

Appendix K Government Policies for Federations

After the American Revolutionary War, the thirteen states formed a government under the Articles of Confederation. This agreement proved to be ineffective because it was essentially a union of independent, sovereign states without much central power. As such, it lacked power to impose taxes, and it required unanimous consent from all states before any changes could take effect. States took the Articles so lightly that their representatives were often absent, and the national legislature was virtually blocked from doing anything without a quorum. As a result, some leaders, such as George Washington, Alexander Hamilton, and James Madison, pushed hard for a stronger type of federation.

A Constitutional Convention was convened in Philadelphia in 1787 to form a more effective government. Delegates had differing opinions about the wisdom of giving power to a central government, but, in the end, they chose a governmental structure with a strong center. A federal Constitution was approved by the states in 1788, despite concerns that a powerful government would tyrannize the states and their citizens. (In fact, some states agreed to ratify this agreement only because they were assured that a bill of rights would be added later.) With the new constitution, powers were

separated and divided between the national and state governments, giving them their own jurisdictions.

By turning to federalism as a strategy for modeling government, the leaders in Philadelphia solved what had been a problem since the end of the French and Indian War--how power should be allocated in these new governments. Here, we will be considering how power is allocated in a civil society.¹

Is a new type of federalism developing for the 21st century? Could a system of federations be forming among non-governmental associations (NGOs)? NGOs are (generically) associations, but many of them are also decentralized federations.

A decentralized federation is a confederation. Confederations include organizations like community councils, the National Council of Churches, and trade associations. Trade associations, like the Chamber of Commerce, are in the business sector, but they are not businesses. Church councils are in the Third Sector, but they are not churches. Government associations, like the National Association of Cities, are linked to the state, but they are not states. These are confederations in which each member is given the liberty to join and drop out pretty much at will. Decision-making takes place in a general assembly where members make key decisions for the entire

association or federation. For example, in trade associations, which are confederations, members organize elections by consent but retain final authority on vital matters.

A centralized federation is also democratic but supplies more power to top authorities. In this governing system officials have a limited (more defined) control over members even as each member is given autonomy. In the field of government, the “members” are smaller governing units, like states in the United States or cantons in Switzerland. But centralized federations are also found outside the political arena.

In a civil (private) federation, members also hold elections and make decisions in national assemblies. Examples would be the Young Women’s Christian Association (YWCA) or the American Bar Association. The “autonomous divisions” within these federations can be regional groups, departments, and interest groups.² (See Appendix J).

Differences between the two types does not mean that decentralized confederations are weak and centralized federations are strong, as implied in our reference to the original American states. Trade associations are confederations, but, in some contexts, they are more powerful than governments. The extent of power depends upon the context in which confederations operate in society.³

Federations exist on a continuum from decentralized to centralized types of organization. They operate across the whole economy: government, business, and Third Sector. The concept of federalism thus applies to the private sector as well as the state. And the cultivation of core values in federations is what *societal development* is about.

In A Civil Republic, we argued that the government should support civil federations within the private sector because they carry the core values of society. We said that these values could be integrated more into the economy with a nod from government. *The government could match and balance social/cultural development with business/economic development.* The government in theory could curtail its tendency to become authoritarian. (This tendency, which worried Thomas Jefferson at the very beginning of the American republic, continues to be a concern.)

Stated purposes of the federal government in the last two centuries have been “to establish justice, provide for the general welfare,” and defend the liberty of its citizens. In modeling a civil republic, we add a new purpose without losing the old purposes. In theory, the new purpose would be to *cultivate civil associations (federations) to enhance the self-governing power of society.* The government should advance a program in *societal*

development instead of just fostering business development; it should promote federations that bring added value to the economy.⁴

In this Appendix, we will first discuss how governments can encourage federations in the private sector (NGOs) to work in the public interest. The government's goal would be a competitive and pluralistic economy that works for the common good.

Second, we will look at how political federations (states) can encourage the development of society. We will see how federations, like the European Union, have the potential to develop a civil republic. Thousands of Third Sector associations in Europe, many of which are federations, carry social and cultural goals and values into the economy.

Third, there is much to be done at the global level to advance civil republics. Civil republics are political federations, but within this political framework, we include private sector federations that contain strong core values. We will examine how intergovernmental federations such as the United Nations have developed civil federations on the global scene. The key to developing a just and fair global system of governance is co-development (see Appendix M), which includes federalizing the private sector to work for the common good. The question is how to develop a *global society* rather than a global state.⁵

For government leaders to advance a civil republic, they need to know how federations in the economy (business, states, and the Third Sector) can be developed together. Below we propose a direction for the research of federations in the economy.

I Trade Federations

A trade association is a democratic body of independent businesses that, together, write bylaws, choose representatives, elect board members and make decisions in a general assembly. In the United States, a trade group is a nonprofit corporation. Each industry, or each market sector, has such democratic federations.

Thousands of trade associations (confederations) maintain public standards. The roofing industry is one example. (See Box 1). It is a civil federation in the sense of being both a nongovernmental organization and a democratic organization, but it could develop more attributes of civility. For example, it could be more democratic and participatory, more environmentally organized, and more effective in advancing its ideals.

Trade leaders say that the roofing industry is planning to globalize. This short sketch below suggests how this local-to-national

federation of competitors is organized. Later we will note how it could be developed for the common good.

Box 1: The American Roofing Industry: Contractors

The National Roofing Contractors Association (NRCA) is an association of roofing, roof deck, and waterproofing contractors; industry-related associate members, including manufacturers, distributors, architects, consultants, engineers, and city, state, and government agencies; and international members. NRCA has more than 4,600 members from all 50 states and 54 countries and is affiliated with 105 local, state, regional and international roofing contractor associations.

NRCA members share a common purpose and interests with committees and specialist teams responsible for an ongoing development of new ideas, programs and services. It seeks to help roofing professionals achieve competitive advantages and develops and implements programs to improve members' businesses.

NRCA contractor members range in size from companies with less than \$1 million in annual sales volumes (40 percent of the current membership) to large, commercial contractors with annual sales volumes of more than \$20 million. More than half perform both residential and commercial roofing work, and more than one-third have been in business for more than a quarter of a century.

The NRCA was formed in 1886 “to preserve and promote the art of roofing application.” One individual from each company is designated as the voting representative. NRCA is affiliated with local, state and regional associations, basically a network of over 100 affiliates.

NRCA has a code of conduct. Members recognize that “the perpetuation of a healthy business environment” is influenced by their own professional conduct. The Association encourages professional roofing contractors to be “honest and straightforward in their dealings with clients, submitting reasonable proposals and offering evidence that their companies are bonded, insured or licensed in locations.”

Towns in the New England Region, for example, have their own

association in affiliation with the NRCA. They have firms competing for roofing construction organized in a confederation. One competitor, for example, is "Associate Roofing," a corporation serving commercial and residential clients since 1932. It advertises with pride in its brochures about its record of crafted work. It works with high standards and calls on its customers to verify its good work when it seeks a new contract. The company maintains liability insurance and carries a list of references of past work from people from New England towns, like Braintree and New Bedford. Their customers vouch for their reliability and courtesy. It holds memberships in Northeast Roofing Contractors Association (NRCA) as well as the National Roofing Contractors Association and the Better Business Bureau.

A regional competitor is O'Lyn Roofing Contractors Inc. This business also has a list of credentials and comparable record of good work. It offers guaranteed craftsmanship and provides a 20-year plus guarantee on roofing materials. It is registered with the Home Improvement Contractors in the Commonwealth of Massachusetts. It would persuade customers about its special niche in the market, its modest price, and its fine craftsmanship. These firms in New England also belong to the National Roofing Foundation (NRF).

NRCA established the National Roofing Foundation (NRF), a separate organization to undertake educational and research projects. The foundation offers a student scholarship program. NRF, in turn, creates its own organizations to advance the interests of the industry. In 1996, the Roofing Industry Alliance for Progress (RIAP) was established within the NRF to create an endowment fund and provide guidance and direction to ensure that NRF might serve as a special resource for customers. RIAP is composed of "significant contributors" and works within the framework of the NRF. RIAP is open to all-roofing contractors and industry partners. The Alliance members contribute funds to bring together leading contractors, manufacturers and suppliers committed to securing "the future strength and excellence of the roofing industry."

The Alliance has funded: 1) a national survey of roofing workers, conducted by The Gallup Organization, providing an in-depth examination of employee satisfaction in the roofing industry; 2) the NRCA Roof Application Training Program, developed over a three-year period; 3) a national media communications campaign for prospective roofing workers;

4) an employee referral service; 5) a National Roofing Training Institute in McAllen, Texas, which provides prospective workers with vocational and pre-apprentice skills; and, 6) a consortium of specialty construction associations and "prestigious" educational institutions formed to develop and implement a specialty construction curriculum.⁶

This is a decentralized federation. In Appendix J, we discussed the attributes of a civil federation as an ideal type. How does this trade federation fit this ideal type?

It is in the *nonprofit sector*. It is *democratically organized* and has *public goals* and *public standards*. Although sociologists to my knowledge have not studied this federation, my guess is that its members would value *transparency* by some measure and respect *appropriate privacy* by some measure. They value *cooperation* because competitors have collaborated for a higher purpose. The authority system in this organization is *decentralized*. I do not know for sure how much the RNF encourages *member participation*, but they are *self-financing* and not dependent upon government to survive.

How could government encourage trade federations like this one to develop a civil polity in commerce?

Let's imagine a scenario in which government agencies talk with leaders in this roofing federation. We have to imagine that the Secretary of the U.S. Department of Commerce would talk with the NRF leaders

about how the administration wants to support trade associations with professional standards.

An Imaginary Scenario

The NRF staff is holding global training programs on the rules of roofing construction. NRF leaders are pleased to hear from the Secretary because they can use government support, especially as they move into global markets. The NRF is planning to enter the world market with connections to specialist roofing groups and to all sorts of suppliers and customers around the world. So it would be timely to talk with officials in the Commerce Department. What could the government do to advance the purposes of this federation? How could the EPA help them to make money and work for the common good at the same time?

First, the EPA Administrator would come to a NRCA meeting and talk about solar roofing – about how sun energy is converted into electrical energy by photovoltaic (PV) modules on rooftops. The government representative would talk with NRF leaders about linking with federations in science and environmental protection.

The roofing federation would give special training courses on how a PV module consists of solar cells that are wired together to

provide the required amount of voltage and current for a building.

NRCA members would learn that between four and twenty-two percent of the energy falling on a module is converted to useable electrical energy while the remainder is reflected. The EPA knows that roofing firms in Europe, Australia, Africa, and Asia are building solar roofs.

“These companies will be part of your competition,” says our distinguished EPA Administrator. “If you want to win in global competition, we will help you work with environmental groups.”

In our story, the EPA Administrator would say: “Customers need to know about how solar roofs work in regions around the world. We will support experiments for private companies that want to join us for environmental conservation. If you work with us, you will win this world competition. It’s an option.”

The EPA administrator could go further:

“According to our EPA studies, about \$40 billion is spent annually in the United States to air-condition buildings; this amounts to one-sixth of all electricity generated in a year. EPA statistics show that when used appropriately, a reflective roof can reduce cooling demand by ten to fifteen percent and increase cooling energy savings by as much as fifty percent....

‘Green roofs’ is a concept that includes plants and trees that absorb moisture and improve the energy performance of building rooftops....”⁷

The administrator continues: “All the details will be the subject of training in a global roofing program. We will help you advance roofing with environmental standards. Let me know if you are interested in learning about environmental standards that go with safe and sound roofing.”

Of course, this is only an imaginary scenario about how the government could advance core values like environmental protection into markets. Core values would be translated into standards for each market sector. The government would not mandate the environmental program for roofing. It would only consult in the interest of profit making and the public interest. It links the value of “environmental protection” with maximal profit.

Trade federations know that the government has global influence. This collaboration should develop a connection between global business and environmental associations. The roofing business could go further and help NRCA create a corporate charter stating its environmental goals. But NRCA leaders would create the details.

Now let us look now at how the government could support federations in the field of education. The field of education has many types of federations.⁸

II Federations in Higher Education

Every order of society (education, the professions, arts, sciences, etc.) is in the economy and each is related to commerce. But there is a crossover problem. Currently, the for-profit sector is commercializing the nonprofit sector in a thousand ways.

Many nonprofit corporations, like universities and hospitals, have become chartered as businesses. And many nonprofit universities and hospitals are acting like businesses, acquiring a commercial culture. This negates the traditional core values of these nonprofit institutions, and it is a growing problem from local to global levels.

Many academic projects lack utility in the commercial sense, but most goals in the nonprofit fields transcend the market goals of profit and utility. For example, colleges and universities are not chartered to maximize profit and utility; instead, they maximize principles of knowledge and learning.⁹

Let's now look at the local development of federations in this academic marketplace. What could be done to strengthen federations in the field of higher education?

The Local-Regional Market

Big university corporations and state universities have the power to destroy small colleges, but new government policies could change all that. Governments could encourage small colleges to develop federations, which would give them power. Small institutions could then compete in the market with their combined (federated) forces. Let's look at one case.

Pennsylvania State University is competing with other institutions in its region and winning. When Penn State turned its two-year satellite campuses into four-year institutions, it threatened the survival of local colleges. Its distance-learning program, called "World Campus," began to offer twenty-five certificate programs, and had an enrollment of 5,000 students by 2003. Penn State is now able to compete with big business (e.g. Phoenix University), but it is also destroying small colleges. In fact, small colleges could completely disappear in the process.

Educators say that small colleges have special functions in higher learning. One function is giving special attention to students--attention that big institutions cannot provide. Many small colleges provide a friendly

climate for students. Small colleges have an academic tradition of “close student-faculty interaction” and “a sense of fellowship” in learning.¹⁰

Allentown College and Beaver College are two small institutions affected by the expansion of Pennsylvania State University. In Box 2 we see a summary of their nature and purposes and possible niche in the market.

Box 2: A Pennsylvania Federation of Small Colleges

Allentown College is a Catholic liberal arts institution established by the Oblates of St. Francis de Sales in 1965. The school is located on a 400-acre campus in Center Valley, Pa., and offers bachelor’s degrees that include pre-professional programs. Its combined enrollment is 2,000 students. It is planning to call itself DeSales University to reflect its “niche” in the new market and its intent to maintain academic excellence, faculty commitment, and its Catholic heritage. DeSales University will continue to offer courses in a wide range of disciplines, but remain a “friendly suburban institution providing personal attention, small class sizes, and a feeling of comfort and security.” The interdisciplinary mission of a “Salesian Center” is to promote “the interaction of faith and culture, in a mutually beneficial engagement. It seeks to do this through academic initiatives that focus on the “authentic integration of social concerns and gospel values.” The administration seeks “an integration which has been embodied in the lives of St. Francis de Sales and St. Jane de Chantal and continues to be expressed in the tradition of Christian Humanism.”

Beaver College is on a 55-acre former estate in Glenside, a suburb of Philadelphia, offering a country-like setting for students. It is a coeducational liberal arts college founded in 1853, currently enrolling over 2,700 students in over 30 undergraduate programs and twelve graduate degrees. It has a 13:1 student-faculty ratio, which “enables students to work closely with faculty for academic advising, research and publication activities. Students enjoy personal attention in small, focused classrooms where the average size is only 18. Students come from sixteen states and fourteen other countries, and 70 percent of the full-time undergraduate population resides on campus. Campus life includes cultural and social events as well as community services for students. Every Beaver College student is encouraged to take part in one or more community service

activities.” In the context of the changing economy, Beaver College is changing its name to Arcadia University.¹¹

Beaver College and Allentown College generate about one-fourth of their tuition revenues from graduate education. These graduate programs are important to them because of the low costs (courses rely on existing facilities and faculties), but the new competition with bigger state schools and for-profit universities requires more income than this. So, they have invented a decentralized federation, a consortium.¹²

Phoenix University, NYUonline, and for-profit universities are increasing the competition for students in higher education. Phoenix is the new big competitor on the block.

Could government planners act in this market to save small colleges without interfering with free markets? Notice in Box 3 that the competition includes all sectors of the economy. (See Appendix C on The General Economy.)

Box 3: Competition in Higher Education

<p>Business Sector <i>Background Competition</i> Phoenix University, NYUonline, and others.</p>	<p>Nonprofit Sector <i>Survivor Competition</i> Liberal Arts Federation: Beaver and Allentown Colleges</p>	<p>State Sector <i>Main Competitor</i> Pennsylvania State University</p>
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Penn State is competing with Beaver and Allentown online, and they also compete in a global market. What could be done to balance the power? How can justice prevail?

The Commonwealth of Pennsylvania could act, and so could the Middle States Association of Colleges and Schools, the accrediting agency for this region. The federal government has no jurisdiction over private colleges and state universities, but the Secretary of Education could talk with presidents of accrediting associations about the local to global dangers in corporate competition. Is there a market niche for small colleges in the global market?

A Market Niche

Let's say that the Secretary speaks to national federations in higher education about dealing with the new competition that is for-profit, online, and global. Who are these federations?

There is the American Association for Higher Education (AAHE), which is composed of faculty, administrators, students, policymakers and leaders who are committed to the improvement of higher education. There is the Association of American Colleges and Universities (AAC&U), which links presidents, academic administrators, faculty members and national leaders. There is the Association of Governing Boards of Universities and Colleges, which provides resources to university and college presidents, board chairs and individual trustees of both public and private institutions of higher education. There is the American Association of Colleges for Teacher Education, a national association of colleges and universities that prepare professional educators, and the National Council for Higher Education (NCHE), which serves as a voice for the National Education Associations on issues related to academic justice and excellence in higher education arenas. And there are many more.

Let's imagine what the Secretary might say to them.

Federations are a way for colleges to sustain their role within the array of institutions in American education. The special values of traditional colleges could lose ground in this competitive race for profit and on-line markets. The small liberal arts colleges might develop federations to solve this problem. They might gain economic advantages by forming a risk pool for health insurance. They could collaborate for joint training of the athletic staff; establish joint programs in sports medicine. They could work together to lobby government along with the Council for Higher Education

Accreditation (CHEA). This “federation” could treat the problems developing in a global market. Let’s hold a national conference on this idea.¹³

The Secretary is leading the way for a strong independent sector.

Let’s imagine that the Secretary and educational leaders hold a press conference.

The U.S. Department of Education is encouraging a national conference among federations in education to examine the worldwide competition that is developing in the private sector.

The Secretary says that the Department will work closely with the Association of American Colleges and Universities (AAC&U) and the American Association for Higher Education (AAHE) to advance their concerns about “autonomy and financial self-reliance.” These associations then become a basis for a new organizational system that should reduce the rising costs in the Department of Education.¹⁴

The Secretary of Education would then, in our scenario, meet personally with the President of the Council for Higher Education Accreditation (CHEA). CHEA looks after the whole field of higher education in Washington, D.C. It is concerned about the growing commercial/science ventures shaping the field of education. So, there is a lot to do in order to strengthen this marketplace.¹⁵

Let us imagine that the Secretary of Education talks with the President of CHEA. S/he notes the interactive communications technologies available to “distance educators.” Today popular media are computer-based communication systems, which include electronic mail (E-mail), bulletin board systems (BBSs), and the Internet; telephone-based audioconferencing; and videoconferencing with 1- or 2-way video and 2-way audio via broadcast, cable, telephone, fiber optics, satellite, microwave, closed-circuit or low power television.

The Secretary is concerned about market trends. S/he says:

In traditional education, teachers interact directly with their students. They prepare their own support materials, lecture notes, and tests, and are independent in their classroom. Now, distance-learning teachers are not in direct classroom contact with their students. Communication is mediated by technology and by a host of team partners, which may include editors, designers, producers, technicians, media specialists, local tutors, aides, site facilitators, and service providers. Since many people must collaborate to produce and disseminate quality distance educational programming, the need to plan and coordinate staff activity is essential. In particular, we must define the roles of two key people: the teacher and the site facilitator. As education moves into a world of clashing civilizations, what can we do to keep up with the problems? ¹⁶

Could there be a stronger position for American education to operate for the common good in this global market?

Let us say that the Secretary talks about developing goals for global education. A new mission, s/he says, is to teach students how to deal with

1) The division of the world into hostile groups; social, national and other antagonisms leading to armed conflict in world regions; 2) the disharmony between humankind and nature which threatens an ecological catastrophe; 3) the splintering of the human mind and spirit; 4) the creation of new systems of governance around the world. We need students to deal with issues of human survival, of cooperation among nations and among their citizens, and of the development of civilization. We need to think about how the aggregate of individual cultures joins into a world community.¹⁷

Let us envision an outcome from these discussions.

CHEA, let us say, finds that colleges in competition with for-profit institutions have begun to copy these for-profit practices. Small colleges now reduce costs by increasing class size; they use fewer full-time tenured faculties; they are “online” hiring more adjunct faculties, thus decreasing faculty discretion over what is taught; instead, they copy big universities, starting their own for-profit enterprises and marketing courses online.

Cyberspace supplies all institutions with no cost for land, no fees for office buildings, and no maintenance expenses for libraries.¹⁸

Is there a danger? Could we see a loss of small-endowment colleges?

Yes. CHEA concludes that colleges need to solidify their position.

Their core values must balance against the excesses of competition, productivity, efficiency, and wealth making. How could this happen?

Let’s suppose that the Education Secretary talks with CHEA staff about the danger of losing small colleges in world markets. If small colleges

are failing, s/he could say, federations should save them. Could these colleges form a *risk pool for health insurance*? Could they plan *joint training for athletic staffs*? Could they establish *joint programs in sports medicine, and advertise together*?¹⁹

The U.S. Department of Education, could initiate conferences on the core values of education. The Department would work with federations in the private sector, such as the Association of American Colleges and Universities and the American Association of Higher Education. The aim would be to advance financial self-reliance among private colleges. All these federations would plan together to develop their strengths in this competition. We would see this sort of action to be part of *societal development*, that is, the development of a civil society.²⁰

Federations are the future. Let us now look at a much larger picture of federations developing in the global economy.

III Global Federations

Many different types of global federations are evolving among both states and NGOs. They are what Max Weber would call *economically active* (like the World Council of Churches) and *economically regulative* (like trade federations and international unions).

In the private sector at the global level, we see *educational* federations (e.g. international accrediting associations), *religious* federations (e.g. the World Parliament of Religions), *science* federations (The International Association for the Physical Sciences of the Oceans), and hundreds more in the sciences, professions, arts, and learned societies. We will first look at global educational federations and then at federations among states. Global universities are developing in business, so we will look especially at global accrediting associations.

Global Educational Federations

For-profit universities are becoming global and seek accreditation from the United States. With the development of for-profit global universities around the world, U.S. accreditors must establish standards and monitors, but the UN also must play a role.²¹

Accreditors in global markets require oversight from inter-governmental bodies, but there are problems with this. For example, the World Association of Universities and Colleges (WAUC) describes itself as a global accreditor founded to establish and promote worldwide standards in higher education among colleges and universities throughout the world. It is promoted as a private accrediting body not listed with any government agency or with the U.S. Department of

Education. It is not designed to meet the needs of students intending to use Federal Funds. The Association makes no promises or guarantees of employment or acceptability of transfer credits to any public or private educational institution.²²

What is going on here? The field of education is in a system of capitalist markets. It requires study for its oversight at local to global levels. This is where civil planning must begin in the United States and continue in the United Nations.

Why do global for-profit universities seek accreditation from private federations in the United States?

They want legitimacy. American nonprofit accreditors are still pondering the basis for accreditation in a global market. With the development of for-profit global universities, nonprofit accreditors are challenged to sustain academic standards.²³

The International Association of Universities (IAU) was founded in 1950 as a UNESCO-based worldwide federation of universities. It brings together institutions and organizations from some 150 countries for reflection and action on common concerns. It collaborates with other international, regional and national bodies active in higher education. Its services are available to institutions and authorities

concerned with higher education, as well as to individual policy and decision-makers. It is within this association that UNESCO would consider the problem of civil development.²⁴

There are many accreditors in global markets that will require oversight from inter-governmental organizations. As stated earlier, the World Association of Universities and Colleges (WAUC) describes itself as a global accreditation association founded to establish and promote global standards in higher education among colleges and universities worldwide. However, it does not meet necessary standards. Something is not right here.²⁵

Global universities are developing as multinational corporations without sufficient monitoring from governments. We mention this problem because of the need to develop global federations to handle the growth of worldwide markets.

Government Federations

We need a special nomenclature for federations that are developing globally in world regions. *Global market federations*, let us say, are those in which nation states legitimize rules for economic exchange. Examples are the European Union and the World Trade Organization. *Political*

federations are governments that span different languages and cultures, such as Switzerland, Belgium, India, and Canada.²⁶

Global market federations are not strictly governments nor are they businesses. They advance the business sector with government support but have a special social and political purpose. The European Union (EU), for example, is a federation of twenty-five European states, established by the Treaty on European Union (the Maastricht treaty). It is developing a common market that consists of a customs union, a single currency (adopted by twelve out of twenty-five member states), a Common Agricultural Policy and a Common Fisheries Policy. It co-ordinates the commercial activities of member states; hence, it is a federation rooted in the laws established by member states based on the European Communities. It seeks to enhance political, economic and social cooperation among different nations. It aims for socio-economic development and is cultivating a basis for political union in Europe.

The European Commission is a branch of the governing body of the European Union and has certain executive and legislative powers. It was founded in 1967 when the three treaty organizations -- composed of what was then the European Community (EC) -- officially merged. The

commission is made up of thirty members—two from each of the five largest EU nations and one from each of the others.²⁷

The commission initiates EU policy on markets but, also, increasingly on environmental and security affairs. The European Commission has launched a public consultation on the exercise of shareholders' rights in company general meetings; it is helping to solve problems in the cross-border exercise of voting rights. But this work is concerned with advancing capitalist markets.

Our point is that the EU has the power to create a civil market within a capitalist market. It has the power to cultivate standards and core values through civil society organizations while building a political union. And in due time, that political union could become a civil republic.

Romano Prodi is the current President of the European Commission. He asks the same question that Thomas Hobbes asked at the end of the 17th century: What is a civil commonwealth? But his question should be: "How do independent European countries become a political federation by building a cooperative (civil) economy? Can he support the development of trade federations that actually set standards in this intergovernmental economy? Prodi wants NGOs to operate in the common market. In the European

Union, capitalist markets are developing a type of commonwealth that will deal with rogue businesses and NGOs.²⁸

So, international market federations are on the agenda for the 21st century, and we are saying, in the spirit of A Civil Republic, they are there to solve societal problems through self-governing market structures.

Political Federations

The United States is a political federation. American colonists wanted people not to be "subjects" of a king but "citizens" of a government. The concept of citizenship was new. At this point, the concept of "stakeholders" is new.

Citizens are members of a political community (originally a city but now a state), which carries the right to participate in government, but stakeholders cross all orders of society. Stakeholders are stockholders, workers, consumers, buyers, sellers, and communities and their associations. Stakeholders are a concept of a market defined by civil federations rather than political federations.

The UN is a political federation. It is not wrestling with the idea of citizenship in a global republic, and it is not wrestling with the idea of international stakeholders. But it will need to do so in the future.²⁹

The EU is moving toward a political federation. If EU leaders wanted to develop citizenship for its regional republic, it should develop civil markets--rather than capitalist markets--with stakeholders in their federations. In this context, federations are nonprofit corporations that are democratically organized with society's core values embedded into their constitutions.

Civil federations would help to develop Europe into a civil society. With this purpose in mind, Mr. Prodi would not work simply to lay the foundation for a European government; rather, he would work to lay the foundation for a society of federations. Once a system of federations is established in the private sector, he has laid the foundation for a European civil republic.

A civil republic is not simply a state. It does not aim to regulate and control markets. Instead, it aims to reduce the need to regulate and control markets. It cultivates standards and normative controls within trade federations. It becomes a new governing system for an *economy in society*.

A Global Republic

If the European Union were to develop civil markets, it could model a republic of nations for the future. A civil republic of nations would include

federations in the private sector. A civil republic develops by both a plan and a strategy.

It took a plan and a strategy to create democratic nations out of feudal estates. Adam Smith (and neo-classical economists) supported free markets, which carried great dreams and ideas. Neoclassicists brought concepts into modeling this capitalist economy—concepts such as *individual* and *capital*. Modern markets and nations developed around beliefs in *individualism* and *capitalism*.

But these “isms” are no longer sufficient for a civil republic. Here’s why:

They do not describe the associated market or express the foundation of a civil republic. An associated market is a composition of federations and not competitive firms alone. It is grounded in society’s associations that carry core values and nonprofit rules, instead of just corporate self-interest, profit making, and competition. A civil republic is a post-modern government. It cultivates associative norms and values within market structures.³⁰

Capitalist markets cannot be the ground for a civil republic. This republic cannot develop simply from the World Bank or the World Trade Organization. So, what is the alternative?

Starting at Ground Zero

The alternative starts by recognizing the threat of worldwide capitalist trade. Executive Order No. 1298, signed by President Clinton on November 14, 1994, declared a national emergency with respect to the threat of weapons of mass destruction (nuclear, chemical or biological) to national security. But the threat is also the American economy itself. In the wake of global terrorism, new world crises are developing among nations. Nations are beginning to realize they have no world law and no effective global court system. They conduct their affairs without enforceable rules of engagement. The need is for a new UN and a different system of world governance based on federations.

Legal scholars and social scientists must think in terms of social inventions; they must counter the dangers of religious and political fanaticism, and, indeed, venture into a future not studied yet in universities.

IV A Global Federation

A democratic global government would be a political federation, an intergovernmental organization (IGO). We have been saying that international nongovernmental organizations, (INGOs) and IGOs, should work together to build a global society instead of a world state or a

centralized global government. The effort to build a global society has begun.

The UN is an IGO that supports INGOs to advance human rights for children. It works for the protection of indigenous people; it supports the “equitable allocation of food and housing” and the right to local development. IGOs support such core values in the global economy, but the capitalist market does not do so. Trade associations do not incorporate these goals into their constitutions along with their profit making. Here is where IGOs should do more by urging a practice of writing standards into the constitutions of trade groups. This will build a civil republic.³¹

In the book, A Civil Republic, we proposed a long-range plan. We said that when IGOs support civil (core-value) markets, they work on *societal development*. The UN is taking a step in this direction by linking NGOs and business corporations but this is an uphill battle.

We said that IBOs could develop core values as indicated above with the European Union. But there are more steps to take. This (IGO-IBO) collaboration must connect with international non-governmental organizations (INGOs) as indicated with the roofing industry. Civil market structures are developed through a tri-sector economy (IBO/INGO/IGO).³²

IBOs (e.g. trade federations) have begun to work with INGOs in labor, education, and science and with IGOs, (e.g. the UN and affiliates like the World Health Organization). This collaborative effort is moving toward a civil market system, and, hopefully, a global civil republic. A global republic develops only from this sort of tri-sector collaboration. World markets then develop as civil (fair, just, humane, transparent) within the economy.³³

The United Nations is an IGO based on international treaties without enforceable law. Political scientists have questioned whether this organization is strong enough to regulate markets and keep the peace; they argue that it must be made stronger in order to keep world peace and advance a civil society.³⁴

In Box 4, I have placed a schematized (historical) transition among types of global federations. Here we see a development process from the League of Nations (1920), to the United Nations (1947), to a civil polity (2015), to a political federation (2020), which would be a decentralized global government.³⁵

Box 4: Federal Systems of Global Governance

League of Nations ⇒ 1920 ³⁶	United Nations ⇒ 1947 ³⁷	Civil Polity ⇒ 2015	⇒ Democratic Government (2020)
<i>An Alliance</i> ⇒ (A Global Compact written and signed by many nations)	<i>A Confederation</i> ⇒ (International Law formulated by all major nations)	<i>Civil Regimes</i> ⇒ (Global Charters based on Common Law)	⇔ <i>Political Federation</i> (based on World Law)

In times of terrorism and the spread of WMDs, world leaders need a plan. The first step is to build a civil polity inside the market. Max Weber described business corporations as autocephalous, and that is exactly how they develop—independently—through global associations. A civil polity should develop by revising the UN and then slowly studying the basis for a decentralized world government. We are talking about a government that can stop holocausts and genocides, one that is not too weak and not too strong.³⁸

This kind of government builds from a civil polity, which in turn builds from market organizations in world regions, like the European Union and NAFTA, but this occurs only when they set standards on safety, health and environmental protection. The competition between market organizations in world regions (e.g. NAFTA versus the EU) must be based on global standards. Canada, for example, led a move for trade liberalization between NAFTA and the European Union (EU), but we are saying that public standards must be included in the arrangement. These standards again

would include public safety, public health, human rights, and environmental protection.

This is then a free-and-fair trade plan. It is where core values are introduced into the law and into the constitutions of business federations. Trade activity in this plan has monitors and partnerships with INGOs, such as science and professional federations.

National leaders should not create a world state. Global planning for a civil polity is a vital first measure for planning a decentralized and effective world government. It is critical because of the spread of WMDs and the threat of bio-chemical-nuclear terrorist acts. Organizing a civil polity is the first step in reducing the likelihood of war and the devastation of a world war. Desperate solutions, such as establishing authoritarian governments and commanding world alliances lead to more terrorism--all in the name of stopping bio-nuclear warfare.

The term “world state” refers to the dark side of this future. Machiavelli coined the meaning of a “state” in the 16th century as a strong centralized authority. A world state could rise from the despair and horror of a bio-nuclear war.³⁹

The United Nations should start planning now to avoid empires and world states. It should plan for a global polity of federations through

international treaties. It should enable more social bonding and self-enforceable codes and global charters for global firms. It begins by supporting international (common) law.⁴⁰

The term “international law” refers to IGO treaties, agreements and civil contracts, whereas “world law” (in the far right of Box 4) refers to enforceable law. A “world government” could establish enforceable law, but it requires years of deliberation before it becomes possible.⁴¹

In sum, a civil polity develops by introducing core values into economic federations and economically oriented associations (IBOs and INGOs). A civil republic is designed to develop equitable power and authority among federations and should be planned at the world level.

Conclusion

Universities should study *societal development*—not simply development in single sectors like business. Governments should cultivate civil federations and advance the self-governing power of associations. They should support civil federations that add value to the economy.

The government could encourage business federations to develop core values, as suggested in the roofing industry. The government can aid federations in education, as suggested in the Pennsylvania case, increasing the power of small colleges to survive in a global market.

A new system of governance by federations must be developed before the onset of economic depressions, fanaticism and terrorism on a grand scale becomes a reality. Global calamities lie ahead for nations that live without world law.

Universities should study the development of law through federations in the economy and through a new republic of federations for countries around the world. The organization of the United Nations is not adequate to deal with today's technologies for terrorism and war.

No government can rule an entire society. New systems of governance should be developed in the general (tri-sector) economy. Federations in the private sector will play a critical role in the future of societies around the world.

¹ The U.S. Constitution says that the purpose of the federal government is "to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." We argue that *the development of society* fits into those constitutional purposes.

² There is no official taxonomy of “federations,” and no formal definition of the term in sociology. There are no systematic studies of federations, such as the YWCA and the ABA. The YWCA, in a project called Steps to Absolute Change in 2001, moved from being pretty much a command system to a type of federation. The YWCA shifted from a top down to a bottom up grassroots organization with electoral processes. Local associations joined regions and elected their regional representatives to the National Coordinating Board. They adopted “Hallmark Programs” – the Economic Empowerment of Women and Racial Justice. This set up a goal for a new organization and developed new connections with the World YWCA.

³ Should a federation be centralized or decentralized? These judgments are made in each order of society – religious, educational, scientific, professional, etc. We have suggested that civil federations develop with core values that influence business markets. Civil society organizations, most often called NGOs, are developing that influence. Civil federations in the private sector then become a foundation for a stronger United Nations. As we suggest in this appendix, a revised United Nations should eventually become a federation that supports the private sector in civil societies around the world.

⁴ In A Civil Republic, we proposed ways in which the government could do this. When there are social problems in a market (like oligopolies and negative externalities), the government could (by law) place public directors on corporate boards in markets where the problems originate. The directors would represent stakeholders and be a “taming action” for other giant firms that break the law. But the government would also bring trade associations (confederations) into the setting of public standards for members. Government agencies (FCC, Justice Department, SEC, etc.) would talk with trade associations about public accountability systems. We also said that state governments can require corporate charters, and the federal government could require charters for big corporations that take account of stakeholders.

Much of what we say here has been said before. Former Secretary of Labor Robert Reich proposed many corporate reforms when running for Governor of Massachusetts. He said:

“No one should profit from outright fraud, especially corporate leaders who are vested with enormous responsibility in our economic system. Executives who are responsible for defrauding the public must be prosecuted. Their ill-gotten gains should be confiscated, and the worst offenders sentenced to prison. But to achieve genuine reform, we must go further and root out the conflicts of interest that make fraud possible. Boards of directors should be custodians of the long-term value of the corporation. To this end, they must be truly independent. A majority should be selected not by the corporations' CEO but by investors -- which as a practical matter means large institutional

investors like pension funds that have a special interest in long-term performance. These independent outside directors should determine the pay of top executives, be in charge of nominating future directors, and be responsible for reviewing and approving all corporate audits.”

Robert B. Reich, “Corporate Accountability and the Commonwealth”

Speech, Harvard University, July 8, 2002. See appendix I, Public Media,

footnote 53.

⁵ We should remember utopian movements. Robert Owen (1771-1858) fathered the cooperative movement based on democratic principles. It is noteworthy that in the United States today there are thousands of cooperatives, most of which are federations, as in housing, retailing, utilities, farming, banking or credit unions. There are producer, distribution, marketing, and consumer cooperatives that are federations. They constitute a seedbed in the economy, and they need cultivation.

⁶ NRCA established the National Roofing Foundation (NRF) as a separate organization to undertake educational and research projects. The foundation offers a student scholarship program. The NRF is a nonprofit, public foundation incorporated in Illinois and is exempt from federal income taxation under Section 501 (3) of the Internal Revenue Code. The references to Associate Roofing and O'Lyn Roofing Contractors are based on my inquiry and talks with owners and managers.

⁷ Scientists at the (U.S. Department of Energy's) Lawrence Berkeley National Laboratories (LBNL) in Berkeley, CA, say, "light-colored, highly reflective roofing materials can have a significant impact on improving air quality and cooling 'urban heat islands' – pockets of increased temperatures in downtown areas of cities caused by radiant heat from dark surfaces – thanks to their solar reflectivity." For a list of solar energy trade associations around the world, see:

<http://energy.sourceguides.com/businesses/byP/solar/byB/trade/trade.shtml>

For information on the American Solar Energy Society, see:

<http://www.thinkenergy.com/assn/rs194875.html>

⁸ In A Civil Republic, we said that governments could support voluntary associations that organize public accountability systems. Governments could include tax breaks for members of trade associations that cooperate fully with stakeholders and include Third Sector groups as monitors. They could also encourage access to information in the public interest. They could encourage professional mediation to resolve disputes with Third Sector monitors. They could do so by favoring companies that agree to consult with Third Sector organizations to define public standards and abide by them. They could favor companies that utilize solar, wind, ocean currents, and energy systems that incorporate recycling and renewable resources.

⁹ We are using the conventional meaning of utility used by Max Weber to describe the business economy. The purpose of education is not to maximize utilities but to cultivate the mind, strengthen the quest for knowledge, and teach students about their civic responsibilities. A good liberal arts college trains students in citizenship and conducts research into values that shape a nation.

¹⁰ This competition – without cooperation -- could become destructive. About fifteen private liberal-arts colleges with fewer than 750 students closed between 1989 and 1996, according to the U.S. Department of Education. At the same time, solutions like those in our Pennsylvania case are evolving. Thirty years ago, six small private liberal-arts colleges in central Kansas banded together to share the cost of a mainframe computer; before long, they were jointly teaching degree programs. The six, known as the Associated Colleges of Central Kansas, were all within 80 miles of one another. They were facing heavy competition with big universities but survived by forming a federation. They voted to form a risk pool for health insurance, planned joint training for athletic staffs, and formed a joint program in sports medicine. Martin van der Werf, "The Precarious Balancing Act at Small Liberal-Arts Colleges," The Chronicle of Higher Education, July 30, 1999. Pp. A12, A33.

¹¹ On DeSales, see:

<http://www.desales.edu/servlet/RetrievePage?site=Desalesu&page=home>

On Beaver College becoming Arcadia University, see:

http://www.beaver.edu/programs/mast_peace.htm

¹² “Jefferey Selingo, "Small, Private Colleges Brace for Competition From Distance Learning, The Chronicle of Higher Education, May 1, 1998, A33.

On information technology, see Lisa Guernsey and Jeffrey Young, "Who Owns On-Line Courses?" The Chronicle of Higher Education, June 5, 1998, A21.

¹³ These small Pennsylvania colleges have done exactly what small businesses have done in the past to avoid destruction from big business. Small dealers in the automobile industry developed a trade federation in the 1950s. General Motors had begun to dominate local car dealers, putting them out of business at will. When small dealers saw GM acting unfairly toward them, closing them down by sheer power, the dealers created a federation called the National Dealers Association. In a similar federated way, colleges are staying alive. By organizing federations, they continue to maintain academic standards and provide the civic innovation needed in the competition. Federations allow small corporations to remain independent and self-reliant. Diversity remains and standards are maintained. In the

automobile dealer case, the federated dealers became a national power and “took on” GM. GM signed a contract with the dealers and invented a private tribunal to settle their differences.

¹⁴ The AAHE’s members are 9,600+ faculty, administrators, and students from all sectors, disciplines, and positions, plus policymakers and leaders from foundations, government, accrediting agencies, the media, and business. They are addressing the challenges higher education faces. AAHE is devoted to “strengthening undergraduate liberal education.” Government conferencing has begun on the issues of “for-profits.” It involves the AAHE, American Association of Community Colleges (AACC) National Learning Community Project-Washington Center for Improving the Quality of Undergraduate Education, and The New England Resource Center for Higher Education (NERCHE).

¹⁵ CHEA was approved by 94% of the 1,603 higher education institutions that voted in March 1996. It was chartered to “coordinate the reauthorization of the Higher Education Act” and “explore quality assurance of distance education through studies, surveys, and conferences.” It was created to work “on a new set of standards by which it legitimizes accrediting bodies on educational quality. It was also organized to encourage “organizational transformation” and

“better public communication about accreditation results.” It has become a national voice for higher education to provide assistance “on accreditation issues, policy, practice and research to colleges and universities, accreditation organizations, the higher education community, and the Washington higher education associations.”

www.chea.org/default.asp

¹⁶ Audiographic teleconferencing, using slow scan or compressed video and FAX, is a low-cost solution for transmitting visuals as well as audio.

Mosaic, a graphical interface to the World Wide Web, is popular in Canada, Europe, and Australia. C. A. Schlosser, C.A., & M. L. Anderson, M.L.

“Distance education: review of the literature.” Washington, DC: Association for Educational Communications and Technology, 1994.

¹⁷ This includes East European, Eurasian, and Russian education.

<http://www.indiana.edu/~isre/NEWSLETTER/vol6no2/global.htm>

¹⁸ Educators contend that this type of competition in American higher education is becoming destructive to small institutions. As stated earlier, about 15 private liberal-arts colleges with fewer than 750 students closed between 1989 and 1996, according to the U.S. Department of Education. But some small colleges are experimenting with “federations.” They voted to form a risk pool for health insurance, planned training for athletic staffs and

a program in sports medicine. Martin van der Werf, "The Precarious Balancing Act at Small Liberal-Arts Colleges," The Chronicle of Higher Education, July 30, 1999. Pp. A12, A33.

¹⁹ The Secretary could raise key questions like this: "Do small colleges give more attention than large universities to young students facing problems (e.g. drug addiction and alcoholism)? Do they provide a safe and friendly climate for students? Do they maintain what they say is an academic tradition of close student-faculty interaction and a sense of fellowship in learning?" The committee might say that this (small vs. large) problem is not headline news, but it is a marketing problem outside the sight of the Antitrust Division in the Justice Department. When Pennsylvania State University turned its two-year satellite campuses into four-year institutions, it threatened local colleges. Its distance-learning program, called "World Campus," began to offer twenty-five certificate programs, with "an enrollment of 5,000 students by 2003." While Penn State is now able to compete better with the for-profit sector, it could destroy the small colleges in its region.

Allentown College is a Catholic liberal arts institution established by the Oblates of St. Francis de Sales in 1965. Beaver College is on a 55-acre former estate in Glenside, a suburb of Philadelphia, offering a

country-like setting for students. Penn State and big for-profits could destroy them. Phoenix University, NYUonline, and for-profit universities are “expanding” just as any corporation expands in the market. They represent the new business market in higher education. Jeffrey Selingo, “Small, Private Colleges Brace for Competition From Distance Learning”, The Chronicle of Higher Education, May 1, 1998, A33. On information technology, see Lisa Guernsey and Jeffrey Young, “Who Owns On-Line Courses?” The Chronicle of Higher Education, June 5, 1998, A21.

²⁰ Government conferencing has begun on the issues of “for-profits” involving the AAHE, American Association of Community Colleges (AACCC), National Learning Community Project-Washington Center for Improving the Quality of Undergraduate Education, and The New England Resource Center for Higher Education (NERCHE). The American Association of Higher Education (AAHE) has 9,600+ faculty, administrators, and students from all sectors, disciplines, and positions, plus policymakers and leaders from foundations, government, accrediting agencies, the media, and business, addressing the challenge higher education faces. The AAHE is devoted to “strengthening undergraduate liberal education.”

²¹ See the International University Accrediting Association:

<http://www.accrediting.com>

²² See World Association of Universities and Colleges at:

<http://www.columbusu.com/accreditation.htm>

²³ See the International University Accrediting Association:

<http://www.accrediting.com>

²⁴ IAU has member institutions in some 150 countries that cooperate with a vast network of international, regional and national bodies. Membership is open to all degree-conferring higher education institutions, and associate membership is available to other international and national university organizations. Its permanent Secretariat, the International Universities Bureau, is located at UNESCO, Paris and provides a wide variety of services to member institutions and to the international higher education community at large. The purpose of the International Association of Universities, according to its constitution, is: “To provide a centre of co-operation at the international level among the universities and similar institutions of higher education of all countries, as well as among organizations in the field of higher education generally, and to be an advocate for their concerns.” See International Association of Universities:

<http://www.unesco.org/iau/officers.html>

²⁵ See World Association of Universities and Colleges at:

<http://www.columbusu.com/accreditation.htm>

²⁶ They develop democratic systems of governance without losing linguistic and ethnic diversity. India, for example, is a federation in which people speak dozens of different languages; the United Nations is a federation of many different nations and cultures working together at the global level.

²⁷ Members are appointed by agreement among the member nations and serve four-year terms. One member serves as president, and six serve as vice presidents. A large administrative staff, numbering some 24,000, is divided among many committees and administrative agencies. The commission implements the provisions of the EU's founding treaties and carries out rules issued by the Council of the European Union.

²⁸ Hobbes's idea of a civil commonwealth paid only little homage to the belief that divine power legitimized the rights of kings, and his idea was not well received by the monarchy and the Church of England. And with good reason, because it challenged the old political order, just as the Protestant Reformation (and King Henry) had challenged the universal power of the Roman Catholic Church.

²⁹ We should say a word about definitions here. A "state" by international law possesses sovereignty, i.e. not subject to any higher political subdivision. The definition of "nation state" can include political subdivisions where state governments possess powers independently of a federal government. But, in common speech, the ideas of "states," "countries" and "nations" are virtually synonymous. Some people would understand "State" as a synonym for "Government." The legal criteria for statehood are generally accepted to be those set out in Article 1 of the Montevideo Convention. A state in international law should possess the following qualifications: (a) a permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relations with the other states." The Western concept of a "nation", developed in the nineteenth century and the early decades of the twentieth, shows a close identification with the concept of state. The idea of popular sovereignty and the equation of 'state' with 'nation' and 'citizen' and with the 'national' took place after the French Revolution. England and France provided the so-called 'nation-state' model that was desired by others and reinforced by them. Walker Connor, "A nation is a nation, is a state, is an ethnic group is a", Ethnic and Racial Studies. Vol. 1. No. 4. Oct. 1978. pp. 377-400. See also, E. J. Hobsbawm,

Nations and Nationalism since 1780: Programme, Myth, Reality. Second Edition. Cambridge University Press. Cambridge. 1992.

³⁰ The introduction of (non-economic) core values into a business corporation by a CEO (e.g. a department of safety or human relations) is important, but it does not change the structure of markets. Family values, for example, may be introduced into a business corporation when CEOs create a “family atmosphere,” hoping to advance the importance of feelings and respect for one another. Top management may offer awards to honor ethical conduct of employees, advance human relations programs through a department of human resources; they may offer training programs to emphasize courtesy among workers and colleagues. But all these steps to humanize the workplace – as important as they are -- do not change the market structure. The market structure, without civil (trade) federations, compels CEOs to advance profit seeking above ethics; indeed, it is a matter of survival for all employees.

³¹ In the study of civil development, political scientists need to connect “just authority” with “democratic authority” i.e. with new systems of civil governance. Civil markets develop “justly” and “democratically” through systems of public accountability, mechanisms of private negotiation, and judicial procedures. The state is then not the only institution that is

empowered to develop justice and democracy. R. B. Friedman, “On the Concept of Authority in Political Philosophy,” in Joseph Raz, ed., Authority (Oxford: Basil Blackwell, 1990); Bruce Lincoln, Authority: Construction and Corrosion (Chicago: University of Chicago Press, 1991).

³² The argument in A Civil Republic was to study a civil global market so that it could be a foundation for a democratic world government. Among the points made was that of developing a civil polity in the economy and civil regimes in world regions. The UN would in-- this strategy--encourage world regions to develop beyond political-economic organizations, like the European Union and NAFTA. It would encourage civil federations in commerce that have constitutions based on democratic principles.

³³ Much of the literature on “global governance” today is about the use of common property resources (CPRs). For articles and bibliographic materials on that subject, see Oran R. Young, Global Governance (Cambridge, MA. MIT Press, 1997).

³⁴ I have heard the questions asked at the UN myself: “Is the UN strong enough to stop global warming? Can the UN regulate global markets? Does the UN have the power to prevent World War III?” Most scholars doubt it. Many want a stronger and more effective UN.

³⁵ For fifty years, The World Federalist Association (WFA) made the idea of a world government their singular concern. The WFA has been a non-profit educational and advocacy organization which advances the idea of a global republic patterned after the United States. Its leaders would strengthen the United Nations and all its institutions of governance. They believe that “peace is not merely the absence of war, but the presence of justice, of law and order based on the institutions of world government.” They promote the “universal rule of law” keeping in mind “the necessity of supporting local and national communities in a federal system of government.” World federalists seek to “build the political will necessary to find global solutions through a genuinely democratic international community under the rule of law.” They argue that world government is an essential for human survival. They have recently changed their name to Citizens for Global Solutions. But their aims are basically the same. See:

www.globalsolutions.org

³⁶ The League of Nations (LON) was founded in the wake of the First World War; it was established in order to provide the world with relief from armed conflict. The Covenant of the League of Nations forms the first part of the Versailles peace treaties of 1919 and 1920. The League began on January 10, 1920, and its inauguration occurred on January 16 with the first session

of its Council in Paris. The Covenant outlined the goals, organs, procedures and commitments of the League, which was centered in Geneva, Switzerland.

³⁷ Many of the ideas in the UN charter were based on the League of Nations and other international organizations. Although representatives of all the participating nations had a say in shaping the charter, the United States, the United Kingdom, and the Soviet Union had the most influence over its creation. The charter came into force on October 24, 1945.

³⁸ Weber said that “autocephaly” refers to how corporations acquire a chief and a managing group from within the corporation as opposed to outside it. We mean by this that firms in this world order remain independent of government. It is similar to the reference to independent church organizations in Byzantine law.

³⁹ “L’etat,” Louis XIV reportedly said, “c’est moi.” According to George Sabine, Machiavelli used the word “state” as a generic term for a body politic early in the 16th century. George Sabine, A History of Political Theory (NY: Holt, 1962). The meaning of “state” is still undergoing academic controversy. Frederick M. Watkins, The State as a Concept of Political Science (NY: Harper, 1934).

⁴⁰ If the UN is not strong enough to maintain peace, regulate markets, and provide for the general welfare, what type of political order could accomplish these ends? In Table 1, we see civil regimes developing as a strategy for specially defined fields of global governance. A civil polity is constructed around global federations. Global federations develop with support from IGO agreements and the UN. A civil polity in markets is based on the principle of freedom and the core values of civil society. It creates social bonds through common law and global charters. But it would not have armed forces to enforce agreements.

⁴¹ A civil polity in the market is different from world government. It is a social/economic bonding among stakeholders. It includes the participation of governments (IGOs) but is not controlled by them as a body politic. It is a political community with social, moral, and economic bonds that works as a self-defining system. A strong democratic and decentralized world government is developed while building a civil polity in a federated economy. The study of developmental plans for a global civil polity belongs to the UN and research universities, but we can offer guidelines here.