

Development and Democracy

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ATLANTA, USA:
Business, economic growth and
racial transition



DEVELOPMENT AND DEMOCRACY

Development and Democracy is one of a series of publications produced by the Centre for Development and Enterprise. As the successor to the Development Strategy and Policy Unit (DSPU) of the Urban Foundation, CDE has inherited the journal *Development and Democracy*

Development and Democracy is an occasional publication of opinion, commentary and research. Each issue focuses on a selected theme central to the national debate on development, democracy and economic growth. The editor will invite submissions on a particular theme or for an entire issue from many quarters. In addition, we will respond positively to readers who react to views or material published in the series.

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Atlanta, USA. Business, economic growth and racial transition

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THE ROLE OF BUSINESS SERIES

Over the past two years, the Institute for the Study of Economic Culture at Boston University (directed by Peter Berger) and the Centre for Development and Enterprise in South Africa (directed by Ann Bernstein), together with Bobby Godsell of the Anglo American Corporation, have undertaken a cross-national study of the role of business in transitions to democracy and in socio-economic development.

The countries covered in the study are Brazil, Mexico, Spain, Indonesia, the Philippines, Nigeria and South Africa, augmented by an analysis of the racial transition in one city – Atlanta, Georgia. Besides the country studies (primarily of developing countries), papers have been produced on a number of themes, viz business and 19th-century transitions to democracy; business in ethnically divided countries; business and economic growth; business and civil society; and business associations in developing countries.

CDE is publishing a series of executive reports on the Role of Business project. There will be five such reports in total, covering the main findings and research and then applying the insights and ideas obtained to the South African situation.

The first, **Business and democracy: cohabitation or contradiction?** provides a general overview of the insights, conclusions and general recommendations concerning business and its role in growth, development and democracy.

The second, **Perspectives on business, economic growth and civil society** focuses on three of the most important papers written for the project.

The third, **Business and government in South Africa**, focuses on the role of business and government, and the politics of economic reform, in South Africa.

This, the fourth report in the series, focuses on the role of business in the racial transition and economic development of Atlanta, Georgia, US.

The Role of Business project has been sponsored by a number of South African corporations, the Institute for the Study of Economic Culture at Boston University, and the Urban Foundation.

The economic logic of cosmopolitan racial tolerance was never lost on Atlanta. Its business community historically made a connection between good image, good race relations, and future prosperity.

ATLANTA, USA: Business, economic growth and racial transition

In the late 1960s and early 1970s, black voting majorities emerged in several American cities. The first black mayors did not do very well at all; many cities declined economically, and the black mayors were soon replaced by whites. Atlanta, however, has been the exception – it is one of few American cities to have achieved significant economic growth and international status since the election in 1973 of its first black mayor.

In 21 years of black control of city government, Atlanta has experienced an economic boom. It is high among the cities black and white Americans most prefer to work and live in. For three consecutive years in the 1980s (1986-8), chief executive officers rated Atlanta the most desirable business location in the US. The city also has growing national and international stature, as evidenced by its selection as host for the Superbowl and the Summer Olympics. Of course, the city is not an unqualified success. Nevertheless, it has been unusual in its ability to sustain a democratic transition and enlarge its economy and reputation.

The role of Atlanta's business community has been a key factor in the city's progress. Historically, Atlanta's business sector has always played a dominant role in the city's development. It has done this through tycoon intervention and through numerous powerful and active business associations and business-funded organisations. In fact, the Atlanta story is characterised by a remarkable working alliance between business and city government, 'an informal partnership between city hall and the downtown business elite'.

The Atlanta story resonates for South Africa, and the critical challenges facing government and business in a new democracy.

South Africa's future will be decided in its largest cities. The local government elections have set the scene for a new era in urban management and government. Business has an enormous stake in a successful urban transition, and could be a catalyst for helping that to happen. Atlanta's experience is instructive: Atlanta's business leaders were not only keenly aware of being citizens of Atlanta, they had the vision to perceive of Atlanta as being a potential leading citizen in the world's economy.

This issue of Development and Democracy has been written by Dr Laura Nash, senior research co-ordinator at the Institute for the Study of Economic Culture, headed by Professor Peter Berger and based at Boston University. Dr Nash has written extensively on numerous topics in business ethics and corporate culture. Her work on Atlanta was one of the papers forming part of the larger CDE Role of Business project.

Entertaining grandiose visions, the business elite asked themselves what it would take to be a real city of serious stature, like a New York, London or Barcelona. The answers took them beyond a single firm like Coco-Cola and beyond business economics to public facilities and cultural institutions. It brought them to a civic commitment.

ATLANTA, USA: Business, economic growth and racial transition

No one can legitimately lay claim to the secret of urban success. Despite decades of new programmes, good intentions, and radical political restructuring, many American cities still suffer the typical ills of urban decay: deteriorating business areas, a collapsed infrastructure, a flight to the suburbs, and an exacerbation of the educational and economic gap along racial lines.

And then there's Atlanta. Although 'the city too busy to hate' still has its own share of urban problems and racial discrimination, it has also managed to achieve a critical mass of economic and civic growth. The 1996 Summer Olympics are just one more indicator that after more than two decades of African-American leadership in city hall, Atlanta is joining the big league of urban centres.

Any corporation with a mind to growth, diverse workforces and the democratic health of society has got to wonder how Atlanta does it. More particularly how can a corporation with a conscience participate positively in this process, and achieve economic success?

This report examines the role of Atlanta's business community in the city's remarkable economic and racial transition. Four key aspects of Atlanta's business culture stand out:

- *a concern for image and a propensity for grandiose hype, that pushed a vision of Atlanta as the world's next great metropolis;*
- *a respect for economic pragmatism;*
- *a tightly knit network of business elites who emphasised commercial growth and personal civic participation – but who were upstarts themselves; and*
- *historically strong, segregated black higher educational institutions.*

At first glance, each of these factors appears to have a strong element of inauthenticity vis-a-vis democratic goals. Hype, after all, is empty. Pragmatism is often an excuse for the abandonment of difficult ideals. Old boy networks are by definition exclusive, and segregated institutions can hardly be called inclusive or democratic.

But, like an ecosystem, each of these factors has displayed unexpected and sometimes unintended complementarities with Atlanta's overarching values of growth and cosmopolitanism, thus making surprisingly positive contributions to the city's civic ideal of integrated economic development. In this irony may lie a truth: real culture is messy, but perhaps more effective than the boilerplate versions of corporate social action and executive 'vision' that are often touted as leadership lessons for the 1990s.

There are a number of surprising findings here about the dynamics of effective corporate social responsibility. Several time-honoured assumptions about what constitutes a real civic contribution are challenged by the actual experience in Atlanta. These lessons cannot be applied without reference to other factors outside the realm of this report, particularly in the areas of political economy and the social effects of public policy on racism. Nonetheless, Atlanta's story offers new insight into what companies can do to facilitate effective development in cities and nations undergoing radical change.

BACKGROUND ON ATLANTA

Atlanta, Georgia. The city too busy to hate. The model metropolis. Repeatedly on *Fortune* magazine's list of the most desired cities to live in, and fourth on its 'world's best cities for business' list in 1994. With a population of only 3.3 million, home of the 1995 Superbowl and now the 1996 Summer Olympics. While many problems remain,

and the measurements of success are controversial, especially on racial progress, Atlanta has undeniably managed to turn a corner in both an economic and racial sense in a way that other American cities such as Newark, Detroit, Washington, DC and even Los Angeles have not.

In 1973 very few people would have predicted that Atlanta would come out the economic winner among the cities that were shifting to a black voting

'What held the business community together is hard to say. But CAP probably held it together. And when Dan Sweat, head of CAP wrote the letter with Brockey (a downtown businessman), and listed everything they were dissatisfied with, that was when we confronted the fact that Maynard was really mayor.'

An Atlanta businessman

majority for the first time. Between 1968 and 1973 a new breed of remarkable African-Americans were, for the first time, assuming the office of mayor in Cleveland, Detroit, Los Angeles, Newark and Atlanta, and holding new power over restructured city halls.

A big question was whether each mayor could succeed in gaining the support of the white business community, and still make progress on the issues they had presented to their black voting majorities. At that time Detroit looked very strong, and mayor Coleman Young seemed to be managing a rapprochement with the auto industry that boded well for his tenure.

Newark was embarking on widespread public-private partnerships which would eventually result in plans for an airport expansion and legalised gambling. Washington, DC, though not a major business centre, also seemed poised for new, desegregated growth through black control of important political offices and federally mandated programmes for non-

discrimination in government employment.

Atlanta, by contrast, had no major industrial base or national corporate presence besides Coca-Cola and a Lockheed division. White flight was a growing reality in the early 1970s, and several national investors had withdrawn support. Plans for an airport expansion were still only on the drawing board; plans to enlarge the public transport system had been defeated in a referendum, and the implementation of a federally mandated order to desegregate the schools was hopelessly bogged down even as other cities had moved beyond this stage. The city's police force was widely regarded as corrupt and ineffective. And neither the white downtown business leadership nor the members of the city's old guard black elite had given Maynard Jackson, the newly elected black mayor, their support. The city council was evenly divided between black and white representatives. Atlanta's power structure looked less like a balance and more like a standoff.

Although Jackson and the white business community always stopped short of all-out non-cooperation, they also were mutual in their withholding of an olive branch. At the end of the first year of Jackson's first term, the new mayor had not backed down an inch from his demands for dramatically increased minority contracting.

The city's business elite issued an open letter expressing a lack of confidence in Jackson's policies, and the local newspaper ran a series confirming the bad news, called 'A city in crisis'

PROFILE: ATLANTA

- Population 3,5 million.
- No 1 American city in terms of net employment growth in 1992, 1993 and 1994 (96 800 jobs in 1994). (Source: US Department of Labour, Bureau of Labour Statistics, 1995)
- 'Best city for small business, 1994' - *Entrepreneur* magazine.
- No 1 among *World Trade* magazine's 'Top 10 American cities for global companies', 1994.
- No 4 on *Fortune's* 'World's best cities for business' list (after Hong Kong, New York and London), 14 November 1994.
- Led the nation in net new job growth in 1983-93. (Source: US Department of Commerce, Bureau of Economic Analysis)
- More than half a million new jobs created in 1985-94. (Source: GA Department of Labour)
- Net employment growth in 1994 of 96 000, compared to half that rate of growth in Chicago and a loss of 73 000 jobs in Los Angeles in 1993). (Source: US Department of Labour, Bureau of Labour Statistics).
- Home of the second largest business airport in the world - 54,1 million passengers in 1994. (Source: Hartsfield Atlanta International Airport Commissioner's Office)
- Headquarters of eight Fortune 500 industrial companies, and 12 Fortune 500 service companies.
- No 1 city for location of new facilities - international survey of 500 executives from the Fortune 1 000 list of companies. (Source: Metro Atlanta Chamber of Commerce)

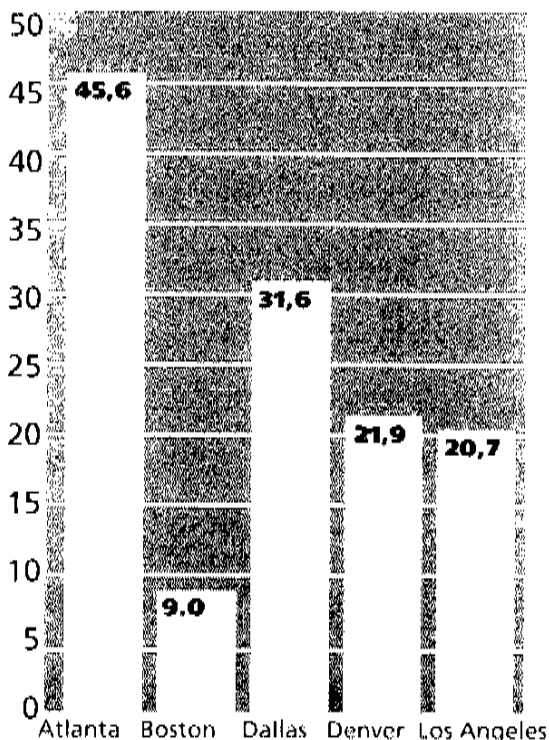
ATLANTA TODAY

uch conditions are generally not considered conducive to norms of co-operation. In Atlanta, the balance of power could easily have degenerated into a long-term and self-destructive standoff.

Twenty years later, the story has completely changed. Unlike Dr Seuss's confrontation between the north-and-south-going Zax, whose motto was "never budge," Jackson and the business community managed to strike up enough of an alliance to keep the city moving forward on growth and desegregation. When Andrew Young took office as mayor in 1982, that alliance was greatly solidified, and over the next 10 years the city became the buckle of the southern boom belt. (Jackson was again elected as mayor in 1989.)

Of the major cities with black mayors in 1973, only Atlanta, whose Jim Crow history put it far behind other cities at the outset of the 1970s, has achieved sustained economic and racial progress since its transition to a black voting majority. Cleveland shed its African-American mayor despite Carl Stokes' remarkable leadership in that position.

NET NEW JOB GROWTH 1983-1993



SOURCE: US DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS

Detroit has suffered 20 years of economic decline. Newark is threatening to fall off the map. Los Angeles, with a similar internationalism but progressive ambivalence, is the only city even in the running, and it finds itself shuddering under continued disclosures of deep-seated racism in major public offices such as the police force, while managing only half the rate of metro area net new jobs as Atlanta.

At the time of Jackson's succession, 0.5 per cent of all city contracts went to blacks, even though they represented just about 50 per cent of the population. By 1988 37 per cent of the city contracts were awarded to minority businesses. Overall metropolitan job growth soared to 43 per cent between 1980 and 1987 during former UN ambassador Andrew Young's mayoral administration. In 1983-93 Atlanta experienced the strongest growth in the US in net new jobs, up 45.6 per cent as against 31.6 per cent in Dallas, 20.7 per cent in Los Angeles, and 9.0 per cent in Boston. Atlanta has been the number one location choice for African-American executives throughout the 1980s and 1990s, with a 23 per cent black "immigration" rate in 1985-90.

Atlanta may have problems, but it still attracted 1,561 new companies in 1985-94, 360 of which were international corporations. It has the second busiest airport in the world. It has become a major international player in telecommunications, transport and entertainment. Several corporations that are leading growth companies in their industry – including Home Depot, UPS, and Holiday Inn WorldWide – have chosen Atlanta as the location for new headquarters buildings. The metropolitan region's rate of economic growth (income from sales) nearly doubled that of the nation in 1988-92, and was well ahead of the rest of the south east.

In short, Atlanta may promise more than it fulfils, but it has also fulfilled more than many city or business leaders can even imagine promising today.

FOUR CRITICAL FACTORS IN ATLANTA'S BUSINESS CULTURE

By the logic of co-operation was apparent to Atlanta's power regime in ways that have remained obtuse in many other cities is a valuable and fascinating lesson in the nuances and potential of corporate citizenship. There have been several extremely thorough analyses of Atlanta's racial pol-

tics and economic transition. Although each evaluates the political dynamics somewhat differently, all are in agreement that politics alone do not explain this city's transition. Business writ large and individual corporate leaders played a key role in what was or was not accomplished. As partners in the city's power structure, their values and behaviour

helped to shape the form in which Atlanta's transition occurred.

How did Atlanta's corporations behave during its unprecedented process of democratisation and economic growth? A closer look at the Atlanta business culture and its corporate leaders during this period suggests a rather surprising set of factors that not

A GLOSSARY OF ATLANTA'S KEY BUSINESS COALITIONS

- **CENTRAL ATLANTA PROGRESS (CAP).**

Chief voice of the downtown business association, and an outgrowth of several earlier planning groups. Its primary function was to protect downtown property values by lobbying for, researching and financing rapid, large-scale economic growth that would 'keep the downtown alive'. Privately funded, highly organised and very united. Dan Sweat, who headed CAP for 15 years, was called the 'bag man' because of his reputation in the 1960s for being able to bag money from Washington for urban development. Although CAP's main focus was economic development, it was frequently the key link between business and city hall, pro or con, on any community issue. When, for example, a boiler exploded at a day care centre, killing several children and a teacher, CAP instantly committed funds for the construction of a new centre, to be completed by black construction owner Herman Russell. This occurred at a time when CAP was extremely critical of Maynard Jackson, and the new mayor's police reform was going particularly badly.

- **RESEARCH ATLANTA.** An offshoot of the earlier Good Government Atlanta, funded by CAP, to oversee in-depth research on community issues, especially on employment or tax-related issues. Although funded by CAP, the group had no direct investment in projects.

- **CHAMBER OF COMMERCE.** Perhaps one of the most active chambers in the

US, the Atlanta C of C historically backed CAP and other groups representing Atlanta's traditional business elite (black and white). First desegregated under Ivan Allen's presidency in 1960, the chamber increasingly sponsored biracial business programmes and minority enterprise development groups. In 1968 Jesse Hill, head of Atlanta Life, served as the first black president, and Herman Russell as the second four years later. Andrew Young is scheduled to serve as chamber president in 1996.

- **LEADERSHIP ATLANTA.** A special programme of the Atlanta C of C that was started in the late 1960s. Younger executives identified in their firms as being likely to become president joined with members of Atlanta's business elite in private discussions. Allegedly focused on community issues, Leadership Atlanta gave newer entrepreneurs (white and black) important networking opportunities.

- **ACTION FORUM.** (For a fuller description, see box on History of Action Forum, page 20.) The smallest and most prestigious of the Atlanta business-community groups. Action Forum began with 14 members, seven white and seven black, most of whom were chief executive officers or presidents of major community organisations. Although 'informal', many key issues were settled because of AF intervention. The settlement of the school desegregation plan, for example, was hosted at an AF member's offices,

and included a reversal of the downtown business elite's initial position.

- **THE ATLANTA PROJECT (TAP).** Created in 1991 under former president Jimmy Carter and headed by Dan Sweat as administrative director. TAP seeks to cut through the red tape typically attached to government-funded programmes by matching private sector people and funds to neighbourhood 'clusters'. Sweat jokingly calls himself the 'planistrator'. More than 20 major corporations and 18 colleges and universities have committed help by means of on-loan executives or other donations.

- **THE ATLANTA COMMITTEE FOR THE OLYMPIC GAMES (ACOG).** The official planning group formed in 1990 upon receipt of the 1996 Summer Games site from the International Olympics Committee. The committee is headed by white attorney and entrepreneur Billy Payne, joined by a number of key African-Americans from the Atlanta community, including Andrew Young and Shirley C Franklin, who was chief administrative officer to both Andrew Young and Maynard Jackson when they were mayors. ACOG's estimated spending will approach \$2.5 million. The combined effects of ACOG spending and out-of-state visitor spending on the Olympics is estimated at \$1.9 billion in salary dollars (77 000 new, temporary and permanent jobs).

only seems to have made Atlanta different, but has also made a difference.

Four key aspects of Atlanta's business culture stand out:

- a concern for image and a propensity for grandiose hype that pushed a vision of Atlanta as the world's next great metropolis;
- a respect for economic pragmatism;
- a tightly knit network of business elites which emphasised commercial growth and personal civic participation – who were upstarts themselves; and
- Historically strong, segregated African-American higher education institutions.

Each of these factors long preceded the progressive racial transitions of the 1960s and 1970s. Each continues today in the Atlanta business culture. They are not without controversy. On the one hand, these factors carry the ability to promote anti-progressive activities:

- hype and image could translate into cover-ups and the perpetuation of hypocrisy;
- economic pragmatism could translate into a total lack of risk-taking, unless economic self-interest were very evident and almost guaranteed;
- closely knit business networks could mean exclusivity, and a closed door to new opportunity for new players in an economy; and
- segregated higher educational institutions could mean the perpetuation and reservation of 'second-class' schooling for blacks.

No doubt, all of these consequences have at one time or another attached themselves to this particular mix of cultural characteristics. What appears to have made Atlanta different, however, was a concomitant set of values centred on social progressivism, cosmopolitanism, and civic growth. As mediating values, this cluster seems to have transformed the very things that appear most undemocratic or shallow in Atlanta's business culture into support systems for widespread economic growth that included increased participation of the black community.

Whatever self-interested and grossly commercial motives were present, Atlanta's business leaders were not only keenly aware of being citizens of Atlanta, they had the vision to perceive of Atlanta as being a potential leading citizen in the world's economy. One could compare the constructive potential of Atlanta's success factors to many of the so-

called best practices of today's business guru-speak:

- hype on Atlanta's international potential is not a far step from a 'world-class vision'
- pragmatism is really 'making it happen'
- old boy networks within the community are really a basis for organising biracial business-community partnerships'
- segregated black colleges are a means of gaining 'diversity' in the workforce and in civic leadership positions.

Such easy lessons would be just that: too easy. The buzzwords fail to capture what made Atlanta's experience of integrated economic expansion so different from Detroit or Newark or Washington, DC. They sanitise the messiness of innovation, which, as Atlanta demonstrates, can work in double-edged ways. The reality is that Atlanta's business culture and history of racial and economic progress are highly complex, a mixture of individual talent, collective actions, historic circumstances, and mixed outcomes.

THE IMPORTANCE OF HYPE

Take the city's propensity for *chutzpah*. Someone once told a prominent Atlanta businessman: 'If you could suck as hard as you can blow, you'd have the Atlantic Ocean right here at your doorstep! Why, Atlanta would be a seaport!'

So hyped up is Atlanta's undeniable economic and racial progress that it is hard to give it credit. Even Atlanta's admiring insiders will confide that all is not as good as it looks. Not as integrated as the advertisements would imply, not as cosmopolitan as the PR of its headquartered multinational corporations, and not as full of economic opportunity. Atlanta only has an image of economic prosperity and democratic progress. The reality is still deep segregation – in housing, education, jobs, and elite social institutions.

And so the bewildered outsider and urbane insider alike recognise the fundamental truth of Atlanta: that image is a key element of its character. As one founding father told me, 'Atlanta should be called the city that wants to *appear* to be too busy to hate.

'The reason you get so many smart people moving in here is there's something exciting happening, and no one can articulate exactly what it is. Sort of interesting to be part of an exciting thing.'

– An Atlanta businessman

Atlanta's story suggests that corporations need to take a strong part in interactional events and relationships that help to shape values and expectations in a community, and help make things happen across corporate or industry boundaries.

You may gag at the idea of a city that demolished its entire downtown black business district for the sake of a new shopping area calling itself 'the embodiment of the International Olympics ideal'. But in some profound way, Atlanta has always believed its hype, and prospered thereby. Billy Payne, head of the Atlanta Committee for the Olympic Games, is just one in a long line of upstart boosters who talked a vision of Atlanta as the great world centre.

In 1895, hoping to become a booming metropolis on a par with New York, this city of then 75 000 people held The Cotton States and International Exposition to advertise the region's products, and

promote trade with Spanish America. President Grover Cleveland made an official visit.

In 1960 the city announced a plan to build a major stadium, even though it did not have a single national sports team franchise with which to fill the seats.

In 1973 it began construction of Hartsfield International Airport – a full seven years before it managed to obtain a license from the FAA for international flights. For a long time, Atlanta's only international flight was to Jamaica.

In the early 1980s another upstart with a few billboards announced the establishment of a major international cable news network. Ted Turner, too, was ridiculed for his grandiosity, and today occupies a reigning seat in the city's business life and the international media and communications scene.

While Atlanta's grandiose announcements may seem just wishful boasting, more demurring business communities might well consider some of the advantages to be gained from selling a big vision loud and hard.

CORPORATE CITIZENSHIP

There are many varieties of corporate support for minority business activity, not all of which are philanthropic. Some of the best in Atlanta combine what is logical for their own businesses and culture with the needs of the so-called 'minority' communities.

• **BellSouth.** Like most quasi-public utilities, BellSouth's participation in progressive community work is quite extensive. It has been a leader among the TAP participants, releasing employees' time to participate in adult literacy training in all the TAP clusters. (The Atlanta Project, or TAP, is the programme launched by president Jimmy Carter that links corporate sponsors with 20 neighbourhood 'clusters' to address community problems together, and help gain access to federal funds.) Equally important, as one of the largest unionised companies in the metro region, BellSouth's employment profile

sets a local standard. It has been extremely active in diversity training and affirmative action among managers and hourly workers.

• **Cox Communications.** Cox's banner newspaper, *The Atlanta Journal-Constitution* (which was two separate papers in the 1960s) has always provided a relatively progressive editorial voice in the metro region while boosting big plans for Atlanta's economy. While it regularly draws charges of being too pro-business, during the 1960s editor Ralph McGill was the chief interpreter of desegregation for the ruling elite, showing why it was economically progressive and right from the standpoint of personal conscience.

In 1994 the paper launched an on-line information service called Access Atlanta, which featured interactive and extensive local coverage. Tyrone Terry,

the African-American news editor of Access Atlanta, oversaw an instant success: 17 000 subscribers in the first year. This kind of media outlet by nature crosses many of the physical and cultural barriers set up in Atlanta, creating a new forum for minority business advertising, and allowing subscribers to participate in the shaping of news content through bulletin boards.

• **Delta Airlines.** Delta's clerical force is a particularly visible part of the Atlanta business culture, given the traffic at Hartsfield. So when Delta commits to workforce diversity as a high priority, it provides a real contribution to the plausibility factor: that middle-class minority professionalism is a reality in Atlanta. Delta's corporate philanthropy is a reflection of the key facets of the Atlanta culture, especially internationalism and diversity. It contributes heavily to arts

By starting big, Atlanta's plans invited – nay, depended – on economic and civic participation beyond the realm of any one firm's interests. Such scale demanded planning, a process that necessitated cross-industry communication and co-operation. By articulating a greater city identity, business boosters rendered widespread growth a plausible idea. This plausibility is essential for attracting the necessary risk-taking and investment needed to stimulate major economic change. Big-scale plans also required public commitment, thereby creating a forum for the joint consideration and negotiation of other public issues that were more central to those outside the white elite business community: schools, safety, housing, jobs. Entertaining grandiose visions, the business elite asked themselves what it would take to be a real city of serious stature, like a New York, London or Barcelona. The answers took them beyond a single firm like Coca-Cola and beyond business economics to public facilities and cultural institutions. It brought them to a civic commitment. The fact that this commitment was so strategically

interwoven with economic self-interest can invite cynicism, but this approach undoubtedly got people off the dime and working together. It served to couch citizenship in terms that were philosophically agreeable in areas where business already had an expertise.

HYPING CITIZENSHIP

deeply ingrained, historic sense of civic identity also helped. In Atlanta, one is never 'just' a businessman. A business leader is by definition a leading citizen, and acts accordingly. Until the 1970s many of Atlanta's mayors were former business leaders. In a city enamoured of hype, having a personal stake in the continued welfare of the city is not allowed to be a private preference. Rather, it is given lots of advertising. Atlanta's corporate citizenship is not shy, as the worldwide advertising of Atlanta's Olympic sponsors such as UPS and Coca-Cola testify. Similarly, Jim Kennedy, chairman and chief executive officer of Cox Enterprises, is not afraid to

ATLANTA STYLE

and education around the nation, funding model programmes of multicultural arts education such as Boston Ballet's ground-breaking City Dance programme, which provides local inner-city children with professional dance training.

- **Home Depot.** Through membership of TAP, Home Depot has donated materials, labour, and expertise to a number of local community projects. It not only provided materials and labour for TAP's new headquarters, it also gave store credits up to \$5 000 to each of the TAP clusters, thereby making a substantial donation to community problem-solving while bringing new customers into its stores.

- **Georgia Power** has positioned itself as a company that uses its economic and people resources to facilitate partnerships that bring together employees,

private citizens who are customers, and non-profit service providers. Project Share, begun in 1985, is a particularly ambitious programme that addresses emergency needs for the elderly. Georgia Power customers can voluntarily add contributions of \$1, \$2 or \$5 to their monthly electric bill, and the utility will match these donations dollar for dollar.

The Salvation Army administers the programme, which provides food, medical care and utility services, country by country, according to where the donations originate.

Backing this up, Georgia Power annually gives awards to employees for outstanding service through voluntary participation. The \$1 000 award is given to a non-profit service organisation chosen by the honoured employee.

- **NationsBank.** In 1992 chief executive officer Hugh McColl Jr pledged \$10 billion over 10 years to stimulate and facilitate community-based lending in formerly underserved communities. The result is a highly complex programme of publicity, financial services and educational outreach to minority communities.

Activities range from mini management courses and loan programmes for small business owners to pilot projects on joint partnerships in community housing, and classes in financial basics such as how to run a cheque account.

One of the first activities was to issue a yearly public report on loan information, and hold meetings with local community leaders to discuss lending results. According to the bank, this is the first such programme in the nation.

Atlanta's business leaders insist on publicity rather than avoiding it, especially when it comes to civic participation. When, for example, the editor of the Atlanta Constitution failed to support Good Government Atlanta (a group of business professionals researching Atlanta's civic and economic problems in the 1960s), this elite group decided to release their reports at a time of day that would give the rival Atlanta Journal first coverage. The Constitution quickly sought a rapprochement, and became a firm endorser of Good Government Atlanta.

give his personal endorsement to a diverse workforce, or fund the media back-up to advertise this commitment. While such articulations could sceptically be classified as sophisticated PR, they help make citizenship contagious. As one corporate lawyer told me: 'In Atlanta you don't get very far unless you are seen to show some concern for the community.'

The publicised messages of civic concern may even help to attract like-minded progressive companies. Atlanta's big-hitting newcomers such as UPS and NationsBank are already leading the pack in promoting minority economic interests, in ways that are also compatible with their business plans.

NationsBank, for example, has developed a large-scale, sophisticated package of services for

small minority businesses that consists not only of special access to financing and tailored bank products, but also a multi-part course in business administration which it partially underwrites. It also has an impressive for-profit community development business engaged in new approaches to housing and small-business enterprises. Success will bring benefits to multiple constituencies:

- the minority firms;
- the banks where they do business;
- the larger community of businesses and neighbourhoods whose economic bases are improved; and
- the overall city image of being a vibrant community, thereby attracting more economic and cultural investment.

All of these factors are good for business, but depend on up-front civic commitment of the sort NationsBank has made.

PRAGMATIC RACIAL TOLERANCE

It could also be argued that the boosters' grandiose visions of creating an economic and cultural mecca had the psychological impact of imposing a certain self-consciousness about appearing to be unprogressive.

In some economies, such as southern agriculture in the 18th century, racism can be a pragmatic if morally distasteful value. In a national or international service and consumer products economy, it thankfully is not. In addition to creating possible social disturbances, the narrow-mindedness of racism signals a closed attitude to potential investors – hardly a marketing plus. To ignore or offend Atlanta's African-American market in the 1990s is to turn down a \$13 billion opportunity, lose an important labour supply, and win nothing in exchange except perhaps a sense of whiteness, a closed door at city hall, and a lot of costly social unrest.

The economic logic of cosmopolitan racial tolerance was never lost on Atlanta. Its business community historically made a connection between good image, good race relations, and future prosperity. Even in the 1920s Atlanta's business leaders (who also ran city hall) consistently backed progressive candidates – a move which decidedly ran against the political tide throughout the rest of the state. In 1961, while the rest of the south burned over school deseg-

STILL A LONG WAY TO GO ...

Minority representation on the boards of directors of 81 Georgia public companies:

- women represent 3.4 per cent of all directors;
- minorities represent 3.3 per cent;
- combined nationwide total about 9 per cent.

However, larger firms did much better :

- Coca-Cola 3 out of 13
- Delta Airlines 2 out of 13
- Georgia-Pacific 3 out of 16
- Home Depot 1 out of 11
- Turner Broadcasting System 3 out of 15
- Wachovia 2 out of 19

Source: The Atlanta Journal-Constitution, 27 August 1993

regation, Atlanta's chamber of commerce joined with church leaders and educators to demand that state legislators resist all efforts to close the desegregated schools. Eventually more than 1,000 business leaders supported a resolution to oppose resistance to school desegregation, on the grounds that a disruption of the public schools "would have a calamitous effect on the economic climate of Georgia."

Ivan Allen Jr, former president of the Atlanta Chamber of Commerce and influential mayor of Atlanta during the 1960s, was the first and only southern governor to testify in support of the Civil Rights Act (passed in 1964). Not only did this cement Atlanta's national image of being a different kind of southern city, it also encouraged president John F. Kennedy to give Atlanta access to federal troops to prevent the excessive local and state police confrontations of other rioting cities.

Although there is no doubt that Atlanta's orchestrated image of tolerance is not matched one for one with reality, the preservation of this image has repeatedly motivated the community's business leaders to engage in extraordinary efforts of personal diplomacy or philanthropy. Many of these occasions involved the simple but radical offer to accompany a black celebrity or leader to a private function in an all-white setting. Frequently, a successful business venture was the occasion for these functions, as when Xerona Clayton, Atlanta's first black television commentator, was invited to the station's Christmas party held in an all-white suburb. Clayton replicated the action by hosting biracial gatherings in her own newly integrated neighbourhood to address common concerns about property, safety, schools, and health facilities. When the meetings became too large for anyone's house, they had to be moved secretly to a nearby health facility.

Other events required more substantial support. When, for example, Martin Luther King Jr was assassinated, then Coca-Cola chairman Robert W. Woodruff called mayor Ivan Allen Jr at his home. He told Allen that when King's coffin was removed from the plane at Hartsfield, "the whole world is going to be watching Atlanta. I want you to spare no expense to see that the right thing is done." Woodruff, who was visiting president Lyndon Johnson at the time, personally offered to stand for the expenses connected with the funeral, and also loaned his plane to Coretta Scott King to carry King's body back to Atlanta.

The tradition of backroom corporate diplomacy continues. When bitter disputes over minority jobs and contracting guarantees threatened to throw the Olympic Committee's timetable fatally off schedule, former BellSouth chief executive officer and respected city statesman Frank Skinner is said to have made a late night visit to meet with all parties involved in the conflict, and stayed until a deal had been worked out. Shirley C. Franklin, one of the most influential African-Americans in a top executive position on the Atlanta Committee for the Olympic Games, is said to have been so successful at working behind the scenes that she has almost disqualified herself from gaining the media attention to run for public office some day.¹⁷

THE SOCIAL EFFECTS OF COSMOPOLITANISM

Cosmopolitanism is essentially to be at once a distinctive culture and to be open to a diversity of new people, styles, and ideas. Think Paris, London, New York. Each a distinctive culture, but also a magnet for the world.

Atlanta's visions of itself have historically featured an almost Disneyesque version of southern hospitality and worldwide urbanity. Atlantans would have you believe that the city is more southern than Scarlett O'Hara's mother, but we all know that's pure fiction. Even the famous peach tree turns out to be vastly outnumbered by azaleas and dogwoods.

The southern identity of Atlanta is as mixed up as every other part of its image. One can find numerous examples of gratitude and prejudice side by side with business organisations extending a cordial hand to international visitors and investment.

Apparently Atlanta has always realised that idealised southern urbanity and grace could be leveraged into an attractive investment package for the annexation of outsider money. Typical is the occasion when Henry Grady, Atlanta's premier booster

ON IVAN ALLEN'S SUPPORT OF THE CIVIL RIGHTS ACT:

'I would say 90 per cent of Ivan Allen's white supporters were saying to him, "Ivan, you're doing something wrong; you're crazy." But he had the courage to do it, and it turns out he was the smartest one of them all.'

— An Atlanta businessman

after the Civil War, spoke before a group of New Yorkers about investing in Atlanta. The featured guest was none other than William Tecumseh Sherman. Grady smoothly addressed his opening remarks to Sherman, allowing that 'he was considered an able man in our parts, though some people think he is a kind of careless man about fire'. In another typical speech, Grady described Atlanta as 'a typical southern city, a product of southern brains and energy'.

Make no mistake: for all the southern nostalgia, Atlanta's business gentry have never advocated a return to the past or an Atlanta made up entirely of southern money. Progressivism imposes an iron hand on any possible recidivist ideas of standing still. Not surprisingly, then, neighbourhood preservation has been a key area of conflict. As Andrew Young told a group of neighbourhood protesters who opposed the renovation of Midtown (location of the new headquarters of the BellSouth skyscraper): 'This city has no character ... We're building the city's character now.'⁹ Sometimes accused of having an 'edifice complex' Young epitomised the Atlanta determination to achieve economic grandiosity. But unlike the rather modest downtown renovations of Detroit, Atlanta's developers erected a critical mass of skyscrapers whose visual skyline performed exactly what it was intended to do: advertise the city's entry into the big league.

ECONOMIC MIX: DIVERSITY VERSUS MONOPOLY

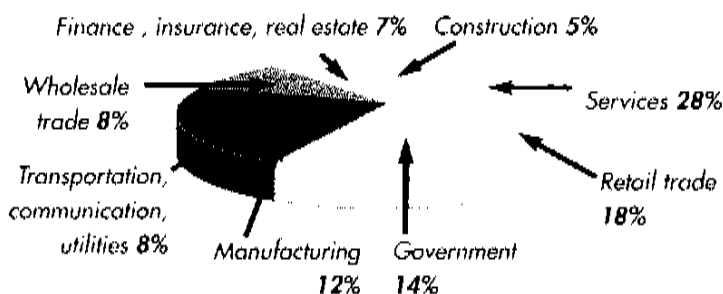
This same essential sense of pluralistic diversity has marked Atlanta's economic mix, which is clearly another factor in the city's successful growth. Blame it on history: this was no plantation town, but

the rough end of a railroad line. The original name of the city was 'Terminus'. True to this history, Atlanta's visions have emphasised junction, pragmatism, and a rather synthetic cultural identity that cottoned on to the idea of any stranger's business – as long as their business in Atlanta included Peachtree somewhere in the name or address. As the motto of the city's dominant bank (C & S) went, 'No account too great or too small.'

The trend toward a diversified economy continues today. Although Coca-Cola has dominated business leadership, Atlanta's historic ties with transportation strongly shaped the ongoing expansion of the city's economy toward a diverse and complementary mix of service and distribution businesses. As a result, large-scale civic projects in such areas as transportation were not tailored to the needs of a single dominant firm or industry. A project such as Hartsfield International Airport combined with the highway expansion could truly be said to have leveraged the resources of a wide number of business sectors: air transport, distribution, communications, entertainment, tourism, construction, and real estate development. When tied to increased minority contracting, a burgeoning black entertainment industry, and expanding contracts to third world markets, this revitalised centrepiece of the city's 'old boy' Plan of Improvement, drawn up by mayor William F Hartsfield in 1951, became a surprisingly democratising force in the economy in 1974.

It could be argued that diverse industry mix in a service economy is itself particularly conducive to economic democratisation. Atlanta's businesses visually show the public how plausible dreams have had real consequences. When black employees participate in white-collar jobs at airlines and rental car desks, progress is visible, and thus black participation in management positions is made more plausible than by the invisible factory worker shut up in a windowless plant. When the substantial black convention market (estimated at about \$6 billion a year for the US) arrives in Atlanta, there is a critical mass of visible black participation in the economy. This visibility of a flourishing group of black professionals in all industries helps to attract the black convention business, which in turn attracts black professionals to relocate to the Atlanta area. According to Howard Mills, co-founder of the National Coalition of Black Meeting Planners, a watchdog group that seeks to encourage the active pursuit of the black

ATLANTA INDUSTRY MIX EMPLOYMENT BY SECTOR - 1994



SOURCE: GEORGIA DEPARTMENT OF LABOUR

convention business, 'we want to increase the visibility of African-Americans as CEOs and general managers in these (visitors') bureaux and at major hotels.'¹⁰

By contrast, Detroit has been slow to reconfigure its visions, locking itself into the fortunes of the American automobile industry. While Atlanta followed the forward-thinking lead of the rapidly internationalising Coca-Cola Corporation, Detroit looked to General Motors, a corporation that had long resisted globalisation.

Both cities engaged in business-government co-operation, but Detroit was determinedly patterned on the ethnic tribalism of the automobile industry and manufacturing unions. In the mid-1970s, as then mayor Coleman Young cemented his much-needed alliance with GM and the unions, one began to feel that the only real African-American agenda in Detroit was to get all the existing auto jobs away from the Poles.

Even today, while the rest of the world goes service and high tech, Detroit fixedly clings to the style and strategy of a monolithic industrial past. The most recent chamber of commerce brochures seek to attract business with catchy phrases such as, 'You Auto Be In Detroit' and 'Greater Detroit. An incredible vehicle, when you consider all the options.'¹¹

For the ultimate symbol of the two cities' contrasting visions of civic expansion, and their contrasting fortunes, one need look no further than the twin towers designed by John Portman for Detroit and Atlanta respectively. Detroit's tower, built in 1976 in the heart of Renaissance Centre, still dominates the city skyline. Around it are spread smaller office buildings from the 1920s through 1950s, deliberately preserved. The \$350 million centre sold for \$72 million in 1995, and was recently purchased by GM at what *The New York Times* called 'bottom fishing prices'¹²

Meanwhile, Atlanta's Peachtree tower erected in the late 1960s has long since been forced to share space with numerous other architectural grandiosities representing a variety of industries: the various other hotel complexes, BellSouth, CNN headquarters building, Wachovia, NationsBank Plaza, Sun Trust. One wonders whether the best way to advance black economic interests in Atlanta might not be for one of the notable black businesses to construct a grandiose headquarters building. Hey! Hype is important here.

THE INTERNATIONAL IDEAL

In Atlanta, nothing gives a better clue to the city's core vision of itself than its slogans. These have universally shouted a creed of progressivism and pragmatism: 'Forward Atlanta' (1920); 'Future Atlanta' (1930s); 'The city too busy to hate' (1950s); 'A city on the go' 'The new international city' (1970s).

This last slogan, though never as popular as 'the city too busy to hate' did signify an important refinement of Atlanta's cosmopolitanism during the 1970s.

With Coca-Cola already concentrating on international markets, and local leader Andrew Young serving as the outspoken American ambassador to the United Nations, Atlanta's business and political leaders plunged into the pursuit of an international business profile, leapfrogging from 'new regional centre of the south' to 'international magnet'.

At this very time, Detroit was telling America that those Japanese cars were just a blip on the market share indicators. While globalisation may have made economic good sense in hindsight, one suspects that Coke's strategic plans combined with the Atlanta African-American community's international sensibilities towards the third world went a long way towards making what was then an untested idea sellable. Other industries, such as Atlanta's telecommunications businesses, quickly followed suit in altering their strategies.

Thinking international may have been more responsible for reconciling warring business and city hall factions than is generally assumed. Not only did it reflect a common point of reference between business and black leaders: 'internationalism' in itself also invites an attitude that is very closely tied to the promotion of desegregation.

It is important to note, however, that in Atlanta internationalism does not mean corporate contributions to local causes. It means engagement in building the world metropolis.

The very character of corporate community activity can be shaped by such world views and the language that accompanies them. When GM sought

'In 1972 the Chamber of Commerce adopted the theme, "Atlanta, the next great international city". You know what we had in the way of international flights here? We finally got one flight to Jamaica.

'In '69 and '73 and '81 the white business community backed the losing mayoral candidate. But in the second term of Maynard and Young they backed them. You could say this is just a sign of whites against the blacks. Or you could say it was the best way for the community to work through it, so it wasn't everybody jumping on one bandwagon. There was always a check and balance there. But Maynard, he stuck to his guns on the minority contracting. And we hollered, but he was smart to do it.

– An Atlanta businessman

the help of Detroit to deliver on eminent domain and destroy a neighbourhood called Poletown to allow for expanded manufacturing facilities, it took a unitesque, localised political stand, promising GM jobs (and taxes) as the key benefit.

When Coca-Cola sought permission to raze a city neighbourhood to build World of Coke, the chamber of commerce talked the language of an international cultural and business magnet: tourists, hotel rooms, supplier businesses, and the renovation of a nearby retail area (Underground Atlanta) that was itself a hoped-for revitalisation of the local economy.

THOUGHTS FROM INTERVIEWS WITH

William L Calloway

In 1975 William L Calloway became the first black officer of Central Atlanta Progress, when he served as vice-president. A businessman for more than 50 years, Calloway started his career in insurance. Within eight years he had formed the Alexander-Calloway Realty Company, to which he later added the Consolidated Mortgage and Investment Company, the first state-licensed black small loan company in Georgia. It was Calloway who first approached banker Mills Lane Jr with the idea of starting what came to be called Action Forum.

On starting Action Forum: 'I said to Mills Lane, I'll pick my seven blacks, you pick your seven whites and we'll all sit down on equal basis. I'm telling the most powerful white man we'll sit on equal basis. You sit down with your 100 million, and I'll sit down with my 100 dollars, but we'll both be equal. He should have called one of his bank guards and have me thrown out. But I knew I could say this to him.

'He got his seven whites together faster than I got my group together. It didn't take him but a day.

'Mills wasn't worried about no racial

stuff, he was worried about making money for his bank.'

On Action Forum's protocol: 'We had no inhibitions from the very start. We said what was on our mind. We didn't say that just to each other, we said it at our first meetings, that we were supposed to expect us to talk about the problems of Atlanta and community, and making Atlanta the keystone of the nation.'

On co-operation: 'I'll say one thing. It wasn't easy, but it wasn't hard either. Because everyone had everything to gain. Their businesses [those of the white elite] needed a healthy Atlanta, and the blacks needed a piece of their pie, needed to be made a part of something they hadn't been a part of before.'

On the art of persuasion: 'I used the same thing the whites used on the blacks. I said, if you're not ready ...'

On leadership: 'I have never had too much inhibition.'

On neighbourhoods: 'I broke into this neighbourhood [a suburb of Atlanta in West End]. This was an all-white neigh-

bourhood. The powerful white society wanted to stop blacks, so they had two big walls built at the entrance of the neighbourhood. There was a big wall between my house and the next one, and I'd have to go all the way around the West End to get downtown.

'I was in the real estate business, probably a little bit ahead of some of the lackadaisical ones. I had no inhibitions. I got the head of Atlanta Life and his vice-president to see this house. Two top-notch people. Someone who was white came over and said, "I'll take my shotgun out here and guard it myself." Well, they were being pushed out of their home. But it was to their advantage, because they used the profits to get a much nicer house.'

On civic networks: 'I convinced the blacks to participate in Action Forum, knowing they had everything to gain and nothing to lose. They had entrée into something they'd never had before. And the important thing was it was a totally equal conversation. One basic interest, in the good health of your city.'

On success: 'I never tried to measure success; never took some complex poll. I just didn't think about the idea of failure.'

PUTTING PRAGMATISM TO GOOD USE

Another frequent criticism of Atlanta business leaders is that their self-alleged racial progressivism is motivated by nothing more than business pragmatism. This might be an unacceptable motive to Immanuel Kant, but that should not necessarily be a reason to devalue the business culture's pragmatism. When pragmatists are embarked on expansionist goals in a diverse economy, not getting hung up on the perfect political ideal or purely regressive stand can be a democratising force. To

the degree that progress requires multi-step solutions, pragmatism can overcome resistance to taking the first step, and still leave open the possibility of taking corrective action down the road.

One of the reasons why Maynard Jackson was able to advance his goal of greatly expanding minority contracts – despite concerted white resistance – was his appeal to the business culture's values and norms even after traditional Atlanta mechanisms for backroom compromise had failed. Jackson essentially acted like a chief executive officer, stressing the \$400 million at stake in the Hartsfield project and the promise that he would get Hartsfield com-

TWO MEMBERS OF THE ATLANTA ELITE

Larry Gellerstedt JR

Larry Gellerstedt Jr headed the highly successful Beers Construction Company during the transitional years when Atlanta shifted from 0.5 per cent to 37 per cent minority contracting under then mayor Maynard Jackson.

Today, Beers Construction is run by his son, and is the primary contractor for the Olympic Stadium. A close friend of Mills Lane Jr and Ivan Allen Jr and a charter member of Action Forum, Gellerstedt was one of the fabled 'old boys' whose progressive values shaped the Atlanta business culture.

'There's something different about Atlanta. We don't know whether it's altitude or attitude.'

From generation to generation: 'Mr Ivan Allen Sr – Ivan Allen's daddy – he was the one to keep the capital in Atlanta when they wanted to move it to the centre of the state. And he was the one who told Ivan Allen Jr, "Son, your generation is going to have to face up to the black." Just like South Africa, we were sitting on an absolute dynamite keg. That sameway we so-called Bible Belt Christians could inflict on these people what we were inflicting,

and then send missionaries overseas, it just didn't make sense.'

On the international vision: 'Why the international focus? One word: Coca-Cola. Because during World War 2 Coca-Cola was so big overseas; they had Coke everywhere the troops were. I'd have to say that had some bearing at the time.

'And then Mills Lane opened a bank in Jamaica. And what in the world was an Atlanta banker doing opening a bank in Jamaica? But it was like we were in a dream world, and nothing was impossible.'

On minority contracting: 'We had two great big construction projects [Hartsfield airport and MARTA transportation system] just when the rest of construction was dead. And Maynard tells us this is a joint venture. We were furious. But we had to swallow it. I have to admit that Maynard Jackson was damn smart in retrospect to start the whole thing going.'

On Atlanta's black leadership: 'What fabulous talent there was in the black community. Herman Russell. Dr Mays. He headed the black world until school integration. Then, his influence in the white

community was amazing.

'Andy Young. Andy Young was key. If you're working with him, even if you don't agree with his interpretation of things, you just have to be impressed. For Atlanta to get someone of that calibre made all the difference.'

On upstarts: 'One of the interesting things about Atlanta is, you know, even though it's a benevolent dictatorship under a man like Mr Woodruff [former head of Coca-Cola, now deceased], this city is completely open for anyone to come in and take any degree of leadership they want.'

On progress: 'I'd say we got a long way to go. But I'd say we come a loooong way. And it's pretty solid. Preeety solid. I guess I can say tongue in cheek, those of us my age have build a d...d good plateau, and I hope this new generation don't mess it up.

'When you make progress, one thing about it, as old Mills Lane used to say, if you're out front, there's only one place you can get kicked.

'I don't know what the 1990s are. You know, now we have 10 Atlantas. Wha knows where the real power is ...?'

EXCERPT FROM INTERVIEW WITH IVAN ALLEN JR

Nash: 'What caused you to be so progressive? What drove you, for instance, to desegregate the chamber when no other southern city was doing this?' Allen: 'Well, (long pause), I guess it was the right thing to do ... It met with horrible opposition.

pleted on time and on budget. Although bitterly opposed, his demands were eventually met. The old elite may not have liked his methods, but it was lost on no one that Hartsfield's completion would infinitely increase business opportunity for construction-related businesses. Among other things, it allowed companies such as Delta and the developers in the convention industry to embark on their own expansionist plans. Delta's strategy successfully exploited the Atlanta hub concept, and eventually overtook Eastern Airlines' dominance of the south east corridor. (Hartsfield is today the second busiest airport in the world, and in the 1990s a non-Olympic year brings about 16.5 million tourists to Atlanta.)

Andrew Young also appealed to the business community's pragmatism and internationalism to overcome its resistance to his candidacy. In this he secured the help of a key business leader, Roberto Goizueta, chairman of Coca-Cola. On the eve of the election, when Young realised his victory was assured, Goizueta hosted a business breakfast with the business elite of Atlanta. This in itself signalled Young's willingness to do things the old boy's way rather than closing out the elites to city hall's plans. Young talked turkey. In an urbane speech dripping with pragmatism, progressivism and tolerance, he reminded the group that he knew he didn't have their support before the election, but that he was realist enough to know that he couldn't govern without their help. In his words, he had the power, they had the money. They needed each other. As the political scientist Clarence Stone has commented, 'Young's alliance was quick, firm, and unambiguous'. A business leader who attended that meeting told me that the event was notable because it made sense. The incident is typical of the Atlanta propensity for common sense to win out over more utopian ideals that would require unknowably more time for consensus-building.

The prototypical example of how the Atlanta business ethos sometimes motivated unprecedented

biracial co-operation is the creation of Action Forum, a by-invitation-only network of top business and community leaders. At the end of the 1960s, a new black political agenda was taking shape. The white and black elites were having unprecedented difficulty in securing public approval of their goals. William Calloway, a prominent black businessman, made a personal call on Mills Lane, influential head of C & S bank and the man who had personally financed the building of the stadium when no one else would step up to the then non-existent plate. Recalls Calloway:

'I told Mills that he and his crowd didn't understand what was happening in the city any more, that they were their own worst enemy, and that it was time to find a new way to learn about the city's problems, to get in touch with black business leaders as well as the new politicians and educators.

In language that 'you didn't use at that time to whites', Calloway told him, 'We're gonna save yo city from yo selves. [his emphasis].

Calloway's good connections made him plausible in this city of insiders, but it was his appeal to pragmatism and progressiveness that went straight to the Atlanta business culture's heart. Whereas other chief executive officers might have been incapable of listening to Calloway, Lane agreed to call together seven leading members of the white business elite of the city, to meet on an equal basis with seven black leaders identified by Calloway. They agreed to get down to the business of addressing whatever civic problems were getting in the way of Atlanta's progress. The first issue taken on was the resolution of the community's bitter resistance to court-ordered desegregation of the schools.

Action Forum has continued for more than 20 years. It has repeatedly put its combination of business and non-profit leadership muscle behind issues that have affected not just business but community welfare: tax issues, municipal restructuring, the placement of more blacks on corporate boards of directors at white businesses (Coca-Cola headed this committee), and increased the hiring of graduates from the local black colleges. Perhaps its weakest areas of effectiveness have been housing and primary education. Although these problems also affect many other cities, in Atlanta the particular nature of these issues may make it harder for the business community to exert its customary leadership. Housing often has an anti-progressive element to it, as for

example when the preservation of existing communities is the unassailable priority. Education has always been particularly recalcitrant in its response to market forces, stymieing the commercial approach.

A review of the private history of Action Forum's accomplishments supplied to me by one of its most devoted members, attorney Michael Trotter, reveals a consistent pattern of the key values people love to hate about Atlanta.¹⁶ The self-consciousness that racial problems would present a blemished image to potential investors, the pragmatism to get a good economic deal out of citizenship, the propensity to value grandiose office development over local housing.

But before rejecting this group, consider the context. Make a comparison with other cities that were undergoing the same seismic disruptions of the racial and economic status quo. Atlanta's cluster of despised values looks particularly effective at directing change, rather than being overcome by it.

OLD BOY NETWORKS WITH A SLIGHT TWIST

Such behind-the-scenes discussions are the typical modus operandi of the Atlanta business community. Efficient, they clearly provide a way of saving face by keeping the arguments in the family, and disciplining those who don't co-operate by excluding them from important decisions.¹⁷ An important point about Atlanta's elite power structure that is frequently overlooked is that the members of these elites are essentially upstarts. A second-generation member of the business elite is relatively hard to find; with the exception of Ivan Allen Jr, Coca-Cola's chairmanship has never been occupied by family legacies, while one of the most influential members of the Atlanta business elite in the 1960s and early 1970s (Mills Lane Jr) was from Florida.

Consequently, although the power structure is relatively concentrated, its boundaries are fluid. Elites have to be quickly constructed in Atlanta, but the well-oiled hype machine provides innumerable outlets for creating local heroes, from the many newspapers and lists of business leaders published by local presses to the eternal 'celebrations' sponsored by businesses, such as Turner Broadcasting's recent Trumpet Award, or the NAACP's Image

At the Commerce Club you had to wear coat and tie. One day Mr Rich proposed turtlenecks. Everyone thought that was OK. Mr Woodruff [the legendary head of Coca-Cola] was a little deaf, and asked Ivan Allen what they were talking about. Ivan said, "Boss, they said they're going to change the rules, said they want to wear turtlenecks." "Well, that's a bad rule." So it wasn't changed.

- Story told by several Atlanta businessmen

Award (hosted where else but Atlanta?) to salute black achievement.

Through such efforts, Atlanta's business leaders become public celebrities who travel with other public celebrities, thereby enhancing their power to endorse civic projects and stimulate participation in civic causes. Whereas Boston business leaders maintain Brahmin standoffishness in an arcane and secretive group called The Vault, Atlanta's upstarts go public, issue massive recommendations for the city's development (sponsored at private expense), and hype their networks for all they're worth.

NETWORKS AS DEMOCRATISING FORCES

cultures tend to imitate the behaviour of their elites, and the network model of Atlanta's old boys has been replicated repeatedly to provide important business-city hall alliances. Key among these have been the Central Atlanta Progress Committee (CAP), Research Atlanta, Leadership Atlanta, One Hundred Black Businessmen of Atlanta, and various committees of the chamber of commerce.

One such committee was instrumental in pairing up public office holders with a biracial team of business leaders during the uneasy days of Maynard Jackson's first term in the early 1970s. This network visited other cities to encourage investment in Atlanta, and became a chief vehicle for cross-business co-operation on advancing Atlanta's dream of going international.¹⁸

Today a number of strong business networks continue to encourage black entrepreneurs. An enquiry at the Atlanta Chamber of Commerce's Minority Business Development Council, for example, can put a businessperson considering compa-

ny relocation in touch with a list of more than 200 minority¹⁸ business professionals to learn more about Atlanta.

While the business networks of Atlanta have achieved many things, including the important provision of a unified voice to give city hall clear signals that can be acted on, it is their efficiency and strict co-operation that are most memorable. Take the occasion of the vote to desegregate the Atlanta Chamber of Commerce. Ivan Allen Jr, a good friend of Woodruff's and Hartsfield, and soon to be the next mayor of Atlanta, decided that 'it was time'. He told Woodruff that, as president of the chamber, he was going to recommend an end to segregation at the next meeting. Ralph McGill, editor of the *Atlanta*

Constitution and a member of the elite, encouraged both men in this action, arguing that this image of a segregated Atlanta was hurting progress. The idea was clearly opposed by Lester Maddox, who knew the issue was coming up and posted billboard notices all over town proclaiming how he would take all his business out of the city if the chamber ever integrated.

Allen delivered a well-crafted, impassioned speech, arguing the PR and economic aspects of the issue, and concluding, 'It was time. It made sense. At the end of his speech, the room fell silent. Not a soul clapped. Then, at the back of the room, the quiet, deliberate voice of Robert Woodruff (fondly known to all as 'Boss') could be heard making what was

Action Forum has been an enduring mechanism for bringing Atlanta's private sector leaders together to address economic and social problems. The history of this group is an interesting example of how key values in Atlanta's culture are exploited to secure biracial, cross-industry co-operation and unity on important development issues.

During the 1960s a number of private 'research' groups and biracial alliances between blacks and progressive whites in leadership positions created a common stand to lobby on city issues such as crime and juvenile delinquency, property tax, and the desegregation of schools. One of their greatest accomplishments during this period was to break the stranglehold on the board of education, and elect more progressive members to the board. It was at this time that the noted educator and former president of Morehouse College, Dr Benjamin E Mays, was made chairman of Atlanta's School Board, the first African-American to hold this position. Mays won this position in large part because a young white lawyer at a prominent law firm, whose clients included key corporations in Atlanta, introduced Mays to his

senior partner. This member of Atlanta's most elite decided on the spot to personally contribute the money to cover Mays's qualifying fee for the candidacy. The black-run Voters' League and the progressive business elites rallied the votes.

By the end of the decade, the old guard of blacks and whites were significantly divided over many issues, including the mayoral candidate. During the next four years several private groups were formed to take a long-range, comprehensive look at Atlanta's problems. Chief among them was Research Atlanta, a non-profit organisation of professionals who conducted the extensive research necessary for addressing city planning. Its founders included a Georgia Tech professor and a dean, several key white developers and construction firms, Paul Austin of Coca-Cola, a banker, and a few specialists in economic development.

Meanwhile, a stagnant real estate market, continued school and neighbourhood unrest, and the appearance of upstarts such as Maynard Jackson, with the widespread popular support of the neighbourhood organisations, left some

white business leaders wondering out loud if Atlanta had any future. White flight seemed on the rise, and pessimism about the city's future was causing national lenders to withdraw from the city's real estate market.

Into the fray stepped one William Calloway, a prominent black businessman. He personally went to the office of prominent white banker Mills Lane Jr, the man who in 1960 sent 2 000 post cards to his friends suggesting they run Ivan Allen Jr for mayor. Calloway made his historic proposition: that each man would select seven peers to serve on a biracial leadership committee that would meet privately once a month to discuss Atlanta's problems and future on an equal basis. Calloway's key argument was that something had to be done to keep Atlanta moving forward, and the white elites were clearly at a loss as to what it was. Said Calloway, 'We're gonna save yo' city from yo'selves.'

Lane agreed, and called together a hand-picked group to hear Calloway out in a private room at the segregated Commerce Club. The group agreed to participate, and Calloway rallied his seven black leaders, who were business-

HISTORY OF TH

posed as an offhand remark to the person next to him. Said Woodruff in his slow drawl: 'I believe the boy is right.'

The chamber was promptly desegregated without further discussion. Within seven years it elected its first black president, Jesse Hill of Atlanta Life, and a leading citizen of the black business community.

So, too, when Dan Sweat, then chairman of Central Atlanta Progress, learned that the city was about to pass on two opposing bids for a major development project (Bedford Pine), he was able to summon a handful of Atlanta's top business leaders in less than six hours to settle on a total financing package for the CAP proposal. Sweat believes their abil-

ity to present a completed financing plan sold the committee the next day on CAP's proposal. He also noted that few cities have a group of chief executive officers who are thus accessible and willing to cooperate with each other.

In talking with Sweat, who has lived modestly in a downtown housing renovation project for years, I got a great insight into just how genuine Atlanta's taste for the grandiose vision is. Why, I asked, was this particular project so important? He stared in disbelief, and then turned to the one photograph in his office: a panorama of the city's skyline. He pointed to a sweep of trees and buildings that dominated the foreground, and said, as if to a child, 'Why. It was so big!'

ACTION FORUM

men and key community leaders such as Lonnie King, head of the local NAACP.

Action Forum has continued for more than 20 years. Every major elected official is pleased to be invited to speak to the group, and in several cases members of the forum have persuaded a cautious business community to participate in city hall's agenda.

The first guest was Dr Benjamin Mays. Subsequently another guest, Judge Griffin Bell, made the case that Atlanta's unresolved school desegregation case — the slowest in the south to be resolved — was marring the city's reputation for progressive race relations and its image as a leader. The forum resolved to intervene, working with the court-appointed head of a biracial committee whose key member was already on Action Forum. The plan they endorsed was opposed by the national NAACP, and when it passed, the Atlanta chapter and key black forum members were suspended from the NAACP.

Over the years Action Forum has repeatedly lent its muscle to help resolve a variety of development disputes, tax issues, municipal restructuring, employment practices, and the placement of

blacks on corporate board of directors at white businesses. Perhaps its weakest area of effectiveness has been housing and primary education. Although these problems also affect many other cities, in Atlanta the particular nature of these problems put them in sharp conflict with key values of the business community. Housing often has an anti-progressive, anti-business element to it, pitting the preservation of existing communities against disruptive development plans. One looks forward, the other looks back. In education the particular mix of players — often not the business elites — and the drying up of federal funds have stymied reform efforts. (Interestingly, UPS has now made education a primary area of focus for its community activities, largely in response to its own employees' concerns.)

Action Forum's decision-making has reflected many of the key factors mentioned in this article. A review of the private history of the forum and other accounts shows that when progress flagged, the traditional appeal by members of the elite to Atlanta's self-conscious sense of image and its economic ambitions served to motivate further commit-

ments.

The group's power has been real, but hard to measure. It has been accused of being a backroom coercive influence on city hall. It has also been accused of being out of touch with the younger entrepreneurs in the city. As the metropolitan region grows, and federal funding of many social services are cut back, the problems of Atlanta's poorest residents become more diverse, even as the community's business interests begin to conflict with each other.

Despite these obstacles, Action Forum has clearly used its closed-door community of trust to organize business leadership and community leadership toward common goals, working off the cluster that most appeals to Atlanta: progressive pragmatism, and a deference to the elites.

When in 1991 Roberto Goizueta calmly proposed the first woman member of Action Forum, his proposal went through without comment. As Mike Trotter, a corporate lawyer and key go-between for Action Forum as well as Research Atlanta put it, 'We all knew it was time. He was right. There didn't need to be any discussion.'

ATLANTA'S BLACK HIGHER EDUCATION INSTITUTIONS

ne final network that cannot be underestimated is Atlanta's elite group of black educators and religious leaders, trained or working at the six-college consortium called Atlanta University. Every business leader whom I interviewed eventually cited the city's black education institutions and their leaders as a key factor of integration's success. This group has shared white Atlanta's values cluster: progressivism, and the development of a national or international reputation through such leaders as W E B DuBois, Benjamin Mays, Martin Luther King Jr, or Johnetta B Cole. A network of successful alumni use their international celebrity status to expand the colleges' support. Camille Cosby's \$20 million grant to Spelman College, and filmmaker Spike Lee's fundraisers for Morehouse, are a case in point.

Ironically, these institutions owe much of their success to the maintenance of a separatist identity. At the same time, they have been feeders for Atlanta's desegregation of its economy and cultural life. The city's black college network draws in

many new blacks to the local economy, and alumni of Atlanta University can be found in executive positions at all the major companies. Carl Ware, senior vice-president of Coca-Cola and president of Coca-Cola Africa, is chairman of the board of trustees at Clark Atlanta University.

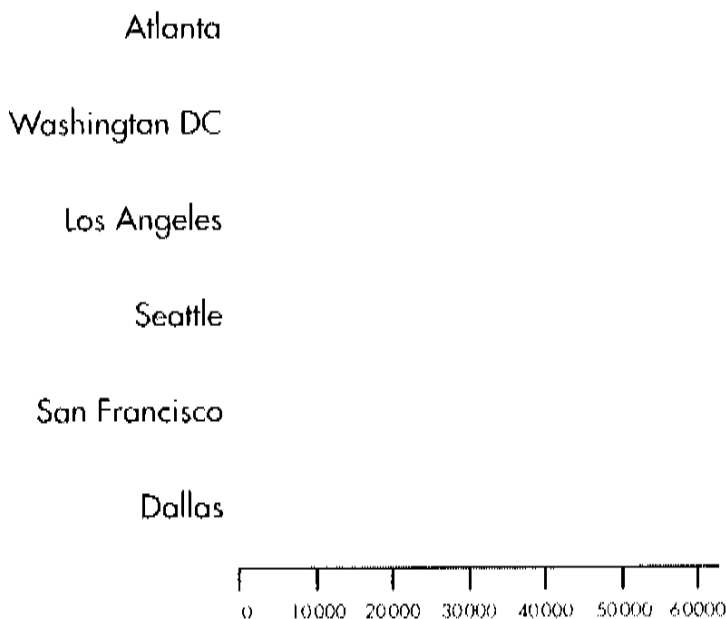
Leaders and alumni of the Atlanta University complex have a strong showing on boards of both leading businesses and educational institutions of the area, despite the fact that the overall African-American and female representation on the boards of the largest companies remains low.¹⁹

The contribution of the black colleges, however, must be measured beyond how many executives they place in business. Long before there were affirmative action mandates and diversity training programmes in corporations, these Atlanta universities were creating plausible models of black leadership in the educators, preachers, and doctors who made up the larger part of their alumni professionals. Benjamin Mays, Martin Luther King Jr, W E B DuBois, Maynard Jackson, city council man Marvin Arrington, Michael Lomax, and a host of others are all graduates of one of the six Atlanta University colleges. As educators with a reputation for national leadership, people like Benjamin Mays had the qualifications to be key players in the new alliances between the progressive white elites and the black community during the 1960s and 1970s. As one white executive from that period commented:

'When you got to the 1960s, these things [Atlanta's black educational institutions] had been going on for 100 years, and none of us could deny we were as lucky as hell to have those things in place. You talk about difficult times to negotiate—but you had these tremendously smart, educated blacks, and even if you were prejudiced, you couldn't sit down at a table with a man like Benjamin Mays and conclude anything but that this was a man of integrity who understood what was going on.'

Businesses in Atlanta understand the contribution these universities make to the city's cultural and employment profile, and leading businesses give substantial financial support to them. The Olympic Games Committee will leave a building legacy of more than \$300 million in major new sports and housing facilities at Georgia State University and the Atlanta University complex. Generally speaking, the traditional Atlanta pattern dominates this

NET MIGRATION OF COLLEGE GRADUATES, 1985-1990



Source: University of Michigan Population Studies Centre, 1994

giving: Coca-Cola sets the pace. When, for example, Morris Brown College recently announced crisis-level budget problems, the Atlanta business community committed \$7 million within one week, reportedly under the leadership of the Robert Woodruff Foundation.

FIRST CITIZEN IN THE CITY OF HYPE

uch leads to the key question everyone asks about Atlanta: where is Coca-Cola in all this? The answer is, everywhere. The company stands as the prime symbol of Atlanta's characteristic hype, irony, and economic success. Undeniably progressive, the company has exercised indisputable leadership in breaking down racial barriers: the first major American company to feature advertisements showing blacks and whites together in 1969, the first to appoint a black person on its sales force.²⁰ Lest this be seen as a ho-hum decision, it should be recalled that he and his white partner were greeted with death threats at various hotels and motels throughout the south for years. Coca-Cola has also been the model progressive employer of women. Gozueta was the first to propose a female member to Action Forum (in 1991).

Coke's leaders have always been the key players in Atlanta's behind-the-scenes power regimes. A typical scene was that of the announcement of the Olympic award to Atlanta. Former mayor and city ambassador Andrew Young joined Coca-Cola chairman Roberto Gozueta with arms raised to announce the city's victory. For this event, Young was wearing a red and white striped sports shirt with 'Coca-Cola' emblazoned across the front.

What has motivated Coke's unflagging participation in Atlanta's economic and democratic growth? No one at the company would allow me an interview, despite two years of trying. Interviews with other Atlanta 'old boys' however, uncovered a universal admiration of and deference to the late Robert Woodruff.

It can truly be said that Atlanta had in Woodruff what the ancients would have called an exemplum of successful business leadership, one that was marked by equal parts market brilliance, economic ambition, and local civic pride. Woodruff's leadership and philanthropy vis-a-vis the city's cultural

ON THE BUSINESS COMMUNITY'S FAMOUS NETWORKING:

'It was basically a benevolent dictatorship, and no one was rebelling against that dictator. Mr Woodruff was that dictator. If you disagreed, you wouldn't be heard. And Mr Woodruff would tell you the band. He'd tell you the whole story – when to start and when to stop. Later the whole relation came apart. Mr Woodruff was getting older, and we lost the ability to elect the mayor. Then you changed. It was harder to believe the band.'

– Member of the Atlanta elite

institutions are legendary. His capacity as first citizen and business mogul set the tone in Atlanta's business culture.

Again, the ironies are everywhere. Coca-Cola, as one of the most powerful marketing machines in the world, is the natural first citizen in this city of hype. Its particular brand of synthetic internationalism has attracted numerous criticisms for Americanising other cultures, trivialising human experience, or exploiting profound human values for commercial ends.

While these are legitimate reservations about the social effects of commercialisation, it must also be acknowledged that these same forces can be democratising influences. Coke is the Great Leveller, the company which tries through image to create a worldwide bond of mutuality through an ethic of dignification and inclusion (remember the World of Harmony ad shot on a hillside, where all the people of the world came together?)

While the exploitation of social harmony for commercial reasons gives the idealist pause, it must also be acknowledged that there are few stronger democratising influences on the heart than a Coke ad.

And, like it or not, without such gut motivation, politically mandated programmes haven't got a chance. Coke's manufactured ethos 'fits' with a newly democratising population.

In the 1960s and 1970s, Coke advertising played a major role in reconstructing the image of African-American consumers, especially in the south. The trend began in the 1950s, when black sports heroes became spokespeople for the product, and in ads in

'There is no doubt that back of all this was that fact that Atlanta had such high negro education. And the greatest example was the King family.

– Ivan Allen Jr, former mayor of Atlanta

the 1960s a new middle-class black was seen to share not only Coke but the Atlanta ethos: glitzy, cosmopolitan, affluent and inclusive. Could the plausible image have paved the way for a quicker sprint to reality?

It is tempting to draw a causal link between progressive business cultures and Coke's focus on con-

sumer products. Coca-Cola must be particularly sensitive to large-scale social forces, in order to appeal to its markets.

It is more in the nature of a consumer products firm to respond when consumer preferences change – even if the change is political – rather than resist shifting social forces. Not surprisingly, Coke saw very early on that it could not avoid being involved in the South African problem, and so became an early and continuous ambassador for anti-apartheid political change.

In short, the Coca-Cola Corporation and its leaders have epitomised the double-edged strengths that

ON BECOMING AN ATLANTA CORPORATION:

It is axiomatic that strangers often generate the best insights into a culture. The relocation of UPS from Connecticut to Atlanta offers a fascinating snapshot of how the Atlanta culture treats potential newcomers, and what draws the outsiders into the fold.

How Atlanta won the UPS relocation

In 1990 UPS's senior management decided that the company had to relocate from its home in Greenwich, Connecticut. Among other things, the cost of living in this posh suburban community outside New York City had become exorbitant. When UPS people moved to headquarters, where the average single-family home sold for \$338 000, they frequently faced a downscaling of lifestyle. (At that time, the average cost of living was \$569 000 in Greenwich, \$138 000 in Atlanta.) Consequently, UPS was having difficulty in attracting good people from other parts of the nation, and for the first time in its history, employees were refusing to relocate to headquarters.

In a highly secret and rigorous search process, four cities were presented as possible sites for relocation: Baltimore, Cincinnati, Atlanta and Dallas. Cincinnati

was quickly but reluctantly eliminated on the grounds that it was reputed to be Proctor & Gamble's city rather than a mecca for a critical mass of Fortune 500 firms. Atlanta, with its large industry mix and growing list of international office locations, suffered no such problems. It had the scale to absorb the sudden entry of more than 400 executives into the housing market. It had the transportation hub to accommodate mega air travel for headquarters staffers (estimated at the time of the move at 18 000 trips per year, compared with an average 500-600 for most firms). And Atlanta businesses had the telecommunications capacity (fibre optic, ISDN, and digital switching service) necessary for competition in world-wide delivery service. What they didn't have, they knew they could get without undue interference from local authorities.

During the anonymous visit by top UPS executives, the Atlanta Chamber of Commerce did what it did best: convey its world-class values and local hospitality. At 48 hours' notice, the chamber was able to put together a full itinerary of visits with top people from all the major companies and community organisations: Coca-Cola, Delta Air Lines, C & S, Georgia-Pacific, BellSouth, political leaders, and newly relocated organisations – 26 top people

scheduled back to back for two days.

UPS execs had insisted on no videos and no questions: just let them get a 'feel' for Atlanta. All the interviewees welcomed their visit, and were ready to answer hard questions. The chamber representative showed them a simple, efficient restaurant, and delivered them to the airport five minutes ahead of schedule. As they were leaving, she allowed as how 'we would welcome you to Atlanta, whoever you are.'

Financial and zoning concessions were important, but according to several accounts of the move, the relocation decision was not made on financial grounds alone. (Dallas would have won out.) 'Soft' values such as quality of life and local community ran back to back with hard questions about time to airport, frequency of flights, etc. Not only did Atlanta 'look' like suburban Connecticut; the city's mix of polite urbanity aimed at world-class growth also fitted with the UPS style. (UPS is the largest package distributor in the world, with a strategy for international growth, but has also always been a pragmatic, 'hands-on' company, where managers help to deliver packages off the trucks during busy holiday seasons.) The next great world metropolis had a new star in its corporate crown.

contributed to Atlanta's success. Its corporate strategy, which increasingly focused on international sales from the 1950s on, was a perfect privatised arena for Atlanta's own international ambitions. The company's progressive and pragmatic culture 'fits' Atlanta – or Atlanta's fits the company's. Coca-Cola understood the importance of image better than any company in the nation, and capitalised on an image of Coke as the universal drink, the chosen elixir for a world in perfect harmony.

What better symbol of Atlanta's ironic character than a company whose slogan for its image product was 'The Real Thing'?

THE RELOCATION OF UPS

... and after the move

While UPS and Atlanta were a good fit to begin with, there are signs that the Atlanta culture has rubbed off on the newcomer, honing some of its traditional strengths and redirecting others. Historically this management-owned firm had kept a low corporate profile. Until 1987 it had never had a major advertising campaign. Its extensive corporate philanthropy was almost disguised from public view through foundation names such as The Annie Casey Foundation and the 1907 Foundation.

All that has changed. Since 1991 UPS has crafted a major overhaul of its image, and it now claims boasting rights for growth and clout even among Atlanta companies. The whole marketing image has been fine-tuned to stress modernised, worldwide delivery service. UPS has become a key corporate citizen of Atlanta, especially in the area of local arts support, which was notoriously weak in the city compared to other philanthropical categories. It was a leading and early sponsor of the Summer Olympics, and a strong participant in community partnerships. Its workforce has nearly doubled since the Atlanta move, and it now provides more than 7 770 jobs in

CONCLUDING REMARKS

Typically, the establishment of effective co-operation between business and government is described in transactional terms: company A agrees to hire X number of minorities in exchange for tax concession Z. Thus the power to achieve civic goals is understood as a function of the bargained pursuit of concrete interests between the public and private sector.

While transactional models are no doubt accurate in so far as they go, and certainly applicable to Atlanta, they fail to identify the cultural nuances of

the metro area. Air flight segments in and out of Atlanta for corporate staffers have jumped from 18 000 in 1990 to 81 000 in 1992!

But perhaps the most striking symbol of UPS's entry into the culture of 'big images' is its Atlanta headquarters building, a record-breaker of innovative design and scale: 620,000 square feet in two seven-story structures connected by a five-story bridge – with a natural ravine running through it.

More than 300 pieces of spectacular craft art (textiles, glass, ceramics) are tucked into every corner of this building, and celebrate finely crafted traditions from cultures around the world.

A company communications piece on the building represents the new UPS very well, and also happens to express the traditional Atlanta mix of progressivism, global vision and hype:

'Our goal was to reflect the global image of a forward-thinking company while maintaining the UPS traditions that still contribute to our success ... we want to share with you some of the building characteristics that embody that image, and also reflect our pride as the worldwide leader in package distribution.' Sound familiar?

And what about Atlanta's old boy

network of upstart elites? Were the yanks able to play the Atlanta game? UPS is of course represented in the small elite group in Action Forum, but perhaps even more telling was its choice of general contractor for the new headquarters: Beers Construction Company, the outstanding firm run by one of Atlanta's leading families, the Gellerstedts.

Larry Gellerstedt Jr, one of the progressive insiders of the 1960s and 1970s, builder of the Atlanta Dome and a great friend of Mills Lane Jr and Ivan Allen Jr, was the first major Atlanta contractor to achieve significant levels of minority participation in subcontracting. (The firm is also chief contractor for the Olympic Stadium).

When UPS set a condition of 30 per cent participation of minority and women-owned subcontractors in the \$75 million headquarters construction, the current head of Beers, Larry Gellerstedt III, already had the network in place.

UPS's new slogan, appearing on all its trucks, is: 'Worldwide Delivery Service'. And now on the side of every truck, in similar style: 'Worldwide Olympic Sponsor'. As Ivan Allen once said of developer John Portman, 'He stuck with the city, and he made millions.'

nontransactional behaviours that also appear to play an important role in motivating co-operation, or co-ordinating diverse goals to a common end.

Atlanta's story suggests that corporations need to take a strong part in interactional events and relationships that help to shape values and expectations in a community, and help make things happen across corporate or industry boundaries.

This latter role is crucially important in communities such as Atlanta, where, in the words of Xerona Clayton, a senior black woman executive at Turner Broadcasting Systems, 'the law was there, but the attitudes and opportunity were not in place'.

This report has suggested that the particular mix of cultural characteristics among Atlanta's progressive white business elites and black professionals — though superficially quite undemocratic — played a crucial role in overcoming what was by any measure a racial and economic standoff in the 1960s and early 1970s. The cultural bias of Atlanta — its deference to elites, love of hype, tendency to network, the common vision of commercial progress tried to international acclaim for the city — was repeatedly a key energiser when serious conflicts threatened to stymie co-operation. Inevitably, you have to be a bit cynical about Atlanta's particular formula for success. The culture's very strengths seem inherently weak because of their superficiality: image, crass commercialism, Disneyesque grandiosity packaged as cosmopolitanism. This second look at the results of those values argues that corporations and communities should rethink their assumptions about the key ingredients of civic growth, or what constitutes truly civic values on the part of a business.

It is unclear whether those cultural characteristics are present to the same degree of consistency today in Atlanta. It is unclear whether the rather coarse commercialism of this civic ethic can be 'refined' to accommodate less commercial values in the areas of the arts, education, or the use of urban spaces. It is also a matter of a continued difference of opinion whether these values provide the 'best' possible platform for social and economic change in today's environment.²¹

Nonetheless, the ironically democratising effects of Atlanta's business and civic culture should be considered for their success at roughing out a broad-based platform for co-operation and progress. The differing fortunes of the major American cities that underwent radical racial changes in the balance of

political power in the early 1970s is a sharp reminder that transactions of self-interest, even enlightened self-interest, do not necessarily provide the necessary critical mass for achieving co-operation, desegregation and economic growth. As Newark, Washington, DC, Detroit, and a host of other cities demonstrate, businesses and governments have a great deal of difficulty in agreeing on viable economic plans, and then seeing them to completion. Atlanta demands attention for the results it has achieved.

We winced, but it worked.

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'This issue [racism] is so big. It's about changing habits, and everything's tied into it. It took so much. It took a fair voting act, desegregation of public facilities, housing. Every one of these changes took a legislative act that was monumental. But you can't get discrimination out of people's minds. It's there. And of course, no one likes to give up special privileges ... We had a really strong business civic community. Not everyone, not always. But it was natural for a city that prided itself on its growth and development, and raised such huge sums of money, to become more concerned about the state of the community.'

Ivan Allen Jr, mayor of Atlanta in the 1960s

ON JOINT VENTURES WITH MINORITY CONTRACTORS:

'We did our first joint venture project at Atlanta University. Herman Russell sent one of his young people to work in our office for a year. That man is still around town, is an adviser on one of our projects now. Now Herman Russell competes for contracts against me. On the other hand, some joint ventures were shams.

Is it right? It probably cost a little more. On the other hand, having a competitor keeps me more honest. And if the competitor is black, it's a model for black youth. And that's good.

My son has run the business for six or seven years. He's taken advantage of joint ventures more than I did. I have to say I did it because I had to, but my son is just doing it, all the time. Financially it's been good for us. You can say I'm real do-gooder, or say, that guy just did what's good for his business. But the answer is, it's both.'

– Larry Gellerstedt Jr, contractor at Atlanta Stadium, NationsBank Plaza, UPS headquarters, etc

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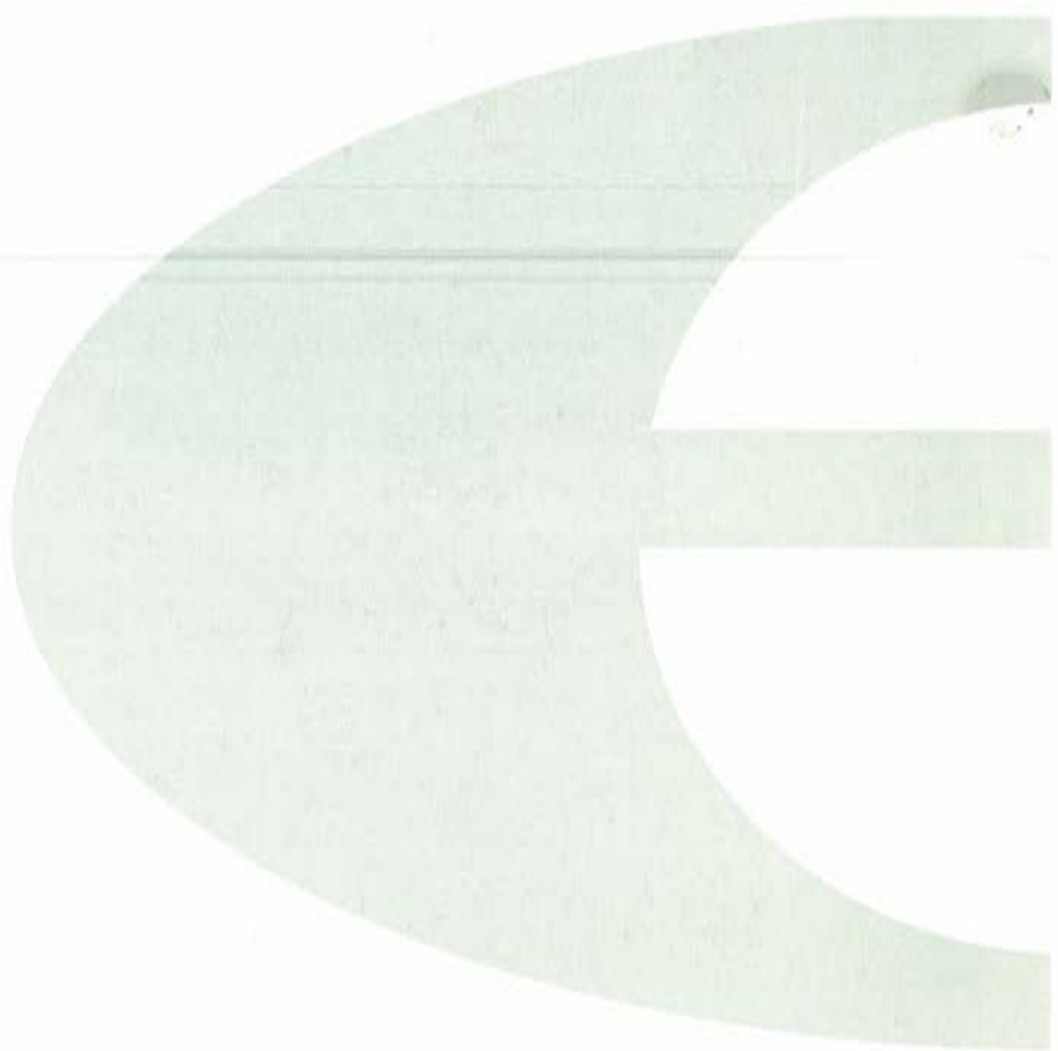
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