



# Culture and Economic Development in the Spokane Region

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# I. Executive Summary

Through in-depth interviews with leading commercial, political, academic research and university persons, the research described in this report undertook to identify the main characteristics of economic culture in the Spokane region. In addition, a smaller number of similar interviews were conducted with industrial leaders in the Boise, Idaho area. Findings from both of these regions were then compared with the benchmark economic-cultural traits displayed in the Silicon Valley.

All human activity, including economic activity, is naturally embedded in a cultural environment that shapes it and is shaped by it. Those who have carefully studied the Silicon Valley's economic success commonly attribute it to that region's culture. In particular, the Silicon Valley's culture is noted for its openness, rich texture of interpersonal and organizational linkages, appreciation and support for its research institutions as economic drivers, and its capacity to link the elaborate system of manufacturing firms with supporting elements in the social-political environment.

Among the Spokane area respondents, themes quickly emerged that contrast sharply with those identified in the Silicon Valley. If conclusions about the cultural source of the Silicon Valley's advantage are not wide of the mark, then the contrasting ethos found in the Spokane region likely functions to limit this area's high-tech economic development:

- 1) Spokane culture is distrustful, making the formation of innovative, cooperative networks very difficult.
- 2) Spokane culture is taciturn. Important public issues, especially those related to economic development, are difficult to discuss frankly in a public forum. Public disagreement is viewed as disruptive, while good manners and deference to the domain of others rule out certain conversations altogether. Thus, successful public policy, or even coordinated private action, is difficult to fashion.
- 3) Spokane culture displays a profound distrust of local and state government, which makes it difficult for government to be employed as a tool to enhance the social-esthetic environment so important to the ability of firms to attract talent and retain it in the area. Furthermore, this outlook tends to make government responsible for the absence of robust economic growth, especially in relation to tax and economic policy. Paradoxically, this

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same culture easily looks to government as a source of economic development, especially through various forms of imported subsidies.

- 4) Spokane culture does not fully understand and appreciate the role of a research university as an economic driver for the region. Even high-tech firms in the region tend not to perceive a need for a vigorous, local research climate. Though pockets of support for research can be identified, such research is not synonymous with support for a research-university. Corporate support for a research-university is not strong. Those who desire a research presence in the region have no well-thought-out approach to its creation and sometimes possess operational codes that are at odds with it.
- 5) Spokane culture has a very weak sense of regional symbiosis. Thus, most individual participants in the area do not link their own future success with that of the region as a whole. Rather, economic success is more likely to be seen as an individual or corporate matter that may be threatened by the success of others. In addition, such an outlook impairs development of a political mechanism that might be used to encourage appropriate instances of regional policy integration.

In the Boise interviews, similarity to the Silicon Valley ethos was quickly apparent — though it had not been anticipated. In particular, high-tech leaders there give every indication that they regard a research-university as crucial to the region's future success. The challenge of foreign competition was quickly identified and linked with the need for advanced research to permit American high-tech firms to prevail. More importantly, however, those in Boise tended to see the research-university in broad terms, not only as a source for ideas, but also as a regional asset to attract and retain the best talent to the area.

In Spokane, research tends to be understood in far more linear terms, as something that moves rather directly from the laboratory to the production line. While sharing certain problems with Spokane, such as public transportation issues and integration of regional retail interests, the cultural ethos in Boise gives strong evidence of far more optimism with respect to future economic success. Leaders in the Boise region believe that they now have the essential ingredients in place to ensure a high-tech economy that is capable of reinventing itself. Data recorded in this study suggest that they may be right.

The findings contained in this research report should be regarded as preliminary. Given the limited dimensions of this study, approximately 30 interviews between Boise and Spokane, and the methodology employed, its findings can be criticized for the unavoidable measure of conjecture that they contain. On the other hand, those who participated in the interviews occupy strategic positions in their respective communities; and the thematic patterns reported in the study emerged rather quickly and conspicuously — without being solicited or forced by highly structured questions. Moreover, for the attentive consumer of local media, these same patterns are visible, though often in a somewhat esoteric formulation.

In addition, the study does not endeavor to address all variables that might be related to regional economic development, such as labor force structure, market strategies of local firms, the critical mass or growth potential of various technologies, or the prevalence of venture capital. Although this study contains no particular policy recommendations, the cultural patterns or operational codes that it identifies do suggest aspects of regional economic development that deserve to be examined more closely and perhaps rethought. Subsequent research might then be employed to define specific public policies and private initiatives to address the issues that are identified in such a reexamination.