What We Know vs What We Teach about American Public Policy, and Why It Matters

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David Menefee-Libey, Pomona College
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If the only guidebooks we had to the American political system were high school civics textbooks, many of the most visible policy controversies of our time would be inexplicable. For example, why, in the midst of the greatest financial crisis in decades, when the U.S. government was running huge budget deficits, did American taxpayers bail out the United Bank of Switzerland? Or how did a twenty-something employee of a management consulting firm have access to thousands if not millions of the most sensitive documents in our federal government’s national security data systems? Or how could a Canadian internet service company have become crucial to the roll-out of the most important social policy development in decades? In all of these instances, private actors were deeply entangled in public policy. Yet high school textbooks tell their readers that public policy is the exclusive province of the public sector, of American governments. Public policy may be done for private actors, or to private actors, but not with private actors. Public/private collaboration or entanglement, based on these textbooks, is inexplicable.

In contrast, Americans relying on the research scholarship of politics and public policy might have an easier time understanding these controversies. Scholars of politics
have always been well aware of public policy for and to private actors, but we have also become increasingly aware of public policy done with private actors. Each of the instances above follow a well-established pattern of governments collaborating with private corporations in advancing public purposes, and private corporations in turn collaborating with governments as part of their business strategies. UBS, the United Bank of Switzerland, was one of the largest credit default swap counterparties to the U.S. insurance firm AIG – the American Insurance Group – and thus received $5 billion of the more than $100 billion loaned to AIG under the 2008 TARP (Troubled Assets Relief Program) to ward off the collapse of the financial system.\(^1\) Edward Snowden, a former National Security Agency analyst, worked for Booz Allen Hamilton, a major data analysis contractor to the NSA.\(^2\) CGI (Conseillers en Gestion et Informatique) Group, the Montreal-based internet services company, won the competitive bidding process to become the lead contractor for the federal health insurance exchanges established under the Affordable Care Act.\(^3\)

Politics and policy scholars investigate these controversies partly for pure understanding, but also in service to democratic capacity-building, to enable citizens to pursue aspirations and solve problems, and to enable legitimate public authorities to

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make policies and implement them. We publish our research in specialized journals, but one of the most important ways our research reaches citizens is through our schools, colleges, and universities, where we hope that our findings and analysis will shape the curriculum and textbooks they read. This research literature demonstrates that scholars and practitioners of American politics and public policy conventionally recognize the deep interdependence of governments and private sector organizations, including corporations.

High school civics and many college American government textbooks, on the other hand, present governments as deeply separate from and often antagonistic toward private sector organizations and businesses, and even the private economy. The texts’ near-silence on governmental collaboration with private actors conceals important realities about the American political economy, as well as American public policy, rendering many policies incomprehensible and undermining democratic engagement and effective policy making. But why? And so what?

This paper has three parts, in which I make two empirical claims and then consider their implications. First, I briefly survey current scholarship on relations between American governments and private sector organizations, particularly corporations. I claim that current scholars of politics and policy are well aware of public-private interdependence. Drawing on the research literature, I sketch out some rough categories of ways governments commonly interact with private actors, and I pay particular attention to our analysis of the ways governments draw on the capacities of private sector organizations – especially corporations – to accomplish public purposes.
Governments tend to do this for two reasons: to build and sustain capacity for the social and economic development of the nation, and to directly and indirectly implement public policies they lack capacity to accomplish on their own. Conversely, also drawing on the research literature, I sketch out categories of ways corporations commonly advance their own purposes through interactions with governments, including shaping public policy, influencing the filling of public offices, and contracting with governments for goods and services.

In the second part of the paper, I present my findings from fifteen of the most widely assigned high school civics textbooks (and, in a subsequent version of the paper, fifteen of the best-selling college textbooks on American politics and government). I looked for descriptions and explanations of these various interactions, and found only partial coverage. My second claim is that the texts tend to give their readers little basis for understanding interdependencies between the public and the private sectors, and particularly between governments and corporations. To begin with, many of them fail even to mention several of the most basic aspects of relations between the public and private sectors. Further, even those that mention any form of collaboration fail to present any coherent explanation. When they do present explanations, they tend to present such relations as zero sum: more governmental action and authority means less private freedom, capacity, and power, and vice versa.

In the third and final section of the paper, I discuss some of the disciplinary implications of these findings. I consider some possible reasons textbook coverage of public-private relations is so inadequate. Finally, I suggest some alternative ways scholars of politics and policy might formulate these matters to improve our own
research, make our findings more accessible to textbook writers and readers, and improve public understanding of important contemporary controversies.

**Research Scholarship on American Public Policy**

Relations between public and private action have always been at the heart of American political awareness, and a central concern for scholars of American politics. If, following Judith Shklar, we recognize Jefferson, Madison, and Hamilton as among the first scholars of American politics, we note their focus on enabling public action as well as both encouraging and protecting private action. The 20th century founders of the American Political Science Association, the American Sociological Association, and the Association for Public Policy and Management were certainly aware of these issues as well. Scholars and journals in these fields have consistently explored governmental actions and public policies created for, directed toward, or done in collaboration with private individuals, organizations, institutions, firms, and corporations.

The interdependence of the American public and private sectors is now broadly recognized in the scholarship of politics and public policy analysis. To stay with my opening formulation, scholars have long explored public policies for private actors, policies that enable and protect the development of civil society and the private economy. For civil society, many such policies are embodied in the amended Constitution, guaranteeing freedom of speech, religion, association, and privacy, and empowering governments to establish and maintain public order. Other policies are embedded in law and particularly the tax code, mitigating tax burdens for civil society organizations like

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religious congregations, charities, and non-profits. For the political economy, policies for
the benefit of private actors include those that organize the economy for all: defining
rules of property including intellectual property, creating currency, enforcing contracts,
setting market rules, providing public goods and ameliorating externalities, and educating
the labor force. The Founders recognized that the development of an economy of any
scale would require substantial governmental authority and action, and such policies have
grown with the nation.

One especially important set of public policies for the benefit of private actors
involves corporations. Of course, corporations existed well before the American
Revolution, but beginning in the 1820s and especially after the Civil War, American
governments at all levels moved to encourage and protect the development of
corporations into the most powerful drivers of economic development. By the end of
the 19th century, patterns were set that last to this day: governments grant corporate
charters that confer legal personhood, limited liability, and other protections for owners
and managers. They also enact tax and other laws that treat corporations differently from
“natural persons” and non-corporate business organizations. Governments subsidize
corporations and some other business firms as well, providing them with land, access to
publicly-owned natural resources, goods, services, education of labor forces, and

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5 Theodore J. Lowi, “Our Millennium: Political Science Confronts the Global Corporate Economy,”
6 Pauline Maier, “The Revolutionary Origins of the American Corporation,” *William and Mary Quarterly*
Corporation and American Political Thought: Law, Power, and Ideology* (University Park, PA: Penn State
7 Arthur R. Pinto and Douglas M. Branson, *Understanding Corporate Law* (New Providence, NJ:
LexisNexis, 2009).
supportive research, development, and production of new technologies. In recent years, they have increasingly granted corporations constitutional and legal protections previously reserved for natural persons, as with free speech rights in the familiar *Citizens United vs FEC* case. These are all domestic policies, and many have parallels in foreign policy as well.

Allow me to insert a brief diversion here into scholarship on corporations. Scholars of politics and public policy have long recognized the role of corporations as participants in public policy, dating from the earliest political writing about the Constitution. More recently, Roy has shown that special-purpose firms of that era served as the initial model for latter day business corporations:

Corporations were originally chartered by governments to accomplish public tasks, to build roads, construct canals, explore and settle new lands, conduct banking, and other tasks governments felt could not or should not be conducted privately. Contrary to the notion that corporations autonomously developed because they competed more efficiently or effectively in the market, governments created the corporate form to do things that rational businessmen would not do because they were too risky, too unprofitable, or too public, that is, to perform tasks that would not have gotten done if left to the efficient operation of markets.

Or, we could add, if left to governments, which often lack capacities available to corporations.

State governments developed and revised corporate law through the last decades of the 19th century, as they competed with one another to encourage industrialization and

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9 Supreme Court of the United States, *Citizens United v Federal Election Commission*, 558 U.S. 08 (Supreme Court of the United States 2010).
10 Maier, “The Revolutionary Origins of the American Corporation.”
employment growth, and accommodated the growing political power of corporate leaders and stockholders. Under these laws, and with the encouragement of the U.S. Supreme Court, the nature of corporations changed dramatically, as government-sanctioned monopolies waned and more competitive, finance-driven industrial corporations gained increasing freedom to control their own destinies. By 1900, several government-created characteristics of corporations became universal, most notably: charters for legal personhood, limited liability, and legal status for managers and boards of directors largely separate from shareholders. Further development of state, national, and international law during the 20th century enabled the development of multinational business corporations into what Ciepley calls “the world’s dominant institution.” Indeed, Anderson and Cavenagh reported in 2000 that 51 of the world’s largest economic entities were corporations, while 49 were national governments.

Scholars have long recognized the importance of corporations to the American political economy. Just like governments, corporations can be thought of as arenas for, and instruments of, collective action through which people seek to advance their interests and values. They are unlike interest groups or any other private actors in the American political system in the extent to which they are both created by governments, and act as governments themselves. Once created, because of their core role in the economic system, they need not seek further interactions with a government in order to influence it.

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16 Ciepley, “Beyond Public and Private.”
In the broadest sense, corporations’ performance in generating wealth and economic activity, employing people, producing goods and services, and paying taxes have tremendous consequences for governments in general, and specific political parties and office-holders in particular. This is true not just domestically, but globally.\(^\text{17}\)

Because the fortunes those owning and controlling corporations are strongly influenced, in turn, by governmental policies, corporations often participate in governmental policy-making at all levels. They lobby for policies that serve their interests and values, both as individual business firms and as trade associations of firms like the Chamber of Commerce or the National Federation of Independent Business. Employees, shareholders, and paid representatives of business corporations also draft some policy proposals that are ultimately enacted into statute, executive order, or court decision.\(^\text{18}\) The role of corporations also reaches beyond influencing the actions of public office holders, into shaping and determining who holds those offices in the first place. Business corporations participate powerfully in the American system of representative democracy by employing and socializing many of the people who will ultimately serve in elected office, sponsoring and recruiting those people to run for offices, funding and otherwise supporting those candidates in their election campaigns, and employing sometime public officials during periods when they are not in the public sector.\(^\text{19}\)

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\(^\text{17}\) Lowi, “Our Millennium: Political Science Confronts the Global Corporate Economy.”


Finally, scholars of politics and policy recognize that contracting with
governments is often a corporate business strategy. This is true for more than just
business corporations: it is conventional to describe the American political economy as
Because governments are among the largest purchasers of goods and services, private
phenomenon is visible at all levels of the federal system, as well as internationally.

This scholarship on corporations is relevant because corporations are the main
non-governmental collaborators with governments in public policy. Non-profit
corporations are important in this regard, especially in the delivery of social services. But
business corporations exert far more power in the development and delivery of public
policy, and they have become involved in virtually every policy domain.

With these observations about corporations in mind, let me return to scholarship
on governments and public policy, particularly what governments do to private actors.
Since the times of Jefferson, Madison, and Hamilton, perhaps the most frequently
investigated subjects for American scholars of politics and policy have been policies that
tax, regulate, and mandate private behavior for individuals, organizations, and
institutions. Obvious examples include corporate taxes and tax subsidies, environmental
regulation, and workplace safety mandates. One could find further examples in virtually any issue of almost every political science journal ever published.

Scholars of politics and public policy initially paid less attention to what governments do in collaboration with private actors. This is somewhat surprising, given the signal importance of corporations as partners in developing the railroad transportation and telegraph communication systems that enabled the social and economic development of the nation during the 19th century, as noted above. Such relationships drew increased attention beginning in the 1960s, however, as Great Society policies dramatically increased the scope and reach of the federal government. One magnet for scholarly attention was the growing collaboration of local and regional governments with corporations. This was most visible in social services, carrying forward practices dating back to the earliest days of the welfare state. Local charities, congregations, and religious organizations have always drawn on public support in providing food, shelter, and other social services. Private business corporations have likewise always been involved in local economic development, building infrastructure and housing, providing job training, and delivering other services. This role expanded as “public-private partnership” became a common urban policy buzz phrase in the 1960s and 1970s. But government contracting with corporations now reaches into virtually all policy domains, including, to take just one example well known to this department, government acquisition of military hardware.

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Another magnet for scholarly attention to government policies with private actors was concern over whether large and complex initiatives could be implemented accurately and in a timely manner. This gave rise to policy implementation as a field of inquiry, led first by Pressman and Wildavsky’s famous 1973 study, *Implementation*.

In successive “generations” of implementation studies in the 1980s and 1990s, scholars of political science, public policy analysis, and public administration investigated the evolving relationships between governments and organizations in the private sector. These researchers report that private actors and particularly corporations play an important role in implementation success and failure. In particular, they find that governments lacking capacity to carry out policies often turn to corporations for that capacity, either purchasing goods and services from them or collaborating with them as partners.

A third magnet for scholarly attention to such collaboration was the drive toward contracting and privatization that began in the late 1970s. Donald Kettl was among the first scholars to recognize a dramatic expansion of these forms of interdependence,

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writing as the public sector became increasingly unpopular in the 1980s and governments at all levels contracted out important functions like social service delivery and education to both non-profit and for-profit corporations.28 With the popularity of “reinventing government” during the presidential administrations of Bill Clinton in the 1990s and George W. Bush in the 2000s, governments at all levels dramatically expanded the range of delegated policy domains to include prisons, elementary and secondary schools, and security for diplomatic personnel overseas.29 Lester Salamon and others continue to document and analyze the expanding range of collaborative methods, including grants, vouchers, tax incentives, loan guarantees, and the creation of government-sponsored entities like Fannie Mae and Freddie Mac.30 Many of the policies identified by Paul Light in his 2000 survey of scholars on the achievements of American governments in the second half of the 20th century involved just such collaborations.31

Suzanne Mettler has recently broadened our view even further, drawing attention especially to the use of tax subsidies as policy instruments through which governments induce private and corporate actors to behave in desired ways.32 Such subsidies date back at least to the earliest days of the income tax. She has documented the importance of this side of this “submerged state” particularly for housing, health insurance, and

retirement savings policies, showing that subsidies amount to a sizable share of the federal fiscal system. Mettler and others have observed that these relationships often further “hollow out” the capacity of governments to accomplish things without reliance on corporations. Mettler and others have observed that these relationships often further “hollow out” the capacity of governments to accomplish things without reliance on corporations. Critics find particular fault with contracting and outsourcing, most recently in the troubled rollout of online marketplaces under the Affordable Care Act.

In any case, interdependence continues to grow in scope and scale. Public policy and public administration researchers, as well as scholars in sociology, economics and political science, and finally practitioners throughout the public and private sectors, recognize that governments collaborate very closely with private sector actors, and particularly with corporations.

How to summarize this research literature? I have identified five types of contemporary government activity that engage corporations and private actors in service to public purposes. I label them with the letter G to signify that they are government activities:

G1. Organizing the economy for all: defining rules of property including intellectual property, creating currency, enforcing contracts, setting market rules, providing public goods and ameliorating externalities, and educating a labor force, among other things;

G2. Legislating specifically to benefit corporations: granting corporate charters that create legal personhood, limited liability, and other protections for owners and

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managers, then writing tax and other laws that treat corporations differently from “natural persons” or non-corporate forms of business organizations;

These first two categories might be viewed primarily as policy done by governments for private individuals, groups, organizations, and institutions. The second is about policy for corporations, a particular set of private actors.

G3. Taxing, mandating, or regulating private behavior in order to produce or protect public goods, or to reduce negative externalities;
G4. Subsidizing corporations in various ways: providing them with land, goods, services, trained employees; and engaging in or subsidizing research and development of new technologies;

These next two categories can be thought of as policy done to private actors: sometimes viewed by those actors positively and sometimes negatively. Though they require acceptance, the interaction between governments and private actors in this category are not necessarily collaborative or mutual.

G5. Contracting for goods and services produced by corporations, and using those goods and services to implement public policies;

This last category captures the most collaborative policies, those governments do with private actors.

Because scholars recognize the importance of corporations in collaborative public policies, I also want to summarize the converse dimensions of these relationships as well. That is, the research literature documents corporate activities that engage governments. I have identified four types, which I will label with the letter C to signify that they are corporate activities:

C1. General economic activity: hiring people, developing and producing goods and services in the general economy, and paying taxes;
C2. Efforts to shape public policy by lobbying for preferred governmental action (or inaction), directly drafting legislative or regulatory language, or by litigating in courts;
C3. Actions that influence the filling of public offices, including by offering the practical experiences and employment that many office-holders use to launch careers in all avenues of public service, by participating in or financing election campaigns, and by employing sometime public officials during periods when they are not in the public sector;

C4. Contracting with governments to provide goods and services, the converse of category G5 above.

None of these categories is exclusively corporate, of course: private actors and organizations of all kinds may do any or all of them. Initially, the point is that, as they do these things, private actors engage the work and fortunes of governments. Nevertheless, the research literature demonstrates that the lion’s share of these activities is done by corporations.

To return to the original research question that motivates this paper, to what extent is this scholarship reflected in what we teach students about public policy in the United States? Do textbooks describe and explain the complex interplay between the public and private sectors, and in particular, the interdependence of governments and corporations?

**What We Teach about American Politics and Public Policy**

How does this scholarly portrait of the world compare to the public images of the public and private sectors, about public policy and political economy in the United States? Do our public conversations reflect an understanding that governments and corporations are interdependent, that each set of organizations relies heavily on the other to pursue its interests and values? One way that scholars hope to shape this public discourse is through what we teach American young people in our public schools.
Why Textbooks, and Why Civics and American Government Textbooks?

For most Americans, the one shared opportunity to learn about American politics and policy comes in high school, when most states require students to complete a course on civics or American government in order to earn a public high school diploma.\footnote{Amber Wichowski and Peter Levine, “Civic Requirements and Guidelines,” \textit{National Alliance for Civic Education}, n.d., http://www.cived.net/req_guid.html.} Nine in ten adult Americans have a high school diploma or equivalent, the overwhelming majority of them from public schools.\footnote{National Center for Education Statistics, “Fast Facts: Educational Attainment,” \textit{Fast Facts}, 2013, http://nces.ed.gov/fastfacts/display.asp?id=27.} For most of those high school graduates, their civics and American government curriculum came to them through textbooks, supplemented by information and ideas from their teachers. These courses and textbooks provide a common basis for American knowledge about the institutions and processes of the U.S. political system that scholars investigate, and about the important individual and organizational participants in the nation’s civic life.

I focus on textbooks because they are an essential link in the chain of ideas that now organize schools and schooling in the United States.\footnote{Frances C. Fowler, \textit{Policy Studies for Educational Leaders: An Introduction}, 4th ed. (Pearson, 2012).} This chain of ideas is embodied in “standards-based education,” the dominant logic of education policy and school reform at all levels of the American system since the publication of \textit{A Nation at Risk} in 1983.\footnote{National Commission on Excellence in Education, \textit{A Nation At Risk: The Imperative for Educational Reform} (Washington, DC: U.S. Department of Education, 1983).} Education policy makers make the first link in the chain by setting broad goals for what students should be expected to know, understand, or be able to do, and then developing content standards that students will be expected to master in order to
show that their achievement accomplishes those goals.39 Policy makers expect that these goals and standards will, in turn, drive the content of curricula, and that educational authorities will provide schools, teachers, and instructional materials to deliver those curricula to students. Teachers apply various pedagogies in presenting those curricula, and so on down the chain.

Policymakers view textbooks as the most important materials used to teach students, and researchers have substantially confirmed this view.40 Clawson notes that textbooks are “the most visible part of the curriculum, and textbooks play a central role in almost every classroom.”41 Along with the teacher, they are the embodiment of school itself. Olivo and others have found this to be particularly true in introductory courses for subjects students have not previously encountered:

The content of the textbook is central to the curriculum in introductory courses and to what the students take away from these courses as “truth.” A study of human geography textbooks points to the fundamental role of textbooks in initiating students to a discipline. The content of this most basic and accessible literature typically dictates the content of the curriculum more generally.42

Ferree and Hall make a related point in their investigation of sociology textbooks: that textbooks embody what is considered “mainstream” in a discipline: “that is, the sociology that teachers, students, and textbooks publishers have treated as nonproblematic.”

Education about politics and policy has long been a mainstream goal in the United States. Civic education is part of the fabric of American education. The United States was among the first nations in the world to develop a broadly inclusive public elementary education system, with local leaders establishing schools across the northeast in the early 1800s. In an increasingly diverse nation of immigrants, the first organizing principle of these schools was to enable all students to become citizens capable of self-government. Labaree shows that this commitment to democratic equality remains among the core goals of public elementary and secondary education. Chambliss presents a typical view: “In the ideal world, all students would be reading and learning from textbooks and other text materials that are comprehensible, concerned with important civic issues, and encourage students to participate in civic activities.”

Civic education is also a particular goal of political science as an organized discipline. The American Political Science Association has a standing committee on Civic Education and Citizenship, which provides curriculum, syllabi, and instructional materials.

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advice for schools at all levels. The association regularly publishes research on civic education for high school and undergraduate students, including the recent book *Teaching Civic Engagement.*48

**Data and Methods**

To discover whether high school American government/civics textbooks describe or explain the real world of interdependence between governments and corporations, I surveyed the most recent editions available of fifteen widely used texts. I identified these texts in two stages. First, I included any texts chosen by more than two of the 22 state governments which select or recommend the use of specific high school civics textbooks.49 Second, I included any texts chosen by large school districts outside of the 22 states already identified.50 This method is not perfect: while I am confident in identifying textbook-selecting states, I was unable to discover textbook policies for some

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50 Eleven of the 20 largest American school districts are in states with prescribed textbooks in American government/civics. Of the remaining nine, we were able to find prescribed textbooks for four. Ranked by enrollment, they are the Los Angeles Unified School District (CA), Montgomery County Public Schools (MD), San Diego Unified School District (CA), and Prince George’s County Public Schools (MD).
large school districts.\textsuperscript{51} Table 1 lists the fifteen texts I identified and surveyed, including the edition reviewed and its year of publication.

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Table 1: High School Civics textbooks considered in this report  \\
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\textsuperscript{51} We were unable to find American government/civics textbook selection policies for New York City Public Schools, Chicago Public Schools, the Clark County School District (NV), and the Philadelphia City School District.
I created a rubric to enable a consistent approach to reading the fifteen texts, a rubric that embodied the findings of the research literature outlined above. I first looked for and flagged instances in which a textbook’s authors explicitly defined “corporation,” either in the body of the text or in the book’s glossary. When authors defined the term, I look for whether they included specific government-defined characteristics of corporations in that definition: charters and personhood? limited liability? ownership by shareholders? management separate from shareholders? I also looked for treatment of non-business corporations: non-profit 501(c) organizations, and government corporations, to see if the authors contrasted them with business corporations. I then looked for coverage of several related topics that might include material on business corporations: the textbooks’ treatment of “business” and “the private sector.”

The remainder of the rubric focused on the nine types of governmental and corporate activity identified above, activities that involve public-private interdependence. Five numbered categories (G1-G5) capture governmental activities that affect corporations:

G1. Governments organizing economies
G2. Governments enacting corporation laws
G3. Governments taxing, regulating, or mandating private and corporate activities
G4. Governments directly subsidizing or otherwise assisting corporations
G5. Governments contracting with corporations for goods and services

Four numbered categories (C1-C4) capture corporate activities that affect governments:

C1. Corporations engaging in general economic activity
C2. Corporations influencing public policy
C3. Corporations influencing the filling of government offices
C4. Corporations contracting with governments for goods and services
With the assistance of several Pomona College undergraduates, I transcribed textbook passages captured by this rubric, and analyzed those findings using Atlas-TI software.\(^52\)

One challenge for my reading of these texts was to distinguish between passages in which authors simply mentioned a topic of concern to us, and those in which authors included that topic in a broader explanation of politics and policy. Wallace and Allen helpfully make a distinction between these two in their study of how textbooks portray African Americans in introductory American politics textbooks.\(^53\) Mentioning is a necessary but not sufficient condition for exploring any topic, and a textbook may compartmentalize a mentioned topic and completely fail to contextualize or explain that topic, or include treatment of it in the broader sweep of the textbook.

**Findings: What are Corporations?**

All fifteen of the textbooks mention corporations, and those passages focus primarily on business corporations. Of the fifteen, however, only nine make any effort to define what a business corporation is. Of these nine, two efforts are more limited than the others. Remy, in his discussion of business regulation in *United States Government*, only notes that “every business corporation must have a charter issued by a state government” and then spends four sentences summarizing changing state charter practices from the 1860s to the 1890s.\(^54\) The authors of the Smith text note that business corporations may be large or small, and that all are owned by their shareholders whose

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\(^{52}\) I would like to thank Pomona College students Charles Herman, Chad Powell, Jeffrey Zalesin, Emily Hays, and Tena Thau for their excellent research assistance in this portion of the project.


liability is limited to the money they have invested. But these texts do not define business corporations any further, or explain any of their defining characteristics.

Seven of the texts offer fuller definitions: the two Davis texts, Fraga, Hartley, Massing, McClenaghan, and Remy and his colleagues in their Civics Today text. A good example is the Hartley text: “A business organization chartered by a state government and given power to conduct business, sell stock, and receive protection of state laws.”

Hartley and the rest of the seven note that a corporation is created through governmental recognition of legal status through a charter or as a person. Three texts – Hartley, Massing, and Remy’s United States Government – explain that state governments give that recognition. Five of the seven that give the fuller definitions – all but the two Davis texts – include shareholder ownership, limited liability, and the legal separation of ownership from management control. The Davis texts include all of these except for the separation of control.

I should note that of these seven texts that define corporations more fully, three are joint American government/civics and economics texts, and one more is the government/civics-only texts written by a pair of authors who also produce a joint text. These four texts tend do more than others to draw connections between governmental and economic activity, though they also often draw sharp distinctions between forms of collective action undertaken in the public sector from those undertaken in the private sector.

55 Jane W. Smith and Carol Sullivan, United States Government (Boston, MA: Pearson, 2010), 558.
sector. Two of these five take a “how to” approach to collective action in the private sector, presenting a reader with issues to consider if the reader wishes to form a business.\(^5\) This is consistent with the way virtually all of the texts encourage readers to consider various collective action issues in the public sector, for example, how to solve public problems, influence public policy, or win election to public offices.

Readers of the seven texts that provide somewhat fuller definitions of corporations have at least a basis to understand corporations as actors in the political economy, and to learn about relationships among governments and corporations. The other eight texts, though they mention corporations, have only very limited grounds on which to understand such relationships.

**Findings: Governments Activities that Affect Corporations**

In what ways do these texts treat government activities that affect corporations?

**G1. Governments organizing economies.** The authors of all the texts cover governmental policies for the benefit of private actors in civil society and the economy. All fifteen texts have at least one chapter on economic policy in which they present descriptions and explanations of American governments’ roles in organizing the economy. Most focus on the special importance of the federal government, for example in the Davis texts, where the authors explain that this role dates to the founding:

To make sure that the economy of the new nation would be strong and be able to grow, Article I, Section 8 of the Constitution gave Congress the power to coin money, collect taxes, borrow money, set up a postal service, build roads, and regulate commerce. In other words, Congress was to lay a foundation on which a market economy could flourish.\(^6\)

\(^5\) Ibid.; Remy et al., *Civics Today: Citizenship, Economics, & You.*

\(^6\) Davis and Fernlund, *Civics*, 346.
Virtually all of the texts also note that governments are major participants in the economy themselves, employing millions of people and producing goods and services worth billions of dollars. But few of the texts explicitly link these governmental activities to the economic fortunes of corporations.

**G2. Governments enacting corporation laws.** Eight of the fifteen texts – the two Davis texts, Fraga, Hartley, Janda, Massing, and the two Remy texts – mention laws enacted specifically to enable the creation of corporations or to provide specifically for their participation in the economy. Coverage in these texts includes various combinations of the legally defined characteristics of corporations mentioned earlier. Janda also mentions laws that license corporations to engage in specific business activities. As I also noted earlier, state governments are especially important to corporations because states issue the charters under which nearly all domestic business corporations operate, and they control most business licensing. Yet only three of the texts – Hartley, Massing, and Remy’s *United States Government* – specifically mention this state role.

**G3. Governments taxing, regulating or mandating corporate activities.** All fifteen texts give substantial coverage of public policies done to corporations, other businesses, and other private organizations. In their economic policy chapters, all of the textbooks offer substantial descriptions and analysis of taxation and government regulation of business activities, goods and services. Further, they all present content on government regulations and mandates that help to protect the public and public goods. All the texts explain that governmental regulations induce businesses to change their behavior for public benefit by, for example, avoiding predatory business practices,
keeping workplaces safe for employees, producing food and other goods that do not harm consumers, and avoiding environmental destruction and pollution. Also, in their various discussions of federalism, all of the texts note that state governments regulate commerce within their boundaries.

These discussions of regulation raise the issue of collaboration between the public and private sectors, but only indirectly. And aside from the four texts that mention that corporations are taxed differently from other businesses, none of the texts single out ways these government activities might be directed at corporations any differently from other forms of business organizations.

**G4. Governments directly subsidizing or otherwise assisting corporations.**
Ten of the fifteen texts mention one or more ways that governments use domestic and international policies to subsidize American businesses. There is no consistent focus or analysis among these passages, which cover topics including tax breaks, protection from domestic competition, the building of local special-purpose infrastructure, agricultural subsidies, direct business loans and loan guarantees, research and development, and the provision of Census data. Further, all of these passages are about government efforts to support business in general. None of the texts single out government activities focused on corporations in particular.

**G5. Governments contracting with corporations for goods and services.** Five of the texts mention governments contracting with businesses to advance public purposes: Downey, Edwards, Janda, Remy’s *United States Government*, and Wilson. In all of these cases, the authors note that such contracting is to purchase goods and services
these governments lack the capacity to produce in a satisfactory way. Downey offers a strong example:

The federal government spends billions of dollars every year. Much of it goes out in contracts and grants. For example, the federal government awarded billions of dollars in contracts to fight the war in Iraq. The money bought supplies such as uniforms, weapons, and food as well as services such as security for U.S. officials in Iraq.

Federal grants are awards of money given for many different kinds of activities. A grant might be $100,000 to improve the downtown area of a small city. A grant might also be millions of dollars to a major university for research.61

Janda’s text is also exemplary, in part because it is the only one which explains government contracting with both not-for-profit organizations and for-profit businesses to provide social services.62 Janda also discusses privatization, and concerns about “hollowing out” governments, though he defines a hollowed out government as one “that is distinct from the programs it funds, disengaged from interaction with the people it serves.”63 Again, however, aside from the Janda passage about non-profit organizations, these passages all concern businesses in general, not business corporations in particular.

Though several of the texts note that governments in general purchase goods and services from the private sector, I will exclude these passages because they do not attach any particular policy purpose to those purchases, other than to encourage aggregate economic activity.

Findings: Corporate Activities that Affect Governments

In what ways to these texts treat corporate activities that affect governments?

61 Matthew T. Downey, Contemporary’s American Civics and Government (Chicago, IL: Wright Group/McGraw-Hill, 2007), 147.
63 Ibid., 443.
C1. Corporations engaging in economic activity. Only five of the texts – Barbour, the two Davis texts, Remy’s Civics Today, and Schmidt – specifically mention the importance of corporate activity to the broader economy of the nation, or to the effectiveness and perceived legitimacy of governments. Davis, for example, notes that “[l]arge businesses organized as corporations dominate our economy today. They make nearly 90 percent of the total sales in the American economy.”64 Three more of the texts note the importance of business without singling out business corporations. For example, Edwards uses Wal-Mart as an extended example in the chapter on economic policy, noting that “Wal-Mart epitomizes the embedding of the U.S. economy in the global economy, a trend that will continue to have enormous impact on the domestic economy and the politics of economic policy.”65 A student who understood business corporations would certainly recognize that Edwards was referring to corporate activity, but he does not make the specific connection.

C2. Corporations influencing public policy. The next two categories are more conventionally recognized. Every one of the fifteen textbooks includes descriptions and explanations of the efforts of corporations and other businesses to influence public policy, especially through lobbying. This coverage is included both in chapters on governmental institutions like Congress and the presidency, and in chapters on the role of interest groups in American politics. Yet, again in these chapters, to the extent that corporations are mentioned at all, their activities are not distinguished from those of other business proprietors advocating for their interests. All participants are described as engaging in similar activities: shaping public opinion, joining in community activities.

64 Davis, Fernlund, and Woll, Prentice Hall Civics, 385.
visible to public officials, providing research and information, contacting public officials, and so on.

**C3. Corporations influencing the filling of government offices.** This latter point relates to the broader matter of corporations using various means to fill elective and appointive public offices. All the texts describe and explain efforts by American businesses to influence elections, especially by contributing money to election campaigns, but also by sponsoring advertising and other efforts to directly influence voters. The publication dates of these texts straddle the U.S. Supreme Court’s 2010 ruling in *Citizens United vs Federal Election Commission*, which outlawed most restrictions on corporate electoral activity and campaign contributions, so it would be unfair to criticize them for not yet assimilating the impact of that ruling. Aside from the partial exceptions of Janda, McClenaghan, and especially Schmidt, the texts’ campaign finance sections therefore mostly focus on activities governed by the old Federal Election Campaigns Act (FECA) and the 2002 Bipartisan Campaign Reform Act (BCRA). They focus on Political Action Committees (PACs), the separate organizations that businesses, trade associations, and unions established for campaign contributions in the pre-*Citizens United* era. These passages rarely distinguish the activities of business corporations from other businesses.

Only the Wilson text discusses efforts by corporations or businesses to influence the filling of appointive public offices. It does so in a section on “The Revolving Door,” a pattern in which people pass between employment in government and employment in businesses. Wilson notes that corporations may foster, and benefit from, this pattern: “If a federal official uses his or her government position to do something for a corporation in
exchange for a cushy job after leaving government, or if a person who has left
government uses his or her personal contacts to get favors for private parties, then the
public interest may suffer.”

**C4. Corporations contracting with governments.** Only three of the texts –
Janda, Massing, and Wilson – offer any description and explanation of business and
 corporate efforts to win contracts with governments to sell them goods and services.
Interestingly, this roster of texts doesn’t match up cleanly with the roster of five texts that
mention government contracting for public policy purposes, which included Downey,
Edwards, Janda, Remy’s *United States Government*, and Wilson. In the case of
corporations and businesses seeking government contracts, Massing offers the most
passive view, simply reporting that “[b]usinesses sell goods and services to households
and the government.” The other two texts present a more strategic view. Janda
explains that

> Social services are labor intensive, and state and local governments have found
it efficient to outsource programs to nongovernmental organizations,
principally nonprofit organizations like community health centers and day-care
centers for elderly persons. Recently, for-profit companies have started to
compete for the grants and contracts that the government awards through
competitive grants or bidding.

Wilson discusses the issue in several contexts, including firms using “revolving door”
 incentives to influence FDA decisions, asking their Congressional representatives to help
them to gain “earmarked” project funding, and taking advantage of sole-source defense

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contracts to avoid cost controls.\textsuperscript{69} In none of these cases does Wilson describe these firms as corporations, however.

To sum up, these textbooks only partially reflect scholarly research on American politics and public policy concerning relations between the public and the private sectors, and particularly between governments and corporations. All the texts mention corporations, but only a bare majority offer any definition. Only three of the texts identify the level of government which grants corporations the charters without which they cannot exist. The seven that do offer somewhat more complete definitions do not present a consistent view of the dimensions that make corporations distinctive participants in, or components of, our political system.

When it comes to public policy, the texts cover some aspects of public-private relations reasonably well. They cover activities governments do for the development and protection of civil society and the private economy, though most of them do not mention or explain what governments do for corporations in particular. They also cover what governments generally do to private actors, including taxation, regulations, and mandates, though again they rarely identify particular ways governments conduct these activities in relation to corporations.

Where most of these texts fall short is in describing and explaining what American governments do with corporations. Only six consider the contractual relationships through which governments collaborate with corporations to advance public policies: five texts mention this from the government perspective, and three from the corporate perspective.

\textsuperscript{69} Wilson, Dilulio, and Bose, \textit{American Government}, 291, 356, 555.
The textbooks have far less to offer in describing and explaining corporate actions in relation to governments. They rarely distinguish business corporations from other forms of business organization, and when they do focus specifically on corporations, the texts rarely present corporations as strategic actors or arenas for strategic action in relation to governments.

With some notable exceptions, the growing collaboration between governments and corporations that has most defined policy change in recent decades is essentially absent from these textbooks. As I note in the outset of this paper, these collaborations are also among the most controversial political issues of our time. A student looking to most of these textbooks for guidance on how to understand these developments and controversies would be left empty-handed. And though we as scholars have worked to investigate, document, and explain the interdependence of governments and corporations, we have failed in our stated intentions to have our scholarship reach broader audiences, to enable democratic governance, as well as legitimate and effective policy making.

**Discussion**

These findings perhaps raise challenging questions. Why is there such a gap between what scholars know about and what our schools teach about American politics and public policy? And what might we do to close that gap?

**Why the gap?**

One possible explanation for the gap is political bias. As noted earlier, textbooks tend to present information and analysis that authors, publishers, schools, and teachers
regard as settled and nonproblematic. As Foster notes in his study of history textbooks, however, what one might consider nonproblematic can itself be problematic:

Textbooks not only illustrate the historical content transmitted to the young, but they also offer a window into the dominant values and beliefs of established groups in any period. Textbooks are socially constructed cultural, political, and economic artifacts. Their contents are not pre-ordained but are conceived, designed, and authored by real people with real interests. Essentially, textbooks appear as gatekeepers of ideas, values, and knowledge.70

Perhaps withholding information about the growing interdependence of governments and corporations would serve political purposes that such “real people” would object to, or find dangerous. Stated more bluntly, perhaps the gap exists because high school civics and government textbooks are being used as instruments of social control by politically powerful people.71

One need not argue that textbook authors, publishers, schools and teachers themselves concealing the interdependence of governments with corporations to conclude that political bias causes the gap. Perhaps those with authority over textbooks fear public controversy over describing and explaining collaboration between governments and corporation, and those in authority prefer to avoid controversy.

A second possible explanation for the gap comes from recognizing the fascination with decision making and choice among scholars of politics and public policy. I would not the first to note that scholars of politics frequently regard what happens after policy choice as an afterthought, that we more often focus on legislative enactment, executive

decision making, and judicial rulings and stop there. To borrow a standard formalism, policy can be understood to happen in distinct stages: from problem identification and agenda setting, to the identification of possible alternative responses, to authoritative choice of policy, to implementation of policy, to evaluation, to policy succession.\textsuperscript{72} The stages leading to enactment are often considered the core of politics, while implementation and evaluation are thought of as technical or mechanical exercises rather than matters for political contestation and analysis. The textbooks considered here tend to reflect this view, and are for the most part silent on how policies are implemented or the politics of policy evaluation.

This may help us understand the gap between what we know and what we teach about politics and policy. As I noted earlier in the paper, policy implementation is the stage at which governments are most likely to lack capacities to act effectively, the stage at which they are most likely to turn to corporations for assistance. In other words, implementation is the stage at which governments are most likely to act with corporations and other private actors. If textbooks do not cover this stage of the policy process, it makes sense that they will not fully engage the interdependence of the public and private sectors, or the collaboration of governments with corporations.

A third possible explanation for the gap is simple inertia: the curriculum for an introduction to American civics and government is set, and most textbook authors and publishers, as well as school authorities and teachers, simply follow the established

pattern.\textsuperscript{73} As Stroup and Garriott have noted, “[T]he introductory American government course follows much the same format everywhere, and has changed very little since Ogg and Ray’s classic \textit{Introduction to American Government} was published in 1922.”\textsuperscript{74} It turns out that there was much more variety in approaches to such introductory courses in the 1920s and 1930s than Stroup and Garriott suggest, as indicated by an APSR essay by Russell Story, a predecessor of mine in the Pomona College faculty.\textsuperscript{75} But that variety seems to have dissipated in the years after World War II, and their generalization certainly holds today. (You may already know that Ogg, incidentally, was a predecessor of yours here at the University of Wisconsin.)

Without exception, the authors of these textbooks organized their presentation of American government and politics in much the same way. After some kind of introduction, each described the founding and Constitution of the United States with particular attention to the separation of powers, federalism, civil liberties and civil rights. Each devoted chapters to the branches of government: Congress, the Presidency and the Executive, and the courts. Each had chapters on political participation and interest groups, campaigns and elections, the media, economic and social policy, and international affairs. The authors all take a formal approach to the subject, focusing on institutions and processes, as well as clearly defined types of individual and group

behavior that engage those institutions and processes. This approach is familiar to almost anyone who has ever taught or taken the “intro” class.

The approach focuses, like much of political science, on formal institutions and their primary functions in systems. This structural-functionalism does not remotely capture the range and variety of political science research today, so the dominance of this approach in textbooks is puzzling. I don’t want to dismiss structural-functionalism, because clearly we as a discipline have created valuable knowledge and understanding of Congress, for example, or mass voting behavior. But we have blind spots, as Ernest Wilson observed in PS almost 30 years ago in his essay on “Why Political Scientists Don’t Study Black Politics, but Historians and Sociologists Do.”76 By focusing on formal institutions and their primary functions, we have made it very difficult to recognize, describe, and explain the interdependence of the public and private sectors, or of governments and corporations. We have also made it difficult for anyone who might wish to produce a textbook that closes the gap between what we know and what we teach about American politics and public policy.

**How might we approach closing the gap?**

One way to respond to this challenge is to build on familiar ideas. Conventional American textbooks explain the world to students by drawing clear boundaries: public power in the United States is exercised by governments, the public sector. Their authors observe that we have many governments in the US: federal, state, and local. They also

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76 Ernest J. III Wilson, “Why Political Scientists Don’t Study Black Politics, but Historians and Sociologists Do,” *PS* 18, no. 3 (July 1, 1985): 600–607.
observe that most of these governments have separated powers: legislative, executive, and judicial.

This is true as far as it goes, but it does not go far enough, because it implies wrongly that the public sector is clearly separated from the private. That is, it implies that because they are private, corporations and other businesses, churches and religious congregations, and various civil society groups and organizations play no role in the exercise of public power. We have shown that this implication is wrong, that virtually all governments commonly collaborate with such private organizations in exercising their power, and that public/private boundaries are not as sharp as the textbooks imply.

A promising corrective may come from the observation that there is in fact a third, de facto dimension to the separation of public powers in the US: 1) among levels of government, 2) among branches of government, and 3) between public and private sector organizations. On all three dimensions, successful politics and policy requires at least some degree of collaboration across lines of separation. In our diverse and pluralistic system, no actor or organization – public or private – can exercise power for long without collaborating in some way with others.

This formulation broadens and deepens the scope of Harold Lasswell’s traditional textbook question that defines politics: who gets what, when, and how. It enables productive questions about power and values: who is collaborating with whom in exercising power, how, and for what purposes? Readers may then more thoughtfully recognize that politics is about all kinds of actors working strategically to advance their interests and values in these collaborative relationships.

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Let me only briefly suggest two other ways of closing the gap. One would accept the formalism common in political science, but switch formalisms. Instead of taking the Ogg & Ray approach and focusing on the branches of government isolated from collaboration with private actors, a text could take the policy chain approach outlined above, considering the politics of agenda-setting, identifying and developing alternatives, making authoritative policy choices, implementing those choices, evaluating the policy and its implementation and impact, and moving on to policy succession.78 As noted above, including the implementation and evaluation of policy would necessarily broaden the scope of any textbook to include collaborations between governments and corporations.

A final possibility would be to stop organizing instruction around the comprehensive formalism of structures and functions. One could write a textbook or build a civics and American government course around a small number of important case studies in various policy domains, or around policy networks within a particular policy domain79, or cases that involve competing collective action strategies in the public and private sectors.

Whatever remedy we attempt must be evaluated on its effectiveness in closing the gap between what we know and what we teach about American government and public policy, in service to democratic and effective governance.

78 Peters, American Public Policy.
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