

## Appendix J

### A Republic of Federations: A Frontier for Civil Society

Severyn T. Bruyn

In ancient times, the idea of a “republic” was conceived from notions of civic virtue and popular sovereignty. Over the last twenty-five hundred years, many types of republics have developed. Yet none of these republics have looked like the one emerging in the 21<sup>st</sup> century. With democracy as its theme, the attributes of this new republic are developing, for the first time, in the private sector. In countries like the United States, it is the nongovernmental sector that is largely responsible for the building of this new republic. Corporations in particular are now chartered as “democratic organizations,” and represent a historically unique system of governance that works in tandem -- and in tension -- with the state.

In the United States, it was the writers of the Federalist Papers and the American Constitution that first inspired the idea of democracy in this private sector. James Madison, in particular, studied civil society philosophers like Hume and Montesquieu, looking for clues on how to craft a republic. Madison worried about how factions had destroyed past republics and he hoped to write a constitution that prevented civil war. To this end, Madison argued in his Convention speeches and in Federalist #10 that a republic should include a multiplicity of economic, geographic, social, religious, and sectional interests. These different interests, he wrote, should check against one another and keep factions from gaining too much power. He wanted to prevent the United States from being divided into clashing armies.<sup>1</sup>

Madison's principle of checks and balances is applicable today to the emergence of this new republic, consisting of both the private and public sector as part of the governing system of society. A system of federations, that we will define shortly, includes business and Third Sector organizations. Such a system supports, counterbalances, complements, and competes with the state. This "republican" system is the way a growing number of countries are actually governed today.<sup>2</sup>

Although this new republic of commercial, Third Sector and state interests is the prominent model for many countries today, too little effort has been directed towards understanding how these three sectors work together – or against each other. Social scientists and public planners need to define more clearly what this set of self-governing federations is in order to be able to advance not just business development, but societal development as well. Public awareness about this governing system ought to invoke a battle of ideas about *societal development*.

Societal development involves a cross-fertilization of values in the major organizations of society. It occurs when universities develop concepts such as *productivity* and *efficiency* (valued in business) without losing their core values in the pursuit of knowledge. It happens when governments develop *transparency* and *objectivity* (valued in university sciences) without losing national security in times of crisis. It takes place when CEOs in markets develop the principles of *fairness* and *justice* (valued in government) without losing their competitive spirit. In other words it is a creative mix of values in different sectors of civil society that by joining serves the common good.

The study of societal development suggests ways in which people solve great paradoxes everyday, linking contrary principles in very concrete ways, like order vs. freedom or individual vs. community. While people do not think how dialectical problems in philosophy are solved everyday, we can see this in the case of a housewife who arranges a new *order* in her home so that she has more *free* time. We see it as well in the case of an elite golf club that opens its doors to women and African-Americans and brings more *individuality* and sense of *community* to its organization. But we are also talking about change on a larger scale that involves not only people's experiences, but social structures as well, as in the case of a market or a government. At the level of society, this involves the balancing of *private* interests against the *public* interest. Let us say, for example, that leaders commit to resolve the conflict between *private ends* against cooperation in *the public interest*. Or, to take another example, people may work to resolve the opposing ideas of a *centralized* system of authority with a *decentralized* system of authority. Societal development is based on resolving these kinds of oppositions.

We noted in Appendix E that this latter tension (i.e. centralized vs. decentralized orders of authority) was faced by CEOs of large corporations who re-structured their command into multiple systems of communication with greater equity for people. These CEOs built a different type of hierarchy in which the purpose of top management was changed from dominating subordinates to a system in which management supported self-development among employees below them.

In societal development, government planners also must resolve this conflict in ideas. In the United States, the battle between the idea of a centralized vs. decentralized

government first took place after the American Revolution. Arguing for a more decentralized form of government, Thomas Jefferson spoke of local governments as "elementary republics." They were the venues through which citizens could participate directly in managing their own affairs. But an old guard believed in a centralized government. Alexander Hamilton, co-author the Federalists papers and leader of the Federalist Party, was a driving force in the ratification of the U. S. Constitution. On June 18, 1787, Hamilton gave an address that outlined his plan for a centralized government in opposition to Jefferson's decentralized plan. The focus of his argument was about the future of this new republic.<sup>3</sup>

Hamilton was not the only one that wanted a centralized system of government. Some leaders did not want the Senate to be elected directly by the people; rather, they argued that state legislatures should appoint Senators. Early leaders believed as well that the voters should not directly elect the President, but rather that the President should be chosen through an electoral college. The Supreme Court was likewise not to be elected but appointed. The House of Representatives was the only body to be directly elected. The U.S. Constitution left the question of who could vote in elections to each individual state and in most states only white men who owned a certain amount of property could vote. African-Americans and women could not vote. So, this early American republic had a very limited scope in terms of who was allowed to participate in this democracy. But as we shall see, a civil democracy was developing in the private sector at the same time. People in effect wanted to transcend feudalism in the entire society.<sup>4</sup>

There has been a long debate in American history about the tension in meaning between "democratic" and "republican." In contemporary American politics it is

symbolized in the competing party names of Democratic vs. Republican. But no party leaders today would think about what we are addressing now -- how democracy in the private sector is also part of this American republic. Nor would they think how government could promote something called “societal development.” National leaders talk about promoting democracy in the state (e.g. “more voter turnout”) not about promoting democracy in the private sector.

Here we describe how the private sector is evolving into a democratic order, and into what we designate as a “civil republic.” A civil republic is different from an economic republic in which business and government are the ruling institutions of society. A civil republic develops through the whole of society and a system of voluntary associations. Below we will examine how to study this voluntary system. We deal again with the Jeffersonian-Hamilton debate, but the focus is on what constitutes a civil society: How can a nation keep its political *center* and promote a more *de-centered* governing system? In philosophical terms: How can a nation develop a higher civil *order* with greater *freedom*?

### **I Research Models**

Economists formulate mathematical models to study markets. These models do not exist in reality except as approximations of market behaviors. Economists have developed *free choice models*, *job market models*, *open competition models*, *efficient market models*, and more. Their models are designed for scientific prediction and to inform public policy. For economic purposes, all behavior outside these models is considered “irrational,” in that such models are designed to advance business and economic development, not societal development.

### Revising Economic Models: The Firm

Richard Swedberg describes how a “theory of the firm” originated in the work of the French philosopher, mathematician and economist, Augustin Cournot in the 1830s. Cournot claimed that function of the firm was “maximizing profit.” Other economists followed to build on this idea but with more sophisticated theory. At the end of the nineteenth century, Alfred Marshall studied the attribute of “loyalty” in a firm, noting how employees take pleasure in its success and in its reputation. Then in a long process of “re-conceptualization” of the firm there was an increase in the number of its attributes and an “analytical sharpness.” Organizational theorists like Richard Cyert, James March, and Herbert Simon. James March (“A Behavioral Theory of the Firm”), for example, examined how actors in a firm try to put together a coalition to realize their interests. The range of actors that March discusses goes well beyond those mentioned by early economists like Marshall, including suppliers, customers, governmental agencies, trade associations, and trade unions. March’s theory leads us, moreover, to a concept of “stakeholders,” a term that is widely used today. As we shall see, stakeholders are in democratic associations and federations, and these associations are in turn part of a de-centered and evolving new republic.<sup>5</sup>

It is my argument that social scientists need to move beyond the 20<sup>th</sup> century models of *firms* and *corporations*, creating instead models of *associations* and *federations*. Nonprofit associations have a wider scope of control than their members. They set the standards for all competing members by their agreement, as in workplace safety, the definition of organic foods, the adjudication system, etc. Nonprofit

associations and federations operate at a higher level of governance than firms and become the basis for building a civil republic, not an economic republic.<sup>6</sup>

Sociologists and social scientists need to classify thousands of democratically chartered associations in all orders of society. (See A CIVIL REPUBLIC, Chapter 4). Among these organizations are trade associations, trade unions, environmental federations, professional and science associations, religious bodies, private school and public school confederations. These organizations represent the countervailing powers that Madison saw to be important in a republic. These nonprofit associations are cooperatives, watchdog associations, whistleblower organizations, counterweight lobby groups, and standard making bodies. Importantly, they are technically *social* organizations not just *economic* organizations.

The difference between social and economic organization would seem to be a fussy academic question, but for our purposes we must pursue it for a moment.

Swedberg defines “economic organization” in two ways. One refers to how a modern economy is organized, that is, how a capitalist market is designed around utilities, profits, and material interests. The second way refers to the social organization of economic activity. Swedberg wants the latter definition to be taken more seriously by economic sociologists.<sup>7</sup> Both ways of looking at economic organization are important for research. Neither way, however, tells us how the economy is organized in society. Civil associations and federations are socially organized without the prime interest of firms in profit. They do not have profit goals, yet they are critical to development of an economy in a civil society.

Let’s look further at the technical meaning of these terms.

A civil republic is a social order of governance that includes both the public and private spheres of a nation. It is a *political organization* but it is not solely in this category. It is an *economic organization* but it is not solely in this category either. A civil republic is an economic organization and a political organization, but more basically it is a *social organization* with political-economic attributes. It is not explained by political and economic concepts alone. It is different from the state or the market, or a combination of them; it is not just a political economy. It is a body of federations that is held together in society by multiple values that go beyond politics and economics. A civil republic is, in this regard, a sociological concept.

The market is an economic organization of business enterprises -- proprietorships, partnerships, and corporations -- but there is more to be seen than mere economic pursuits in their activities in society. The general economy includes civil (nonprofit) federations that are socially organized, not just economically organized. (This may sound arcane but it is important for modeling, which we will discuss later). Nonprofit associations and federations have economic interests and may be economically oriented, but they are not just economic organizations in the strict sense. They aim for social, political and environmental goals that transcend economic goals.

We do not know the exact number of these social organizations, but there are at least a million in the United States. In this appendix we will give examples of how these organizations operate, but first we will look at them as an ideal type. This diversion is for researchers and planners.<sup>8</sup>

## **II The Ideal Type**

Our ideal type is proposed for both scientific and planning purposes. It is an analytical construct, a measuring rod to judge the similarities and differences among organizations. An ideal type cannot be too concrete or sociologists lose their capacity to compare cases; it cannot be too abstract or it is no longer useful for empirical research.<sup>9</sup>

Civil federations for our purposes are nongovernmental organizations with members who elect officers and form a general assembly. They have a *voting structure, a representative structure, an administrative structure, a finance structure, a meeting structure, and a service structure*. In the United States, they are normally nonprofit corporations that advance the core values of society, that is, they carry key themes in the culture of society. They include religious, literary, science, educational, labor, trade, recreational, and professional organizations. They have economic significance because they buy and sell and in many ways affect the course of the economy.<sup>10</sup>

Let us look in more detail at modeling civil federations.<sup>11</sup>

### **Civil Federations: Model Attributes**

Federations are in the category of an *organization*. Organizations have been studied extensively and there is a broad literature on how they work. The federation thus begins with this sense of being an organization.

An organization, typically, is composed of “members” who want to accomplish a set of goals together. (The term “members” is different than “employees,” which designates a special role in an organization.) Members characteristically have a picture of how they ought to be working together, as well as how they typically judge whether things are going well or not. Every organization has some purpose and operates according

to values that its members hold. Shared values provide motivation and hold the organization together. They make the life and purpose of the organization coherent for members and altogether express a special culture. Organizations also have their subcultures, as in departments, programs, divisions, and teams, but members are all bound together by a common set of rules and values.<sup>12</sup>

Federations in the private sector have these attributes but the term *civil* informs the ideal type we are talking about here. *Civil* federations are organizations that are in the *nonprofit domain*. They are organized in their own interest, but also claim to exist for the *public good* or the *common good*. They are *democratically organized* and seek to advance *public goals* and *standards*. Members of such organizations usually value *transparency* (not secrecy) but respect *appropriate privacy* and legal rights to proprietorship. They value *cooperation* as well as competition. They are *decentralized* as opposed to being bureaucratic or typified by a strong command system. They encourage *member participation*. They claim to pay attention to *members* and the people they affect, i.e. *stakeholders*. They are in the *voluntary sector* and are *self-financing* as opposed to being dependent upon government. (On their international significance, see Table 1 in Appendix M).

Federations are organized according a concept of democracy. They are like elementary republics in the private sector. The attributes of civil federations include the following attributes:

1. A constitution (or bylaws) limiting the powers of a formal (command) administration;
2. The free and just election of officials;
3. The right to vote and to stand for election;
4. Freedom of expression (speech and assembly);

5. Freedom of the press (news) and access to alternative information sources;
6. Freedom of association, equality and due process under a constitution;
7. Members who are informed of their rights and civic responsibilities in the organization.

The term “association” is broader than “federation.” The two terms are equal in meaning for our purposes when an organization meets the above criteria. A civil federation has yet to be defined with precision but for our purposes it expresses those attributes listed above. It holds a national assembly of its members who have the final authority.

Some examples of civil federations in the United States would include: the American Bar Association, which claims (in its bylaws) to advance *justice* for the public good; the American Medical Association, which claims to advance *physical health and well being* for the public good; the American Association for the Advancement of Science, which claims to advance *responsible conduct in the use of science and technology* for the public good. Thousands of federations are also found in the professions (e.g. architects and dentists); in local to national councils (e.g., gender and youth organizations); in educational accrediting associations; in religious and ecumenical associations; in scholarly organizations; and in university federations. We will look again at some of these federations shortly.<sup>13</sup>

So why are such federations relevant to societal development?

Importantly, these federations help to cross-fertilize “core values” for the common good. They do so by advancing substantive (non-market) values into the economy. These sectors of society are competing with market values so to speak. People are building a new republican (democratic) order of federations. They can be in conflict

and competition, just as nations are, but they do so in a civil (nonviolent) process. This is where citizens battle their way peaceably into a self-governing society.

If we were to study the practical life of federations in the United States, we would learn how they meet or do not meet our ideal type. The ideal type (depicted above) is different from the economic models so common to academia and public policy. This is the model that tells us how a civil economy is organizing itself.

In sum, our model of a civil federation is not expected to fit real cases perfectly, any more than would an economic model. Economists model markets as “free” but they are not perfectly free in reality. They model “the firm” and “perfect competition” against the truth in real markets.

So here’s the difference. Economists model firms and markets to study business development while sociologists model federations to study societal development. The study of federations is about how a civil republic develops through the private sector.

### **III Examples of Civil Federations and Associations**

Let’s look at examples of federations in different orders of society. We will see how they match our ideal type and link with the economy.

#### ***The Religious Order***

We noted in A CIVIL REPUBLIC how religious associations (Jewish, Moslem, Hindu, Buddhist, Christian, etc.) have core values, which can decline or develop in a capitalist nation. The members of these organizations, which we can call here “federations,” and their leaders, define their own core values and their own development. Altogether, however, they are part of civil development in the economy. Markets affect

them and they affect business and markets. Let's look at how one federation is organized in the religious order.

### **Box 1. The National Council of Churches**

The National Council of Churches (NCC), founded in 1950, seeks cooperation among Christians in the United States. The NCC has 36 Protestant, Anglican, and Orthodox member denominations, which include more than 50 million persons in 140,000 local congregations in communities across the nation. The NCC's highest policy-making body, its General Assembly, consists of almost 300 representatives from member communions. A smaller executive board meets several times a year, and acts on behalf of the General Assembly in many matters. The NCC office that deals with public policy is based in Washington, D.C., and it makes a witness on the moral and ethical dimensions of public issues. Working from a policy base developed by the churches over the decades, this office of the NCC "makes the views of the ecumenical community known to government and keeps its constituents informed of legislative and other developments of interest to the churches."

The NCC seeks "1) The elimination of racial violence and injustice and the building of a racially and culturally inclusive society through multicultural educational and enhanced empowerment programs especially for children and youth in collaboration with the Education and Public Witness Program areas; 2) The eradication of poverty, especially among women and children, through mobilization of and collaboration with local congregations, established anti-poverty groups and other similar community based organizations, and 3) the improvement of health, quality of life and survival of the planet."

The NCC thus seeks to bring core values into society. It would link faith groups throughout the country and worldwide around social issues. It works directly with its member communions and sustains a working relationship with the Roman Catholic Church, Evangelical and Pentecostal communities, and other Christian bodies, and with "faith-inspired partner organizations."<sup>14</sup>

How does this organization fit our ideal type?

It exists in the *nonprofit sector*. It is *democratically organized* and has *public goals* and *standards*. There is reason to believe that members value *transparency* and respect *appropriate privacy*. Members value *cooperation* and the organization is relatively *decentralized* as opposed to being a strong command system. It encourages *member participation*. It claims to pay attention to *members* and also the people it affects. It is in the *voluntary sector* and is *self-financing* as opposed to being dependent upon

government. It is dispersed and decentralized. The final authority for its member organizations rests in its *national assembly*.

Not all of the member organizations of the NCC are democratically organized and that does not matter for our purposes. There are many hundreds of nonprofit corporations in the religious order, not all are perfectly democratic.

Consider the range of difference among nonprofit corporations in the Christian tradition. They are organized in an array between highly centralized to highly decentralized. This continuum can be illustrated in the order that follows: *Catholics* (highly centralized), *Episcopalians*, *Lutherans*, *Methodists*, *Presbyterians*, *Congregationalists*, *Baptists*, and *Quakers* (highly decentralized). All the national associations of these denominations are have democratic attributes.

The Catholic Church is the least democratic, but it too has some self-governing practices (e.g. consensus decision making among American Bishops and the election of a Pope). The rest of these church denominations are designed to have varying degrees of democratic polity. Presbyterians and Congregationalists argue over which one is more democratic. Theologians provide the details.<sup>15</sup>

These are examples of religious federations in the United States, but federations exist as well in the global economy. Examples of such federations are the Council for a Parliament of the World's Religions and the World Council of Religious Leaders. The formation of the World Council was a goal of the Millennium World Peace Summit. The Council serves as a resource to the United Nations, offering the world's "faith traditions" as a basis for solving global problems.<sup>16</sup>

How do these federations in the religious order solve problems in a market economy?

First, religious associations develop activist organizations like the Unitarian Universalist Service Committee and the American Friends Service Committee. They treat social problems created by markets. They bring their religious ideals into practice through charity and social service, helping the poor, the blind, the homeless, the jobless, and generally attempting to resolve class inequalities. A critic might say that these charitable activities support the system that keeps producing the jobless and class inequalities, but religiously affiliated organizations are also whistleblowers, watchdogs and reformers. In the economy, they are an important base for civil development.

Religious federations introduce core values into markets. For example, the Parliament of World Religions convened in Cape Town, South Africa in 1999 and wrote an “Earth Charter” that carried a vision of principles for world development. These principles included environmental protection and corporate responsibility, the practice of nonviolence, and the overall advancement of spiritual values. The charter called for *democratic participation in decision-making, transparency, truthfulness, and accountability in corporate governance, selfless service and compassionate action and simplicity* of lifestyle. The Parliament also asked the sciences to be accountable in private business. In effect, it demanded that society’s core values be part of the business market.<sup>17</sup>

Religious organizations have become a forceful lobbying power in the United States. The power of faith-based evangelical churches to advance the election of George W. Bush stunned the larger religious community. Plans are now afoot for the National

Council of Churches to advance its voice in politics. Leaders are talking about extending the issues of “moral values” to war and peace, the ethics of biotechnologies, and the fact that 45 million Americans have no health insurance.<sup>18</sup>

Religious federations are experimenting with a financial system based on *ethical investment*, different from the traditional business investment ethos on Wall Street. Max Weber would say that these religious groups are “economically relevant” in the market. Religious federations have the power to move in many directions; they may sustain the market system, but they also may change it.

### ***The Professional Order***

No one knows how many federations exist in the professional order, but there are many hundreds, and perhaps even a thousand or more. The American Bar Association (ABA) is an example of a professional federation designed to advance the public good. How is it organized as a federation?

### **Box 2. The American Bar Association**

The American Bar Association (ABA) organizes governing bodies among members across the whole United States. The ABA is established in local chapters, listed alphabetically from the Alameda County Bar Association in Oakland, California, to the Westchester County Bar Association in White Plains, New York.

A 37-member Board of Governors has the authority to act and speak for the ABA, consistent with any previous action of its House of Delegates. It oversees the general operation of the association and develops specific plans of action. The control and administration of the ABA is vested in the House of Delegates, which meets twice each year. At the midyear meeting, its Nominating Committee nominates officers and members of the Board of Governors. As of May 26, 2000, the House of Delegates consisted of 532 members, 52 state delegates, 213 state bar association delegates, 82 local bar association delegates, 18 delegates-at-large, 70 present and former officers, 65 section, division, and conference delegates, 28 affiliated organization delegates, and other types of delegates. As a national federation, the ABA’s members are organized in sections of expertise categorized alphabetically from Administrative Law and Regulatory Practice to Science and Technology and Urban, State, and Local Government Law. The ABA has also

organized interest forums for members around subjects ranging from affordable housing to health law. The ABA provides accreditation to law schools across the country.<sup>19</sup>

The ABA meets the attributes of our ideal type. It is a *nonprofit corporation* in the *voluntary sector*. It is *democratically organized* and has *public goals and standards*. Roughly speaking, the members (that I know) value *transparency* and respect *appropriate privacy*. They also value *cooperation*, although the degree to which this is true is a matter of research. It is relatively *decentralized* with *member participation*. It is *self-financing* as opposed to being dependent upon government.

The ABA's constitution sets forth goals that are relevant to the economy: “[T]o advance the science of jurisprudence; to promote throughout the nation the administration of justice and the uniformity of legislation and of judicial decisions . . . to apply the knowledge and experience of the profession *to the promotion of the public good* [my italics].”<sup>20</sup>

To fulfill its commitment to the public good, the ABA has set up a Fund for Justice and Education (FJE). Its mission is to improve the legal system through law-related public service and educational programs that promote quality in legal services. It wants to provide “equal access to justice, a better understanding of the law, and improvements in the justice system.” Each year, the FJE supports nearly two hundred ABA programs dedicated to improving the legal system and ensuring access to justice for all citizens.<sup>21</sup>

The ABA can be functional or dysfunctional as a federation. It provides “services” to treat social problems like poverty, but its members can also worsen these problems. Corporate lawyers—a substantial proportion of its membership—support

business interests that serve to worsen poverty. Lawyers do not all pay attention to their profession's principles of fairness and justice, and in the case of the ABA, the federation does nothing about it.

Corporate lawyers were deeply involved, for example, when Merrill Lynch misled investors. They were also involved when the Tyco CEO was charged with cheating on sales taxes and tampering with evidence, when Stanley Works tried to evade taxes by setting up a sham headquarters in Bermuda, and when Merck & Company booked questionable revenues. Accountants took the heat for these illegalities, but it was lawyers who drafted the documents that brought these companies down and wrote opinion letters that vouched for the legality of their maneuvers. Professional accountants answer to a new oversight board, but the ABA has resisted any outside monitoring.<sup>22</sup>

Resistance to outside monitoring is not unusual for organizations in the private sector. These organizations often see themselves as independent of government. The ABA, like all nongovernmental groups, acts in their own self-interest. It is one faction in this republic of federations. At the same time, however, its own constitution claims it has a civic responsibility to act for the public good. The federal government can remind them about this without interfering with their freedom.

The ABA is formally (legally) committed by its constitution to advance the public good. To this end, some members organize nonprofit corporations to bring "justice values" into markets. They set up public interest groups to work on poverty, greed, environmental degradation, public health abuses, etc. It seems clear that at least some members of this federation want to change the current system.<sup>23</sup>

We are saying that the ABA is a civil federation, one actor in this private economy that is part of a process of “federalizing” in a civil society. The ABA and the legal profession may be part of the problem, but they also must be part of the solution.

### ***The Sciences***

Teachers and researchers in all the physical sciences (i.e., astronomy, physics, chemistry, biology, geology, etc.) and allied disciplines (e.g. astrophysics, biophysics, microbiology, etc.) have organized hundreds of democratic federations to advance the causes of their respective fields.

The American Association for Advancement of Science (AAAS), for example, is an overarching “federation of federations” that represents science. It is dedicated to “the advancement of scientific and technological excellence across all disciplines, and to the public’s understanding of science and technology.” Let’s see how it is organized.

### **Box 3. The American Association for the Advancement of Science**

The AAAS was founded in 1848, and has been the parent of numerous other science federations, including the American Chemical Society (1876), the American Anthropological Association (1902), and the Botanical Society of America (1906), which grew out of informal gatherings at AAAS annual meetings or from established AAAS sections.

Currently the AAAS is affiliated with 238 other societies, 44 state and regional academies of science, and 3 city academies. The combined membership of the affiliated organizations is more than 10 million.

The individual members of AAAS elect a 13-person Board of Directors that conducts association affairs. In addition, an 83-member council establishes the general policies governing all programs of the association. The AAAS’s 24 sections correspond to fields of interest among AAAS members, ranging from the physical, biological, and health sciences to the social, economic, and applied sciences. Regional divisions—the Arctic, Caribbean, Pacific, and Southwestern and Rocky Mountain divisions, for example—elect their own officers and conduct their own meetings.<sup>24</sup>

This professional federation fits our ideal type and has relevance in shaping and changing the market. As a federation, the AAAS has voiced its concern about the decline of core values among scientists in business.

Scientists, like anyone else, go into business in their own self-interest. Increasingly, however, scientists and the companies they work for are keeping their research data secret. The AAAS is concerned that this privatization of knowledge will eventually imperil the openness and integrity of the scientific tradition.

In April 2000, at its conference on “The Role and Activities of Scientific Societies in Promoting Research Integrity,” the AAAS surveyed 126 scientific societies ranging in size from 3,000 to more than 50,000 members. These societies represent people working in the agricultural-botanical-animal-life sciences, medical-dental sciences, physical and atmospheric sciences, and social sciences. Working in conjunction with the U.S. Office of Research Integrity, conference attendees focused on the ability of science federations to set and sustain standards, and on the capacity of these organizations to recognize scientific misconduct and accordingly discipline members. In effect, the AAAS was asking, how do we set public standards and hold members accountable? How do we institute an enforceable code of ethics, disciplinary proceedings, and sanctions in the economy?

Conference participants examined the legality of their “due process” in monitoring the misconduct of members and discussed whether “expulsion from membership” would be an appropriate sanction. They also looked at whether private judges (reviewing misconduct allegations) would have a legal right to access to all sources of relevant information. Their conclusion was that a “formal commitment” to

develop codes and monitoring and enforcement procedures could be costly and difficult.<sup>25</sup>

The AAAS task will be complicated by its members' close ties to business interests. Genetic engineers and biologists, for example, can give organisms a new combination of genes, which are then marketed by large agricultural companies. This technology can work for the common good—increased agricultural productivity, beneficial medical interventions, etc.— but it can also be dangerous, or even disastrous. Indeed, genetic engineering could change the course of evolution. The AAAS will need government support to face these looming choices, but the task remains in their court.

The government cannot regulate all the private research on DNA. All the research in business laboratories cannot be government inspected. There are constitutional questions on freedom, such as proprietorship rights on patents. To complicate things further, the government and business are often in collusion in marketing this technology. Scientists often patent genes with the government, or with government funding, and their discoveries go on sale on the market. What to do?<sup>26</sup>

The AAAS has a civic responsibility to act and has begun to search for answers. The public needs answers to this lack of science ethics and self-regulation with its danger to future populations. Science federations are part of the solution along with government. They are a factional power that could work with government for the common good.

### ***The Educational Order***

Every civil order in the Third Sector has federations. Below are a few examples of the hundreds of associations in education, drawn from the U.S. Department of Education's *Directory of Educational Associations*, 2002.

#### Figure 4. Federations in Higher Education

The American Council of Learned Societies (ACLS) was established in 1919 "to encourage cooperation in the advancement of studies through collaborative research and publications in those branches of learning promoted by the Academies. The Constituent Societies of the American Council of Learned Societies are national or international organizations in the humanities and social sciences concerned with a broad field of humanistic study."

The Association of American Colleges and Universities (AAC&U) is an institutional membership association focused on advancing the aims of liberal education. AAC&U is a national resource and leader for keeping learning at the center of the work of higher education institutions.<sup>27</sup>

The Association of American Universities (AAU) is a federation of 60 public and private research universities. It emphasizes the pursuit of excellence in research and undergraduate, graduate, and professional programs. It provides members with information, analysis, and policy guidance on federal legislation and regulations, and with a forum for discussing a broad range of institutional issues and concerns.

American Association for Higher Education (AAHE) is a national organization of more than 8,500 individuals dedicated to improving the quality of American higher education. AAHE's members—faculty, administrators, and students from all fields, as well as policymakers and leaders from foundations, government, and business—believe that higher education should play a more central role in national life and that their institutions must become more effective.

The American Association of State Colleges and Universities (AASCU) is a Washington-based higher education association of more than 400 public school systems, colleges and universities across the United States and in Puerto Rico, Guam, and the Virgin Islands. AASCU is committed to the pursuit of excellence and integrity in all its programs and activities.

The American Council on Education (ACE) is the nation's umbrella higher education association, dedicated to the belief that equal educational opportunity and a stronger higher education system are essential cornerstones of a democratic society. It has approximately 1,800 members, including accredited, degree-granting colleges and universities from all sectors of higher education, as well as other educational and education-related organizations. It acts as a forum for the discussion of major issues relating to higher education and its potential to influence the quality of life in the United States. ACE provides advocacy by representing the views of the higher education community to policymakers and by offering services to its members.

The American Association of School Administrators (AASA) was founded in 1865 and is a professional organization for over 14,000 educational leaders across America and in other countries. Its mission is to develop effective school leaders who are dedicated to "improving the condition of children and youth, preparing schools and school systems for the twenty-first century, connecting schools and communities, enhancing the quality and effectiveness of school leaders." The AASA, with a staff of 50, is one of elementary and secondary education's longstanding professional organizations.<sup>28</sup>

Let's illustrate how these educational groups are federations.

The American Council of Learned Societies is composed of sixty-six national scholarly organizations. The mission of the ACLS (by its constitution) is “the advancement of humanistic studies in all fields of learning in the humanities and the social sciences and the maintenance and strengthening of relations among the national societies devoted to such studies.” The Council’s governing body consists of a fifteen-member elected board of directors and one delegate from each constituent society. This body establishes and reviews policies, sets strategic directions, oversees the investment of endowed funds, and reports on all major decisions to the constituent societies. The council holds an annual meeting and elects officers and members of the board of directors. It determines guidelines for general and fiscal oversight, and, assisted by the executive committee of the delegates, admits new members.<sup>29</sup>

We have talked about a decline in the core values of education in response to market pressures (A CIVIL REPUBLIC, Chapter 3), and how its federations could reverse this trend (Chapter 6). Accrediting federations, for example, have the power to set standards in the marketplace. Further studies of these civil federations, however, could reveal much more about how they are able to advance societal development.<sup>30</sup>

In A CIVIL REPUBLIC we talked about accrediting agencies like the New England Association of Schools and Colleges who are able to address and combat the invasion of business on campuses and the commercialization of university life.

Here are a few more standards of the New England Association (summarized) not mentioned in *A CIVIL REPUBLIC*, which are relevant to online for-profit corporations:

- Standard 7.1 requires a study the “available library and information resources necessary for the fulfillment of its mission and purposes.”
- Standard 9.2 says that a good academic institution should control its financial resources and allocate capital in a way that reflects its mission and purpose.
- Standard 11.2 is concerned with how “truthfulness, clarity, and fairness characterize the institution’s relations with all internal and external constituencies;” it requires that “adequate provision” be made to ensure academic honesty, privacy rights, and fairness in dealing with students, faculty, and staff.<sup>31</sup> A government cannot reverse the commercialization in education, but a federation of accreditors can do it.

There are three types of accreditor associations. First, there are regional associations that accredit public and private, nonprofit and for-profit, two- and four-year institutions. (These associations make a comprehensive review of all institutional functions.) Second, national associations accredit public and private, nonprofit and for-profit institutions; their realm includes single-purpose institutions, distance learning colleges and universities, private career institutions, and faith-based colleges and universities. Third, there are specialized and professional associations that accredit specific programs or schools, including law schools, medical schools, engineering schools, and health profession programs. Accreditors also undertake self-assessment on a routine basis and are required to have internal complaint procedures.<sup>32</sup>

Educators in for-profit universities abide by standards in this field of accrediting. Accreditors decide how to evaluate the performance of for-profit institutions or whether not to evaluate. (A medical school, for example, can be

accredited only if it is part of a nonprofit corporation.) There are accreditors in architecture, clinical laboratory sciences, computer science, building and construction, and many more fields that are in the economy. They all have a role in introducing core values of education in the business order.<sup>33</sup>

### ***The Business Order***

Business federations (i.e. trade associations) are nonprofit corporations that are essential players in the market. They are the social infrastructure of commerce, just as parties are the infrastructure of government. They are potentially part of societal development.

There is no complete study of the number of these trade associations, but one estimate is 25,000. They exist in every part of the economy — production, processing, wholesale and retail, agriculture, banking, manufacturing, and services.<sup>34</sup>

Business federations lobby Congress to advance their interests. But these organizations also set standards for services and manufactured goods. Sociologists have not studied them as critical to commerce but they are part of a civil society. As I argued in *A CIVIL REPUBLIC*, these federations both develop systems of accountability for the common good, as well as generate social problems and inequalities. They often conflict with the core values of Third Sector federations.

Let's look at one industrial federation that is frequently in opposition to Third Sector interests. It is only one “faction” Madison might say, in the natural constitution of business and commerce.

**Figure 5. The National Association of Manufacturers (NAM)**

The National Association of Manufacturing (NAM) consists of 14,000 companies and their subsidiaries, of which more than 80 percent are small manufacturers, plus 350 member associations in all fifty states. NAM members are companies and affiliated associations that altogether employ more than 18 million workers, and the association works directly with members of Congress, forming coalitions and mobilizing constituencies in support of key “business issues” and advocating legislation to “foster a strong business climate for U.S. manufacturers.” It has a staff of 175 working side-by-side with members to achieve its goals. It was ranked in 2002 as tenth among Washington’s twenty-five most powerful lobbying groups by *Fortune* magazine. Its stated mission is “to enhance the competitiveness of manufacturers and to improve American living standards by shaping a legislative and regulatory environment for U.S. economic growth” and to “increase understanding among policymakers, the media and the general public about the importance of manufacturing to America’s economic strength.”

The NAM works with member companies in 49 state manufacturing associations, over 200 industry trade associations and 70 employer association groups. It is engaged in every state and congressional district. It has worked against the interests of trade unions and consumer groups.

The NAM is among those thousands of business federations (more precisely, confederations) that are responsible for the success of American business. It is in tension with Third Sector groups like trade unions, consumer associations, and environmental organizations and equally in tension with government. These business federations very often try to stop governments from regulating them -- except when such regulation is in their best interests.

At the same time, these business federations regulate themselves for the common good. This motive for self-regulation can be set in motion, for example, when an industry perceives impending governmental sanctions or regulations. In fact, a federation may offer to organize a self-regulatory program for the sole

purpose of forestalling or avoiding government regulation. This should be a clue for public planners.

Governments can influence business federations to develop a civil market through a carrot and stick approach. They can demand increased transparency and introduce neutral monitors in a market from the professions. In other words, the threat of government regulation is a strong incentive for businesses to negotiate, compromise and allow monitoring from Third Sector federations.

The Electronic Retailing Association (ERA) knows that the government can regulate their business at any time. So, it has proposed ethical standards for members. Its leaders believe that, if one bad product hits the market, the reputation of the whole industry could suffer and that, in turn, affects the bottom line for all. For this reason, and because of government threats, the ERA has created an "ERA Self Regulatory Program" to deal with industry-wide ethics. This Program brings professionals into a forum that reviews stakeholder claims. It encourages stakeholders (advocacy groups like consumer organizations, direct response marketers and others) to submit their problems for retailers to solve.<sup>35</sup>

This is a fertile field waiting for study. Every trade federation wants to avoid government regulation. The question is how self-regulation can be made enforceable with outside (professional) monitors. The effectiveness of Third Sector monitors can be studied by looking at the factions in this republican (federal) economy. The factions are everywhere in conflict and tension with one another. This natural opposition in the private sector provides the clue to the possibility of monitoring without government controls.

*Trade unions* will fight against each other; *trade associations* fight against one another. (*Trade unions* will fight *trade associations*.) *Professional federations* fight against one another; *church federations* fight against one another. Such conflicts are the basis for a government to encourage and negotiate the monitoring of the facts by each side.

Each opposing side wants to be sure that the other is fulfilling the law and doing what they promise in their constitution. With this in mind, the government (by agreement with opposing federations) can introduce public accountability systems. These systems require transparency and access to public information for each conflicting side. The government then reduces the necessity for its agencies to monitor the private sector. The private sector becomes a republic, a new system of civil governance in society.

Another thing happens in this process of creative (civil) development. When conflicts are not resolved, leaders create higher federations and resolve their disputes by themselves. Trade unions fighting against one another in the 20<sup>th</sup> century created a higher federation to serve a higher cause. The AFL-CIO is now a “federation of federations.” It includes more than 60 member federations. Each federation acts in its own interest but each also works for the common good of all unions.

Could trade unions and trade associations, normally at odds, ever develop a joint federation? Maybe. If they did, the joint venture would need to be carefully monitored by an outside group. These combatants (business and trade leaders) did join informally in the fight against Employee Stock Option Plans (ESOPs) but this informal cooperation did not last. Business and trade leaders saw eventually how they could both benefit from ESOPs. Now there is an independent federation that includes both business and trade federations

to advance employee-owned corporations. The National Center for Employee Ownership (NCEO) is a nonprofit federation that is a source for trade associations and unions to get accurate information on employee stock ownership plans (ESOPs).

The National Association of Manufacturers (NAM) not only fights against trade unions but organizations promoting environmental protection. The NAM may not win this battle and decide instead to join the cause for environmental protection. This change of mind has been happening in other countries and in the European Union. In Britain, for example, there is the Federation of Environmental Trade Associations (FETA); it represents the interests of manufacturers, suppliers, installers and contractors within the heating, ventilating, refrigeration & air conditioning industry. It suggests what might happen in the United States.<sup>36</sup>

Environmental associations in the United States are gaining ground, growing into a hundred or more. They include, for example, the Defenders of Wildlife, Environmental Action, the Environmental Defense Fund, Friends of the Earth, Greenpeace, the Izaak Walton League, the League of Conservation Voters, the National Audubon Society, the National Wildlife Federation, the Natural Resources Defense Council, the Nature Conservancy, Sierra Club, Sierra Club Legal Defense Fund, the Wilderness Society, the World Wildlife Fund, and so many more. By some measure they are winning in this fight to save the environment.<sup>37</sup>

## **Conclusion**

The framers of the American constitution created a republic based on a *state democracy* but we are now talking about a republic with a *civil democracy*. These colonial leaders believed that a *state* could be based on democracy, but we are saying that

this idea of democracy is in *society*.

Colonial leaders were concerned about a tyranny of the majority. They said that the government should be left to those who are fit for the task because they thought not all people had the wisdom to make good decisions. But battles followed, the constitution was amended, and most importantly for the success of this new republic, people developed a parallel system of democracy through civil associations.

A civil democracy evolved in the United States through nongovernmental federations. The ancient idea of popular sovereignty has evolved into a competitive but associated economy. It has been a quiet revolution that took place inside nations.

In the spirit of James Madison, we would say that civil federations add to the system of checks and balances in the American government. These federations could presage a post-modern era in which the public will see the democratic state as one federation among many, all part of a republican democracy. A republic that includes the nonprofit sector could never have been imagined in the 18<sup>th</sup> century but it should be imagined for the 21<sup>st</sup> century.<sup>38</sup>

---

<sup>1</sup> See the American constitution, Article IV Section 4. "The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened), against domestic Violence." See also, The Federalist No. 10 at [www.constitution.org/fed/federa10.htm](http://www.constitution.org/fed/federa10.htm). It is titled "The Utility of the Union as a Safeguard Against Domestic Faction and Insurrection."

<sup>2</sup> It took a long time for the American government to become democratic in the larger sense. Big steps came with amendments to the U.S. Constitution. The Bill of Rights

---

guaranteed limits to the power of the federal government. The Thirteenth Amendment abolished slavery. The Fourteenth Amendment extended the vote to all adult male citizens, including ex-slaves. The Fifteenth Amendment gave the right to vote to former slaves. After the Supreme Court ruled that the Fourteenth and Fifteenth Amendments did not extend suffrage to women, they received the vote through the Nineteenth Amendment in 1920. But the Amendment that really moved the United States from an older type of republic into a much stronger democracy was the Seventeenth Amendment, which took effect in 1913. Since 1913 the U.S. Senate has been elected directly by the voters, rather than appointed by the state legislatures. The constitution recognizes *each state as a republic within the more extended republic*.

[http://www.constitution.org/cs\\_found.htm](http://www.constitution.org/cs_found.htm). Also see [www.house.gov/Constitution/Constitution.html](http://www.house.gov/Constitution/Constitution.html).

<sup>3</sup> Seymour Lipset, *The First New Nation* (NY: W.W. Norton, 1979).

<sup>4</sup> The dictionary says that a republic is “a political order in which the supreme power lies in a body of citizens who are entitled to vote for officers and representatives responsible to them.” We have replaced “citizens” with “members.” <http://www.yourdictionary.com/ahd/r/r0167000.html/>

<sup>5</sup> Richard Swedberg, *Principles of Economic Sociology* (Princeton and Oxford: Princeton University Press, 2003), Chapter 4. Economists have been studying the business system with ideal types, which never meet reality, finding that firms seldom “maximize profits” or reach goals like efficiency and productivity. A model of “the firm” is useful for research and a guide for planning but now is the time to slice another piece of that reality.

<sup>6</sup> Adolf Berle and Gardiner Means explored the nature of this economic republic. They launched a series of studies on the American corporation and market oligarchy, price-fixing, and collusion. In succeeding books, Berle asked whether “economic control” by great corporations could develop into something different, like a “neutral technocracy.” Could a variety of claims by various groups in the community be balanced? He was searching for “power balance” (*Power without Property*, 1959), looking for how different institutions could provide that equilibrium. He hoped that “economic power” would respond to the government, and with new managers of pension funds and endowments. Other books by Berle include *The 20th Century Capitalist Revolution* (1954) and *Tides of Crisis* (1957).

Schools of business and management have degree programs around organizational studies. The literature is too vast to designate here. I am referring to studies like Christopher Argyris, *Overcoming organizational defenses: facilitating organizational learning*. Boston: Allyn & Bacon, 1990.

<sup>7</sup> Richard Swedberg, *Principles of Economic Sociology*, (Princeton, NJ: Princeton University Press, 2003), Chapter 3. Max Weber describes “economically relevant phenomena” as that “which do not interest us” but “they have consequences which are of

---

interest from an economic point of view.” These are types of organizations that have an interest to us. For Weber, these organizations are “economically oriented” insofar as their action is “primarily oriented to noneconomic goals.” Economically oriented action has been more important throughout history than economic action. Economic action is concerned with “the satisfaction of a desire for utilities.”

<sup>8</sup> Max Weber argued that no scientific system is capable of reproducing every detail of a concrete reality. No conceptual framework can represent the uniqueness of any phenomenon. Science involves “selection and abstraction” of the particulars. An ideal type, he said, is formed by the “one-sided accentuation of one or more points of view” and by “the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct.” An ideal type in its scientific meaning is therefore not intended to represent moral ideals. There can be an ideal type of a mosque, a temple, or a house of prostitution.

<sup>9</sup> For example, Max Weber outlined the ideal-type attributes of bureaucracy for scientific research. Our ideal types – such as capitalist and civil markets -- are different because they can be used for *both* research and planning. (See A CIVIL REPUBLIC, Chapter 4, and Glossary.) The ideal type of a civil association or a federation is like the ideal types of economists who speak of “free markets” or “rational choice.” There is an ideal in the scientific model and they never fit that ideal in reality. “Free markets” are never totally free and “rational choice” is never wholly rational.

Some social theorists have incorporated collective organization into their theories. Like economists, they require that the actions of groups and organizations be reducible to statements about the actions of individuals. Trades unions, political parties, business enterprises, and other organizations figure as actors in rational choice theories. But these organizations can also be seen from a Durkheimian perspective, as sui generis. Durkheim’s proposition was “the whole is larger than its parts.” The whole organization has its own reality.

<sup>10</sup> All federations are associations but not all associations are federations. The term association is a more abstract term that includes other types of organizations. Partnerships and alliances, for example, may not have a voting structure. For more, on this subject see Severyn T. Bruyn, *A Social Economy* (New York: John Wiley, 1977), Part 3, “The Federal Economy.” According to *Webster’s New Collegiate Dictionary*, the term “federation” refers to “uniting by league or covenant, esp. in forming a sovereign power so that each of the uniting powers retains local powers... A federal or confederated government; now, esp. a sovereign state formed by a federal union.” The *Britannica World Language Dictionary* refers to “the act of uniting under a federal government” and lists “league” as a synonym. Other dictionaries refer to “federations” as states, and also to alliances, confederacies, and treaties, compacts.

<sup>11</sup> An ideal type of civil federation is different from economic models even when sociologists make corrections in them. For example, John Scott, Professor of Sociology at

the University of Essex, examines how economists and sociologists view “rational choice.” He argues that there are both rational and non-rational elements in systems of economic exchange. Scott’s model includes traditional action, emotional action, and forms of value-oriented action as well as rational types of action. This modeling is useful, but it is not where we are going with this ideal type. In rational choice models, individuals (not groups) are viewed as motivated by “wants” that express “preferences”; they act with given constraints on the basis of the information that they have about the conditions under which they are acting. So, ideal types of rationality can be formulated sociologically to express a collective market reality.

The fact that people join an organization that is independent of them *as individuals* means that there is something missing from the economic rational model. The framework of collective norms and commitments that sustain trust relations, for example, cannot themselves be explained through rational action processes. See B. Hindess, Choice, Rationality and Social Theory, (London: Unwin Hyman, 1988). Also, K.S. Cook, J. O'Brien, and P. Kollock. “Exchange Theory: A Blueprint For Structure and Process,” In Frontiers of Social Theory. Ed. G. Ritzer. (New York: Columbia University Press, 1990). Sociologist James Coleman saw the emergence of trust in social interaction as a rational response to attempts to build coalitions, but the existence of trust cannot be seen in purely rational terms. The sense of obligation is real and can be felt very strongly.

The model of “rational choice” and Weber’s ideal type of “formal rationality” do not tell us about how markets operate in a more cultured manner. An account of markets as “an order of federations” must include “substantive rationality,” i.e. norms and emotional commitments along with rational choice. It must include trade groups, artistic groups, professional groups, and religious groups.

<sup>12</sup> For articles on organizational studies see periodicals like the Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Strategic Management Journal and Organization Science.

<sup>13</sup> These statements can be found in the constitutions and bylaws of these federations. They are generally on their webpages.

<sup>14</sup> See the National Council of Churches at <http://www.nccusa.org/>. We should add that the Catholic Church has been independently active (not just members) in social-economic issues. The 1971 Rome Synod of Bishops framed "Justice in the World," an official statement that set an agenda for justice and peace for the next decade. It organized a Corporate Accountability Project to analyze the impacts of business on the ability of poor people to meet their basic needs. It advocates sustainable livelihoods, better housing, adequate food, and more access to education, healthcare, and credit. Through its Governance for Development initiative, it now monitors how the World Trade Organization (WTO) coordinates its economic policies. It assesses whether such policies promote sustainable development. See “Interfaith Statement of World Trade and Investment,” at <http://www.coc.org/resources/articles/display.html?ID=115>. See also “Rethinking Bretton Woods,” at <http://www.coc.org/focus/?ID=902>.

---

<sup>15</sup> Theologians use the term "polity" to refer to the government of churches and denominations. There are many types among Christians, designated by scholars as the *Monarchical*, *Episcopal*, *Presbyterian*, and *Congregational* systems. Some element of democracy is usually visible. In the command system of the Catholic Church, for example, the College of Cardinals elects the Pope, and in the United States, the U.S. Council of Cardinals and Bishops make decisions democratically. Lutheran churches in the United States have used the "congregational system," with some incorporation of hierarchical elements at synodical or geographical district levels.

<sup>16</sup> See the World Parliament of the World's Religions at <http://www.cpwr.org/who/history.htm>. For the World Council of Religious Leaders, see [http://www.millenniumpeacesummit.org/wc\\_about.html](http://www.millenniumpeacesummit.org/wc_about.html).

<sup>17</sup> See Gerard O. Barney, *Threshold 2000: Critical Issues and Spiritual Values for a Global Age* (Grand Rapids, Michigan: CoNexus Press, 1999), p. 95 ff.

<sup>18</sup> "Poverty, War Count as Moral Issues," *EcuLink*, An Ecumenical Newsletter, National Council of Churches, 475 Riverside Drive, New York, NY.

<sup>19</sup> The ABA is also deeply involved in policy debates before the U.S. Congress, the Executive Branch, and other governmental bodies. Each year, its Board of Governors establishes ten Legislative and Governmental Priorities, based on a survey of bar leaders and on the advice of the ABA Special Committee on Governmental Affairs. These priorities are selected from a list of more than 1,200 public policy positions advocated by the ABA's House of Delegates. The American Bar Association, <http://www.abanet.org>.

<sup>20</sup> The American Bar Association, <http://www.abanet.org/leadership/constitutionandbylaws.pdf>.

<sup>21</sup> See the ABA Fund for Justice and Education, <http://www.abanet.org/charities.html>.

<sup>22</sup> See Mike France, "What about the Lawyers?" *BusinessWeek*, 23 December 2002, 59. Lawyers have no "oversight board" in government, as accountants now do.

<sup>23</sup> See "Public Interest Groups," at <http://uspirg.org/uspirg.asp?id2=5729&id3=USPIRG&>.

<sup>24</sup> The association's Executive Officer oversees a staff of nearly 300 and is headquartered in Washington, D.C. Members of the AAAS staff handle the Association's day-to-day activities, including the editing and production of *Science* magazine and other publications. They plan an annual meeting and numerous other colloquia. They manage fellowships, grants, and prizes, and develop programs in science education, career development, public outreach, international scientific cooperation, and science and technology policy.

---

<sup>25</sup>“The Role and Activities of Scientific Societies in Promoting Research Integrity: A Report of a Conference April 10, 2000,” published in Washington, D.C., September 2000, and sponsored by the American Association for the Advancement of Science and the U.S. Office of Research Integrity, available at <http://www.aaas.org/spp/dspp/sfrr/projects/integrity.htm>

<sup>26</sup> Scientists argue that patents covering the basic tools for genetically engineering plants - which are controlled by companies like Monsanto, Syngenta and Bayer CropScience - have impeded the use of biotechnology in developing countries and also in smaller-acreage crops, like vegetables, in the United States. The issue has become more public as agricultural research has increasingly shifted from a public-sector activity involving governments and universities to a private-sector one led by companies. See Andrew Pollack, “Open-Source Practice for Biotechnology,” *The New York Times*, Feb. 10, 2005. Science Section.

<sup>27</sup> The Association of American Colleges and Universities, for example, is organized to advance the core values of undergraduate liberal education. It represents a wide spectrum of colleges and universities large and small, public and private, two-year and four-year. The National Association of College and University Business Officers represents the interests of nearly 2,100 institutions of higher education, including EDUCAUSE, managing information technology; the Society for College and University Planning emphasizes the promotion and advancement of planning. There are too many associations to list here as the “political structure of higher education.” We refer to higher education as a relatively “civil polity,” with the power to advance core values in education and stop their decline. See Professional Associations for Higher Education, <http://vcadmin.ucdavis.edu/profassoc.htm>.

<sup>28</sup> These associations are “democratic (nonprofit) corporations” that look like federations. All members of the AASA, for example, are eligible to vote and hold office. The AASA holds annual elections for its officers, which serve one-year terms. There are eight members of the Executive Committee; two members are elected each year. The AASA president appoints one member annually to represent an under-represented group on the Executive Committee. The Officers, Executive Committee, Executive Staff, Advisory Committees and State Executives shape AASA’s programs and policies. See AASA <http://www.aasa.org/about/index.htm>. For a larger list of educational associations and their purposes, see “Higher Education Associations,” at <http://www.ntlf.com/html/lib/assoc/index.htm>.

<sup>29</sup> The principal administrative officer of each society participates in the ACLS’s Conference of Administrative Officers (CAO). The ACLS is supported by income from endowment, dues from constituent societies and affiliates, contributions from university and college associates, private and public grants, government contracts, and private gifts.

<sup>30</sup> We said in *A CIVIL REPUBLIC* that this “market” of competing universities in education is developing like a business. Business is challenging the old (academic)

---

tradition. For-profit universities are making important innovations in this field, but they could also destroy important academic standards. If universities and accreditors do not “take charge” and monitor this for-profit sector, we could see more government regulations for education and more decline, not civil development.

<sup>31</sup> See the New England Association of Schools and Colleges, Inc., website at <http://www.neasc.org>.

<sup>32</sup> Council for Higher Education Accreditation, <http://www.chea.org/Government/index.cfm>

<sup>33</sup> Among those accreditors is the National Architecture Accrediting Board (NAAB), the American Assembly of Collegiate Schools of Business (AACSB), special degree programs in Clinical/Medical Laboratory Sciences, Medical Technology, the National Accrediting Agency for the Clinical Laboratory Sciences (NAACLS), Degree Programs in Computer Science that involve the Computer Science Accreditation Commission (CSAC), and Computing Sciences Accreditation Board (CSAB), Degree Programs in Building/Construction Science that involve Technology, and Management, American Council for Construction Education (ACCE), Degree Programs in Counseling that involve Council for the Accreditation of Counseling and Related Educational Programs (CACREP). See Liaison Committee on Medical Education, <http://www.lcme.org/functions2003july.pdf>.

<sup>34</sup> We do not have a definitive study of the number of trade associations. Another estimate puts trade associations at close to 4,000. For estimates on the number of trade associations in the U.S., see K. Gruber (ed.) *Encyclopedia of American Associations* (Detroit: Gale Research Corporation, 1990). Great Britain has about 1500 trade associations and about 1000 professional business associations. For a review on the literature see Robert J. Bennett, “The Logic of Membership of Sectoral Business Associations,” *Review of Social Economy* 57, no. 1 (March 2000), p.17-42.

<sup>35</sup> The Electronic Retailing Association is a trade association for companies who use the power of direct response to sell goods and services to the public through television, the Internet, and radio. It serves as a voice for multi-channel marketers. It promotes government affairs initiatives and regulations designed to protect their members' bottom line.

<sup>36</sup> The British federation is split into four autonomous federations called BFCMA, BRA, HEVAC and HPA. See FETA <http://www.feta.co.uk/feta01.htm>.

<sup>37</sup> Here are some more environmental associations for illustration: Alliance for Environmental Education, American Oceans Campaign, American Rivers, Biodiversity Action Network, Campus Green Vote, Center for Environmental Citizenship, Center for International Environmental Law, Center for Marine Conservation, Citizens Clearinghouse on Hazardous Waste, Citizens Environmental

---

Laboratory, Clean Air Council, Clean Air Network, Clean Energy Campaign, Clean Islands International, Clean Water Action, Clean Water Network, Clearinghouse on Environmental Advocacy & Research, Coalition to Ban Dihydrogen Monoxide, Conservation Law Foundation, EarthFirst!, Earth Island Institute/Urban Habitat Program, Earthwatch, EcoMedia, Endangered Species Coalition, Environmental Advocates, Environmental and Energy Study Institute, Environmental Working Group, Green Corps, Green Seal, Greenhouse Crisis Foundation, International Wildlife Coalition, Policy Center, National Campaign for Pesticide Policy Reform, National Recycling Coalition, Nuclear Free America, Nuclear Information and Resource Service, Ozone Action, Pacific Rivers Council, Pesticide Action Network, Pesticide Policy Coalition, Plutonium Challenge, Rainforest Action Network, River Network, Rivers Council of Washington, Save America's Forests, Scenic America, Southern Environmental Law Center, Sun Day Campaign, Sustainable Energy Budget Coalition, Union of Concerned Scientists, Western Ancient Forests Campaign, World Resources Institute, WorldWatch Institute, Zero Population Growth.

<sup>38</sup> Some writers have described the state as a corporation. In legal history and theory, the government has been viewed as a corporation. Legal historians of Europe and the United States have described it as part of public law. The government in these studies then becomes another corporation but with final authority over all other corporations. In medieval and early modern history, the application of corporate law principles to the state contributed to the development of constitutionalism and to the idea of popular sovereignty. It is a part of the history of common law in England and in the broader European canon law. A corporate conception of the state was not limited to European jurisprudence, but had real meaning in American jurisprudence as well. The legal outlook on the state as a corporation has been associated with constitutional goals like the limitation of governmental power. In England, lawyers and parliamentarians classified the king as a legal corporation in order to provide principled, legal limitations to his powers. See [http://law.wustl.edu/journal/6/p\\_1\\_Enlow.pdf](http://law.wustl.edu/journal/6/p_1_Enlow.pdf)  
See also: Municipal Corporations: <http://www.bopcris.ac.uk/browse/LCSH/1708.html>.  
And see Mark R. Ferran BSEE scull JD mcl.www.billstclair.com/ferran. Blackstone classifies everything as a corporation from the kingdom to groups chartered for the advancement of commerce. The uniqueness of government as a corporation is its ultimate authority, but its power, as the federalists saw it, is checked and balanced by corporate states, cities, and towns and from its own division of administrative, legislative, and judicial rights to authority. [http://law.wustl.edu/journal/6/p\\_1\\_Enlow.pdf](http://law.wustl.edu/journal/6/p_1_Enlow.pdf)