rights states, 3) developmental states, and 4) socialist states.

Liberal States

Liberal states (UK, US most notably) are states where the market-ideology dominates over other concerns or rights. “The project of the liberal state is the state promotion of the markets” (Ó Riain 2000:193; see also Block 1994; Phillips 2002; Stiglitz 2002 and 2003). For instance, Zysman calls this form of interaction or state, a “company-led” approach (the

United States is the prime example) where private corporations organize the economy and government rarely interferes with business (1983). Phillips (2002) and Stiglitz (2002 and 2003) highlight many ways that the government might espouse “laissez-faire economy,” at the same time actively assisting businesses with policies aimed at privatization and/or deregulation in favor of private profit (even bailing out corrupt private investments). This “get out of their [business] way,” coupled with a “help business prosper” attitude are indicative of liberal states. Governments in liberal states interact with the market by assisting business in the following ways: direct subsidies, tax breaks, financing research and development, protecting private property and patent law, military industrial spending, etc. to name a few.

Liberal states are known for their military strength (a result of their government financed military) but are less known for the support of social rights (publicly financed health care, unemployment, pension, etc) (see Esping-Anderson 1990; Esping-Andersen and Friedland 1982). Supply-side economics drives the state-market interactions of liberal states (see Stiglitz 2002) and has subsequently become the dominant template for global institutions interacting with states in the global marketplace.

Social Rights States

Social Rights states privilege social rights rather than private property and market rights. Ó Riain’s definition of social rights states are very much in line with Esping-Anderson’s (1990) definition of ‘social democratic welfare regime’ which secures universal policies (health, education, pension, unemployment, etc) idealizing social citizenship, enacting full employment measures and moving towards equality for all. These policies tend to result in remarkably lower rates of stratification in the countries that are more social

democratic in nature compared to the conservative/corporatist models found in Germany, for example (see Esping-Anderson 1990; Lehne 2001; Zysman 1983). Germany (along with Austria and France) are considered corporatist in that they still seek to redress market failures but are less concerned with leveling social inequalities and continue to maintain class hierarchies (Esping-Anderson 1990:59; see also Zysman 'corporatist' as 'negotiated state' 1983).

Union membership in social rights states help to protect workers from market ills as does the overriding skepticism in a strong pro-market ideology like that held by liberal states (see Korpi 1978, 1983, 1989; Sainsbury 1994a and 1994b; Stephens 1979 and 1982). This overall "alliance between state and society sets limits to the ways in which markets can be organized" in social rights states (Ó Riain 2000:196) although there is concern whether or not this alliance will hold under the weight of globalization (Garrett 1995; Pierson 1998; Porter 1990).

Developmental States

Ó Riain writes "The most vigorous efforts by the state to shape the market are found outside the core industrialized nations, in the developmental and socialist states" (2000:196). Many scholars agree Japan is the exemplar nation of what Zysman calls "state-led" nation-states where the state takes a direct and active role in the planning and deployment of economic development (1983; see also Dicken 2003; Johnson 1982). "Collaboration and negotiation were so intense that some argue it was an error to regard government and industry as distinct institutions" writes Lehne (2001). Evans remarks that Japan's ministry performed so well in terms of development and economic strength previous to globalization [and continues] as the nation was able to achieve a "combination of internal coherence and

external connectedness that I have labeled ‘embedded autonomy’ makes successful state involvement more likely” (1996:279). Johnson’s 1982 work, *MITI and the Japanese Miracle*, is a classic to understand how Japan’s Ministry of International Trade and Industry (MITI) guided Japan into the industrial and global economic world as a leader—targeting and insisting on competition in strategic industries for research and development money, pushing innovation and subsidizing any costs associated with scrapped production facilities to focus on technological rebuilding. Porter (1990) writes that Japan’s success depended on their competitive clustering of industries, a focus on dynamism and continual innovation (see chapter 8).

Many other East Asian countries follow Japan’s development strategies: pushing for continual innovation and competition within the state while the government subsidizes the infrastructural improvements required for such continual progress in their domestic firms. With this emphasis, however, workers in developmental states are not given the privilege afforded to workers in social rights counties (Ó Riain 2000). The state is primarily aligned with business for the goal of advancement in economic development in developmental states. Obviously this has paid off for many of the industrialized states of East Asia, known as “the Tigers” of development. It is also this tremendous success and reliance on the clustering of industries which could threaten state power (see Ó Riain 2000).

Socialist States

State-market relations known as the Socialist State is usually collapsed in with social rights states (see Dicken 2003 for example) as they act similar to the ways social rights states interact with the market and their belief in the possibility market-failures *except* for an even greater involvement or submersion of the economy into the state apparatus (Ó Riain 2000).

Socialist states are the opposite of liberal states and often received less scholarly attention and understanding until after the 1980s (Ó Riain 2000). The main component of a socialist economic system is the “elimination of individual private property and the institutionalization of some form of collective (usually state) ownership” (Szelenyi, Beckett and King 1994). Overall, a strong government is the key to avoiding the market inequalities although there is some confusion as to what in the market causes these inequalities and how to fix them (Block 1994). There are many ways to have a socialist state as the former USSR, China, Cuba, and several East Europeans countries with a socialist bent show us (see Szelenyi et al. 1994), although few remain with much disagreement about the legacy of socialist state-market relations (Ó Riain 2000).

Ó Riain contends that all of these state-market relations faced challenges as global marketplace grew institutional or national ‘buffers’ were replaced with a global marketplace based on international trade and finance, along with new technologies (2000). The debate concerning the relevance of the nation-state follows.

A continuing thread throughout much of the literature on globalization concerns the debate over the power of the state. Is the state dead, powerless, or in competition with others and therefore only a mere arm of the markets and capital interests? Or is the state very much alive with only different areas of foci, depending on which nation-state you examine? I focus mainly on the major arguments and players in this debate.

Many academic careers have flourished with foci on issues of the nation state under globalization. But I want to briefly note there are scholars who question the very concept itself as definitions are vague or absent (Smith, Solinger and Topik 1999; Strange 1996). While some scholars see the current ‘reality’ of global capitalism as a continuing iteration of

capitalism on a global scale (Arrighi 1999; Harvey 1990; Hirst 1997; Hirst and Thompson 1996; Panitch 1996; Wallerstein 1999). Despite this interesting critique, I will move forward with the assumption many other scholars stand: globalization **does** exist.

Amin (1997) defines globalization as “the blurring of traditional territorial and social boundaries through the interpenetration of local and distant influences, therefore requiring hybrid and multi-polar solutions” (p.124). More specifically, Dicken (1998) qualifies a distinction between ‘internationalization’ as a shallow and limited trade between nations, and ‘globalization’ as the functional integration and a complex web of interrelationships and interdependencies of countries and companies with an international division of labour (p.5). The former type of trade is associated with Wallerstein’s typology of ‘core,’ semi-periphery,’ and ‘periphery;’ whereas the latter obliterates such distinctions and acknowledges uneven development within a nation-state and globally with ‘corridors’ and ‘global cities’ of exchange and commerce. This new type of world commerce relies a great deal on the ‘foreign direct investment’ and transnational corporations than ever before—all made possible through technological advancements such as the jet plane, major advancements in communications and transportation. What is interesting is that these major advancements occurred in the 1970s and 1980s as well as the re-development of global finance to a more speculative nature based on floating currencies, called “market-led international monetary system,” breaking from the negotiation of Bretton Woods (Dicken, p. 25 and 462). These ‘advancements’ sparked a new way of interacting, living, doing business and governing. So, assuming these advancements are new and ultimately changing the world, do states change as well?

The State is Dead (or weakened, to say the least)

Today it seems that the heads of governments may be the last to recognize that they and their ministers have lost the authority over national societies and economies that they used to have. Their command over outcomes is not what it used to be. Politicians everywhere talk as though they have the answers to economic and social problems, as if they really are in charge of their country's destiny. People no longer believe them. (Susan Strange 1996:3)

...the impersonal forces of world markets, integrated over the postwar period more by private enterprise in finance, industry and trade than by the cooperative decisions of government, are now more powerful than the states to whom ultimate political authority over society and economy is supposed to belong. (Susan Strange 1996:4)

These quotes best summarize the widespread belief that the nation state is without real power in a globalized economy and world in which we find ourselves. Market forces and regional trading blocs or supranational institutions dictate the daily lives of people around the globe. Governments find themselves setting national domestic policies based on these supranational (often non-governmental) power brokers "suggestions."

Kenichi Ohmae (1993) is cited most often for his statements that "the nation state has become an unnatural, even dysfunction, unit for organizing human activity and managing economic endeavor in a borderless world" (p.78). A staunch pro-market ideology guides his work in which he claims economic activity creates meaningful boundaries and borders that nation-states no longer control or dictate (see also Ohmae 1995). Instead of nation-states, he declares "region states" which he defines as "natural economic zones," which are powerful territories which drive the global economy and, if "handled gently, region states can provide the opportunity for eventual prosperity for all areas within a nation's traditional political control. When political and industrial leaders accept and act on these realities, they help

build prosperity. When they do not—falling back under the spell of the nationalist economic illusion—they may actually destroy it” (Ohmae 1993:4)

Susan Strange (1995 and 1996) argues markets control governments and governments are finding themselves with declining authority over what happens within their borders. Furthermore, their power to control and dictate policies declines, and they find themselves with populations within their boundaries wanting a state of their own (see also Barber 1996; Fukuyama 2004). Rosenau (2002) follows this assessment that the nation state is coming under attack from fragmentation within and outside (he calls this ‘fragmegration’) and calls for some level of global governance which seeks to achieve ‘compliance’ from the interdependent world we live in. We currently have some forms of this through what he calls “collectivities of governments,” non-governmental institutions, international institutions — governmental and otherwise, as well as marketplace interactions, elite groups, and mass public groups. The whole notion of ‘global governance’ is an area of research, but one in which I overlook here for the sake of manageability of the literature.

Often times scholars who support the viewpoint of a weakened or dead state cite international finance as a major indicator of the state’s loss of power over their economy⁴ (Cable 1995; Cerny 1994; Matthews 1997; Strange 1995 and 1996; Sassen 1998). Cerny argues that states are losing power to the structural hegemony of global finance in which states must ‘open up’ or lose mobile capital (1994). From my reading of Saskia Sassen’s *Globalization and Its Discontents* (1998), the engine of globalization is the “deregulation of national economies” (p.xxxiii), and at the same time she emphasizes the importance of technologies such as telecommunications and the Internet in allowing the flexibility and

⁴ Although Helleiner (1999) counters many scholars “overstate the extent to which financial globalization has actually eroded state power either in the macroeconomic realm or the regulatory sphere” as well as lacking a historical perspective (p.154).

mobility of global markets. Sassen argues “globalization under these conditions has entailed a partial denationalizing of national territory and a partial shift of some component of state sovereignty to other institutions, from supranational entities to the global capital market” (1996:xii).

The power of technology is often cited for the loss of nation-state power and support globalization. As Peter Dicken argues, technologies enable change, making “possible new structures, new organization and geographical arrangements or economic activities, new products and new processes” (1998:145). To further support the intersection of technologies and neo-liberalism, Sassen writes, “technologies that make possible the hypermobility of capital at a global scale; market deregulation which maximizes the implementation of that hypermobility” (p.139). Yes, technological advancements provided power to globalization, but a shift away from Keynesian economics to market fundamentalism and deregulation of finance supported by neo-liberalist policies comprise the ideology behind the policies of the powerful global institutions which shape our globalized economy (see also Drache 1996; Neubauer 2000; Sassen 1996). These ideologies are at the center of what Sassen (and many others) contend are major causal explanations to the nation-state losing power at the same time also recognizing that the states are putting the desire for economic growth above their other roles.

Mann (2001) makes a powerful and interesting point that “capitalism is globalizing, but with a Northern face” (p.57) that affects nation-states differently:

Since the economic power of most Southern countries is in decline, relative to the North, their ability to resist a Northern-defined globalization is lessening. In addition, many Southern regimes are now staffed with ‘realists’ and Chicago School economists, who argue that their government must do whatever it takes to attract foreign capital and trade, and abandon whatever protectionism were previously in place. (Mann 2001:56).

Southern nation-states are much less autonomous from neoliberalism globalizing market forces dictated by Northern nation states and their subsequent international market institutions they head.

In sum, Weiss (1988) contends that the “social sciences are in an era of ‘state denial,’” in which they declare the state weak, hollow, defective, carved up, suffering from antistatist backlashes from their citizens⁵ or dead.⁶ I found some evidence of this in my review of the literature (Dierckxsens 2000; Drache 1996; Strange 1995 and 1996; Ohmae 1993 and 1995; Schmidt 1995; Walby 2003); yet for what is often perceived of as the “overriding theme” in globalization literature, I found many more authors who disagree with and/or argue with assiduous care the need to re-examine the claim to uncover the motive behind the assertion that the state is weak or dead. Yet, I understand the power of such claims and find myself, at times, believing this very thing: that states are weak in the face of a global economy.

‘Competitive State’

Other scholars view the state as maintaining importance and relevance, but in matters concerning what Linda Weiss, a political scientist, calls “*transformative capacity*: the ability to coordinate industrial change to meet the changing context of international competition” (1998:7). Another way of expressing this point of view is that the state remains a powerful entity, as Weiss writes:

...the state can provide a potentially more powerful locus for coordinating change. This is because the state’s institutions can offer the most encompassing organization complex for overcoming a number of widely recognized obstacles to change, including problems of collective action, bounded rationality and short-term horizons

⁵ see Block 1996 for an examination of the antistatist agenda of the Republican party in the 1990s

⁶ Weiss (1997) also claims scholars arguing the loss of state tends to overstate the power of states in earlier periods.

as well as unprecedented time compression in technological transformation. Most important of all, perhaps, only the state can readily absorb and socialize risk to the extent required by modern production technologies. (1998:6)

With this in mind, she views ‘internationalization’ as the fourth era of adaptation undertaken by nation-states (first ‘adaptation’ as tax-seekers to conduct military affairs in the eighteenth century; secondly protecting and adapting national economies through industrialization; followed by creating and expanding social citizenship via a social welfare system); and like the adaptations before, not all states adapt in similar fashion or timing (Weiss 1998:9-10).⁷ In this way, states compete with one another in adapting to the internationalization; “state capacity, far from becoming irrelevant, has acquired new significance in a changing world economy” (1998:13). Borrowing from Michael Lind (1992), Weiss views the current role of the state as a ‘catalytic state’ since the state acts as a catalyst, bringing together cooperatives and coalitions of groups to bring about a rising economy. Weiss is not alone.

While Thomas Friedman contends that “Supermarkets” and the “Electronic herd” dominate the world market over government, he also says the state does and should matter. In fact, he writes this: “IN THE GLOBALIZATION SYSTEM YOUR STATE MATTERS MORE, NOT LESS” (2000:158). Yes, that is right, he tells us in CAPITALIZED LETTERS just in case we are a bit slow. He continues: “You need a smaller state and a faster state, with bureaucrats that can regulate a free market, without either choking it or letting it get out of control.” (2000:158). His vision for a state is very much in-line with a neo-liberal model that emphasizes deregulation, privatization, liberalization, and the safeguarding of capital and intellectual property rights. Only states have the power to make this happen and in order to compete in the global economy.

⁷ To examine transformative capacity in the internationalized economy, Weiss examines Germany, Japan, Sweden, Great Britain, and the United States and does, indeed, find differential timing and situational circumstances similar to Porter (1990).

Philip Cerny (1991) understands the power of the state involved in the economy as he writes on the process of deregulation as part and parcel of the formative move by the nation from a welfare state to a 'competitive state' to promote "enterprise, innovation and profitability in both private and public sectors" (p.179; see also Cerny 1995). I detail these specific practices taken on by the state here because the third section of this statement specifically deals with issues of local economic development and it is useful to see these practices described and implemented (according to Cerny) in more global terms: "encouraging private investment and venture capital, while providing or guaranteeing credit-based investment where capital markets fail, often through joint public/private ventures, development new forms of infrastructure; pursuing a more active labour market policy while removing barriers to mobility; and the like" (1991:182). These are some policies, but issues of how to pay for it are another matter...

Thomas (2002) finds countries competing for mobile capital and to do so requires actions by the state such as raising taxes on other groups to cut taxes or provide subsidies to capital, as well as cutting spending in other areas and/or deficit spending (see also Drache 1996). Yet, he differs from the other scholars listed above as he cautions states from continuing in this trend as he finds states continue to struggle with fiscal problems dilemmas.

Krugman, Nobel Prize Winner and liberal economist, strongly asserts that notions of the 'competition state' are invalid and, in fact, dangerous (1994a, 1994b, 1994c). While he views this notion as a relatively easy concept to "sell," he argues that many who attempt to sell this notion are doing so in order to push their political or economic agenda (see also Rodrik 1997; Weiss 1998) on "careless arithmetic" as nations are not like Pepsi and Coke where competition negatively impacts the other. States are not businesses and while

international trade issues are important, the vitality of the domestic market is often lost in claims that nations compete with each other for market share. Despite the disagreement whether or not states compete, they do agree that states exist.

The State Lives to Fight Another Day

Other scholars fight the “denial of the state” by asserting the state lives on and mediates—some even claim states *control* the powerful international forces such as international capital and financial powerhouses. Dicken calls this orientation “state as collaborators” (2003). Navarro, Schmitt, and Astudillo (2004) examines national spending on welfare systems in two periods: from 1946-1980 (what they call pre-globalisation) and then from 1980-2000 (period of globalisation) in many of the OECD countries and found national spending on their welfare state did differ based on political traditions (social democratic spend more over these times and even under the globalization period compared to liberal countries). Their work adds to the extant literature claiming the continued existence and power to set domestic policies by the nation-state (see also Hirst 1997; Hirst and Thompson 1995).

Dicken holds fast to the importance of the nation-state; which is the place of origin for these global organizations and in fact, writing the state is also a “container” which produces distinctive business practices and culture that globalizing forces must work in (1998 and 2003). According to Dicken, it is the nation-state that bargains trade agreements and provides infrastructure (including education and control of labour) for business and commerce. States can either appropriate policies that aid the market and global economy, or they can “limit the extent of, or even to dismantle, the MNC integrated manufacturing and trade networks with more regulations [‘non-tariff’ barriers] and restrictions on foreign

investments and market access” (1998:275). The nation-state is also a place in which Dicken recognizes the influential aspects of culture and particular institutional history and tone [path dependence] which influence commerce. Dicken directly attacks the stance that with globalization, place and space no longer matter.

Jessop (1993) is often cited as saying the state power is weakened, eroded, and ‘hollowed out’ through the process of ‘destatization, denationalization, and internationalization; however, MacLeod and Goodwin caution us that he is often misunderstood: “confused a hallowing-out of the state form with a hollowing-out of state power” (1999:522 see also Peck 2001). While Jessop does believe the nation-state is “hollowed out,” he argues that the state decides what policies to enact and generally the state sides with capital accumulation with a move towards a “Schumpeterian workfare role...subordinates social to economic policy with particular emphasis on labor market flexibility, structural competitiveness, and the impact of the social wage as an international cost of production” (Jessop 1997; see also Jessop 1993; Ruggie 1982 for ‘embedded liberalism’; Sklair 1998 as to how the ‘transnational capitalist class’ dictates state policies and global capitalism).

In a similar vein, Rodrik (1997) blames companies in developed countries for moving production abroad, thereby displacing union power, workers and their subsequent tax revenues—causing the state to cut social programs. Rodrik is also very skeptical of free-trade and liberalization policies, viewing them as negatively impacting people in developing and developed nations. Yet, like others, Rodrik does not completely lose faith in the existence of the state and views the state as responsible to enact policies to protect their people and economy over free-trade (see also Boyer 1996).

Meanwhile, Hirst (1997) contends “the extent to which capital is ‘footloose,’ embodied in homeless transnational corporations, has been exaggerated” (p.409). Even though I placed Sassen’s work in the “declining state” group, she also holds opinions that the state and place does matter. For instance, while flexibility and (hyper)mobility of capital are central to the global economy (see Rifkin 2000), Sassen writes of megacities, or global cities that are not all that hypermobile (2000, 2002). In these “centers” of global trade are the diversity of jobs (well-paid financial and computer based work to low-paid service work) that are crucial to the global economy: New York, Los Angeles, London, Tokyo, and Frankfurt are a few examples of these “centers.”

Gilpin (2002) accepts the ‘hits’ taken by nation-states in terms threats from the outside (define) and inside (alluding to fragmentation) but still describes the nation-state as “of supreme importance even though there is no certainty that it will exist forever” (p.239). This assertion that the state is still powerful but with hesitation on its future is what many of these scholars share. There are other scholars who more strongly assert the continuing and future power of the state in the era of globalization and this is what I will turn my attention to now.

State is Strong! [and be dubious of those who say it is not!]

Lake (2002) is very much concerned with the rhetoric of the state as powerless. He argues against claims of the demise of the nation-state as premature and is often rhetoric used to preserve the status quo of privileging global capitalism (see also Kelley 1999; Kelly & Olds 1999; Mertes 2002; Panitch 1996; Peck 2001; Piven 1995; Rodrik 1997). For instance, the state did not give up power by cutting or redirecting services from federal to the state level, but “rather, it reflects an overt and affirmative decision by the national state to reduce

the revenue exactions on corporate capital that it might otherwise impose in the form of taxation in order to fund expenditures for social welfare” (Lake 2002:819). Lake provides a compelling argument that we need to “redirect what government does...refocusing away from a program of action in support of globalizing capital, and its redirection on behalf of the goal of social justice” (p.820; see also Peck 2001; Rodrik 1997). Harvey (2000) writes:

To make the contemporary wave of neoliberalism work, that state has to penetrate even more deeply into certain segments of political-economic life and become in some ways even more interventionist than before (Thatcherism was in certain respect highly interventionist). By the same token, that nation state also remains one of the prime defenses against raw market power (as the French have been reasserting since 1995). (p.65)

Likewise, Hirst (1997) and Peck (2001) add to this stream of thought by criticizing the route of state-sponsored Neoliberal ideological domination of globalization.

Other concerns are articulated by Evans as he warns:

Strategies aimed at increasing state capacity in order to meet rising demand for collective goods and social protection look foolish in an ideological climate that resolutely denies the state’s potential contribution to the general welfare. Beleaguered state managers and political leaders, bent on trying to preserve the state as an institution (and their own positions), may come up with some innovative organizational improvements and some salutary ways of reducing the scope of what states attempt, but their primary strategy is likely to be reneging on the old commitment to embedded liberalism. The problem of closing the capacity gap is redefined as a project of constructing a leaner, meaner kind of stateness. (1997:85)

“Stateness” is the institutional centrality of the state (Evans 1997:62), and Evans is convinced that the state is neither dead nor weak and such talk can bring about a leaner, meaner state attempting to show us its continued existence.

Final Thoughts on the Role of the State in Global Capitalism

While reading this material, I came to a realization: individuals who claim the state is either dead or weak tend to privilege the marketplace and global capitalism (Ohamne) OR they desire global governance to control the market since the state is not (for instance,

Sassen). Likewise, some of the scholars who argue for the continued existence and power of the state are typically arguing that the state needs to redirect their focus from enabling the mobility of capital to a concern about labor or other domestic priorities (see Hirst 1997; Mertes 2002; Peck 2001; Rodrik 1997; Stiglitz 2002).

Another important theme in this literature that was key to this study is the push for a multi-scalar approach when examining economics and policy decisions (see Amin 1997; Kelly and Olds 1999; MacLeod and Goodwin 1999; Sassen 1998, 1999a, 1999b, 2000; 2001, 2002 and 2003; Swyngedouw 1997). This work and approach reminds us to not reify globalization and/or the forces of globalization but to examine them as interrelated mingling “of global, distant and local logics” (Amin 1997) in places where we can see the interconnectedness such as in global cities (Sassen’s work exemplifies this). Decisions concerning economic and domestic policies are made at several levels and by different groups of people—globalization is recreated on many scales and is ‘embodied’ at every point. Globalization is a concept—and idea, but also has material conditions and is backed or held up by people (see Kelly 1999). Piven (1995) writes globalization “itself has become a political force, helping to create the institutional realities it purportedly merely describes” (p.8) remembering this fact will help us to maintain our reflexivity (see also Kelly and Olds 1999). Other scholars remind us that globalization does not *have* to mean an adherence to neo-liberal policies and should be open to debate, modification, and revision (see Brecher, Costello and Smith 2002; Dierckxsens 2000; Mertes 2002; Pieterse 1997; Stiglitz 2002).

Medical Sociology and Health Policy: Rural Health Care Focus

One major vein of research at the interface of Medical Sociology and Health Policy in the United States is the research to understand the urban/rural inequities of health care access

and outcomes. The continuing issue of availability of physicians (and pharmacists, see Casey, Moscovice and Davidson 2006) in rural areas are of utmost concern and study (Biola and Pathman 2009; Ellerbeck, Bhimariz and Perpich 2004; Van Dis 2002) in addition to the concern of uncompensated care in rural areas (Bennett, Moore and Probst 2007), in part due to lower health care insurance coverage rates (Irvin, Fox and Pothoven 2003; The Institute of Medicine 2003; Morton 2003). Accessibility and quality of mental health care services are also an issue in rural areas (Hartley, Ziller, Loux, Gale, Lambert and Yousefian 2007) as well as surgical care (Doty, Heneghan and Zuckerman 2007). DeVoe, Krois and Stenger (2009) find rural children are more likely to have unmet medical needs than children from urban areas, even after controlling for health insurance coverage (see also Morton 2003). All of these inequities combine to help account for disparities in health outcomes and higher mortality rates for people living in rural areas (see Eberhardt and Pamuk 2004; Lave, Fine, Sanke, Hanusa, Weissfled and Kapoor 1996; Samuels, Xirasagar, Elder and Probst 2008).

Concerns about financial viability and access to health care via hospitals in rural America were behind the Medicare Rural Hospital Flexibility Program under the Balanced Budget Act of 1997 (see Fennell and Campbell 2007; Ricketts III, and Heaphy 1999; Zimmerman and McAdams 2004, among others). This act was designed to assist the viability of small, rural hospitals by improving or maintaining access to health care by establishing a new type of hospital in rural areas: a Critical Access Hospital (CAH) (Morton 2003; Li, Ward and Schneider 2009).

While there are many criteria to distinguish CAH eligibility, the central criteria revolve around the location of the hospital in a rural area or non-metropolitan statistical area, defined as “located more than a 35-mile drive from any other hospital or CAH” (unless in a

mountainous terrain or surrounded by secondary roads only)⁸ (see also Li, Ward and Schneider 2009; <http://www.aha.org/aha_app/issues/CAH>). According to Department of Health and Human Services, Centers for Medicare & Medicaid Services, these rural hospitals receive “cost-based” reimbursements that assist their financial viability as long as the hospital follow other criteria regarding number of beds (limited to 25 inpatient), participation in Medicare, operate on a not-for-profit basis, and maximum patient stay could not exceed 96 hours (therefore not operate as a long-term care or nursing facility). Morton (2003) regards the limitations placed on CAHs detrimental, in effect, preventing rural hospitals from competing with urban facilities with the criteria restrictions emphasizing basic health care services and limits specializations. As of 2006, “CAHs represent 80% of all small rural hospitals and over 60% of all rural hospitals” (Pink, Holmes, Thompson and Slifkin 2007:299). Although the cost-based reimbursement rates are vital to sustain these rural hospitals, local tax subsidies are another important component of the recent past and likely future financial viability (McAdams, Zimmerman and Wiebold 2007; Zimmerman and McAdams 2004).

Despite the implementation of CAH, Morton (2003) argues there are crises in rural health care in this nation. There is a crisis in terms of health care infrastructure as more medical technologies are employed but costly to budget strapped counties and shrinking federal subsidies. Ambulance services in rural areas rely heavily on volunteers although the numbers of volunteers are decreasing due to age, the overall loss of population in rural areas and the need to keep abreast of ever-changing medical technologies and training. Despite CAH funding, Morton also reports rural residents “bypass” rural hospitals when they are able and so, funding and admission rates fall. She cites a well-known quandary in health care in

⁸ http://www.cms.hhs.gov/Certificationandcompliance/04_CAHs.asp

rural America: “Rural hospitals are caught between providing base medical care to an aging and increasingly chronically ill population, and a burgeoning medial infrastructure that focuses on specialization and technology (2003:293). Howard Waitzkin supports this finding with data that finds rural and low-income urban areas lacking adequate medical services whereas expansion of private medical centers are concentrated in and around affluent areas of cities (2000). He states “such trends create grotesque paradoxes as expensive facilities remain underutilized because of duplication; meanwhile, clients from outlying areas find it difficult to gain access to services” (Waitzkin 2000:98).

Medical Sociology also encompasses the organization and functioning of health care systems, including our own. The United States has a mix of private and public financing of health care dependent on one’s age, employment status and economic resources. The state (federal, state-level and even local governments) has a federalist like system to assist some the young, elderly and/or disadvantaged access health care (Weissert and Weissert 2002). Although some scholars are quick to point out the failings of our system (see Morton 2003), the federalist approach of federal government assistance for health care continues as a main source of health care funding to state and local governments (Weissert and Weissert 2002). Weissert and Weissert also detail how the evolution of professionalism state governments have led to some experimentation of state-sponsored health care programs. Innovative health policies (such as medical coverage for children) help to serve as “test cases” for government sponsored or managed health care systems.

Weissert and Weissert (2002) argue state governments are very involved with the regulation and administration of health care in a myriad of ways. From state health departments to overseeing medical school curriculum, spending of Tobacco Settlement

monies to state regulation of private health care insurance preventing discrimination of people living with HIV/AIDS, individual states are actively engaged in health care policy. Mental health is also an area of responsibility long appropriated to state and local government. States began to mandate private insurance companies to cover mental health (<http://www.statehealthfacts.org/comparereport.jsp?rep=1&cat=7>; see also Weissert and Weissert 2002). These types of state legislative and experimental programs serve as a reminder of state involvement in provisions of health care.

In short, from this brief review of issues of health care in rural America, my exploration into county support of health care services is an important one. Rural counties will continue to feel the burden of a less mobile and aging population needing health. Health care services are dependent on reimbursements—private or public—both are finding difficulty in ever-increasing fragile social and economic conditions in rural America.

Local Economic Development in the United States

Concurrent state, national and international trends towards almost unquestioning support of neoliberalism, greatly impact the debates concerning governments' roles in policy decisions. This continuing trend of slashing governmental support of social spending (Katz 2001; Mink 1998; Schram 2000) at the same time assisting the market to grow (Antonio and Bonanno 2000; Pollin 2003; Stiglitz 2002 and 2003) provides another theoretical frame for an examination of economic development by local governments. This theoretical foundation is not without merit as much of the research on local development finds cities, counties, and states scrambling to maintain economic stability under global capitalism (Blair, Fichtenbaum, and Swaney 1984; Clarke and Gaile 1989; Kantor 1995; Rubin 1986; Trachte and Ross 1985; Wolfson and Frisken 2000; Wolman with Spitzley 1999).

A caveat or two before diving into this literature: Few sociological studies examine local governmental spending. Either the local is overlooked in favor of national and international comparisons (such as Eisinger 1990; Esping-Anderson 1990; Flora and Alber 1981; Orloff 1993; Summers and Branch 1984) or case-studies which give in-depth accounts of focused local politics and policy decisions (Burns 2002; Carroll, Hyde, and Hudson 1985; Davis and Brocht 2002; LeRoy, Hinkley, and Tallman 2000; Lupsha 1987; Stone 1987b and 1989; Swanstrom 1985; Talanker and Davis 2003; Whelan 1987) and/or a focus on urban politics (Feagin 1988; Molotch 1976 and 1999; Molotch, Freudenburg, and Paulsen 2000; Riposa 1996; Whelan 1987). Another area of research examines spatial clusters of development or industries (Audretsch, Weigand and Weigand 2002; Drabenstott 2008; Feser, Renski and Goldstein 2008; Hill and Lendel 2007; Montana and Nenide 2008; Motoyama 2008; Porter 2000). Finally, Richard Florida (2002 and 2005) popularized the notion of the “creative class” providing talent along side with interesting culture, creating spaces/places to settle. Florida informed cities and businesses of this “creative class” and how they might want to take note, appreciating diversity in many forms in order to sustain their future. Reese and Sands (2008) find a weak correlation between local population diversity and talent but question Florida’s “creative class” theory is an effective economic development tool.

Other disciplines such as political science, urban planning, geography, and economics provide empirical studies (as well as some theoretical work) on the topic of local financing, spending, and development programs (Blair et al. 1984; Edwards and Bohland 1991; Erickcek and McKinney 2006; Fleischmann, Green, and Kwong 1992; Gough and Eisenschitz 1996; Hall 2009; Park 1997; Shafik 1994; Vojnovic 2003; Wolfson and Frisken 2000); however, sociological analysis is limited. Econometric models—models privileging

firm profit potential while minimizing political factors, are often cited in the discipline of political science (Fox 1996; Fox and Lee 1996). I argue econometric models are lacking a sociological analysis and therefore I will rely little on such studies.

Another interesting finding concerning the literature is that there is really no agreement on what ‘economic development’ means: “the literature does not bother to define the term and thus, not surprisingly, encompasses a wide variety of activities and policies that sometimes appear to have little relation to each other” (Wolman with Spitzley 1999:225; see also Reese and Fassenfest 2004). Generally, economic development means growth—either in jobs or government income, but can also include a myriad of programs at the federal, state and local level with various goals such as reducing poverty, unemployment, increasing tax base, developing or redeveloping of land, attracting new businesses and/or manufacturing, etc (Wolman with Spitzley 1999). Again, others purport that we need to extend the concept of “economic development” to include funding of health care and education because both are necessary and serve vital community needs, provide jobs to community citizens, and also serve as a cultural and encouraging factor to bring additional job and economic development to a community (Adams 2003; Doeksen et al. 1990 and 1998; Reese and Fassenfast 2004). Swanstrom takes a very Marxist examination of ‘economic development’ and questions if it really is just government taxpayer funded subsidies for businesses (1985). Wolman notes that many economic development studies do not include the development of land for residential home building as part of “economic development” (1999). Lewis (2002) also calls attention to the lack of integration of economic development and local housing policy or growth...therefore I am not alone in noting this absence or disjuncture in the literature. To

reiterate, the typical focus of economic development studies remains on bringing in or maintaining job opportunities for a community or geographic area.

The United States is usually classified (or espoused) as a nation in which the market has a high degree of freedom (high levels of market self-regulation) and a lower degree of state control over the economy (Block 1994; Eisinger 1990; Zysman 1983). The presumed ideology behind the United State's economic policy is liberal in approach: markets and government are separate entities (Slater and Tonkiss 2001). Various Marxists theories argue that the two spheres of economy and the state are linked in the United States (see Domhoff 1978, 1990, 1996; Feagin 1988; Gough 1979; Miliband 1969) as do many scholars who do not consider themselves Marxists (Eisinger 1990). Eisinger (1990) argues that while the dominant belief is that the United States does not have a formal "Industrial Policy," "this view misses entirely the recent emergence of industrial policies at the state level" (pg.509).

Peter Eisinger, a political scientist, wrote in 1990:

...the budgets of state economic development agencies for all states increased between 1982 and 1988 by nearly 300 percent. This compares to an increase in total state expenditures for all functions over the same period of approximately 60 percent. The rise in economic development agency allocation provides a crude indicator of the rush to develop a larger and more elaborate bureaucratic capacity to oversee this policy domain. (pg.526)

At the state level, Eisinger finds industrial policies that are very similar to policies undertaken by Japan and France (countries typically viewed as very interventionist or directive) (1990; see also Johnson 1982 for an analysis of the 'Japanese miracle'). Feagin (1988) confirms this with a case study on Houston: the city known as a "free enterprise city" is "*not* a free market city... Not only are such cities disproportionately shaped by decisions made by executives in a few large corporations in the relevant industries, but they are also substantially fashioned and formed by state intervention, often at the behest of business

leaders” (p.5). A political scientist, Paul Peterson’s landmark work *City Limits* (1981) argues that with increased mobility of capital, cities are forced to protect their fiscal base and responsibilities and do so with a *unitary* focus on keeping and attracting economic activity within their geographic limits.

Wildavsky (1984) writes: “there is no such thing as not having an industrial policy. Action and inaction alike affect the condition of industry” (pg.28). However, numerous scholars argue that states, cities, and counties are in active competition with one other to attract and maintain a vital business environment within their boundaries (Bickers 2004; Bowman 1988; Blair et al. 1984; Erickcek and McKinney 2006; Feagin 1988; Fisher and Peters 1998; Fox 1996; Goetz and Kayser 1999; Grady 1987; Jacoby and Schneider 2001; Jenkins, Leicht and Jaynes 2006; Jenkins, Leicht and Wendt 2006; Kantor 1995; Levy 1990; Peterson 1981; Reese 2006; Saiz 2001; Watson 1995; Wolman with Spitzley 1999). The 1980s was the beginning of a global restructuring of manufacturing, cities and local governments were in shock as they attempted to deal with the large loss of jobs and a downward spiraling tax base at the same time as the federal government cut support for services at the state and local level (Barnes 1992; Berman and Greene 1993; Clarke and Gaile 1989; Fainstein and Fainstein 1989; Fisher and Peters 1998; Levy 1990). Cities were left with little federal oversight in their attempts to boost their tax base the only way they knew how: de facto economic development and subsidies to businesses (Fainstein and Fainstein 1989; Fisher and Peters 1998; Riposa 1996; Wolman 1986; Wolman with Spitzley 1999). Economic policy moved to the local level (Bartik 1991; Kantor 1995; Levy 1990; Peterson 1981). I want to explore these issues with personal interviews with county elected

commissioners⁹ to see if they identify global market forces and the movement of capital impacting their communities; and if so, what actions are they taking in response.

Blair et al. (1984) noticed the emerging market, “the market for jobs” in which cities and states were competing to bring and maintain jobs within their boundaries (see also Fisher and Peters 1998). An industrial policy emerged at the subnational level, even competition within a state and continues today. Nelson, Drummond and Sawicki find a trend of manufacturing to move to the ‘exurbia’ establishing another geographic entity in competition for development and offering county subsidies to attract business and manufacturing (1999). Although Blair et al. cited inefficiencies in this new “market for jobs,” they did argue that cities would become better at recognizing the costs and benefits associated with development incentives as they became more experienced with this new, evolving market (1984). They used what I deem ‘classic economic theory’ arguing that increased competition among cities and states with an increased number of businesses seeking incentives, the market kinks would work themselves out and efficiency would improve (Blair et al. 1984). Recent work I surveyed finds cities are no better at discriminating worthwhile economic development incentives today than they were twenty years ago, despite the increased attention and research on the topic (Ambrosius 1989; Antonio 1992; Grady 1987; Imbroscio 2004; Reese and Fassenfest 2004; Persky, Felsenstein, and Carlson 2004; Rubin 1988 and 1989; Saiz 2001; Wolman 1988; Wolman with Spitzley 1999). Again, do local county officials talk of competing with nearby localities in the search for jobs and economic well-being?

Scholars in this area are sure that this subnational competition is often unfair to communities. Only the businesses know what each community is offering and use this to

⁹ I will use the term “commissioner” and “county supervisor” as a generic term for the elected county board members, council members, commissioner, et cetera in this dissertation.

their advantage (Kantor 1995). “Intermunicipality, as well as interstate and interregional, competition for new firms is intense” (Levy 1990:12). Williamson, Imbroscio and Alperovitz question the logic of domestic relocations that are becoming ever more common in the past decade (2002). These types of relocations spark a bidding war between communities and they argue is of no public benefit; and instead costs taxpayers and communities more in displacement of workers and loss of tax monies given away in subsidies to lure a corporation from one location to another (2002). Yet Grady sees room for competition:

Competition among states is not unhealthy. It leads to innovation, increased productivity, and more creative uses of resources. The competition, however, should not be over tax codes, but rather, over the quality of the states’ education, infrastructure, environment, and the productivity of the labor force. With incentive competition, the beneficiaries are the stockholders of the corporation receiving the tax breaks, free land, and cheap credit. If the competition were over the quality of traditional state services, every citizen would benefit.” (1987:93)

If a local official talks of competition with other communities, I will probe for further information and details in how their county deals with this competition.

Questions concerning business location (and relocation) are of major concern and exploration in this literature, albeit with contradictory findings. For instance, Schmenner, Huber and Cook (1987) find corporations do indeed take into account and choose areas with lower taxes when making location decisions. Friedman, Gerlowski and Silberman (1992) find that “market size, manufacturing wage rate, transportation infrastructure, and state promotional activities designed to attract foreign investment” do in fact, influence business location or relocation decisions (p.414-415). They also write: “consensus notwithstanding, disagreement is present on many of the remaining variables contained in the four studies: land area, unionization, taxes, and the unemployment rate.” (Friedman et al. 1992:415). Fox

questions the accuracy and completeness of this research and instead finds that states do in fact, enact policies that attract foreign firm investment but the political orientation of that state and its institutions also influence corporate firm location decisions (1996) [see also Lewis 2002]. This line of research is more appropriately left for evaluation research, which is *not* the focus of my research; but I mention it here to highlight my awareness and even the importance of this line of research and debate. Other questions and contradictions abound in the literature when it comes to questions concerning what factors increase a community's likelihood of implementing economic development policies. Peterson claims that economic development policies are determined by their interests to maintain or increase their tax base and *not* determined by economic distress of a community (1981). I hope to take into account a number of these variables to measure economic distress when analyzing the quantitative data I gather on counties in the study states.

The overall literature on local economic development includes studies attempting to explain the potential social conditions within a community that causes them to implement economic development policies or programs; or studies counting the number or types of policies implemented; and some studies attempting to explain the rationale and effectiveness of economic development policies. However, suffice it to say, the literature and studies are often contradictory and lacking consistency in terms of their operationalization of 'economic development' as well as other dependent and independent variables (Fisher and Peters 1998; Wolman with Spitzley 1999; see also Grady 1987). Wolman with Spitzley (1999) argue that there is a lot of distrust concerning the validity of the studies: how do we know we are capturing 'community distress' or 'effectiveness of policies' or even similarity in policies? (see also Rubin and Rubin 1987) When one community reports they are utilizing five

economic development techniques and we do not question the spending on those policies, how do we know that community is not doing less than a community that pours money into one or two economic development ‘tools?’ (see also Elkin 1994).

To address some of these concerns, I will include demographic statistics such as poverty rate and unemployment rate (after I make sure there is not multicollinearity skewing the regression analysis) to examine and test “community distress;” and I will not count the number of economic development programs utilized, but instead collect data regarding local funds going towards that aim.

Furthermore, many scholars report politicians and economic development professionals are unsure if their policies are effective but see powerful symbolic reasons to spend public funds on such programs and policies “just in case” (Bartik 1991; Feiock, and Clingermayer 1986; Rubin 1988 and 1989; Swanstrom 1985). Again, while studies examining the effectiveness of spent economic development funds are interesting and important, they are outside of this study and my training; and, therefore, excluded from this study. I want to reiterate there are issues concerning operationalization in data and in the questions of past studies that have helped to inform and clarify my procedures concerning operationalization in the methods section.

Competing and Contested Theories: Local Development

There are several competing theories when it comes to urban or local economic development. I will briefly discuss them here as they constituted guiding frameworks as I delved into this research project. I hope in some sense to “test” these theories as I talk with and then later analyze the transcripts from my interviews with local county commissioners. I am quite interested to see how the commissioners answer questions that are written to elicit

and test these competing theories. The theories include the “growth machine thesis,” “urban regime theory,” and “federalism.”

I start with a sociological theory concerning local development, and this theory begins with the focus on how cities are impacted by capitalism and capitalist interests (including its irregularities) (see Harvey 1985). Sociologist Harvey Molotch examined city growth and politics in terms of the accumulation of wealth in 1976 with a now ‘classic’ piece published in the *American Journal of Sociology*. He set out to argue the existence of a “growth machine” and the “growth machine thesis.” He teamed with another sociologist, John Logan and together they wrote *Urban Fortunes: The Political Economy of Place* (1987) in which they found local politics and development guided by a power base comprised primarily of landed interests, chiefly those groups involved in real estate, but also include banks, utilities and the local media such as newspapers (see also Molotch 1976 and 1999). These interests are behind much of the changing urban landscape following WWII and therefore are deemed “growth machines” (other scholars incorporating this or variations of the “growth machine” theory include Boyle 1999; Tomaskovic-Devey and Roscigno 1997; Feagin 1988; Jessop, Peck and Tickell 1999; Pincetl 1999; Resnick 2000; Short 1999).

The “regime theorists” are another (rather large) group of scholars who examine local coalitions in a more encompassing framework to examine local politics and community development from more of a political science framework where the agency of local people and coalitions are emphasized (see Austin and McCaffrey 2002; Clarke 1987; de Socio 2007; Doig 1987; Elkin 1985, 1986, 1987a, 1987b, 1994; Hamilton 2002; Mollenkopf 1983; Newman 2001; Sanders 1987; Stone 1987a, 1987b, 1987d, 1989, 1993, 2003, 2004a and 2004b; Ward 1997 and 1996). Where ‘growth machine theorists’ highlight the power resting

in the hands of propertied land interests, utilities, and local media; the ‘regime theorists’ look at coalitions that are formed between the capitalists and the popularly elected officials. Stone is most identified with this perspective as he continues to emphasize that power is not solely in the hands of government nor business (1993). I view regime theories as similar to the ‘state centric’ and pluralism theories of the welfare state in which particular coalitions and histories are important indicators of policy decisions. Within this framework, the concentration is on the specific coalition building of various groups for that community and how policies concerning development are enacted. For instance, Elkin (1986) underscores the need to examine urban or economic development in terms of politics as policies are debated and decided entrenched *in* political spaces, and are political in nature.

Another vein of theories concerning local politics and development refers us to federalism: the decentralized United States political system where roles and responsibilities at times conflict, compete, and coordinate with the multiple levels of governmental bodies (see Lipset 1976 and 1996 for a discussion of the US decentralized, federalist mode of government compared to that of Canada; see Weissert and Weissert 2002 for a discussion of Federalist Health Care Policy). Dye best represents (although he is not alone) this strand of thought and highlights “American Federalism,” which he describes as competition among governments (1990; see also Dye and Garcia 1978; Kantor 1995; Weissert and Weissert 2002). Paul Kantor incorporates an economic structural approach with federalism to fashion a “dependent city” thesis. The city is much more limited than a country in terms of regulating immigration and movement of people and capital, setting up trade policies and the like. However, cities (with decreasing support from the federal government) must mitigate these very issues such as movement of capital and people from their borders. These

circumstances make the city very vulnerable and dependent on business for their tax revenue. Kantor argues “The most promising pathway to liberating urban communities from their dependency is to expand the federal role in regulating urban development” (1995:238). He continues to push for a larger federal role in urban economic policy: “Only if urban development legislation is imposed uniformly on all states and localities can the social costs of business investment and disinvestment be controlled without bringing about devastating effects on the market positions of individual jurisdictions.” (Kantor 1995:239). When interviewing local commissioners, I hope to inquire about the existence and effects federalism has on local political decisions

In my view, all three of these theoretical frameworks have some explanatory power, but overall they fail to fully include or recognize larger (global) economic forces. Urban regime theorists—especially Stone, tend to examine local politics in a manner that ignores or discounts the capitalist reorganization of place, economy, and work on a global scale. There are many scholars who level this critique and justifiably so. Davies (2002a and 2002b) and Imbroscio (2003) both critique regime theory for its lack of a economic theory component to explain local development policies, instead depending far too much on ‘control systems’ that are not deemed economic, in reality they are based in economic power (see also Lauria 1999 for similar critique). Systemic power (what Davies calls ‘structuring’) in which local development decisions need greater attention and inclusion, and as Davies argues, a framework that could use a Marxist-variant to help explain more accurately what is actually going on in decisions concerning development at the local level in a global economy (2002). In this study I posed questions to the local commissioners that sought to elicit their feelings concerning larger structures impacting their funding decisions.

However, there is also room for a more broad-based sociological approach. Perhaps these aforementioned theories interact and help to explain some county decision-making; but I also wanted to expand and look at more sociological explanations at local decision making—perhaps a social constructionist approach is more appropriate (see Sandstrom, Martin and Fine 2003). I sought to explore if county officials recognized outside constraints that might influence their actions as a county commission. I also sought to understand the issues they faced, paying special attention to the meanings they expressed in order to make sense of the social forces around them. In so doing, I opened the possibility to uncover other local influences or motivations that assist them in the safeguarding of their community that were not discussed in the current studies. Perhaps agency and negotiation for community or county survival take on great importance as county officials work with multiple actors to retain community under social forces that threaten their continued existence. Lastly, much of the research on economic development and the subsequent theories focus on *urban* research. In the age of devolution and decentralization of governmental responsibilities, this anti-rural bias in sociology and economic development is not above reproach. These larger social and economic forces in a globalized world call into question the false dichotomy of rural versus urban. Communities are vitally important to their citizenry even if they are located in “rural” areas. This research challenges the conceptualization and examination of economic development in terms of an urban focus.

Chapter 3. Research Methods

This dissertation examines how county governments in the rural Midwestern United States respond to the forces of globalization—specifically the loss of manufacturing jobs, the loss of population and an increasingly aged population in need of health care. Focusing on the state of Iowa with some additional data from the state of Kansas, I examine and compare local spending on economic development and on health care as counties attempt to deal with these larger social forces and the meanings of these efforts from the perspectives of local decisions makers. These challenging circumstances raise important questions that this research project addresses:

- What is the extent of per capita spending in counties on economic development programs, total assistance to capital more broadly and towards total health care?
- Have there been statistically significant changes in the allocation of these funds over time from 1997 to 2003?
- What demographic or larger social factors might explain, potentially predict, county spending in each of these categories? And do health care and economic development compete for the same finite resources?
- How do county commissioners frame and speak about globalization affecting their communities and do they express agency in how they can react to globalizing forces?

Beyond these patterns and changes, this dissertation also addresses some more fundamental, theoretical issues, drawn from the classic sociological literature. In particular, the contradictions of capitalism and the role of the state.

The four research questions above call for different methodological approaches. The examination of local spending efforts required that I collect quantitative (numerical) data

from county budgets and U.S. census, made mathematical calculations and conduct statistical analyses. However, understanding the perspectives of the decision-makers and to gain insight into how globalization is affecting rural communities and their efforts to mitigate these changes required a different strategy. For this, I collected qualitative data from in-depth interviews with a sample of county commissioners, which I analyzed for key ideas and themes.

Since the questions I seek to answer require different methods, my study has become a mixed methods investigation, and since both qualitative and quantitative analyses have their own particular strengths and shortcomings (see Blaikie 2003; Creswell 1994), I will address each specific question using the method that is most appropriate.

Quantitative Research Questions and Methods

As the previous chapter has shown, scholars know little about the county level expenditure on economic development and health care, even though, as I have argued in Chapter One, it is important that research inform theory with studies of the process and outcomes of local spending decisions in key areas. To answer the specific research questions it is important for me to assess how much money is going towards these two ends over time, which is best done with a quantitative analysis of the county level expenditures.

One important question in this regard is whether or not counties are funding economic development projects within their boundaries and, if so, to know how much county officials are allocating to this end. Related to this, it is also interesting to know whether or not counties have increased their commitment towards economic development over time. I suspect this is the case as the dominant economic ideology of neoliberalism under globalization impacts and is even implemented at the local level. With this assumption, are

we able to see an increase funds allotted to economic development or, with tighter economic times, do counties pull back from supporting economic development? These are quantitative questions best answered using quantitative data and analysis.

Regarding health care expenditures, as previously indicated, access to health services is a concern for rural areas and local communities are pulling together to secure continued access within their town or county. Counties received some help with their hospital needs with the establishment of the Medicare Rural Hospital Flexibility Program under the Balanced Budget Act of 1997 which sought to assist small, rural hospitals if they agreed to the terms of conversion to an Critical Access Hospital (McAdams, Zimmerman and Wiebold-Lippisch 2007; Zimmerman and McAdams 2004). Despite this federal program developed to assist rural areas by reimbursing this small, hybrid type acute hospital/long-term care with cost-based reimbursements, rural health care systems are still threatened. During the time period under study, not all rural hospitals had shifted over to Critical Access Hospital status. This raises the issue of whether as these counties see an increase in their aged population and with federal cutbacks to Medicare and Medicaid, county governments are picking up the tab. Or, whether other factors, such as population density or poverty levels might be making a difference.

In summary, the questions I seek to answer from the quantitative analysis of budget data include:

1. What is the extent of per capita spending in counties on economic development program, total assistance to capital more broadly and towards total health care?
2. Has the allocation of funds changed over the years (influenced by qualitative interviews noting changing financial, economic and demographic changes during this

timeframe) resulted in any *real* (statistically significant) county allocation towards these ends changed over time from 1999 to 2003?

3. What demographic or larger social factors might explain, potentially predict county spending in each of these ends? And in so doing, do health care and economic development compete for the same finite resources or are counties able to allocate funds to deal with both concerns?

Selection of States, Counties and Study Years

Although scholars are aware of the larger social forces that threaten rural communities, we know little about how local governments are dealing with these issues. County governments are often at the receiving end of governmental mandates (Berman 1993). Thus, as discussed in Chapter One, they must take on additional functions such as assisting with national security and helping to bridge gaps created by federal cuts in our nation's public health and poverty relief programs—this along side of enhancing the economic vitality of their communities.

I selected Iowa as the focal state for the quantitative part of this dissertation based on the following considerations: 1) its rurality, 2) its publicly acknowledged concern over the loss of young, educated residents fleeing the state in order to find high-paying jobs elsewhere in the United States, 3) its geographic feasibility, and 4) its complete and relatively transparent county budget information. In addition, I was able to obtain entrance to state office and budget personnel. The first two criteria were of primary importance.

Concern for the loss of recent college graduates prompted Iowa's democratic governor (1999-2007), Tom Vilsack, to propose state income tax credits to graduates of Iowa universities and colleges if they remain in Iowa following graduation. He was not alone as

Pennsylvania has similar targeted tax breaks (McLaughlin, 21 Dec 1999). Similarly, Kansas, as reported in the *Lawrence Journal-World*, suffers continued population loss in their rural counties, as much as a five percent loss in northwestern part of the state (Mathis 14 April 2005). The movement of people from rural areas to urban areas continues and has significant consequences for the tax base and services available to residents of rural counties. There is a general assumption that population growth is a positive sign to attract additional business and jobs to an area (Mathis 2005). The concerns of the present study lead me to consider how the continuing loss of people in rural areas might impact the local funding of services such as health care and economic development.

In order for precision and because it was relatively simple to do so, I chose to include all 99 counties in Iowa in this study. In order to follow changes over time, I selected the fiscal years 1997, 1999, 2001 and 2003. These years were chosen based primarily on the access I had already obtained to county-level health care spending data for 1997, 1999, and 2001. I had participated in collecting these data as part of another research project and so was familiar with the various details of the budgets and related measurement issues. With these data already hand, I then was able to go back and collect similar data for 2003 as well as to add economic development information for the same years to the data set. Thus, I received county budget data from the Iowa Department of Management for all 99 counties in Iowa for the fiscal years 1997, 1999, 2001, and 2003.] This time frame covers a period of economic troubles as states struggled with budget shortfalls with state governments deep into the fiscal federalism with continued cuts on social spending by the federal government negatively impacting state and local governments. The year 2003 is also a time in which the loss of manufacturing jobs became an election issue. Globalization is in high gear and on the

radar of many rural and average Americans. With an examination of the actual expenditures for 2003, we can better understand how county governments allocated scarce funds that year in the midst of an economic downturn.

Altogether, I had a sample size of 396 counties. There are some variations in the allotment of funds; each of these counties spent money towards the aim of broad based economic development (roads and bridges, support of airports, economic development office or program; all of which I will add together and from this point forward refer to as **summed assistance to capital**) and **health care** (funding of local hospitals, ambulance, public health, etc.). Within these broad-based categories, some counties chose not to allocate money to support an **economic development program** (or office). Similarly, some counties did not allocate funds to a hospital (unless this expenditure was embedded elsewhere in the budget, i.e. health administration).

This study follows a longitudinal panel design in that I follow the 99 counties over a 6-year time frame, 1997-2003, collecting budget data at four time periods, representing the fiscal years 1997, 1999, 2001 and 2003. At the time of data collection, I gathered the most current *actual* expenditure data (states report actual expenditure data two years after the end of the fiscal year).

County budgets are the source of county spending data. In these budgets, I am able to see expenditure in detail at the county level for the categories I am interested in. Iowa county budgets do not allow me to see the revenue/expenditure breakdown for each budget category, therefore I am only able to capture expenditures for the Iowa county data. There is one exception to this rule; most (but not all) counties levy and collect property tax revenue for a local hospital. I pooled this hospital tax levy into “total health care spending.” Despite this

minor complication, the transparency, completeness and ease data collection for each of the 99 counties in Iowa over the fiscal years provide an excellent opportunity to examine changes in county expenditures over the six year time frame.

Data Sources

Gathering these data in Iowa meant an examination of the “County Budget Instructions” directed to the counties from the Iowa Department of Management (IDOM) in Des Moines, a state oversight and accounting office requiring counties to submit their budget data following specific accounting guidelines. This process resulted in an all-inclusive 99 county population data set collected in a standardized and electronic form. Budget categories are specified by state and the department is very rigorous about the form and accounting of county budgets. From my experience working with state officials overseeing county budget matters in ten different states, Iowa ranks high in standardized and complete data.

As part of my previous work in this area (funded by Robert Wood Johnson Foundation Health Policy grant #47355) I gained entry into the Iowa Department of Management and acquired familiarity with the Iowa budget process. For purposes of dissertation data collection, I reinitiated contact with officials from this office and asked for the necessary data. Demographic information was gathered from various governmental websites but mainly from the United States Census Bureau or the United States Department of Agriculture Economic Research Service. The website <http://www.iowadatacenter.org/> is part of the State Library of Iowa and was an excellent source of some demographic data drawn from agencies of the federal government.

Variables

With the explanation of the overall quantitative data sources and collection is outlined, I will now focus on the description of the variables under study. There are three main dependent variables and over twenty independent variables (sometimes a variable is recorder for greater analytic conceptualization).

Dependent Variables

There are three dependent variables in the study: 1) **economic development program spending** [‘adjecdpr’¹⁰ meaning adjusted for inflation, per capita spending in dollars]; 2) **summed assistance to capital** in the form of a broadly defined “economic development” [‘TDEVOpc’ adjusted for inflation, per capita spending] which in Iowa includes budget category expenditures toward roads and bridges, airports, solid waste disposal land use and building controls, housing rehabilitation and development, land acquisition and development); and lastly, 3) **health care** [‘adjthpc’ adjusted for inflation, per capita dollars], which include total expenditures¹¹ towards the support of local hospital, ambulance services, public health and administration, care in county care facility and chemical dependency programs.

The way I operationalized “total health care” and “summed assistance to capital” was drawn from the work of Park (1997) and Peterson (1981). These two scholars previously assessed and included developmental policies as important infrastructural spending to ensure the market is able to function, which is the rationale behind my operationalization of a broader economic development variable. Park (1997) notes that there are several different

¹⁰ As I discuss in the “quantitative data analysis” section of this chapter, I did have to perform a log+1 transformation on this dependent variable to deal with the issue of positive skewness. This logged variable was computed and named ‘logecdpr.’

¹¹ Hospital funding via property tax levies are included as “total health care spending.”

ways to calculate the level of commitment to economic development, although county expenditures are often the most complete and feasible way to capture this commitment.

Local governmental spending typically composed of three categories, of which the first two are of primary interest to me: 1) developmental policies; which are expenditures on highways and roads, airports, utilities and sewage services as well as tax inducements to lure businesses to their area; and 2) redistributive policies, which are public welfare, health, hospitals, and housing subsidies; and 3) distributive policies which include ‘routine’ services local communities typically view as a necessity which neither bring in or scare away businesses: garbage collection, fire and police services, et cetera (Park 1997; Peterson 1981; Kantor 1995). Park (1997) is not alone in commenting that redistributive programs are typically viewed as detrimental to the local economy while developmental policies and spending assists the economic growth of a community (see also Kantor 1995). This is a highly contested conclusion, from many ‘living wage’ advocates (see www.Goodjobsfirst.org for case studies) challenge this belief (see also Doekson et al. 1998). However, this categorization provides a methodological framework and categories of county spending and include economic development financing into the larger category of “summed assistance to capital” in a separate analysis.¹²

The dependent variable “total health care” was compiled in several different ways before deciding on the inclusion of expenditures for local (county) ambulance services, public health, alcohol and drug treatment programs, assistance to a county nursing home (rare), and the support of a local hospital. In Iowa some counties helped to sustain a county hospital. The hospital data, in this case, was not an expenditure amount (as all other

¹² Tax-increment financing is “off the books” of Iowa county budgets during this time frame but they now collect this data in a systematic way beginning in 2007.

categories were) but instead a property tax levy collection amount. This categorization allowed for a unique quality to any analysis to assess *local property-tax* funded support of health care in a county. All other data includes not only county monies but also revenue from a special (optional) county sales tax (open to county-voter discretion on how to spend the money), as well as private and public grants, State of Iowa and federal government dollars.

One other caveat to the operationalization of “total health care spending”: The State of Iowa has a policy to provide mental health services and services to the developmentally disabled at the county level. The Iowa Department of Management shifted the calculation and reporting of these data between the years 1996 and 1999. Although I have some estimates for data toward this expenditure category for 1997 (as well as the alternating years following), the calculation of the expenditure was redefined to include a county property tax levy (true local dollars) to detail in order for the state to provide some relief to the counties. With a shifting definition and calculation of this budget category, I decided to leave out this sub-category of the calculation of total health care after exploring how the means might impact the analysis. I do not feel this decision compromises the theoretical underpinning of the research question.

Independent Variables

There are many potential variables that might influence a county’s allocation towards health care as well as to economic development, therefore there are numerous independent variables included in the analysis. The tricky nature of attempting to explain (and even harder, or debatably impossible to predict) social phenomena is never complete. What

follows is a description of some of the key independent variables and a glossary of all variables included in the analysis can be found in the Appendix.

As evidenced by Quantitative Research Question #2, the independent variable **year** is an important variable. The inclusion of this variable will assist in the examination if spending on the programs change over time (as I suspect they will). I predict **year** will matter more for economic development (program and summed assistance to capita) than total health care spending. **Property tax collections per capita** [proppc] and **urban-influence code**¹³ are *theoretically* important and potentially significant independent variables. I believe as counties are coded as more rural, they will increase their spending economic development and *maybe* towards health care. The independent variable **percent of the population 65 years and older** [pct65] is another theoretically important independent variable and one I suspect might help explain county allocation towards health care and perhaps explain allocations toward economic development.

I want to explain the independent variable **urban-influence code** a bit more, especially since I believed this variable would prove a significant one in explaining health care and economic development spending. This coding system is pulled from the U.S. Department of Agriculture, the Economic Research Service. Revised in 2003, these county codes are an indicator of rurality in a few different ways; population, population per square mile, as well as geographic proximity (or lack thereof) to a metropolitan area. For instance, lower number codes (1 and 2) signify a *metro* like county with population around one million residents¹⁴. The remaining codes (2-12) signify a non-metropolitan county with lower numeric code signifying closer proximity to a metro area and a greater number of people per

¹³ see Appendix A for how these variables were coded and/or calculated

¹⁴ this information is found at: <http://www.ers.usda.gov/Briefing/rurality/UrbanInf/>

square mile. The urban-influence code “3” is defined as a “micropolitan area adjacent to large metro area with 54.7 people per square mile”; an urban-influence code of “6” is a “noncore adjacent to small metro area and contains a town of at least 2,500 residents” with a population per square mile at 23.5 persons; and an urban-influence code of “12” is most rural, defined as “noncore not adjacent to metro or micro area and does not contain a town of at least 2,500 residents” with a population per square mile at 3.5 persons (<http://www.ers.usda.gov/Briefing/rurality/UrbanInf/>). I found this variable most useful to this study, a measurement of rurality specific to counties. I did “play” with this coding some, creating dummy variables for “urban,” “semi-urban/rural” and “rural” to attempt to pinpoint/test the greatest urban-influence codes. You can find how I recoded this 1-12 urban-influence code in Appendix A: Glossary of Variables.

After spending time “in the field” interviewing county supervisors, I decided to include a few other independent variables. These variables include: **border county** dummy (county commissioners voiced greater competition felt by border counties and thus, perhaps a greater willingness to spend economic development), **gaming county** dummy (to assess if another revenue source equates to greater spending?), as well as **gaming revenue** (I went back to the Iowa Department of Management to ask for this data).

It should be emphasized that the quantitative portion of this study is not intended to test hypotheses. Rather, I want to explore and compare county allocations towards economic development and health care, and to uncover some economic and demographic factors which might influence greater spending these areas. As testimony to the appropriateness of exploratory as opposed to hypothesis testing research, the literature is full of competing hypotheses with weak basis and contradictory findings. Regarding the questions of

analyzing significant relationships between the spending on health care and/or economic development and various demographic variables, I explore many of these factors (refer to Appendix A) in the quantitative data analysis.

Validity and Reliability

The question regarding validity is mainly this: am I capturing what I think I am attempting to study? Conceptually, I rely on extant literature for the conceptualization of “summed assistance to capital” [see Park (1997) and Peterson (1981)]. The operationalization of “health care” is also straight forward with strong face validity; for example, allocations to a county jail are not considered “health care.” Expenditures on roads and bridges or noxious weeds are not “health care” related expenditures. Establishment of the validity and reliability of these measures is also guided by an abstraction tool and the set of decision rules that I participated in developing and later implementing and revising during my work as project director for Robert Wood Foundation Grant #47355 (Mary Zimmerman, PI). Abstracting and categorizing expenditure data using these procedures was tested and found to be both reliable and valid.

Since my quantitative data comes from the State of Iowa Department of Management and it is their mission to assist local governments report and certify their property tax information and financial accounting/planning, I also feel reasonably secure in the oversight and standardization of the county budget data to accurately assess county spending and allocation of their resources to these specified governmental functions. I also feel secure in the operationalization of the IDOM budget categories as hospital levies are indeed capturing the dollar amount levied on county property to provide funds to that specific local hospital), The State of Iowa Department of Management provides the institutional framework and

oversight to local governments in the state of Iowa, thereby providing a high level of validity to these measures/data. Furthermore, I feel these measures pass with government and academic subjective validation.

On the issue of reliability, I can recall one time I found a concern (reliability assess this question: Am I measuring the social fact in a consistent manner?). This occurred when the Iowa Department of Management required counties to alter how they accounted for their support of the Mental-Health/Developmental Disability funding and expenditures. As I said, given this discrepancy in accounting, I left this component of “health care” out of the final “total health care” spending dependent variable.

Other issues related to reliability are ones in which data entry error pay a part. I paid special attention and called counties when I noticed an outlier in the data, especially when examining a dependent variable. I discuss these instances in Chapter 4. Finally, given the electronic form of data, data entry (on my part) was kept to a minimum and I did the necessary accuracy checks to make sure data transferred correctly. I performed spot checks on calculations (when performing per capita calculations) as well as when I merged files.

Data Analysis

In order to examine the research questions I described early in this chapter, I employed a variety of quantitative techniques to first describe how much counties were spending towards these means and then exploring the potential relationships between the variables. I will discuss this progression next.

After entering and transferring data into SPSS, I performed descriptive statistical analysis that is required to determine: 1) how much counties spent (per capita) a) economic development programs, b) summed assistance to capital and c) health care; public health,

hospitals, ambulance, and alcohol drug treatment, mental health [separately and summed]. Data analysis for this component of the study comprises of descriptive frequencies for each variable for each fiscal year studied as well as per capita spending for each variable.

Descriptive statistics are also important to run as they can alert one to any potential issues one must address before progressing to more sophisticated analyses. For instance, one major assumption when performing a variety of statistical analyses is the assumption of a normal distribution. The close examination of the variables are important, especially the dependent variables. As I have three major dependent variables: adjtthpc, TDEVOpc and adjecdpr, I ran basic frequency statistics to examine the look of the distribution and to closely examine if skewness or kurtosis were an issue. Miles and Shevlin (2001) conclude a skewness statistic under 1.0 is best, under 2.0, one can proceed without much trouble, a result over 2.0 is cause for concern. The skewness statistic for my dependent variables are as follows: 1.45 for adjtthpc, 0.46 for TDEVOpc and 11.01 for adjecdpr. I also ran a histogram chart for the dependent variables and this confirmed a positive skew for adjecdpr, meaning the heavy proportion of cases showing little to no spending in this category over the years. In order to analyze this category following the assumption of most statistical analyses, I performed a log transformation (plus 1) in order to elongate the distribution and thus achieve a more normal distribution. After performing the log transformation on adjecdpr (from this point forward referred to as “logecdpr”), the skewness statistic revealed a very acceptable 0.923.

The examination for kurtosis is summed or likely when the kurtosis statistics is more than double the standard error of the mean. Again, the variable that might cause some caution is the logged economic development program per capita spending (as opposed to

total health care spending per capita or the total spending towards the umbrella category of economic development (including roads and bridges, support for airport, etc). The kurtosis statistics is more than double the standard error of the mean for the variable. That said, given the former circumstance of a positively skewed distribution and some concern with kurtosis in the dependent variable *logecdpr*, Miles and Shevlin (2001) argue the resulting error would be one of the Type II nature. Type I and Type II errors are also impacted by the sample size (see Miles and Shevlin 2001; Pallant 2007; Pedhazur 1997). For review Type I errors occur when one rejects a null hypothesis, this means one believes a relationship is there when it is not. Type II errors (failing to reject a null hypothesis) occurs when you fail to acknowledge a relationship that is indeed present. Given my data size is often just under 400 (except for the analysis performed on counties with gaming revenue), is likely a Type II error. Said another way, in my analysis, it is more likely that I would commit a Type II error in which the interpretation of the relationship between the variables are weaker than in reality. A Type II error is a preferred error if one is to going to err.

Secondly, I test for significant relationships between county spending on economic development and/or health care (the dependent variables) by population variables such as percent of the population over the age 65 years, per capita income, unemployment rates, assessed valuation, urban/rural influence code, or population density (independent variables) to name just some of the variables (see Appendix A for a complete list of variables).

I was most interested to test the significance of any difference of the mean of county expenditure on economic development programs among two groups; for instance a border county compared to non-border counties (or counties with or without gaming revenue). The

t-test assumes a normal distribution and only after performing a log transformation of county expenditure on economic development programs, was I able to meet this assumption.

The significance tests included some t-tests but given the nature of my data (especially the continuous nature of my dependent and some independent variables), I had to recode the variable and/or employ a different test. For instance, I performed both t-tests and a nonparametric test to measure the difference in means for the variable economic development program. Using the adjusted (but not logged) dependent variable “adjecdpr” I performed the Mann-Whitney test. This test is the non-parametric alternative to the t-test. This test is limited to a continuous variable (adjecdpr) and categorical variables with only two groups. As many of my independent variables (as well as dependent variables) are continuous, the t-test is not appropriate. I did, however, test what categorical variables I could using the Mann-Whitney test to test the significance in between groups: years (1997 and 1999 coded as “1” to compare to the latter years in the study, 2001 and 2003 coded as “2”); border counties (coded as “1” compared to non-border counties “0”); counties with gaming revenue (coded as “1” compared to counties without gaming revenue “0”); Urban Influence (see Appendix A).

I then wanted to explore the nature of the relationships and for that, one usually begins with correlation analysis. I did so and discovered interesting relationships but correlation analyses are not able to allow for the interaction of several independent variables on a dependent at the same time and thus the need for multiple regression. I began with step multiple regression to examine the unique relationship and impacts each independent variable had on the dependent as well as other independent variables. I then moved to regular multiple regression and finished with hierarchical multiple regression as hierarchical

modeling allows for some recognition of the non-independence of some variables and it was clear from the VIF/Tolerance statistics (measuring collinearity), some of the “independent” variables were related (percent of the population over the age of 65 years and rurality, or age over 65 and median income per capita).

Limitations

Both quantitative and qualitative methods are useful when examining exploration or description research questions concerning numerical ratio data, such as spending in county budgets. Quantitative methods are used to incorporate questions concerning prediction¹⁵ or relationships between a number of factors/variables (Babbie 1995; Creswell 1994; Harding 1998; Oakley 2000 for general critiques of quantitative methods). However, quantitative research comes with methodological issues and in local government budgets, accuracy and other problems of measuring policies that are sometimes invisible, or counting policies that may not be implemented is an issue (see Reese 1993 for specifics in trouble with quantitative research local economic development).

For instance, with this study, I need to clarify the county budgets in the State of Iowa captures local, state and federal monies. Only in certain circumstances/budget categories, i.e., hospital and mental-health/development disabilities, am I able to count the county property tax subsidy only. All other expenditures (health care and assistance to capital), the expenditure data includes county money (be it property taxes, fees, special assessments or money gained through a special county sales tax and/or gaming revenue) in addition to state, federal and other grant monies. Some might question, given this information, if I am truly capturing county commitment to health care and assistance to capital. Given the limitations

¹⁵ I use ‘prediction’ lightly here as I am full aware of methodological and ontological questions concerning social science predicting the future or why something occurs as there is often multiple and unseen reasons for social phenomenon that we, as social scientists, cannot fully understand or account for.

of the data, this is the best I can do and thus, a rationale for mixed methods, I can determine from county supervisors more insight regarding their county commitment to these two ends and if there is a contradiction or tension present. If a researcher wants to get around some of these methodological issues, one route is to simply ask key local policy actors to assess their goals and likely future behavior. Wolman with Spitzley (1999) specifically push for research to include qualitative in-depth interviews with local officials who serve as decision makers concerning local budget decisions and allocations. And since I still call myself a qualitative researcher, I insisted on doing just that.

Qualitative Research Questions and Methods

Although scholars are aware of the larger socio-economic forces that threaten rural communities, we know little about how local governments are dealing with these issues, especially from the point of view of the policymakers. The main research question I explore here is to assess how county commissioners frame or speak about globalization affecting their communities and to see if they account for agency in how they can react to globalizing forces. The goal of this portion of the study is to fill in a gap regarding the attitudes and meaning-making of county officials regarding county budget priorities as well as their perceptions on local spending on health care and economic development (see Wolman with Spitzley 1999). This portion of the study is not only descriptive, but is framed and informed by the theoretical frameworks discussed in the literature review. Each theoretical framework guided some of the questions (see the Interview Guide in the appendix) I posed to the county officials to see what approach (growth machine thesis, urban regime theory, federalism) best accounts for dynamics at the local level.

This dissertation includes only a portion of the qualitative findings, which I use to supplement and contextualize the quantitative analysis. Although I am not able to discuss all of the qualitative findings here, it is helpful to understand that the interviews were designed to answer a broader set of questions as follows:

1. Do state and/or federal laws/mandates place restrictions or provides impetus for action in terms of the local financing of health and/or development?
2. How do local officials see the survival of rural America, generally and their communities in particular?
3. What are the forces (including an examination of interest groups), situations and meanings that underlie their decisions?

The qualitative analysis and results in this dissertation, as pointed out above, focus primarily on the issue of globalization; however, they provided invaluable background data to inform, contextualize and guide the quantitative data analysis and the interpretation of results.

The County Board of Supervisors in the State of Iowa serve as “the executive branch of county government” where they “serve as the policymakers for the county and administer county various county programs” (Iowa Association of Counties¹⁶). The Board asks the county offices and officials to compile a budget for review and after various meetings and public forums (often sparsely attended), the Board of Supervisors set tax levies and allocates approved expenditures for the new fiscal year. With this institutional organization of decision-making and division of labor, I thought it was best to interview county supervisors over specific county offices like the hospital board, the economic development office director (if the county has one), or the county public health administrator. That said, in the

¹⁶ <http://www.co.greene.ia.us/The%20Structure%20of%20County%20Government.pdf>

examination of outliers in the county data, I sometimes call the specific county office or the auditor's office for clarification of a certain expenditure for a certain year.

Interpretive social research differs from the quantitative approach by emphasizing the need to study the subjective meanings of social action, to get at the heart of what people say, and how they create meaning in their lives (Gubrium and Holstein 1997; Neuman 1997).

Interpretive data is rich in both detail and experience for the goal of understanding. Because the purpose of this research is to uncover and understand county officials experience in dealing with community survival and decisions concerning health care and local economic development; an interpretive framework is essential. Such work within the extant literature on the local economic development situation is sparse and I seek to enrich the base of knowledge on this topic.

Qualitative methods employed in this research include in-depth interviews that enabled me to learn about county government struggles and priorities. The goals of interpretive (qualitative) methodologies include a deep understanding and meaning of a situation, topic, or event from the "member's perspective" (Gubrium and Holstein 1997; Neuman 1997; Patton 1990), this is information one simply cannot extract from county budgets. Interpretive data is rich in both detail and experience for the goal of understanding compared to the data that is collected for the purpose of calculating correlations and causal models. Finally, I cannot underscore that such work within the extant literature is sparse and this study goes far to enrich the base of knowledge on this topic.

Data Collection: Sample Selection

The sample for the qualitative portion of the study is drawn from county commissioners/supervisors serving in Iowa and Kansas.¹⁷ Both states are considered rural states reporting a significant outward migration of their young educated citizens and an even more significant population loss in rural counties. A report published in the *Lawrence Journal-World* (Rothschild 2006) states: “Fifty-four of the state’s 105 counties have less population now than in 1900.” Table 3.1 reveals other similarities in demographic characteristics, including a near match in terms of per capita income, percentage of the population over the age of 65 years and poverty rates as well as comparable overall population according to the 2000 U.S. Census Bureau.

Table 3.1. Demographic Characteristics of the Study States

	Population*	Number of Counties	Average per capita Income*	Percentage of Rural Counties**	Percentage of Population 65 years and older*	Percentage of Population below Poverty*
Iowa	2,926,324	99	\$ 21,995	47%	14.9%	9.1%
Kansas	2,688,418	105	\$ 21,470	69%	13.3%	9.9%

*from 2000 U.S. Census Bureau Data

**Urban Influence Codes 8-12 by the Economic Research Service under the USDA

Iowa and Kansas were selected for another reason: my familiarity with both states (living in either one of the two study states for much of my life). The years I spent living in these states provided me with background information as well as understanding the concerns of the

I met many challenges collecting and analyzing county budget data from Kansas. Limitations prevent me from including Kansas quantitative data analysis in this study.

residents. This familiarity and residency also assisted me with entry and the collection of a sample which I will now discuss.

The qualitative portion of this study consists of interviews¹⁸ 76 county commissioners in 53 counties in two rural states (Iowa and Kansas) to assess local spending efforts to mitigate these social forces and to better understand the perspectives of the decision-makers.

Qualitative research is often small in number and is not meant to represent a population or pass a test of statistical significance but rather to acquire rich accounts to get at the meaning and the “member’s perspective.” To avoid selection bias based on a snowball sample, I elicited volunteers to interview from a number of sources including a few from personal contacts in the two study states as well as contacting county commissioners via letters, e-mail and by phone (call backs) to request participation in the study. The vast majority of the participants were contacted using the contact information detailed a national association county website for county commissioners and/or the respective county clerk rather than personal contacts (I will discuss specifics of the sample below). The sample consists of public officials who are elected and previous research indicates higher than average (60-85%) response rates when it comes to survey research (Reese 1991 and 1992). I hoped this would translate into county commissioners willing to talk to me, as I explained the purpose of the research and my role as a doctoral student working on a dissertation at a public university. I did meet some resistance.

Interviewee Selection Process in Iowa

I set out to collect my sample first in Iowa since I had a resident of a rural county who spoke about my research to their county commissioner. I called this commissioner directly

¹⁸ I first completed and received approval from the University of Kansas Advisory Committee on Human Experimentation (see appendix) before attempting to secure a sample.

and found this approach was not very successful, despite the reference. I called a few other county commissioners in Iowa and found the commissioners were a bit suspicious and requested additional information by mail. At that point, fearing I was alienating potential participants in my dissertation research, I decided to take a more formal approach to gather a sample and typed a letter of introduction on University of Kansas letterhead, describing the study and asking the county official(s) to contact me if they were willing to sit with me. In that letter I insured the participants' anonymity along with my willingness to travel and perform the interviews in person. Along with this letter I included a signed letter of introduction from my dissertation chair, Dr. Mary Zimmerman (see appendix for sample letters).

I set out to interview county commissioners from about 20 counties in each of the study states. In order to achieve this sample size and remembering the response rate of elected officials, I sought to contact around 40-50 counties in each state with this formal letter of introduction of the study and request to interview them at a time and place of their choosing. I ordered the counties according to their Urban Influence code by Economic Research Service under the USDA (urban counties listed first) and systematically sampled the counties starting with selection of every third county for counties considered more "urban" and then every other county with a more rural code in order to over-sample very rural counties to insure sample representation.

I mailed formal letters of introduction in groups (about a dozen or so a week) via the United State Postal Service. For the state of Iowa, I sent out a total of 43 letters addressed to county commissioners (ranging from three to five in number in each county) introducing and requesting participation into the study. As I worked to send out these letters, I also secured a

county liaison in one part of the state through a contact at the University of Northern Iowa. This liaison proved valuable in providing me with names and contact information for county commissioners for five counties she worked as an employee for a regional economic development office. I contacted each of the individuals she recommended either by phone, email or faxing a letter. Of the five county officials I contacted, three agreed to meet with me. I did not receive call backs from the remaining two counties but was satisfied with representation from that part of the state. I then concentrated my efforts on other portions of the state.

I waited to hear from a number of counties before planning a trip to Iowa to interview. I would either receive a call or email from the respective county clerk and arrange a time through the clerk's office or a commissioner(s) would contact me directly. As time went by, I made call-backs to some counties (after reviewing what parts of the state I had little representation—often time this included very rural counties) to inquire about participation, “since I was going to be in the area in the coming weeks...” As I was nearing the projected sample size of 20 counties in Iowa, I surveyed the rural/urban breakdown and took note if I needed additional participation in some area of the state. In the later stages of data collection in Iowa, I sent out another round of letters (about eight in number) and performed call-backs to that quadrant of the state to make sure I had geographic representation as well as a quarter of very rural counties in my Iowa sample.

I made six trips to the State of Iowa to conduct the interviews during the summer and fall of 2006. Most trips lasted around a week in duration, two short trips in which I rescheduled a postponed interview in conjunction with a weekend trip to visit family. The longest trip consisted of two weeks in the summer as I scheduled an interview or two a day. I

would meet the county commissioner(s) at a place of their choosing, although I did stress to the official the desire for a relatively quiet location since I wanted to tape-record the interview. One county commissioner asked me to reschedule our interview several times due to conflicting meetings he was required to attend. One of our rescheduled times had to be pushed back again as I got stuck in traffic and then lost. With the rescheduling and the travel blunder on my part, I was certain I was going to “lose” this interview but he was true to his word and we completed the interview in the winter of 2006. I wanted to include this county as they were suffering from economic stress and I figured his participation would only add insight. I felt he was just as motivated as I to complete the interview.

The vast majority (over 80%) of the interviews took place at the county courthouse or commission meeting room in a county building. Several meetings took place in a neighborhood coffee or lunch spot. I was invited into the home of a county commissioner on one occasion. It was not unusual for the commissioner to ask if I had time for lunch with them following the interview. As I was still fairly new to this process, I did not have the available time to take them up on their offer as I had an interview scheduled in another county and had to get on the road.

In Iowa it was not unusual for me to meet with a commissioner (or two) or even the entire county commission following a commission meeting. For the state of Iowa, I interviewed a total of 42 county commissioners (and one road employee tagging along) in Iowa. While most of the 42 interviews occurred individually (21), I interviewed two commissioners at the same time in one county and in five other counties, I interviewed all the members of the county commission simultaneously. In one of these five counties, I interviewed three at a time and then the remaining two following the conclusion of the first

interview. It was not unusual for the clerk or another county official to stick around and take notes if I interviewed with the entire commission. One county commission met with me immediately following their meeting and even took me to lunch since our interview was approaching two hours in length.

I learned much from my experience securing study participants and interviews in Iowa that helped the sample selection process in Kansas. First off, I recognized my hyphenated last name raised a few eyebrows in Iowa, a few commissioners asked the rationale behind “the long last name” and another told me it was a “red flag,” marking me as a “liberal,” a democrat, or a “feminist.” He also asked me if I thought that might have scared some commissioners from participating. I subsequently dropped the hyphenated name when contacting county officials, reverting to my maiden name. I also learned that while personal contacts were valuable in some instances, the letter of introduction along with a letter from Dr. Zimmerman provided enough detail and legitimacy to my study that county officials were more likely to participate when elicited that way than by phone or email. Mailing the letters directly to the commission, with their names listed and with some personalizing a request that their county would provide a “unique perspective” helped to pique their interest and willingness to participate. In the letters sent to Kansas officials, I dropped the sentence, “I am a native Iowan” and edited my education credentials to emphasize my work at the University of Kansas in the hopes avoiding the label that I was an “outsider.” Zimmerman updated her letter of introduction for Kansas officials to include that I have interviewed county officials in Iowa and I was shifting my focus to counties in Kansas.

For the state of Iowa, I sent out a total of 43 letters of introduction (two were follow-up letters), I contacted 10 counties via email or fax and called two counties. Twenty counties

responded to the letters, agreeing to participate. Of the counties that received the letter and a phone call from me, the response rate was mixed—just over 50 percent agreed to sit with me. There was one county that I called back that I was told the commissioners had read my letter and did not want to participate in the study. I was unable to determine the reason why this county (and other county officials who did not respond) did not elect to participate.

Interviewee Selection Process in Kansas

Qualitative data collection for the state Kansas resulted in a more concerted effort to send out many more letters out around the same time (48 in December 2006), giving county officials plenty of time to consider participating in the study as I stated in the letter: “I will travel to your area in the coming months and welcome the opportunity to meet you at a time and place that is convenient for you.” Again, I asked them to contact me if they were interested in participating in the study, leaving “the ball in their court.” I replicated my sampling frame I used for qualitative data collection in Iowa, again oversampling very rural counties in hopes of adequate representation. I relied on some contacts I made from when I presented my research in a poster format at the University Research Summit at the Kansas Statehouse in April of 2006. These three contacts proved useful as these Kansas legislators provided me with contact information for their county commissioner and urged me to use their names as a reference. I did indeed contact these three commissioners and two of the three agreed to participate in the study. One commissioner I interviewed from this source was ready and willing to assist me in gathering additional commissioners if need be. I reserved the right to contact him in the future as I wanted to avoid a snowball sample as much as possible.

Personal contacts also afforded me an “open door” to access to a commissioner(s) in five different counties. I acquired an interview early in the interview process in Kansas through a contact. Part way through my qualitative data collection phase, I began working on another qualitative research project “The Kansas Project” directed by a professor at Princeton University. In this research, I was asked to contact community residents and leaders in rural Kansas and perform in-depth, life history interviews that called on interviewees to reflect on living in rural communities and commenting on the changes they witnessed. This research enabled to me to more affordably get into rural communities far from Lawrence and provided contextual knowledge about rural communities in Kansas I was unfamiliar with.

This new research opportunity came around the same time I realized the more rural and Western part of the state did not respond to participate in comparison to the Eastern half of Kansas. Thus, I undertook a new strategy: In April of 2007 I sent out letters to seven additional counties in the Western part of the state, with the dual-purpose to solicit participation in my dissertation research as well as the “Kansas Project.” One personal contact, a health care administrator, helped me contact county commissioners for two counties. Through this and similar tactics, I was eventually able to achieve adequate representation in that part of the state.

One county commissioner in Eastern Kansas also gave me the name of more “professional” commissioners that he thought I should talk to. In total, he gave me the names and contact information for five counties. Although I had already sent a letter to several of these counties, his name (which he urged me to use as a reference, even telling them that I

interviewed him) opened doors in these previously unresponsive counties. I contacted directly and interviewed four out of the five commissioners he recommended.

As I sent out more letters in Kansas than I did in Iowa and due to the work I was involved in with the “Kansas Project,” I did not feel the need to perform any “call backs” requesting participation in counties that were unresponsive to my letter of introduction. Only one county contacted me declining the request. This county mailed back my letter with certain passages highlighted and a handwritten response to my request: “We are not interested.” I did not peruse this county any further.

Overall, I sent letters to 55 counties in Kansas and seventeen counties were interviewed based on letter solicitation alone. The remaining nine counties included in this portion of the study were initiated through personal contacts (but might have also received a letter of introduction). In sum, I interviewed 39 commissioners from 26 counties. In 21 counties I performed in-depth interviews with a single commissioner, these meetings were one-one-one, often at their place of work or in the county courthouse or commission room. In two counties I interviewed two commissioners (although both on separate days), and in four counties, I interviewed the county commission (consisting of three members) following their meeting. These interviews that took place following a meeting always asked the county clerk to remain to take notes, if she deemed it relevant.

Characteristics of the Interview Sample

Table 3.2 (placed at the end of this chapter) provides a nice overview of the two state interview sample, including their age, gender, political affiliation (county supervisors must state their party affiliation when running for office), education, urban/rural breakdown of the county they serve, and the duration of the interview.

As you can see, the vast majority (87%) of those interviewed were men. Eight percent of the supervisors were between the ages of 25-45, 58% were aged 46-65 years and 34% were over the age of 65 years. Given quarter of those interviewed were over the age 65 years, this might impact educational attainment of the sample, with 20% reported a high school education or diploma, 26% reported attending some college or obtaining an Associate's degree, 37% reported earning a bachelor's degree and 17% reported a Master's or professional degree (1% reported missing). Looking back over these educational statistics, I am a bit surprised at the educational attainment levels as they are higher than the national averages.

As I set out to make sure I had representation from the very rural counties in both study states, I achieved this goal with 41 percent of counties I interviewed a supervisor in are coded "rural" (USDA urban influence code 9-12). As you may recall, I actively set my sampling scheme to achieve as much parity in representation among urban/semi-urban/rural counties as I could. Ethnically, I had a homogeneous group: all reported Caucasian.

I did request occupational information of all the county supervisors I interviewed. To avoid disclosure of potential participants, I will say the vast majority of commissioners reported their duties as "part-time" and had other paid employment. There were a few counties in both states in which their county commissioners are considered full-time. Even when I interviewed these individuals, I asked for prior work history and that is included in Table 3.3 below. Please note, totals for the occupations are greater than the number of commissioners interviewed as many of sample reported more than one occupation. Furthermore, it is interesting to note that only five commissioners reported they were either fully or semi-retired even though 34% of the sample is over the age of 65 years.

Finally, I originally set out to exclude any commissioners serving less than four years however this was compromised when a county clerk arranged for me to interview one or

Table 3.3. Occupational Categories of the Interview Sample

Occupations	Number of Commissioners
Small Business	12
Real Estate	8
Military/State/Federal Employee	7
Education	6
Faith	2
Professional	5
Politics	4
Law Enforcement/Social Services	9
Retail/Sales	2
Financial Services	2
Manager	1
Office work	1
Communications	2
Service Occupations	1
Farm (part or full-time)	22
Retire (full or part)	5

more (at times, the whole board/county commission) following a meeting. While only one member of the sample was in their second year as commissioner, 15 percent served less than one term (a term is four years). The vast majority of the sample (73%) reported serving as

commissioner for between four and twelve years (three terms). Twelve percent of the sample reported serving more than three terms.

The Interviews: Format and Process

Overall, as I collected data (totaled from the two states, I conducted semi-structure in-depth interviews with 76 county commissioners in 53 counties) to assess local spending efforts and to better understand the perspectives of the policymakers. In these interviews, I wanted to see if elected county commissioners identify and to what extent global market forces and the movement of capital impacting their communities; and if so, what actions are they taking in response. While many of the commissioners spoke of globalizing forces, if they did not cover the topic, near the end of the interview I would often ask these questions¹⁹: “People throw around the word ‘globalization a lot.’ How do you define Globalization? And, more specifically (if the commissioner(s) did not touch on this: “Do you see globalization impacting your county or the communities within your county?” I will discuss these findings in a later chapter.

The interviews were more of a guided conversation to allow the county supervisors to tell me what was relevant to their task and county (Berg 1998; Lofland and Lofland 1995) (see appendix for interview guide) but all interviews began much the same way: I ask them for basic demographic information and then this question: “Since I am unfamiliar with the county budget process, can you please describe the budget process for this county?” This question was often answered very much the same way, took up a lot of time and did not reveal anything of interest. I quickly met “saturation” on this question and did not ask this question unless the interview was hitting some roadblock or I had reason to suspect their budget process would reveal something unique.

¹⁹ See interview guide in the appendix

In the process of my initial interviews, I did discover a more effective way to ask certain questions, how the topics were likely to flow and how to ask questions in the beginning that would open up discussion and cause the commissioner(s) to highlight the community issues and concerns they had experience dealing with in their past work as commissioners as well as challenges they were currently facing or were expecting to face in the near future (coming few years). I also added a few questions to highlight their individual concerns, specifically, the question “Let’s say someone gave/bequeathed money to this county that you could use at your discretion...where would you want to allocate those funds? Why?” This question was added after more than half of the interviews in Iowa were completed and I was unable to get back in touch with these commissioners. Sometimes I had disposed of their contact information (other than their formal address at the county office), but more importantly, as time went by and the weight of the data (reams of paper and hundreds of county budget data), I figured I would have more than enough findings to write a solid dissertation.

When the county commissioner talked of competition with other communities, I probed for further information and details in how their county deals with this competition as well as their funding priorities. Current competing theories regarding decisions at the local level are limited in approach. Furthermore, concurrent state, national and international trends unquestioningly support economic growth policies and are adopted by government officials. These neo-liberal policies result in the slashing governmental support for social spending (Katz 2001; Schram 2000) while at the same time promoting business interests (Pollin 2003; Stiglitz 2002) provide the theoretical foundation for the examination of local government decisions.

Conducting the Interviews

Formalities insisted when I met with each participant, the participant(s) sign a consent form prior to the interview. I also asked the participants for permission to tape record the open-ended, flexible format [see appendix for the interview guide] of the interview process for later transcription and data analysis. The interviews lasted between an hour and a half to some lasting four hours in duration. Although the majority of the interviews were comprised of just one commissioner, it was not uncommon for me to interview two, three or even four commissioners following a meeting. These interviews in which I interviewed more than one commissioner typically took place in the commission meeting room or another room in the county office/courthouse. It was not uncommon for the county clerk to stay on and take notes to abide by open meeting laws. The restriction on open meeting laws also required the publication or posting of my visit with the county commissioners in their agenda or other county official reporting.

There were two interviews that I failed to capture on my microcassette recorder. In the midst of my Kansas data collection, I found the door of the tape recorder catching and to avoid future trouble, I purchased another tape recorder and used that. When I went into the next interview (after testing the recorder in my car), I attached the microphone to pick up the voices of the commissioners given my distance from them. I took copious notes just in case the recording quality was poor. When returning to my car, I check the recording for quality and found the recorder was not compatible with the microphone adapter. I was crushed and disappointed but relieved that I took note and had some time to fill out some field notes before leaving that location. I ran into another instance of poor recording quality while interviewing a commissioner in Iowa who was battling a cold and had a horse voice. As I

suspected his voice might not record well (and given the location we performed the interview), I took more notes than usual on my guide and was thankful for it once I heard the quality was compromised. While in both of these instances, I am certain I lost some “gems” of quotes, I was able to make the best of the situation and caught these errors in a time frame that allowed me to fill out my fieldnotes in a manner I did complete when I had a quality recording (or did not suspect an issue).

Researcher's Role

Trained in qualitative feminist social research, I acknowledge and reveal my subjectivity, my personal links to the topic and my role as a researcher rather than claiming distance and research without bias. To some degree, the research incorporates my interest in the Midwest, communities struggling to survive and the threats Midwestern folk encounter with our increasingly globalized economy. I have personal experience growing up in a small town, my father working as a union Tool-and-Die Maker for a nearby factory that is passed out of local hands into a variety of national and now international corporate holdings. I grew up visiting the dying town that my mother called “home” when she was a child. I am familiar with the demographic changes occurring in Iowa and like many of my friends; I too migrated out of Iowa for graduate work and my first job. This experience can “blind” me in some ways; preventing me to see some of the positive attributes of these changes, but I think my personal experience and desire to ask “what is happening?” and “What are/can local communities do to survive these large changes?” were beneficial in building rapport with the county officials as I many of them asked “Where were you raised in Iowa?” not satisfied with the vague answer “around Cedar Rapids,” preferring to know specific information like the name of the town, what high school I attended, a reiteration of my education in Iowa and

Kansas. Holstein and Gubrium write, “citing shared experience is often a useful way of providing concrete referents on which inquiries and answers can focus” (1995:45).

Commissioners often expressed the same concerns I have: what does the future hold, will their children raise their grandchildren in Iowa [Kansas]? Their unease about the future and the flight of their young, educated population to big cities, these concerns were voiced very often to me. In sum, I think my background provided me with knowledge that only increased my competence in posing relevant questions, prompts and direction (see DeVault 1990). As the data collection progressed I accumulated additional knowledge that assisted me understand the unique situations and circumstances that I might have otherwise missed.

My role as a feminist researcher, utilizing a critical perspective, I also power relations that permeate all spheres of social life. Feminist research also tries, with the help of the participants, to provide, uncover, question, and test theoretical understandings that reveal the hidden underlying social structure of oppression (Gorelick 1996; Kelly et al. 1994).

My qualitative training also emphasizes the interactive give-and-take of in-depth interviews. Holstein and Gubrium (1995) speak of the “active interview” where “storytelling is collaborative...the active view of the interview points to a great range of interpretive activities of both parties. Of course the interviewer asks questions, but so might the respondent” (p.28-29). As I said earlier, many of the commissioners (regardless of state) asked me a myriad of questions prior to the actual interview. Other than “where are you from?” or “Where did you go to school?” I was also asked if my family farmed, where I called “home,” where I wanted to call “home.” Many of the commissioner also inquired for some specifics I could not answer for confidentiality reasons such as “Where have you been lately?” meaning what other counties did I talk with? “Where are you off to next?” meaning

which counties am I going to interview. Commissioners also asked more general questions or made statements such as “What do you hope to find?” or “You are going to help us, aren’t you?” One commissioner even offered me a job working for the county at the conclusion of the interview, remarking, “You know just as much if not more than most of the people we have working for us. Why don’t you consider this position and get back to me?” Needless to say, despite my desire to leave the dismal pay of graduate research assistantship behind me, I did not take the job.

I recall one interview that occurred in Iowa where the commissioner and I had a bit of a verbal showdown in which he asked “Where I was coming from, ideologically? Or where are your biases?” after I gathered the basic demographic information on him including his age, his education, his occupation (if something more than serving on the county commission)

Interviewer Effects

I realize and read much about how the interviewer can influence the nature of the interview (Warren and Karner 2005). For instance, gender is a component of the interview process (Warren and Hackney 2000). My training in symbolic interaction and the research methodologies of SI include the realization that the interview includes roles—the interviewer’s role and the role of the interviewee(s) (DeSantis 1980). From my letter of introduction or from communication I had with the commissioners via phone conversations, they likely (and correctly) ascertained my gender. As they might not know what else to expect, I did my best to show up looking professional, “armed” with the necessary credentials (KU business card with my name and contact information on it) as well as tapes recording materials and the Informed Consent Form I asked them to review and sign, retaining a copy for their future reference.

My appearance is one that includes a fairly young looking white woman, brown hair, slender physique standing 5'7" tall. While I interviewed many white men past the age of 60 years, I was likely viewed as a bright and polite young woman learning to become a scholar. I was paid close attention to the county I was to perform the interview, dressing "down" a bit to more rural counties (but maintaining a professional look) and wearing more business formal wear when I interviewed county officials in a more urban setting. Since I do wear glasses or corrective lens, I did make a calculation if I thought my glasses were too "stylish" or "funky" for the location and/or age of the participant and chose to wear my contact lenses instead. I very much wanted to "dress the part" of what they might expect a researcher from university would look like without drawing attention to myself or standing out as "different." I must also say that I often wore attire that de-emphasized my femininity (avoiding the color "pink" for instance) in the hopes of appearing legitimate and scholarly. Although the dress of the county officials varied from a short-sleeve polo, a long sleeve flannel shirt to a cream colored suit topped off with an equally creamy Stetson cowboy hat, I never sensed I over- or under-dressed.

The vast majority of the commissioners were men (87%). When on occasion I did interview women, I must say the issue of gender was frequently brought into the conversation by the female commissioner—some reference to "breaking up the good 'ol boys network" and meeting resistance from fellow county officials.

I found it difficult to "leave the field," as I found some reasons to interview more people (to ensure geographic and/or rural representation). I thoroughly enjoyed the back road wanderings this research project afforded me. I also felt as if I were tapping some undiscovered natural resource, collecting data from a historical and cultural epoch that might

be on its way out, I felt engaged with communities and learned more and more about local struggles and successes. I saw more of the state in which I was born through this data collection process than I did living in the state for nearly 25 years. I also came to appreciate the State of Kansas, the beauty of the plains, fields of wheat and marvel at how quickly the landscape could change. I honed my “skills” in photography and enjoyed learning about the construction and/or renovation of county courthouses. I loved driving county highways and always looked for a local (non-chain) place to eat. I attempted to spend money in counties that agreed to sit with me, trying to give back to these communities in some way as they assisted me. (The reverse was also true, avoiding spending money in a county who rejected my call for participation...) But my time for data collection was over, I needed to get back to Lawrence, transcribe (and luckily, hand off for most of the interviews for transcription—again, thanks to scholarships, grants and some student loans) my data and get down to making some sense to the interesting trips, meetings and lived experiences that were generously given to me. I am grateful for the financial support I was granted throughout this project. I am not sure how I would have been able to complete data collection if not for these departmental scholarships and for the research grant awarded to me by the Horowitz Foundation for Social Policy.

Qualitative Data Analysis

As I worked in the field, interviewing the local officials, I took notes of interesting themes and points for analysis. These points included details what the official (wore), interesting contextual notes, observations, responses and the like. While on the road I would notice something in the area—a road sign (many anti-abortion signs for instance), political signs, hog farms, types of silos, buildings (or lack there of), the look of downtowns, the

county square, windmills, ethanol plant construction, road markings (or lack of), etcetera. Analysis began before I finished the interviews and became more concrete with the technique of open coding, which occurred when I began to see and work with the actual transcripts. Open coding includes reading and organizing the data (the transcribed interviews and field notes) in order to uncover themes, patterns, and variations. I did this on notebook paper and on some drafts of the interview transcripts. Coding is the process of sorting and making sense of the data. Open coding enables the themes to surface from the raw data (Berg 1998; Charmaz 1983; Creswell 1994). Open coding is just part of the continual process of qualitative data analysis. Kathy Charmaz (1983) also recommends memo writing while analyzing the data. Charmaz says that throughout the entire process (from beginning of the data collection to the end of data analysis), memo writing helps to shape, construct, and direct the research project. Throughout the project I utilized the technique of memo writing, (often in the form of “free writing sessions” before and/or after reading the data) as it gave me analytical direction to the mass amount of data collected. Memo writing provided me with a clearer picture of where I had been, and what was emerging or something I needed to examine more closely.

Following open coding, focused coding is the next step in the analysis of the data. Charmaz (1983) states that focused coding forces the researcher to develop categories and build onto those categories rather than just labeling the data. In focused coding, the researcher also begins to ask the data questions. It is at this point I examined and asked the data questions to see if a certain approach (“growth machine thesis,” “urban regime theory,” “federalism”) best accounts for local governmental decision-making at the county level. I

also found themes in how they talked about globalization and if they were able to see the impact of globalization in their county.

I incorporated an examination of sociological explanations of the interview data. At this point the data analysis was more explicit in nature I examined the data further and with more focus than before. The interviews highlighted the issue of gaming as a major source of revenue (or aspired source of revenue), so I coded the interviews for this theme. This finding also provided the impetus to go back to the Iowa Department of Management and ask for county budget data related to gaming revenue. The relevance of gaming emerged during the interview process in both study states. Serendipitously, the timing and selection of the states provide me with a unique comparative opportunity: Iowa has had gaming for more than 10 years and while in the field, Kansas was debating and won passage in the Kansas State Legislature. In Chapter 5 I will present mixed-method findings on the issue/impact of gaming revenue and desire to acquire gaming in the State of Kansas.

Qualitative analysis also emerged in response to how I was struck by the commissioners' response to the issue of globalization (even if I needed to prompt them) but more so in how they accounted for globalization. These more focused coding frames represent major findings of this study. This said, it is important to remember that qualitative data analysis is a continual and dialectical process, developing new coding frames, and uncovering new themes along the way (Charmaz 1983; Creswell 1994; Neuman 1997; Rubin and Rubin 1995). I tried to discuss how my analysis developed. I will explain this more as in the finding chapters where there is a descriptive and analytical account of meaning and accounts of the local officials.

For purposes of this dissertation and time constraints, I am attenuating the qualitative analysis and the qualitative findings presented in later chapters are from some basic analysis regarding how county officials talked about globalization. As I said above, the issue of gaming emerged from the interviews and I will discuss these findings along with some quantitative data analysis. This is an example of how the qualitative interviews helped to inform my quantitative analysis. The interviews also alerted me to the potential impact of border counties. Given the rich data I acquired from the interviews (as well as the travel associated with the process), cross-fertilization of ideas, themes, and analytic questions emerged that would not have likely occurred had I not employed a mixed methodology.

Limitations

Just as quantitative methodology has some limitations, so does qualitative research. Beyond the loss of a complete transcription/account from a few interviews, qualitative methods are often critiqued as not generalizable and social situational specific. I cannot and will not say the experiences and meaning expressed by this group of county commissioners transfer to issues related community survival and how globalization is affecting other rural areas or states.

I am also aware of the issue of self-selection into the interview process. The individuals or counties that elected to talk to me might differ in a significant way from commissioners and counties who did not participate. I can only assume why some participated and others did not²⁰. This is a common limitation and caveat of qualitative research.

²⁰ I will mention some commissioners told me why they wanted to talk with me, these accounts range from their son/daughter/spouse working on a research project and they were aware of the issues regarding acquiring a sample to surprise and delight a research wants their experience or attention to their county. Other times I know

Another limitation of research process is researcher bias. As I described in an earlier section, I acknowledge my interest and ability to frame the research process, including what questions to ask (see Weber). I allowed for and asked at the end of each interview if there was something I might have left in terms of understanding their work as a county commissioner or the issues they were working on. In terms of the analysis, my interests helps to frame the questions but Charmaz also warns: “every researcher holds preconceptions that influence, but may not determine, what we attend to and how we make sense of it” (2006:67). As she suggests, I focused on the words and categories the commissioners used and tried to “check” to make sure the coding concepts were captured from the language of the informants. Denzin recommends “negative case testing” to assist in the identification of researcher bias in qualitative analysis (1989). Are there cases or instances that counter the general concepts/findings? If so, one must review the data and alter the analysis.

In sum, no method is a guaranteed route to the ‘truth.’ Combining methods is one way to triangulate to research social phenomena from different vantage points or dissimilar methods. Too often social researchers rely on one method (Webb, Campbell, Schwartz and Sechrest 1999). When mixed methods are used, confidence in the findings are increased as each method “checks” the other, oversights from one method are uncovered in another and inconsistencies are more likely to be identified and rectified. I am confident my choice to utilize a mixed methods approach to this study resulted in a more accurate and complex picture.

a commissioner decided to participate because of the recommendation obligation to a third party. Some commissioners/counties saw their participation as part of public service.

Table 3.2. Demographic Characteristics of the Interview Sample, by state

	Iowa	Kansas
Age		
26 to 35	2	0
36 to 45	2	2
46 to 55	9	11
56 to 65	15	9
66 to 75	9	12
76 to 85	2	3
Total	39	37
Gender		
Male	33	33
Female	6	4
Total	39	37
Political Affiliation		
Republican	25	23
Democrat	9	6
Independent	5	5
Other	0	1
Missing	0	2
Total	39	37
Education		
High School	6	9
Some College / AA	10	10
BA	14	14
MA / Professional Degree	8	5
Missing	1	0
Total	39	37
Urban / Rural Breakdown		
Urban	7	9
Semi	9	5
Rural	10	11
Total	26	25
Duration		
< 4	17	9
5 to 10	13	17
11+	8	11
Missing	1	0
Total	39	37

CHAPTER 4: Quantitative Results

The results are presented here in the order of the research questions, beginning with an overview of the data and descriptive statistics. I then present findings of correlations and selected t-tests (or nonparametric equivalents) to examine whether or not there was an increase in spending over time. Lastly, I present findings from correlation analysis and a series of regression models to uncover potential explanatory factors to account for variation in economic development and health care spending at the county level in the state of Iowa for the alternating years of 1997-2003. In the findings from regression models I found the answer to the question “Do health care and economic development (including summed assistance to capital) compete for the same county dollars or are counties able to prioritize and allocate funds to deal with both concerns?” The answer is counties *are* able allocate funds to both categories simultaneously and I explore this with each variable in turn.

Brief Overview of the Quantitative Research Questions and Study Design

The quantitative portion of this study is concerned with measuring and analyzing county-level economic development and health care spending in Iowa. Following the quantitative research questions presented in Chapter 3 (see p.4), I am specifically interested in the magnitude of spending and how it has changed over the six study years. In addition, I am interested in if health care spending or assistance to capital (economic development programs as well as summed assistance to capital) receive the greater amount of funding as well as whether selected socio-economic characteristics of counties (i.e., population density, percent of population over the age of 65 years, urban influence code, population loss or gain, unemployment rates and se on, see Chapter 3 for a complete list) can account for these spending differences.

In order to answer these questions, I have indentified three dependent variables: 1) **economic development program spending**; 2) **summed assistance to capital** in the form of a broadly defined “economic development” which includes expenditures toward roads and bridges, airports, solid waste disposal land use and building controls, housing rehabilitation and development, land acquisition and development); and lastly, 3) **total health care** (support of hospital, ambulance services, public health and administration, care in county care facility and chemical dependency programs).

The first component of the quantitative portion of this study is to uncover how much is spent by counties for economic development and health care. From the data received from the Iowa Department of Management for the study years, all 99 counties in Iowa are represented for the fiscal years 1997, 1999, 2001, and 2003 for a total sample size of 396. Each of these counties spent money towards the aim of **summed assistance to capital** and **health care** with some counties choosing not to spend money on a specific budget category of **economic development program**. Some counties also did not allocate funds to a hospital (unless this expenditure was embedded elsewhere in the budget, i.e. health administration).

- What is the extent of per capita spending in counties on economic development programs, total assistance to capital more broadly and towards total health care?
- Has there been statistically significant changes in the allocation of these funds over time from 1997 to 2003?
- What demographic or larger social factors might explain, potentially predict county spending in each of these categories? And, do health care and economic development compete for the some finite resources?

Quantitative Research Question 1:

Extent of Spending on Health Care and Economic Development

I employed descriptive statistics to examine the data and to discover the extent of county spending. Descriptive statistics included a frequency distribution, mean, median, mode, standard deviation, range, minimum, maximum, skewness and kurtosis. With this information for each of the spending categories (performed to capture per capita amounts for each year), I am able to see if county allocations followed a trend as well as to uncover outliers for additional examination. Skewness and kurtosis were also examined as well as the range to better assess the distribution of that variable. The only dependent variable that required additional modification is the economic development program per capita expenditure. As discussed in the methods chapter, I performed a log-transformation (plus 1) to induce linearity to the distribution. The descriptive results for each of the dependent variables are presented in the following sections.

Economic Development Program Spending

To answer one of the basic questions of the study: How much are counties spending more on economic development programs? The answer for counties in the state of Iowa is they are spending more over time. Is the gain *significant*? That is question I will attend in the next section.

From the Table 4.1 below, we can see in the case of per capita spending on economic development programs did increase over time with a slight dip in the mean in the year 1999. Overall, on average counties allocated between five and eight dollars per capita on county defined “economic development program.” Table 4.1 also lists the mode for all years at

\$0.00. As the mode was often zero (meaning zero dollars were spent), this made for a positively skewed distribution.²¹

Table 4.1. Basic Statistics for Per Capita Spending on Economic Development Programs in Counties in Iowa (Adj. US\$, all 99 counties reporting each year)						
	Mean	Median	Mode	Range	SE	Std. D
1997	5.19	1.38	0.00	86.10	1.21	12.04
1999	4.63	2.21	0.00	65.46	0.90	9.00
2001	6.56	2.68	0.00	179.59	1.93	19.25
2003	8.09	2.45	0.00	316.90	3.28	32.61

As the table shows, the per capita county level expenditure (adjusted for inflation) went from \$5.19 in 1997 to \$8.09 per capita in 2003. While the mode (the more frequent number reported) held at \$0.00 expenditure for all years under study, 21 counties spent \$0.00 in 1997, in 1999 19 counties spent \$0.00, 14 counties in 2001 and only 10 counties in 2003 spent zero dollars on economic development. Therefore, counties in Iowa are certainly following a trend of “getting into the game.” This finding is also supported by the qualitative interviews as many of the commissioners spoke about their funding of an economic development office or feeling “behind” towards that end.

Furthermore, there is an increased county allocation of spending on economic development, supported by an examination of the simple statistic of quartiles. From Table 4.2 one can see how the several quartiles increased in expenditure on economic development. Although this statistic does not achieve significance, there is numerical evidence to reinforce the finding that in 1997, more counties spent zero or very little money towards economic development program and the mean for the bottom quartile more than increased ten times

²¹ This issue was addressed for more sophisticated analysis by logging the variable (adjeacdpr) to compute a new variable (logeacdpr).

between 1997 and 2003. The counties in the second bottom quartile (26-49 percent) also report a marked increase in allocation towards economic development (approximately four times more in 2003 than in 1997). Counties in the upper quartile increased their funding of economic development but at a much lower rate than counties in the bottom two quartiles.

Table 4.2. County Allocation towards Economic Development, Quartiles over time. (adjusted US\$, all 99 counties included)

	Mean	Median	25 th Percentile	50 th	75 th Percentile
1997	5.19	1.38	0.04	1.38	4.51
1999	4.63	2.21	0.29	2.21	4.83
2001	6.56	2.68	0.72	2.68	5.78
2003	8.09	2.45	0.74	5.79	5.91

I will test the significance in the allocation of funds over in the next section.

The frequency distribution alerted me to a few outliers in economic development programs. In 2003 Kossuth county (a very rural county in north central Iowa) reported an unusually high economic development program expenditure and also in roads and bridges that year. I called the county to inquire about this rather large expenditure (\$316.90 in economic development program and \$683.02 in summed assistance to capital—including road and bridges expenditures). With a call into the auditor’s office, I was told this money was a county backed loan to “MGP.” “MGP stands for ...?” I asked. The women asked me to hold and came back with “Midwest Grain Processors.” “Is this an ethanol plant?” I asked. She confirmed this but also stressed this loan was subsequently paid, in full, by MGP. I asked if this plant was still up and running and she confirmed it was.²² Considering the importance,

²² I conducted regression analyses with Kossuth 2003 data in and out of the equation. Considering other predictor significant variables in the equation (rural codes, percent of the population over the age of 65 years are

the reality of the building of ethanol plants and the financial backing (even if only limited in duration) of counties in this industrial development, I consider it important to leave 2003 Kossuth county information in further analysis.

Another county with a noticeably high expenditure in economic development program budget category was Adams County in 2001. Adams County is a very rural county in southwest Iowa. Upon consultation with an employee who did not work for the county at the time of the expenditure²³, she *suspected* the county received a boost in revenue to economic development from A “Harkin Wellness Grant.” This revenue was allocated and spent that year but I was unable to receive confirmation from county officials how exactly that money was spent and how much the county might have supported this grant by matching funds from property tax.

The last “outlier” in terms of economic development program was based in Dubuque county and I was lucky enough to talk with someone who worked for the county in 1997 and remembered what comprised that large expenditure. In 1997 the State of Iowa assisted the county by providing some start up funds for a meat-processing company to buy land in the county for a production plant. The plant is no longer running operating.

Table 4.3 displays a breakdown of the counties allocating the top five highest allocations towards their economic development program and summed assistance to capital for the years under study. This table also highlights the USDA Urban Influence code for

also characteristics of Kossuth county, the inclusion of Kossuth county 2003 data affected the adjusted R squared with a drop of one to two percent dependent on the inclusion of certain other independent variables.

²³ One issue I discovered while interviewing county supervisors in Iowa is a reported concern or trend how rural counties can sometime serve as a “training ground” for inexperienced workers or as experienced county workers in the auditors’ office and the like, understand their retirement benefits from the State are linked to their salary and thus, prior to retirement, attempt to find a higher paying position to qualify/earn higher benefits. Turnover in very rural counties were stated as a concern by some county supervisors and from this call (and another), I think this highlights the potential weakness when performing this type of research, as time passes, employee turnover may impact “institutional” knowledge and make for some possible coding error—in this case whether or not to throw out an outlier.

each of the listed counties. What stands out is how often (approximately eighty percent of the time) counties that “top” expenditures in these categories (specifically and more broadly defined) are defined as “more rural” than “urban” (coded 1-4). Again, these expenditures are based on per capita spending to help “even out” the difference in populations between the counties. All that said, there is a pattern of more rural (or even semi-urban/semi-rural) counties represented in the table of “big spenders” to assist capital and economic development programs over more urban counties (other than Polk—metropolitan area of Des Moines).

Gaming Revenue Counties

One additional finding I touch on here and will explore in a later chapter utilizing more sophisticated statistical analyses, is the occurrence of counties with gaming revenue in this “big spender” table. I include the gaming variable in my analysis based on a serendipitous finding pointing to the significance of gambling in Iowa county budgets. In Table 4.3, I designated counties receiving gaming revenue by the county name in *italics*. Clarke County provides an interesting case as I began to look more closely at counties with gaming revenue. Clarke County marked its third year with gaming revenue (2003) as a year they joined the ranks of top counties allocating funds to an economic development program. Clarke County per capita expenditure on their economic development program was \$0.64 in 1997, \$1.88 in 1999, and \$5.87 for 2001. Their per capita expenditure of \$64.40 is an obvious jump in allocation and was *perhaps* made possible with a boost of gaming revenue just above a quarter of a million dollars. The qualitative interviews (information gleaned from gaming and non-gaming counties alike) helped to uncover the (potential) importance of gaming revenue and drove greater attention to gaming counties in the quantitative analysis. I

will examine the revenue trends and possible linkages to county spending and property tax levies in a forthcoming mixed-methods results chapter.

Table 4.3.

Big Spenders on Economic Development Program and Total Economic Development Spending, per capita (1997, 1999, 2001, 2003)

	County in Iowa	Urban Influence Code	Spending on ALL Economic Development Related Activities	County in Iowa	Urban Influence Code	Economic Development Program Spending
1997	Ringgold	12	\$466.33	<i>Dubuque</i>	2	77.15
	Adair	7	465.27	Palo Alto	9	46.35
	Palo Alto	9	457.41	Montgomery	6	45.49
	Audubon	7	412.96	Adams	12	28.47
	Adams	12	379.90	Wright	9	25.99
1999	Adams	12	539.65	Adams	12	60.22
	Audubon	7	438.28	Appanoose	9	43.53
	Monona	6	417.58	Decatur	12	30.56
	Adair	7	401.62	Humboldt	9	17.83
	Grundy	2	384.02	<i>Polk</i>	2	13.75
2001	Adams	12	700.81	Adams	12	173.02
	Monona	6	470.96	<i>Polk</i>	2	56.63
	Keokuk	7	463.41	Van Buren	10	32.55
	Ringgold	12	441.82	Jackson	6	31.64
	Adair	7	426.49	Wright	9	19.12
2003	Kossuth	11	683.02	Kossuth	11	316.90
	Audubon	7	487.34	<i>Clarke</i>	6	64.40
	Adair	7	450.51	Franklin	9	39.50
	Adams	12	437.02	<i>Butler</i>	7	34.93
	Ringgold	12	436.13	Montgomery	6	31.20

Note. Gaming Counties are noted in *italics*

Summed Assistance to Capital: Broad Economic Development Spending

Table 4.3 also lists the top five counties spending money in summed assistance to capital/business. During the years under study, there are four counties that are listed in almost nearly every year as reporting in the top five percent of summed county expenditure toward assistance to capital (including roads and bridges). Adair and Audubon are two semi-

rural counties located near but not close enough to experience the same level of growth in close proximity to the state capital, Des Moines metropolitan area. Both of these counties are in the upper quartile as experiencing population loss at a high rate between the 1990 and the 2000 U.S. Census. I suspect both counties are attempting to “spend their way” to compete with the upper quartile counties experiencing population gain such as Dallas, Madison and/or Warren counties bordering them or just one or two counties to the east.

The remaining counties on the list of repeated top per capita spending on summed assistance to capital includes two very rural counties (Ringgold and Adams). Adams county is also a county in the upper quartile of population loss. This trend of either very rural counties and/or counties losing population at a higher than average rate does tend to support the hypothesis these counties are spending greater resources towards the end of assisting capital growth in their county—in hopes of reversing their fortune.

County Health Care Results

The descriptive statistics for county expenditure on health care is a bit more complicated. Table 4.4 has a break down of the mean and standard deviation for each of the health care categories for the study years. As the county budgets often allowed for a more detailed breakdown of the health care categories, I thought the individual expenditures might further our understanding of the many ways counties are assisting in providing health care to their citizens.

Iowa is unique in that counties are responsible for (some county supervisors used a less flattering word—*burdened*) assisting the state provide mental health care and assist the developmentally disabled meet their health care needs. 1997 data is not available as the

Table 4.4. Breakdown of Health Care Expenditures, county averages (and standard deviation) in Iowa, adjusted per capita dollars, 1997-2003.

	EMS	Public Health	Hospital Levy	Mental Health/MHDD	Nursing Facilities	Drug & Alcohol	Total Health Care*
1997	2.87 (4.71)	24.55 (25.85)	19.13 (26.66)	NA	2.56 (9.47)	1.32 (1.18)	52.93 (41.38)
1999	2.88 (5.61)	22.67 (26.43)	19.89 (28.32)	36.35 (16.69)	1.56 (3.87)	1.46 (1.09)	50.44 (41.11)
2001	2.91 (6.17)	25.34 (33.64)	23.63 (33.91)	39.14 (16.49)	1.11 (3.51)	1.64 (1.24)	55.64 (49.18)
2003	3.12 (6.55)	27.29 (36.67)	24.75 (35.79)	37.88 (16.09)	0.85 (3.29)	1.79 (1.63)	57.80 (51.92)

*Note: Total Health Care calculations do not include MHDD expenditures given missing data from 1997.

calculation of what is known as MHDD funds and changed. Given this reality, I detail the mean county level tax levy for the years 1999, 2001 and 2003. In the interviews, county supervisors expressed a concern for the raising cost of Mental Health-Developmentally Disabled expenditure but also noted the State of Iowa worked out a formula to assist counties with increasing costs but not before requiring counties spend (or levy) a certain amount (and any reserve they might have had) before receiving State monies. From the three years of similar accounting and data, the average county levy remained steady. As I will later show with an equivalent of a t-test, the means in health care expenditures do not reveal a significant change over time. I am left at a loss to explain the dip in health care expenditures in 1999 and I can only say this is not an error in calculation nor in the multiplication in adjusting for inflation. That said, the drop in expenditures for health care (as evidenced in public health and total health care expenditures) does help explain the non-significance finding when testing the difference in means over time.

Table 4.5 shows the mean, standard deviation and range for the two different ways I calculated total health care spending. The first “total health care expenditure” includes

hospital levies but without the mental health/developmental disability levy. As you can see, the inclusion of the MHDD program levy nearly doubles the county average expenditure on health care. For the sake of a larger sample size (396 without MHDD included, compared to 297 if I excluded 1997 data), I went with my major health care dependent variable as the “total health care” including ambulance, public health, assistance to nursing facilities, hospital levies, and drug/alcohol treatment programs.

Similar to the table examining counties ranking in the top five percent of economic development spending, I also compiled a table to examine top counties in terms of total health care spending (per capita) as well as the counties in the upper five percent in terms of a hospital levy in

Table 4.5. Means, standard deviation and range of Total Health Care Spending (calculated with and without Mental Health/Development Disabilities Programs) by Year, per capita adjusted dollars (N=396)

	<u>Total Health Care Expenditure</u>			<u>Sum health with MHDD program</u>		
	Mean	SD	Range	Mean	SD	Range
1997	52.93	41.38	200.89	N/A	N/A	N/A
1999	50.44	41.11	193.69	83.87	45.06	242.00
2001	55.64	49.18	230.14	93.36	53.27	277.74
2003	57.80	51.92	291.72	95.68	56.13	326.48

that county. As I said before, Iowa Department of Management requires counties to report the property tax amount levied to fund county hospitals. This is unique (for the Iowa) data that captures only the county property tax levy and does not include State of Iowa and/or Federal monies to assist counties. While not all counties report assisting a county hospital, most counties do. I wanted to single this category out (at least in this descriptive analysis portion) to examine the trend of county allocation of property tax levied to support hospitals during this time.

Interestingly, there are some counties that overlap as a “big spender” in many of the years under study. Ringgold, Franklin and Clarke counties are represented in the top five percent in total health care spending per capita in all four years under study. Wright and Calhoun counties are among the top five spenders in three of the four years. There is a trend of certain (again, often very rural or semi-urban/rural) counties sustaining higher than average levels of health care expenditures. There is only one county (Wright in 1997) that appears only once in the list of the top five percent of health care spending, the other counties show a continued commitment to spend an above-average amount towards the mean of health care.

Another similar trait among the counties listed in this table is the prevalence of counties experiencing high rates of population loss. The vast majority of counties listed as “big spenders” on total health care spending (when summed) are very rural with an USDA Urban Influence code of nine or above. This shifts when the list is comprised of counties that levy the top five percent of per capita hospital taxes.

There are also counties that sustain a high commitment to hospitals over the study years: Ringgold and Wayne (three of the four years), Clarke (all four years), with Greene, Montgomery and Cass counties are listed as counties in two of the four years in the top five percent in per capita levies for hospitals. In terms of urban-influence codes, half are right in the middle of the urban/rural coding scheme. The other interesting fact about this collection of counties are that more than half of the counties in this column are either in the top of the “population loss” quartile or the top of the “population growth” quartile. These extreme population shifts are likely to pressure and/or strain county hospitals.

In terms of counties with gaming revenue, Clarke County is reported as a top five percent in spending on total health care both before and after the introduction of the “new” revenue source. Clarke County is the only gaming county in this table of high health care expenditures/hospital levies. Clarke is also unique in that is the only county in the upper quartile of population increase between the 1990 and 2000 U.S. Census. Located a bit south west of the Des Moines metropolitan area, they are experiencing higher than average growth,

Table 4.6.

Big Spenders on Total Health Care Expenditures and Counties with Highest Hospital District Levies, per capita (1997, 1999, 2001, 2003)

	County in Iowa	Urban Influence Code	Summed Spending on Health Care	County in Iowa	Urban Influence Code	Hospital Levy
1997	Ringgold	12	\$203.94	Ringgold	12	95.24
	Franklin	9	188.91	Clarke	6	90.42
	Clarke	6	159.66	Greene	6	76.47
	Wayne	12	141.35	Monroe	9	73.68
	Monroe	9	124.61	Wayne	12	72.59
1999	Ringgold	12	196.00	Ringgold	12	100.06
	Franklin	9	167.83	Clarke	6	94.83
	Clarke	6	145.92	Greene	6	86.62
	Wright	9	145.91	Montgomery	6	79.30
	Calhoun	10	137.99	Madison	2	78.85
2001	Calhoun	10	292.63	<i>Clarke</i>	6	113.75
	Ringgold	12	221.49	Cass	6	102.38
	Wright	9	172.20	Audubon	7	100.91
	Franklin	9	171.36	Montgomery	6	97.48
	<i>Clarke</i>	6	160.19	Wayne	12	95.33
2003	Calhoun	10	292.63	<i>Clarke</i>	6	137.36
	Ringgold	12	221.30	Ringgold	12	116.12
	<i>Clarke</i>	6	179.35	<i>Polk</i>	2	108.88
	Franklin	9	171.85	Wayne	12	107.63
	Wright	9	158.04	Cass	6	103.55

Note. Gaming Counties are noted in *italics*

likely assisted by the main Interstate artery of I-35, making it fairly easy to commute an hour to the Des Moines metropolitan area. One might speculate, they are close enough to

commute but far enough away there is enough public support to financially assist a hospital in their county.

Looking back to the table of counties listed as “big spenders” to assist capital, once cannot help but notice a county in particular: Ringgold. This very rural county in southern Iowa allocates a higher than average amount to both health care and assistance), to capital. Ringgold is also a county that is not found among the counties in “population loss” quartile, nor the top of the “population growth” quartile. Ringgold County might highlight the complicated reality of the paradox of county spending in these two (opposing?) budget categories.

Quantitative Research Question 2:

Statistical Difference in Spending Over Time?

From descriptive statistics, we can see a trend toward greater spending at the county level for economic development (and summed assistance to capital) as time passes. This trend is apparent, counties in the state of Iowa are spending more over time; the real question is this: Is the gain *significant*? That is question I will attend in this section.

The Friedman Test (not *that* Friedman, the statistical kind...)

To test whether or not the finding of increased spending on economic development program is statistically significant, I employed the Friedman Test. The Friedman test is a non-parametric test for the examination of means for a repeated measure (such as counties) over a time frame. This test is certainly helpful to examine the significance of the increasing mean for county expenditures on their economic development programs from 1997 to 2003 (including the intervening years of 1999 and 2001). With the inclusion of all counties from all four years (including any outliers), this test revealed a statistically significant ($p = .041$)

change in the mean (1997: \$2.26, 1999: \$2.42, 2001: \$2.74, 2003: \$2.58) expenditure on economic development programs over time. This point only strengthens my finding that while counties may not spend a significant amount on their economic development programs, they are *increasing* their expenditures as well as a general trend in additional counties spending money in this budget category over time.

For summed assistance to capital, counties spent an increasing amount over time, again statistically significant ($p = .000$). Beginning in 1997 (all counties, including outliers), the mean summed assistance to capital was \$239.36, 1999 \$243.50 dollars, 2001 \$256.36 and in 2003, a total of \$251.16 went to summed assistance to capital for the counties in Iowa.

For total health care per capita, another statistically significant increase²⁴ in expenditures by counties in Iowa. The Friedman test reports a p-value of .000 for the significant difference in means towards allocation to health care for counties 1997, the average county expenditure was \$52.93, 1999: \$50.44, 2001: \$55.64 and in 2003, the average county allocation toward total health care was \$57.80.

Quantitative Research Question 3: Relationships of Social/Demographic Changes for County Health Care and Economic Development, Correlations

A correlation is the recognition of a linear relationship between variables. Table 4.7 presents the direction of the relationships among the variables included in this study. I expected to find only a few non-significant relationships. A plus sign designates a positive linear relationship meaning as one variable increased (year, for example), so would spending on economic development. There is a separate column for each of the dependent variables (county expenditure on total health care and county expenditure towards the end of economic development/assistance to capital).

²⁴ Despite the decrease in spending for 1999, subsequent years increased at a significant rate.

Table 4.7.
Expected (Hypothesized) Demographic and Social Effects on County Spending in Iowa

Independent Variable	Economic Development	Support of Health Care
Year	+	-/NS
Percent over 65 years	-	+
Unemployment Rate	+	+
Urban Influence Code	+	+
Rural	+	+
Semi-Urban	+	+
Urban Counties	+	-
Assessed Valuation	-	+
Property Tax per capita	-	+
Median Income	-	+
Household Size	NS	-
Landarea	NS	+
Density of People	-	-
Population Decline	+	-
Population Growth	-	NS
Border County	+	NS
Health Care Spending	-	
Economic Development Spending		-

There are some independent variables I thought might have an opposing direction or type (significant or not) with the two dependent variables. For instance, I thought the passage of time (as indicated by the variable “year”) would prove a positive relationship with spending on economic development but the opposite or non-significant when examining health care spending. I thought the variable “percentage of the population over the age of 65 years” would positively influence health care spending but negatively impact spending on economic development. I thought this divergent correlation relationship would also appear for assessed valuation (per capita), as well as median income (per capita), property tax collected (per capita) and household size. Each of these demographic factors would indicate if a county were under financial stress (marked by lower assessed valuations, median income, household

size), the county would have less funds to contribute to health care but would spend *more* on economic development. Instead of detailing each of the expected strength and direction of the variables, I direct your attention to Tables 4.8 and 4.9. These tables are correlation matrices reporting the correlation coefficients along with the significance levels.

Correlation coefficients provide an indication of the strength of a relationship between variables with a value between zero and one. The coefficients are routinely viewed with this distinction: a small relationship has a correlation ($r = .10$ to $.29$), a medium relationship as $r = .30$ -. $.49$ and large correlation coefficient at $.50$ to 1.0 (Cohen 1988).

Health Care Correlations

Correlations coefficients (see Table 4.8) reveal a medium relationship between health care expenditures and property tax per capita collected ($r = .461$, $p < .01$), summed assistance to capital ($r = .416$, $p < .01$) and percent of the population over the age 65 years ($r = .363$, $p < .01$). All of these relationships indicate a positive relationship meaning as a county increases in their percentage of population over the age of 65, they are likely to see an increase in spending towards health care.

Small but significant relationships are found with many of the other variables including: population growth ($r = -.174$, $p < .01$) and loss ($r = .213$, $p < .01$). quartiles. Counter to what I expected, counties reported in the upper quartile of population loss, show a positive relationship with total health care spending, meaning they may actually spend additional money than non-population losing counties. Counties with population growth have a negative relationship with health care funding.

Other small but significant relationships are found with border counties ($r = -.162$, $p < .01$) where I hypothesized no significant relationship. Instead, as indicated by this correlation

Table 4.8. Correlation Matrix for Total Health Care Spending, adjusted per capita US\$ (N=396)

	1	2	3	4	5	6	7	8	9	10	11	12
1. Total Health Care Spending	1.000											
2. County Type (Urban Influence 1-3)	.256**	1.000										
3. Year	.050	.000	1.000									
4. Population Loss (Quartile)	.213**	.401**	.000	1.000								
5. Population Growth (Quartile)	-.174**	-.521**	.000	-.529**	1.000							
6. Border County 7. Median Income per capita	-.162**	.157**	.014	-.046	.055	1.000						
8. Assessed Valuation Per Capita Adjusted	-.303**	-.581**	-.028	-.343**	.533**	-.172**	1.000					
9. Property Tax per capita	.189**	.267**	.095	.432**	-.192**	-.112**	.56	1.000				
10. Urban Influence 1-12	.461**	.315**	-.150**	.420**	-.266**	-.153**	-.303**	.628**	1.000			
11. Percent +65 years	.237**	.947**	.000	.374**	-.531**	.182**	-.633**	.255**	.305**	1.000		
12. Population Density	.363**	.596**	.596**	.520**	-.579**	.021	-.688**	.503**	.575**	.630**	1.000	
	-.117**	-.435**	-.435**	-.224**	.371**	-.039	.441**	-.283**	-.343**	.430**	.556**	1.000

* Correlation is significant at the 0.05 level (two-tailed).

** Correlation is significant at the 0.01 level (two-tailed).

analysis, non-border counties spend more than border counties on health care. This relationship is small but surprising as again, I suspected a positive relationship for border counties spending on economic development but nothing associated with health care. My hypothesis regarding border counties was actually informed by the qualitative interviews as county officials in border counties often cited increased competition—both within the state and across state lines for business—but nothing was said related to health care spending.

Income and related economic factors also hold small but significant relationships to health care spending. Income per capita ($r = -.184$, $p < .01$) and assessed property valuations ($r = .189$, $p < .01$) report an interesting and opposite relationship to health care spending within a county. The correlation coefficient for income per capita is negative, meaning the lower the income, there is an increase in health care spending. Again, this is counter to what I expected. There is a positive relationship between assessed valuations and health care spending to indicate counties with a higher property tax assessed values do spend more on health care. I want to underscore the slight but also significant difference in these economic variables. Assessed property values does not necessarily mean counties are collected greater property taxes; while the value of the land might be valued higher than other counties, the county might actually levy (and collect) less in property tax. This phenomena can occur in a number of different ways: 1) a county might levy a county sales tax that brings in revenue from out-of-county residents and thereby afford lower property tax collects from county residents; and/or 2) a county might offer gaming within their boundaries and provide an alternative revenue source. Per capita income is disaggregated from property tax collections and assessed valuations (but are related as you can see in the correlation matrix) and

therefore might relate and potentially predict a different relationship with all of the dependent variables in this study.

As discussed in Chapter 3, I believed the independent variable “urban influence code” would be an interesting and influential variable and I had multiple ways to code this factor. I wanted to tease out the potential strength (or insignificance) of urban influence codes and included variations of codes in order to accomplish this. One way is to keep the USDA’s coding scheme (one through twelve, twelve most rural and isolated). I also created the variable “urrual” as a three option ordinal code to convey the urban influence code. I then I recoded this variable into dummy codes splitting the urban influence variable into three distinct categorical variables: urban, semi urban/rural, and rural.

I expected a positive relationship in all the urban influence variables except for when I dummy coded urban counties. I expected urban counties to have a negative relationship with health care spending backed by research that contends suburban areas (caught in the “urban” dummy code) are often locations in the United States where health care is concentrated to the point of duplication (Waitzkin 2000). From correlation coefficients in Tables 4.8 and 4.9 I (or shall I say Waitzkin’s argument) is supported with a negative correlation coefficient for urban counties²⁵ (Table 4.9, $r = -.153$, $p < .01$). I was surprised to see the dummy variable semi-urban/rural counties also had a negative correlation coefficient ($r = -.118$) showing the strength of the relationship was not as strong with a p value $< .05$; a weak and less significant relationship in comparison to the “urban” county dummy code as well as the other urban influence codes displayed in Table 4.8 (urrual: $r = .256$, $p < .01$ and agurbed: $r = .237$, $p < .01$) indicating as counties codes increase (meaning more rural), we will see higher health care spending. I understand correlations only describe the relationship

²⁵Urban counties received a code of “1” while all others (semi-urban/rural and rural counties were coded as “0”

Table 4.9. Correlation Martix for Health Care Spending Part Two, adjusted per capita US\$, (N=396)

	1	2	3	4	5	6	7	8	9
1. Total Health Care Spending	1.000								
2. Land Area	-.198**	1.000							
3. Household Size	-.203**	.270**	1.000						
4. Unemployment Rate	.028	-.087	-.102**	1.000					
5. Urban Counties	-.153**	.191**	.289**	-.199**	1.000				
6. Semi Rural/Urban Counties	-.118**	.042	.077	.151**	.055	1.000			
7. Rural Counties	.259**	-.210**	-.334**	.010	-.340**	-.655*	1.000		
8. Summed Assistance to Capital	.416**	-.104*	-.190**	.080	-.375**	.020	.303**	1.000	
9. Economic Devo Program (logged)	.253**	-.104*	-.168**	.099*	-.145**	-.148**	.284**	.397**	1.000

* Correlation is significant at the 0.05 level (two-tailed).

** Correlation is significant at the 0.01 level (two-tailed).

strength and direction but I will test the “predictive” quality of this independent variable on each of the dependent variables under study.

There are relatively few variables of those under study here that are insignificant to health care spending. Of these two variables, the unemployment rate ($r = .028$, $p = \text{NS}$) was expected. I thought there might be a negative relationship between health care spending and year (as I assumed counties would spend less on health care as time passed and they felt greater pressures to spend money in non-health care related functions) but the correlation coefficient is very small ($r = .050$) and not significant.

Economic Development Programs

I generally thought economic development program and summed assistance to capital might have similar expected relationships with the independent variables and Table 4.7 reflects these expected findings. I believed, or lacked a theoretical reasoning, to find any significant relationship between economic development spending with household size or land area. Simply stated, I was mistaken. Both independent variables revealed a weak but significant ($p < .01$) negative correlation coefficient with spending on an economic development program.

Overall, the relationships between independent variables and the dependent variable spending on economic development were moderate at best. I found several surprisingly and counter-intuitive (or counter-theoretical) findings in correlation analysis for economic development program spending. First off, the variable with the strongest correlation coefficient in the matrix (see Table 4.10) was total health care spending with $r = .288$, $p < .01$. I expected a strong relationship but in the opposite direction. Recall in the theory chapter I drew upon the work of O'Connor (1973) and Offe (1984) to argue the state (county

Table 4.10. Correlation Matrix for Economic Development Program/Office Spending (N=396)

	1	2	3	4	5	6	7	8	9	10	11	12	
Economic Development (Logged +1)	1.000												
1. Year	.091	1.000											
2. Median Income	-.212**	-.023	1.000										
3. Adjusted Total Health	.288**	.049	-.304**	1.000									
4. Assessed Valuation Per Capita (Adj)	.186**	.083	-.048	.193**	1.000								
5. Property Tax Per Capita (Adj)	.248**	-.162**	-.296**	.468**	.624**	1.000							
6. Urban Influence	.265**	-.013	-.631**	.276**	.241**	.291**	1.000						
7. Median Income For Year	-.167**	.319**	.939**	-.269**	-.017	-.336**	-.603**	1.000					
8. Population +65 years	.259**	-.067	-.686**	.364**	.499**	.572**	.627**	-.627**	1.000				
9. Population Density	-.037	.010	.439**	-.115**	-.279**	-.340**	-.427**	.420**	-.554**	1.000			
10. Land Area	-.146**	-.009	.196**	-.197**	-.042	-.164**	-.248**	.183**	-.186**	.068	1.000		
11. Household Size	-.170**	.005	.498**	-.203**	-.203**	-.216**	-.444**	.475**	-.519**	.060	.274**	1.000	
12. Unemployment Rate	.083	.413**	-.409**	.031	-.208**	-.159**	.144**	-.233**	.068	-.083	-.092	-.099*	1.000

* Correlation is significant at the 0.05 level (two-tailed).

** Correlation is significant at the 0.01 level (two-tailed).

in this case) could not satisfy both social welfare and assistance to capital at the same time. From this somewhat rudimentary analysis, it looks like counties might actually allocate funds to support local health care and economic development programs.

Another unusual, unexpected finding includes the non-significance between the unemployment rate and spending on economic development programs. Despite this finding, I will still include this variable as a “control” in multiple regression when I attempt to forecast or explain the variance between spending on economic development and other independent variables. The same is said for year. This finding—well, I am not sure it necessarily contradicts the finding from the Friedman statistical test revealing a slightly significant relationship ($p = .041$ therefore $p < .05$) difference in the means over the years 1997, 1999, 2001 and 2003. I will continue to “test” and/or control for the passage of time. Recall I expected to see a statistically significant increase in spending on economic development programs before this research project began and was strengthened/informed by the qualitative interviews in which many county officials talked about their efforts in an economic development program, office, coordinator or collaborative effort with nearby counties.

I was also surprised (and proved incorrect) by the positive relationship between the variable “percent over the age of 65 years” and economic development program spending ($r = .259, p < .01$). I suspect counties that are aging (although that is a vast majority of the counties in Iowa), there might be a realization for the need/promotion of new business activity in the county to bring in younger people—and thus, perhaps safeguard the future viability of the county.

Urban influence code ranked as second strongest independent variable related to economic development spending. As I suspected, a positive correlation coefficient ($r = .265$, $p < .01$) tells us as a county is coded as more rural, we will also find greater spending on economic development programs. The last correlation coefficient of some note is property tax per capita ($r = .248$, $p < .01$). I suspected to find a negative relationship but this was not the case. Instead, this correlation coefficient tells us property taxes per capita and spending on economic development increase in tandem.

Summed Assistance to Capital, Correlation Analysis

The correlation analysis for summed assistance to capital is surprising in how *many* variables have strong relationships: a total of four independent variables with a few variables knocking very close to a correlation coefficient of .5 (where a “perfect linear relationship is 1.0). Table 4.11 provides a summary of the correlation coefficients. Summed assistance to capital continues the surprising (and counter-theoretical finding) positive relationship between counties with an aging population and counties spending more to assist capital ($r = .698$, $p < .01$). This is a very strong relationship. Property tax per capita is also indicated to have a very strong positive relationship with summed assistance to capital ($r = .658$, $p < .01$) although with assessed valuation ($r = .568$, $p < .01$). People per square meter (density) is indicated, as predicted, with a strong negative relationship to summed assistance to capital ($r = -.537$, $p < .01$), meaning when a county is less populated, the county might spend more money to acquire jobs and thus, people. Although I expected to see a negative relationship, I did not foresee the strength of the relationship.

Variables with a moderately strong, positive relationship with summed assistance to capital include: adjusted total health care spending ($r = .416$, $p < .01$) adding more weight to

Table 4.11. Correlation Matrix for Summed Assistance to Capital (N=396)

	1	2	3	4	5	6	7	8	9	10	11
Summed Assistance to Capital	1.000										
1. Year	.140**	1.000									
2. Median Income	-.486**		1.000								
3. Adjusted Total Health	.416**	-.303**		1.000							
4. Assessed Valuation Per Capita	.568**	.095	.189**		1.000						
5. Property Tax Per Capita	.658**	-.150**	.461**	.628**		1.000					
6. Urban Influence	.423**	.000	-.633**	.273**	.305**		1.000				
7. Population +65 years	.698**	-.059	-.688**	.363**	.575**	.630**		1.000			
8. Population Density	-.537**	.004	.441**	-.117**	-.343**	-.430**	-.556**		1.000		
9. Land Area	-.104*	.000	.194**	-.025	-.160**	-.235**	-.179**	.065		1.000	
10. Household Size	-.190**	.000	.501**	-.208**	-.223**	-.447**	-.521**	.063	.270**		1.000
11. Unemployment Rate	.080	.413**	-.410**	-.198**	-.149**	.149**	.071	-.084	-.087	-.102*	
			.028								1.000

* Correlation is significant at the 0.05 level (two-tailed).

** Correlation is significant at the 0.01 level (two-tailed).

counter the argument the Neo-liberal stance the state (county) is cutting back on welfare-state spending and instead assisting capital; and urban influence code (1-12 coding with a $r = .423$, $p < .01$). Moderate negative coefficients are found for income per capita ($r = -.486$, $p < .01$), with small but significant negative relationships between summed assistance to capita and household size ($r = -.190$, $p < .01$) and less significant for land area ($r = -.104$, $p < .05$). I thought perhaps household size might reveal a strong collinear relationship with percentage of population over the age of 65 years but this (see Table 4.11 reveals a strong correlation ($r = -.521$, $p < .01$) but is not alarming (near 1.0) as I expected.

I was surprised to find (yet again) the limited strength afforded to the passage of time (year) on summed assistance to capital. As discussed throughout this dissertation, I expected to find statistically significant change for county spending on economic development programs as well as summed assistance to capital at the county level. For summed assistance to capital/economic development, there is a small but statistically significant relationship with year ($r = .140$, $p < .01$).

There was only one variable in the correlation analysis found statistically insignificant: unemployment rate. I predicted a significant and negative relationship but that was not so, surprisingly not so. Perhaps this reveals or represents the reality that a county board is not empowered to respond to joblessness within their county, or at least, unable to respond in a meaningful way, defined as summed assistance to capital. All that said, I will include unemployment as an independent/control variable in the subsequent regression analysis.

Quantitative Research Question 3:

Multiple Regression, Explaining Spending at the Local Level

The logic/theory behind multiple regression is the ability to examine the influence of multiple (independent) variables on another (dependent) variable. This is a unique quality and one that I wanted to explain (more than predict) the influence of social and economic factors on locally supported health care as well as economic development/summed assistance to capital. As I expressed in the introduction and other chapters, researchers know little systematic knowledge about county financing of health care and especially economic development programs, we know more about how cities and the nation (and some states) attempt to support these two contradictory ends (according to Neo-Marxist theories, that is). A major component of this study examines how the continuing aging and loss of the population (coupled with the loss of manufacturing jobs and family farms) in rural areas impact the local funding of services such as health care and economic development. There are multiple influential factors at play, some I am able to “control” and “test” while others I cannot. One major question I sought to answer is this: Do health care and economic development compete for the same county dollars or are counties able to prioritize and allocate funds to deal with both concerns?

While controlling for other social and economic factors, I find the answer, is surprisingly some counties *are* able to allocate funds to both concerns, *despite* other influential social and economic realities. I report here the set of factors that are powerful in explaining allocation towards economic development programs (as well as summed assistance to capital) and for health care at the local level through the implementation and analysis of multiple regression.

I began my multiple regression with step regression to examine the shifting influence of independent variables on the dependent variable(s). (See the appendix for stepped regression tables.) My final regression models discussed here are hierarchical multiple regression which offer the ability to control for the effect of time (year) among other variables entering those variables in an initial block (or Model 1) to potentially explain the variance of the model and then the addition of “predictive” variables to discern if these variables (in Model 2 or 3) offer greater explanation of the dependent variable. With blocks of variables entered (most often two models in my analyses), I am able to examine not only what each independent variable brings to the explanation of the model by explaining part of the variance but then acting as control variables to uncover even more influential variables in the explanation of county spending on health care and economic development. Said another way, is the final set of variables able to predict a significant amount of the variance in spending on local health care and/or economic development? After finding a surprising positive correlation coefficient between the two dependent variables under study (health care and economic development), I added this other dependent variable into the multiple regression model as an independent variable to see, if indeed, spending on economic development conflicts (as evidenced by a negative regression coefficient) with spending on health care (and vice versa)? Or said another way, are counties choosing one at the expense of the other? Again, counter to what I theorized, these two spending patterns often work in a positive and significant linear relationship.

Explaining County Spending on Health Care in Iowa

The results of several steps of regression analyses attempting to explain the influence of social and economic factors on county spending on health care reveal a few interesting

findings. First off, as shown in Table 4.12 in the final model (Model 3) summed assistance to capital was highly significant ($p < .001$) and the most powerful standardized coefficient²⁶ ($\beta = .338$), even after controlling for the influence of many other variables were controlled for including year (ns), assessed valuation (significant only in Model 1), household size (significant only in Model 1), even over percent of the population aged 65 years or older (which were statistically significant in explaining total health care spending in Models 1 and 2). Median income is only moderately significant ($p < .05$) whereas non-border counties are highly significant ($p < .001$) with non-border counties spending close to \$21.00 more on health care efforts than border counties in the final model for shown in Table 4.12.

Close attention to the standardized regression coefficients in Table 4.12 reveal the initial predictive quality of rural counties ($\beta = .199$ at $p < .001$) in Model 1 but this is whipped away with the addition of summed assistance to capital ($\beta = .338$, $p < .001$). Model 2 in this hierarchical regression analysis finds the addition of the border county dummy as most powerful ($\beta = .235$, $p < .001$) with percent of the population over the age of 65 years ($\beta = .223$, $p < .01$) a close second in terms of influence/predictor of spending on total health care spending. While the positive coefficient ($b = 3.14$, $p = .002$) associated with the percent of 65 years and older makes theoretical sense to explain additional health care spending, I was a bit surprised to see the strength of the distinction and significance of non-border counties²⁷ spending more ($b = -21.91$, $p = .000$) on health care.

Overall, this three-tiered hierarchical regression model is significant ($p < .001$) with an adjusted r-square of .239 meaning nearly 24 percent of the variance is explained by the

²⁶ where all variables are converted to standard deviation units to allow for cross-variable comparisons

²⁷ recall 'border' coding scheme made a border county = 1, non-border county = 0.

final model with median income, non-border counties and summed assistance to capital as most influential to explaining health care spending at the county level.

Table 4.12.

Hierarchical regression of Total Health Care Spending (adjusted) on Year, Unemployment Rate, Assessed Valuation, Household Size, Rural County, Population over the Age of 65 years, Median Income per capita, Border County, Semi-Urban Influence Code, Adjusted Summed Assistance to Capital (N=396)

Independent Variable	Model 1			Model 2			Model 3		
	B	(SE)	β	B	(SE)	β	B	(SE)	β
(Constant)	141.60	(68.82)		-33.86	(81.99)		74.67	(83.41)	
Years coded	.994	(2.22)	.024	3.64	(2.16)	.088	1.53	(2.14)	.037
Unemployment	1.35	(2.32)	.032	-2.82	(2.49)	-.067	-1.97	(2.43)	-.047
Assessed Valuation	.001	(.000)	.135**	4.02E-5	(.000)	.007	.000	(.000)	-.100
Household Size	-52.74	(26.14)	-.106*	45.57	(28.44)	.091	2.66	(29.76)	.005
Rural County	19.69	(5.10)	.199***	16.02	(5.21)	.161**	3.97	(7.83)	.040
Population 65 yrs+				3.14	(1.20)	.223**	1.40	(1.32)	.100
Median Income per capita				-.002	(.001)	-.194*	-.001	(.001)	-.127
Border County				-21.91	(4.55)	.235***	-20.89	(4.41)	.224***
Semi-urban county							-12.02	(6.61)	-.131
Summed Assistance to Capital							.147	(.032)	.338***
R Square Change	.100			.105			.053		
Adjusted R ²	.089			.189			.239		
F Change	8.71***			16.96***			13.70***		

Note. B = unstandardized regression coefficient; SE = standard error of B; β = standardized regression

coefficient.

I was again shocked at the positive relationship and the power of total economic development/summed assistance to capital in somehow explaining (above and beyond other social and economic factors) spending on total health care. I honestly expected to find a

significant *negative* regression coefficient but three-tiered hierarchical regression analysis revealed the opposite.

After much work on regression models for the other dependent variables (economic development program and summed assistance to capital), I realized I did not include property tax per capita nor the gaming county dummy variable into my final model to explain health care spending.²⁸ So I dug back into the models and worked to correct this oversight and found not only per capital property taxes collections as highly significant over all three models ($p < .001$) but a close examination of the standardized coefficients reveal property taxes as the most powerful explanatory variable in all three models as well (see Table 4.13). As some variables lose not only explanatory power (such as year, Model 1, $\beta = .115$, $p < .01$ to Model 2, $\beta = .11$, $p < .05$; to a drop to non-significant status, $p = .164$), property taxes collections per capita continues at the most powerful explanatory variable with a standardized regression coefficient of $\beta = .310$, $p = .000$. Property taxes hold as the most powerful explanatory variable even with the inclusion of other significant variables such as the border county dummy (Model 3 $\beta = -.219$, $p = .000$) and median income per capita, $\beta = -.172$, $p = .011$).

The final variables entered as a block in Model 3 (population gain highest quartile, gaming county dummy variable and summed assistance to capital) represent variables that were unexpected but significant variables I found relevant in the process of data analysis that help to explain county allocation to health care. All three variables are significant (with p-values between .012 to .032) with standardized coefficients between .121, .125, and .173. Summed assistance to capital reports the highest standardized coefficient of .173 ($p = .024$)

²⁸ This oversight was likely due to my work attempting to explain three dependent variables and swimming in too many pages/charts of variables, correlation matrices, stepped regression models and the like.

Table 4.13. Hierarchical regression of Total Health Care Spending (adj) on Year, Property Taxes, Household Size, Urban/Influence Code, Percent over 65 years, Median Income, Border County, Population Growth County, Land area and Summed Assistance to Capital (N=396)

Independent Variable	Model 1			Model 2			Model 3		
	B	(SE)	β	B	(SE)	β	B	(SE)	β
(Constant)	23.72	(64.08)		14.33	(75.35)		56.70	(79.41)	
Years coded	4.72	(1.83)	.12**	4.30	(1.81)	.11*	3.06	(1.93)	.07
Property tax per capita	.3	(.03)	.43***	.27	(.04)	.39**	.22	(.04)	.32***
Household Size	-27.31	(24.66)	-.06	12.82	(27.26)	.03	-1.96	(28.33)	-.004
Urban/Influence Code	1.85	(.8)	.12*	1.50	(.96)	.1	1.91	(.98)	.12*
Percent of +65 years				-.21	(1.07)	-.02	-.66	(1.22)	-.05
Median Income per capita				-.002	(.001)	-.17**	-.002	(.001)	-.18**
Border County									
Population growth per quart				-14.48	(4.42)	.16**	-16.32	(4.47)	-.18***
Summed Assistance to Capital							11.17	(6.05)	.1
							.06	(.03)	.13
R Square									
Change	.247			.029			.012		
Adjusted R ²	.239			.263			.271		
F Change	32.057***			5.147**			3.264*		

B = unstandardized regression coefficient; SE = standard error of B; β = standardized regression coefficient.

and with a positive (unstandardized) regression coefficient, counties who spend additional resources on summed assistance to capital, spend \$0.075 more on total health care. The ability to fund health care *and* assist capita remains even with the powerful influences of other explanatory factors.

Other interesting findings from Table 4.13 include the shifting influence (significant early on and in the final model) for the urban influence code²⁹, in the final model, and the *loss* of time in the end as other variables, specifically property tax per capita, non-border

²⁹ (coded 1-12)

counties and median income per capita are more influential than time and even an aging population to explain a county's allocation towards greater health care spending.

In conclusion, county spending on health care is not explained by what I predicted, specifically an aging population in a county and spending on health care is not negatively associated with economic development (the program/office individually or in the form of a summed assistance to capital). Counties with higher property tax collections are able to allocate greater funds towards health care; this makes sense. Property tax collections are the more influential factor/variable to explain county health care allocations, counties extracting greater property taxes from their citizen are also spending greater amounts to health care, at least for counties in the state of Iowa during the study years of 1997, 1999, 2001 and 2003. Will this finding hold for economic development programs and summed assistance to capital? Is the answer as simple as counties with more (property tax collections) spend more?

Explaining County Allocations to Economic Development Programs

I begin this discussion of the findings from multiple regression analyses of spending on economic development programs with on time, social and economic factors with this caveat: these models are my weakest (although they are still statistically significant). Since many counties³⁰ spent zero dollars on an economic development program in 1997 and it was not unusual for counties to still allocate little if any money towards this end in 2003, I had to log the variable to meet the assumptions associated with multiple regression. Although this log transformation³¹ resulted in meeting this assumption, my best fitting regression model (see Table 4.14) resulted in an r-square of 14.1 percent. That said, while per capita property

³⁰ Refer back to descriptive statistics findings

³¹ actually log+1 since you cannot log a zero...

tax collection is significant ($b = .001$, $p = .002$ in Model 2) in explaining county allocations to an economic development program or office, it is not the only, or even the most powerful variable in the mix.

In fact, the most powerful predictor variable for county spending on an economic development program or office (over the study years) is the urban influence code (coded 1-12) to reveal a positive relationship/predictor that as a county increases a code unit as more rural, they are likely to spending more resources on an economic development program. The standardized regression coefficient for urban influence is $\beta = .197$, $p < .001$, followed by total health care spending ($\beta = .162$, $p = .004$), and *then* collections on property tax per capita in a county ($\beta = .142$, $p < .05$) and with less statistical significance. In this best-fit regression model, time was not significant in explaining county allocations to an economic development program. I was struck by the statistical significance and positive explanatory relationship for total health care spending on county allocations to an economic development program and how this predictor variable is greater in power than property taxes. If anything, I suspected as a county spent money on an economic development program, they might decide or by some latent consequence, spend less money health care. Although the regression coefficient is small ($b = .001$) there remains the finding that as a county spends more on health care, they also report a statistically significant ($p = .004$) increase in expenditure on an economic development program. Furthermore, this quantitative data collection (as specified by the Iowa Department of Management instructions to counties) requires a county to define economic development program or office *separate* from allocations towards health care, thereby assuring we are not counting the same ‘social fact’ in two different measures/variables.

Table 4.14.
Hierarchical regression of Economic Development Spending (logged) on Year, Border County, Unemployment rate, Assessed Valuation, Land area, Property Tax, Urban/Influence Code, Population Density and Adjusted Total Health Care spending (N=396)

Independent Variable	Model 1			Model 2			Model 3		
	B	(SE)	p	B	(SE)	p	B	(SE)	p
(Constant)	-.062	(.130)	.636	-.019	(.174)	.912	-.195	(.168)	.296
Years coded	.010	(.020)	.642	.040	(.021)	.055	.029	(.021)	.165
Border co dummy	.028	(.042)	.504	.015	(.042)	.715	.034	(.042)	.412
Unemployment rate	.042	(.021)	.049	.015	(.021)	.474	.021	(.021)	.306
Assessed valuation per cap adjusted	1.12E-5	(.000)	.000	8.11E-7	(.000)	.817	3.51E-6	(.000)	.320
Land area in sq meters				-8.87E-11	(.000)	.199	-6.21E-11	(.000)	.361
Property tax per capita adjusted				.001	(.000)	.002	.001	(.000)	.053
Urban influence code 1-12				.025	(.008)	.001	.028	(.008)	.001
Population density people/sq km							.002	(.001)	.010
Adjusted total health							.001	(.001)	.004
R Square Change	5.2%			7.2%			3.7%		
Adjusted R ²	4.2%			10.7%			14.1%		
F Change	5.294			10.490			8.447		

Summed Assistance to Capital: What Explains County Allocations?

To complete this last part of the quantitative data driven research question, Do health care and economic development compete for the same county dollars or are counties able to prioritize and allocate funds to deal with both concerns? I find another best-fit regression model to support the notion counties do not have to chose support of health care at the county level at the cost to capital. In fact, there is statistical evidence to show greater health care spending explains, in part, increased allocations to summed assistance to capital. I will review the two-tiered multiple regression analysis shortly. And to conclude, what factors are powerful in explaining allocation towards summed assistance at the local level? I will

explore the answers to these questions with the reporting of results from the final, best fitting models.

Going back, as evidenced in Tables 4.15 and 4.16, total health care spending is statistically significant in explaining greater resources going towards summed assistance to capital, even after many other variables are entered as controls or in conjunction with other statistically significant variables. In Table 4.15, we see total health care spending entered in the last block of a two-tiered regression model and this variable ($b = .219$, $p = .006$), along with percent of the population over the age of 65 ($b = 12.11$, $p = .000$), helped to improve the overall variance of the model nearly ten percent (cumulative adjusted r square from .572 to .668) in a statistically significant way. From various quantitative data analyses reported in this chapter, I believe there is ample evidence to conclude most Iowa counties did not have to choose between the allocation of funds to assist local health care efforts at the cost of assistance to capital, or at least for the years under study.

The hierarchical regression analysis presented in Table 4.15 is different from the analysis found in Table 4.16 in two ways: the inclusion of the unemployment rate for counties entered in Model 1 and the movement of the gaming revenue dummy variable to the second block of variables. I did so to control for unemployment but test whether or not gaming revenue might help to explain greater spending towards summed assistance to capital. Overall, these changes made for improved regression analysis results, the final adjusted R -squared increased a mere three-tenths of a percent. Yet, I think an improvement is an improvement and I like the theoretical rationale to control for unemployment rate (and was not surprised to find a slight statistical significance in that variables impact on the dependent variable, $p = .038$ in both models).

Table 4.15. Two-tier Hierarchical Regression Analysis of Summed Assistance to Capital on Year, Population Loss, Border County, Property Tax per capita, Assessed Valuation per capita, Gaming Revenue, Percent over 65 years, and Total Health Care Spending per capita (N=396)

Independent Variable	Model 1				Model 2			
	B	(SE)	β	p	B	(SE)	β	p
(Constant)	-13661.39	(3119.66)		.000	14486.84	(2798.33)		.000
Year	6.82	(1.56)	.144	.000	7.15	(1.40)	.151	.000
Population Loss	40.25	(8.87)	.165	.000	4.61	(8.58)	.019	.591
Border County	39.59	(7.39)	.184	.000	29.60	(6.70)	.138	.000
Gaming County	-85.55	(13.13)	-.229	.000	-58.07	(11.94)	-.156	.000
Property Tax per capita	1.00	(.065)	.585	.000	.580	(.078)	.338	.000
Assessed Valuation per capita					.001	(.001)	.095	.022
Percent 65 yrs					12.11	(1.32)	.375	.000
Total Health Care Spending per capita					.219	(.080)	.095	.006
Adjusted R² (cumulative)	.572				.668			
R² Change	.577				.098			
F Change	106.40***				38.76***			

Table 4.16.

Two-tier Hierarchical Regression Analysis of Summed Assistance to Capital on Year, Population Loss, Unemployment Rate, Border County, Gaming Revenue, Property Tax per capita, Assessed Valuation per capita, Percent 65 years and older, and Total Health Care Spending per capita (N=396)

Independent Variable	Model 1				Model 2			
	B	(SE)	β	p	B	(SE)	β	p
(Constant)	- 10078.85	(3584.54)		.000	- 11188.95	(3183.39)		.000
Year	5.01	(1.80)	.106	.006	5.49	(1.59)	.116	.001
Population Loss	39.53	(9.29)	.162	.000	5.30	(8.54)	.022	.536
Unemployment Rate	7.65	(3.68)	.080	.038	7.24	(3.38)	.075	.038
Border County	26.20	(7.55)	.122	.001	29.49	(6.67)	.137	.000
Property Tax per capita	1.10	(.066)	.644	.000	.573	(.077)	.334	.000
Assessed Valuation per capita					.002	(.001)	.123	.004
Gaming County					-63.50	(12.16)	.170	.000
Percent 65 yrs					11.26	(1.37)	.349	.000
Total Health Care Spending per capita					.227	(.079)	.099	.004
Adjusted R ² (cumulative)	.530				.671			
R ² Change	.536				.142			
F Change	90.14***				42.76***			

Summary of Quantitative Findings

Despite the statistical significance of changes in allocations towards all three of the dependent variables over time, when entered into multiple regression models along with other variables, the significance of year dropped out and was quickly replaced by other social and/or economic factors explaining health care and assistance to capital (summed as well as towards economic development programs/office). Interestingly and in the end, multiple regression analyses only reinforced this finding: counties can and do simultaneously fund local health care *and* assistance to capital, frequently above other social and economic factors. For economic development programs, the urban-influence code was the most salient with greater spending towards an economic development program when the county is coded as “more rural” and the other highly significant outcome variable is total health care spending. For the dependent variable ‘summed assistance to capital,’ property tax collections and percent of the county population over the age of 65 years were the most influential “predictor” variables even after controlling for the influence of other significant variables. Finally, for health care spending, the strongest “outcome” variable turned out to be per capita property tax collections followed by counties that were not coded in the top quartile of population “growth county” –thereby another way to say, the counties without significant gains in population spend *more* on health care than counties growing by leaps and bounds.

All that said, the real take-away findings are these:

1. Counties with means (as evidence by higher property taxes) allocate greater funds to both health care and summed assistance to capital. Counties with more, allocate more. Counties with less, allocate less funds to these means. I find evidence for this as collection of property tax per capita returns as an influential factor to best explain summed assistance to

capital as evidenced in Model 1, Table 4.15 ($\beta = .585$, $p = .000$). This variable loses some explanatory ground, however, when we add in the second block of variables, assessed valuation per capita, percent over the age of sixty-five and total health care spending as revealed in the standardized coefficient drop to $\beta = .338$, $p = .000$).

2. For summed assistance to capital, the percent of the population over age sixty-five emerges as the strongest explanatory variable (Table 4.15, Model 2, $\beta = .375$, $p = .00$) with property tax per capita collections coming in with a $\beta = .338$ ($p = .000$). To reiterate, I was surprised to see the strength and direction (positive) influence of an aging population on assistance to capital. I will discuss the implications of these and other mixed-methods findings in Chapter 6.

3. Counties with additional per capita property tax collections are spending more resources to both ends. In sum, counties with more resources, spend their greater resources to assist local health care efforts *and* summed assistance to capital.

Chapter 5: Winners and Losers, Counties and Gaming

“The Riverside Casino & Golf Resort was one of the few places open on Christmas Day, and its hotel, buffet, musical entertainment and games attracted people from all over. “You’ve got to take your in-laws somewhere,” joked Larry Harryman, the tables game director. “Or, maybe you want to get away from them. To men, it’s the perfect place to go for a few hours.”

Stephen and Karen Smith, of Batavia in south-central Iowa, said visiting casinos on Christmas has become a tradition for them. For the past 15 years—after first celebrating Christmas Eve with family—they’ve flocked to different casinos to relax and do a little gambling. After arriving here Monday night, they tried their luck until 4 AM. “We’re by ourselves on Christmas, so why not?” Karen Smith, 59, said, adding their children give them money for the casino as a present each year.”

~ Erika Bingegar, writing the story “Casino a big draw on Christmas” published in the Cedar Rapids Gazette, 26 December 2007.

Gaming has increasingly become accepted as a form of “family” entertainment but also sought after by state and local governments as a way to raise revenue and bring in tourism. This chapter presents and explores an area of serendipitous findings that is closely connected to my original research objective of explaining the ongoing process of community survival in Midwestern America. These findings focus on how state (county) sanctioned gaming has emerged as part of the “economy of survival” in Iowa, Kansas and, most likely a number of other states as well. After recognizing the potential significance of gaming in the early phases of this research, I posed several additional research questions, which are addressed in this chapter: With over ten years of legalized gambling in Iowa, how do county officials speak of gambling and its revenue? How do their accounts compare with the “hard numbers?” This examination is necessary as governments continue to sanction gambling as a viable government strategy to avoid property tax increases and yet deal with increasing demands/expenditures of government services.

It is interesting how research works: unexpected findings and inconvenient facts emerge, which one cannot ignore. In my preliminary analysis of county budget data and subsequent interviews with county officials, I was struck by how the county commissioners talked about the impact of gaming revenue, the acknowledgement and other times, the desire to have a casino in their jurisdiction to bring about coveted revenue and jobs. At this point, I must reveal I cannot stand the noise and the cacophony of lights one finds in a casino, regardless of whether or not it is in a luxury casino resort on the strip of Vegas, a casino wedged out of a mountain in Lake Tahoe, or one “floating” on the Mississippi or some man-made body of water in the Midwest. Moreover, I am struck at the number of retirees spending their hard-earned retirement/Social Security benefits. Yet, it is undeniable that casinos and gaming are a growth industry and that sociologists paying attention to the changing dynamics of American life should be paying greater attention to these phenomena (Wolfe 2007; Wolfe and Owens 2009). Writing in the *Chronicle of Higher Education*, Wolfe urges “Few subjects are more pressing than the role of gambling in American life, yet academic attention paid to it is uneven at best” (2007:B9). After entering the field, I must say, I think Wolfe is correct. During the data collection phase, driving across Iowa to meet with county officials, I recall one day driving west on a U.S. Highway, a two-lane highway, following cars hovering around the speed limit. I was becoming impatient when I continually could not pass them. We approach a casino on the left and literally, ALL the cars ahead of me—the same cars I grew impatient with over the past 20-30 miles; signal to turn left into the casino entrance. I sigh in relief until I check my rearview mirror. Cars behind me had “followed suit.” Mine is the only car to remain heading west on the highway, all others turned into the casino. An anecdotal story, sure. Still, I am not the only scholar to

notice the increasing importance and presence of casinos and gambling in our society (Abt and McGurkin 1992; Lammers 2004; Nelson 2009; Ritzer 2004; Ritzer and Stillman 2001; Wolfe 2007; Wolfe and Owen 2009). Alan Wolfe remarks how gambling has become mainstream: "...as the Rev. Richard McGowan, a Jesuit priest and gambling expert at Boston College, reminded me, 30 years ago gambling was considered a sin while smoking was fashionable, whereas today the reverse is true" (2007:B9).

In this study, I found it undeniable how local and state governments are "betting on" gaming sources for revenue and survival. [Ok, so this sparked a wave of creative word play, it is SO easy it is to come up with gaming key words and kitschy titles like (and I have/will use them): "Confessions of a Gambling Addict: How Counties Covet Gambling Revenue," "Gambling on Gaming," "Addicted to Gaming"]. Gambling is a force to reckon with in our American (even "Conservative" Midwestern), society, and yet sociologists have stayed out of the game. Sociologists have so much to contribute, so many rich avenues to explore, whether it is in terms of culture, impact on families, crime, deviance or political economy or political sociology. Yet, just as Wolfe declares, there is surprisingly little scholarly attention on the subject. Lammers, in a presentation in 2004, summarized the number of sociological articles related to gambling from 1989 to 2004 (See Table 5.1). This table also includes data from a two-year examination of a specialty/niche journal on gambling as the author had [electronic] access only the 2002-2004 publications. Lammers points out the domination of research on gambling as more of pathological issue in terms of more individualized "pathos" rather than a larger social problem.

Table 5.1.
Major Sociological Journals and the “Study” of Gaming/Gambling, (from Lammers 2004)

<u>1989—2004</u>	<u>Articles Referencing Gambling/Gaming</u>	<u>Total Articles</u>
American Journal of Sociology	6	643
American Sociological Review	12	886
Social Forces	7	763
Social Problems	0	477
<u>2002—2004</u>	<u>Pathological Gambling</u>	<u>Total Articles</u>
Journal of Gambling Studies	20	47

Given my unexpected and “inconvenient” facts/findings on the importance of gaming revenue to counties in two rural, Midwestern states, I decided to devote more attention to it in my study. To this end, I gathered and analyzed data from the following sources: 1) accounts of county supervisors regarding gambling revenue, 2) revenue data from the counties in Iowa with gaming within their boundaries and 3) rhetoric/accounts of the debate and subsequent passage of the law allowing state-sponsored casinos in (the often referred to very conservative) state of Kansas. Based on these data, I present a sociological analysis concerning the importance and relevance of gambling revenue to rural communities/states. This examination is necessary as gaming has become a government strategy to avoid tax increases and at the same time deal with increasing demands/expenditures of government services. For example, I routinely observe the continued “advertisement” of the gaming revenue doing “public good” with the funding of veteran’s affairs, education and the like in the state of Missouri. The loss of the casino business with Hurricane Katrina was seen as a devastating loss in terms of employment as well as revenue to the Gulf area in Mississippi,

and accordingly, rebuilding and reopening the casinos in the Gulfport area were given high priority in the reconstruction following the hurricane. This rebuilding was often referred to as vital to the recovery efforts in the area.

The Numbers (from Iowa)

The statistics summarizing the extent to which gaming is central to counties in Iowa make it clear why local governments are pursuing casinos, even in the most conservative and unlikely places. As I was “in the field” in 2006, I heard about new casinos scheduled to open in 2007. For instance, Black Hawk County in Iowa had gaming revenue from a casino in 1997 that later closed. After another public vote, the building of a casino opened in late 2007. (See Table 5.2 for adjusted dollar figures representing gaming revenue for alternating years between 1997 and 2007 and Graph 5.3 for the visual representation, Table 5.4 for numeric form.) When one looks at these numbers and visual representation of this additional revenue, it is not surprising to also note that between 2005 and 2007, three counties opened their “doors” to counties and the revenue followed. Worth County, Iowa was one of the counties to open a gaming facility in this time period and reported nearly a half a million dollars injected into the county budget for 2007. This equates to a jackpot of \$67.14 per capita of revenue within the year. Worth County sits on the north border of Iowa, within two hours drive on the Twin Cities, I suspect they are able to “steal” some out-of-county money into their coffers given their location.

The data in Table 5.2 also indicates, during this timeframe two counties lost gaming facilities while four new counties “won” gaming revenue. Clearly one can see the revenue to counties more than triple between 1997 and 2007. This revenue to counties are of utmost

Table 5.2. County Gaming Revenue in the State of Iowa, 1997-2007 (adjusted US\$)

	1997	1999	2001	2003	2005	2007
Black Hawk (2)	39,581	0	0	0	0	1,481
Butler (7)	1,164	0	0	0	0	0
Clarke (6)	0	0	270,256	306,636	297,807	296,832
Clayton* (7)	181,157	184,237	193,607	212,898	227,295	196,333
Clinton* (5)	177,610	170,175	158,596	161,784	140,626	141,051
Des Moines* (8)	93,478	134,154	100,339	101,012	109,579	103,593
Dubuque* (2)	462,502	508,490	529,947	553,502	539,930	593,184
Hamilton (6)	269	0	0	0	0	0
Lee* (8)	88,054	87,991	115,791	96,840	95,320	72,134
Palo Alto (9)	0	0	0	0	0	119,009
Polk (2)	782,095	1,083,716	1,041,487	833,465	915,451	939,293
Pottawattamie* (2)	808,648	1,920,531	2,143,066	2,264,003	2,387,004	2,506,019
Scott* (2)	0	954,145	839,531	896,385	957,380	789,210
Washington (2)	0	0	0	0	0	349,705
Woodbury* (2)	0	0	0	310,386	311,746	missing
Worth* (8)	0	0		0	0	514,102
Yearly Totals	2,634,578	5,043,440	5,392,620	5,736,911	5,982,139	6,619,219

Note. * designates the county is a border county; Urban Influence code in parentheses.

Table 5.4. Per Capita County Gaming Revenue in the State of Iowa, 1997-2007 (adjusted US\$)

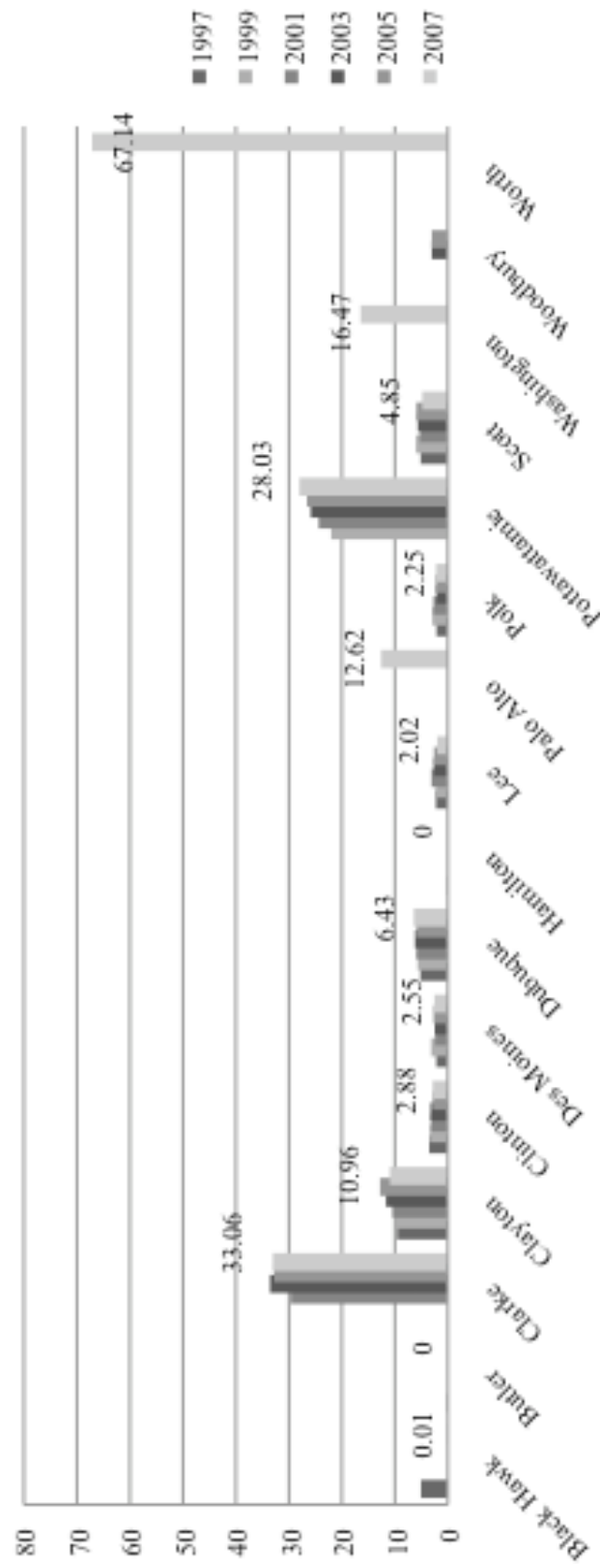
	1997	1999	2001	2003	2005	2007
Black Hawk (2)	5.07	0	0	0	0	0.01
Butler (7)	0.08	0	0	0	0	0
Clarke (6)	0	0	29.62	33.58	32.79	33.06
Clayton* (7)	9.56	9.80	10.46	11.68	12.80	10.96
Clinton* (5)	3.52	3.39	3.18	3.29	2.86	2.88
Des Moines* (8)	2.20	3.16	2.34	2.48	2.70	2.55
Dubuque* (2)	5.20	5.72	5.95	6.22	5.94	6.43
Hamilton (6)	0.01	0	0	0	0	0
Lee* (8)	2.27	2.30	3.10	2.67	2.63	2.02
Palo Alto (9)	0	0	0	0	0	12.62
Polk (2)	2.16	2.93	2.74	2.17	2.29	2.25
Pottawattamie* (2)	9.44	22.03	24.41	25.90	26.60	28.03
Scott* (2)	0	6.01	5.28	5.69	5.95	4.85
Washington (2)	0	0	0	0	0	16.47
Woodbury* (2)	0	0	0	3.04	3.04	missing
Worth* (8)	0	0		0	0	67.14

Note. * designates the county is a border county; Urban Influence code in parentheses.

importance when we consider the per capita figures the gaming revenue for the more rural counties especially, or at least noted by commissioners in other rural but non-gaming counties. Graph 5.3 shows the highest per capita gaming revenue figures actually come from more metropolitan counties of Pottawattamie (twenty-two to the high of twenty-eight dollars), Clarke (consistently around thirty dollars per capita), and the high of \$67.12 for one of the “newest” gaming counties, Worth County in 2007 [see also Table 5.4). These figures provide a defining context for the following statement from then Governor Kathleen Sebelius: “This is an opportunity for our state to generate out-of-state dollars from visitors, to reinvigorate Kansas agribusinesses raising horses and greyhounds, and to maximize state revenue while maintaining strict regulatory oversight.” This statement was released just hours after a 21-19 vote in the Kansas Senate to allow state-sponsored expanded gaming in the state.

Because, as a resident/former resident of Kansas, I had relatively easy access to county commissioners there, I decided to study them as well as the Iowa group and to construct a partially pooled, partially comparative analysis. Thus, in this chapter I include together the accounts of county commissioners from Iowa and Kansas—from a state that has allowed non-Native casinos to compete with Tribal Gaming as a source of county revenue (Iowa) and a state that was debating and (post-interviews) *did* pass sweeping legislation that allowed state-sponsored gaming in some counties (Kansas).

**Graph 5.3. Per Capita County Gaming Revenue in the State
of Iowa, 1997-2007 (adjusted US dollars)**



First some context about Kansas: The discourse of the debate and subsequent coverage is interesting considering the overall reputation Kansas has as a morally conservative state. After all, Thomas Frank gained national notoriety by asking the question *What's the Matter with Kansas?* (2005). Kansas provides a unique opportunity to explore public discourse of gaming as a source of state revenue as during this past year, the almost annual “show boat” debate turned into a reality in the Spring of 2007 when the Kansas Legislature unexpectedly had enough votes to pass a bill that would allow the building of four state-owned (but privately managed) destination casinos. The bill also authorized the installation of slot machines (numbered just under 3,000) in racetracks around Kansas.

The bill authorizes the building of four destination casinos in predetermined sectors/counties in the state; one near the historic city of Dodge City, hoping to [even] more attractive for tourists. Again and again, I found the discourse of gaming as a strategy for counties to survive the upheaval of jobs, population, (typically linked to the increased concentration/corporate ownership of agriculture/agribusiness). Given this rich data from the interviews, I will now present some themes that emerged from the interviews in how the county officials in gaming counties as well as the topic of gaming and implications of gaming revenue were a topic often cited even in counties without gaming revenue.

In Their Words

To safeguard anonymity, I will not disclose the number of commissioners or counties I spoke with that has gaming in their counties (as only 13 counties in Iowa had gaming during the study years); suffice it to say, I did talk to county officials in gaming counties as well as the topic of gaming and implications of gaming revenue were a topic often cited even

in counties without gaming. I have also used pseudonyms to safeguard the names/identities of named counties and cities, findings and conclusions follow.

Revenue as a Way to Secure a Future: Funding Economic Development

Commissioners with and without gaming revenue talked about gaming in terms of funding a future. A commissioner in an Iowa county without gaming revenue commented on a county nearby:

“They have a casino and I don’t know if they’ve shared with you, but in their business park, for example, the casino went in there and spent just shy of \$300,000 to build the utilities. It didn’t cost the county or the city anything. But us? Well, we’ve got an economic development board that’s manned with volunteers.”

This commissioner went further: “They have a guy over there that the Chamber paid \$60,000 a year to go out and promote businesses and he landed ____ Factory, you know, they build _____. I respond with an affirmative. “Well, I don’t know if he landed it, but I mean he was an asset but, you know, this guy was a \$60,000 a year position. PAUSE. And that’s a lot of money. Especially in Stoll, Iowa.”

When I did talk with commissioners in a gaming county, I did ask the question: “In your opinion, how does your county use revenue from gaming?” Most often counties reported gaming revenue paid for conference center/auditorium, capital improvement projects such as courthouse remodeling and the like or help to fund economic development. Commissioners representing counties with gaming revenue did refer to ways in which they made the gaming revenue work for a future; funding future sites for tourism or conventions were talked about as a result of this additional revenue source. Casinos made possible other opportunities for additional revenue from out-of-county-residents/visitors. One commissioner said this about casinos and tourism: “They track a lot of people. That [a

specific casino in the state] brings them in and money follows. I guarantee not everybody wins when they go there, because they [casino] bring in money.”

My field notes include a conversation I had with a commissioner on the way to my car. I had my recorder turned off but the conversation was certainly directly related to gaming revenue used as a way to improve tourism and economic development in one county. After saying “goodbye” to the commissioner, I drove away and talked into the tape recorder the gist of the conversation:

He gave me the name of the Director of Economic Development, urging me to speak with her again (he did have her briefly stop by and give me information about their services). He also asked if my study could assist the county or the economic development office, to keep them in mind. He seems like the county board of supervisors are actively engaged on getting the word out about their county. He again mentioned the boats, the gambling boats as so crucial, essentially to revitalizing the downtowns of these small towns. The town is beautiful, by the way, BEAUTIFUL. He said Burg and Stan and, I think... but Burg certainly, were just dumps, just dumps of towns. And he looked around to see if anyone could possibly hear him, and he said, “Just Dumps prior to the gambling” money that it brought in and they were able to revitalize those downtown areas. And Charlestown I’m assuming had to also benefit from this as well.

I was intrigued by the notion gaming revenue might increase spending on economic development, especially as commissioners in gaming (and non-gaming counties) talked about the importance of gaming revenue to aid their fight for a secure economic future. Was that, in fact, the case? After all, I have data over four years in Iowa...

Given the fact that only ten counties in Iowa (for years 1997-2003) have gaming revenue, and these accounted for repeated measures (not independent observations), the sample size decreased significantly and I had to shift to another statistical technique to address this question: General Linear Model ANOVA technique to test for a difference in

means over time and between groups: gaming and non-gaming counties³². I examined the dependent variable of logged economic development program spending as well as summed assistance to capital.

From this statistical analysis, I find another interesting finding: counties with gaming revenue actually spend *less* money per capita than non-gaming revenue. Specifically, I ran a mixed between-within subjects analysis of variance to assess the impact of gaming versus non-gaming counties on county per capita spending on summed assistance to capital. There was no significant interaction between summed assistance and the gaming dummy variable, Wilks Lambda = .984, $F(3, 95) = .506$, $p = .679$. There was, however, a statistically significant main effect for gaming/non gaming county distinction, Wilks Lambda = .874, $F(3, 95) = 4.59$, $p = .005$. [see graph to come] To reiterate, while the interviews might lead one to think gaming revenue might positively impact spending on summed assistance to capital/development, quantitative analysis does not confirm this. There was a weak but not statistically significant difference between the mean per capita expenditure on economic development program/office during this time period.

Back to Accounts: Jobs, Jobs, Jobs

In the debate surrounding state-sponsored gaming in Kansas, the discourse around and subsequent to the vote has a lot to do—not surprisingly—with money. After all, the bill requires investors to spend at least \$225 million into the resort/destination casino (although the casino around Dodge City only requires \$50 million given the location and population of the area). On top of the millions spent on the resort/destination casino, each developer of a casino must pay an application fee of \$25 million (and a the ‘discounted’ rate of \$5.5 million

¹ This analysis required me to recode several variables into time1, time2, time3 and time 4 data—for each of the dependent variables tested (logged economic development spending per capita, summed assistance to capital and later, property taxes per capita.

for the casino in Dodge City). These revenue figures are indeed hefty and would provide a windfall to the local economies.

The talk of jobs was vital component to how commissioners talked about “dying” communities. Commissioners were well aware and spoke a lot about the need to “bring in jobs.” A commissioner from a rural county in Iowa remarked about the contribution a riverboat casino makes to their community: “All these jobs... I would think they employ, they probably are the second largest employer in the county.” Jobs were on the mind of a commissioner of a rural county in Kansas. He talked openly about jobs near their county but not *in* their county and thought casinos could help them out:

And I don’t know how many they employ. Then, oh, golly, that’s what we’re needing, some industry to come in to Lee³³ County. We’re working on an ethanol plant, and economic development. And you know, this gaming issue, we fought like dogs trying to get them to turn loose of a destination casino. We had the location. We voted for it, the people here was in favor of it. And, but the Legislature wouldn’t let us have it.

This commissioner was not alone and this interview took place before the April Legislature vote and Governor’s signature making it law. He went on, however:

Commissioner: They want it on the east coast. Up there in your territory.

L: Yeah. We already have some up there.

Commissioner: I know you do. ...They want everything back there, but like I tell ‘em, we’re a part of Kansas, why can’t we have a little? So it’s coming up again, and we’re trying to persuade them that we need it. We had a development, already had the location for it.

L: Right.

Commissioner: They was going to spend \$300,000,000 here in Lee County. That would have provided 1200 – 1500 jobs and they was going to build a hotel and everything. Why would people be against something like that if it’s not going to cost you a penny? They’re going to build it, and then share revenue with you?

³³ County names are replaced with a pseudonym to safeguard identity.

Frustration at the barriers to growth by way of destination gaming was apparent in Kansas. Again and again, I found the discourse of gaming as a strategy for counties to survive the upheaval of jobs, population, (typically linked to the increased concentration of agriculture/agribusiness). This commissioner was not off base as I found a commissioner in Iowa speaking of the growth experienced with the a casino:

I'm not much of a gambler myself personally, but it was voted on and passed. It took a while to do it. But that brings in ... you bring a billion dollar boat, the Gambling Corporation is coming in there and building it out there. Again, it was in a county just outside, toward Adams ... I don't know if you know where Adams is, it's a small town out on highway [omitted].

But you know there's a lot of people that are affiliated with that who are building and doing stuff with it. A new hotel is going up aside it. New restaurants. So there's a lot of things that are tied to that. That's why our growth this year.

... when I say we're as strong as we've ever been, but in fairness we won't ever get ... I don't think we'll ever have that growth like next year because once the Gambling Corp is in because that's a big shot in the arm construction wise. I mean we've got people coming in and building and pavers to whoever. So this year we're a very probably peak we've ever been. You aren't going to have that many people ... the Gambling Corp just spent a million dollars in your community either.

This county did show an increase of revenue and will serve as a future case study to how gaming revenue might change their spending patterns.

Many commissioners in Kansas spoke of the desire to secure a destination casino in their county. One county commissioner expressed this at the prospect of sharing gaming revenue were they to secure a casino:

Commissioner: But I'm open to sharing it with the counties around us.

L: Right.

Commissioner: I don't care if they gamble or not. But the jobs it would provide and the other, off fall from that would help us tremendously.

L: Right. No, I have talked to some counties, in Iowa, who have gambling revenue. And it's an incredible amount of money.

Commissioner: Oh, it is.

To speak with commissioners in counties with a gaming establishment, especially in more rural counties, jobs in the casinos are seen as a benefit. Early on (before gaming registered as a significant finding to the study, I was informed about the positive contribution to employment a casino (or several) can make to a county as one commissioner tells me:

Commissioner: “All these people are making 20 plus dollars an hour. So a major, major contributor to our county. And then we have the smaller, we have a riverboat, which has been, in my mind and in most of the county people, a benefit.

L: A riverboat? A gambling riverboat here in Grant?

Commissioner: In Grant county, yeah.

L: How could I have missed that?

Commissioner: Yeah, yeah. In Grant. Overall, it’s been a very, very, it’s been a super asset for our county.

I recall as this was an early interview, I was unaware and surprised by this talk. So, I ask, probe for more: “How so?”

Commissioner: Well, jobs. Created several jobs. I would think they employ, probably second largest employer in the county. And we get a small percentage of the take, okay, so it’s probably been on the average *X-amount* a year, for county funding.

This discussion really informed my study and sparked a revision to the interview. While I still did not actively pursue or alter my sampling of counties to visit, I did go back to the Iowa Department of Management to request gaming revenue for the years under study.

Saving Taxpayers Money: Lower Taxes, More Services

County commissioners from gaming (and those coveting gaming revenue) counties did tell me ways the gaming revenue assisted their efforts to provide additional services but

also benefit their citizens by lowering their property tax rates. One county listed a myriad of ways gaming revenue assisted their county, either directly or indirectly:

And almost every county, excuse me, I meant every *city* in our county—they can apply for things, grants sponsored by the boat. The fire departments, the Boy Scouts, the EMTs, everybody; if they need something, they apply for that. And there's funds available through the gaming commission and they've, almost all of our cities or towns, have just, they've gotten things that they never would have even thought about getting. New ambulances, new fire trucks, and all the updates as far as, so that's been tremendous, tremendous for the county. The, when they first started the boat, they thought they would have a lot of problems, you know, and so they had a force of, they hired a tremendous amount of extra people for the police protection, you know. And that lasted about a year, and we have very minimal, minimal problems. There hasn't been any problems. I think they're smaller now than they were before even, the police force in Frankstown and Ashley, are smaller now than before they came. So it's been an asset. Tax-wise it's a good asset for us.

Although not all commissioners effused positive aspects of gaming in their county, the vast majority did talk about the benefits the gaming revenue brought them.

At this point in my interviews, I knew when I was speaking to a commissioner with gaming revenue. Here is how a county commissioner in Iowa responded to the question, “How do you allocate gaming revenue, or where does that extra money go?”

Commissioner: “It actually goes into the general fund.”

I probe further: “Would you say that then it provides some semblance of tax relief or...”

He interrupts me: “It would have to. Yeah. I mean, people, if we didn't get that quarter million or quarter million plus dollars, then there are more dollars that would have to be raised through taxation. So yes, it helps offset things. It's also, we get some hotel/motel tax, you know, which we didn't hardly ever have anything before. So, and that's a separate income also. It's not a lot, but it's about \$12-\$15,000 a year, and then we put that back into economic development. So it helps pay for our economic development director and tourism.”

In a different county, when I asked about gaming revenue and expenditures, the commissioner reminded me: “Them are dollars that don't have to be paid through taxation.”

Saving taxpayers money, yes!

Frank, one commissioner in a meeting of several commissioners voiced veiled concern about gaming revenue, “The money from the boat does provide the county with some tax relief but I don’t know if that is how you should generate a tax base.” In Kansas, a repeated rationale for the passing of state-sponsored gaming included the property-tax relief and repairing/fixing some state and local services (No Bluffing: Casinos Ok’d 29 March 2007).

The interviews helped steer some of my quantitative analysis. Here again, I thought I would “test” the claim gaming revenue decreased property taxes. In short, this is true. Using repeated measures GLM, I tested the difference in the means of property tax per capita over the years 1997-2003 between and among counties. For this test, I used adjusted property tax per capita at the county level for all 99 counties and all four years.

Table 5.5. Adjusted Property Tax Collections per capita for Gaming and Non-Gaming Counties in Iowa (1997, 1999, 2001, 2003)

	Counties Without Gaming Revenue	Counties with Gaming Revenue	Difference
1997	257.00	196.71	60.29
1999	256.80	195.97	60.83
2001	261.91	202.20	59.71
2003	243.04	182.21	60.83

Note. Difference in means are significant, Wilks Lambda = .529, $p = .000$

For this timeframe, property taxes (per capita) do have a statistically significant finding associated with gaming revenue: counties with gaming revenue report a lower property tax rate (per capita) compared to counties without gaming revenue. This finding was also noted in the hierarchal regression results reported in Chapter 4. This statistical analysis, however,

reveals a potential curvilinear relationship and thus must I temper my confidence in this finding. That said, county commissioners seem to speak the truth when they report gaming revenue providing property tax relief with a statistically significant main effect for gaming/non gaming county distinction, Wilks Lambda = .529, $F(3, 95) = 28.12$, $p = .000$. [see graph to come] Time did not matter (1997 versus 2003) but the code of “gaming” versus “non gaming” county *did* matter in the end property owners in counties with gaming revenue paid less than property owners in non-gaming counties.

Give Me a Few Good Reasons

This last series of findings represent two justifications offered by Commissioners in Kansas for *why* the state should support non-Tribal gaming in Kansas. The final section in this chapter very briefly explores the issue of morality and the future prospect of examining county commitment to health care and economic development in Kansas before and after the introduction of gaming revenue.

1. Gaming Option Representing Democracy, Freedom

An interesting part of the discourse in Kansas included the notion of the limitation on expanded gaming as *undemocratic* as the legislative officials were not letting the “people speak” and “vote on the issue” if they voted against the measure. I mean, who wants to be labeled as “undemocratic” in a “democratic” society? This was actually part of the discourse (aired on Kansas Public Radio) made by a Kansas state senator following the passage of the bill.

Yet, a commissioner in Iowa detailed how a county had seen several vote referendums before a new gaming facility in their county received voter approval: “I’m not much of a gambler myself personally, but it was voted on and passed. It took a while to do

it, though.” I foresee a future research project: is it uncommon for communities/counties in Iowa to vote down a casino referendum several times before the gaming interests finally “score” the round [vote] to build a casino.³⁴ Counties in Kansas can also serve as case studies to this question

2. “They are doing it, why can’t we??”

I was out and about interviewing commissioners in Kansas months before the final “debate” and the final passage of the expanded gaming bill by the Kansas Legislature. Again, it was in these interviews that I became aware of the debate of expanded/state-sponsored gaming in Kansas. Several commissioners I spoke with in the southern part of the state had the same reaction to expanded gaming, almost to the point I wondered if they had some talking points distributed to them from a “higher” or “gaming boss” source.

This quote best represents this common theme/discourse:

Commissioner: Oklahoma’s saturated with them. They’re right across the line. Our money’s going there. “Yeah, I can see that” I said with a nod. Commissioner: And we had, our economic developer, director, went down to some of them right close a couple of weekends ago, and 80% of the cars there was Kansas cars. We’re just giving that money away.”

A commissioner from another southern county expressed reservations about addiction and the increased costs associated with gaming but still understood the draw and the interest in a casino in his area:

Commissioner: Anyway, that money is going there [Oklahoma], 70% of the cars that I’ve seen parked in those Newkirk casinos are Kansas cars. Now 5% or so of that money is that they’re taking in is going for education down there. The cars are whistling right over the boarder.”

³⁴ (Perhaps that is a future paper—a historical analysis of local communities voting on casino in their jurisdiction.)

In a county commission meeting I was invited to sit on and then interview the commissioners, the men repeated this talking point about the percentage of cars in the casino lots with Kansas tags. They nearly invited me for a road trip with them, urging me to see it for myself. This said, the selected location of the proposed casinos in Kansas are correlated with location of nearby casinos in neighboring states.

Looking at the list of sixteen counties in Iowa that have (or had) a casino establishment between the decade 1997-2007 reveal more than half (nine) are found in border counties. As the Gaming Commission reviews proposals for new casino sites, I will pay special attention to the placement/approval of future casinos is related to state borders. Furthermore, in Kansas two of the potential sites of the state-sponsored destination casinos are in border counties, representing half of the sites.

3. (Im)Morality

Then, less vocal/publicized discourse of “immoral,” “socially and economically destructive,” and unconstitutional. Opponents to gaming have supported a legal battle challenging the constitutionality of the Kansas Statute legalizing state-sponsored gaming and that is currently working its way through the court system. There were a few county officials who voiced concern about their reliance on gaming revenue. One official asked if the tape recorder was off before speaking about it. I found in Kansas only one county that expressed unequivocal concern with the possibility of state-sponsored gaming in Kansas. Perhaps this is due to morality of gaming has almost become a non-issue (see Wolfe 2007 and 2009).

Commissioners from counties in Iowa with gaming revenue did not seem to convey casinos were good or not, only in one county (and the commissioner was pleased to see the voice recorder was ‘off’) expressed concern about the social problems related to gaming.

Most county commissioners talked about gaming in an almost “taken for granted” speech. One commissioner remarked concern at dropping revenue that might result from increased gaming establishments in Iowa. I wonder, will casinos become like shopping malls, once they are twenty years old, the “new mall” attracts more traffic? Looking over Table 5.2 gaming revenue for Lee county has dropped over the years and I survey three counties have slowed growth to stable numbers with the advent of additional gaming counties.

The Unspoken Finding

Late into the analysis I decided to check on any possible link between gaming revenue and health care spending. Although commissioners from gaming counties did not articulate greater spending towards health care from gaming revenue however; statistical analysis finds it is the case. As Table 5.6 shows, counties with gaming revenue

Table 5.6. Adjusted Total Health Care Spending per capita for Gaming and Non-Gaming Counties in Iowa (1997, 1999, 2001, 2003)

	Counties Without Gaming Revenue	Counties with Gaming Revenue	Difference
1997	51.94	58.83	-6.89
1999	48.67	66.11	-17.44
2001	53.79	72.11	-18.32
2003	56.12	72.71	-16.59

Note. Dollars are adjusted for inflation

spent just under \$7.00 per capita *more* in 1997 and then in subsequent years between \$16.50 and \$18.30 *more* on health care than counties without gaming revenue. This was a surprising finding for me as I said, nothing from the interview data would indicate this might be the case. Although hospital property tax levies were under the purview of a different board,

other local health care spending fall under the direction/oversight of the commissioners. All this said, commissioners did not vocalize how gaming revenue might allow for their county to support local health care to a larger extent.

Summary and Conclusions

These findings reveal how significant gaming revenue can be to counties. For the vast majority of commissioners without gaming revenue, they talked about the prospect of gaming in their county with desire—either the jobs and/or the money they believed gaming would bring their county. From quantitative data of counties in Iowa with gaming revenue, they might be on to something.

On the issue of property tax relief, commissioners from gaming counties did tell me they were able to “pass along the benefits” to their residents and this was confirmed statistically and results in around a yearly \$60.00 per capita property tax “break” given to residents in gaming counties.

There is no statistical difference between counties with or without gaming revenue in terms of spending on an economic development program. Interestingly, statistical significant results emerged showing counties *with* gaming revenue spent *less* money (per capita) on summed assistance to capital than counties with gaming revenue. The opposite is true for local support of health care. Although commissioners from gaming counties did not articulate greater spending towards health care from gaming revenue however; statistical analysis finds it is the case. Counties with gaming revenue spent just under \$7.00 per capita *more* in 1997 and then between \$16.50 and \$18.30 *more* on health care than counties without gaming revenue.

These results raise a number of compelling questions. Has neo-liberalism hit the local level to such a degree that the typical way for states to raise funds are now seen as forbidden? As there is a call for sociological research in the area of gambling studies, these findings help to fill this gap; spark our interest and knowledge of the increased relevance of gaming to our communities and government. Through the eyes/perspective of the locally elected county commissioners as they speak of concerns and issues of their county, we see that gaming is not going away any time soon. It is an area rich for examination.

Chapter 6: Globalization Transforming the Heartland: Accounts From County Officials

This chapter explores how county commissioners frame and speak about globalization and its effects on their communities. This question was a driving force behind this research. Many of the commissioners I interviewed spoke of an uncertain future; a future they felt but unsure about how to proceed. Conversely, some commissioners spoke with hope and actively engaged a discourse of how they were going to survive despite the shifting business of agriculture and the exodus of young people. What I present in this chapter are themes that emerged from interviews with 76 county commissioners representing 53 counties in Iowa and Kansas. These themes ranged from enthusiasm and hopefulness about the future to feeling lost in the spectre of further rural decline. Both Iowa and Kansas are losing their young educated population as well witnessing the continued corporatization of farms. Both states report their rural counties decreasing in population. Commissioners in these counties also voiced concern about consolidation of schools and potentially even consolidation of counties. The sections that follow are organized around the themes that emerged from the commissioner interviews, including how they defined globalization, how they saw globalization affecting their county and their perceptions of the ways they might participate in a global world—a world nearly all saw as changing before their eyes.

The interviews were similar to a guided conversation [see Appendix for the interview guide]. While speaking, many of the commissioners made reference to globalizing forces. Towards the end of the interview I would often ask the following questions: “How do you define Globalization?” and, more specifically, if the commissioner(s) did not touch on this : “Do you see globalization impacting your county or the communities within your county?”

Introduction

I am sitting across from a grey-haired, retired teacher who now serves as county commissioner for a rural county in Iowa. He is a white male in his 70s with glasses, wearing jeans and an ironed, button-down Western shirt. When I ask him “Do you see globalization impacting your county or the communities within your county?” he responds with a look to me, shifting his head so that his eyes peer over his glasses: “You’re kind of putting me on the spot, aren’t you?” He pauses and continues to look at me from over his glasses. I think to myself, did I put the teacher on the spot? So I reply, “Take your time, I know it is a meaty question.” He pulls his head back to an upright position and gives me his answer:

I guess I don’t know whether I know for sure what it [globalization] is, I think it means different things to different people. And it can mean just the fact that the world gets smaller so to speak and we have more contact and communication on a worldwide basis. Some people want to put politics into it, and one world government or whatever. I don’t know. Depends on the person—and I’m not sure what it means. How does it affect us? Other than as an agricultural county, we are involved in worldwide markets of corn, soybeans, things of that nature. And also, well, the things that revolve around them. Petroleum, fuel costs, those sorts of things are affected on a worldwide basis.

In a more urban county, a 59 year-old former federal government public servant who “retired” to his family’s homestead to farm and serve on the county board says: “You mean, like ‘The World is Flat’?” (Inside I scream a little scream—thank goodness for Thomas Friedman.) Thomas Friedman’s book was referred to many times, often by commissioners who either had read it or planned to read it. When they talked of the book they referred to the optimism, the “any of us can make it if only we work at it.” Friedman does embody and often times espouse a good “Midwestern work ethic” as a proud moniker. These references raised an interesting question for me: does globalization boil down to the internet and the world wide web?

Does Globalization = Internet?

Does the existence of the internet mean that any man (or woman) in rural places can “make it” via the internet? For some, the answer is yes. A surprising number (around a quarter) of county commissioners referenced the internet when discussing globalization. Interestingly, the integration of the internet into the discussion of globalization most often occurred in more rural counties. One commissioner from a rural Kansas county worked for a vital downtown business district and had high hopes the internet would allow for “retail sales out the front door and web-based sales out the back” (not coincidentally he was also works in real estate and later gave me a tour of the many downtown storefronts he owned and/or was in the process of remodeling).

The internet was the key for a rural county in northeast Iowa as a county commissioner there remarked,

Through the internet, and through technology, now we’ve become globalized, people know, I mean the rest of the country knows that Northeast Iowa exists. And now they’re coming and seeing how beautiful the area is, it’s bringing tourism, it’s bringing growth.

Another rural county in Iowa started off their discussion of globalization with: “Yeah, the internet. We’re on the internet. We’ve got our own website!”

As I said, the inclusion and discussion of the internet was common when commissioners from rural counties spoke of globalization. More importantly, the lack of a high-speed internet connection was referred as a reason why their county was struggling to attract business and therefore cannot compete in a global economy. After all, competition is inherent in globalization and counties know they are competing with other counties, states and even nations for jobs and people. Many of the commissioners talked about globalization

in terms of whether they were able to compete or not; for instance, these comments from a very isolated rural county in Iowa:

It's beginning to affect us. We have flowers, a lady who merchandises flowers all over the world. We have a new auto repair shop out here that sells, he buys his cars from, he ships them all over the country. I have no idea, but he ships cars to out East. He ships cars to Florida. He ships cars everywhere. It's beginning. A challenge is internet. I live in a place that I can't get DSL. I can't get high speed internet. The only thing I can get is dial up unless I want to spend \$1000 on equipment and get a dish. And I mean my wife is a medical transcriptionist and she was working at home and the company she was working for was bought and sold at one time, so we wanted to switch. We couldn't find anybody who would take her without DSL or without a high-speed internet connection.

The notion of high-speed internet access as crucial to rural community survival is a policy embraced by President Obama and articulated in his incoming speech on economic recovery, "American Recovery and Reinvestment Plan," given at George Mason University on January 9, 2009:

To build an economy that can lead this future, we will begin to rebuild America. Yes, we'll put people to work repairing crumbling roads, bridges, and schools by eliminating the backlog of well-planned, worthy, and needed infrastructure projects. But we'll also do more to retrofit America for a global economy. That means updating the way we get our electricity by starting to build a new smart grid that will save us money, protect our power sources from blackout or attack, and deliver clean, alternative forms of energy to every corner of our nation. It means expanding broadband lines across America, so that a small business in a rural town can connect and compete with their counterparts anywhere in the world.³⁵

Many of the county commissioners in this study saw the internet as part of globalization.

Lacking high-speed access to the internet is perceived as a threat to the future of rural communities by the incoming president as well as by the local county commissioners. Some counties are taking the initiative to bring internet access to rural communities, allowing free (subsidized by taxpayers) wireless internet in their town squares. One county talked about

³⁵ <http://www.americanrhetoric.com/speeches/barackobama/barackobamageorgemason.htm>

how happy their college aged children are when they come home to visit, knowing that a “return home” does not mean leaving their connectedness to a fast-paced world behind.

Race to the Bottom and Global[ization] Threats

In the initial reading and analysis of my interview data, I wondered about a correlation between feelings of dissatisfaction with globalization from counties experiencing the loss of population, industry and/or declining income.³⁶ From the qualitative data, there is an undeniable sense of distrust of global, supranational bodies. Some commissioners expressed fear the United States’ standard of living is fading, the downward mobility they see in their community is occurring nationwide and the cause is globalization. Moreover, they see in the pursuit of global connections and trade that rural communities are “hurting themselves.” For example, a white male commissioner from an isolated and rural Kansas county observed:

I’m not a global person, but I’m sure it has an impact. With the wonderful country we live, I really don’t think we have [an] advantage to partner with our neighbors to the north or south. I think anytime we do that, we hurt ourself.

Feeling isolated and losing out can be captured in the loss of storefronts. This photograph was taken in a semi-rural county around the town square. Sadly, what this picture conveys was not as uncommon as many commissioners hoped. I found many of the town squares in more rural counties quite quiet and empty; the county courthouse was often the most populated place—people coming to the county seat to do their business with the offices within county government more so than the businesses around the courthouse.

When I posed the question about economic vitality (Can you tell me about the economic vitality of ____ county?) one commissioner quickly responded: “Economic

³⁶ In future work, I will analyze this linking the urban-influence code with the accounts of globalization.

vitality? It depends. I think we see a lot in irrigation, farming, cattle, and farm-related agribusinesses. I think that's where our vitality is. But I think that as far as Main Street, when you see things closing, that is not vitality."

Photo 6.1. Closed and Broken JC Penney Co.



One commissioner from a semi-rural county in Kansas talked about the need to assist already established businesses and perhaps forestall some of the slippage they felt in their economic future:

I ran on that kind of a thing, wanting more economic development, wanting to offer incentives, you know, those kinds of things, but as I saw all the places closing on Main, I think it's more important to try to help the businesses that are already here survive.

This commissioner went on about what to do about this:

I guess as so many of us know, our kids have nothing to come back here to. But it used to be back here when it took a day to get to the courthouse to take care of your business, people married someone within their church, a lot of them, and then our children started wandering a little further and they might have married someone from a college. Well, now in this global society they marry someone from another country. [...] And that's the same thing that's deteriorating our main streets. Because people can get on the computer and order what they need or they can go to a city, the main

street isn't dependent upon us and we aren't dependent upon Main Street, so we're starving ourselves out. They can say buy at home, but the other idea of that is, with inflation, you can't afford to, it's too expensive to buy here. I can go to Wal-Mart, I can get on e-bay, I can order it over the computer. So is technology the vice here? Is that our problem? Maybe, a little, it could be. But if the county commission and anyone else involved, citizens as a whole, would gather and try to resolve it rather than talk about it, find out what we need to do, and that doesn't mean hire someone to do your dirty work, *we* need to dig in!

This commissioner recognized how technology is part of globalization and part of the reason for the loss of people and home-grown business. She was asking for county residents as well as the commission to find ways to act together and prevent the further erosion of their community.

Technology and the rise of the global economy is stated as the source of trouble according to a commissioner in a semi-rural county in Iowa, within an hour of a major metropolitan area:

You know, we are global when you think about commerce to a great degree when you think about the number of containers that come across the pacific ocean and even from Europe, but balance of trade, in my opinion, is out of balance. I mean terribly out of balance. But what do we produce anymore?

Outside of that we're pretty good on technology, but as far as being able to produce the products on the table, we're pretty good as far as the food supply is concerned, although we're importing a little bit of that. But hard goods, they're not in the game anymore. I mean how long is it going to be before our automobile manufacturer is going to be clear out of the country? Now, the political part of it, I would never want a world government. And we would be outvoted.

The more senior commissioner (in his 70s although served fewer years as commissioner) from the same county who also participated in the interview, joined in:

When I was a kid, I always thought the rest of the world would come up and join us. I never realized that the rest of the world is going to drag us down. I thought they were, the rest of the world would come up to our standards, you know, building and quality of life and stuff like that. But it's just amazing [inaudible] likely that it's not going to happen. ... to me, globalization is bringing, has brought the countries that were very, very prosperous down a notch, a couple notches. I always thought it would bring everybody up but it's not going to work that way.

Well, as far as bringing things down a notch, wages have been, have either been stale or lowered through my lifetime. And not only, I'm not talking just the meatpackers. I'm talking this [manufacturer] and that [manufacturer] and all that.

The concern about manufacturing leaving the area is a common theme found in the discussion of globalization. Although neither of these states are considered part of the "rust belt" or subject to job loss associated with the scaling back of the "Big Three," commissioners were well aware and spoke of global markets and global industries impacting their communities. I will turn to this discussion now.

Global Markets and Global Industries: Losers and Some Winners

Many of the commissioners easily conveyed evidence of globalization in their communities in terms of changing ownership of industries/businesses of major employers in their county (or counties near them). A commissioner who also works in law enforcement noted this to me:

Well, I suppose one thing would be like Corporation Hurst³⁷ owning the major employer in our county now. They employ 56,000 people worldwide or something. ...like I said before, our companies aren't local anymore. That could affect us in a lot of ways. So far it's been good. I mean so far we haven't felt it. And we came close, we faired very well...so far...

The uncertainty of being able to maintain local manufacturing facilities was often discussed. Later in the interview the above commissioner came back to the concern of the loss of local ownership:

There's optimism because the company that owned it before, didn't care if they made their product or not and they were excited to be owned by a company that wanted to keep them open. And I think that it's good that now Corporation A owns it and tends to build the stuff that we have. So will that plant be here in 10, 12 years? It'll be here 10 years from now but I don't know if it'll be here 20 years from now. I don't know. I don't know where they'll be building stuff then. They don't know.

³⁷ Names of corporations are renamed to protect commissioner/county identification

The loss of the “local” company was a concern voiced by many commissioners. One commissioner knew of the trauma to hit a community that lost a major employer due to a multi-national company deciding to close a plant: “...you don’t have the local, everything is not based on what happens locally in those companies anymore like they used to be. Like I said, if they leave, you don’t replace them. Other counties talk of globalization squarely in terms of job loss, such as this urban county in Iowa:

My opinion is that I think some of the losses that we have suffered here with our major manufacturing plants have been due in part to globalization. So I think it has, as you say, without defining it too much, it has made a difference because [this corporation] now produces equipment overseas. So does [this corporation]. They have major manufacturing plants in South America. I think a lot of their stuff was made in several cities in Iowa. I think in the manufacturing areas especially, that has been an impact here. So globalization, I would say, has had quite an impact on us.

Richard Longworth (2007) talks about this same concern as former “local companies” with headed by “local leaders” were replaced with managers from out-of-state hired by a multinational company. In the process, ties to the local community were broken and it was not uncommon for workers to express devastation when the company decided to close shop and leave town. Some commissioners recognize the global competition not only in terms of the loss of manufacturing but also a loss of leadership and ideas. This commissioner from a more urban county in Kansas feared his county lacked the insight, initiative and ideas to make it in the global economy:

The world is getting small, the competition is keener, and that shows our weaknesses more clearly. My comment in this land of milk and honey is an attitude people have here that we’re so cool, we’re so great yet we lack the leadership in community-wide goals. And we are not going to be as cool as we think if we don’t pull on the rope together.”

For some commissioners, they embrace globalization as they find they are well prepared to compete in a global economy given the resources their county has developed and/or are lucky

enough to have within their boundaries. This from a female county commissioner in a more urban county in Iowa when I asked her to define and discuss globalization:

I just think of how we can fit into what's happening in the big picture. And positioning ourselves for that. You know, we're not isolated anymore, between the internet and I talked about "Bio+DNA Works," they're all over the world. They ship to everywhere, just everywhere."

Positive talk about global markets was not isolated to more urban counties. For instance a commissioner in a more rural county in Kansas recognized the trend towards bio-sciences and talked hopeful about the future: "I think some of this biotech stuff we're working on now... and you know, we're just getting into it but that will impact us quite a bit. For the better." It was not uncommon to find commissioners rural agriculture-based counties to talk positively about global markets. For instance, a county commissioner who also farmed told me:

With ag products we do, you're going to see oils, biodiesel oils shipped back and forth but I'm not sure which way it's going to finally end up going. But I mean the soybean oil and canola oil, you see the world market for that and the world market for corn. The world market for ethanol. So we do, I guess we're too damn tied to ag to go right back in ag again, but I think we do see it [globalization] that way.

It was not uncommon for commissioners to rattle off the names of companies in their rural county doing business worldwide. For instance, an elderly gentleman commissioner from a rural southern county in Kansas spoke with pride when he told me of products made in that county and sold worldwide: "We do business with the Japanese here. The fact that they want quality product, we know exactly what they want and they're willing to pay for it. And now with Russia, we are doing more and more of business with them..." One sense of pride came from the discussion and the hope of ethanol production to sustain a future for rural communities in these two corn-producing states. I will examine how the commissioners spoke of globalization in terms the ethanol and energy costs.

Oil and Ethanol: The Great Promise for Rural America in a Global World?

Oil and energy costs have increasingly stressed county budgets and required major shifts or cuts in their spending so it is not surprising that many commissioners cited oil and energy costs as part and parcel of globalization. More rural counties were especially hit hard by increased energy costs but also expressed some hope that the answer to the global energy crisis might be found in their backyards—or fields as expressed here by a commissioner in a rural northern Iowa county:

The fact that you have economies in Asia and even third world countries, their economies are starting to be revitalized, which in turn puts a demand on your energy, from wherever it's coming. Yes, I think we are impacted, with especially energy costs. What are we doing in rural America? I think, I think if you have a newspaper or the internet, you know that ethanol and bio, renewable fuels is on the front burner right now. And that is probably going to be our region's answer to escalating energy costs. It's going to bring a new economic phase to rural America. In the fact that we're using our corn or whatever the base may be someday to produce fuel, is right here in the heartland of America."

The promise of ethanol! I had no idea I could coin my travels across Iowa as "the summer of ethanol plants." The excitement and optimism of ethanol plants are not just found in Iowa; I heard the same in Kansas:

Now we're having this big ethanol thing, you know. Have you heard, being from Iowa and all? [I smile and nod my head.] Everyone is thinking ethanol is going to be the savior for us all, renewable resource and all that stuff. Time will tell.

This commissioner from a rural Western county in Kansas was a bit skeptical but perhaps that had more to do with how corn is an irrigated crop in Western Kansas. Other commissioners remarked concern about the price of corn and if raising corn for ethanol will devour the crop and cut off production for food. Despite the "raising of ethanol plants" I witnessed during the summers of data collection, overwhelmingly commissioners spoke highly of ethanol plants. During the summers of 2006 and 2007, ethanol plants were being courted, built or desired. There were several times I was even driven to observe the

construction of them. One very rural county in Kansas talked of an ethanol plant as the “industry so vital to get... if we get that ONE plant...” as if all their population and tax base woes will be solved with the ‘capture’ of an ethanol plant.

Energy costs and assistance came in the way of methane gas for some Kansas counties. One county I researched and interviewed a commissioner from still talked of energy production as vital to their county:

Given the global markets, the oil/gas the last two years has just been booming. Methane gas, just booming. They’re still drilling. That helps the people that own the land and it helps us. Like I say, they tear up a lot of the roads and people don’t like that, but if they pay enough taxes, we can fix the roads.

This county is a very rural and isolated county (not easily accessed via interstate or major airport). Whatever form, access to forms of energy sources meant a revenue stream (and likely a viable future) for many rural counties. Counties with desirable natural resources were also able to retain people—another qualitative finding that I hope to “test” with quantitative data in the future.

Globalization: Our Young People Move Out, “Others” Move In

Globalization was also discussed in terms of the movement of people. Commissioners recognized the globalized economy meant the loss of jobs, global markets meant prices for their agricultural products were subject to forces beyond their control, globalization also impacted them as their children left rural counties to work in urban areas. I was asked on many occasions if I wanted to move back to my “rural” roots and I’ll share something with you—I turned down a job offer in a rural county after a commissioner asked me to run their economic development office, saying, “I bet you know more about economic development than the guy we have.” (I turned down the job offer...) Many commissioners talked about their children moving away as one commissioner detailed: “So the girls won’t

come back, Carl is here. Hopefully the girls don't get any further away. Tyler is just a short three-hour jaunt so we can make trips up there. That's probably the closest we'll ever get them..."

Commissioners also recognized the movement of people *in* to rural areas although some county commissioners spoke with some hesitation about this topic, fearing or knowing the political nature (and potential labels) one could face if their words were made public. Photo 7.2 shows a storefront in semi-urban county that received a boost in population by way of migrant workers. With guarded talk, some commissioners spoke of the "trouble" globalization brought in terms of people from non-English speaking countries. As Longworth (2007) also notes, migrant labor is a source of vitality and tension for many rural areas in the Midwest and I found talk—or better said—witness both while in the field.

Racial tension was apparent in one town I stayed overnight. As I normally did, I ventured out to dine in a local restaurant to take in the "local scene" and give myself the chance to talk to locals. In a semi-rural county in Iowa I was joined by a migrant worker for dinner, he was about my age. This man was deaf and I later found out (via writing on paper I had with me), born in Mexico and migrated to the United States. He told me he worked in a chicken processing plant outside of town and we talked some about what he thought about the work and living there. The locals in the restaurant noticed our interaction, since we communicated back and forth in written form or some make-shift sign language, our conversation was kept "private" despite the public nature of our surroundings. Although this is only one man's account, he did speak of feeling discriminated against and knew he was paid sub-par wages. But yet, he was able to secure a safe and hospitable place to live and hoped for a middle-class lifestyle and family. It was hard to not be moved by that

conversation. Photo 6.2 is an example of racial tension in a town I interviewed a county commissioner in (not the one I spoke about above). In this same town you also see the economic benefit/influence of the migrant workers. I took several photos of Mexican restaurants other businesses offering services. Many of these counties had a more vibrant downtown than rural counties lacking the inward migration of people.

Sometimes commissioners spoke more freely of the issue of immigration if they stayed free from politicizing the issue as one commissioner from an urban county remarked:

[referred to a meatpacking plant by name] ...so they've got a large Hispanic population and so there's a fair amount of the Hispanic workforce that's come into the county because the plants and then beyond the borders of the county, a lot of those individuals will make themselves available to work within the farming and agricultural organizations as well, so there are a fair kind of connectivity between portions of the Latin America, I don't know what sections exactly but there is connectivity. [...] And that's part of the whole globalization thing too, is just, I don't know if their legal or they're illegal or part of an underground market or what, but it's part of the fabric that is part of globalization so by no means, even though Iowa is perceived as being predominantly white and not diverse, the effects of globalization are here in terms of people—and what we can or should be doing about that is another whole issue.

At that point he dropped the topic of migrant workers and globalization and I did not probe into that discussion.

Rarely did commissioners use blatant racist language but a few did. This excerpt is just the tip of the racist language this commissioner used to talk about the problem of illegal migration:

And then they put them in the back of their truck and then they die in the back of the truck, and that's wrong. Second of all, if they had a number, then when they get over here they wouldn't have to get fake social securities. That would eliminate this old boy's shafting them over here, you know. That would solve two of the problems right there that we actually have. Now, this is a cruel one, but I guess I can justify this that I'm not prejudice because I've been married to a little Mexican girl for 33 years and I've got three half-breed children with her. But anyway, so then they need to beef up the border patrol.

For the record, this was one of my most challenging (for me to sit through) interviews, certainly a shocking quote. When he shared this with me, I desperately hoped I had a good poker face. Perhaps the commissioner thought this interview was the proper place to voice his worldview. That said, the county he represents does have a rather sizeable non-white population working in the meatpacking industry. The photo 6.2 represents some of this tension expressed by a white storeowner in a town “lifted up” by the

Photo 6.2. English Only Store



presence of meatpacking workers. This town had more of a vital downtown with open storefronts including a strong presence of small businesses either owned by or servicing the Mexican/Latino population in the town/county. In a different rural county in Kansas, when asked the question about globalization, the commissioner said this:

L: Do you see it impacting communities within your county?

Commissioner: Yeah. I mean I think the immigration [migrant] workers. Some of the law enforcement issues that come along with that, yes, I mean it definitely has and will continue to. I'm not prejudice but when you bring immigrant workers in, you have law issues. I mean they bring trouble with them. They steal. They commit crimes. So yes. In fact, I'm not going to blame it on them, the increased occupancy of our jail, but it sure doesn't help any.

Racial tension is apparent but not only in terms of Latino or migrant workers from Mexico, as evidenced in this case of an urban county in Iowa:

We have big issues. Immigration is a real ... I mean we've got ... [country] are big around here. I mean we've got a influx of them. I don't know what the rationale is. Like 7 percent of our population or maybe it's 5 is [country of origin]. So we've got a lot of different nationalities in our area. We're well diverse in that end of it.

While this commissioner *said* this was an issue he then went on to discuss the concern of county consolidation. I followed his lead and dropped the talk of immigration into the county. Often talk of migrant workers were evident in these interviews and acknowledged as an example of globalization.

Lost and Forgotten (indicative of very rural counties)

I was taken aback by some of the discussion of worry, fear and resistance to talk of county consolidation. At times I found it harder to elicit participation from very rural counties. I often had to oversample these counties and, in the state of Kansas, work through personal contacts before finding an open door to interview commissioners from very rural counties. Only one county outright turned my request and did so by mailing back my letter with certain passages highlighted and a handwritten response to my request: "We are not interested." I did not pursue this very rural Kansas county any further. Part of me wonders if the resistance to participate in the study is indicative of a certain viewpoint, such as "leave us alone" or "Why do you want to talk with us?" I say this with some supporting evidence that

Photo 6.3. Lost and Forgotten



some more rural counties referenced feelings of loss and/or lack of visibility. When I inquired about feeling the impact of globalization in one rural county in Western Kansas, I was surprised when the commissioners told me this: “No because we’re west of Highway 81.” “Highway 81?” I asked. “That’s our little joke that Topeka doesn’t know anybody exists west of Salina which is Highway 81.” And from a commissioner in rural Iowa county after the interview: “I didn’t know that there were people that were really concerned about what was going on out in rural America.” It was common for me to hear expressions of feeling “unseen” or “unwanted” from commissioners in rural counties.

County consolidation was an idea that many commissioners in very rural counties were concerned about and fought against. Despite the increasing costs of running a county, the county, school and hospitals were often the major employers in rural counties. To lose the county government (when many had also suffered the loss of schools in their communities) would serve as the final nail in the coffin of their future. A commissioner in a very rural county in Kansas remarked how rural communities were at a disadvantage to compete in a global world:

Yeah, it's [globalization] going to help those big cities who already have a lot of things be a bigger player, but it just leaves us out in the cold and I think that whole thing with globalization just makes us feel how small we are and how forgotten we feel sometimes."

And these poignant comments from a commissioner in another rural Kansas county losing population:

But I don't see, I don't see why the big companies would come to this area. I don't know what would bring them here because we already, we have trouble hiring people ourselves. So we have difficulty filling our own jobs.

So if a big company would contact us, assuming that we would have, they would contact me and I would contact the cities and get together and say, you know, if you come build a big industry we can provide you 500 people to work. We don't have the people. We don't have the housing. So it's got to start somewhere and I don't know where to start.

And you know, as far as the position I have, I don't have the answers to those questions. So I think some of those dilemmas is why...I didn't have a clue what I was getting myself into when I started and I don't really have answers to those questions.

His sense of hopelessness is palpable. The voices of county commissioners make it clear that, indeed, Iowans and Kansans do know something about globalization. It is a force to reckon with. They see their children leave for metropolitan cities either in their state or outside. Some even "vanish" to the coasts. I was routinely asked "where do you want to call

‘home’?” Or “Are you coming back home to Iowa?” Sometimes it felt like they were selling their area to me, explaining why they were still there, why their area was so important to them.

Photo 6.4. Saturday Morning, Traffic in a County Seat downtown.



There is a recognizable loss of control perceived by county officials in the face of global and larger state institutions. Yet, commissioners desire to combat the larger forces of economic globalization to safeguard their communities. County commissioners did emphasize the need for continued or increased local allocation towards economic development office or programs. One commissioner in a fairly rural county remarked: “If I see a return or a potential return on it [economic development], I cannot spend the money fast enough.” A commissioner from a very rural county commented that his county came “late into the game” and wondered if they were able to compete compared to counties who have more people, money and the “foresight to have an economic development office in place years ago.” These offices often involve a considerable commitment on the part of the county, as the county must pay a salary and benefits of the economic development director as

well as the allocation of space and a budget for the office. Sometimes this is shared with municipalities in the county; other counties fund these offices solely from property tax revenue. Other county actions assisting development include buying land to resell to business, the construction of buildings or industrial parks, revolving loan funds to assist new businesses, etc.

Yet, I come away with a sense that the global economy and world is wreaking havoc on small rural communities; I am distressed to see some counties/communities reverting to gaming (let's not call it gambling...) and the building of jails to ease property tax rates with increased programs and health care costs for their employees. ...literally looking to "sin" (gaming, crime) to bail them out ... "buy" them some time before the "flat world" fully descends on them ? Throughout this process, I am struck at the beauty of the communities, both those that have figured out how to survive in this global world we live in and those that are aging, crumbling or just barely hanging on. There is beauty in our heartland and, of course, good people who struggle to make sure the next generation lives just as well as they did.

Chapter 7: Discussion

Review of Research Project and Findings

I set out to examine local government spending decisions in the rural Midwest in order to address the central question, How do county governments attempt to deal with the forces of globalization—including the loss of jobs and the outward migration of their young, educated population—at the same time dealing with an increasingly aged population in need of health care? To conduct my study, I gathered spending data from county budgets coupled with interviews with county commissioners, which together provided insight into the ongoing process of funding health care and assistance to capital. This research is significant in theoretical terms because it addresses fundamental issues of neo-liberalism guiding local government actions, the contradictions of capitalism and the role of the state under global capitalism. The significance is further amplified by the fact that, although scholars are aware of the larger social forces that threaten rural communities, there is little systematic research how county governments are dealing with these issues. Lastly, I wanted to see if county elected commissioners would identify global market forces and the movement of capital as impacting their communities; and, if so, what these perceptions might mean to them in terms of their communities and potentially, their future? To this end, I collected county budget data from all 99 counties in Iowa for the years 1997, 1999, 2001, and 2003 and I also recruited and interviewed 76 county commissioners from Iowa and Kansas. The budget data form the major portion of the analysis in this dissertation, supplemented and extended by the interview data. The final results answer the initial research questions as well as offer some potentially important, unanticipated findings.

I will now turn to a review and summary discussion of the specific questions and findings, taken in turn.

Extent of County Funding and Changes in Allocations Over Time

In this section I discuss the answers to my first two questions. Since the two questions are closely related they are considered together here: 1) *What is the extent of per capita spending in counties on economic development programs, total assistance to capital more broadly and towards total health care?* And 2) *Have there been statistically significant changes in the allocation of these funds over time from 1999 to 2003?*

One central component of my study, the extent of county level spending toward economic development, was based on my suspicion that counties were, in fact, spending tax dollars towards economic development. This suspicion was confirmed from Iowa county budget data taken from alternating years beginning in 1997 up to and including 2003.

Given the global restructuring of manufacturing in the 1980s, cities and local governments were in shock as they attempted to deal with the large loss of jobs and a downward spiraling tax base at the same time as the federal government cut support for services at the state and local level (Barnes 1992; Berman and Greene 1993; Clarke and Gaile 1989; Fainstein and Fainstein 1989; Fisher and Peters 1998; Levy 1990). Cities were left with little federal oversight in their attempts to boost their tax base the only way they knew how: de facto economic development and subsidies to businesses (Fainstein and Fainstein 1989; Fisher and Peters 1998; Riposa 1996; Wolman 1986; Wolman with Spitzley 1999). Eisinger reports “the budgets of state economic development agencies for all states increased between 1982 and 1988 by nearly 300 percent” (1990: 526). My research

addressed the related question of changes in county spending for economic development, which has not been previously studied.

This study has an answer to this question. We now know that—for at least one rural Midwestern state—counties are following suit, opening up their own economic development offices and funding county-level **economic development programs**. While a number of Iowa counties in each of the study years spent zero dollars on economic development programs, there was a trend for more and more counties to begin such spending. With each passing year during the study time frame, additional counties decided to allocate funds towards this end. In 1997, twenty-one counties did not allocate any funds towards economic development; in 2003, only 10 counties (out of 99) did not allocate any funds towards economic development. Furthermore, the average per capita county allocation towards economic development increased over this time period from \$5.19 in 1997 to \$8.09 in 2003. This increase was statistically significant (Friedman test, $p = .041$). Note: even when I excluded the outliers, the Friedman test still showed a statistically significant increase of the means of allocations towards a county economic development program ($p = .043$).

For summed **assistance to capital**, counties also spent an increasing amount over time, again a statistically significant increase³⁸. Beginning in 1997 (for all counties, including outliers), the mean county-level summed assistance to capital in Iowa was \$239.36 per capita. In 1999 the same figure had risen to \$243.50, in 2001 to \$256.36 and, in 2003, a total of \$251.16 went to summed assistance to capital for the average county in Iowa.

For total **health care** spending per capita, there was another statistically significant increase³⁹ by counties in Iowa. The Friedman test reports a p-value of .000 for the significant

³⁸ $p = .000$

³⁹ Despite the decrease in spending for 1999, subsequent years increased at a significant rate.

difference in means towards per capita allocation to health care. In 1997 the average county expenditure was \$52.93; in 1999 it was \$50.44; in 2001 it increased to \$55.64; and in 2003, the average county allocation toward total health care had risen to \$57.80.

Interestingly, all categories of county expenditures under study report a statistically significant increase over the years of study. Where I originally thought I might see stability or decrease in spending, counties in Iowa (adjusted for inflation) report an increase in allocations. I cannot say that county revenue was the source of the increasing allocations towards all three of these expenditure categories, however. There is an important caveat to acknowledge in these budget data: county budgets in Iowa reflect expenditures but do not enable me to disentangle the source of revenue—i.e., local property taxes from fees, county sales tax revenue, county gaming revenue, or from grants from the state or federal government monies shared or allocated to counties. Still, we do know from these data that counties in Iowa did increase their allocation towards these ends even in a shifting economic environment and under shifting government funding. Despite financial tightening in government during these years—and states certainly felt and required belt-tightening during this period—health care and economic development did not suffer in terms of decreased expenditures in the fiscally tight years 2001 and 2003. It is also worthwhile to point out that a previous study of several other states in which there was greater ability to control for external revenue showed increases in health care spending during the 1997-2001 period. This gives support to the notion that Iowa counties may have been responding to decreased state health care funding as states cut back to balance their budgets (Zimmerman, McAdams, Wiebold-Lippisch and Oslund 2004).

Competing Interests? Contradictions in the Role of the State? Not at the County Level...

At this point it is appropriate to review the answer to another major question I had in this study: *Do health care and economic development compete for the same finite resources or are counties able to allocate funds to deal with both concerns?* As discussed earlier, various Marxists theories argue that the economy and the state are linked in the United States (see Domhoff 1978, 1996; Feagin 1988; Miliband 1969); specifically, the state assists capital accumulation. This theory is also supported by scholars who do not consider themselves Marxists (Eisinger 1990).

In this study, I also wanted to examine whether or not the contradictions of the role of the state could be detected at the local level; that is, in specific terms, is the state (county) able assist the marketplace in the accumulation of capital along side of the need of the state to provide for the needs of its populace (county level health care)? In this study, for the counties in the State of Iowa over these years of study, the answer is yes: counties can and are doing both. That these seemingly contradictory state functions do not conflict with one another at the county level in the state of Iowa was surprising. The following reviews the details of these results.

In my final regression models, I found a statistically significant explanatory contribution for health care spending on summed assistance to capital and economic development program spending. I found statistical significant support for a gain in summed assistance to capital explaining additional spending total health care in early regression models; however, this explanatory power dropped from significance when property tax per capita was entered as an independent variable into the equation/model. The overall finding remains: counties need not choose health care over summed assistance to capital. Counties

in Iowa are seemingly fulfilling both state functions, allocating funds to both concerns despite other social and economic realities.

Explaining County Allocations: Influential Demographic or Economic Factors

Going further into my multivariate analysis, I sought to explain these spending patterns. I thought social factors (such as the percentage of county residents over the age of 65 years) or economic factors (such as assessed valuations as an indicator of a county's economic disadvantage or advantage) would explain county spending towards health care or economic development. Likewise, despite the statistical significance of changes in allocations towards all three of the dependent variables over time, when entered into multiple regression models along with other variables, the significance of year dropped out and was quickly replaced by other social and/or economic factors explaining health care and assistance to capital (summed as well as towards economic development programs/office). Interestingly and in the end, multiple regression analyses only reinforced the finding discussed above: counties can and do simultaneously fund local health care *and* assistance to capital, frequently above other social and economic factors.

Although the regression models explaining spending towards economic development were less powerful (adjusted R-square at 14.1% versus 67% for summed assistance to capital or nearly 24%), these findings were still statistically significant. The urban-influence code is most salient with greater spending towards an economic development program when the county is coded as “more rural” and the other highly significant outcome variable is total health care spending. Again, counties can and do allocate their resources to both budget categories; for every additional monetary amount spent on health care, counties spend additional resources on an economic development program.

Now, why or how might this be so? We must also look to the factor of age, although kicked out of the final regression model due to some concern of multicollinearity. We know the population is aging throughout the state of Iowa, particularly in the more rural counties. These more rural and older counties receive funds to assist local health care from other government levels—notably the state and the federal government via Medicare. So, when a county is spending additional money towards health care, it might be spending revenue from other governmental levels thus “freeing up” county monies to fund economic development. Or, as a county ages, there is an active push to spend additional resources to fund economic development programs to assist “capturing” industry, maintain or build infrastructure to assist the attraction of business to secure the county’s economic future. Multivariate regression cannot tell the whole picture, but we certainly conclude, after controlling for other social and economic factors (such as unemployment rate), counties coded as more rural and counties that spend more money towards local health care also spend more money on their county’s economic development programs and/or offices.

Multiple regression models for ‘summed assistance to capital’ had the highest explanatory power with an adjusted R-square of the final model of 67%. Property tax collections and percent of the county population over the age of 65 years remained the most influential “predictor” variables even when controlling for the influence of population loss, unemployment, border county (in direct competition with other counties in Iowa as well as counties in neighboring state), and gaming revenue. These two variables remained powerful even as I added or deleted other social and economic variables. Therefore, counties with more property tax revenue, spend more to assist capital (broadly defined) as well as aging

counties allocating greater funds towards summed assistance to capital over younger (also more often more urban⁴⁰) counties.

Although property tax and percent over the age of 65 years were the most influential factors, there were several other factors that remained significant to describe county spending assistance to capital (defined more broadly): time, border counties, gaming revenue, and spending towards county health care. Time remained somewhat significant (p values ranging from .006 to .000), counties allocated greater monies as time passed. Border counties did allocate greater funds towards summed assistance to capital, confirming what border county commissioners told me in the interviews. Gaming revenue was confirmed to have a negative relationship with summed assistance to capital. I will review this finding in the next section. Finally and repeatedly confirmed, counties allocating greater funds to health care, were able to also support summed assistance to capital thus defying the contradiction of roles of the state, or at least for counties in Iowa, during the alternative years of 1997-2003. I will discuss this further in the “Contributions to the Literature” section of this chapter.

Finally, for health care spending, the strongest “outcome” variable turned out to be per capita property tax collections followed by counties that were not coded in the top quartile of population “growth county.”⁴¹ Other influential variables helping to explain health care spending at the county level includes income per capita (when a county has lower income per capita, the county reports greater spending on health care), and non-border counties spend more money than border counties.

⁴⁰ Urban influence code fell from significance (similar to the variable measuring population loss) when assessed valuation and/or property tax collections were entered into the model. Leaving the urban influence code into the models resulted in a drop in the adjusted R-squared and thus, I decided to leave it out of the final models.

⁴¹ Population loss quartile was not found as statistically significant (or less so than other variables, including the population growth quartile dummy variable).

Unexpected Findings: The Impact and Desire of Gaming Revenue

An unexpected finding or theme arose with the issue of gaming revenue. It provided a potential source of community survival; job creation and outside-of-county dollars (and people) coming into the county for casino “entertainment.” The vast majority of commissioners from counties without gaming revenue talked about the prospect of gaming in their county with desire, wishing for either the jobs and/or the money they believed gaming would bring into their county. Considering the quantitative results from the present study of counties in Iowa with gaming revenue, they might be on to something.

From the interviews, I decided to examine the influence of gaming revenue on county allocation on economic development. I expected to find counties with gaming revenue spending statistically significant more than counties without gaming revenue. Employing more sophisticated statistical modeling to account for repeated measures in my examination of economic development (and summed assistance to capital) over four waves (years) of data for all counties in Iowa, I found this: no statistical difference between counties with or without gaming revenue in terms of spending on an economic development program. Interestingly, statistical significant results emerged showing counties *with* gaming revenue spent *less* money (per capita) on summed assistance to capital than counties with gaming revenue. Perhaps these counties decided they need not allocate greater funds to assist in the creation of jobs and infrastructure since they already had a casino that supplies the jobs and the infrastructure in place to assist people to and from their destination.

Commissioners from gaming counties told me they were able to provide property tax relief to their residents. This was confirmed statistically with results showing around a yearly \$60.00 per capita property tax “break” given to residents in gaming counties.

Commissioners from gaming counties did not articulate greater spending towards health care from gaming revenue; however, my statistical analysis found that it indeed was the case. Counties with gaming revenue spent just under \$7.00 per capita *more* in 1997 and then in subsequent years between \$16.50 and \$18.30 *more* on health care than counties without gaming revenue.

Commissioners Speak of Globalization

Rural America is certainly affected by globalization. One need only look at how the increasing acreage of farms, advancing and costly equipment and technology are disrupting and displacing family farms. Larger farms and the loss of manufacturing plants in the Midwest result in fewer people in a county. County commissioners detailed this process to me time and time again. They did not define this as part of globalization but they spoke with nostalgia of a busy town square and local storefronts and a vibrant atmosphere of economic activity at the county level. Many commissioners also spoke with trepidation of a new concern: county consolidation. They witnessed plant closings, the auctioning off of family farms and were fearful of the next shoe to drop, the consolidation of county government.

When asked to define globalization and whether or not they could see the impact of globalization in their county, themes emerged. These themes include viewing globalization through the power of the internet, recognition of a global market with winners and losers, rising energy costs (and the potential promise of ethanol), the movement of people, and finally, for some, feeling lost and forgotten in a global world. Overall, commissioners were very articulate on ways they were impacted by or are an agent in a globalized world. Too often commissioners in more rural counties expressed concerns about their future, whether or not they could compete in a globalized economy. They often talked about globalization in

relation to their children and questions to me about my future “home”—whether or not I would settle or return to my home county. The qualitative element of this study is rich and provided not only guidance on how to examine the county budget data but is also a source of future analysis.

Limitations

This study has its limitations. First, the findings presented here represent patterns of spending for counties in Iowa for the years 1997, 1999, 2001, 2003 and are not necessarily generalizable to other counties in other states or into the future. This study does, however, give researchers, scholars and elected officials and policy makers a systematic view of county spending in a rural state over this timeframe in order to have a way to compare their experience and efforts.

The same limitations and advisement against generalizability are also applied to the interviews with county commissioners. Although I did achieve a level of parity and representation of all levels of urban/rural categorization and mix, the findings and accounts reported are indicative of the experience of commissioners serving in Iowa and Kansas around the time of data collection (2006-2007) and their experiences prior to the interview. As discussed in the methods chapter, there is some bias of self-selection although this was somewhat mitigated by the sampling technique employed in which I steered away from snowball sampling in an effort to capture a more “representative” collection of accounts from county commissioners in two rural Midwestern states.

Another limitation that I hope to resolve in the future is the local financing of mental health/developmental disabilities programs in the State of Iowa. Many commissioners expressed concern about the state law and guidelines requiring counties to levy and spend

property tax monies on this program. As the accounting/reporting of this program shifted during the years under study, I did not resolve the reliability of this data and left it out of the calculation of “total health care spending” at the county level. This results in an under-reporting of county level spending of total health care.

This last limitation is one regarding the quantitative data. Since the Iowa Department of Management requires counties to report their revenue and expenditures in a standardized way, I was often not able to parse out local revenue from state and/or federal monies and grants. Only in the case of county hospitals and the mental health/developmental disabilities program (1999, 2001, 2003), did I have local county property tax amounts to distinguish county support apart from county expenditures which include state, federal, and/or grant monies. Reported expenditures are expenditures at the county level for each of the budget categories but are not to be confused with county-*only* funded expenditures.

Significant Contributions to the Literature

First and foremost, this study provides a systematic study of county level spending on economic development programs, summed assistance to capital and spending towards local health care services. Even before adding the qualitative element, this study is unique and offers substantial contributions to several veins of sociology as well as public policy and public health. With the interview data, I was able to capture how county commissioners spoke of globalization and how rural America might remain viable given the challenges of losing people to outward migration and aging.

In terms of political sociology and/or political economy, this study helps to explain the role of county government involvement in and allocations towards economic development as well as local health care services. Over time (although not always

statistically significant), counties increased their per capita spending toward these ends.

Knowledge from this study will not only assist scholars in these fields but also policymakers at all levels of government learn valuable information—such as how aging counties allocate money towards health care *and* assistance to capital and economic development in an attempt to safeguard the future of their community.

This study helps to inform policy makers and sociology of globalization and community scholars as to how county commissioners speak of survival (hope placed in ethanol or state-sponsored gaming) and the struggles they face (increased energy costs, increasing competition to secure jobs in a global economy and the loss of population). Perhaps their accounts and the information presented here will help construct more effective policies to assist counties and communities face in the global world that has shaken their confidence.

When I met with county commissioners, many of them asked me to share my findings with them. Although I humbly wonder if this research will provide them with any part of “the answer,” I do hope this research (and will work to disseminate this information) will assist policymakers understand the picture of how globalization and the funding of economic development and health care are both allocated at the local level and increasingly grow over time. I will work to present my findings to them in the form of a research brief as well as contacting and potentially meeting with the Kansas Association of Counties and the Iowa State Association of Counties to disseminate this work.

Theoretically, this study adds to the scholarly debate on public welfare spending and (versus) economic development policies as a way to deal with socio-economic change. Counties with funds are able to manage both, or at least there is statistical evidence to show

that counties do not spend on local health care at the expense of the funding of infrastructure and policies associated with job creation. Local governments such as counties in Iowa do receive government pass-through monies but this money is not enough to cover all necessary spending to these ends. I cannot answer the question “where did counties cut back in the difficult economic years of 2001 and 2003” but I can say counties did not cut spending on health care *or* economic development in the latter years of this study despite state and federal cuts to the counties. Counties increasingly spent additional money towards all categories: economic development programs, summed assistance to capital, and to cover local health care services.

Returning to the literature, perhaps findings from this study will require us to rethink the notion of the contradiction between the state assisting capital versus social welfare spending. For the rural counties I studied, commissioners would often cite the nearby hospital as a major employer. Furthermore, given our ambiguous private/public mix of a health care system, I am not so convinced the county does not assist capital by allocating funds to health care—even if the hospital is a not-for-profit entity—the hospital still employs county residents who then spend their income purchasing goods and services (ideally in the county). These hospitals also serve individuals who carry private insurance as well as individuals covered under the public plans of Medicare and Medicaid. Perhaps this contradiction in the role of the “state” (even county) is not as conflicting as the extant theories might suggest. This notion that government sponsored or directed health care is currently under heated debate in Congress. Democrats seek to pass landmark legislation to provide health care access to all while Republicans clamor such legislation would kill jobs. As evidenced in rural counties in Iowa, the county can and does support local health care *and*

assistance to capital, often times working to secure an economic and viable future at the same time. In sum, I argue this research shows us the state can assist capital and support health care at the same time.

I believe this work will also assist the field of Rural Sociology with finding counties are, in fact, “getting in on the game,” competing with cities to draw in business, spend money on infrastructure to secure a future. Rural counties allocate greater revenue per capita towards economic development, summed assistance to capital and towards health care than their semi-urban or urban counterparts. Border counties spend additional funds on economic development programs and summed assistance to capital but less on local health care services.

The areas of Health Policy and Medical Sociology will gain from the systematic analysis of county level allocations and expenditures toward local health care services. Overall the allocations toward specific local health care services dipped in per capita expenditures in 1999 but rebounded in subsequent years. County property tax funding to hospitals increased with each year⁴² despite the continued loss of population in the very rural areas. The State of Iowa partners with counties to fund mental health and developmental disabilities programs and insists on stable and substantial local support from property tax revenue and while commissioners often expressed concern about this spending, over the study years, the county contributions were stable—albeit significant (\$36-39 per capita on average). Considering that allotment of funds surpassed spending in comparison to other local health care services, the counties area indeed, right to note the burden they feel with this state-local (they argue more *local* than state) partnership.

Sociological research on gambling is surprisingly absent, especially considering the

⁴² Although weak in statistical significance

growth of gambling in our society coupled with the continued “advertisement” of the gaming revenue doing “public good” with the funding of veteran’s affairs, education and the like. As my work in this area is, what I consider, ‘work in progress,’ my conclusions help to inform and push the need for sociologists to get more actively involved in the examination of gaming to our society. Gaming surfaced as an emergent issue from my work in the field of mine, the importance of gaming revenue and the desire to acquire gaming revenue by state and local governments were undeniable. Future research should examine whether or not neo-liberalism has hit the local level to such a degree that a typical way for states to raise funds (i.e. raising property taxes) is now seen as forbidden? As there is a call for sociological research in the area of gambling studies, findings from this study helps to fill this gap, spark our interest and knowledge of the increased relevance of gaming to our communities, government, and even culture. Through the eyes/perspective of the locally elected county commissioners as they speak of concerns and issues of their county, we see that gaming is not going away any time soon. It is an area rich for examination.

Looking Ahead, Moving Forward

Since I have four years of county level data in the State of Iowa and given I have entry and familiarity with the data, I expect to add subsequent years as they become available. As rural counties continue to lose population (outward migration and due to aging), I want to see if counties change their spending patterns or not. Furthermore, as the ethanol boom has now received some criticism and the raising costs of grain, I am interested in coding counties with an ethanol plant to see if any patterns emerge in their spending patterns or revenue base. As counties value property and given the raising costs and value of grain, I also want to examine how counties might be affected by the raising value of their

land and whether or not this equates to greater revenue for counties. There is much to examine in this area, so many different avenues of research to pursue.

A theme or issue that arose that I did not gather all the data for and did not have the time to analyze came in the form of employee benefits as a direct way the county provides health care to their citizens/employees. During the interview portion of the study (which took place after I completed the major task of quantitative data collection), many of the commissioners talked about a major strain of the county budget coming from unpredictable and rising energy costs and the double-digit increases in health care insurance premiums. Since this issue arose after the quantitative data collection and given time constraints, I was not able to pursue this further.

Originally I was going to include counties in Kansas in the examination of county level spending on health care and assistance to capital. Their non-electronic and not always systematic way of reporting county budget information made the data entry process time-consuming and difficult. Furthermore, given the different ways counties in Kansas reported their expenditures and revenue (from each other and in contrast to counties in Iowa), even if I had the data entry, cleaning and calculations complete, a comparative analysis is difficult, if not limited. That said, since I have the data and a career in academia, I will continue working on cleaning and working with this data to replicate (with adjustments) this analysis with Kansas county data.

The qualitative data I gathered, interviews with 76 county commissioners representing 53 counties in Iowa and Kansas resulted in so much data I had a hard time getting my head around it all. Findings presented here are just part of rich data I have and will continue to mine in the near future. I will likely learn and employ the use of qualitative

analysis software to assist me uncover themes from the accounts of county commissioners. I am fairly certain I have only just begun the analysis of the accounts of county commissioners working to safeguard their communities and how they see their role as county commissioners in the rural Midwest of America.

A final avenue of future research I will pursue to the examination of the continuing process of state-sponsored gaming of the “winning” counties in the state of Kansas to examine and compare county expenditures before and after they acquired gaming revenue. I hope to remain in touch with county commissioners in Kansas and return for another round of interviews as the gaming issue and building of destination resort gaming facilities. As gaming continues to be a source of governmental revenue, I strongly believe researchers need to examine this phenomena closely and the Kansas case will provide the “before” and “after” piece in this place and time in history.

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Appendix A: Glossary of Variables

County Level Variables	Description	Source
Year	Year of data, 1997, 1999, 2001, 2003	Identifier coded by researcher
gamerev	Gaming revenue for the county that year	County/ Iowa Department of Management (IDOM)*
Gampc	Gaming revenue from that county that year, per capita, adjusted for inflation	County/ Iowa Department of Management (IDOM)*
gamdum	Dummy variable equal to 1 if the county has gaming revenue for that year	Identifier coded by researcher
Pct65	Percentage of the population over the age of 65 years	Population over the age of 65 years from US Census Bureau Population estimates for the year/total population*
hhsiz	Average Household size	US Census Bureau 2000 Data ⁴³
propc	Collected property taxes, per capita, adjusted for inflation	County/ Iowa Department of Management (IDOM) *
adjincpc	Personal income per capita	Personal income/population; income information from US Bureau of Economic Analysis, population from US Census Bureau*
Landarea	Land area in square meters	US Census Bureau 2000 Data
Population	County population	US Census Bureau Population estimates by county
Border	Border County Dummy Variable, 1 = Border County	Identified by researcher
popinc	Upper quartile of population growth from 1990-2000, coded 1 = County as a high growth county	Calculated from US Census Bureau 1990 and 2000 Data*

* Calculated by researcher from these data sources

⁴³ 2000 data only

popdec	Upper quartile of population loss from 1990-2000, coded 1 = County as a high population loss county	Calculated from US Census Bureau 1990 and 2000 Data*
Unemp	Unemployment rate	US Department of Commerce: Bureau of Economic Analysis
Density	Population density—people/square kilometer	Population/(landarea/1000000) (converts sq meters to sq km)
Defl	Implicit Price Deflator to adjust for inflation	US Department of Commerce: Bureau of Economic Analysis, 2003 serves as “base” year, 1.00; 1.038 (2001); 1.087 (1999); 1.116 (1997)
urrural	Urban influence code, 1-3, 1=urban, 2=semi, 3=rural	Identifier coded by researcher
Urban	Dummy variable equal to 1 if Urban Influence code 1-4	Identifier coded by researcher
Semi	Dummy variable equal to 1 if Urban Influence code 5-8	Identifier coded by researcher
Rural	Dummy variable equal to 1 if Urban Influence code 9-12	Identifier coded by researcher
Dependent Variables:		
Adjthpc	Adjusted total health care spending (including hospital, EMS, nursing home, public health, drug/alcohol treatment per capita	Computed from IDOM data and Census Bureau population estimates*
wMHDDpc	Adjusted total health care spending including mental health/developmental disability ⁴⁴	Computed from IDOM data and Census Bureau population estimates*
Hosp	Hospital tax levy per capita	Computed from IDOM data and Census Bureau population estimates*
Hosp		

⁴⁴ (data not available for 1997)

sumedt1, sumedt2, sumedt3, sumedt4	Summed assistance to capital (economic development broadly defined, per capita, adjusted for inflation), time 1, time 2, time 2, time 4	Calcuation and recoded from TDEVOpc
Matching Variables ⁴⁵		
Cocoyr	State code, county code and year identifier	US Census Bureau 2000 Data,
Cntyyear	County name and year	identifier

⁴⁵ This was my primary code to match up cases when adding or merging data.

Appendix B: Letter of Introduction

July 15, 2006

Dear County Supervisor:

I am writing to introduce Ms. Lori Wiebold-Lippisch from the Department of Sociology at the University of Kansas. Lori is a native of Iowa and a graduate of Northern Iowa University. She is pursuing advanced studies here at KU and, in that context, has been working with me on research focusing on the problems and challenges facing counties in largely rural Midwestern states such as Kansas, Nebraska, Iowa and South Dakota.

Our work has centered so far on county-level health care needs and expenditures; however, Lori is now expanding that focus to include a broader scope of concerns and pressures facing mostly rural counties. Having the perspectives of county supervisors is a vital part of her work. From a research point of view I can add that, sadly, county officials' views are often left out. Lori wants to correct this by conducting a set of interviews with county supervisors in her home state of Iowa.

I hope you will consider participating in Lori's study. She is a lovely person and an excellent interviewer. She has a strong interest in the issues faced by county level governments in rural areas. I think she can benefit greatly from your knowledge and insight.

Yours sincerely,

Mary K. Zimmerman
Professor

Appendix C: Participant Form Letter

Date

Commissioner

Commissioner

_____ County Commissioners

Address

Town, KS ZIPCODE

Dear _____ County Commissioners:

Allow me to introduce myself; my name is Lori Wiebold. I am currently working a PhD at the University of Kansas. I am now working on my dissertation and a component of it includes interviewing county commissioners.

I am interested in your perspective on county spending priorities and how counties are coping with the changing economy along with demographic trends such as the loss and/or aging population. Little is known how counties are responding to the various social and political forces and county commissioner's perspective is missing and thus the reason for this research. This winter I am working to get the perspective of Kansans. Although your participation is strictly voluntary, I do believe interviewing a county commissioner from _____ County would add powerful insights to this study.

I would like about an hour of your time to hear your views of the challenges facing _____ county. I can meet with just one of you or whoever would like to talk with me (although I would prefer to talk with someone who has served one term). I will travel to your area in the coming months and welcome the opportunity to meet you at a time and place that is convenient for you.

I assure your anonymity as your name and county affiliation will remain confidential or will be identified only as "a county commissioner in a semi-rural county" in any of the research reports. I would also like your permission to tape-record the interviews so I can transcribe them later for review. Again, university procedures require that I ensure the anonymity of your name, your respective county and any other identifying marks.

If you would like any additional information concerning this study or are willing to set a time to meet in the coming months, you can reach me by phone or email listed below. I look forward to hearing from you.

Thank you for your time,

Lori Wiebold

Department of Sociology

University of Kansas

1415 Jayhawk Blvd

716 Fraser Hall

Lawrence, KS 66045-7556

lwl@ku.edu

785-218-1090

Appendix D: Consent Form

“Safeguarding the Heartland: County Government and Community Survival”

Consent to Act as Human Subject

Investigator: Lori Wiebold

The Department of Sociology at the University of Kansas supports the practice of protection for human subjects participating in research. The following information is provided for you to decide whether you wish to participate in the present study. You should be aware that even if you agree to participate, you are free to withdraw at any time without penalty.

The purpose of this research project is to collect data from individuals who are familiar with and part of the decision-making process of county level spending. The primary goal is to gain an understanding of county spending priorities in the midst of a global economy and increased state and federal mandates placed upon counties. In order to achieve that goal I will perform tape-recorded interviews.

You may feel uncomfortable discussing your experiences, so please feel free to stop the interview at any time. Your participation is completely voluntary. This project will employ the following techniques to ensure the anonymity of the participants and their respective counties: Any marks of identity will be changed or deleted in both the transcripts and during any presentation of the data. This will include any names and locations of people or places that you may mention during the course of the interview. The interview tapes will be locked in my home. Transcriptions of the tapes will be done only by me or by a transcriptionist.

Please read and understand the following guidelines for this interview.

1. You do not have to answer any questions at any time or for any reason if you chose not to. Your refusal to participate will not involve any penalty for you
2. You may terminate the interview at any time.
3. This interview will be audio-taped and handwritten notes will be taken.
4. I will answer questions about the research project, your rights within this project, the interview process, or anything that may be of interest to you, please contact me by phone, mail, or email.
5. If you have any concerns or questions about your rights as a research participant, you may contact the University of Kansas' Human Subjects Committee- Lawrence (HSC-L at 785-864-7429, Youngerberg Hall, or by email to David Hann at dhann@ku.edu.

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913-588-2688

Appendix D: Consent Form continued

I am fully aware of the nature and extent of my participation in this project as stated above and the possible risks arising from it. I hereby agree to participate in this project. I acknowledge that I have received a copy of this consent form.

Signature of Participant

Date

With my signature I affirm that I am at least 18 years of age and have received a copy of the consent form to keep.

Appendix E: Interview Guide

Local Option Sales Tax:

Caps on levies:

Interview Guide

Name

Age?

Highest educational attainment:

Party Affiliation on likert scale:

0 strong democrat, 1 not strong democrat, 2 independent, near democrat, 3 independent

4 independent near republican, 5 not strong republican, 6 strong republican, 7 other (specify)

Do you consider your county more urban or rural?

Election position currently or past held: Duration/terms

Current Occupation (if addition to local elected official)

Former Occupation

- Since I am unfamiliar with the county budget process, can you please describe the budget process for this county?
- What are some concerns facing this county in the near future? What action is the most appropriate in your mind to address these concerns?
(or alternatively: In your opinion, what are some of the issues faced by this county in terms of meeting the needs of the county and its citizens?)
- Have you told me the main issues facing this county, or are there others we need to discuss now?
- From your point of view, what is the most important concern facing this county in the near future?
- What is currently (recently done or proposed in the near future) to deal with those issues?
- From your experience with the county budget process, how much of the budget is set by other governmental mandates? (for instance, the state)
- How much control, would you say, does the commission have over the budget?

Interview Guide continued

- What, do you think, are your county's primary budgetary focus or needs?
- Why do you think so? (I will try to get at whether these concerns are felt from others the community/council, special groups or people who hold influence)
- How are you hoping to address these needs/concerns? Do you have support? From where?
- Can you tell me about the economic vitality of ____ county?
- How do the residents of this county work and pay their bills? Do they work in this county?
- *If they have not brought up the subject to economic development previous to this, ask:
- How do you (and perhaps the county commission) define "economic development?"
- What do you look for in an "economic development" plan that might be brought to you? (and if you have seen such proposals, where were they from?)
- What is your opinion on local funds going toward economic development?
- Enough, not enough, too much, where does it go?
- From your standpoint, what are the positions other council/commissioners take on this issue?
- What is your opinion on local funds going towards health care?
- Enough, not enough, too much, where does it go?
- From your standpoint, what are the positions other council/commissioners take on this issue?
- Are you aware of research that which shows that medical care is a productive vehicle of economic development: creating jobs and serving the needs of a community? What are your thoughts on this?

Interview Guide continued

- What is the population trend for this county? Does this have any impact on the spending priorities of the county?
- Let's say someone gave/bequeathed money to this county that you could use at your discretion...where would you want to allocate those funds? Why?
- How do you define Globalization?
- Do you see globalization impacting your county or the communities within your county?

Is there anything else that you would like to say on this topic, add, something we didn't cover that is relevant to your experience serving as commissioner?