THE BEYOND SERIES | ABSTRACT | SEPTEMBER 2026

Beyond Incentives

The New Public Private Bargain for Transformational Development

A project can win every approval and still lose the community.

For decades, incentives and legal approval were treated as proof that a project had earned public support. Transformational investment exposes the weakness in that assumption. When a project reshapes power, water, land, public finance and community identity, approval is only the beginning. It must earn and continually renew a social license to operate.

SOCIAL LICENSE IS THE REAL BARGAIN

Social license is the durable public legitimacy that lets a transformational project survive controversy, leadership change and operational setbacks. It is earned when responsibility is credible, costs and risks are fairly allocated, public value is visible and commitments are enforceable—not when opposition is merely managed.

FIVE QUESTIONS THAT DEFINE THE BARGAIN

RESPONSIBILITY	RISK AND COST	AUTHORITY	VALUE	ACCOUNTABILITY
Which obligations belong to the company, community, utility and other institutions?	Who pays for infrastructure and who carries exposure when assumptions change?	Who can decide, bind resources, enforce standards and reopen the agreement?	What durable value does each party receive and help create?	How will performance be verified and remedies applied over the full relationship?

THE DATA CENTER EVIDENCE

SYSTEM IMPACT	LONG DURATION	LIMITED TRANSFERABILITY
Large electric loads and infrastructure dependencies make system effects unusually visible.	Build-out, tenants, technology and operating profiles may change after public commitments begin.	The framework can inform other sectors, but data-center evidence does not transfer automatically.

EXECUTIVE IMPLICATION

PUBLIC STANDARD	COMPANY STANDARD
Evaluate full-build impacts, cost allocation, uncertainty, enforceability and residual public value before approval.	Treat durable community legitimacy and accountable commitments as operating conditions, not communications tasks.

BOUNDARY AND USE

The paper offers a governance framework, not a universal formula. Sector, project and community conditions determine how the bargain should be structured.

THE GOVERNING IDEA

The incentive may win the site. Social license determines whether the investment can endure.

OFFICIAL MANUSCRIPT

David M. Smitherman, Beyond Incentives: The New Public Private Bargain for Transformational Development. The Beyond Series, Bear Strategies, 2026.

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