and public expenditures have played a major part in creating profit opportunities. Whatever is given back to the community is at the discretion of the investor, and business firms do in fact contribute to a variety of community causes, ranging from social services to the fine arts. Aside from direct donations, money is channeled through the United Way, the Atlanta Metropolitan Community Foundation and other foundations, the Arts Alliance, and various special drives. Under a norm of "corporate responsibility," major business leaders head up campaigns for the United Way and the Arts Alliance and serve on the boards of colleges, universities, hospitals, and theaters, as well as in top offices in CAP, the Chamber of Commerce, and various lesser civic organizations. Thus they either give directly to or head up fund drives for a wide array of community activities.

Atlanta's business leaders, then, are not indifferent to community conditions and needs. Robert Woodruff, late Coca Cola magnate, especially was known for his generosity and his willingness to contribute to the social good. Donating as a matter of individual charity, however, is a much different phenomenon from doing so as a matter of legal responsibility. The latter is like paying taxes; it warrants no reciprocal obligation, whereas contributing voluntarily may. Charity can be selective, conferred on a case-by-case basis, and thus provide an opportunity to use contributions as tools for building alliances. Even if the same amounts were involved between legally required and voluntary contributions, their political consequences would be quite different. The one promotes a bond of reciprocity between patron and client; the other simply enhances the resources of the public sector.

The arts-and-entertainment task force of the Central Area Study II illustrates the issue. With mostly business members, the task force turned aside requests that developers, particularly in Midtown, be required to provide funds or replacement facilities for the arts community, a group which is being pushed out of the Peachtree Street corridor and other places. Instead, that group has formed another business-dominated task force charged with the responsibility of finding replacement facilities. The arts colony will thus be dependent on business benevolence. Those theater and arts groups that are provided facilities will be grateful and disinclined to complain about a process that took care of them. Those without facilities will likely fold, and in any event, they will find themselves isolated in their resentment and unable to make common cause with those more fortunate. In this way, investor prerogative not only promotes unity within the investor class but also fosters disunity among those who might become part of an alternative governing coalition.

With all of its strength, investor prerogative is not a principle that is inevitably beyond public scrutiny. The uncritical support given by black clergy to incumbent black mayors perhaps makes it easier for arrangements based on investor prerogative to go uncontested. But a shift in the concerns that

the clergy manifest or the emergence of a new link between city officials and the mass public might expose business privilege to greater scrutiny than is now the case. If the politics of the situation is altered, policy change will follow. But politics will not change greatly unless some policy enactment gives expression to new concerns and new political relationships.

DOES ECONOMIC COMPETITION DRIVE POLICY ACTION?

CAP expounds the view that wide investor prerogative is essential for the city's economic well-being, and economic competition between localities does indeed enhance the bargaining position of investors. So it might be argued that the pattern of policy action is mainly a response to Atlanta's position in a competitive market. Yet such an argument oversimplifies an enormously complex situation; economic competition is only one consideration, which must be balanced against others.

Decision makers in the governing coalition interpret the situation and choose the trade-offs, but many considerations are relevant. For example, Atlanta takes risks, such as the redevelopment of Underground. Those expensive projects, especially when amplified by a continuing agenda of publicly funded measures, could cumulatively saddle the city with a large debt. Analysis by Clark and Ferguson indicates that Atlanta has an extraordinarily high long-term debt, second in a sample of sixty-two cities only to New York.[25] At some point, indebtedness itself could become a disincentive to future investment, but there is no formula for this matter. Instead, it depends on a number of factors—from the general economic climate to the revenue-generating success of particular city-backed projects.

Thus, the fact of economic competition does not itself determine what level of risk should be incurred.[26] Opinions differ; several groups in Atlanta have advocated a cautious approach to the altering of land use and the building of publicly funded facilities, but these groups have not been an integral part of the governing coalition. Significantly, the governing alliance did not submit the redevelopment of Underground to public referendum, and there is no reason to believe that the coalition represents a popular consensus.

Aside from risk taking, there is the question of how best to protect and promote the long-range economic appeal of a locality. Full-throttle development is not an answer with which everyone agrees. Developers tend to take a short-term view. Typically they have no long-term investment in the community and hence they have little reason to be concerned about overdevelopment. If high-rise building and intense development in Midtown drive out the arts colony and make the area unattractive over the long run, developers are unlikely to pay the consequences. Many of the companies now developing Midtown are from outside the area and will have moved on to other prospects in ten or fifteen years and thus have little concern about Midtown's livability over the long run. CAP and the downtown businesses it represents do have a long-term stake, and they are the intermediaries between outside investment money and Atlanta's governing coalition. But the local investor class, which also has an interest in investor prerogative, generally opposes constraints on development in Midtown. The arts people who work and live in the area favor restrictions, but they, of course, have no special stake in investor prerogative. CAP, however, is a central element of the governing coalition; the arts community is not. CAP is aware of the problem, as Central Area Study II shows, but it prefers a voluntary response—not necessarily because that is the best guarantee of the city's long-term economic well-being but because wide investor prerogative is one of the underpinnings of that organization's solidarity.

Consider the issue from another angle. CAP and city officials express support for making Atlanta a city that attracts and retains the middle class. During Maynard Jackson's mayoralty, when in-town neighborhoods held an important position electorally, both city hall and CAP actively aided and encouraged the revitalization of older neighborhoods. Under Andrew Young, when the governing coalition reestablished itself on a stable basis without the neighborhood movement, concern for the livability of in-town neighborhoods faded as a policy priority. Mayor Young, however, believes that the future economic well-being of the city requires it to be biracial, which means that a significant white middle-class population must live in Atlanta. Editorially, the Atlanta *Constitution* concurs and has suggested a precise tipping-point of 70 percent black. Beyond that, the newspaper contends, "investors, for whatever reasons, begin to shy away from an area."[27] Yet, instead of embarking on a program of neighborhood conservation to retain the white middle-class population, the city is pursuing a policy of tax abatements and other subsidies to build new close-in housing for the affluent.

In short, the governing coalition has chosen a costlier and riskier approach over a less costly and less risky one. Political antagonism between the governing coalition and the neighborhood movement may have influenced the choice. But it is also the case that the approach selected provides opportunities to include minority enterprises as builders and joint-venture partners in the activity, as well as a variety of other particular benefits to architects, lawyers, and realtors who would gain nothing from simply conserving the status quo. Policy choices are thus best understood as emanating, not from an abstraction called the logic of market competition, but from efforts of the partners in a governing coalition to mobilize a supporting constituency and preserve the cohesion of the coalition itself. What would otherwise seem to be inconsistencies in policy disappear when viewed in light of the maintenance and enhancement needs of the governing coalition.

SELECTIVE INCENTIVES

Harvey Molotch's incisive analysis of urban "growth machines" leads us to consider what holds a governing coalition together.[28] Molotch examines the questions of who has shared interest in growth and who benefits selectively. The Atlanta experience points a step farther. A shared opportunity by itself is not specific and compelling enough to account for the extraordinary effectiveness and durability of the city's governing coalition. Policies that make particular incentives available stand a better chance of being sustained than do policies that simply further a generally desired goal. As students of public choice have long known, arrangements that can solve the collective-action problem are more likely to survive than those that cannot.[29] Development policy in Atlanta is consistent with that principle.

The ample use of particular, material benefits may not be the only way to coordinate the efforts of a governing coalition and reinforce its norms of cooperation, but it is an effective way. Such selective incentives are what game theorists call "side payments"; they help to sustain a coalition when other considerations might lead to defection. Furthermore, because members of the governing coalition understand that particular benefits are useful for collective action, they are drawn toward embracing policies that renew the supply of such benefits and enable the coalition to perpetuate itself.

Selective incentives are linked in an intricate way to investor prerogative, although, on the surface, the two seem unrelated. Investor prerogative is asserted as a general principle, but it is important to see how it operates and exactly what it is. Protection of investor prerogative is not just an aversion to the general use of authority; public subsidies are abundant, eminent domain is used widely, and Central Area Study II proposed the creation of a "safeguard zone" that could impinge substantially on civil liberties. In fact, reliance on eminent domain in land assembly also makes it clear that no simple notion of property rights is at work. Instead, investor prerogative more precisely means eliminating *dis*incentives for a privileged group. Since no sacrifice is asked, solidarity within the investor class is not strained. For the same reason, deliberations within the business elite work toward consensus and the avoidance of divisive positions.

The foundation of collective action is clearly complex. As important as selective incentives are, not everything reduces to them. For example, in Atlanta, the governing coalition chose to retain plans for what it perceived as an uneconomic rail line to a public-housing area in order to preserve trust and cooperation within the coalition. The issue thus did not involve selective incentives, but it did center on the integrity of biracial bargaining. Dropping the rail line would have constituted a repudiation of a past agreement and opened up questions about the reliability of negotiated settlements.

Whether it is investor prerogative, the distribution of selective incentives, norms of corporate responsibility, or a preference for internal consensus building, practices within the governing coalition reflect a sensitivity to the need to promote cooperation. Coalition members are astute enough to see that their cooperation with one another is not automatic—that, instead, it comes about because there are practices that encourage it. Mutual protection and the promotion of cooperation within the governing coalition thus become a measuring rod against which policy proposals are laid. Those that provide selective incentives fare especially well. But other considerations also come into play, and a shared concern for safeguarding cooperation within the coalition affects the acceptability of proposals.

IMPLICATIONS

Because this is not a comparative study, it is not possible to place Atlanta in precise relation to other cities. Yet the pattern of policy initiatives in postwar Atlanta is clear enough to characterize the city generally: The Atlanta regime is activist but not progressive. To illustrate the first quality, the city has aggressively provided infrastructure support to revitalize the central business district and encourage investment. Expressways (initiated before the federal interstate program), mass transit, an in-town stadium, and extensive convention facilities have all been built successfully, despite controversy and costs. Although many other cities have pursued the same agenda, some have not. On each count, Atlanta would fall at the activist end of the spectrum.

Atlanta is perhaps more distinctive, but still far from unique, in the ambitious redevelopment program it has pursued. It also has an extraordinarily large public-housing program, but it is not one based on progressive ideals. Instead, most of the projects were built in outlying areas of the city to move poor residents away from the business district. Compared to Baltimore, for example, Atlanta's redevelopment and rehousing program has been highly disruptive and strongly fixed on relocating people away from the center of the city. Residential isolation has resulted, and except for the still-promised Proctor Creek line of MARTA, the remoteness of its housing remains a problem for much of the lower-class population. Furthermore, road building on the west- and southsides of the city—the areas of greatest black concentration—has never provided easy travel by bus or car. In the 1980s, these sections of the city remain under the influence of earlier attempts to hamper black residential expansion by limiting the number of through-streets.[30] Thus policy initiatives in transportation and redevelopment have a regressive slant. Other regressive features of the regime are clear in the breaking of municipal-employee strikes and in the heavy reliance on a sales tax for MARTA and for general revenue. The city sales tax is piggybacked on the state's, and it is a comprehensive tax with no exemptions for food or other necessities.

The city's most progressive measures have been those that serve the black middle class: first, city support for new private housing developments for blacks in the period starting in the 1940s and running through the 1950s; and recently, strong support for minority-business opportunities. Both of these measures also provide an ample supply of selective incentives. The city departs sharply from a progressive stance on measures that entail restrictions on investor prerogative. For example, the absence of linkage or balanced-growth requirements sets Atlanta apart from many other cities. Employment guarantees, affordable housing, historic preservation, and arts facilities are among the needs raised (but rejected) as potential obligations for developers to meet.

Much that the regime does, as well as declines to do, is justified on the ground of economic enhancement, but that claim does not withstand close scrutiny. First of all, heavy expenditures for socially disruptive transportation links to outlying suburbs are questionable means of furthering the city's economic position.[31] Also, even though Mayor Young professes interest in retaining a large enough white middle class to avoid any tipping-point in the eyes of investors, his efforts concentrate on costly, high-risk new housing in the downtown area, not on less costly, low-risk approaches to neighborhood conservation. Inattention to the arts community and its need for inexpensive facilities seems particularly short-sighted, given the city's desire to promote the convention business and enhance its standing as a cultural center.

Atlanta's overall record in policy innovation suggests several conclusions. One is that Atlanta is not governed by veto groups. The status quo has been broken on several fronts, and activist policies have usually prevailed even in the face of considerable opposition. A second conclusion is that the business elite does not rule in command-and-control fashion. It does not always get its way, not only losing city elections but also failing to achieve a much-desired expansion of city boundaries. In addition, it has made extensive concessions to the black community—first in response to student protests by integrating public accommodations faster and more extensively than it wanted, and second in response to increased black electoral power by accepting requirements for minority participation in city contracts.

Third, increased electoral power has produced significant gains for the black middle class, but little for the black poor and working class. Scarce attention is paid to the employment and housing needs of those who have limited education and income. Class differences in policy gains rule out any simple connection between electoral power and group benefit. The black middle class benefits more than the larger black lower class. Fourth, lack of attention to the white middle class, including the arts community, also rules out economic enhancement of the city as "the" guiding concern. No simple explanation of the pattern of policy innovation works. Straight elite domination, pluralism in the form of numerous veto groups, majoritarian influence through the ballot box, and apolitical economic enhancement—each fails to account for Atlanta's policy pattern. Instead of these alternatives, I have suggested that the internal politics of coalition building best explains why various policy initiatives took the particular form that they did.

The matter is intricate, because policy is not to be understood as a consensus position between coalition partners nor as a simple dividing up of the spoils between winners. The wants of coalition members are drawn toward and constrained by the means through which coalition actions are coordinated. Just as organizational routines shape agency policy, so coordination "routines" shape coalition policy.

The enormous importance of housing efforts in the 1940s and 1950s and minority-business opportunities in the 1970s and 1980s suggests that the distribution of particular benefits is vital. Innovation is never easy. Side payments facilitate cooperation in a way that reasoned argument alone is unable to do. Not surprisingly, policies that provide an ample supply of side payments seem easier to promote—though, as we have seen, the Atlanta regime hardly reduces to that simple formula. Rather, the city's biracial coalition represents two change-oriented elements with broad policy aspirations. Although their efforts could have been stymied and their partnership severed, neither happened. The pursuit of policies that afforded opportunities for selective incentives is an important explanation. But there are other considerations as well, including trust between the partners and forces within both elements of the coalition that promote their internal cohesion.

In conclusion, is Atlanta exceptional? Atlanta's pattern of policy initiatives is not enormously dissimilar from that of several other large cities, but there are differences. Atlanta is decidedly less progressive than some and more uncritically responsive to investors than may be typical. It is also more attentive to the interests of the black middle class than is frequently the case. But what sets Atlanta apart most clearly is the effectiveness of the governing coalition in furthering its agenda despite opposition and an occasional electoral setback. Cumulatively, the governing coalition has compiled an impressive record of massively changing land use, building costly and controversial projects, casting off resistance to desegregation, and incorporating the black middle class into the city's mainstream economic and civic life. If Atlanta is exceptional, its exceptionalism lies primarily in the strength and ability of its governing coalition to carry out an activist agenda in the face of resistance and opposition.

PART THREE
ANALYSIS

With an account of postwar Atlanta now complete, we can turn to the analysis of that experience. Since the focus of the narrative was the development and evolution of the city's regime, it is perhaps in order for me to repeat the general definition of an urban regime and explain some of the implications of that definition for the analysis that follows.

Chapter 1 defined an urban regime as the informal arrangements by which public bodies and private interests function together to make and carry out governing decisions. There are three elements in this definition: (1) a *capacity* to do something; (2) a *set of actors* who do it; and (3) a *relationship* among the actors than enables them to work together.

The first element is *capacity*. A regime is identified by its ability to *make and carry out governing decisions*. I have maintained that the formal authority of government, standing alone, is inadequate for this task. There is thus no command structure that furnishes the capacity to make and carry out governing decisions, and this capacity can vary in strength from time to time and place to place.

The second element is the *set of actors* who, when working together, have the capacity to govern. Since government cannot do it alone (nor can private institutions), the capacity requires both public and private actors. They combine informally the otherwise segmented capacities of governmental bodies and significant nongovernmental community institutions. As a practical matter, given the important resources and activities controlled by business organizations, business interests are almost certain to be one of the elements, which is why regimes are best understood as operating within a political-economy context. Since the set of actors possessing the capacity to make governing decisions represents varied interests, it is appropriate to refer to them as the *governing coalition*. They are diverse actors brought together in the activity of governing.