ABSTRACT

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BARNES, CLAUDE W., JR. M.A. ATLANTA UNIVERSITY, 1982
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POLITICAL POWER AND ECONOMIC DEPENDENCE: AN ANALYSIS OF ATLANTA'S BLACK URBAN REGIME

Advisor: Dr. William H. Boone

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This research develops a case study of Atlanta as a Black Urban Regime in the post-civil rights era. Simply stated, this study presents a description and limited evaluation of how one Black Urban Regime responds to the central dilemma faced by such power structures—the contradiction between the demands and needs of its electoral constituency versus the demands and needs of the economic context of the city.

Data for the study was obtained through a critical reading of the urban political economy and black politics literature, an examination of the papers of Mayor Maynard H. Jackson housed in the Robert W. Woodruff Library of the Atlanta University Center and through interviews with policy analysts, researchers, and academics.
One of the major findings of this study is that black urban administration is severely constrained in the policy options that can be pursued by the investment context of the city.

The study confirms the hypothesis that two decades of black political management and leadership of the city has not altered the basic pattern of investment and economic activities in the city. Black political leadership's approach to economic development policy is basically the same as white business interests. Black political leadership does not focus on structural causes of the urban crisis and does not offer structural solutions to the problems faced by its most numerous and most important electoral constituency. Hence, the emergence of Atlanta's Black Urban Regime represents policy continuity as opposed to fundamental change in urban development policy.
POLITICAL POWER AND ECONOMIC DEPENDENCE: AN ANALYSIS
OF ATLANTA'S BLACK URBAN REGIME

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CHAPTER I
INTRODUCTION

Black Urban Regimes, Urban Political Economy and the Study of Afro-American Politics:
Atlanta as a Case Study

The civil rights leadership greeted the passage of the 1965 Voting Rights Act with a great deal of optimism and excitement. Black activists predicted a fundamental restructuring of political power in the South and in jurisdictions with large black populations. Chuck Stone cheerfully observed that the age of the ballot is upon the black man. Black radicals such as Malcolm X were describing the current period as the era of the "ballot or the bullet."\(^1\) The removal of historic barriers to black electoral participation plus the hectic pace and relative success of black activism gave considerable credibility to those suggesting that a new era in American politics had arrived. Apparently, protest politics was superfluous and

it was time to move the black struggle away from the streets and into the voting booth.²

The net result of this shift in political strategy was the dramatic increase in the number of black elected officials. Black elected officials increased from approximately 280 in 1968 to more than 7,370 in 1990.³ It was thought that major changes in the socio-economic status of blacks could be obtained from the vantage point of political power. While black electoral ascendancy steadily increased for almost two decades, the expected changes in the status of the black community did not materialize. In fact, a number of commentators document the deterioration of the life conditions for blacks, the poor, as well as the middle class.⁴ What happened? Why did the expected results


from the conquest of political power fail to materialize? Is the quest for political power irrelevant in the context of the post-civil rights era?

One way to address these and other questions about the status of blacks in the United States is to analyze developments that have been taking place in the political economy of international capital and focus on the emergence of Black Urban Regimes in particular. There are dramatic changes taking place in the political economy of world capitalism that have a profound effect on urban America. According to A. J. Scott, for example: "The old hegemonic regime of Fordist Accumulation has progressively been giving way to a new regime of Flexible accumulation".5 In the post-World War II period, many have seen the collapse of the Bretton Woods system, the spatial reorganization of capital as well as a corresponding shift in the mode of social regulation. The cities have adapted to these changes after going through a period of rapid decline by changing their


function in the hierarchy of capitalist organization. Many cities are no longer primary sites for industrial production but now serve as centers for advanced services for corporate activities.

Along with accounting for the overall political economy an explanation of the declining status of the central city residents would benefit from an analysis of the emergence of Black Urban Regimes. Black Urban Regimes refers to those municipalities (50,000 and over in population) where a stable set of conditions ensure that the political leadership of a city will be predominately black.\(^6\) These urban administrations have come to power at that very point in the history of cities where the economic context severely limits the policy options available to urban political leadership. In contrast to the ethnic succession model, black political empowerment is not sufficient to address the structural problems of poverty, unemployment, inadequate

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BUR are the key to understanding the problems of race, class, and political power in urban America. These structures are produced by forces driving modern capitalism and illustrate one of the ways in which large urban areas respond to the reorganization of production. Analysis of the origins, growth and development of these urban phenomena should reveal both the limits and possibilities of modern liberal democracy. At the very least, a study of these power configurations should expose the limits and possibilities of black political power.

Preliminary work in this area identifies some of the systemic constraints faced by black urban administrations:

The dynamics that make possible the empowerment of black regimes are the same as those that produce the deepening marginalization and dispossession of a substantial segment of the urban black population . . . the logic of progrowth politics, in which black officialdom is incorporated, denies broad progressive redistribution as a policy option and thereby prohibits direct confrontation of the problem of dispossession among the black constituency. . . .

Therein lies the central contradiction facing the black regime; it is caught between the
expectations of its principally black electoral
c constituency, which implies downward
redistribution, and those of its governing
coalition, which converge around the use of public
policy as a mechanism for upward redistribution.®

In other words, black political leadership is severely
constrained in the policy options that can be implemented by
the investment context established through decades of
corporate progrowth policies. If black leadership pursues
policies which involve structural reform they invite
opposition from powerful corporate elites. If they pursue
policies which ignore the needs of their electoral
constituency, they risk political suicide.

Given this potentially volatile situation, it is not
surprising that the response of black urban administrations
generally has been to pursue what Nelson calls "corporate
centered" development strategies while casting these
policies as the best hope for eliminating the problems of
the inner city poor. This strategy is not new but it is
somewhat paradoxical if not comical to hear the newcomers to
urban leadership advocate trickle down economics. Instead
of calling for broad scale redistributive measures as the
corporate elites had feared the newcomers to urban power
have pursued the more narrow demands for inclusion for upper
status black functionaries and minority business-persons.®

®Reed, Comparative Urban Research, 1:148, 161.

®Adolph Reed, Jr., "Black Urban Administration," Telos,
no. 65 (Fall 1985): 47-74.
These are initial observations and they must be supported by further research and investigation. If these observations are correct then the emergence of Black Urban Regimes represents continuity as opposed to fundamental change in the status quo and hence the high expectations of the Black electorate are unjustified.10

While there has been a great deal of study and commentary on black mayoral leadership and black political empowerment, there are few studies which proceed from a theory that is sensitive to the impact of changes in international capital, corresponding changes in the function of the cities, and the emergence of Black Urban Regimes.11 The literature on urban phenomenon has few large scale comparative studies of black urban leadership and the many case studies of black mayors tend to focus on factors which caused or influenced their election (e.g., studies of attitudes of black and white voters, demographic analysis of electoral coalitions, analysis of voter turnout, and


leadership style). In the case of Atlanta, a tremendous amount of descriptive research and some ground-breaking theoretical work has been carried out by researchers from diverse fields and interests. Sociologists, historians, political scientists, and urban economists have written extensively about urban Atlanta. These explanations are useful and have laid the groundwork for more theoretical analysis, however, the task ahead for those interested in urban politics is to generate studies which factor in the impact of the New International Division of Labor, social stratification, the persistence of racial oppression, the ideological basis of Black Urban Regimes, investment context, system bias, social costs, capital mobility, and alternative development strategies. The studies which do examine these issues are too few and seldom examine the paradox of increasing black political power accompanied with

increasing black impoverishment.\textsuperscript{13} As a consequence, the literature on urban politics is suffering from a lack of theoretically sensitive case studies, analytical treatments, large scale comparative studies and studies which document the dynamics of Black Urban Regimes.

The purpose of this research effort is to examine the dynamics of one particular Black Urban Regime by producing a limited case study that is also theoretically sensitive. Case studies are important building blocks for the construction of political theory that explains political reality. The theory of Black Urban Regimes is in its infancy and it needs to be enriched with thick and careful descriptions of particular instances of this power structure. Case studies which focus on particular cities, subjected to critical and theoretical scrutiny provide the evidence needed to compare the insights of this concept with real world observations. The observations that are produced by one case study may not apply generally to other areas but a series of such case studies creates a body of knowledge that allows valid comparisons and high quality analysis to result.

Simply stated, this study is designed to produce a limited evaluation of how one Black Urban Regime responded

to what seems to be the central dilemma faced by such power structures—the contradiction between the demands and needs of its electoral constituency verses the demands and needs of the economic context of the city. The writer believes that this problem can be examined most clearly by tracking the development of Atlanta's Black Urban Regime, the international and national context in which it operates, the structure of its specific political economy in the post-civil rights era, and evaluating the general thrust of its public policies in regards to economic development.

A study of Atlanta's rapid economic growth and development during the post World War II period is a good starting point for addressing some of the questions posed by the global reorganization of capital, modern urbanization and the cities response to the New International Division of Labor, the urban crisis, black political power, and the emiseration of the central city residents. The city to busy to hate is the engine that fires the phenomenal growth of the Atlanta Metropolitan Statistical Area (MSA). While a number of commentators predicted the demise of the city as a result of the emergence of black political power, it is now clear that the Central Business District (CBD) will survive and thrive along with the rapid growth of the surrounding metropolitan area. The Atlanta MSA population grew from 1.7 million in 1970 to 2.1 million in 1980 and to 2.6 million in 1986. The Atlanta MSA grew at a rate of 2.4% from 1970 to
1980 and from 1980 to 1986 grew at a rate of 2.9%.\textsuperscript{14} The city of Atlanta's population was 496,973 in 1970 but declined to 425,022 by 1980 (see Appendix A). Recent estimates by the Atlanta Regional Commission suggest that this population decline has been reversed. By 1986 the total population for the city of Atlanta was 430,100. The city and MSA continue to rank high on various measures of quality of life, business climate, and social climate.\textsuperscript{15} Atlanta received favorable press coverage for hosting the Democratic National Convention, the first National Black Arts Festival, and several major sports events. The city is frequently cited in the national press for nourishing one of the nation's largest concentrations of black middle class residents.\textsuperscript{16} Many observers see Atlanta as a "Black Mecca" of opportunity and a model of racial harmony that other cities should emulate. Most recently, the city boosters under the leadership of Mayor Andrew Young and now the third Jackson administration bills itself as the next great


international city. A study that examines economic development in this dynamic area should provide some objective basis to accept or reject these popular images.

While Atlanta has one of the highest economic growth rates in the country, it also has one of the highest poverty rates. A disturbing number of Atlanta's citizens do not share in the city's or the region's prosperity. Preliminary data would seem to suggest that the social costs of Atlanta's growth machine have been disproportionately borne by the mostly black central city residents.

This does not mean that the results of black political mobilization have been fruitless. The change in the complexion of city hall is more demographically representative of the city's population as a whole; and hence, local government has become more democratic as far as


formal representation is concerned. Police brutality does not have the same connotation and is not the same problem that was the focus of protest in the pre-black political power period. The conscious effort to use the power of city hall to promote racial equality is also a legacy of these post-civil rights power structures. These gains are real accomplishments, however, the persistence of poverty along with the other social problems associated with inadequate income continues to raise questions about the efficacy of strategies contemplated and strategies implemented.

Atlanta's Black Urban Regime, its position in the global capitalist structure of cities, its history of political incorporation, and the manner in which this regime addresses its political, ideological and economic contradictions is the focus of this study because this subject matter captures the core contradictions of urban capitalism: the paradox of more democratic forms of government and more access coupled with economic dependence on private corporate power; the global reorganization of capital and the subsequent pressure placed on the cities to respond to the hyper-mobility of capital; rapid growth of the Central Business District and deterioration of the inner city; rapid growth of the service sector and the decline of

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manufacturing; suburbanization of the white population and segregation of the black population in the central city; investment and disinvestment; concentration of corporate administration and dispersal of production; increasing black political power accompanied with increasing levels of black impoverishment.

The basic question that propels this research effort is: What explains the politics pursued by Atlanta's Black Urban Regime? While an explanation of the international context in which these structures operate is indispensable for an objective evaluation of the limits and possibilities of these structures; and moreover, an explanation of the historically specific character of such regimes is equally important for the same reason; the focus of the research here is on the critical policy area of economic development. Specifically, did Atlanta's Black Urban Regime create and implement successfully an economic development strategy that simultaneously delivered substantial benefits to its electoral coalition and to its governing coalition and the corporate community responsible for the economic vitality of the city? This is a complex question that raises both theoretical and empirical issues of major importance: What is the relationship between Atlanta's pattern of economic growth and development and the New International Division of Labor? What is the New International Division of Labor? How does capital influence the political structure? What role
does race play in modern capitalism? What was the character and content of black political incorporation in the post-reconstruction period and how has the emergence of black political power in the post-civil rights period altered the prospects for racial democracy? Where does the black political leadership in the current period get its ideological and programmatic guidance? How does one explain the apparent self constraints and moderation that is characteristic of the responses of black elite leadership to systematic and brutal racial oppression? What is Atlanta's economic development delivery system? What are the basic elements of Atlanta's economic development policy before and after the coming of black political power? Do the policies implemented under the leadership of the Black Urban Regime differ substantially from previous regime economic development policies (continuity verses discontinuity)? What was the theoretical basis of such policy? What was the central strategic and organizational force responsible for economic policy in the city? What alternative policies were considered and rejected? How democratic was the decision-making process compared to other areas of public policy? What were the tangible benefits of economic development policy and how were the benefits distributed? What were the structural constraints on the policy choices of black urban leadership? What role does job generation play and how many jobs were created under black political leadership?
How many jobs were lost? What type of jobs were created? What was the impact of job training programs? Who dominates the political and economic agenda and does Atlanta have a "growth machine"? How does black leadership fit into the structure of public and private power? What has been the impact of development activities on the job market? How does capital (local and national) penetrate the local markets?

While this study may not be able to address all of these important questions, it should be able to generate enough data so that a more complete analysis of the impact of the global reorganization of capital and the emergence of Black Urban Regimes can be constructed by future research.

Before proceeding to address these questions and in order to address these issues systematically, it is first necessary to examine the theoretical framework which guides this research effort. The issue of theoretical framework is of critical importance because there are conflicting theoretical approaches to the study of urban phenomena. One's choice of framework affects the vision of the research effort or more simply it determines what set of facts are illuminated, how the facts are arranged and of course guides the explanation and analysis of the empirical evidence.

No object is ever observed without the aid of a theory that distinguishes fact from meaningless detail, so that the evidence that supports or
refutes a theory cannot possibly be independent of that theory.  

This does not mean that theoretical frameworks are self-contained Althusserian systems and hence the answers to the questions are already known. Selection of a theoretical framework to guide the research merely gives the researcher guidelines and initial hypothesis that must be subjected to systematic observation, scrutiny, and analysis. The idea is to approach research questions with guidelines but also with an open mind, sensitive to contradictions and anomalies as well as continuities.

Urban political economy is the research framework that promises to be most fruitful for this research effort. More precisely, that part of urban political economy which focuses on growth politics, regimes, and Black Urban Regimes in particular appears to be the most useful approach for the purposes of this research effort.

Urban political economy of growth, specifically, refers to the recent writings of Ira Katznelson, David Gordon, Alan Wolfe, Samuel Bowles, John Mollenkopf, Bennett Harrison, Barry Bluestone, William Tabb, Stanley Elkin, Larry Sawers,


\[^{21}\text{See the discussion of these matters in Earl F. Picard, } "\text{A Critique of the Epistemological Foundations of the Political Economy Departure in Urban Studies}" (Ph.D. diss., Atlanta University, 1982): 18-42.\]
Richard Child Hill, Todd Swanstrom, Joe Feagin, Adolph Reed, Jr., Clarence Stone, Paul Kantor, Norman J. Glickman, Dennis Judd, Roger Friedland, Michael Peter Smith, Michael Harloe, Norman Fainstein and Susan Fainstein. There are two English language journals associated with this group: Comparative Urban Research and the International Journal of Urban and Regional Research. The editors of the Journal of Urban Affairs and the Urban Affairs Quarterly are also associated with this group but these latter journals publish a wide variety of viewpoints. This literature is diverse and some of the authors would object to being included in this classification; nevertheless, there are enough similarities in the approach of this literature to distinguish it from other departures in the study of urban problems.

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22For a sampling of this literature, see the following:
According to Professor Earl Picard, there are at least five distinguishing characteristics of this framework:

1. There is an appreciation for multidisciplinary works which integrate and synthesize related materials.
2. There is a concern with understanding urban developments within a broader socio-economic context.
3. Radical assumptions and radical conclusions.
4. This literature attempts to overcome the superficiality and hyperfacticity of much contemporary urban analysis.
5. This literature rejects the implicit and explicit instrumentalism that is characteristic of behavioralist political science.\(^{23}\)

The strengths of this particular approach can be illustrated by comparing it with what used to be the dominate model for urban research: the behavioralist model. Peterson, in his critically acclaimed work, points out that most of the urban politics literature in the behavioralist post-World War I period conceptualized the study of urban phenomena as separate and autonomous units.\(^{24}\) In other words, cities are looked upon as self-sustaining entities

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\(^{23}\)By hyperfacticity, I am referring to the tendency of much social science to become concerned with social problems that do not matter, trivial detail, and a preoccupation with technique over the substance of social research. See Picard, "A Critique of the Epistemological Foundations," 7.

and the task of the researcher is to describe the dynamics that obtain within their boundaries. The works that were produced during this period tended to ignore the role and influence of broader societal and international factors on urban politics. The debate between the community power theorists and pluralists is a good example of this problem.\textsuperscript{25} Mainstream approaches to the study of urban phenomena tend to conceptualize the shape of the city as the result of the populations response to market forces. For example, Nathan Glazer, Edward C. Banfield and James Q. Wilson conceptualize the problem of racial segregation as the result of individuals making private decisions to purchase homes in homogenous neighborhoods.\textsuperscript{26} They then theorize that the inability of blacks to pull themselves out of the ghettos is the result of government intervention with the market on the one hand and a culture of poverty with the market on the one hand and a culture of poverty


among the black masses on the other.\textsuperscript{27} These researchers tend to ignore other systemic factors that might explain the shape of the city as well as the plight of the inner city residents.

Behavioralist social science also tends to look at the problems of the city in a historical vacuum. This observation is particularly true of the various systems models. These theorists seem to be more concerned about generating quantifiable inputs for their models than explaining social phenomena. History and the "political" have almost disappeared as important contextual factors as every factor under the sun becomes relevant to the mathematical models constructed by the researchers committed to this approach to the study of social phenomena.\textsuperscript{28}

In contrast to the mainstream approach, the political economy frame of reference is of course fundamentally different. Urban Political Economy (UPE) recognizes that

\textsuperscript{27}For a more detailed examination of these of issues see Claude W. Barnes, Jr. "The Great Non-Sequitur: Nathan Glazer and the Ethnic Succession Model," Paper presented at the National Conference of Black Political Scientists, Atlanta, Georgia, April 1985.

urban developments are profoundly influenced by external developments in the national and international economy. Bluestone and Harrison, for example, point out how the disinvestment decisions of large private corporations can cause social violence which can wreck cities and regions. One of the most blatant and destructive examples of the impact of capital mobility and corporate blackmail was GM's treatment of Detroit. General Motors (GM) received enormous tax breaks and public subsidies to build a modern plant in the city but the decision to build a new plant in Detroit destroyed the entire community of Poletown. The disinvestment decisions of both the steel and the auto industries have devastated the Northeast and midwest to the point that these regions have been compared to the dust bowl of the thirties. It would seem that production is being reorganized on a world scale and as a result cities and

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regions are forced to adapt to the changing situation. The crisis of the cities is of course connected to these changes.

According to the mainstream theorists, it is the constant influx of low-skilled service demanding populations that is at the basis of the urban crisis. Poor people move in demanding and stretching city services while not contributing much to the tax base. At the same time, white flight is eroding the tax base so the solution would seem to be to limit the influx of the undesirable disperse them over the metropolitan area and convert their central city property into revenue producing projects. In contrast, UPE would look at the fundamental shift in the role of the city in the later half of the twentieth century combined with the increase of capital mobility as the culprit in the crisis. Gordon and Mollenkopf point out that the cities are no longer important centers for industrial production and that major cities are converting to a model called the "corporate" city. In this model, the central cities serve

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as corporate headquarters for major businesses and as a result they require a certain labor force composition. The corporate city requires knowledge workers, and the central city residents usually cannot supply the skills demanded. This results in massive unemployment and underemployment for the central city residents along with the other social pathologies associated with inadequate income. The corporate city solves its labor shortage problem by simply importing knowledge workers from the suburbs. These suburban freeloaders as Reed calls them pay little if any city taxes but they receive jobs and services from the city.  

The increased mobility of capital has contributed significantly to the crisis of the central city. Post-World War II government policies have seen a steady decrease in the degree of public restraint on corporate activities. Large corporations have significantly expanded their control over huge sectors of the economy. Moreover, cities, states, regions, and the national government have equated economic development with economic growth and this leads them to adopt policies which promote a perverted form of

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35 Reed, "Black Urban Regime," 141.
economic development. The popularity of such economic development programs such as tax abatement, investment tax credits, loan guarantees, exemptions on business equipment, industrial revenue bonds and favorable zoning laws illustrate the widespread but mistaken notion that removing public constraints on corporate activity will result in the elimination of the urban crisis.

UPE forces us to consider historical developments along with broad socio-economic changes to obtain a more satisfying appraisal of the urban crisis. The political implications of such contrasting explanations should be clear. Mainstream analysis leads to simple minded notions as Martin Anderson's remark that poverty has disappeared and the Reaganite idea that urban problems are the result of too much government intervention. Alternatively, people get the nonsense and confusion from black and white neo-conservatives who go so far as to suggest that the best way to help to poor is to not to help them at all. The


dominance of behavioralist and market-oriented political analysis as a basis for public policy help explain why mayors and other urban leaders advocate economic development as a poverty fighting strategy and rarely if ever contemplate the contradictory implications of such policy.

While the writer finds UPE to be the most useful approach, this does not mean that it is immune to criticism. There are some major contradictions and problems that plague UPE and hence a brief discussion of these is in order.

One of the most glaring and recurring problems in this literature as with political science behaviorism is with the overall treatment of racism. While UPE focuses on systemic and structural features of late capitalism and calls our attention to the reproduction of poverty and marginalization, nevertheless, one observes a continuing problem of underestimating the significance of race and racism when the theoretical model is applied to empirical

analysis (i.e., concrete research and case studies). For example, Todd Swanstrom's discussion of the politics of race and urban populism fails to clarify the stormy historical relationship between these two socio-economic forces. We get very little insight into the complex struggle for power between Cleveland's white ethnic community and the black central city residents. Most disturbing, Swanstrom seems to rationalize the racism of white ethnics or at least he does not seem to be overly concerned about the racial appeals that dominate mayoral contests.\(^\text{39}\)

Another example of this problem can be found in Cynthia Cockburn's *The Local State*. Cockburn constructs a good analysis of the role of the state and the urban crisis in advanced capitalist societies and provides one of the most useful summaries of the theoretical insights of urban political economy.\(^\text{40}\) She also exposes some of the practical problems of social democracy in power at the city level. The book presents a theoretical discussion based on a case study of local power. The site of her empirical study was Lambeth Borough which has one of the highest concentrations of black people in Britain and has a long history of racial strife. For some reason, race does not come into the

\(^{39}\)See the contorted discussion in Swanstrom, *The Crisis of Growth Politics*, 210-224.

picture however, with exception of three or four perfunctory pages that seem to be an afterthought.\textsuperscript{41} The absence of a substantive treatment of racial oppression as a crucial variable of the urban problematic under late capitalism is the most serious conceptual and empirical flaw contained in the book.

Cockburn's omission is not unique among radical or mainstream treatments of racial politics, the state and urban phenomena.\textsuperscript{42} Both mainstream and radical social scientists consistently neglect the so-called race issue and consequently neither trend in the literature was able to anticipate the explosion of racial violence that engulfed Britain in 1981 and 1982.\textsuperscript{43} Mainstream theorists can be somewhat excused for their treatment of the race problem because these concerns only intersect their theoretical framework as problems of social control. When self-proclaimed friends of the oppressed are equally insensitive to the structures of racism, it is no wonder that Thatcherism and Reaganism have triumphed.\textsuperscript{44}

\textsuperscript{41}Cockburn, \textit{The Local State}, p. 71.


\textsuperscript{43}The Special Double issue of \textit{Race and Class} 23, nos. 2 and 3 (1981-1982).

\textsuperscript{44}See the discussion of these issues in Harvey J. Kaye, "The Use and Abuse of the Past: The New Right and the Crisis of History," in the \textit{Socialist Register}, eds. Ralph Miliband, Leo Panitch, and John Saville, 332-364 (London: The Merlin Press, 1987). Zillah Eisenstein, "Liberalism, Feminism, and
Similar observations can be made in regards to the work of Samuel Bowles, David Gordon, and Thomas Weisskopf in their otherwise excellent book *Beyond the Wasteland*. The authors account for the impact of the Black Revolt in a chapter entitled "The Postwar Corporate System" and devote six whole pages to this issue in a discussion of the implied "Accord Between Labor and Capital." Their analysis looks at the plight of blacks in the cities as a part of the plight of the working class and seems to suggest that an alliance between the oppressed is prevented primarily by the scapegoating tactics of capital. Again, their approach seems to downplay the significance of racism within the working class as an important part of the problem. The authors seem to express a disdain for the many divisions within the working class and suggest that these divisions are false categories. While the authors may be partially correct on an objective level, nevertheless, to ignore these distinctions or what is worse to wish for monolithic unity among the working class is to substitute romanticism for analysis. This kind of confusion is ultimately harmful

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46Bowles et al., *Beyond the Wasteland*, 70-75.
because it obscures sources of weakness from within the designated agents of change.

Clarence Stone's work represents some of the most insightful analyses available on the role of race, power, class, and the urban crisis. His work has particular relevance for our purposes because the focus of much of his recent research concerns the situation in Atlanta. Stone's research documents the terms under which black political leadership is incorporated in the structure of power relations in Atlanta. Stone develops the concept of system bias to explain how some groups concerns are routinely and consistently excluded from the policy agenda and conversely how some groups concerns are automatically thought to embody the public interest.

In a system of coalitional bias, some groups prevail consistently, though not totally. Over time, those that prevail do so in part because they enjoy a systemic advantage and are insiders in the governmental process. Other groups lose consistently, though not totally. Over time, those that lose do so in part because they suffer a systemic disadvantage and are outsiders in the governmental process. In popular terms ...them that's got shall get and them that's not shall lose."47

Under certain circumstances the out groups are able to force their concerns on the policy agenda through social upheaval, grass roots mobilization, and organization. (That was certainly the case with neighborhood movements of the late

sixties and early seventies.) These groups are unable to sustain and institutionalize such influence over time for a variety of reasons. Bursts of social reform are ultimately followed by a return to the status quo ante.

While Stone's work shows the role of structural, societal, and historical factors in the disappearance of black and neighborhood activism, so far, his work does not appreciate fully the role of internal and ideological factors on the ability of emancipatory activism to sustain itself. Stone's analysis of the turn to fringe politics by the leadership of the black power movement in Greensboro, North Carolina suggests that factors external to that movement were significant in the alienation of the leadership of that movement from its grassroots base:

The Chamber of Commerce, drawing on its influence with public officials and its own considerable organizational resources, opened a wide, and it turned out, irreparable breach in black ranks. Their implicit question to the black middle class was: which will it be, cooperation with us or the risky and uncertain path of building and maintaining black solidarity around improved benefits and opportunities for the lower strata? The black middle class cooperated with the Chamber of Commerce, and Nelson Johnson and other GAPP leaders soon turned toward the fringes of radical politics. . . . Self-improvement as a channel to individual achievement gained the rhetorical upper hand over Black Power, with its emphasis on group

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solidarity as a means for bringing about group improvement.\textsuperscript{49}

The events described by Stone did happened but the question of why things fell apart in this instance is obscured by his explanation. In contrast, I would suggest that the "ideological struggle" or internal debate about the appropriate strategy and tactics for the black movement was fundamental to the break up of black power solidarity in the post-civil rights era.\textsuperscript{50} At any rate, black activism and the impulse to reform the city's structure of power by "Any Means Necessary" disappeared with the turn to normal politics and the corresponding dramatic increase in black elected officials. Stone does document the increasing incidence of graft and corruption among Atlanta's black elite in his latest work and he provides one of the most insightful analysis of the transition from white elite political and economic dominance in public policy to black political management of the city.\textsuperscript{51} Stone's latest work is

\begin{itemize}
\item \textsuperscript{49}Stone, "Race, Power and Political Change," 16.
\item \textsuperscript{51}Clarence N. Stone, \textit{Regime Politics: Governing Atlanta 1946-1988}, 23-160.
\end{itemize}
somewhat perplexing. While recognizing the role of Atlanta's traditional power structure in the subjugation and exploitation of blacks in the city, he also insists that these same corporate elites are the source of hope for meaningful social change. In *Regime Politics*, Stone presents an analysis of Atlanta's political economy in which cooperation with the business elite is essential for civic progress. Essentially, local governments are severely constrained by the investment context of the city and as a result the corporate elite will always play a leading role in any governing coalition. The way toward progress is to promote social learning among the business elite by enlarging the number of players at the governing table and cooperatively bring other issues to the policy agenda. According to Stone, cooperation is more progressive than conflict—Pluralist models of politics are unworkable because they deny the impact of systematic inequality and

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52 Stone seems more tolerant or oblivious to the consequences of social stratification and the social problems posed by the concentration of economic and political power in the hands of a tiny white elite. See for example, Clarence N. Stone, "Partnership New Style: Central Atlanta Progress," *Proceedings, The Academy of Political Science* 36, no. 2: 100-110.

53 In a talk given to Georgia State University students Stone suggested that "Perestroika is overdue in Atlanta, that is to say, a case can be made for restructuring civic life in Atlanta." See for example, Clarence N. Stone, "Atlanta's Public-Private Partnership Reassessed," A talk given a Georgia State University, Atlanta, Georgia, 26 February 1990, 1.
socio-economic stratification. Elitism is inappropriate as a model for urban affairs because it leads to an overemphasis on control and conflict. Stone suggests a social production model based on cooperation and social learning as the key to a brighter urban future.

In this kind of incohesive, loosely joined society, the paradigmatic issue is not the cost of compliance, since comprehensive control is out of the question. In a fragmented world, the issue is how to get things done and to do so in the absence of an overarching command structure or a unifying system of thought. What is at issue is not so much domination and subordination as a capacity to act and accomplish goals.54

In fact, this line of thinking merely begs the question: why have the results of Atlanta's biracial coalition been so devastating to neighborhood groups, the masses of black central city residents, and other groups without a seat at the governing table. It may be good to know that the governing elite has been able to maintain itself and it maybe important to know that a certain sector of black Atlanta has been integrated into the new governing coalition as junior partners. But the critical issue concerns the results of this reformulated constellation of political and economic power. If development of the city has produced massive poverty and various ills that come from inadequate income, then, why would sane people be interested in continuing the same policies cooperating with the very

people responsible for these deplorable conditions. It seems to me that the old concerns of the community power, elitist verses pluralism debate are still fundamental to understanding what is going on in our cities. Urban politics is still about social control and conflict management. A focus on cooperation without also looking at outcomes of this new regime is a recipe for perpetuating the status quo. A focus on cooperation obscures the fundamentally undemocratic manner in which policy decisions that have broad impact are systematically isolated from popular control and popular participation. For example, as blacks assume political power in Atlanta strangely enough, economic development decisions are taken off the public agenda. When these matters are placed on the agenda for public debate, the electorate is usually faced with a fait accompli or a narrow range of choices. The way in which the domed stadium was steam rolled over the Vine City community is a recent case in point. Would this costly and disruptive project be allowed to proceed if the merits and problems of this project were subjected to a full discussion? Furthermore, what would have happened if this project did not have the moral authority of a modern civil rights hero like Andrew Young to enthusiastically champion

the alleged benefits of trickle down economic development strategies? In the latest episode of this phenomenon, Mayor Jackson promises that the wishes of the Techwood Homes residents will be respected in the planning of the soon to be built Olympic Village on or near this housing project.\textsuperscript{56} The composition of the advisory board for this project is tilted dramatically toward developer and business interests which suggests that the Mayors words are just rhetoric to pave the way for one more disruption of a predominantly black and poor neighborhood.

In the final analysis, Stone appears to be a victim of the changing political context. In the Reagan-Bush era, everyone wants to be a conservative and thus it is quite acceptable to ignore the concerns of the powerless, the working poor, the oppressed and the "least of these." It is unfortunate that Stone's latest work does not draw out the real implications of its analysis. The people that Stone sees as the salvation of the urban areas are the same people responsible for racial injustice, economic inequality, the deteriorating standard of living in the cities, and the growth of undemocratic means of policy making.

Research under the rubric of UPE contain a number of useful concepts, but, the widespread acceptance of "Post-Industrial" society is not one of them. This concept comes

\textsuperscript{56}Alma E. Hill, "Panel Kicks Off Study of Techwood Homes," \textit{Atlanta Constitution}, 20 April 1991, 3(B).
from Daniel Bell’s *The Coming of Post-Industrial Society*, and it has been appropriated by radical, liberal, conservative, neo-conservative and neo-liberal commentators.\(^5^7\) Writers in UPE use this term to describe the changing function of the city in the late twentieth century. Post-Industrial Society describes the decline of industrial activity and the rise of advanced services as the major activity of corporate headquarters cities.

Its focus is on the changing nature of work and work relationships, on the increasing role of scientists and technicians in the social order, and on the allegedly central role increasingly played by theoretical knowledge in social change and the making of societal decisions, a role epitomized by the rise of social and economic planning as a tool of public policy.\(^5^8\)

While it is certainly appropriate to describe the changes that are taking place in a number of the nation's cities as post-industrial and corporate and so forth, it does not follow that these designations are accurate for the society as a whole. According to Ferkiss, American society is still basically an industrial society because industrial production is still basic to the production of surplus value. The organization of production and the mode of


social regulation have undergone some important shifts, but overall these changes have not altered the fundamental nature of American capitalist society.\textsuperscript{59} Using post-Industrial Society as a term to describe the changes that are taking place in the nation and the world is misleading, it takes the contentiousness out of the situation and conveys the impression that social and economic development can only proceed in this manner. Thus, the terminology helps to mask the social violence associated with mature capitalism, masks the process of marginalization, and prepares the ideological ground for people to accept the consequences of increased capital mobility.\textsuperscript{60}

It should be clear that despite these problems this body of literature is a significant advance over the urban research from much of behavioral political and social science. The focus on structural causes of social and economic pathologies helps to combat the blame the victim syndrome and the culture club theories of poverty that are in vogue in academia and in journalistic accounts of this issue. Thus, UPE would call into question most of the policies that tend to ignore the systemic reproduction of


\textsuperscript{60}Ferkiss, "Daniel Bell's Concept of Post-Industrial Society," 102.
marginalization that plague a disproportionate number of Afro-Americans who reside in the central cities.

The UPE literature represents some of the most useful and visionary research that is being conducted on the problems of the cities. This perspective recognizes the impact of larger societal and international developments on the problems and prospects of the cities. While there are some problems with this framework I would suggest that they are not fatal. The recent and current work of Ira Katznelson, Clarence Stone, Adolph Reed, Jr., Michael Peter Smith, Joe R. Feagin, Todd Swanstrom and a few others promises to overcome the major shortcomings of this literature. There is a critical need for more case studies which incorporate the theoretical insights of this approach so that major assumptions and tentative hypotheses can be confronted with empirical evidence. More importantly, this literature could benefit from a close reading of Afro-American Political Theory. A synthesis of these two literatures would yield tremendous insight into the dynamics of capitalism in the late twentieth century. The present study represents one attempt to contribute to this task.

Hypotheses

Several hypotheses have been framed to guide this research effort:
**Hypothesis 1:** The New International Division of Labor or the reorganization of global capitalism is forcing many cities to adopt the corporate center development strategy to attract new investment. Atlanta is in the forefront of cities which have adopted this model of economic and political development.

**Hypothesis 2:** Black political control has not altered the basic pattern of investment and economic activities in the city or metropolitan region. Atlanta's Black Urban Regime represents continuity as opposed to fundamental change in urban development policy.

**Hypothesis 3:** At the ideological base of Atlanta's Black Urban Regime one is likely to find the strong influence of Booker T. Washington's Accommodationist Philosophy. Moreover, the history of Atlanta's Biracial Coalition indicates that Black leadership imposes self-limitations partly because their conceptions of possibilities are shaped by the vision within liberal democratic theory.

**Hypothesis 4:** Economic development policy under the Jackson Administration illustrates the core contradictions of Atlanta's Black Urban Regime. Economic development strategies distribute benefits primarily to corporate interests and to upper status blacks. Inner city poor and neighborhood interests are seldom the recipients of public resources. The result is the geographic and racial
segregation of the structure of employment and job growth. Atlanta's BUR has not been able to alter the structure of employment nor the geographic pattern of employment growth.

**Hypothesis 5:** Economic development policy is seldom subjected to public debate and input. It seems that this activity is increasingly isolated and privatized.

**Hypothesis 6:** The dynamics that produced Atlanta's BUR are the same as those which produce increasing marginalization of the inner city residents.

In order to test these hypothesis, Chapter II places Atlanta's economic and political development in international perspective. This chapter examines the impact of the global restructuring of capitalism and its impact on post-1960's development policy in Atlanta. The chapter describes the changes brought about by the New International Division of Labor or what some refer to as the hyper-mobility of capital and focuses on Atlanta's response to the changing function of cities in late capitalism. This chapter describes the political and economic context in which Atlanta's Black Urban Regime must operate. Atlanta's position in the international system of cities limits and shapes the direction of the local political economy. From the stand point of urban policy, Atlanta's role in the international political economy makes some approaches to solving urban problems feasible and others unworkable.

Chapter III brings its analytical lens to a more detailed
look at the historical incorporation of blacks in the structure of economic and political power. The question of Atlanta's historical specificity and the critical role of race in the development of the character and content of Atlanta's political economy is examined. This chapter seeks to uncover the historical and ideological basis of Atlanta's Black Urban Regime. An examination of the ideological basis of the regime reveals one of the basis for positional advantage and system bias which play a large role in determining which issues and whose interests will be addressed by public power. Chapter IV is concerned with constructing a contemporary analysis of the political economy of Atlanta's Black Urban Regime in the post-civil rights era. How this regime deals with the issue of economic development policy deserves special scrutiny.

Economic Development is a term used to mask the processes of capital accumulation and capital mobility. Paradoxically it is the term used to connote the most important public strategy for fighting poverty in the cities in general and in Atlanta in particular. This chapter proposes to examine the dynamic relationship between structure and policy: Atlanta's political economy in the post-civil rights era and economic development as public policy. Chapter V will summarize the basic themes uncovered by the research, discuss some of the limitations of the study and examine the implications of this research for future efforts.
In the course of this study empirical evidence will be assembled to test some of the hypotheses. Chapter II will attempt to link together international developments in the structure of capital with the type of economic growth in Atlanta. This chapter exposes the global and national structural constraints which shape the local state's adjustments. Chapter III develops a brief historical overview of the development of black politics in Atlanta and examines the ideological development of black political leadership. Chapter IV will use the formulation of economic development policy as a platform from which to examine the political incorporation of black leadership. Appendix B contains a demographic profile of the City of Atlanta and the Atlanta Metropolitan Statistical Area (M.S.A.).

While most of this information is in the public domain, it will be necessary to supplement this material with a close reading of the materials contained in the "Jackson Papers" housed in the Robert W. Woodruff Library of the Atlanta University Center. These materials will be cross-referenced with studies conducted by Research Atlanta, The Atlanta Regional Commission, Central Atlanta Progress, and The Atlanta Chamber of Commerce. A small number of interviews with local policy analysts, researchers, and academics who have access to information not readily available to the public will enhance the data presented. For example, interviews have been conducted with Dr. Brenda
Sullivan, Policy Analyst, The Urban Study Institute and formerly of Research Atlanta; David L. Sjoquist, Senior Associate, Policy Research Program, Georgia State University; Mr. Phil Thiel, Director of Research, and Ms. Linda Fordham, Data Specialist, Office of Coordinated Planning, Georgia Department of Community Affairs; Sara Wade Hicks, Senior Planner, Bureau of Planning, Department of Community Development, City of Atlanta; and Tracy A. Green, Administrative Assistant for International Affairs, The Atlanta Chamber of Commerce.
CHAPTER II

THE NEW INTERNATIONAL DIVISION OF LABOR, THE
HYPER-MOBILITY OF CAPITAL AND POST-1960s
ECONOMIC DEVELOPMENT POLICY IN ATLANTA

This chapter is concerned about situating the political
and economic developments that are shaping one of America's
important urban areas in international perspective. Stated
another way, this chapter looks at how events taking place
in the global political economy are having a direct and
profound impact on urban development, generally, and in
Atlanta, Georgia in particular. Specifically, how does the
global restructuring of international capital or what some
call the New International Division of Labor structure the
adjustments of the national and local state to the end of
rapid growth, the appearance of fierce economic competition
from foreign capital from Europe and Japan, and the
increased mobility of capital? What are the basic
characteristics of the new situation? What is the New
International Division of Labor? Are the adjustments made
by the national and local state appropriate to the new
circumstances? Where does Atlanta fit in the hierarchy of
the capitalist organization of cities? How is the overall
pattern of political and economic development of the city related to changes in the international political economy? What role do Black Urban Regimes play at this critical juncture in world history? Does the emergence of Black Urban Regimes represent a radical break with past racist exploitation of the black masses? Does the Atlanta case represent a model that should be emulated or condemned? Does the political management of the city by blacks make a difference in the way key policy decisions are made? Does Atlanta's Black Urban Regime signal the beginning of an era of more democratic policy making? How has Atlanta's Black Urban Regime carried out economic development policy? These questions can be addressed by looking at the New International Division of Labor and post-1960s economic development in Atlanta.

While many commentators assert the need to place urban developments in international perspective, very few actually do so.¹ There is almost universal recognition that this era is characterized by increased interdependence among the world's nation states. What is less apparent is an

appreciation of the ways in which this interdependence continues to structure inequality between nation states as well as distribute the benefits and liabilities of the new relationships internationally and intra-nationally. Social science research can help to clarify these interconnections and their consequences. Researchers need to identify links between seemingly isolated political and economic developments. For example, the closing of auto plants in the midwest United States and the permanent elimination of more than 300,000 jobs in that industry is directly related to the growth of export oriented production in the underdeveloped nations and the appearance of world factories in these same areas. The massive job destruction in the textile industry in the southern United States and in the Federal Republic of Germany is directly related to the growth of this production in the less developed countries.

Atlanta's dramatic skyscraper boom in the 1960s and 1970s, the explosion of office space in the Central Business District, the migration of manufacturing jobs out of the city as well as the office construction boom in the metro-Atlanta area in the 1970s and 1980s, and the massive poverty alongside tremendous economic growth in the city are related fundamentally to economic restructuring on a global scale in

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combination with the various responses of the state and the community. In short, chronic unemployment in the advanced capitalist countries and the squalid, debilitating absolute poverty in the less developed nations are the direct consequence of trends that have been playing themselves out since the appearance of capitalism in the fifteenth century.

Cities are responding to the third major reorganization of global capitalism. The first major transformation involved colonial conquest and the incorporation of what has become known as the third world into the emerging global capitalist system. Latin America became the victim of Iberian expansionism, while much of Africa and Asia became colonies of one or the other European powers. The colonial regions were incorporated into the new world order as suppliers of low-priced agricultural products and raw materials. These raw materials were turned into finished products and sold to the colonial areas at very high prices thus establishing unfavorable terms of trade that is at the basis of the dialectic between development and underdevelopment. Samir Amin, Unequal Development: An Essay on the Social Formations of Peripheral Capitalism (New York: Monthly Review Press, 1976): 148-149.
and is characterized by industrialization in the less
developed countries. Industrialization in the Less
Developed Countries (LDCs) is organized by the national
bourgeoisie of those countries in collaboration with foreign
capital. The target market of this industrialization is the
local economy (import substitution). This second phase
also included the rise of the United States as the dominant
capitalist power as a result of the devastation of the
European economies in World Wars I and II.

The U.S. economy was so much richer than those of
war devastated Europe that the latter were unable
to absorb American surplus production; domestic
unemployment would result unless the United States
worked to improve the relative economic standing
of its rivals. Some sense of the American
advantage in the world economy is given by the
fact that almost half of the world's manufactured
goods in 1947 were made in the United States. 4

Direct colonialism disappeared but neo-colonialism and the
post-colonial state continued the exploitation of the less
developed nations. This period also produced the Cold War,
the national security state, or as Eisenhower aptly
described it, the "military industrial complex" centered in
the United States and the disastrous arms race between the
Western Bloc and Soviet Bloc.

The third transformation dates from the 1960s and is
the result of several interrelated factors coming together
during the decades of the 1960s and 1970s. First, Europe

4Alan Wolfe, America's Impasse: The Rise and Fall of
and Japan rebuilt their economies and are now able to challenge United States hegemony in the production of goods and services. This increased international competition among the world's industrial powers produced stagnating growth and stagnating profits. As a result, corporations began a search for ways to return to growth rates and profit levels of a by gone era by renegotiating the implied social contract with labor. Corporations began scanning the globe for the optimum combination of cheap, abundant, and docile labor while at the same time implementing new production techniques that allow for the fragmentation of the production process. The fragmentation of production allows for the de-skilling of the labor force and dramatically reduces the cost of labor. Also, recent improvements in transportation and communications allow for production to be separated from marketing and administration. The final result has been observed by a number of commentators.

For the first time in the history of the 500 hundred year old world economy, the profitable production of manufactures for the world market has finally become possible to a significant and increasing extent, not only in the industrialized countries, but also now in the developing countries.

Footloose international capital and worldwide labor reserves, themselves capable of longer migrations are parts of a single system. What makes this stage new is a shift in the bases of class determination and of economic strategy.

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5 Bowles et al., Beyond the Waste Land, 70-79.

6 Frobel et al., The New International Division of Labour, 14.
These new bases are found respectively, in globally integrated production and in the multinational firm. Accordingly the results are different - there are new forms of uneven development. . . . Internationally linked export sectors of Third World economies grow and profit in the midst of generalized poverty, while certain activities in the advanced nations stagnate.  

Empirical evidence which confirms the existence of structural reorganization of capital can be derived from looking at the changes in economic growth, world trade, foreign investment flows and of course plant relocations. The structural transformation of American capitalism in particular can be captured somewhat by looking at economic data for the last few decades. "In the past four decades, the American economy has not only grown erratically, experiencing seven recession years and posting an increase in unemployment and stagnation in real wages, it has also undergone major sectoral, occupational and spatial changes."  

For the first time since World War II, the United States is experiencing a severe trade deficit where total imports are more than total exports. The United States has also become the largest debtor nation in the world with European and Japanese banks financing a large part of the United States deficit. According to Glickman,


8Loic J. D. Wacquant, "The Ghetto, the State, and the New Capitalist Economy," Dissent, Fall 1989, 510.
GNP growth rate fell from 4.7% per year (1961-1965) to 2.2% per year (1973-1981). Double digit inflation appeared during the Carter years and reached 13% in 1980, declining only under Reagan's policy of deliberate recession. For example, from 1960 to 1980 the amount of trade in U.S. goods and services increased dramatically as well as trade in goods and services from America's competitors:

Trade of U.S. goods and services grew from 29 billion in 1960 to 348 billion in 1982. Merchandise imports and exports were about 14% of production in 1970; however exports rose to 23% and imports increased to 31% of domestic output by 1983. By 1980, nearly three fourths of all goods produced in the U.S. were in active competition with imports from other countries.

The U.S. was no longer the world's leading producer of autos, electronics, semiconductors, steel, textiles, and many other products. A substantial number of U.S. firms have simply shut down their manufacturing operations and relocated this activity to plants in the LCDs. Thus the standard of living in the U.S. declined from number one among the world's industrialized nations to about fourteen on the list.

These major shifts in the structure of the international political economy have a tremendous impact on

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10Ibid., 71.
the national, regional and local economies and on the urban landscape. Manufacturing jobs have left the city for the hinterland and more frequently out of the U.S. altogether. Bluestone and Harrison estimate that as many as thirty-eight million jobs were lost to private disinvestment during the 1970s.\textsuperscript{11} The rust belt is economically devastated by the deliberate disinvestment by private corporations in the heavy industry. Despite hype about sunbelt prosperity massive disinvestment and its consequences are not limited to the Frostbelt region. Disinvestment in the textile industry in the south combined with the volatility of energy prices has devastating economic consequences for this region of the country as well. According to Bluestone and Harrison:

\begin{quote}
\textsc{Almost half the jobs lost to plant closings (and relocations) during the 1970s occurred in the Sunbelt states of the South and the West. . . .}
\textsc{Eighty-five per cent of the job losses attributable to U.S. investment abroad is in blue collar occupations.}\textsuperscript{12}
\end{quote}

This means that jobs which require lower skill levels, jobs which historically paid good wages, jobs that were highly unionized and jobs which were entry level positions for many women, blacks and poor whites are disappearing. In the city


\textsuperscript{12}Ibid., 72.
of Atlanta, manufacturing never dominated the economic activity of the city and is a declining feature of its economic make up. The manufacture of automobiles has virtually disappeared in the city and in the surrounding metro area. General Motors, for example, closed its south Atlanta Lakewood Assembly plant which once employed over five thousand workers with an estimated economic impact of about 800 million dollars.\textsuperscript{13} As a consequence of recent changes in the structure of the international political economy the urban landscape is no longer an attractive site for manufacturing and the results are obvious but not well understood:

There has occurred a recentering of the political economy of large American cities around services and credential intensive industries, dispersed production sites and high velocity capital. This recomposition of the urban capitalist economy has translated into massive job destruction in the very sectors that have traditionally supplied the brunt of employment accessible to the minority poor, and upon which they continue to depend heavily owing to the failure of public schools to prepare them for higher qualification jobs.\textsuperscript{14}

Corporate power used developments in the international political economy to push the capitalist state to remove public constraints on private power. Post-World War II government policies have seen a steady decrease in the degree of public restraint on corporate activities. Large

\textsuperscript{13}\textsuperscript{13} Shelia M. Poole, "End of the Line at Lakewood," Atlanta Journal-Constitution, 5 August 1990, 1(C).

\textsuperscript{14}\textsuperscript{14} Wacquant, "The Ghetto," 510.
corporations have expanded their control over huge sectors of the economy so that by some estimates over two-thirds of manufacturing is controlled by about 2% of all business.\(^\text{15}\) During the Reagan years of Hobbesian economics, a merger mania swept U.S. industry resulting in the further concentration of wealth, elimination of environmental protection, a relaxing of civil rights enforcement if not an all out attack on the poor, a dramatic increase in bank and business failures, a doubling of the national debt, and an increasing income gap between rich and poor.\(^\text{16}\)

By the 1970s, cities and regions were out doing each other in offering incentives to private capital. This era also witnessed the disappearance of black activism in the U.S., the rise of a post-civil rights superstructure (whose main function seems to be to contain the demands of the inner city residents), the fiscal crisis of the state, the hegemony of neoconservative ideology with its systematic attack on the welfare state and the rise to prominence of

\(^{15}\)Bluestone and Harrison, The Deindustrialization of America.

black neo-conservatives to properly explain the new changes in the American political economy. These political developments coupled with the new economic conditions of slow growth, increased foreign competition, and declining profits helped corporate power force a renegotiation of the social contract. Disinvestment and an increase in capital mobility created the conditions where the concerns of social justice and racial equality were abandoned for the conservative policy agenda. New buzz words became a part of the popular discourse such as "privatization," "economic development," and making cut backs to remain "competitive."
The national government eliminated revenue sharing in 1986 and reduced significantly the amount of federal aid to the states and local governments. Under the rubric of states rights, New Federalism, local autonomy or what some call "programmatic devolution," the last two presidential administrations have abandoned the cities and given up on solving the urban crisis. The collective impact of such an approach can be seen clearly:

The Reagan administration followed an approach of transferring public programs and responsibilities to the other levels of government without ensuring, however, the necessary financial backing (mandating without compensating). Such a programmatic devolution and related socio-political pressures force cities to engage in a resource-substitution process, looking for new avenues of income (i.e. attracting foreign

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investments and creating trade related jobs, etc.)\textsuperscript{18}

As a consequence of the above developments, states and cities are forced to operate in an environment that resembles a kind of civil war without bullets and artillery. Economic competition is the name of the game as states and cities go after investment of any kind foreign and domestic regardless of the social costs or long-term implications. Cities are now routinely expected to grant corporations tax abatements and other incentives; otherwise, they will become stigmatized with the reputation of being anti-business. Some writers and public policy researchers have suggested that the City of Atlanta go so far as to set up a private entity with independent taxing authority in order to by pass the cumbersome process of leveraging private investment with public funding for private initiatives.\textsuperscript{19} Unfortunately, the real result of such polices in many cases is to exacerbate economic problems, to provide corporations with an unnecessary public subsidy, and to divert public funds away from more socially useful purposes. "Tax abatement

\textsuperscript{18}Panayotis Soldatos, "Atlanta and Boston in the New International Cities Era: Does Age Matter?" Paper presented to the New International Cities Era Conference, Brigham Young University, Provo, Utah, Fall 1988. I am indebted to Ms. Tracy Greene, Administrative Assistant for International Development, Atlanta Chamber of Commerce, for bringing this body of research to my attention.

\textsuperscript{19}Research Atlanta, \textit{Economic Development in Atlanta} (Atlanta, Georgia: Research Atlanta, 1978): 82.
mainly benefits those businesses that get the abatements. What the public gets is symbolic reassurance that something is being done about economic problems.\textsuperscript{20}

In the cutthroat competition between cities for investment, the ability to attract capital may be related to where a given city finds itself in the hierarchy of capitalist organization. The New International Division of Labor has produced a perceptible hierarchy among the cities of the world. Some cities have become international cities and attract a tremendous amount of foreign investment as a result of the roles that they play in the global organization of capital. The vast majority of cities in the world are not international cities.

According to Smith and Feagin, "The top 500-1000 multinational corporations not only sit at the summit of a pyramid of interrelated capitalistic firms of all sizes but they also create a truly transnational economy, one whose primary geographical nodes are the world's cities."\textsuperscript{21} At the pinnacle of this network is a small number of cities that serve as international headquarters or "world command


\textsuperscript{21}Smith and Feagin provide an excellent analysis of the role of cities in the global capitalist system. My discussion of these matters relies a great deal on their pioneering work. See specifically, Michael Peter Smith and Joe R. Feagin, eds., \textit{The Capitalist City : Global Restructuring and Community Politics} (New York: Oxford Books, 1987): 3-32.
cities" for the administrative and financial activities of modern capitalism. London, New York, and Tokyo are the home for a large number of the largest multi-national corporations in the world. On the next level are a group of cities that serve as corporate centers for particular industries. Detroit, for example, serves as both the administrative and production center for the American auto industry. Related to the above are cities that serve as the home for divisions or branches of large multi-nationals of particular industries and are primary sites for the production of goods and services for the international economy. Examples of this type include Pittsburgh (steel production); Birmingham, Alabama (steel); Birmingham, England (auto production); and Houston, Texas (oil). Another category includes what Smith and Feagin call "state command" cities which are unique in that they produce almost nothing but serve as administrative centers for the state (i.e., in the nation state sense of the term). Washington, D. C., Brazilia and Bonn are good examples of state command centers. Next, there is a large group of cities that are hybrids that are hard to classify because they are sites where a variety of economic, political and management activities are located, and one set of corporate activities does not appear to dominate.

Atlanta fits in the International Division of Labor as a fourth order headquarters metropolis which has aspirations
and the potential to become a world command center in the administrative chain of international capital. Atlanta ranks twenty-fifth on Smith and Feagin's list of the top fifty-one international cities that serve as headquarters for the largest multi-national corporations.\textsuperscript{22} The city's growing role in the international arena can be appreciated by looking at the growth of foreign trade and finance, international air transportation, global communications and the increasing ability of the city to serve as host for events of international significance. Atlanta serves as the headquarters location for at least eight of the Fortune 500 firms.\textsuperscript{23} Between 1975 and 1985, more than 966 foreign firms opened facilities in the city with a total investment well over 3.2 billion dollars. In addition, the city is home for thirty branches of international banks. New foreign investment in 1987 amounted to $21,736,750.00\textsuperscript{24} These

\textsuperscript{22}Ibid., 7.

\textsuperscript{23}There is some confusion on the exact number of Fortune 500 Firms in the city of Atlanta because the Atlanta Chamber of Commerce, Research Atlanta, and sometimes the City of Atlanta use statistics for the eight county metropolitan area. For an example of this problem, see Tom Walker, "Corporate Cultural Walls Tumbling Around the World," Atlanta Journal-Constitution, 23 May 1991, 3(C).

\textsuperscript{24}Data on international trade and investment in the City of Atlanta is hard to come by. Most of the data of this type is collected on the state level, at the level of the eighteen county Metropolitan Statistical Area or the eight county metro area. The Georgia Department of Industry and Trade collects good data on foreign investment on the State of Georgia, the Atlanta Regional Commission is a good source of data on the Atlanta MSA and the eight county metro area; finally, the research departments of several local
figures for the city can be compared with similar data for the state of Georgia to get a sense of the importance of the city to the metropolitan region and state. There are about 1,322 foreign based firms in the state of Georgia with a total investment of over 7.8 billion dollars. According to the Atlanta Regional Commission, Cobb, Dekalb, Fulton, and Gwinnett Counties are the location for about 75% of all foreign firms in Georgia. These figures would seem to indicate that Atlanta's share of the state's and the region's international economic activity is substantial. Global capital is attracted to this area of the world.

Mayor Maynard Jackson made the following boast after the completion of the world's largest airport passenger terminal in 1980: "We are going to be the biggest international city in America, outside of New York and

banks and real estate firms track international economic activity on the city level. See Georgia Department of Industry, Trade and Tourism, Georgia International Facilities (Atlanta, Georgia: Research Division, Georgia Department of Industry, Trade and Tourism, December, 1989). Atlanta Regional Commission, Atlanta Region Outlook (Atlanta, Georgia: Atlanta Regional Commission, 1990). The data on total number of firms and value of investment is taken from Soldatos, "Atlanta and Boston in the New International Cities Era: Does Age Matter?", 17.


26Atlanta Regional Commission, Action 19, no. 2 (February 2).
Washington, D.C. in ten years.\textsuperscript{27} While much of this statement is just civic boosterism, it does correctly point out the important role of Atlanta's airport in the economic development of the city and in raising the international profile of the city. The latest version of Hartsfield International Airport is the largest private employer in Georgia with over 25,000 employees and earning power of well over 600 million dollars per year. While there is some debate between Chicago's O'Hare and Atlanta's Hartsfield over who owns the title "the world's busiest airport" the numbers keep growing. Hartsfield operates over 2,000 landings and take offs per day. In 1980, the airport annual passenger volume was about 41 million but by 1987 the total number was 48 million with slightly more than 1.5 million of these being international passengers. A popular saying among business travelers and frequent flyers is that "the world changes planes in Atlanta." There is some truth to this statement. Hartsfield handles the largest volume of connecting passengers in the world with about 70\% of the annual passenger traffic in Atlanta changing planes. There are ten foreign based airlines and four U.S. based airlines with flights going to twenty-one direct international destinations.

Hartsfield's dramatic growth is enhanced by the role that other transportation factors play in the total mix of modes. Three interstate highways intersect in the city, large international railroad and truck terminals (Southern Railway and Seaboard) are located in the city and one Amtrak route serves north and south bound passengers. This mix of air, truck, railroad and interstate highway network gives the city the ability to serve as the gateway the southeast market of the United States and connects this region to the nation and the world.

Atlanta's ability to raise its international profile and hype itself before the world is strengthened considerably by the presence of Ted Turner's ten-year old Cable News Network (CNN). CNN is a twenty-four hour television news and information corporation. CNN's two cable channels are broadcast to fifty-five million U.S. households and about nine million households, hotels, embassies, businesses, and government offices in ninety-four countries.\(^{28}\) While the coverage that is offered by the two CNN channels is weak on analysis and conservative in its orientation, nevertheless, it offers an important communications link and information source about world events. The power of this global television network was

illustrated recently when the world watched Secretary of State James Baker, President Bush, and Iraq's Foreign Minister Tariq Aziz engage in a diplomatic tennis match in the aftermath of the collapse of the Geneva Talks. President Bush postponed his scheduled press conference until he could view the remarks of Tariq Aziz while Tariq Aziz was delaying his remarks so that he could respond to both Baker and Bush. The presence of such a powerful global television network's headquarters in Atlanta increases the city's attractiveness to international investors and foreign governments.

CNN's style and format have a profound impact on the reporting of events of international significance. In addition to presenting an American slant on the events of the day, this global communications medium promotes a disturbing trend of news as entertainment and may enhance the mass withdrawal from politics that is characteristic in America. According to Jay Rosen:

As CNN begins to constitute—rather than merely inform—the global sphere, its limitations will become global as well. Political deeds that lack a visual dimension may tend to escape world notice because they bore the image-hungry producers at CNN (or its competitors). Considered in this connection the savings and loan scandal and other complex maneuvers of finance occur in a political field that is fundamentally nonvisual and thus of negligible interest to those whose task is to "get them watching and keep them watching."

Another link in the global communications chain is provided by Bell South and Southern Bell. The importance of these two corporate giants in Atlanta can be seen in the following comments by Professor Soldatos:

The (presence) in Atlanta of Bell South Corp., the largest US communication holding company and of Southern Bell, one of its operating companies, provides the area with a very sophisticated telecommunications network (the Atlanta local calling area covers 3,300 square miles, with 1.3 million telephone lines); in addition, the majority of US equipment and long distance lines suppliers are present in Atlanta.\textsuperscript{30}

Bell South and Southern Bell also illustrate another aspect of Atlanta's political economy that is increasingly attractive to multi-national capital. Both of these corporations are part of a growing economic sector that is on the cutting edge of new technologies. Atlanta has a large group of firms that are involved in advanced technology development in computers, nuclear power, medicine, satellite and cable communications. The Georgia Institute of Technology, for example, is fourteenth on the list of universities and colleges in the country that receive research grants from the national government. Georgia Tech has a supercomputer, a nuclear reactor and conducts research for the space exploration program.\textsuperscript{31}

\textsuperscript{30}Soldatos, "Atlanta and Boston in the New International Cities Era," 34.

\textsuperscript{31}Hal Straus, "Tech Scientist Awaits Experiments' Return from Years in Space," \textit{Atlanta Journal}, 13 January 1990, 3(A).
Atlanta's interest in serving as a host for international events is not a recent development. The city was the host for 1884 Worlds Fair and Exposition. More recently, the latest group of the city's political and economic leadership captured several major events of international significance including the 1988 National Democratic Convention, the 1992 Super Bowl, and the 1996 Olympic Games. Former President Jimmy Carter built his presidential library in Atlanta as well as the influential Southern Center for International Studies. Finally, the city has a substantial investment in the convention and tourism business. The proposed expansion of the Georgia World Congress Center will give the city and the state one of the world's largest convention centers (with about a million square feet second only to Chicago's McCormick Place). Downtown Atlanta has over 13,000 hotel rooms to accommodate conventions, trade shows and tourists. There are a number of important trade facilities located within the city limits including Inforum, Atlanta Apparel Mart, the Georgia International Convention and Trade Center and the World Headquarters of Coca-Cola.

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Atlanta's Black Urban Regime and Post-1960s Economic Development

Atlanta is one of the cities that international capital finds attractive for investment and for development as a corporate headquarters. This circumstance did not simply happen naturally all by itself but is partly the result of intervention by the national and local state or what some call politics. The economic direction of the city is guided by a "growth coalition" that uses private as well as public power to ensure that its vision of economic growth and development prevails. Truman Hartshorn describes part of the membership of this coalition as follows:

Banks (Citizens and Southern, First National Trust Company of Georgia); business interests, including Coca Cola (Woodruff family), Rich's (Department Store), Haverty's (furniture), Ivan Allen (office equipment); and utilities (Georgia Power, Atlanta Gas and Light, and Atlanta Transit Bus Company) comprised this group that dominated policy making. All cities have such leaders, but rarely are the aristocrats, businessmen, and politicians one and the same. This leadership group was all white, all male and a small, aggressive, elitist body. Citizen input in decision making was not considered relevant, but leaders of the black community frequently consulted.  

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34Atlanta Transit Bus Company evolved into one of the most important mass transit systems in the country--Metropolitan Atlanta Transit Authority (MARTA). Marta uses a one cent sales tax from Fulton and Dekalb Counties, large amounts of Urban Mass Transit Administration monies, support from the city of Atlanta, to build its light rail network and expand its bus service. This quote is taken from Truman A. Hartshorn, Metropolis In Georgia: Atlanta's Rise as a Major Transaction Center (Cambridge, Massachusetts: Ballinger Publishing Company, 1976): 11.
Atlanta's current campaign to build itself as the next great international city is just the latest variation on a theme that has roots as far back as the 1888 Atlanta World's Fair and Exposition.

The "next great international city" under black political leadership is well on its way toward implementation of the latest growth coalition's corporate center development strategy. Essentially, this strategy calls for giving corporations and businesses investing in the city a free hand. Development of the city according to the corporate center model places emphasis on the Central Business District, convention, trade and tourism industry and public administration. Four of the most important members of Atlanta's progrowth coalition responsible for implementing the corporate center model are Central Atlanta Progress, the Atlanta Chamber of Commerce, the Atlanta Convention and Visitors Bureau and the City of Atlanta. Central Atlanta Progress represents the organized general interest of the downtown corporate community; the Atlanta Chamber of Commerce represents the concerns of the smaller property owners; and the Atlanta Convention and Visitors Bureau represents the concerns of the hospitality industry. While it might seem that the interests of large and small businesses are contradictory the public statements

35Stone, "Partnership New South Style," 100-110.
and actions of these business organizations seldom diverge. In fact, Central Atlanta Progress (CAP) and the Atlanta Chamber of Commerce show a remarkable degree of unity in the pursuit of downtown development. Their common strategy involves: promotion of the convention and trade business, promotion of the city as a center for advanced services such as Finance, Insurance and Real Estate speculation as well as Trade, Utilities and Communications (F.I.R.E./T.U.C.) and finally, promotion of the city as a center for the public sector.\(^{36}\) Stone asserts that the movers and shakers in Atlanta are using public funds to subsidize the private disinvestment in the southern part of downtown and this fact is disguised by the presence of public investment in the area.\(^{37}\) An aerial view of city reveals what some call the Manhattanization of the city with dense private investment moving in a northerly direction from the Central Business District of Five Points down Peachtree Street through Midtown and Buckhead. What is certain is that the geographical center of downtown is moving further north and this movement of private capital (partly funded by the public sector) has mostly negative consequences for the city.


\(^{37}\)Research Atlanta, *Economic Development in Atlanta*, 4-6.
During the 1960s, Atlanta's pro-growth coalition rebuilt the skyline of downtown, but their strategy for economic development also wiped out or significantly disrupted neighborhoods (the decline of "Sweet Auburn," Summerville and the West End neighborhoods for example, are the direct result of public policy designed to prevent the encroachment of these black communities on the central business district), displaced thousands, destroyed numerous small businesses and maintains the extreme racial segregation of the city. As a result of these policies, Atlanta remains one of the most racially segregated cities in America. While the laws that guarantee such a result have been abolished the city's political and economic elite have been able to achieve the same result through the manipulation of public policy, the placement of roads and highways, the aggressive use of urban redevelopment, and the "normal" business activities of banks, insurance companies, and real estate firms.


39 According to a recent study conducted by the Miami Herald of "Racial Isolation" based on 1980 and 1990 Census Data, Atlanta ranks twelfth on the list of the most segregated metro areas in the country. Forty-three percent of Atlanta's black population lives in neighborhoods that were at least 90% black in 1990. See "Residential Integration Slow in Coming: Georgia Makes Small Gain in Cutting Racial Isolation," Atlanta Constitution, 10 April 1990, 1(A).
Atlanta used its highway development to clear slums and Blacks out of downtown areas. . . . Highway construction was used to remove blacks from certain sections surrounding the central business district, set up racial buffers, and allow the city to redevelop the area commercially. 40

Public policy also guaranteed that Metropolitan Atlanta's black population remained heavily concentrated on the Southside. An elaborate segregation policy restricted black private residential expansion mainly in a westward direction. It was also no accident that the majority of Metropolitan Atlanta's public housing projects were placed in the South. 41

These outcomes were brought about with the active participation of some leadership elements of the black community in Atlanta. During the early 1900's, Heman Perry, for instance, made a lot of money by buying up land in the approved areas for black settlement and building homes in these area. 42 There was a gentleman's agreement between some of the leadership elements of the black community and the white elite to maintain the racial segregation of the city (the story of this instance of black complicity will be detailed later). It is remarkable that broad social upheaval has not taken hold given the circumstances.


Concerns about the level of poverty and structural unemployment or other redistributive measures do not have a high priority or do not make it to the policy agenda of Atlanta's decision makers. While this might not be surprising in a situation where blacks do not exercise political power it is amazing that the same result occurs in a context of black political dominance. The results of this trickle-down economics and chamber of commerce approach to economic development are devastating for the majority of the central city residents. Black political leadership appears to be severely constrained by the investment context of the city which renders them politically impotent or out of ideas when it comes to the concerns of the central city residents. When Atlanta's Black Urban Regime does turn its attention to the problems of the poor, they offer the same solutions and symbolism advanced by their predecessors.

Atlanta's Black Urban Regime dates from the election of Maynard Jackson in 1973. While many thought that Jackson's election and the election of numerous other black elected officials would have a significant impact on the constellation of political and economic power in reality not much has changed. The coming of black political power produced a great deal of anxiety and frustration among the power elite because they were forced to share political
power with a black electoral majority. Black political management of the city also produced high expectations from the black electorate that generally believed fundamental change was unavoidable. Measured against the expectations of both blacks and whites the record of achievements by black political administration is disappointing. Aside from the production of twenty-one black millionaires (the result of the aggressive use of affirmative action policies and joint venture programs), a reduction in the quantity of police brutality, a change in the complexion of city hall, and the psychic comfort that some blacks may derive from living in a city with a black urban regime, the fundamental location of economic and political power remains structured the same as before the coming of black political power. In short, Atlanta's economic and political elites were able to reach an accommodation with black political power and

43See the letter to the Mayor detailing the concerns of business by Harold Brocey, Board Chairman of Central Atlanta Progress, found in the Jackson Papers. See also the discussion in Mack H. Jones, "Black Political Empowerment in Atlanta: Myth and Reality," Annals of the American Academy of Political and Social Science 439 (September 1978): 111-112.


reconstitute their governing coalition. Blacks captured political power but they remain dependent on the white corporate elite (which has a tremendous investment in the Central Business District) to maintain the economic viability of the city. This economic and ultimately political dependance on the corporate elite produces enormous wealth and enormous poverty.

Atlanta's pattern of economic and political development results in a city that offers tremendous contrasts. The booming skyline and gleaming buildings suggest a city of vast wealth, urbane sophistication, and civic pride. The city ranks high on various standard measures of quality of life, business climate, and social climate. Atlanta received favorable press coverage for hosting the democratic national convention, the first national black arts festival, and for being chosen to host the 1992 Super Bowl and the 1996 Olympics.

On a closer examination, this first impression becomes illusory, a mirage, and for many Atlanta residents a bad dream come true. While Atlanta has one of the highest economic growth rates in the country, it also has one of the highest poverty rates. Recent studies indicate that 34.6% of the city's black population live below the poverty line. One observer has remarked "regardless of which data one

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looks at, the conclusion is clear. The economic condition of blacks living in Atlanta is pitiful and appears to be getting worse. Poverty is not simply a black phenomenon. The overall poverty rate for this economic boomtown is 23.7% by conservative estimates. Some observers think that the poverty rate is closer to 30% or 40%. The precise figures are debatable because different governmental units use dissimilar measures for tracking poverty. Agencies that gather and report socio-economic data make it difficult to get an accurate reading of the situation by merging data on the city with data on the eight county metro area. This practice masks conditions in the city of Atlanta for marketing purposes. Despite this statistical confusion, most observers suggest that at least 100,000 people in a city of 430,000 live in poverty.

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47David Sjoquist, The Economic Status of Black Atlanta (Atlanta, Georgia, Policy Research Program, College of Business Administration, Georgia State University, August 1989): 10, Research Paper No. 3. Professor Sjoquist study was first presented as part of an Urban League multi-issue socio-economic study, The State of Black Atlanta, Atlanta Urban League, Inc., 1988. Mayor Andrew Young at the time of the release of the report dismissed the findings as out of date. When Professor Sjoquist updated the empirical basis of the report in the document quoted above the findings were the same if not worse as predicted. Interview with David Sjoquist, College of Business, Atlanta Georgia, November 14, 1990, personal notes.

48Interview with Phil Theil, Research Coordinator, Department of Community Affairs, The State of Georgia, August 22, 1990 and Interview with Dr. Brenda Sullivan, Policy Analyst, The Urban Study Institute, October 5, 1990.
The seriousness of the problem of poverty in Atlanta can be illustrated further by looking at Nathan and Harris's central city hardship index and the poverty impaction perspective or poverty concentration index from 1970 to 1980. The central city hardship index measures the degree of hardship experienced by the central city residents of the sixty-six largest urban areas compared to residents of the surrounding metropolitan suburbs. The index is derived by using a composite figure from unemployment rates, dependency (under 18 and over 65), education, income level per capita, crowded housing, and poverty. Atlanta had the seventh highest composite figure (221) of the largest sixty-six SMSAs based on census data from the 1970s. By 1980, Atlanta dropped four places to eleventh on the list. This drop does not result from an improving position but from other areas deteriorating faster. More significantly, Atlanta finds itself second behind Newark when you consider poverty impaction rates. This index measures the amount of extreme poverty areas or census tracts with more than 40% of the population living below the poverty line. According to Nathan and Harris, "Newark, Atlanta, and Cincinnati are

distinguished by poverty impaction rates exceeding forty per cent."\(^{50}\)

As suggested earlier, black political leadership use the same approach to solving the problems of city as their predecessors. In the vital area of economic development, for example, both the reform minded Jackson and the Young administration pursued corporate pro-growth strategies as their main economic development plan and as their main plan for dealing with the issue of poverty.

A community is stronger and its residents enjoy a higher standard of living when all citizens can obtain meaningful employment. This is the basic rationale for public policies and other actions by the city of Atlanta to encourage and assist economic development ... The community must rely upon the private sector as the largest and most dependable source of employment, and government must realize that there cannot be an adequate number of jobs without a strong and prosperous economy.\(^{51}\)

Under black political leadership, the city of Atlanta pursued a policy which invested public resources in activities designed to attract new business, maintain the existing business base, increase the tax base of the city and reduce the level of poverty as a by product of these measures. Economic development policies included: establishing free trade zones, urban renewal programs

\(^{50}\)Nathan and Adams, "Four Perspectives on Urban Hardship," 495.

(Fairlie Poplar Project), joint venture programs, a streamlined building permit process, infrastructure improvements, loan guarantees to small businesses, tax exempt bonds, tax abatement projects, minority set asides, and centralization of all economic development activities. All of the above approaches have little or no effect on the production and reproduction of poverty in the city.

This approach to economic development is not new but parallels the Central Atlanta Progress and Chamber of Commerce strategies for wealth generation and distribution that has served as a guide for urban development in the post-World War II period. Following this approach to economic growth, the City of Atlanta using its powers of eminent domain embarked on an urban renewal policy and a highway building frenzy that displaced more than 100,000 people from 1955 to 1970 and destroyed over 34,000 housing units in one ten-year period to make way for various kinds of corporate lead development such as highways, office towers, luxury housing and two stadiums. This full tilt development is responsible for the concentration of resources on the north side of Atlanta's metropolitan region.

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and the disinvestment that characterizes the south side of the region and city. A comparison of total office space available on the northside of the metro area with the space available on the southside reveals that only 5% of the total is located in the southwest and southeast portions of the metro area.

One factor that may explain the inability of neighborhood groups, the working poor, and non-elite blacks to sustain opposition to the corporate center development strategy is the active involvement of the black elite and black elected officials in what many observers call the "Atlanta Biracial Coalition." Long before the coming of black political power a small influential sector of the black community actively "participated" in a biracial governing coalition. During the era of Jim Crow segregation, some blacks were allowed to council the white power structure and politely petition for the redress of long standing grievances. In fact, black elected

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53Kenneth Town and Betsy Berns, Economic Development in Metropolitan Atlanta Part II: Southside Development Strategies (Atlanta, Georgia: Research Atlanta, 1984).


officials and Atlanta's tiny black middle class may be the only sector of the black community to derive benefits from the corporate development pattern.

The central factor in the exchange between electoral power and investment money is the city's Minority Business Enterprise (MBE) program. City legislation calls for 35 percent of city contracts to go to minority businesses either directly through contracts or sub-contracts, or in joint ventures that include minority partners. 56

Interestingly enough, Atlanta's pattern of development is accompanied by a significant degree of black political corruption. A large number of black elected officials are dependent on their political positions as the main source of income. This lack of economic independence from public office puts them in a very vulnerable position when these officials are routinely called upon to make decisions regarding zoning, tax abatement, enterprize zones, government contracts and the like. Recent years have seen a parade of black elected officials investigated and convicted of fraud, misuse of public funds, tax evasion, graft, taking bribes, and generally using their public positions for personal gain. The recent conviction of Fulton County Commissioner Reginald Eaves (former self-styled champion of the grassroots) was particularly troubling. 57 The sight of loyal Reginald Eaves supporters crowding the courtroom

56 Stone, Regime Politics, 136.

57 Stone, Regime Politics, 149-153.
everyday, crying and denying any wrong doing on their hero's part, was a painful remainder that some black elected officials will go to any lengths to exploit the least of these for their own selfish and opportunist ends. The arrest and conviction of Richard Lankford, the first and only black high sheriff in the country was equally appalling. Richard Lankford is a preacher and a former law enforcement officer with the authority to arrest the Governor if necessary. Lankford was convicted of giving preferential treatment to providers of services who agreed to give kickbacks. These and many other incidents detailed elsewhere ought to at least raise serious questions about misplaced black solidarity in the face of clear cases of rascality and criminal behavior.

As blacks assume political power in Atlanta, an interesting paradox can be observed. On the one hand, there are more democratic forms and outlets for increased participation from a variety of sectors in the process of making public policy; but on the other hand, the increased numbers of players at the table of power does not translate into meaningful democratic participation. The critical discussions and decisions about development take place among the black and white elite in quasi-public organizations like Atlanta Economic Development Corporation, Central Atlanta Progress, Central Park Communities (A CAP creation), the Downtown Development Authority (state), Georgia Residential
Finance Authority, Atlanta Urban Residential Finance Authority, Atlanta Department of Community and Human Development (responsible for Community Development Block Grants), the Atlanta Housing Authority, Metropolitan Atlanta Rapid Transit Authority, Atlanta Bureau of Planning, Atlanta Regional Commission (A.R.C.), the Society of Industrial Realtors (S.I.R.) and the Underground Festival Development Corporation (U.F.D.C.). These public, private and quasi-public structures discuss and make policy for the city and the metropolitan area; however, their deliberations are open to the public only in the most perfunctory sense and for the most part the substance of public policy remains isolated from public participation. Decision making is still a prerogative of an elite group. Black political leadership does not seem to be troubled by the fundamentally undemocratic nature of these important policy shaping organizations. Under these circumstances, it is not surprising that a huge portion of the black community has not been able to find the elusive "Black Mecca" in Atlanta.

In conclusion, recent developments in international capitalism and the corresponding adjustments made by various urban areas to the rational tyranny of international capital call for new debate on the problems of the cities. Mainstream analysis tends to mask the devastating impact of increased capital mobility in various ways: (a) by presenting the contradictions as the result of impersonal
apolitical market forces and technological progress (the so-called mis-match thesis is a good example of this problem), and (b) by reintroducing blame the victim theories and culture of poverty theories. The writings of American conservative intellectuals like Charles Murray and Black Neoconservatives are examples of this literature. These writings promote a hopeless tautology: the poor are poor because they are poor and there is nothing that government can do to fundamentally alter the situation. It is unfortunate that we are living in era where the concerns and the plight of the marginalized are not a priority of public policy. The poor become problems for the service bureaucracy and the real causes of poverty and the urban crisis are not addressed. Poverty, chronic unemployment, homelessness and crime are interrelated problems produced by the "normal" operation of late capitalism, the global restructuring of the capitalist political economy and the means of public intervention by the national and local state. These structural problems require structural solutions.

It is even more tragic that the best hope for black advancement two decades ago has become a critical part of the problem. Some writers are now suggesting that racial politics is passe; black elected officials need to be "Trans-ethnic"; and public policy needs to be color blind. Many observers hold up Atlanta as a model of racial harmony,
economic progress and political democracy. Unfortunately, on close inspection the Atlanta model in the post-civil rights era turns out to be just as mythological as the new south Atlanta of Henry Grady and William B. Hartsfield. Atlanta's Black Urban Regime continues the same ideological trend as new south advocates in the late nineteenth and early twentieth centuries (see Chapter III). The strategy and rhetoric of Atlanta's political and economic leadership simply masks the structural changes that are taking place and prevents a clear confrontation with the reality of the new urban situation. Mack Jones makes the same observation: "Black mayors and black leadership in general are responsible for ensuring that the appearance of the city as a glittering showcase of success is not sullied by the reality of urban oppression."^58

Now that capital is extremely mobile and can scan the globe for the optimum combination of land, labor and capital the central cities are no longer desirable locations for industrial production. Cheap and docile labor can be found outside the central cities. Black Urban Regimes may be the more appropriate vehicles for managing the stress, strains and dislocations that result from the changing function of the modern city in capitalist America. Racial solidarity

may blunt the reaction to systematic oppression. Under black leadership who the enemy is is less clear.
CHAPTER III
BLACK MECCA RECONSIDERED: ON THE POLITICAL
INCORPORATION OF BLACK LEADERSHIP
IN ATLANTA

Atlanta's Black Urban Regime is a unique power structure that is the result of historical, political, social, economic, demographic, cultural and ideological developments that have been working themselves out since the resurgence of black electoral activity in the aftermath of Smith v. Allwright (1944) and Chapman v. King (1946).¹ Its character and substance is determined by the manner in which the southeast region is integrated in the national-global capitalist system, the intervention of public authority from the national and local state, the cultural and ideological hegemony of American Liberalism, and most importantly, the racial subordination of the Afro-American people.

Atlanta's Black Urban Regime operates in a context of hierarchical structures, social and political practices

¹Smith v. Allwright, 321 U.S. 649 (1944), was the historic Supreme Court case that found white primaries unconstitutional. Chapman v. King, 154 F.2d 460 (1946), was the Federal District case that found white primaries in Georgia unconstitutional.
built up over time. On the surface, Atlanta's Black Urban Regime appears to embody a more democratic and equitable distribution of power—the Mayor is black; the police chief is black; the majority of the members on the city council are black; most of the members of the police force are black; the majority of the members of the school board are black; and the majority of city workers are black.

One would expect that this base of political power could at least secure the accoutrements of middle class and affluent status; however, the plight of Southwest Atlanta illustrates the limitations of electoral power. Southwest Atlanta is the preferred residential location of many of Atlanta's black middle class and affluent blacks. The area contains many new homes with average prices $184,000 and "average household income of $33,000, 15% above the average for the Atlanta area."² Southwest Atlanta is home to some 35,000 residents but overall business and commercial establishments in the area are decidedly second rate.

The dearth of business activity in Southwest runs counter to the notion of Atlanta as a mecca for the black middle class. More that a quarter century after the civil rights movement began, the market treats some of its most affluent blacks as second-class citizens, undeserving of the gilt-edged service that similar income levels in predominantly white neighborhoods would command. It's paradoxical that black politicians control city and county government, but they can't spur any economic activity where they live. What little retail development there is in Southwest is

run-down, and residents say the chains with stores in the area don't stock or maintain them the way they do outlets in white sections of town.\footnote{Ibid., 61.}

One recent study found that, "Among the 10 metropolitan areas with the largest black populations, Atlanta has the lowest percentage of middle class blacks."\footnote{Cynthia Durcanin and Lyle V. Harris, "Black Middle Class Relatively Small, Lacks Clout," Atlanta Journal and Constitution, 3 March 1991, 1(A).} Most Black Atlantans are not in the middle class so the problems that this group faces are more severe than having delivery of the New York Times or being able to shop at Neiman Marcus in the neighborhood.

Floyd Hunter remarked that the new symbol of status and power among Atlanta's white elite is an executive suite on the top floor of one of the many sky scrappers that form the new Atlanta skyline.\footnote{Hunter, Community Power Succession, 18.} It is this corporate power that determines the economic context of the city and the region. Black control of political power is dependent on corporate control of vast economic resources, and the mere threat of corporate disinvestment is sufficient to curtail serious consideration of redistributive public policy. Atlanta's Black Urban Regime does not control the resources that would allow it to solve the fundamental problems faced by the central city. What the central city residents get for their
votes for the most part is a politics of symbolism and empty promises. This is the fundamental dilemma faced by such regimes. An examination of economic development policy in Atlanta during the Jackson's administration gives some insight into the dynamics of this problem.

It is important to examine the theoretical, historical and ideological basis of this power structure. Stone suggests why theoretical analysis is important for understanding the policy process:

Attention needs to be given to those elements in a political system that influence the issue agenda and thereby limit the amount of conflict that occurs or shape the form that it takes. Power is more than the ability to overcome opposition. . . . it also involves the capacity to affect the context within which decisions are made . . . . the ability to secure positional advantage.6

One such instance of positional advantage concerns the historical, theoretical and ideological basis of the regime. In this chapter, the focus of commentary will be directed at the ideological basis of Atlanta's Black Urban Regime. Theories and ideologies have a significant impact on the shape of power structures and an examination of the ideas held by black leadership as well as white leadership helps to explain why some alternative courses of action become public policy and others do not. Also, accounting for a

regime's ideological basis helps to explain why oppressive conditions are tolerated for long periods of time. The disgusting structure of Jim Crow, for example, did not receive fatal blows until the ideas which challenged the ideological justification for its existence became widespread and accepted by black leadership. Gouldner observed in another context "The old society maintains itself . . . through theories and ideologies that establish its hegemony over the minds of men."7 Booker T. Washington's ideology of accommodation won hegemony during the classical period of Afro-American Political Thought and as a result Jim Crow's ability to survive was enhanced. When a new generation of young leaders could no longer stomach the indignities and injustices associated with this particular structure of racial oppression, Washington's analysis was superseded with the ideology of protest politics first articulated during the classical period by W. E. B. Dubois.8 Atlanta's Black Urban Regime emerged from the wreckage of Jim Crow but while the ideas which sustained the existence of this power structure are somewhat discredited this does not mean the debate is terminated nor can the influence of such ideas be dismissed.

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Very few works examine the question posed in Chapter II of this study: How does one explain the apparent self-imposed limitations and moderation that is characteristic of the black elite response to systematic racial oppression? Again, this is a question of historical importance and contemporary relevance. What explains the lack of aggressiveness and widespread acquiescence to the status quo typical of black leadership? A focus on the theoretical and ideational basis of Atlanta's Black Urban Regime can begin to provide satisfactory answers to this important question.

Historically, the manner in which black leadership related to extreme racial oppression during the early part of this century and in the immediate post-World War II period established a particular conception of the so-called race problem that deprecates systemic factors and creates patterns of conflict resolution that are deferential to the white corporate elite. Given this history one should not be surprised that the current regime constrains itself with a limited definition of the urban problematic. The regime's conception of the possibilities of urban governance is circumscribed by an ideology which does not question the existing structure of power. Ideas for public policy are conceived within the framework of American Liberalism and Afro-America Political Theory. The force of American Liberal Ideology can be seen in the reliance on the free operation of the market to solve social problems and
economic problems. The private sector and its ability to control the production of jobs and investments are looked upon as the key to the vitality of the city. When we examine the definition of urban problems and solutions from Atlanta's Black Urban Regime, there is deference to and continuity with previous regime strategies. Innovations that do appear as public policy tend to benefit corporate Atlanta, the black elite, and well organized interests.

In summary, the main task of this chapter is to examine some of most important factors which account for the historically specific character of Atlanta's Black Urban Regime. There are several related questions that need to be addressed here including: How did race come to play such an important role in Atlanta's political economy and what is the impact of the historical subjugation of blacks? How did the political incorporation of blacks take place? What role did Booker T. Washington play in defining the adjustments that blacks would make to racial oppression in Atlanta and in the country? How did Booker T. Washington's ideology of accommodation and possessive individualism influence Atlanta's Black elite? Does Atlanta's black elite represent the interest of the majority of blacks in the city? How does Atlanta's black elite fit into (a) the governing coalition and (b) the electoral coalition? What role does the ownership of substantial economic resources play in the
direction of public policy? Who are the members of Atlanta's political and economic aristocracy?

Atlanta's Black Urban Regime is fundamentally based on Black electoral strength. Black electoral strength is the result of racial block voting patterns and the increasing numbers of black voters. Blacks in Atlanta have been voting in a block in significant numbers since the elimination of white primaries in the 1940s. The black population was 104,533 or 34.6% of the total population of 302,288 in 1940. By 1949, black voters made up 25% of the registered voters. By 1960, blacks made up 38.2% of the population, but by 1970 blacks became a majority with 51.6% of the city's population. By 1980, blacks made up 66.5% in and by 1990 blacks made up 69% of the population. Projections by the Georgia Department of Community Affairs suggest that the city's black population will continue to increase in the foreseeable future from 295,074 in 1990 to 301,262 in 1995. This compares with a white population of 109,773 in

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9Marilyn Ann Davis, "Political Participation in Georgia's 5th Congressional District: An Analysis of Racial and Socio-Economic Voting Patterns, 1946 to 1970," (Ph.D. diss., Atlanta University, 1979), Appendix D.

10I am grateful to Linda Fordham, Data Specialist, Office of Coordinated Planning, Georgia Department of Community Affairs, for providing me with their calculations on population growth.
1990 which is projected to decline to 96,605 by 1995.\textsuperscript{11} In 1973, black voters with a small percentage of Intown whites elected Maynard H. Jackson as the first black Mayor of the city. Maynard H. Jackson served two complete terms before he was bound by the city charter to step down (Maynard Jackson served as a corporate bond lawyer during the intervening years). Andrew Young served two full terms before being required to step down, and now Maynard H. Jackson is in the second year of his third term. Atlanta has only two black mayors in its history, but their terms cover almost two decades—eighteen years of black urban administration. It is safe to conclude that Atlanta has a critical mass of black voters whose history of racial block voting ensures that the political management of the city will remain in black hands despite the "subtle differences in the make up of the electoral coalitions."\textsuperscript{12}

Historically, Atlanta's political and economic development can be traced to the city's geographic location as the gateway to the Southeast region of the United States.

\textsuperscript{11}It is important to note that there is some controversy regarding the population figures for Atlanta. Both the State of Georgia and the U.S Census Bureau record sharp declines in the overall population of the city while the city of Atlanta and the Atlanta Regional Commission foresee rather robust growth in the city's population. This may be due to the different political agendas pursued.

Atlanta began its dramatic growth after the civil war as a result of the penetration of railroads. The city grew up around the intersection of three railroad trunks: the Western and Atlantic, the Western and Macon and the Georgia Railroad. At one time, the city was named Terminus because it was a settlement built at the end of the western end of these railroad lines. Atlanta was a crucial supply and distribution center for the southern war effort during the so-called "War Between the States." Sherman torched part of the city during his infamous "March to the Sea," but the actual destruction has been greatly exaggerated. Far greater damage was done by the fire that broke out in 1917 which destroyed seventy three city blocks. The intersection of major railroad trunks precipitated the growth of a wholesale and distribution economy, but early economic growth was slow because of the generally slow economic development of the South.

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After the Civil War, America experimented briefly with racial democracy as a means to assure political control over the region. "On July 4, 1868, 30 newly elected black legislators, aligned with the Republican Party, attended their first session of the Georgia General Assembly."\textsuperscript{16} Hundreds of black elected officials took office for the first time throughout the south. The record of black legislators in Georgia is typical of the accomplishments of reconstruction governments in the south.

The black Georgia lawmakers of the 19th century can be credited with laying the framework for the development of public schools in Georgia. They worked to secure the passage of bills that would enfranchise women, provide equal accommodations for both races on public conveyances, promote prison reform and enfranchise thousands of white men who were barred from voting because they didn't own property. The efforts of these lawmakers truly paved the way for the wider democratization of society.\textsuperscript{17}

The idea of being subjected to the political authority of reconstruction governments was never accepted by the rebels, plantation owners and their allies. In 1865 under the leadership of a former Confederate General, Nathan Bedford Forrest, they formed an organization dedicated to the destruction of these new governments or what they termed "nigger rule." The Klu Klux Klan and similar groups led the

\textsuperscript{16} Michael Thurmond, "First Black Legislators Set Postwar Georgia on the Right Course," \textit{Atlanta Journal Constitution}, 17 February 1991, 2(H).

\textsuperscript{17} Ibid., 2(H).
fight to retake control of public authority by engaging in the most bitter and violent struggle. Actually, the Hayes-Tilden Compromise of 1877 (which provided for the removal of federal troops stationed in the south to protect black voters) was anti-climatic because terrorism effectively eliminated black political power long before Mr. Hayes took office. While some black elected officials served until 1907, reconstruction and the possibility of racial democracy ended by the late 1870s. Reconstruction was replaced by the Jim Crow system of segregation based on fanatical racism and the country plunged into an orgy of racial hatred and violence. Between 1896 and 1915, more that 2,800 blacks were lynched and during the same period black voter registration dropped by 96%. "Moderate" new south politicians lead the forces calling for the political disenfranchisement of blacks.

America's turn toward the brutal system of Jim Crow was aided by the role of the academic, scientific and literary community. Respected academics made a large contribution to the climate of racial hatred by producing a prodigious


literature documenting the alleged inferiority of the Afro-
American people. John W. Burgess, an ex-confederate slave
holder and professor of Political Science at Columbia
University and William H. Dunning a copperhead professor of
History at Columbia University created what came to be known
as the "Dunning School" of historians and miseducated
generations of Americans. Burgess wrote: "A black skin
means membership in a race of men which has never of itself
succeeded in subjecting passion to reason, has never,
therefore created any civilization of any kind."
History books used in public schools in the south contained the same
message of white supremacy and black inferiority.
Anthropological and sociological tracts taking up the theme
of white superiority in general and its converse include
Houston S. Chamberlain The Foundations of the 19th Century
published in 1899; A. P. Schulz, Race or Mongrel, published
in 1911; P. Weal, Conflict of Color, published in 1911; and
Madison Grant, The Conquest of a Continent, published in

20Copperheads were pro-slavery anti-war forces usually
associated with the Democratic party in the North.

21W. E. B. Du Bois examines the role of James Ford
Rhodes, a prominent Ohio businessman who wrote and published
many racist interpretations of post-Civil War American
history, as well as the impact of Burgess and Dunning in a
chapter called "The Propaganda of History." The citation of
Burgess can be found in Du Bois, Black Reconstruction in
America 1860-1880, 718-719.

22Lawrence E. Reddick, "Racial Attitudes in American
History Textbooks of the South," Journal of Negro History
19, no.3 (July 1934), 225-265.
1933. Thomas Dixon, a "negrophobe" in the parlance of the day, published three popular novels in the early 1900s that helped spread the doctrine of racial superiority to every corner of the country. Two of Dixon's works included: The Leopards Spots, A Romance of the White Man's Burden 1865-1900, published in 1902; and The Clansman: An Historical Romance of the Klu Klux Klan, published in 1905. The film "A Birth of a Nation" was based on Dixon's novel The Clansman. The film version of The Clansman was significant because it drew enormous crowds, brought together modern technology and blatant racism. The film depicted black people as stupid, lazy, buffoons, and full of lust for white women. "Birth of a Nation" was shown to President Woodrow Wilson in the East Room of the White House and viewed by Congressmen and Supreme Court Justices.

There were only a handful of books and researches that mounted serious intellectual challenges to the notions contained in racist literature of the period. Of course,

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the works of W. E. B. Du Bois come to mind but in addition the most instructive was Melville Herskovitz's *The Myth of the Negro Past*, which exposed the intellectual dishonesty and "lies agreed upon" at the basis of most academic literature regarding race.\(^{25}\)

In short, between the fall of reconstruction and the early 1900s, a new system of racial oppression was designed and constructed to render the Afro-American people powerless. While many commentators have examined the political and economic factors undergirding the Jim Crow segregation, very few have explored the ideological basis for these developments discussed above. C. Vann Woodard for example, suggests that the system of Jim Crow was the product of racial hostility by whites in the South in the late 1800s and early 1900s. Woodard explores seven factors that help to explain the south and the country's adoption of this system of social control: The Great Depression of the 1890s, the Development of American Imperialism, the Influence of Scientific Racism, the Retreat and Acquiescence of Liberals, the Failure of Populism, Rulings by the Supreme Court and Laws Passed by Southern States, and the Submissive Philosophy of Booker T. Washington.\(^{26}\) Similarly, Richard


C. Wade, in *Slavery in the Cities*, argues that the disintegration of slavery in the Southern cities brought about the construction of alternative means of exploiting the ex-slaves. As a consequence of Jim Crow:

By the 1890 census, this racial policy resulted in clearly defined black neighborhoods with their own churches, schools, shops, recreational spots, and social groups. Most of the housing was substandard, streets remained unpaved, and these areas were the last to get water, sewers and transportation. . . . By the turn of the century the black ghetto, as we now know it was everywhere a part of the urban south.

The destruction of reconstruction in Atlanta brought the racial bifurcation of the city and the resubjugation of the growing black urban population. Henry W. Grady's new south rhetoric did not include improved conditions for black Atlantans. Historian Dana F. White observes: "According to Grady . . . the emphasis was to be on separate, not equal in that any threat to the 'clear and unmistakable domination of

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the white race meant ruin.''^29 Atlanta and the state of
Georgia became noted for a fanatical devotion to racial
subordination as the passing of each year would bring new
absurdities to the system of Jim Crow segregation. The
status of blacks was not very different under Jim Crow
segregation than under that peculiar institution.

**Ideological Roots of Atlanta's Black Urban Regime**

Faced with widespread racial terrorism, social
degradation, economic exploitation and political
disenfranchisement many blacks simply migrated out of the
south to more promising areas of the country. There was a
fierce debate over the Negro Question among blacks as well
as among the southern political elite and the national
leadership. W. E. B. Dubois, Professor of Sociology at
Atlanta University for thirty years, co-founder of the
National Association for the Advancement of Colored People
(NAACP) (1909) and the *Crisis* magazine, argued for a
comprehensive strategy that included social and political
agitation as well as enlarging the role of higher education
in changing the fortunes of blacks in the country. Many
others followed the advice of that celebrated Negro
spokesman Booker T. Washington. The ideas advocated by Mr.
Washington deserve some commentary here because they were

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^29 Dana F. White and Timothy J. Crimmins, "How Atlanta
supported by the southern political and economic elite and they were especially significant for Atlanta's black and white elite. Booker T. Washington's ideas helped to shape blacks' adjustment to the new forms of racial domination represented by Jim Crow segregation. This is not to suggest that Washington's ideas went unchallenged. Strong opposition came from a variety of sources from the black elite as well from white radicals. The evidence suggests that Washington's ideas achieved hegemony.

Booker T. Washington counseled blacks to forgo political rights and to abandon intellectual pursuits in favor of vocational training so as not to antagonize whites.

Ignorant and inexperienced, it is not strange that in the first years of our new life we began at the top instead of at the bottom; that a seat in Congress or state legislature was more sought than real estate or industrial skill; that the political convention of stump speaking had more attractions than starting a dairy farm or truck garden. . . . Our greatest danger is that in the great leap from slavery to freedom we may overlook the fact that the masses of us are to live by the productions of our hands, and fail to keep in mind that we shall prosper in proportion as we learn to dignify and glorify common labour and put brains and skill into the common occupations of life; shall prosper in proportion as we learn to draw the line between the superficial and the substantial.\(^{30}\)

These are remarkable words that had a profound impact on the "Negro Question" in the south as well as in the rest of the

country. Booker T. Washington made these remarks at the Atlanta Cotton States and International Exposition of 1895. This fair was part of the southern elites effort to promote a particular vision for the economic development of the south as well as articulate the place of the Negro in the new south. More than a million people would attend this particular exposition and more than three million people would attend similar fairs held in two other southern cities (The New Orleans World's Industrial and Cotton Exposition of 1885 and the Tennessee Centennial Exposition of 1897 in Nashville). According to Robert W. Rydell: "Washington's speech was a key element in a fair that represented an attempt to fix class relations in the South within the confines of a racial pyramid." Docile black labor was held up as an alternative to the tide of immigrant labor that was considered to be unreliable and subject to the influence of socialism. The southern elites believed they had a solution to the problem of underdevelopment as well as a fix for the national economy. American capitalism's periodic crisis of overproduction which lead to economic calamity and social unrest (class struggle) would be solved through the utilization of cheap, abundant black labor in


32 Ibid., 75.
the South and the imperial expansion of markets to the Latin American countries.

Despite the ill treatment and ruthless exploitation of black labor under slavery and under the system of debt peonage, Booker T. Washington counceled blacks to lower their expectations, accept their low status in life, and help the New South's leaders solve their labor problems. In fact, according to Booker T. Washington, blacks were responsible for a large part of their problems and accordingly, self-improvement was the key to black progress. Self-improvement for blacks was also advocated by the Southern elites who provided Washington the widest possible audience along with tremendous financial support. Rydell's comments on the impact of the Negro Departments at southern fairs in the debate over the Negro Question are instructive:

For the directors of the southern fairs, Negro departments were instruments of social control that would keep blacks in check by defining progress as self-improvement along industrial lines and by persuading blacks that builders of the New South would take their best interests to heart.33

Adding insult to injury, the organizer's of the Atlanta fair took pains to demonstrate that blacks were easy to control and the New South did not have a place for social, political or economic equality between the races. The audiences were segregated; chain gang labor was used to excavate at least a

33Rydell, 80.
million yards of earth; all of the Negro exhibits were
confined to the Negro building; and blacks were not served
at restaurants on the fair grounds and a village was set up
on the fair grounds called "The Old Plantation." This
village was designed to ratify several myths about slavery
and blacks who endured this peculiar institution. "Once
inside, fairgoers were invited to observe 'young bucks and
thicklipped [sic] African maidens happy as a big sunflower'"
dance the old time breakdowns, joined in by "all de niggahs"
with weird and guttural sounds to the accompaniment of "de
scrapin" of de fiddle and "de old banjo [sic]." There was
opposition to the southern elites and the popular view of
blacks in the New South but that opposition was weak and
ineffective. Many recognized "leaders" supported
conciliation and capitulation to the rise of fanatical
racism in the South and North including: Blanche K. Bruce,
Senator from Mississippi; J. C. Price, President of
Livingston College in 1890; and Timothy Thomas Fortune,
editor of New York Age newspaper 1890-1907.

The leaders of the New South felt that new investment
and economic development of the region was related to
establishing a good business climate. A good business

\[34\] Ibid., 87.

\[35\] August Meier, Negro Thought in America 1880-1915:
Racial Ideologies in the Age of Booker T. Washington (Ann
climate in the south would be based on acceptance of racial subordination to ensure racial harmony or to put the matter clearly: the niggers should know their place. Again, Booker T. Washington would supply the necessary images and myths that would help sustain this fiction about the happy darkies:

As we have proved our loyalty to you in the past, in nursing your children, watching by the sickbed of your mothers and fathers, and often following them with teardimmed eyes to their graves, so in the future, in our humble way, we shall stand by you with a devotion that no foreigner can approach, ready to lay down our lives, if need be, in defense of yours, interlacing our industrial, commercial, civil, and religious life with yours in a way that shall make the interests of both races one.  

Washington's message was clear--Negroes would control themselves. Even though this race has fundamental grievances with the social order and experiences racial terrorism on a daily basis, they are expected to control themselves and be content with their lot in life. In return, the leadership of the New South would secure agricultural and industrial employment for black labor from the expansion of markets overseas. Blacks need only to improve themselves to join the family of civilized man. Obviously, blacks were not ready, by the public admission of their spokesperson to assume a place at the table of civic power as equals with the white race. A long period of

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social up lift and self-development and petty bourgeois commercial development would have to occur before equal opportunity would result. Of course, the tiny black petty bourgeois was the only class in a position to carry out such a task. The black elite was also ready for such a task.

**Booker T. Washington and Atlanta's Black Elite**

Sixteen years after Mr. Washington addressed the Atlanta Cotton States Exposition, Heman E. Perry, the patriarch of Atlanta's Black elite would credit the ideology of Booker T. Washington as the key to his success. Heman E. Perry was particularly impressed with Washington's stress on commercial, economic development and control of wealth as the keys to solving the problems faced by blacks. Following the ideas of Booker T. Washington and with the assistance of his personal secretary at Tuskegee, Mr. Emmett Say Scott, Perry established at least eleven enterprises worth more than ten million dollars between 1917 and 1925 employing approximately 2,500 persons. Perry used the proceeds from his insurance company to engage in real estate speculation.

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38 Simmons, 41.
In 1917, borrowing insurance company funds to amass the necessary capital he organized the Service Company in order to engage in a variety of commercial and industrial transactions. The scope of the enterprise was narrowed in 1920, however, when Perry secured approximately seventeen acres of swamp and segefield west of downtown Atlanta and close to Atlanta University. Perry directed the Service Company into the buying and selling of real estate with the goal of developing a major black residential sub-division.\textsuperscript{39}

Residential segregation and the concentration of blacks on the western part of Atlanta owes its origins to a gentleman's agreement between the white elite and black entrepreneurs such as Heman Perry. Perry was forced to break up his business empire but the remaining pieces formed the core of Atlanta's black business community. The Citizens Trust Bank, the \textit{Atlanta Daily World}, the Yates and Milton Drugs, Inc., and many others owe their start if not their existence to the initial activities of the "Black Rockefeller."

Black Atlantans established a number of small commercial ventures following the ideas of Booker T. Washington and many achieved enough success in these pursuits to give white establishments and skilled workers stiff competition (especially in the downtown area). The economic competition between blacks and whites was one of the precipitating factors of the bloody Atlanta race riot of

\textsuperscript{39}Henderson, "Heman E. Perry and Black Enterprize in Atlanta, 1908-1925," 226.
September 22-25, 1906.⁴⁰ "There is an increasing number of educated and prosperous negroes, whose business and whose success are an eyesore to some of the whites, who can in no peaceable way prevent that progress."⁴¹ The riot was also partly a response to the racist campaign for Governor of the state of Georgia by Atlanta Journal founder and one time editor, Hoke Smith. His opponent in that race was the editor and chief of the Atlanta Constitution, Clark Howell.

Fanned by press accounts alleging sexual attacks on white women, a white mob ravaged "Rusty Row" near Five Points. They dragged black passengers off streetcars and killed them. Ten blacks and two whites died; 60 blacks and 10 whites were injured before the National Guard restored order.⁴²

The race riots of the early 1900s, the growth of racial hatred and its manifestations, and the consolidation of Jim Crow segregation would seem to present a compelling case that the strategy of submissiveness and accommodation was a tragic mistake. Blacks turn to the philosophy of commercial development and self-improvement did not stop the growth of


racial hatred and its consequences.\textsuperscript{43} In fact, the submissive strategy advocated by Mr. Washington and his progeny may have exacerbated the situation.

The strategy, tactics, and style of Atlanta's Black elite in the thirties, forties and fifties can also be traced back to the ideology of self-help, submissiveness, accommodation to second class citizenship and racial harmony articulated most clearly by Booker T. Washington during the classical period of Afro-American Political Thought and most graphically implemented in Atlanta by his ideological disciple, Herman E. Perry.

Black political leadership became willing participants in a system of political and economic organization that was built on the subordination of blacks and acceptance of the various codes of behavior characteristic of the Jim Crow era. When one looks back at that period from the vantage point of the present, it seems remarkable that such a system was able to persist for such a long period of time without the serious challenges to its legitimacy that were typical of the civil rights mass protest era. Stone captures the paradox squarely: "Why didn't dissatisfied black leaders go public before the student sit-ins of 1960s? Why did they

\textsuperscript{43}Woodard in his perceptive study of racism in the south suggests that the descent to fanatical racism was only one of several possible alternative courses available to the south and the country. Also see C. Vann Woodard, The Strange Career of Jim Crow.
tolerate a situation in which whites largely chose who would represent the black community?" Reasonable people can disagree about the answers to these questions but it is doubtful that the system of Jim Crow segregation could have sustained itself and lasted for so long without the active participation of black functionaries. Some members of the black community had a substantial stake in the system of Jim Crow segregation and preferred the status quo to the uncertainties of reform.

Booker T. Washington's ideas helped to shape Afro-Americans' adjustment to the Jim Crow segregation, but they

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"44Clarence N. Stone, "Race, Power, and Political Change," 10. This problem of lack of militant black leadership was not unique to the south but was equally characteristic of the urban north. Ira Katznelson speaking of the urban north in the 20s and thirties makes the following comments:

Why was the black political potential of the period realized so much less than that of the white immigrants ... black politicians in the era of machine politics tended to be less than militant in the pursuit of black political interests ... with the support of a cadre of compliant black politicians drawn from the ranks of artisans, domestic servants, businessmen and professionals, the white run machines incorporated blacks on terms that limited their capacity to obtain either significant decision making autonomy or control of significant patronage opportunities.

did not go unchallenged. 45 There were quite a few voices of opposition but the commentary of W.E.B. DuBois was the most revealing:

It startled the nation to hear a Negro advocating such a program [Washington's program] after many decades of bitter complaint; it startled and won the applause of the South, it interested and won the admiration of the North; and after a confused murmur of protest, it silenced if it did not convert the Negroes themselves...

Mr. Washington represents in Negro thought the old attitude of adjustment and submission; but adjustment at such a peculiar time as to make his program unique. 46

DuBois seemed to accurately predict the outcome of such a strategy of racial improvement. "1. The steady disfranchisement of the Negro. 2. The legal creation of distinct status of civil inferiority for the Negro. 3. The steady withdrawal of aid from institutions for the higher training of the Negro." While the ideas of Booker T. Washington did not single handedly provoke America's and the American South's descent into the pit of racial hatred, it must be admitted that the complex of ideas expressed by this gentleman helped to cement the prevailing socio-economic and racial cleavages in American society and was most helpful to


those forces bent on systematically disenfranchising and dominating the Afro-American people.

In the early part of the twentieth century, Atlanta became the center of racial hatred for the country. Following on the heels of the Atlanta Race Riot of 1906, the state of Georgia passed a constitutional amendment that eliminated black voter participation in all elections except the general and special elections in 1907. This action was followed by the Neil Primary Act of 1917 which established the county unit system that would last until the Supreme Court declared it unconstitutional in the historic case of Gray v. Sanders, (1963). By 1913, racial segregation of every aspect of life "from the cradle to the grave" was the official policy of the city and state. In 1923, Atlanta became the national headquarters for the Klu Klux Klan and was known as the Imperial City by the Klan and its sympathizers. Lynching, murder, and intimidation were common tactics used to keep black people in their proper place: economically exploited, socially demeaned, and politically impotent. Stone's summary of the status of blacks in Atlanta during the period of de jure segregation is typical of the situation faced by blacks in the south:

Blacks were excluded from many jobs, sometimes given less pay for the same work (until legal battles in the 1940s, black teachers, for example, were paid less than their white counterparts),

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confined in business and professional life to serving other blacks, allowed no position of authority over whites, demeaned in forms of personal address, not allowed to try on clothes or shoes in "white" stores or drink from white drinking fountains, excluded from restaurants, hotels and other public accommodations, sent to the back of the bus or separate rail cars in public transportation, residentially segregated (even to the point that street names changed as the racial character of the residents shifted), denied participation in the democratic primary (the state's dominant party), and subjected to personal abuse and brutal treatment by police officers, especially for any sign of behavior that departed from complete submissiveness. 48

Under these conditions it is amazing that Atlanta enjoys a reputation as a beacon of racial moderation and tolerance if not enlightenment. The city fathers have always known how to "hype" the city. Atlanta's political and economic leadership have always been concerned about the relationship between image and economic growth, and early in the city's history a growth coalition formed to guide and manage the fortunes of the city.

A growth syndrome has permeated the city since the Civil War to reinforce and mold rapid expansion. This growth mania was created during Reconstruction and manufactured in part by a political and economic power structure. 49

Some suggest that one way to read the historical development of the city is to examine the boosterism that coincides with particular phases of the city's development. Beginning with the 1895 Cotton States Exposition, the city fathers spent

48 Stone, Regime Politics: Governing Atlanta, x.

49 Hartshorn, Metropolis In Georgia: Atlanta's Rise, 5.
public and private funds to "hype" the city to attract northern capital. Henry Grady even shared a platform with that notorious yankee William T. Sherman to make a point that at least Atlanta wanted northern investment dollars. Thus the public-private partnership that many speak about as if this were something new is not new at all.

Under Ivan Allen, Sr., the city of Atlanta initiated a "Forward Atlanta" Campaign which spent about a million dollars between 1925 and 1930 to promote the city as an attractive place for investors. This campaign was followed by the very comprehensive "Plan of Improvement" in 1949 under the Hartsfield Administration. Ivan Allen, Jr. lead a second "Forward Atlanta" campaign in the 1960s and presided over the peaceful desegregation of the public schools in Atlanta. The latter was considered by many to be a great accomplishment for a southern city. A number of southern cities and states met court ordered desegregation of the public schools with a policy of massive resistance and violence. Atlanta's approach to eliminating segregation of public accommodations was also hailed as being forward-looking and exemplary by many commentators on southern politics (critical observers have a different view of these more recent developments). Finally, under black urban administrations, the city and its economic and political

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50 White and Crimmins, How Atlanta Grew, 36.
leadership are aggressively going after capital from national and international sources. Under black urban administrations, the city is being promoted as the next great international city.

Under all the various plans and public policies to improve, promote and develop the city the interests and concerns of the black and poor citizens were consistently overlooked. Of course, blacks and poor residents became the targets of policies designed to contain their growth and to remove them from properties that became valuable as a result of their geographic location.

Atlanta's Biracial Coalition

Atlanta's Black elite and the subsequent shape of Atlanta's Black Urban Regime is a reflection of the history of accommodation to systems of racial and economic oppression. An examination of the relations between the white governing aristocracy and the black political elite during the period of the "Bi-racial Coalition" should reveal some of the internal dynamics of how the black elite was politically incorporated and expose the political and economic roots of Atlanta's Black Urban Regime.51

51The following discussion draws a great deal from the research and interviews of various members of Atlanta's black elite by Malcolm Suber. Suber's commentary is very sharp and enlightening but neglected in subsequent research on this subject. See Suber, "The Internal Black Politics of Atlanta, Georgia," .
There are several well documented political battles that give some indication and evidence regarding black leadership's relationship to the local power structure: the struggle to get and exercise the franchise in Georgia, the struggle to get black police officers on Atlanta's police force, the struggle over the priorities of redevelopment (discussed in Chapter II), the fight over desegregation of the public schools, and the fight over desegregation of public accommodations. These last two battles lead to the break up of the old coalition and the temporary replacement of the old line black leaders with a younger more militant breed (temporarily militant).

Black political leadership and organization has a visible presence in Atlanta politics at least since reconstruction. According to August Adair:

A black leadership class consisting of the petty-bourgeois and bourgeois black male has existed since reconstruction. Professional black merchants, doctors, professors, ministers etc. have always taken it upon themselves to speak in behalf of the black community. This black elite was not open to anyone who wanted to join, and membership was a sign of social standing and political clout. Elite members could get things done because they had a communications pipeline to the real center of power and

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52Stone has the best analysis of this issue. See Stone, Economic Growth and Neighborhood Discontent.

authority in the community. By the late 1940s and 1950s, black elite interest was represented by the Atlanta Negro Voters League (ANVL) and the black vote was once again a major factor in local politics.

The officers of the voters league were the "recognized" leaders of the Black community. These men also sat on the boards of the local NAACP, Urban League, Butler Street "Y", Citizens Trust Bank; in a word, they controlled the institutional life of the Black community.

The League saw the new black vote as the key to getting a way into the process of public decision making. During this period the black political leadership entered into what should be called an electoral coalition with the "better sort of white folks" from the Northside of the city. This faithful coalition was to endure for the next twenty years and it played the critical role in determining who got elected to local public offices. The black members of this electoral coalition were not members of the governing coalition, even though this distinction is not often made by

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54 My father-in-law often speaks of this group as the "Circle". According to Jerome O. Stevens, the black elite had an informal organization that was nation wide in scope and members of one city's black elite were aware of the elites in other cities. They also exchanged information frequently and granted courtesies to one another when traveling out of their home territory.


observers of this period. The determination of who would get the benefits and liabilities of public policy and economic growth, for example, was still the prerogative of the small group of white male political and economic leaders. "This leadership group was all white, all male, and a small aggressive, elitist body. Citizen input in decision making was not considered relevant, but leaders of the black community frequently were consulted."\(^{57}\)

The leadership of the Negro Voters League and Atlanta's black elite was pragmatic in their orientation and they were careful not to disturb the sensibilities of their white patrons. Despite the brutal exploitation of the black community, relations of civility and the appearance of mutual respect were characteristic of the interactions between white and black members of the electoral coalition. The organization appealed to mass action to buttress its claims to represent the interest of the black community as a whole, but it was an elitist organization. This does not mean that the organization's activities were only beneficial to the black elite. On the contrary, given the pervasive character of racial oppression at the time almost any activity to improve conditions of the race was welcome. The organization was not a mass based political organization,

\(^{57}\)Hartshorn, *Metropolis In Georgia: Atlanta's Rise*, 11.
it did not pursue radical reforms, nor did it question the basic premises of American capitalism.

The Negro Voters League was created as a result of the merger in 1949 of two Negro political party organizations: the republican oriented Atlanta Civic and Political League lead by John Wesely Dobbs (Mayor Maynard H. Jackson's grandfather) and the democratic oriented Citizen Democratic Club lead by A. T. Walden and C. A. Scott. The organization and its leadership was instrumental in leading the legal challenge to Georgia's white primary, formed an electoral coalition with northside whites to elect so-called racial moderates to public office, carried out massive voter registration campaigns, and served as a broker for the concerns of the black community of Atlanta with the powerful ruling white aristocracy. By 1949, blacks in Atlanta represented at least 25% of the voters, and this new found political clout became the basis upon which the black elite negotiated minor adjustments in their dependent status. Stone refers to this period as the era of "Negotiated Settlements."

Dramatic increases in the number of black voters during this period are the result of increased political activism and culminated in a number of important court victories which invalidated some of the electoral devices used to keep blacks from voting. For example, the U.S. Supreme Court declared white primaries unconstitutional in
the historic case of Smith v. Allwright in 1944. Despite this ruling, blacks in Georgia were not allowed to participate in the elections of 1945. Poll taxes were outlawed in 1945 and the white primary in Georgia was specifically found unconstitutional in the Federal District Court Case of Chapman v. King (1946). Before the disposition of this later case, black voters in the 5th Congressional District got a chance to participate in a special election in 1946 to fill the unexpired term of 5th District Congressman Robert Ramspeck. Blacks were only 8.3% of the electorate in the early 1940s but bloc voting by blacks is credited by some observers with providing the margin of victory for the winning candidate, Mrs. Helen Mankin on February 12, 1946.58

Black political leadership's campaign to contest the legality of the primary elections of 1945 reveals the elitist character of the protest as well as contempt for mass action. Both the size of the protest and the demands of the protest were consciously limited. The ostensible purpose for these self-imposed restrictions was to limit violence and to promote the responsible leadership element in the community. Black leadership announced that only a selected few would attempt to vote in the primary and they

would be clearly identified. Ads were taken out in the local papers across the state requesting that blacks stay home and not exercise their right to vote but instead leave it to the responsible Negroes in the community. What would have happened if a different tactic involving mass mobilization of blacks demanding their rights could have been employed? Was such action impractical as the leadership suggested?

Another example of the self-restraint and moderation characteristic of the politics of the black elite can be seen in the controversy regarding the hiring of Atlanta's first black police officers. Blacks first began to raise the issue of black police officers as early as 1932 but were continually rebuffed and not taken seriously. Part of the problem was the lack of political clout—blacks in Atlanta at that time did not constitute an important part of the electorate. By 1947, blacks constituted about one-third of the Atlanta electorate and the political basis for the infamous Biracial Coalition was in place. Mayor William Hartsfield openly appealed to black voters in his 1948 reelection bid:

In the 1948 mayoral election Hartsfield was challenged by a candidate who claimed that the Mayor had sold out the interests of the little white persons in the city. Faced with this situation Hartsfield sought to bring together a coalition of Northside bourgeois and petty-bourgeois whites and the Black community to keep the government out of the hands of the "rednecks." The coalition in Atlanta probably could not have taken any other character because
fundamentally the Black elite shared the same prejudices and aspirations as the white bourgeoisie.\(^{59}\)

This election marks the beginning of Atlanta's "Biracial Coalition." One of the first acts of this group after the election was the hiring of eight black policemen to patrol black neighborhoods. The hiring of black policemen was an important victory for the black elite as well as the community at large. However, this political victory was compromised by the black elite's agreement to accept the severe and degrading restrictions imposed by Mayor Hartsfield. First, only eight black policemen were hired even though the public safety needs of black neighborhoods required more than this token response (Atlanta's black population in 1940 was 104,533). The black police officers were confined to a special police substation housed at the Butler Street YMCA, and they were not allowed to dress or report to the regular police department. Black police officers were not allowed to carry firearms and could only arrest black people and were required to get the assistance of white officers if white criminals were to be arrested. These and other restrictions on the black officers were not lifted until 1955. According to Suber, "When asked why the restrictions were allowed to exists for such a long period the black leaders responded that under a segregated society,

\(^{59}\)Suber, 64.
such as Atlanta was, to push for further concessions would have disturbed racial harmony in the city."\(^6^0\)

The hiring of eight black police officers does not seem significant from the standpoint of the late twentieth century, but at the time this act was considered by many blacks and whites to be progressive and proof that Atlanta was somewhat different than most southern cities of the day. On the day that these eight officers were to begin work, thousands of blacks followed them for blocks. Nothing changed the fundamental relations between the races but here was a symbolic act or gesture to the dignity of the black community. In turn, this act and similar actions by the white elite would guarantee the regular delivery of the growing black vote. Mayor Hartsfield and the white elite of Atlanta knew how to use symbolic politics to achieve their political objectives.

Hartsfield . . . was to use his black officers most effectively as stage props in his campaigns. He would appear to speak before a black rally, and all of a sudden the black policemen in full uniform would appear, to the loud applause of the black audience. One of his favorite ploys, particularly when campaigning against his perennial opponent, Charlie Brown, was to wait outside a Negro mass meeting until Brown was in the middle of his speech. He would then enter with his entourage, to loud applause, shaking hands.

\(^{60}\)Suber, 101.
right and left and leaving the hapless speaker frothing in rage.\textsuperscript{61}

Of course, the underlying causes of black subordination were not addressed by the politics of tokenism. A pattern was set regarding the proper way to address the problems of the black community and this approach would be followed by subsequent white and black administrations. Under the Hartsfield administration, the myth that Atlanta was "the city to busy to hate" gained popularity because black leadership accepted symbolic politics as the best that could be achieved under a segregated society. This dictum held sway until the walls of segregated society were challenged by a new breed of leadership that revived the protest tradition in black politics. The era of negotiated settlements was brought to close by the civil disturbances of the civil rights movement. Atlanta's traditional black leadership found itself unable to control the civil disturbances wrought by the assault on Jim Crow that was the product of the Civil Rights Movement. The final battle to eliminate Jim Crow in the city was waged on two fronts simultaneously. On the one hand, political struggle in Atlanta converged on the issue of desegregation of the public schools, while on the other hand the issue of

desegregation of public accommodations sparked the student lead sit in movement. The flood gates of protest were released by the NAACP's historic Supreme Court victory in the case of Brown v. The Board of Education of Topeka Kansas (1954).

Atlanta like countless cities throughout the south, maintained a dual system of public education even before Plessy v. Ferguson (1896). After the second Brown decision, the slow pace of progress on this issue was only partly due to white intransigence. Black leadership deliberately set a course which avoided direct confrontation of the issue by "exhausting all possible means before filing suit." 62 Nine black parents filed the first petition in what became a long series of actions on June 11, 1955. More hearings, studies and petitions followed as one delaying tactic after another was employed by the Atlanta School Board to avert dealing with the issues raised by Brown v. Board, the actions of the NAACP and the black parents on behalf of their children. Finally, the parents filed suit against the Atlanta School Board in January 1958 (Calhoun v. Cooke, Civil Action No. 6298). The school board attempted to have the suit dismissed but U.S. District Court ordered them to develop a plan for desegregating the public schools before December 1, 1959.

62Suber, 105-107.
As the battle over school desegregation was heating up, the struggle over public accommodations launched by the student lead sit-in movement began to boil over. The Atlanta sit-in movement was born shortly after four black students at North Carolina A&T College (now North Carolina A&T State University) sat down at a lunch counter at Woolworth's Department Store in Greensboro, North Carolina and refused to leave the premises until served. Again, this action may sound a bit trite in the context of the present but at that time this one single act of defiance against the Jim Crow practice requiring Negroes to stand at downtown lunch counters sent a shock wave of protest throughout the south. Within a week dozens of southern cities were confronted with the spontaneous uprising of black students and their supporters.

In Atlanta, a group of young faculty members at Atlanta University formed an organization called the Atlanta Committee on Cooperative Action and began to plan to urge the students in the Atlanta University Center to use the same tactics that were bringing down the walls of segregation in other places. The students formed a group

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called the Committee On Appeal for Human Rights and began to organize demonstrations and boycotts of downtown businesses including a boycott of Rich's Department Store owned by the powerful elite member Richard Rich. The tactics of these young turks disturbed the older traditional black leadership because the young folks favored massive demonstrations to achieve desegregation immediately while the old established and entrenched black leadership favored a go slow negotiate with a few leading whites and rely on the court's approach. Essentially, the older black leadership wanted business as usual and were caught off guard by this spontaneous uprising that they could not control. This go slow approach was referred to as the "Atlanta Plan."

In the eyes of some of the less sophisticated older black leaders, the issue boiled down to money and power. Theirs was an if-you-can't-beat-them-join-them argument. . . . They thought it unwise to turn powerful allies into adversaries. Both kinds of older leaders leaned toward what Martin Luther King, Sr., called the "Atlanta Plan," based on the bus desegregation effort in Atlanta in the late 1950s: "non-violent action, arrests, and subsequent integration through court decree." The key element was the court decree.\footnote{Stone, Regime Politics, 54.}

The key element of the Atlanta Plan involved negotiation or "consultation" with Atlanta's white elite to find out what they would accept. A small amount of social agitation is acceptable. Atlanta's old guard black elite was troubled by the massive action associated with the sit in movement
because it did not lend itself to neat back room deals and insider politics. This movement in fact would temporarily remove the old guard from center stage and change the nature of political relations between the races.

Another interesting aspect to this period of transition concerns the role of the national civil rights organizations. All of the major civil rights groups opened headquarters or branches in the Atlanta area including the Southern Christian Leadership Conference, the Student Non-violent Coordinating Committee, and the Congress of Racial Equality. Atlanta chapters of the National Association for the Advancement of Colored People and the National Urban League were established and involved in various activities in the area. Interestingly enough these powerful national organizations refused to use all of their resources to mount an all out campaign to desegregate the headquarters city for the national civil rights movement. This lack of aggressive organizing in Atlanta by the national civil rights leadership apparently was predicated on the notion that local organizations should take the lead in the desegregation campaign in the city. The slow pace of change in the city and ultimately the limited nature of the agreement that was finally articulated between the white elite and the black leadership was partly the result of the less than all out participation of the national civil rights organizations.
On May 17, 1960, more than 1400 students started a march to the Capitol but were turned back by the chief of police supposedly to avoid an unruly crowd of white ruffians. Negotiations after the march resulted in no significant movement by the downtown merchants—the protests stalled when summer break approached. Protests resumed in the fall and by November a very effective campaign was underway targeting the downtown shopping area. By February 1961, it was clear that segregation of downtown Atlanta would no longer be tolerated and civil disturbances would continue until satisfactory changes were implemented. According to Suber:

Finally, an agreement was reached whereby the desegregation of lunch counters was tied in with the desegregation of the public schools. Within thirty days after court ordered school desegregation the white leadership would guarantee the full desegregation of downtown stores and lunch counters. Students would be released from jail and all boycotts should cease.\(^65\)

While this agreement was an admission by the white elite that their policy of resisting substantial change in the system of Jim Crow segregation was a failure, this does not mean that they were unable to shape the pace and nature of that change. Many of the students felt that this agreement was unacceptable because it was too little too late. At a mass meeting called to explain the details of the agreement on March 7, 1961, Lonnie King, one of the leaders of the

\(^{65}\)Suber, 121-122.
students felt the proposed pact was a dismal failure by the leadership and resigned as chair of Committee On Appeal for Human Rights. Many at the meeting expressed the need to continue the demonstrations to effect immediate compliance with the students demands. It would seem that this was the time for decisive and militant leadership to come forward and develop a comprehensive strategy to obtain substantial reforms from a vulnerable power structure. Instead, the Atlanta leadership counseled what amounted to surrender:

At the height of the shouting, Martin Luther King, Jr. walked in. He went to the podium and pleaded with the audience that the old leadership had represented the black community in good faith. He stated further that such bickering would only delay the goals of the movement and since black people had already waited one hundred years four or five months more was not too much to ask.

Once again, the problem of moderation and self-restraint from within the designated agents of change crops up in the political history of Atlanta's black leadership.

The desegregation of the public schools in Atlanta was almost anti-climatic. After years of deprivation and agitation, black leadership in conjunction with the white elite crafted a desegregation plan which embodied the most rank kind of tokenism. The Atlanta Public Schools had a total student population of 98,894 (which 55% were white and


67 Ibid., 123.
45% were black). On August 30, 1961 the Atlanta School Board allowed nine black students to enter four previously all white high schools. Originally, 130 black students applied for admission to white schools. This event was hailed as a momentous achievement by a southern city. More than two hundred press representatives from around the country and the world covered the peaceful desegregation of the Atlanta Public Schools.

President Kennedy, the United States Attorney General, and the national news media all congratulated the city, perhaps sensing that Atlanta's successful transition marked the end of massive resistance. The schools, in fact remained largely segregated over the next several years, and new litigation was started; still, an important bridge had been crossed.68

In summary, there are numerous examples of self-restraint and moderation on the part of black leadership when the situation clearly requires another course of action. Here we have only examined a few instances—the battle to reclaim the franchise, the hiring of black police officers in the 1940s, and the battle to desegregate public accommodations and the public schools. Black leadership in the 1940s intensified the assault on the system of political disenfranchisement in the aftermath of Smith v. Allwright, (1944). The ideological foundation of black leadership in Atlanta can be traced to the debates about the race question in the Classical Period of Afro-American political thought.

68 Stone, Regime Politics, 49.
There were of course conflicting views on these matters, but there is no doubt that Booker T. Washington's submissive philosophy of accommodation to Jim Crow and close relations with the Southern white elite was hegemonic and had a great influence on Atlanta's black leadership. Historically, black political leadership in Atlanta has not attempted to challenge the status quo in a fundamental manner but instead prefers legalistic and gradual approaches to social change. The civil rights movement caught the old guard by surprise, and there were important tactical differences between black political leadership that developed during the Jim Crow era and black political leadership developed during the destruction of Jim Crow. These tactical differences were not fundamental differences, and the major agreements that lead to the desegregation of Atlanta were articulated primarily by the old guard and the white elite. What is noteworthy about the political history of black politics in Atlanta in the post-World War II period is the degree to which limitations on social reform efforts were largely self-imposed.

Atlanta's black elite relationship with the governing coalition is a classic example of how elite groups use symbolic politics to maintain control and domination of the out groups. While many of the improvements in the quality of life that were won through the use of coalition politics were important in the context of rampant racial hostility
and systematic exploitation, one must wonder if the situation could not have been dramatically different. In any case, black leadership is a dependent junior partner in the governing coalition of Atlanta despite appearances to the contrary. The dependent relationship between black leadership and white leadership has a long history. While the situation may appear to be different in the era of black political power upon closer examination, one uncovers a basic continuity as opposed to discontinuity even though there are more players and the situation is a lot more complex.
CHAPTER IV

POLITICAL POWER AND ECONOMIC DEPENDENCE: ATLANTA'S BLACK URBAN REGIME, ECONOMIC DEVELOPMENT POLICY AND THE TRIUMP OF THE CORPORATE ELITE

Nothing is illegal if one hundred businessmen decide to do it. Andrew Young, former Mayor of the City of Atlanta, 1981-1989.

In the last two chapters, several factors which account for the positional advantage and system bias of business interests in local public policy were examined. Specifically, the last two chapters examined the international context as well as the historical and ideological basis of Atlanta's Black Urban Regime. This power structure is not able to address the needs of its most numerous and most needy citizens, because the political leadership is constrained by external forces imposed by the changing structure of the global and national political economy, the increased mobility of capital and the resultant suicide competition for economic resources by state and local governments. Atlanta's Black Urban Regime is not predisposed to implement redistributive solutions to the urban crisis, because they are constrained by the investment context in which the city operates, the limitations of
American liberalism which cannot see beyond market solutions to complex soci-economic problems and by racial "bootstrap" ideology which downplays the role of systemic factors in the predicament of black central city residents. The history of racial subordination in the South and the political incorporation of black leadership in Atlanta in particular reveals the strong influence of an accommodationists ideology that continues to impose limitations on black political leadership's vision of what can be done with local urban public policy. Thus, almost twenty years after the coming of black political management of the city the plight of the central city residents is not very much different from the situation that prevailed before the coming of black political power. To be sure, this is not a simple problem of crooked, dishonest or inept black elected officials. Criminals in black or white face will steal the public blind if given the chance. Crooked or inept black elected or appointed officials should not be allowed to cover themselves from public accountability or criminal prosecution by simply raising the white flag of racism and white conspiracy. Most black elected officials are honest and hardworking public servants so an explanation of the deterioration in soci-economic conditions of the central city residents must be found elsewhere.

More importantly, the intractable problems associated with the urban crisis and the continued two track or split
level development of the city—whereby the central business district and predominately white neighborhoods do well while the predominately black neighborhoods experience disinvestment, rising crime rates, redlining, declining job opportunity structures, high levels of unemployment, inadequate housing, poor health care, and increasing poverty—clearly indicate that black political power is not enough. Black political management of some of the nation's largest urban centers comes at a time of tremendous socio-economic change and significant cuts in federal aid to state and local governments.\(^1\) Black administrations operate in an environment of fiscal constraint and tax revolt. These are serious problems and formidable obstacles lay in the path of local urban policy makers. This does not mean however that local policy makers are helpless and cannot do much about the urban crisis except throw money at corporations. What is disturbing about black political management of the local state is that even in those areas where local public policy can make a difference, Black administrations do not use public power to solve the problems faced by the majority of their constituents. Of course, this charge is not true in the case of the black petty-bourgeoisie. As indicated in

\(^1\) Demographic change and black political activism produced thirteen cities with populations over 100,000 that are at least 40% black, with black mayors and black administrations. See Appendix B for the unpublished data by The Joint Center for Political and Economic Studies, Washington, D.C., 1991.
the opening chapter of this research, black administrations have been able to change the complexion of city hall and distribute municipal jobs and contracts on a more democratic basis than previous white administrations. These positive developments however mainly benefit the black middle class and the black elite who are able to use their social connections and insider information. Black Urban Administrations have been very innovative when it comes to protecting the class interest of this privileged group but little more than symbolic politics is given to those who need the most.

One study for example, found no significant differences between the approaches to economic development policy used by black and hispanic mayors of cities over 100,000 than white mayors of such cities. This finding is significant because:

The economic interests of black and Hispanic residents revolve primarily around their basic living conditions, such as their access to and the availability of employment opportunities providing adequate wages. . . . Given these interests, the administrations of black and Hispanic mayors might be more likely than other administrations to emphasize issues related to the distribution of

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2 According to Eisinger, black municipal employment was only 38.1% of the total city work force in 1970 before the election of the city's first black mayor. By 1978, blacks were 55.6% of the total work force. Black administrators represented only 7.1% of Municipal employment in 1970 but grew to 32.6% by 1978. Black professionals were 15.2% in 1970 but increased dramatically to 42.2% by 1978. See Eisinger, "Black Employment in Municipal Employment in Municipal Jobs: The impact of Black Political Power," 380-392.
benefits created by development activities and less likely to emphasize issues related to the promotion of general economic growth.  

After examining the survey results from 141 cities (seventeen with black and Hispanic mayors), Professor Robinson complains, "Especially noteworthy has been the failure to use local development policy to improve conditions for minority low income, and other economically disadvantaged residents." But why is this the case? Why do black administrations fail to address the objective needs of the people who put them in office? Why do black mayors carry on the same basic policies as their predecessors? Clearly, system bias--political and economic context, limitations of ideology and vision--explain part of the problem. But to address this question properly, one needs more than just general descriptions of what black mayors have been doing for the last two decades. In order to clearly understand why black urban regimes are unable to deliver the goods, it is necessary to appreciate the internal dynamics of such power structures. Case studies are needed which show how business interest dominate the political and economic agenda of the local state in spite of nominal or electoral control of the state by the new comers to urban political power. Case studies are needed to

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explore how the fundamental interests of the black working class, the poor and the central city residents get defined, addressed or not addressed. The writer suggests that an analysis of the politics of economic development in Atlanta would begin to provide more satisfactory answers to the issues posed above and contribute to a more profound understanding of the limits and possibilities of these new power structures.

Economic development policy in Atlanta takes place in the political and economic context of the post-civil rights era. I have already addressed the international context in which this regime must function. In this chapter, the study will look more closely at how economic development policy shapes and is in turn shaped by state intervention. The local state does not have the power or the resources to change fundamentally the direction of the natural economy, but this does not mean that its policy actions are inconsequential. In fact, through the use of land use or zoning decisions, hiring practices, the spending of some 350 million dollars annually, taxing decisions, disbursement of federal and state grant money, as well as the normal activities of city governance providing basic municipal services, the city can help citizens realize the best ideals of democratic governance or the city can simply turn its back on the problems of its citizens. Thus, it is important to point out in contradiction to some recent
commentary on urban politics that cities do have some discretion and latitude in responding to the various problems that confront local power. Setting priorities which promote social justice by placing the concerns of the weakest first could have a dramatic impact on the use of public resources as well as produce a number of social benefits which would create a more just and equitable environment for all the citizens (Paul Peterson be damned).

Post-1960s Structure of Atlanta's Political Economy

During the 1960s demographic, economic and political trends rebuilt the city of Atlanta. The city was reshaped by a skyscraper boom and several migrations including: the in migration of a substantial number of blacks, rapid suburbanization or out migration of white people, industrial jobs, wholesale and retail trade and advanced services. By 1970, Atlanta had a majority black population and the conditions were in place to create and sustain a Black Urban

4Paul Peterson's work suggests that the city has one overarching interest that involves promotion of business interests and denying redistributive concerns because the city's economic health is so dependent on business for its economic survival. In contrast I would argue and the Atlanta case illustrates that economic development policy is a political question—a question of conflicting interests and the public interest is a matter that is determined through political struggle. Allowing business a free hand in shaping public policy is undemocratic and a disaster waiting to happen. See Peterson, City Limits, 20. See also Heywood T. Sanders and Clarence N. Stone, "Developmental Politics Reconsidered," Urban Affairs Quarterly 22, no. 4. (June 1987): 521-539.
Regime. In 1960, Atlanta had a total population of about 488,000 which was 38.3% black. White flight to the suburbs and black in migration gave Atlanta a 51.4% black majority by the 1970 census.

Between 1970 and 1980, Atlanta lost 102,000 whites, a 42% decrease, and gained 28,000 Blacks, an increase of 11.0%. The suburbs, on the other hand, gained 536,000 whites, a 64.2% increase and 160,000 Blacks, a 287.6% increase. The suburbs went from 6.2% Black to 13.4% Black. By 1985 the suburbs were 14.7% non-white.5

Atlanta’s population totaled 496,973 in 1970 but declined to 425,022 by 1980.6 The city’s black population reached 283,158 or 66% of the total by 1980. The 1990 census data for the city is being challenged by city officials who charge the Census Bureau with a huge undercount. According to the city, the total population of Atlanta increased to 434,060 by 1989 with the minority population increasing to 69% of the total.7 The Census Bureau admits to an undercount but places the city’s population at 394,000.

Population movements in the 1960s, 1970s, and 1980s were accompanied by the suburbanization of blue collar


6See my discussion and Footnotes 9 and 10 in Chapter III of this study.

7City of Atlanta, City Trends'90: Annual Report on Atlanta's Population, Households and Employment (Atlanta, Georgia: City of Atlanta, Department of Community Development, Bureau of Planning, December 1990), 1.
jobs, white collar jobs, and retail trade and services. These demographic movements were not unique to Atlanta but were characteristic of changes taking place in most large central cities. Many observers suggested that these moves signaled the demise of large central cities because of the resulting municipal fiscal crisis created by the erosion of the tax base and the strain on municipal resources by the expanding poor and disadvantaged populations. This does not mean that all sectors of the city were beset by the multiple problems that became known as the urban crisis. In most large central cities such as Atlanta, growth coalitions formed to protect the interests of the central business district and the residential areas of affluent citizens. Atlanta's growth coalition used to be a small elite group of white males who exercised unchallenged economic and political power. Since the civil rights movement and the dramatic increase in the black population (and black electoral strength), the coalition has broadened somewhat to include black elected officials and some black businessmen as well as some token membership from neighborhood groups. What is important to note, however, is that Atlanta's growth

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8See Footnote 29 of this study in Chapter II. Also see Floyd Hunter's two studies of Atlanta, Community Power Structure: A Study of Decision Makers and Community Power Succession: Atlanta's Policy Makers Revisited. Ivan Allen, Jr. with Paul Hemphill, Mayor: Notes on the Sixties (New York: Simon and Schuster, 1971).

9Stone, Regime Politics, see Chapters 7 and 8.
coalition remains dominated by the same white elite as in the past. The names may be different and there are more diverse segments of the city's population represented at the table of power, but the results of this new more complex constellation of political and economic power are basically the same. By the end of the 1980s and the beginning of the 1990s the city reached national prominence and billed itself as the "the next great international city." Black political leadership is now accepted as a fact of life and there has not been a serious challenge to black leadership since the failed mayoral campaign of Sidney Marcus.

The demographic and political developments described above were coupled with tremendous economic change during the same decades. Between 1960 and 1970, "Atlanta became the second fastest growing urban employment center in the country." This growth was fueled by the dramatic capital growth of some of Atlanta's key firms between 1949 and 1976:

Genuine Parts, 5 million to 305 million; Costal State Life Insurance, 2 million to 103 million; Life Insurance Company of Georgia, 47 million to 859 million; Trust Company of Georgia, 118 million to 1,842 million; Georgia Power Company, 293 million to 4,078 million; Atlanta Gas Light Company, 32 million to 379 million; Citizens and Southern Bank, 307 million to 3,159 million; Coca-

Cola, 204 million to 1,700 million; and Fulton National, 122 million to 722 million.\textsuperscript{11} Absent from the list above is any mention of industrial firms. This is not surprising because Atlanta's economy in the late twentieth century is driven by growth in the service sector. By 1970, Atlanta had become the regional service center for the more than thirty million people in the Southeast. Service producing jobs outnumbered goods producing jobs by a 3:1 ratio in the five-county Atlanta metro area by 1970. Further, service industries—government, finance, insurance, real estate, (FIRE) and transportation, utilities and communications (TUC)—accounted for 60\% of Atlanta's employment growth by 1975.\textsuperscript{12} White collar employment in the region was more than two times over that of blue collar jobs in 1975.\textsuperscript{13} While employment was growing in the service sector, employment in the industrial sector was disappearing. A study in 1978 made the following observations about manufacturing in the city of Atlanta:

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Industry [manufacturing and distribution] is leaving the City of Atlanta at a faster rate than
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\textsuperscript{11}Floyd Hunter, \textit{Community Power Succession: Atlanta's Policy-Makers Revisited}, 82-83.


\textsuperscript{13}Policy Design Corporation, \textit{Atlanta: Transition to the Future} (Atlanta, Georgia: Policy Design Corporation, April 1977), 15.
new industries can move in to replace them. During the last six years [1970-1976], the City . . . has had a net loss of 147 industrial firms of 10,000 square feet or more that have moved to suburban locations.14

Atlanta's industrial base was never central to the economic vitality of the city because there was more investment in industrial services than traditional assembly line production.15 This does not mean that industrial production jobs were not important but industrial jobs constituted a smaller percentage of the total economic picture in Atlanta than in other large urban areas dominated by such economic activity. When the national economy began to shift from industrial production to a more pronounced emphasis on services, the disruptions to Atlanta's economic picture were less sever than the economic devastation that occurred in the northeast and midwest or industrial heartland. Despite these qualifications, industrial production was and continues to be a source of entry level employment for a significant part of the city's labor force. Industrial production in Atlanta as elsewhere provides stable and relatively high wages for unskilled and semi-skilled workers. The movement of industrial jobs to the

14Research Atlanta, Economic Development in Atlanta, 7.

15Andrew Marshall Hamer, Urban Perspectives for 1980s (Atlanta, Georgia: Urban Atlanta, College of Business Administration, Georgia State University, 1980): 8, Research Monograph No. 84. See also Raper, Economic Development in Metropolitan Atlanta, 18.
urban fringes and beyond reduces the level of blue collar employment available to the central city residents, and these jobs are not being replaced by jobs which provide similar wage rates. As a consequence, additional pressure is placed on the unemployment rate and income available to the central city residents drops.

These trends have continued in the late 1970s and 1980s. The diminished role of industrial employment and conversely the increasing role of the service sector can be seen in the comparative figures for the major sectors of employment in the City of Atlanta.\(^*\) Total civilian employment in the City of Atlanta stood at 339,031 in 1980

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\(^*\)The following discussion of socio-economic data on the City of Atlanta relies on the annual reports of the Bureau of Planning, Department of Community Development. I want to thank Ms. Sara Wade-Hicks of the Bureau of Planning for making this material available. The Atlanta Regional Commission collects the most current and comprehensive data about the city of Atlanta and the metropolitan region. Unfortunately, much of this data is not useful because it is presented at the census tract level on the one hand or it is broken down for the metro counties. Very few studies focus on the City of Atlanta. In 1989, the Bureau of Planning in the Department of Community Development began a series of annual reports that confine their focus on the City of Atlanta. The reports use the census tract data from the Atlanta Regional Commission but groups the data into six study areas: Northside, Northeast, Northwest, Westside, Southside, and Intown South. Each study area contains four Neighborhood Planning Units (N.P.Us.). This arrangement of the data allows for meaningful comparisons within the city as well as between the city and the rest of the metro area. See City Trends' 89: Annual Report on Atlanta's Population, Households and Employment, City of Atlanta, Department of Community Development, Bureau of Planning, October 1989. See also Interview with Sara Wade Hicks, Senior Planner, Bureau of Planning, Department of Community Development, City of Atlanta, Atlanta, Georgia, March 17, 1991.
and grew to 378,937 by 1988. In 1980, the industrial sector of the City of Atlanta's employment picture represented about 20% of total employment. By 1988, industrial employment declined to 16% of the total employment picture. In terms of raw numbers, industrial jobs totaled 69,318 in 1980 but by 1988 the number totaled 62,659. Commercial employment represented 63% of the employment picture in Atlanta in 1980 but this sector grew to 66% by 1988.17 Corresponding real numbers for the commercial sector were 212,551 in 1980 and 253,014 in 1988. Employment in the retail sector as a percent of the total was unchanged between 1980 and 1988 at 13%. The absolute numbers grew by 11% in this sector with 44,507 in 1980 and 49,379 in 1988. Construction employment composes only 4% of the total in both 1980 and 1988 with 12,060 in the base year and 13,154 in 1988. Miscellaneous employment held steady at 1% in 1980 and 1988 with fewer than a 1000 jobs in this category.

While the city experienced some job growth in some sectors, it is important to look at the geographic distribution of the city's employment growth. The Northside and the Northeast in particular account for the bulk of

17Following the convention used in the latest reports from the City of Atlanta the "Commercial Sector" refers to several job groups including: Transportation, Communications, and Utilities (T.C.U.); Finance, Insurance, and Real Estate (F.I.R.E.); and Government Services (Federal, State and Local Government). See City of Atlanta, City Trends' 89: Annual Report, 39.
employment and employment growth in the City of Atlanta. In 1980, 75% of the city's jobs were located in these areas with the Northside accounting for 20% and the Northeast 55% of the total employment picture. By 1988, the Northside accounted for 21% of the total and the Northeast accounted for 57%. The Northwest study area contained 4% of the total in both 1980 and in 1988. The Westside, Southside, and the Intown South all experienced declines in their share of total employment from 1980 to 1988. The Westside's share declined from 3% to 2%; the Southside from 10% to 9%; and the Intown South from 8% to 7%. These percentages take on a more ominous meaning when they are compared with the actual numbers involved. The Northside share of total employment grew from 67,083 in 1980 to 79,926 in 1988, an increase of 12,843 or 19%. The Northeast grew from 183,743 jobs in 1980 to 215,097 in 1988, an increase of 31,354 (17%). Northwest employment grew by 8% with 13,818 jobs in 1980 and 14,959 in 1988. In contrast, the Westside Study Area lost 25% of its jobs going from 10,805 in 1980 to 8,084 in 1988. The Southside lost 1,656 jobs with 35,263 in 1980 and 33,607 in 1988. Finally, Intown South lost 1,055 jobs with 28,219 in 1980 dropping to 27,264 in 1988.

What is most revealing about the distribution of jobs in the city and the distribution of employment growth is the racial implications. The areas of greatest decline correspond to the areas with the largest minority
populations and conversely the areas of greatest employment concentration and growth correspond to the areas that are predominately white. Specifically, the Northside and the Northeast contained 75% of the total number of jobs in the city in 1980 and 78% in 1988. This area contained only 8% of the city's minority population while 92% can be found in Northwest, Westside, Southside, and Intown South. Atlanta's total minority population was 293,976 in 1980 and grew to 298,720 in 1988. The Northside and Northeast Study Areas had a minority population of 26,998 in 1980 which grew to 35,878 in 1988. By way of contrast, the Northwest, Westside, Southside, and InTown South had a total minority population of 266,998 in 1980 which declined to 262,842 in 1988.

The lack of employment growth and job location in areas that are predominately black is compounded further by the significant commuter aspect to Atlanta's employment structure. Atlanta's economy imports more than 56% of its labor force from the surrounding region. About 183,000 persons commute from the surrounding area to jobs in the city. MARTA's light rail line described by Governor

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18Minority Population figures include Afro-Americans, Hispanics and others and as a result the total figures are slightly higher than the figures for the black population alone. According to the U.S. Census Bureau, Atlanta's Afro-American's population was 283,158 in 1980 (see Appendix A).

19City of Atlanta, Comprehensive Development Plan, 13.
George Busbee as "one of the most massive single public undertakings in the history of the south" was built in large part to service these largely white suburban workers.\textsuperscript{20} These structural features of Atlanta's economy promotes unemployment among the primarily blue collar city work force and ensure that the Black labor force will consistently absorb a disproportionate share of unemployment.\textsuperscript{21}

The political and economic implications of Atlanta's stratification of geography, race, and employment are exacerbated further by the issue of poverty. Contrary to the popular image of the city conveyed by its Wizard of Oz like skyline poverty is a pervasive problem. Atlanta's political economy produces a poverty rate that is the second highest in the country. Local policy makers do not address this issue systematically, nor do they devote resources commensurate with the magnitude of this issue. I have already discussed Atlanta's poverty rate but it is important to note that poverty is related to income distribution and economic development. According to an unpublished study

\textsuperscript{20}Alan Patureau, "Woman In Transit: MARTA Chairperson Ryland McClelond Just Wants to Put the System Back on the Right Track," \textit{Atlanta Constitution}, 10 April 1991. See also Governor George Busbee, "Remarks Before the Pre-legislative Forum," Atlanta, Georgia, November 14, 1975, in \textit{The Jackson Papers}, Box #3 (Atlanta, Georgia: Clark Atlanta University): 4.

\textsuperscript{21}While the available data supports this conclusion, nevertheless, the implications are never fully explored by the official and semi-official public policy organizations.
conducted by the second Jackson Administration's Mayor's Office of Research (based on 1980 Census data), the ten highest census tracts in the city have an average per capita income of $19,233 while the estimated average per capita income of the ten lowest census tracts is $2,469.\textsuperscript{22} In other words, the lowest census tracts in Atlanta have only 12.8% of the income of the ten highest with a difference of some $16,764. These data on income disparity between census tracts is congruent with the racial composition of these parts of the city. The ten highest tracts are predominately white and the ten lowest are overwhelmingly black. Mayor Jackson, at the Mayor's Action Conference on Poverty in Atlanta (MACPA), the city's first and only anti-poverty conference, made the following related observations:

Aggregate income in those ten poorest census tracts with a total of 25,000 families for 1980 was estimated at just over $61 Million, income for the five richest tracts, with a total of approximately 19,000 families was estimated at over 424 million. Moreover, the gap is widening. . . . Where the poorest census tract earned 9% of the income earned by the richest in 1960, by 1980 the ratio had fallen to 6%. Where in 1960 the tenth poorest tract earned 29% of the income of the tenth richest, by 1980 the ratio had fallen 21%. This indicates what many of those who have been actively working to counteract the ills of poverty have known for sometime—that poverty in our city poses a grave persisting problem that

\textsuperscript{22}Honorable Maynard H. Jackson, "Poverty in Atlanta," in The Jackson Papers, Box #3: Statements by Mayor Maynard Jackson and Others (Atlanta, Georgia: The Atlanta University Center Robert W. Woodruff Library, 18 March 1981): 2.
must be confronted by systematic, coordinated efforts.  

Using a more recent statistical measure (Household Income Distribution), the same disparities are revealed. According to one observer:

The 1985 income distribution for black households was still more highly skewed to the lower end that for white households. We find that between 1980 and 1985 the percentage of the households in the region with incomes below 15,000 declined from 40 percent to 25 percent, a decrease of 37.5 percent. For black households in the city, the data suggests that decline was only 18 percent, or about half the change for the region. Adjusting the 1985 income for inflation since 1980, it appears that the percent below 15,000 in real terms did not decrease between 1980 and 1985.

Even in the areas that could be easily addressed by local government, there is neglect and a lack of concern beyond election year rhetoric. For example, poverty in Atlanta can only be discussed in the most general way because poverty data is in disarray. It is not possible at the moment to

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23 Jackson, "Remarks to the Mayor's Conference on Poverty in Atlanta," 8.


25 See Footnotes 45 and 46 in Chapter II of this study. The inadequacy of statistical measures of poverty is not just a local issue. According to Rochelle L. Stanfield:

The poverty threshold is still figured by a method devised in the early 1960s and based 1950s consumption patterns that are completely irrelevant in the 1990s. As a result, federal efforts to help the poor may be misdirected.

There are a number of other related problems with the inadequacy of socio-economic data collected by federal
get a detailed picture of poverty based on neighborhood planning units or based on the six study areas. Data is available on a census tract by census track basis but this format is almost useless.\textsuperscript{26} The City of Atlanta, Fulton County, the Atlanta Regional Commission, Research Atlanta, and state agencies do not track poverty in the detailed manner that other socio-economic indicators are monitored. As a result, it is impossible to measure the impact or effectiveness of private efforts or of public policy designed to reduce the incidence of poverty in the city.

Looking at the poverty data that is available one can only say that Atlanta's poverty rate is growing. The statistical confusion over the issue of poverty masks the structural origins of this problem and allows for policy discussion to

\begin{quote}
agencies. Business and economic statistics do not measure accurately economic activity such as GNP, Unemployment, Input-Output Tables, and the Decennial Census. The same author notes:

The so-called input-output tables that measure the flow of goods and services between different parts of the economy, is so hopelessly out of date that the Japanese government has made its own calculations. U.S. trade negotiators complain that the Japanese thus know more about the American economy than the Americans do.

\end{quote}

be couched in terms of the failures of individuals or the failures of group behavior or the culture of poverty.

During the heady atmosphere of Maynard H. Jackson's first term, there was some reason to believe that finally something would be done about poverty. Jackson himself contributed to this misperception as the first black mayor of a deep south metropolis by suggesting on more than one occasion, "I consider myself to be an advocate for oppressed, needy and neglected people regardless of race and economic status in life." At his first inauguration, Jackson stated: "Tonight we are witnessing a people's inauguration. Over the next four years we shall work to create a people's administration, one that will afford even the poorest and most destitute person an alternative to agony."27 These are eloquent and inspiring (if not naive)

27 Maynard H. Jackson was not a new comer to the racial politics of Atlanta. He is on record as a strong opponent to racist practices in public policy when serving the city as vice-mayor. See "Jackson Raps City Racism," Atlanta Constitution, 15 May 1970, 5(C). The quote in the text above is from Frederick Allen, "People's Inauguration of Jackson Ran into Bumpy Road," Atlanta Constitution, 25 October 1981, 1(A). See also Honorable Mayor H. Jackson, "Speech to the Hungry Club Forum," 5 October 1977, Atlanta, Georgia, found in The Jackson Papers, Atlanta University Center Robert W. Woodruff Library, Atlanta, Georgia. In that speech the following remarks by the Mayor are instructive:

It was then and continues to be my belief that a well prepared black has special qualifications for elective office. We know equality through inequality. We know freedom through slavery. . . . My administration's policy of creative and aggressive change has guided us through some stormy seas.
words but for a variety of reasons the Mayor did not address the issue of poverty systematically until seven years after these lofty goals were articulated. Toward the end of the second Jackson Administration, the Mayor tackled Atlanta's poverty problem by convening the first Mayor's Action Conference on Poverty in Atlanta. Very little before or since has been done about this dark side of the city's political and economic makeup. On March 18 and 19, 1981, about 500 academics, activists, businessmen, service providers, students, and some poor people met at the Atlanta Civic Center to discuss, analyze and create a comprehensive strategy for reducing the level of poverty in the city. The conference opened its proceedings shortly after President Ronald Reagan and his director of the Office of Management and Budget, David Stockman began their systematic assault on government social programs and aid to state and local governments. In fact, many of the conference participants presented analysis of the new conservative orthodoxy and the projected impact of proposed federal budget cuts on the city.


Mayor Maynard H. Jackson described the reasons for calling the conference at a follow up meeting held on June 10, 1981:

On March 18 and 19 of this year in this very Civic Center we took historic and unprecedented action by convening the first Mayor's Action Conference on Poverty in Atlanta. We took this action in part as a response to alarming reports that despite Atlanta's affluence and general economic well-being—which have earned for our city the description "Buckle on the Sunbelt"—perhaps as many as 23% of our citizens live in poverty. . . . I accepted the charge of the Conference to present the reconvened body with a draft of a workable, "do-able" comprehensive plan to reduce poverty in Atlanta. I know that we cannot do it all with local resources, but I know we can do the most with what we have. . . . The MACPA was a success because the first steps toward the development of a comprehensive strategy to fight poverty were taken.  

Mayor Jackson specifically noted the confused state of data about the location and extent of poverty in the city:

There was shared concern about the inadequacy of existing data on the extent and specific location of poverty in the City. This problem is


compounded by different agencies and organizations, public and private, utilizing different variables to measure and define poverty. Research and Development activities related to poverty in Atlanta need to be standardized and information across agencies needs to be shared.32

Solving the problem of knowing exactly were poverty is located in the city is a do-able project for local government, but it has not been done ten years later. Mayor Jackson's Anti-Poverty Action Plan also called for the establishment of an Atlanta Human Development Commission (AHDC): "To consolidate, monitor and evaluate the extent to which service pledges are being honored and to advocate programs and polices to the public and private sectors on behalf of the poor." This too could be a do-able project for local government and a prudent use of public resources but this idea did not get off the drawing board. Mayor Jackson's lame duck status ensured that the initiatives related to poverty would not be carried out. The new mayor (Andrew Young) despite his impeccable civil rights credentials was not predisposed to using public resources in this manner. Mayor Andrew Young seemed to go out of his way to please business interests in the city so the concerns of a large segment of Atlanta's population were never a serious

32Ibid., 3.
concern of his administration. Young's approach to urban governance was aptly described by Reed as follows:

Atlanta's Andrew Young has been even more flamboyant a booster of business interests than his Detroit namesake; the former SCLC activist has aligned himself with conservative Republicans on business issues and extols the merits of unrestrained development with an often ecclesiastical rhetoric that harkens back to the Gilded Age.

As late as 1991 and the third Jackson Administration, almost nothing is being done to follow-up on the lofty objectives articulated in the first and only Mayor's Conference on Poverty in Atlanta.

In summary, Atlanta's political economy produces a tremendous rate of growth and tremendous wealth. At the same time, this rapid growth produces severe social costs. A significant share of the social costs of Atlanta's economic transitions and dislocations is borne by the mostly black residents--80% who live within the city limits. This can be seen in the historic, geographic and racial distribution of income, poverty and the benefits of economic development. The data on employment location and employment growth sustain this observation.

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One of the reasons that the first two Jackson Administrations could put off confronting the issue of poverty for seven years and the Young Administrations could avoid dealing with the issue seriously has to do with Atlanta's Black Urban Regime buying into the agenda of the local pro-growth coalition.

[Black Urban Regimes] ... tend to cling dogmatically, even in the face of evidence to the contrary, to pro-growth trickle-down ideology, typically recycling the simplistic formula that growth-jobs-reduced inner city unemployment. Defense of specific projects of any sort proceeds by citing the general cant, with an occasional admonition that the city is in effect the hostage of mobile wealth and therefore must allow private capital to loot the public treasury, unfair as that may be, in order to prove itself competitive in a dog-eat-dog world. 8

In other words, the development agenda of Atlanta's corporate elite as expressed by the activities of Central Atlanta Progress, the Atlanta Chamber of Commerce, and the Atlanta Convention and Visitors Bureau is the same agenda pursued by the City of Atlanta under black political leadership. 36 Economic development policy by the city emphasizes the concerns of the business community and the central business district in particular and this approach becomes the main poverty fighting strategy of the city, even though this approach produces poverty. This paradox can be

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36 See Chapter II of this study.
seen clearly in the special relationship between business and city hall, in the economic development delivery system, and in the establishment of the Atlanta Economic Development Corporation as the centerpiece of the city's economic development policy.

Atlanta's first black administration assumed power in the early 1970s during tremendous international and national turmoil and economic dislocations. The nation was in the midst of a full-blown recession and many of the nation's largest cities were caught in the grip of fiscal crisis resulting from the migration of white people and jobs to suburban areas. Federal urban policy in this era continued a move toward promoting greater involvement of the private sector in the management of national, state and local governments. Commentators have referred to this process as "counter-Keynesianism." Federal urban programs continued a move toward promoting greater involvement of the private sector in the management of national, state and local governments. Commentators have referred to this process as "counter-Keynesianism." Federal urban programs


38Counter-Keynesianism is a term that Alan Wolfe uses to describe the theory and policy that has guided the growth coalition in America since the 1940's. The so-called new approach to public policy represented by the coming to power of Republican Presidents is not new but represents a more forthright statement of the basic approach to economic growth that has been utilized since the passage of the Employment Act of 1946.

Businessmen, by nature, do nothing without charging a price and the price that they demanded in return for the expanding the economy was a weakening of the ability of government to plan.
in the 1970s and in the Regan-Bush era are explicit about the use of public funds to promote business interests—the 1974 Community Development Act, administered by the Economic Development Administration under the U.S. Department of Commerce, and Urban Development Action Grants under the Department of Housing and Urban Development (HUD) made funds available to states and local governments to assist them in community and economic development; developing long-range-comprehensive economic development planning capabilities; and to promote greater cooperation between the private and public sectors in achieving their economic development goals. Federal policy actually worked to cause policy fragmentation, bureaucratic growth, and the further isolation of important policy areas from popular participation.  

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. . . An emphasis on growth, at least the kind of growth stimulated through the expansion of the private sector, was incompatible with an emphasis on planning, at least the kind of planning directed by the public sector. . . . If Keynesianism implies the use of government to influence and direct decisions made in the private sector, then postwar macroeconomic planning could only be defined as counter-Keynesianism: the use of the private sector to influence the scope and activities of government. See Alan Wolfe, America's Impasse: The Rise and Fall of the Politics of Growth (New York: Pantheon Books, 1981): 54.

39On the issues of policy fragmentation and bureaucratic growth see the following: "Report of the City Council Task Force On Economic Development," (Atlanta, Georgia: City Council Staff and Research Atlanta, September 1980): 11.
Atlanta's black administration also faced the historical and built in anti-urban bias of a state legislature dominated by rural legislators. The following comments by former Governor George Busbee on the anti-Atlanta bias in the state legislature aptly describe the situation in 1975 and to a large extent are still relevant to the situation in 1991.

About two decades ago when I came to the General Assembly one of the best ways to guarantee the defeat of a bill was to get in the well of House and say "This is nothing but an Atlanta issue... . In those days every candidate for Governor tried to get across three points right at the beginning of his campaign... . that he knew how to plow a mule... . that he had never met the Mayor of Atlanta... . and that he didn't know how to pronounce Ponce De Leon." These comments help to explain why it is difficult to pass legislation beneficial to the south's largest city. Unlike other large cities, Atlanta does not have the power to annex territory to recover lost tax base and must depend on an amendment to the Georgia Constitution to carry out such a routine local government function. The rural bias of the state legislature also helps explain why periodically there are efforts launched in this body aimed at taking away some of the city's basic municipal powers.

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40 Busbee, 5.

41 See Mayor Maynard Jackson, "1979 State of the City Address," in The Jackson Papers, Box #3: Economic Development (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, January 16, 1979), 2.
Combined with the problems of national recession and the rural anti-urban, anti-black bias of the state legislature Atlanta's first black administration had to face the unrelenting criticism of the local corporate community and their hired help. The business community was slow to accept the reality of black political leadership and fought tenaciously to constrain the actions of the new Mayor. The sharpest expression of their displeasure with the Jackson Administration came with the publication of the "Brockey Letter" which documented corporate Atlanta's difficulty adjusting to black political power and exposed the controversy to the local and national press.\(^\text{42}\) Local businessmen were concerned with the way that the administration tackled the issue of police brutality (Mayor Jackson's actions against police brutality were interpreted as somehow being soft on crime and they did not approve of A. Reginald Eaves appointment to head the newly created Commissioner of Public Safety); they objected strongly to affirmative action and joint venture programs pursued by the

city which threatened the white skin privilege enjoyed by white business interests for centuries; and, they complained about the lack of easy access to the Mayor's office. The Brockey letter hinted that the Mayor was anti-white and insensitive to the concerns of business and as a result firms were leaving the city or threatening divestment placing the economic health of the city risk.

Policy research conducted by business organizations focused their criticism on the use of intergovernmental funds, the eroding tax base of the city, the high crime rate and fragmentation of Atlanta's economic development delivery system. Fragmentation was not a problem before the coming of black political power but the ambitious building and development program by Atlanta's political and corporate elite was thought to be in jeopardy:

The rise of black political power in Atlanta coincided with the plans of the business and commercial elite to retain and strengthen the city's economic viability and, in the process, increase its own affluence by building a series of modern luxury hotels, a modern sports complex, a sprawling convention center, a new airport and/or expand the existing one, and a billion dollar rapid transit system.

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43"Jackson: We Will Not Abandon the Streets to Criminals," Atlanta Journal, 20 August 1979, 27(A). According to Mayor Jackson, "There is no issue facing city government more important to me as your mayor at this time than crime." See Television Address on Crime, August 16, 1979.

44Jones, Black Political Empowerment in Atlanta, 109. Also see Stone, Regime Politics, 87.
In the past, projects of this kind did not generate much tension between business and government because the same small clique of people made the major decisions in both the public and the private sector. Understandably, Corporate Atlanta did not know what to expect from the new political situation, especially given the rhetoric of equality and social justice that was necessary to mobilize the electoral coalition that brought the Black Urban Regime into existence.

During the first years of the Jackson Administration, there was a strong tendency to use intergovernmental funds for community development in the neighborhoods or in the residential areas of the city (Atlanta has 139 neighborhoods). The Department of Community and Human Development was set up in the context of governmental reorganization to administer programs "in the areas of housing, neighborhood revitalization, and comprehensive employment training." This agency was responsible for developing federal grant proposals and managing the large sums of federal funds made available through the Community Development Block Grant Program, Urban Development Action Grants (UDAGS) from HUD and the Comprehensive Employment and Training Act (CETA). For example, in 1975, the city

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^45 Mayor Jackson came to power in the context of governmental reorganization authorized by the adoption of a new city charter enacted on January 1, 1974. See Butler, Jr., "Racial Conflict and Polarization," 129.
qualified for 90 million dollars over a six-year period from
the Community Development Block Grant Program and received
18.7 million in the first year of the program. Most of
these funds were used for neighborhood improvement projects
in the residential areas of the city. The use of these
intergovernmental funds in this manner provoked a critical
and angry response from the business community:

Second year (1976) CDBG appropriations included
just 100,000 (.06% of the total CDBG allocation)
for direct economic development measures. Half of
this money was used as a local match for the EDA
grant establishing MOED.

Over the first two years of the Community
Development Program, very little money was
appropriated for economic development purposes,
and of that sum (1.3 million), very little has
actually been spent. The pattern continues for
third year funding (1977); no economic development
plans have been formulated and no funds have been
appropriated. There has been no coordination
between DCHD and MOED with regard to the
disbursement of CDBG monies.

Dan Sweat, the president of CAP at that time voiced
objections to the Mayor's use of intergovernmental funds and
was quoted in the local papers: "One must seriously question
any plan put together for community development with little

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46Congressman Andrew Young was instrumental in getting
Atlanta's Community Development Block Grants approved.

47MOED is an acronym for the Mayor's Office of Economic
Development. This organization was initially charged with
producing the city's Overall Economic Development Plan and
was created by Mayoral decree in January 1977 by Executive
Order 77-1. Initial funding for MOED came from federal
funds supplied by E.D.A., matched by city CDBG funds and
CETA monies. See Research Atlanta, Economic Development in
Atlanta, 62-69.
or no input from the major shapers of development (i.e., business)." Simply put, the business community wanted more attention and more money for the Neighborhood Planning Unit that contained the central business district.

Mayor Jackson produced a vigorous response to business criticism of his administration. The charge of being anti-white was recognized by many as ludicrous from the beginning. The Mayor's political appointments, for example, were deliberately structured to produce a racial balance in the top management positions. In fact, the Mayor went overboard in his efforts to placate the business community. A series of meetings between the Mayor and business leaders became known as "Pound Cake Summits." To combat negative press generated by the Brockey Letter, Mayor Jackson sent press packs to several national publications denying the alleged rift between city hall and the business community. Mayor Jackson also accompanied the Chamber of Commerce president on a business recruitment trip to New York and Chicago to ensure investors that city hall was working hard to promote a good business climate. If these measures were not enough, the Mayor along with important members of

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49 Jones, "Black Political Empowerment in Atlanta," 110.

the business elite of the city organized a public spectacle
known as "Affirmation Atlanta." This event brought more
than 7,500 people to downtown to hear a variety of speakers
extol the positives of the city.51 Toward the end of 1974
Jackson's counterattack was beginning to bear fruit.
Whatever illusions people had about the reformist nature of
the Jackson administration were shattered before they had a
firm basis in fact. Business confidence in the Mayor was
gradually restored; and toward the end of 1974, the press
and the business community were showing signs that they were
beginning to believe that an accommodation with black
political power was not only possible but ultimately in the
best interest of the city.52 By 1975, former Mayor and
business leader, Ivan Allen, Jr., was comparing Mayor
Jackson to William B. Hartsfield.

He recognizes the needs of the people of this
city. He recognizes that it is larger than one
segment. And today, at the end of about 15, 16,
17, months in office, it's apparent that he is
making great strides in welding the city together.
... Despite whatever international or national
recession there may have been, whatever slow down
in business or increase in unemployment, he has
afforded the city strong and consistent leadership
that is giving Atlanta the same opportunity too

51Alice Murray, "7,500 Attend Rally for Affirmation

52Reg Murray, "Mayor Jackson's First Year in Office,"
Atlanta Constitution, 30 December 1974, 4(A).
move forward as it has since the early days of William B. Hartsfield.\textsuperscript{53}

In hindsight, the fears of the business community were exaggerated because of the uncertainty and apprehension that surrounded the coming to power of the city's first black mayor and the racial polarization that accompanied the 1973 elections. Despite racial symbolism and rhetoric; despite the use of some intergovernmental funds to aid neighborhood development; and despite the use of CETA money to employ a number of low-income citizens in public work and job training programs--the overall economic development agenda remained firmly in the hands of the local business community and the vast array of resources available to local government were used primarily to protect business interests. The extent of business dominance can be seen in the city's main planning documents--the Comprehensive Development Plan and the Overall Economic Development Plan. These documents detail the city's long-term strategies for economic growth, improving the quality of city services, and improving the quality of life. In fact, the 1978 Comprehensive Development Plan was written by a private

\textsuperscript{53}Ivan Allen, Jr., "Introductory Remarks Made at the Reader's Digest, Luncheon," in The Jackson Papers, File Box \#3: Statements by Mayor Maynard Jackson and Others (Atlanta, Georgia: The Atlanta University Center Robert W. Woodruff Library, June 3, 1975).
business consultant.\textsuperscript{54} The text of these annual planning
documents reveal a special sensitivity to the priorities of
corporate Atlanta. Reading the headlines and the reaction
of the white business and political elite to the coming of
black political power with the benefit of the passage of
time reveals an unnecessary panic.\textsuperscript{55} There was no need to
fear.

When one looks at the outward appearance of Atlanta's
Black Urban Regime—with its base in black electoral
strength sustaining numerous black elected and appointed
officials, with the visible presence of a majority of black
municipal workers, and with its very public support of
affirmative action programs in its relations with the
private sector—it would seem that black interests are in a
position to be defined clearly and protected. Black
leadership in Atlanta clearly understands the need for
political power but they may be victims of their own
success. The emergence of Atlanta's Black Urban Regime
reveals an overemphasis on politics and especially electoral
power. This overemphasis is expected given the way that

\textsuperscript{54}Research Atlanta, \textit{Economic Development in Atlanta},
69.

\textsuperscript{55}\textit{Atlanta Constitution} publisher Jack Tarver and
editorial writer Bill Ship played a leading role in pulling
together a vituperative seven part series which ultimately
blamed the consequences of the urban crisis on black
political leadership. See "A City in Crisis," \textit{Atlanta
Constitution}, 23 March 1975, 1(A). See also the comments of
Stone, \textit{Regime Politics}, 90.
white terrorism and Jim Crow eliminated black voting in the aftermath of reconstruction. Speaking on the importance of politics during a celebration of Black History Month, Mayor Jackson made the following observations:

In our day, politics has become the most important weapon in the arsenal of liberation. It is the current edge of the Civil Rights Movement. The right to vote was purchased for us by the blood and toil of our mothers and fathers, brothers and sisters. Politics is the key to all our other rights, . . . if we get to the polls on time every time; if we stay alert to issues that are being decided; if we stand fast and hold ranks when attempts are made to divide us. . . .

This overemphasis on electoral politics leads to the deemphasis of other forms of politics such as protest politics and grass roots activism. One of the functions of electoral politics is to vacuum up dissident activity and channel discontent into a process that is easily managed. Electoral politics involves routine activity and processes that are well suited to elite control and manipulation. More importantly for our purposes, the focus on this form of politics ignores the more critical questions involving economic policy: wealth production and distribution, long-range growth strategy, tax structure, urban development projects, municipal debt financing, tax abatement, leveraging and the social costs of economic development.

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Atlanta's black political leadership have simply abdicated
the policy initiative in matters of this type. Hence, the
emergence of Atlanta's Black Urban Regime does not threaten
business interest because economic relationships are not
altered fundamentally. In fact, there is ample evidence
that the opposite is true. During times of controversy,
this becomes painfully obvious: Mayor Jackson's firing of
the sanitation workers in 1977, the manner in which the Emma
Darnell affair was handled, the Atlanta Child Murders and
Atlanta's crime rate (the City's major concern during this
period was its public relations image and the damage that
might occur to business investments), and the broken
promises to the Proctor Creek residents during the building
of the Marta Rail line.\(^5^7\)

What is less clear, is the manner in which business
interest dominate in Atlanta's Black Urban Regime during
normal times. The making of economic development policy
reveals some of the routine ways in which business interests
dominate the local state, even though that state is
controlled by members of a former out group.

Historically, city governments did not concern
themselves explicitly with the policy issue of economic

\(^5^7\)Adolph Reed, Jr. "A Critique of Neo-Progressivism in
Theorizing about Local Development Policy: A Case from
development but left these matters to the private sector. While the main role of municipal corporations continues to be the delivery of efficient services such as water and sewer, garbage disposal, police and fire protection, parks and recreation, street maintenance and traffic control, increasingly cities are forced to devote more public money and effort to the promotion of a "healthy business climate."

A combination of cutthroat competition for investment and economic growth, the recession of the early 1970s and federal policy pushed local governments to get directly involved with business in formulating and implementing immediate and longrange economic development policy.

Initially, the city's effort in this area produced a great deal of confusion, duplication and waste of resources.

The City of Atlanta's economic development delivery is a group of institutions whose research, planning, and policy implementation responsibilities overlap. The profusion of overlapping units presents an unworkable system for the private investor.  

Atlanta's economic development delivery system involved the Department of Budget and Planning, the Atlanta Housing Authority, the Department of Community and Human Development, and to a lesser extent the Bureau of Purchasing and Real Estate, the Finance Department, the Building Inspections Bureau, the Zoning Review Board and MARTA. The

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58Research Atlanta, Economic Development in Atlanta, 87.
Department of Budget and Planning is responsible for developing two key documents which structure the priorities of city government: the annual budget of the city and the Comprehensive Development Plan. This department contains two main bureaus to accomplish its objectives: the Bureau of Planning and the Bureau of Budget Policy and Evaluation. This mega department is staffed with planners and experts whose activities influence every aspect of city government. Since 1978, the Comprehensive Development Plan has included an economic development section. The Atlanta Housing Authority (AHA) has substantial redevelopment powers as the result of action by the city council and the Urban Redevelopment Act of 1955. The AHA was authorized to use the city's power of eminent domain, to issue revenue bonds and to manage city property. These powers have wide

59 The city's Comprehensive Development Plan "analyzes major trends and issues and recommends strategies in the form of projects and programs to deal with them." The CDP also includes a Capital Improvements Plan and the city's multi-year land use and transportation plans. See letter of transmittal from Mayor Maynard H. Jackson to The Honorable Marvin Arrington, President of the Atlanta City Council, May 20, 1980. See also City of Atlanta, Comprehensive Development Plan (Atlanta, Georgia, 1978, 1979, 1980 and 1981).

60 Urban renewal or as it was commonly called in the black community "negro removal" sparked a tremendous controversy whose consequences are still being worked out at present. One of the main social forces behind suburbanization, the segregation of the city and the displacement of the black population was the process of urban renewal. For a full discussion of these issues see Stone, Economic Growth and Neighborhood, 45-174.
economic development implications. The Department of Community and Human Development administered Community Block Grant and Urban Development Block Grant funds which could be used to aid the city's economic development objectives. Activities of the Bureau of Purchasing and Real Estate are important because they exercise substantial control and supervision over the city's procurement of goods and services. Fiscal affairs are controlled by the Finance Department. This department authorizes the expenditure of city funds, audits the departments use of appropriated funds and monitors the collection of revenues to insure that the city's budget is balanced (to comply with state law) but equally important to maintain the city's bond rating. During the early 1970s, zoning was a two-tiered process that involved both the Building Inspectors Bureau under the Bureau of Planning and the Zoning Review Board created by the city council with the former responsible for enforcing the building code and the latter in charge of rezoning applications. One of the major complaints of the development community at this time was the length of time it

61 According to a study conducted by former Administrative Services Commissioner, Emma Darnell, the city of Atlanta spent $33,092,856 on goods and services from January 1, 1973 to January 1, 1974. Of this amount minority owned firms received $56,710 or .002% of the total. See Emma Darnell, "Remarks on the Non-Discriminatory Policy and Program of the City of Atlanta in Public Contracts," in The Jackson Papers, File Box #1: Comprehensive Economic Development Plan (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, December 1975) 2.
took to get a rezoning application approved. Last but not least, it is important to note that MARTA's construction and transportation planning activities have significant economic development implications. MARTA has its own taxing authority and its decisions about where to place rail stations and where to route bus service as well as its fare structure have a dramatic impact on business investment and job location decisions.\(^{62}\) These public units created a maze of overlapping functions and provoked a considerable amount of criticism of the first Jackson Administration's economic development efforts.

In addition to the public units discussed above, the City of Atlanta with the help of several grants from the Economic Development Administration (EDA) created three entities explicitly concerned with economic development issues: the Mayors Office of Economic Development (MOED), the Overall Economic Development Plan (OEDP) and the Atlanta Economic Development Corporation (AEDC).

The Mayor's Office of Economic Development was created by Executive Order for the express purpose of studying the needs of the city from an economic perspective, and to work with the Department of Budget and Planning to build an economic strategy into Atlanta's Comprehensive Development Plan. ... The Mayor's Office of Economic Development is undertaking a "Business Retention Study," surveying small, medium and large city-businesses for their needs, preferences and problems. From studies like

\(^{62}\)MARTA has an annual budget of $200 million, operates 150 bus routes, 30 light rail stations with 32 miles of track, and provides lift van service on six routes for elderly and handicapped patrons.
these, the Mayor's Office of Economic Development will offer a business expansion program. . . .

These comments illustrate how the main leadership in Atlanta's Black Urban Regime bought into the ideology of economic growth. MOED, however, never really gained credibility in the business community and the two planning documents that were produced by this office were so general that they did not have a significant impact on policy. The centerpiece of the city's economic development activity was the Atlanta Economic Development Corporation. According to Mayor Jackson:

This non-profit corporation is a rare blend of private enterprise and public goals. . . . The basic objective of the Corporation is to provide a mechanism to implement joint public/private sector economic development. . . . [AEDC] seeks to solicit and to implement immediate projects that will minister to the needs and fulfillment of our goals—economic health. With all the powers endowed to a corporation—to acquire land and property, to lend and borrow money, to clear land and develop sites and to solicit federal and state assistance.

From the vantage point of the City of Atlanta, the Atlanta Economic Development Corporation is the most important organization for the expression and realization of economic

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63 Jackson, "Remarks on Economic Development in Atlanta." See also Note 46, Chapter IV.

64 Jackson, "Remarks on Economic Development in Atlanta," 5-6.
development policy. This quasi-public organization was created as a vehicle to implement the idea of privatization of economic development policy as expressed in the early 1970s by the federal EDA. At the time of its creation in 1977, there was considerable concern in the business community about their relationship with the new occupants of city hall. AEDC was designed to give the business community direct access to public officials on a regular basis as well as give the business community a more substantial role in the formulation and implementation of city policy in this vital area. The creation of AEDC was first authorized by a resolution of the City Council Development and Finance Committee in 1976. By March 1977, the city received an initial $70,000 Technical Assistance Grant from the Economic Development Administration and matched this with $30,000 as required by EDA. Not surprisingly the local black bank (Citizens Trust Bank) was authorized to serve as the depository of AEDC funds.

See "Atlanta Economic Development Corporation Delegation Agreement" [Approved by the Atlanta City Council on October 20, 1977], in The Jackson Papers, File Box #3: File on Economic Development (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, October 20, 1977).

Mayor Jackson's decision to appoint T. M. Alexander, former Deputy Regional Administrator of HUD as the first executive director of AEDC, generated some discontent among some business leaders who felt that he was unqualified to carry out the mission of the new organization. According to a confidential memo from George Berry to Mayor Jackson, business leaders such as Bob Strickland and Joel Golberg felt that "the best man or most qualified person was not appointed." This initial resentment may explain why very little was accomplished during T. M. Alexander's tenure at the head of the organization. He resigned on December 31, 1978 to take a position as Vice President for Public Finance with E. F. Hutton.

Alexander's appointment turned out to be a moot issue because the Board of Directors exercised considerable influence over the direction of the new organization. AEDC's first Board of Directors was composed in such a way that business interests would dominate. Mayor Jackson's initial appointments included: Councilman Carl Ware, Public Affairs Department of Coca Cola Company, Chairman of the Development Committee; Councilman Richard Guthman, Chair of

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67Memo from George Berry, Chief Administrative Officer to Mayor Maynard Jackson, in The Jackson Papers (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, December 23, 1977).

68Interestingly enough, E. F. Hutton and Company introduced the concept of Tax Exempt Mortgage Revenue Bonds for single family housing in July of 1978.
City Council Finance Committee, Senior Vice President, and Secretary Treasurer, Montag and Caldwell, Inc.; Jack Glenn, Chair of the Board of Commissioners, Atlanta Housing Authority, Partner, Lehman Brothers Investment Bankers; Robert Strickland, Chair of the Board of Directors, Trust Company Bank, Chairman of the Board Central Atlanta Progress; Joel Goldberg, President of Rich's, Inc. and past President of the Atlanta Chamber of Commerce; Clayton Sinclair, attorney and official of the Interracial Council for Business Opportunity; W.E. Richardson, President of Atlanta Business League; and Robert Foreman, Jr., Chair of Economic Opportunity Atlanta and attorney with Jones, Byrd and Howell. The personnel on the Board may change but the distribution of positions gives the business interest a structural advantage over other parties. The composition of the board by position includes the following: Mayor of the City of Atlanta, one representative of the Finance Committee of City Council, one representative of the Development Committee of the City Council, one representative of Central Atlanta Progress, one representative of the Atlanta Chamber of Commerce, one representative of minority business organizations, one representative of small business organizations, one representative of Economic Opportunity

69 Mayor Maynard Jackson, memo to Wych Fowler, President of the City Council, in The Jackson Papers (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, February 7, 1977).
Atlanta, two individuals selected by a majority vote of the other members of the Board, and five individuals appointed by the Mayor with confirmation by city Council. What is interesting about the Board's composition, personnel or position, is the lack of balance. Only Economic Opportunity Atlanta explicitly represents the concerns of low-income citizens and this organization is suspect because its mission is to service the poor and not provide solutions to the complex issue of poverty. The Mayor would protest loudly that he represents all of the people of Atlanta but that is impossible given the structure and mission of AEDC.

AEDC experienced some difficulty getting off the ground under the leadership of T.M. Alexander. The first annual report is poorly written and does not reveal impressive accomplishments. This may be due to the inexperience of the staff, the fragmentation of economic development policy authority (the overlapping responsibilities of MOED, AEDC, and the Bureau of Planning) or it may be due to the lack of leadership ability of the first executive director. Cary Evans served as interim executive director for three months as the organization got caught between grants and ran out of money.

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70Atlanta Economic Development Corporation, "Minutes of the Board of Directors Meeting," in The Jackson Papers, File Box #1: Atlanta Economic Corporation (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, December 18, 1979).
Mr. Evans and Council Guthman reported that AEDC has exhausted its funds. Mr. Evans said that a grant application in the amount of $109,000 had been submitted to EDA... The City has agreed to prepare an application to fund AEDC and MOED with two grants, 302 (MOED's regular grant) and a technical assistance grant application in the amount of money needed for the operation of a prepared budget for a merger between AEDC and MOED, approximately $50,000.  

The organization stabilized under the leadership of Joe Martin, Jr. (appointed April 2, 1979 as President of AEDC and the title of executive director was dropped) and embarked on an ambitious expansion program. Under Martin's leadership economic development activity by the City of Atlanta was centralized and directed by AEDC. The organization focused its activities on commercial revitalization, development of land to be used for industrial parks, assisting small business in obtaining loan packages from intergovernmental funds leveraged with private money and pushed for tax abatement for some corporate projects. In 1981, the organization submitted a grant to EDA for $150,000 and received $112,500. AEDC created an

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[^71]: Atlanta Development Corporation, "Minutes of the Board of Directors Meeting of the Atlanta Economic Development Corporation," January 17, 1979, in The Jackson Papers (Atlanta, Georgia: Atlanta University Center Robert W. Woodruff Library, January 17, 1979): 2. See also Memo from Cary Evans, Interim Executive Director of Atlanta Economic Development Corporation, to AEDC Board of Directors, January 12, 1979, the Jackson Papers.

entity called the Atlanta Local Development Company to focus exclusively on business improvement loans, small business and minority business loans. Between 1978 and 1981, ALDC was directly responsible for putting together more than 250 small business loan packages. In 1983, AEDC played a leading role in establishing Atlanta's first Minority Enterprise Small Business Investment Corporation (MESBIC) called Renaissance Capital Corporation (RCC).

AEDC's role in creating Renaissance Capital Corporation has been to work with Atlanta's business community to raise the required $1 million in private capital, which will be matched three to one—by the Small Business Administration (SBA), thus making available $4 million to local minority Businesses.73

AEDC's role in developing two industrial parks—the Southside Industrial Park and the Atlanta Industrial Park—within the City of Atlanta is frequently held as a model of how the business community and local governments can work together to create blue collar jobs for the central city residents and therefore reverse the destructive cycle of the urban crisis. Southside Industrial Park (SIP) is a 280 acre site located two miles east of Hartsfield Atlanta International Airport. The SIP has potential but it is still in the development phase with plans for creating 1,200 jobs. The Atlanta Industrial Park on the other hand is

73Atlanta Economic Development Corporation, Progress Profile 1986: Ten Years of Public/Private Partnership" (Atlanta, Georgia: Atlanta Economic Development Corporation, 1986), 10.
fully developed and used by government officials to press the case for tax abatement as a means to attract new industry. AIP is AEDC's most impressive success story. The Atlanta Industrial Park was the city's first industrial complex since the 1960s and Georgia's first Urban Enterprize Zone. HUD used AIP as a model for the establishment of other enterprize zones in major cities during the Reagan Bush era. AEDC acted as the lead agency responsible for assembling and preparing land for industrial development by private industry. Initial development costs were covered with a $1,000,000 grant from EDA matched with $250,000 from the City of Atlanta. One of the major purposes of this project was to create jobs in areas that are characterized by economic distress—high unemployment and low per capita income. AIP was located on 330 acres in NPU-G or the Northwest Perry Homes area and near a portion of NPU-H which includes Bankhead Courts Housing Project. According to one study completed in 1978, 66% of the households in this area could qualify for Section 8 housing and 44% of the

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74Memo to the Board of Directors of Atlanta Economic Development Corporation, from Joe G. Martin, Jr, President, July 14, 1980, The Jackson Papers. See also Atlanta Economic Development Corporation, Progress Profile 1986, 2-3.
heads of households were unemployed. Creating blue collar jobs in this area of the city was a good idea.

AIP is home to twenty-five companies employing 800 people in 1986. According to data supplied by AEDC, 40% of all employees are city residents and 41% are minorities. Data is not available on how many employees are actually residents of the target area, so judgement on the ultimate success of this project given its stated goals and objectives will have to wait until the data is released. The hype surrounding the success of the AIP illustrates one of the problems of quasi-public organizations. Because AEDC has some characteristics of a private corporation accesses to records and data regarding its operations depends to a large extent on the discretion of the officials in charge. Thus, it is difficult, if not impossible, to have a complete evaluation of the claims of such organizations.

AEDC is presented to the public as a quasi-public organization but the reality is a bit different. This organization is amenable to public input in only the most perfunctory way. The Mayor of the City of Atlanta serves as board chair, two members of the city council have positions on the board, and the mayor can appoint five additional members to the board. These individuals nominally represent

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the public interest, but the Mayor and the council normally put people on the board who have a business outlook and a special sensitivity to the needs of local business. As a result of the pro-business bias on the board, there is no forum for the presentation of alternative plans for economic development, and there is no incentive to have an accurate evaluation of the socio-economic impact of the activities of AEDC. While AEDC spends a large amount of public dollars on its activities, there are no mechanisms to hold the organization accountable. It is estimated that the City of Atlanta losses about $420 million annually because of the location of tax exempt public property within the city limits: property owned by the federal, state, and county governments. AEDC's economic development activities which promote tax abatement and other public subsidies to private business amounts to a grand waste of the public's money.
Discussion

Atlanta's Black Urban Regime is a complex socio-economic power structure produced by the demographic, political and economic changes of the post-World War II era. This study of that power structure examined the international context which shapes its limits and possibilities, its historical and ideological specificity, and one of the core contradictions of its public policy. The central question that motivates this case study of Atlanta is why have the results two decades of black political power failed to make a fundamental difference in the lives of the vast majority of black central city residents. The central city residents form the core electoral group that ensures the continued existence of the regime, but they receive less from the regime than other well endowed or well placed groups. What is most interesting about this study is that the forces that are responsible for the creation of this socio-economic and political power structure are the same forces responsible for the increasing emiseration of a large sector of the
inner city. Also, contrary to popular perception there is a basic continuity between the current set of political leaders who happen to be predominantly black and the Atlanta regimes historically controlled by the local white business and political leaders. This continuity can be seen in the structure and geography of race, employment opportunity, job growth, poverty and in the emphasis of economic development policy. Thus, two decades after the coming of black political power the socio-economic condition of Atlanta's black community is pathetic and deteriorating.

Atlanta's Black Urban Regime is the product of changes in the global organization of capitalism, demographic, political and economic changes that have been playing themselves out since the 1940s. On the one hand, it burst onto the scene with great fanfare, high expectations, and abundant optimism in the black community; while on the other hand, there was a great deal of fear, anxiety, and panic in the white community. Neither reaction was justified. Capturing political power two decades ago seemed to put the black community of Atlanta in a position to solve some of its more pressing problems such as political disenfranchisement, debilitating socio-economic conditions, paternalistic subordination to the white power structure, the lack of dignity that accompanies racial subordination, structural marginalization to name a few. On closer inspection, the emergence of black political management of
the city has only made nominal changes in the overall condition of the black community. The black elite and the middle class made enormous progress in regards to employment and business opportunities; police brutality is not the same problem as it use to be (this may be changing as more and more incidents of black officers committing acts of police brutality surface); the complexion of city hall has changed, Atlanta got the Super Bowl and the Olympics; and the city consistently makes Johnny Johnson's favorite list of cities but the elusive black mecca has failed to reach a large sector of Atlanta's citizenry. Business goes on pretty much as before the coming of black political power. There are more players at the table of power, but the distribution of benefits and liabilities are still basically the same.

In one sense, this study simply documents the obvious: the urban crisis is a complex socio-economic and political set of problems and capturing political power is not enough. Along with political power, urban leadership needs a vision that looks beyond the status quo. A new urban vision is needed that understands how the city fits in the international political economy, understands the unique history of the region, and is willing to explore alternative economic development strategies. Without new thinking on these intransigent problems urban policy makers be they black or white will simply make matters worse.
Limitations

A case study such as this is necessarily limited in scope by definition and a number of related issues were not addressed. While the study did look at the impact of affirmative action and joint venture programs from the standpoint of the black middle class, the study did not explore the initial battle over affirmative action and joint venture programs. This struggle is well documented and a more comprehensive study of Atlanta's Black Urban Regime should provide analysis of this battle. An examination of the fight over the building of the new Hartsfield Airport and the city's controversial stand regarding minority contractors would help to clarify the impact of joint venture and affirmative action programs. Do these programs promote racial democracy or do they represent a new form of discrimination? What impact does affirmative action and joint venture programs have on the black working class and the black poor? These are important questions that need to be addressed by further study.

In addition to the affirmative action - joint venture controversy future research needs to look closely at the various components of Atlanta's economic development delivery system. A study of MARTA and the manner in which it spends the public money would be useful for evaluating how well this organization is fulfilling its public mission. A similar case study of the Atlanta Convention and Visitors
Bureau needs to be done. This organization is able to generate over four million dollars annually from the proceeds of the motel hotel tax in the city of Atlanta. Does the city of Atlanta need to spend this much money and more on self-promotion? Could not this money be spent in a more socially useful manner? A study of the Urban Residential Finance Corporation would also strengthen the arguments presented in this study. The Urban Residential Finance Corporation spends millions of dollars worth of intergovernmental funds annually but its activities are also dominated by real estate, banking and insurance interests. This study did not look at other related issues such as housing and homelessness in Atlanta. These issues are well documented and a more comprehensive study of Atlanta would include these matters.

Findings

One of the major findings of this study is that a large part of the inability of Atlanta's Black Urban Regime to solve its fundamental dilemma results from the changing function of cities in the global political economy of late capitalism. Cities are no longer sites for capitalist production but instead serve as headquarters for the administration of corporate empires. There seems to be an irreversible trend of blue collar industries leaving the central city for suburban locations and beyond. Capital is
more mobile now than in any other point in its history and is no longer tied to a particular location. As a result, cities and states are locked in a fierce competition to attract any kind of corporate investment in order to protect their tax base, increase the job opportunity structure and maintain their economic viability. Economic development policy is designed to boost a city's or state's ability to attract corporate investment. Given the structural changes in the global economy and the new hyper-mobility of capital, it is probably futile to spend public dollars trying to entice industrial firms back into the city. This is not to say that it is impossible. Obviously, the Atlanta Industrial Park and the Southwest Industrial Park illustrate that it is possible to give away enough incentives and tax abatements to get some industries to locate inside the city limits; however, it should be clear that the overall trend is for industrial facilities to locate where the optimum combination of factors of production can be obtained. Increasingly, blue collar jobs are moving to suburban locations and out of the country altogether. Recent efforts and agreements reached by the Bush Administration, Mexico and Canada will only accelerate this trend.

Black political management's vision of economic development policy is basically the same as the Chamber of Commerce and Central Atlanta Progress approach. Black leadership's main if not only innovation in this area
concerns joint venture and affirmative action programs. Initially, there was strong white opposition to these innovations, but now they are a part of the economic gospel according Atlanta. These programs mainly benefit the black elite and the black middle class. Low-income blacks and poor people in general are told that eventually the prosperity that is evident in the city's massive development projects will eventually reach down to them at some point in the future. Economic development policy not only attracts investments, it is the city's main tool for fighting poverty and the host of socio-economic ills associated with the urban crisis. Unfortunately, it is this type of trickle down economic policy that is directly responsible for the displacement of low-income citizens and stratification of employment opportunity structures.

Another important finding of this study is that Atlanta is attractive to global and national capital for headquarters location and commercial activities. A description of the factors which attract international capital suggests that the local economy will continue to experience significant growth in the foreseeable future. Not surprisingly, the commercial or service sector drives the economic growth that is taking place in Atlanta and in the Atlanta Metropolitan Region. A prudent use of public resources would focus on this sector and push for linked development strategies and massive job training programs to
aid the citizens displaced by Atlanta's particular form of economic growth and development. As opposed to the type of trickle down economic development policy that dominates plans to improve the urban condition, it is time that political and economic leadership recognize the futility of this approach. The trickle down approach exacerbates historic inequities and ultimately wastes the taxpayers money. Moreover, this study suggests that allowing business interest to have undue influence over the city's economic development strategy is a recipe for disaster. Despite public relations rhetoric and the occasional acts of social responsibility, businesses are devoted to improving their bottom line very seldom engage in the strategic thinking and planning necessary for creating solutions the urban crisis.

This study also reveals that we cannot expect much from the black elite if history serves as a guide to future possibilities. The history of the Atlanta's black elite is problematic. They have a history of accommodation to systems of racial oppression and deference to white corporate power. While recent efforts to capture political power may suggest that the intellectual godfather of this group is W. E. B. Dubois a closer reading of the record reveals the dominate influence of Booker T. Washington. In fact, this study revealed a direct connection between Atlanta's black business elite and the sage of Tuskegee. On most of the major political battles in the city's history,
the black elite consistently staked out a conservative if not reactionary position. This research effort was able to document the history of accommodation and deference that extends at least to the 1890s. For some reason black leadership in Atlanta seems to be happy to just participate in the great American experiment under any terms. During the Cotton States Exposition of 1895, the degrading spectacle of the Old Plantation exhibit and other humiliations were tolerated without barely a protest. Black elite participation in the infamous Atlanta bi-racial coalition helped Henry Grady and William Hartsfield sell the city to the world as a bastion of racial harmony and a safe place for investment at a time when racial hatred was at an all time high. The Atlanta Race Riot of 1906 is not a part of the collective memory of the city, nor is it widely known that Atlanta was once the headquarters of a resurgent Klu Klux Klan. During the era of segregation, gentlemen's agreements between the black elite and the white power structure determined the place and pace of black settlement. Throughout the long battle for voting rights, Atlanta's black elite relied mainly on legal strategy and discouraged efforts at mass action. During the civil rights movement, there was an unwritten agreement to contain mass demonstrations and the major civil rights organizations refused to launch a concerted effort against segregation in the city of Atlanta. Given the history of Atlanta's black
political leadership, it is not surprising that they are slow to recognize the urgency of the plight faced by a large sector of the population. Both Mayor Jackson and Andrew Young lived temporarily with housing project residents and the homeless, but these symbolic efforts are no substitute for public policy. Two decades of black administration reveals that Atlanta's black political leadership has yet to develop an appreciation of the role of structural factors in reproducing the problems of the inner city.

Recommendations

One of the important implications of this study is that economic development policy needs to be reconceptualized. Economic development policy as currently defined and practiced by federal, state and local governments does not account for the social costs inflicted on those least able to defend themselves from the designs of developers and well meaning public officials. Business interest dominate all other considerations and this has lead to the destruction of viable neighborhoods, displacement of low-income inner city residents and social stratification. Economic development policy needs to be reconceptualized to include a human needs perspective. The city does not have a unitary interest that coincides with business interest as asserted by those who justify trickle down economic development policies. Atlanta's history with such policies shows that very few if
any benefits trickle down to those who are without connections or resources (to continue the same policies or what is worst to appropriate these polices as the best hope for fighting poverty in the city is a most cruel hoax). The public interest can be ascertained fairly through open political struggle where all of the players involved have access to vital information regarding the total costs of development. Economic development schemes which do not account for social costs should be opposed by local government.

Moreover, the economic development planning process needs to be democratized. Current practice does not involve the variety of interests that are affected. At the very least, the boards of organizations such as the Atlanta Economic Development Corporation, the Urban Residential Finance Corporation, the Atlanta Housing Authority, the Atlanta Convention and Visitors Bureau, and MARTA should be staffed with individuals who represent the diverse interests of the city. On the policy side, the city can began to aggressively pursue linked economic development. By linked economic development, this writer is referring to the common practice of requiring private investors and developers who benefit from the infrastructure and built environment of the city to pay for the social costs of their activities. Revenue raised in this manner can be used to establish community improvement funds and massive job training
programs for those hardest hit by the shifts in occupational structure.

While cities like Atlanta may not be able to eradicate poverty due to the national scope of this problem, they can at least do what can be done. A black urban administration can at least take on the task developing systematic data about the extent and location of poverty in the city. The city can also follow up on the recommendations of the first poverty conference and attempt to centralize efforts aimed at solving the problem.

Summary

This study also raises some important theoretical questions. Atlanta does not suffer from a lack of attention by scholars. Floyd Hunter put the city in the middle of the community power and pluralism debate. More recently, the work of Clarence Stone examines the relationship between public and private power. Black scholars have a long history of concern about Atlanta: from W. E. B. DuBois and Clarence Bacote to Mack Jones and Adolph Reed, Jr. In a sense, as a result of the work of these authors and many others, the facts of Atlanta's development are not in dispute. What is controversial is the interpretation of the facts of Atlanta. This writer believes that the urban political economy perspective combined with the insights of Afro-American political thought and the concept of Black
Urban Regime in particular allows one to uncover an analysis of the internal dynamics of this complex social structure. This approach was utilized in this case study. Unlike Stone, this writer cannot believe that those who are responsible for the status quo must also be responsible for social change; and unlike many writers' description of Atlanta's black elite, this writer does not see the black elite as the agent of social change. The black elite's history is packed with self-interest and greed. This study does not give one pause to be optimistic about the future of the city. Atlanta may be able to hype itself to the world as the next great international city; but inside the city limits, there is too much tragedy and needless suffering. Atlanta escaped the urban riots of the 1960s but to continue to ignore or what is worse to manage the problems of the least of these is to invite calamity. Time is running out.
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## APPENDIX A

### SOCIO-ECONOMIC DATA

**MSA population data**

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### APPENDIX B

**BLACK ELECTED OFFICIALS**

Table 12. Black mayors of cities with populations over 50,000, 1990

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<th>% Black</th>
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<td>Aaron Thompson</td>
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<td>Camden, NJ</td>
<td>82,000</td>
<td>53.0</td>
</tr>
<tr>
<td>Cynthia Moore Chestnut</td>
<td>5/90</td>
<td>Gainesville, FL</td>
<td>81,000</td>
<td>20.9</td>
</tr>
<tr>
<td>Henry H. Nickelberry</td>
<td>12/91</td>
<td>Saginaw, MI</td>
<td>78,000</td>
<td>36.0</td>
</tr>
<tr>
<td>Cardell Cooper</td>
<td>12/91</td>
<td>East Orange, NJ</td>
<td>77,000</td>
<td>83.6</td>
</tr>
<tr>
<td>George Livingston</td>
<td>11/93</td>
<td>Richmond, CA</td>
<td>77,000</td>
<td>47.9</td>
</tr>
<tr>
<td>Edna W. Summers</td>
<td>4/93</td>
<td>Evanston Township, IL</td>
<td>72,000</td>
<td>21.4</td>
</tr>
<tr>
<td>Wallace E. Holland</td>
<td>12/93</td>
<td>Pontiac, MI</td>
<td>70,000</td>
<td>34.2</td>
</tr>
<tr>
<td>Ronald A. Blackwood</td>
<td>12/91</td>
<td>Mt Vernon, NY</td>
<td>68,000</td>
<td>48.7</td>
</tr>
<tr>
<td>Carl E. Officer</td>
<td>4/91</td>
<td>East St. Louis, IL</td>
<td>51,000</td>
<td>95.6</td>
</tr>
</tbody>
</table>

*Mayors are listed by the population size of their respective cities, in decreasing order.


All data taken from The Joint Center for Political and Economic Studies, 1301 Penn. Ave., N.W., Washington, D.C. 20004.
APPENDIX C

ECONOMIC DEVELOPMENT ORGANIZATIONS (1973-1981)

PROPOSED CITY OF ATLANTA ECONOMIC DEVELOPMENT ORGANIZATION/FUNCTION CHART

PUBLIC

- City Council Council
- Mayor
- AHA
- Department of Budget and Planning, Bureau of Economic Development
  - Coordinates and performs related Economic Development activities for the Mayor associated with the whole AEDC work program.
  - Serves as special ombudsman for AEDC with operating departments on project related matters.
  - Reports on status of Economic Development activity to the Mayor.
  - Receives and refers informational requests related to Economic Development matters to AEDC.
  - Develop City-wide objectives.
  - Identify general research pertinent to economic development needs and conduct studies.
  - Identify, develop, and test general economic development physical and/or program initiatives.
  - Identify and prepare drafts of legislation needed.
  - Monitor budget implementation and CD preparation for general initiatives.
  - Prepare grant applications.
  - Provide staff services to OEDP committees.
  - Develop and monitor City contracts with AEDC and AHA.

PRIVATE SECTOR

- Chamber of Commerce CAP, etc.
  - (General "sole" activities to attract investments and general source of research input)

PRIVATE/PUBLIC

- OEDP Committee
- AEDC Board
- ABDC Staff
  - Sell City to developers
  - Receive developer inquiry
  - Review developer project
  - Initial packaging
  - Initial cost estimates
  - Prepare cost/benefit profile
  - Finalize implementation contracts monitoring responsibility

PRIVATE

- Private Developer
  - Present project
  - Assess project feasibility
  - Finalize project design and financing
  - Conduct negotiation and joint scheduling

Operating Departments (includes DCID and Finance)

- Implement budget
- Prepare budget papers
- Assist implementation as necessary

AEDC - Atlanta Economic Development Corporation
OEDP - Overall Economic Development Program
APPENDIX D

LETTER OF ACCEPTANCE

CITY OF ATLAN TA

October 9, 1990

Mr. Wilson N. Flemister, Jr., Director
Special Collection, Robert W. Woodruff Library
111 - James P. Brawley Drive
Atlanta University Center
Atlanta, Georgia 30314

Dear Mr. Flemister:

Mayor Jackson wants very much to accommodate Mr. Claude W. Barnes in his endeavor to complete his dissertation. Therefore, he grants permission for Mr. Barnes to gain access to the economic development materials contained in the "Jackson Papers". This access shall be subject to all requirements of the archives division.

If there are further instructions, please contact me at 330-6116

Sincerely,

John C. Reid, Executive Officer
Development & Administration

JCR/coh

cc Claude W. Barnes, Jr.