Comparing the Chamber Systems— What a Colourful World

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Chamber models say a lot about how a democratic society wants individuals or groups of its members to regulate and represent its concerns. The answer is not the same everywhere, but at the same time, it makes it clear which understanding of corporate responsibility prevails in a particular society. The following chapter, therefore, begins by comparing the German chamber model with associations and forms of interest representation and economic self-governance in other countries. It then goes into the details of individual chamber systems: As examples of further forms of self-governance of the economy in Germany, it presents the Chambers of Trades and Crafts and, as a chamber of so-called free professions, the Bavarian Chamber of Architects. In order to be able to make a comparison with international alternatives, it then looks at Austria and the USA and presents the self-governance model of the Austrian Federal Economic Chamber and the Chambers of Commerce under private law in the USA.

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Chambers and More—Organising the Economy, Representing Interests

In Germany, the chambers are institutions legitimised by the legislator. This is not the only way of organising business and representing its interests, both in Germany itself and in many other countries around the world—but it is a particularly effective way.

Hardly any other country in the world has as many chambers of commerce as the Federal Republic of Germany. In addition to the Chambers of Commerce and Industry, in which all tradespeople manage their own affairs, the Chambers of Trades and Crafts, Chambers of Agriculture or the special Chambers of Employees (“Arbeitnehmerkammern”) in Bremen and Saarland, there are numerous chambers covering individual professions. These include the chambers of physicians, dentists, veterinarians, pharmacists and psychotherapists as well as those of the so-called free professions: lawyers and patent attorneys, tax consultants, notaries, auditors, architects and engineers. What they all have in common is that they are corporations under public law:

- They are established and dissolved exclusively by the legislature.
- There is a legal requirement for membership, but not always in the Chambers of Agriculture.
- The legislator is allowed to offer them guidelines and assign them certain tasks and privileges.
- They represent the interests of their members on a case-by-case basis and participate in the political decision-making and design process.

Different National Chamber Systems

What does the chamber system look like in other countries? First of all, a look at Europe—its chamber system is as colourful as Europe itself, which is clearly illustrated in the anthology “Wirtschaftskammern im europäischen Vergleich” (2017) by Dr. Detlef Sack, Professor of Comparative Political Science at the Faculty of Sociology at Bielefeld University. A select few examples that Detlef Sack has compiled: Austria has a comparably broad chamber system as the Federal Republic of Germany, where functional self-governance was even enshrined in the constitution. In France, Italy, Luxembourg and Croatia, the chambers are institutions under public law with compulsory membership. In Greece, Slovenia or Spain, there was once compulsory membership with compulsory contributions, but this was abolished. So-called compulsory registration applies in Spain and also in the Netherlands and Hungary. In Finland, Lithuania, Estonia and Latvia, chambers under public law have been set up, although membership is voluntary. In Serbia and Albania, new chambers with compulsory membership have been established.

In the USA or Great Britain, there is no law that provides for the establishment of institutions in which entrepreneurs or members of individual professions self-govern and represent themselves. Particularly in the United Kingdom, Ireland and the USA, politicians and entrepreneurs often regard the German chambers as monopoly associations that hold so much power that they are incompatible with the principle of freedom of trade and thus a free market economy. Business and professional associations therefore only exist in these countries if private individuals have founded them. Accordingly, there is no law forcing entrepreneurs to become members of organisations that are more comparable with German associations.

Excursus: The British Professional System

In British economic life, representatives of certain professions are essentially forced to be members of the profession's organisation. Otherwise, they are not allowed to practise their profession or to use certain additional titles awarded by the organisations in their professional title. For example, a British lawyer may only represent clients in court if he or she is a member of one of the four "Inns of Court". These self-governing bodies train lawyers to practice in court and decide on their admission as barristers. A tax adviser, in turn, may only use the suffix "CTA" in Great Britain if he or she is a member of the Chartered Institute of Taxation. Additions to a person's actual professional title are regarded in Great Britain as a sign of special professional competence and thus decide on a career and earning opportunities.

Chambers Versus Associations

The (German) chamber system is therefore not the only way to organise the self-governance and representation of interests of those involved in economic life. At the same time, numerous associations exist in Germany itself, in addition to the chambers. These are usually registered associations and organised under private law in accordance with the relevant provisions of the German Civil Code (BGB). The right to found an association is based on the freedom of association guaranteed in Article 9 Paragraph 1 of the Basic Law (Grundgesetz) and can be claimed by any private individual.

Specificity of the Chambers in Germany

This leads to the specificity of the chambers in Germany. Chambers are public corporations established by the legislator (and can also be dissolved again)—and thus represent an expression of the democratic principle of popular sovereignty: The economy has the right and the freedom to govern itself and to issue rules for its group members. At the same time, the legislator binds the chambers—in terms of the

respective chamber laws—to strict guidelines and subjects them to the requirements of the constitutional state and its applicable laws. As corporations under public law, the chambers are also part of the state structure. This is because they participate in the executive power of the state, which the state delegates to them in the form of sovereign tasks. In the sense of these public tasks delegated by the state, as well as their own rules, the chambers may exercise sovereign authority over their members—in the case of professional chambers, this can go as far as the withdrawal of the right to exercise the profession. In the case of chambers of commerce and industry, a comparable possibility is, for example, the withdrawal of the training or trade licence, which, however, should only be applied as a last resort—in keeping with the principle of proportionality.

The state supervises the chambers to ensure that they perform their tasks and exercise their freedom of organisation in accordance with the law. In the case of the chambers of commerce and industry, the Ministry of the Economy for the respective federal state exercises legal supervision.

Representation of Interests Using the Example of the CCIs

In addition to the public services entrusted to them by the state, chambers usually have other tasks, especially the representation of their members' interests. In the case of chambers of commerce and industry, this is subsumed under the term "overall representation of interests". The general representation of interests is the key concept here: A CCI represents the so-called "one-man-band" as well as the corporation with several thousand employees—without making any distinction. Just because a company pays a higher membership fee or is more important to the region in question, this does not automatically impact on a position adopted by the CCI. In its opinion-forming process, the chamber is therefore obliged to determine, weigh and balance the positions and interests of its members. If the views of individual member groups deviate significantly from the majority opinion, the chamber must point this out in its statements. In public discussions, the chambers are obliged to be objective. The position of the chamber as a whole is discussed and decided by the democratically elected general assembly. This should be a mirror image of the chamber district. All members may elect their representatives or put themselves up for election.

Compulsory Membership as a Basis

While the advantages of the chambers are obvious, the compulsory membership they require is nevertheless controversial. Without compulsory membership, however, the representation of interests, in particular, would not function—a position argued by the German Chambers of Commerce and Industry, which received backing from the Federal Constitutional Court in Karlsruhe in 2017: This is because, without compulsory membership, the composition of the members would depend too much

on chance—and thus also the formation of opinion and participation. On the other hand, compulsory membership enables the chambers to take up and represent all economic policy perspectives that exist in the chamber's district. At the same time, they fulfil public tasks, according to Germany's highest judges.

Specific Characteristics of Private Law Associations in Germany

Associations do not know all these specifications. Every private person can found an association. Associations are only legitimised by the rules that the members—who voluntarily organise themselves—acknowledge in their statutes. Therefore, unlike chambers of commerce, they may not as a rule exercise state authority, that is sovereign tasks, and do not serve the self-governance of the members organised in them, but only the representation of their interests. This is also a major reason why associations organised under private law do not play the same role for the vocational training system in their countries as the chambers under public law in Germany.

Associations under private law can choose whom they want to admit as members. They are not required by law to take minorities into account in their opinion-forming process and, unlike the chambers, they can present their positions in a more polarizing and polemical manner. Nor are they obliged to balance the interests of their members. Thus, members with significant economic importance will generally also have more influence on the opinion-forming process and assert their individual interests accordingly.

Private Law Business Associations in the USA

If the chamber model in Germany is one of several models, other states completely refrain from establishing chambers committed to democratic principles and leave it to social forces themselves to organise their representation of interests. This is described using the example of the United States of America: Here, entrepreneurs and workers exercise their fundamental democratic right of freedom of association. It is true that, in this way, it is possible to avoid the emergence of corporations which—according to the Americans' standpoint—may become over-powerful through the transfer of state power and democratic legitimisation. However, from the point of view of those in favour of the chamber, the organisations formed as an alternative again have some disadvantages. For example, in those interest groups set up under civil law and dependent on the financing of their members, financially strong members can often exert more influence than members who do not have the corresponding funds. The positions that such associations bring to the political opinion-forming process are therefore not representative. On the contrary, they may be the expression of the views of individual large companies that have pushed through their special interests by threatening to leave the association. Since such

associations are not bound to the confines of objectivity, they can also usually bring their positions into the public debate in a more pointed form, which is more likely to be noticed there than through the balancing of opinions within chambers under public law—which can, however, sometimes also make it easier to represent the political interests of the members. A further disadvantage is that chambers that rely on the contributions of their members cannot develop the same range of services as chambers with compulsory membership. This is because, in order to build up the necessary staffing capacities, the organisations would have to be able to rely on permanently calculable income.

Conclusion: In an international comparison as well as in comparison to the work of the associations: In Germany, the chambers have proven to be a lasting practice and purposeful for the benefit of the economy, not only in terms of self-governance and the representation of interests but also through their services and their ethical standards rooted in the model of the honourable merchant.

Interview: The German Chamber System—Ensuring Justice by the Letter of the Law

The German Chambers of Commerce and Industry, Chambers of Trades and Crafts and Professional Chambers guarantee the representation of the political interests of all their members. They benefit from this as well as from the execution of administrative tasks that the state has assigned to the chambers. An interview with: Professor Winfried Kluth. The former judge at the Constitutional Court of Saxony-Anhalt is Chairman of the Board of the Institute for Chamber Law in the city of Halle and teaches public law at the University of Halle-Wittenberg.

Prof. Dr. Winfried Kluth, Photo Credit: Private

The Chambers of Commerce and Industry form part of the indirect state administration in Germany, just like the Chambers of Trades and Crafts and the Chambers of Free Professions. Why does the state relinquish sovereign rights and allow parts of society to administer their own affairs themselves?

At first glance, the state may appear to be giving up administrative, design and control powers by establishing the chambers. In return, however, it obliges the persons and companies represented in these organisations to participate in state tasks by advising the state with their expertise, or by performing state tasks themselves, for example by keeping registers and conducting inspections. This enables the state to perform the tasks reserved for itself with a higher degree of quality.

What exactly do the chambers do for the state?

The chambers provide the state with representative opinions on economic legislation and relieve the state administrative function by performing sovereign tasks.

Does it not receive this from associations?

Due to the fact that membership to an association is voluntary, not all traders or representatives of a profession are organised in them. This is not representative.

And in the chambers?

Compulsory membership ensures that all tradesmen, craftsmen or freelancers are represented in the organisation. In this way the chambers represent the interests of these professions. The state is therefore better informed when it receives opinions from these organisations. All the more so, given that the chambers are also obliged to be particularly objective when preparing positions.

Why do the members of the chambers benefit from this?

Because they have the guarantee that their voice will be heard. Because the Federal Constitutional Court obliges the chambers to take into account the interests of all their members in their opinion-forming processes and in their respective statements. Chambers are thus a way of ensuring by law that justice prevails between large and small companies in the representation of their interests.

How do the chambers put this into practice?

Of course, the democratic majority principle also applies in chambers when making decisions. However, unlike associations, they are obliged to point out if a significant proportion of their membership views deviate from the majority position. On the other hand, an association can commit itself to a one-dimensional position on the basis of the majority decision taken.

It is understandable that equal opportunities within the chamber are in the interest of the members. But why should chamber members also finance administrative tasks through their obligatory contributions, which the state should actually carry out?

Through the chambers, the state lets those tasks be performed by those who have the necessary expertise and practical experience and who are affected by the tasks at hand. The parts of a society organised in the chambers can deal with their concerns more competently than the state can. Self-governance also ensures them a high degree of autonomy and thus democratic freedom. The alternative would be to increase the size of the authorities and to build up the expertise in state

administration required to carry out the relevant tasks. This is expensive and must be financed by taxes, which are ultimately paid again by the members of the chamber. The claim that a chamber system without compulsory membership would be cheaper for companies is simply window dressing. Last but not least, there are areas in which it would hardly be possible for the state to perform tasks of the same quality as the chambers.

Namely which ones?

In the entire field of vocational training, for example. This is where the German chamber system offers companies enormous advantages.

Why?

This is because the state is far too removed from the practical side of the business to be able to sensibly take over the practical side of vocational training within the dual vocational training system. This also strengthens German companies in an international comparison, as they can more easily meet the increasing international shortage of skilled workers. And because other countries lack a comparable training system, youth unemployment is also significantly higher there.

Professor Kluth, thank you very much for this interview.

The Chambers of Trades and Crafts—Representing Employers and Employees Simultaneously

While the Chambers of Commerce and Industry only represent entrepreneurs, i.e. exclusively the employers' side, the Chambers of Trades and Crafts represent the interests of craftsmen organised as enterprises, but also the interests of the employees who work there. At the same time, they, like the Chambers of Commerce and Industry, support their members with many services and public benefits delegated by the state.

Craftsmen manage their concerns in Germany across 53 Chambers of Trades and Crafts—or “HWKs” for short—as well as the trade associations and guilds of the individual crafts. The chambers represent the interests of all trade enterprises in their district—regardless of the craft they practice. In addition to the Chambers of Trades and Crafts, there are also guilds in the skilled crafts sector. The craft enterprises of a particular trade union are organised within these guilds—for example, carpenters, bricklayers, automotive mechatronic technicians or instrument makers. Both the Chambers of Trades and Crafts and the guilds are public corporations. The system thus combines the approaches of occupation-specific self-governance, as is the case with the chambers of the free professions, with a single chamber covering all craft trades. In some cases, there are close ties between the guilds and the chambers of trades and crafts in terms of personnel, given that individual honorary officers hold offices in both bodies.

Compulsory Membership and Definition of Membership

While owners of craft enterprises join the guilds voluntarily, they are by law members of the Chambers of Trades and Crafts—just like their apprentices, and other employees who have completed vocational training as well as owners of craft-like enterprises. This is regulated in the Crafts Code (“Handwerksordnung”) and distinguishes the Chamber of Trades and Crafts from the Chambers of Commerce and Industry, in which only employers are members.

Crafts Code as Basis

A business belongs to the skilled crafts if it is listed in one of the annexes to the Crafts Code—the equivalent of the Chamber of Commerce and Industry Act. There, 41 trades requiring authorisation are listed in which proof of qualification is required for independent practice. As a rule, this is the master craftsman’s certificate, but there are exceptions to this. The master craftsman is the highest qualification to be achieved in the craft. It follows on from journeyman training, which takes place in the dual vocational training system, and presupposes training as a master craftsman, culminating in the master craftsman examination. In addition, the annexes to the Crafts Code list 52 crafts that do not require a licence and 54 craft-like trades for which no proof of qualification is required for independent practice.

Rules of Participation for Employers and Employees

According to the Crafts Code, employees hold one-third of the mandates in the bodies of the chambers of skilled crafts, while employers hold two thirds. Exceptions are vocational training and journeymen’s examination committees, in which more than one-third of the members can also be appointed by the employees.

Election of the General Assembly by Pro Forma Election Without Ballot

Like the Chambers of Commerce and Industry, the Chambers of Crafts also have a general assembly, which is elected by the self-employed craftsmen, the journeymen and other employees who have completed their vocational training and who are employed in the craft trades, and which represents them accordingly. A special feature here is the pro forma elections, which are provided for as a procedure for electing the general assemblies in Section 20 of the electoral regulations. In the case of pro forma elections, the actual ballot is omitted if only a single list has been drawn up for the election, which contains exactly the same number of candidates as there are seats to be filled in the general assembly. The election proposal must also

contain at least as many employee representatives as there are seats to be filled in the general assembly. If the list meets these requirements, the candidates named on it shall be deemed elected without any electoral action being required.

Political Representation of Interests

By law, the Chambers of Crafts are obliged to comment on all draft laws relevant to skilled crafts. Given that the chambers represent both employees and employers, they must not only balance the interests of all craft enterprises and sectors but also represent the concerns of entrepreneurs and employees alike.

Further Tasks Under the Crafts Code

In addition to representing their interests, the chambers of crafts have other tasks to fulfil: They are responsible for the legal supervision of the guilds. They advise and support the authorities in craft matters with statements of opinion. Like the Chambers of Commerce and Industry, the Chambers of Crafts issue certificates of origin and advise their members on business and legal issues. They also maintain the Register of Craftsmen, in which anyone who has a legal claim—because he or she meets the requirements—must also be registered.

Role of the Chambers of Crafts in Vocational Training

A special focus of the Chambers of Crafts results from their training mandate within the framework of the dual vocational training system. Thus, they manage the so-called apprentice roles. In these roles, the chambers record all training relationships in their district. They also set up journeymen's examination boards, issue examination regulations for the journeymen's examinations and approve them. Trainees in the craft trades complete their training with the journeyman's examination. The Chambers of Crafts also regulate the conduct of the master craftsman examinations.

The master craftsman's examination is the most important further training examination in the skilled crafts. It is the seal of quality for entrepreneurs and managers within skilled crafts. The master craftsman's examination consists of four independent parts: Professional practice, professional theory, business administration and law as well as vocational and work education. In the practical part of a master craftsman's examination, a master craftsman examination project must usually be carried out. The master craftsman examination project consists of the planning, implementation and control of a typical, demanding professional product or business process or service.

Box: A Brief Look at the Legal Basis

According to Section 91 of the Crafts Code, the task of the Chamber of Trades and Crafts is in particular:

- to promote the interests of the craft trades and to ensure a fair balance between the interests of the individual crafts and their organisations,
- to support the authorities in the promotion of the craft trade sector by providing suggestions, proposals and expert opinions, and to submit regular reports on the conditions of the craft trade sector
- to play a leading role in the craft trade
- to regulate vocational training, to lay down the underlying rules, to monitor its implementation and to maintain an apprentice register,
- to adopt rules on examinations in the context of vocational training or retraining and set up examination boards for this purpose
- to issue apprenticeship examination regulations for the individual trades, to set up examination boards for the acceptance of the examinations or to authorise trade guilds to set up examination boards and to monitor the proper conduct of the examinations,
- to issue master craftsman examination regulations for the individual crafts and to manage the affairs of the master craftsman examination board,
- to establish equivalence
- to promote technical and business management training for master craftsmen and craftsmen, in order to maintain and increase the efficiency of the craft trades in cooperation with the guild associations, to create or support the necessary facilities for this purpose and to maintain a trade promotion office for this purpose,
- to offer measures for the promotion and implementation of vocational education and training, in particular vocational preparation, vocational training, further vocational training and vocational re-training, as well as further technical and business management training, in particular certificates of competence and examinations of expertise in accordance with the statutory provisions, in accordance with the provisions of the accident insurance institutions or in accordance with technical standard regulations in cooperation with the guild associations
- to appoint and swear in experts to give expert opinions on goods, services and prices maintained by craftsmen and women
- to promote the economic interests of the craft sector and the institutions serving them, in particular the cooperative system,
- to promote design in the craft sector,
- to set up mediation bodies to settle disputes between owners of a craft business and their clients

- to issue certificates of origin for products manufactured in craft industries and other certificates used in commercial transactions, unless legislation assigns these tasks to other bodies,
- to take or support measures to assist craftsmen or other workers in need, who have completed vocational training.

The Bavarian Chamber of Architects—Promoting Building Culture

If the CCIs represent companies, the Bavarian Chamber of Architects—as an example of another chamber organisation—is defined as a professional association. Its tasks are comparable with those of the CCI: It assumes public tasks assigned by the state, it represents interests, ensures a high quality standard with an extensive further education and training programme and offers information material and consulting services.

The Bavarian Chamber of Architects represents everyone who practises the profession of architect, interior designer, landscape architect or urban planner—irrespective of whether they do so on a freelance basis, as an employee, civil servant or on a construction-related basis. Membership of the Chamber is compulsory for all these individuals. This is comparable to the other chambers supporting the so-called free professions—for example, doctors, non-medical practitioners and psychotherapists, lawyers, tax consultants or auditors.

Protected Professional Title Through the Chamber’s Own List of Architects

Only those who are registered in the list of architects or urban planners maintained by the Bavarian Chamber of Architects in the relevant field, or who are members of another state chamber of architects, may use the protected professional title of “architect”, “interior architect”, “landscape architect” or “urban planner” and/or other related phrases. This is regulated by the Bavarian Construction Chamber Act. Only those who live in Bavaria, run an office there or have a predominant occupation, who have successfully completed a corresponding course of study in the relevant field and can also provide evidence of at least two years of professional experience are registered. Degrees can be obtained as a Bachelor or Master, and in the field of architecture a minimum of four years of study is mandatory; for the other fields a minimum of three years of study is mandatory. Whether the

registration requirements are met is determined by an autonomous registration committee, which for organisational reasons is based at the Chamber. The Chamber may impose a fine on anyone who unjustifiably uses one of the protected professional titles mentioned above. Conversely, consumers can therefore rely on the fact that the person registered in the list of architects or urban planners is actually technically qualified and entitled to use the legally protected professional title.

Legal Obligation to Protect the Profession's Reputation

The delimitation criterion for compulsory membership of the Chamber of Architects is not, as in the case of the Chambers of Commerce and Industry, the type of business a person runs, but rather the profession he or she practises. For this reason, the range of tasks of the chamber—as with all other chambers supporting the free professions—is much more closely tailored to the needs of the profession. Together with the Bavarian Chamber of Structural Engineers, the Bavarian Chamber of Architects is obliged to “...safeguard the professional interests of all its members as well as the reputation of the profession [...] and to monitor the fulfilment of professional duties.” On the one hand, this obligation is the result of the democratic conviction that members of the free professions are entitled to determine autonomously in their self-governing bodies the principles and rules according to which services are rendered by members of their profession. On the other hand, architects, like representatives of other liberal professions, have a vital interest in this self-regulation when it comes to quality assurance. This is because, if they do not meet the requirements they have defined, the reputation of their profession in society as a whole will suffer.

Privilege of Comprehensive Right to Submit Building Applications Only for Members of the Chamber

The Bavarian legislator supports this professional quality management by having included in the Bavarian Building Regulations (Art. 61 BayBO) that a limit is placed on the circle of persons who are allowed to prepare the necessary documents and plans when applying for a building permit. Authorities issue a refusal to builders if they enclose plans with their building application that have not been submitted by persons who are not entitled to present them. Persons who are entered in the list of the Bavarian Chamber of Architects as “Architects” or in the list of engineers entitled to submit building documents maintained by the Bavarian Chamber of Structural Engineers are entitled to submit building documents. The right to submit a building application, which is limited to certain small and medium-sized building projects, is also granted to successful graduates of a degree course in architecture or civil engineering, to state-certified building technicians and to master craftsmen in the fields of bricklaying, concrete construction and carpentry.

Support for Professional Courts by the Chamber of Architects

In order to ensure that the members of the Chamber also comply with the quality requirements when exercising their profession, the so-called “Baukammerngesetz” (Construction Chamber Act) provides for the establishment of professional courts. These are instances of the Bavarian state justice, which are independent of the Bavarian Chamber of Architects. However, the Chamber is obliged to support the professional courts in their work. Thus, the Board of the Chamber must propose assessors for the professional courts to the competent regional courts. The courts conduct disciplinary proceedings against architects who violate the professional obligations imposed on them by Article 24 of the Construction Chamber Act. Therein it states: “The members of the chambers are obliged to exercise their profession conscientiously, to live up to the trust placed in them in connection with their profession and to refrain from doing anything that could damage the reputation of their profession. They are in particular obliged,

- to further their professional development,
- to behave as colleagues and refrain from unfair competition,
- to insure themselves sufficiently against liability claims.

The close cooperation between the Chamber of Architects under public law and state jurisdiction (professional courts) makes clear the special role of the chamber under public law as a self-governing body between state and society.

Disciplinary Options

The Board of the Chamber may reprimand the conduct of a chamber member who has breached the professional duties incumbent upon him/her, if the infringement is deemed minor. If, in exceptional cases, a chamber member violates professional duties in a significant way, either the Board of the Chamber of Architects or the member can apply for the initiation of professional court proceedings against himself. The professional courts are thus an important instrument, even if these extreme cases are rather rare in practice. The measures that professional courts can impose in the event of an infringement span all the way up to the deletion of a member’s entry in the list of architects, which comes very close to banning them from their profession.

Settlement of Disputes Before the Chamber

In addition to its involvement in the professional courts, the Bavarian Chamber of Architects is obliged as per the Construction Chamber Act to assist in the settlement of disputes arising from the professional practice of its members with other chamber members or third parties—for example, when clients and architects are in dispute

over fees or the performance of certain services. The Chamber is therefore obliged to set up a conciliation committee. By offering clients the opportunity to find an amicable solution to conflicts with members of the chamber, the Bavarian Chamber of Architects also fulfils its legal obligation to “...protect the reputation of the profession [of architects]”. The committee is headed by a former judge. To ensure that not only legal but also technical expertise are represented, chamber members lend their support to him or her as assessors. The committee is recognised as a conciliation body within the meaning of the Code of Civil Procedure. Any settlements and agreements reached there are therefore just as legally binding and enforceable as judgements issued in an ordinary court.

Statements of Opinion on the Laws

In order to adequately represent the concerns of the profession of architects, the Chamber is obliged by the Construction Chamber Act to advise authorities in all matters relating to the building industry and to comment on draft laws and standards, if these are deemed to concern the work of the Chamber members. Examples include the law on architects’ contracts, the remuneration of services as well as public procurement and competition law. In order to participate in the development of building regulations in Germany, the Chamber sends its own experts to all building-relevant committees and working groups of the German Institute for Standardization. (DIN)—The most important institution for the development of technical standards in the Federal Republic of Germany and the German representation in the International Organization for Standardization or ISO.

Information and Consulting Services

Naturally, the Chamber of Architects also offers its members extensive information material and numerous consulting services in return for their compulsory contributions. These are also geared much more towards the needs of the profession of architects and urban planners than can be the case with advice from the Chambers of Commerce and Industry. In addition to specialist publications, leaflets and working aids for contracts, the specialist departments in the Chamber answer questions on issues such as the Ordinance on Fees for Architects’ and Engineers’ Services (HOAI), provide support when concluding architects’ contracts, advise on the application of building law standards and regulations—for example, when members have to calculate the legally required number of parking spaces for a new building or plan the design of fall protection systems. The Chamber advises on fire protection requirements or static and structural issues. To enable its members to fulfil their legal obligation to continue their education, the Chamber also maintains an academy for further education and training. With many years of support from the

Ministries, the Chamber also offers its members, those directly affected, building owners, cities and municipalities free initial consultations on accessibility, energy efficiency and sustainability and supports municipalities in setting up temporary design advisory boards. It provides advice on tender and competition procedures.

Representative Meeting in Place of a General Assembly

In addition to an office with full-time staff, voluntary work also plays an important role at the Bavarian Chamber of Architects. The legal basis of the Bavarian Chamber of Architects largely follows the same democratic principles as the German Chambers of Commerce and Industry. For example, every five years the current 24,500 Chamber members in Bavaria elect 125 representatives to the Bavarian Chamber of Architects' representative meeting, which is comparable to the general assembly of the Chambers of Commerce and Industry. Its members exercise their mandate on an honorary basis and meet at least twice a year. They elect the committees for the determination of the professional Code of Conduct, the election regulations, for finances and welfare as well as for auditing. Budget planning is also the responsibility of the representatives' assembly. In addition, it elects the Board as the Chamber's executive body, headed by the President. The President represents the Chamber in public and chairs the meetings of the Board.

By Way of Comparison: The Austrian Federal Economic Chamber—Institutionalising Consensus

In many areas the Austrian Federal Economic Chamber functions in almost exactly the same manner as the German CCI (IHK) organisation: It performs public tasks assigned by the state, provides services and represents the overall interests of its members. But there are also some differences: For example, it unites trade and industry and crafts and negotiates collective bargaining agreements.

The right of business to govern itself has a constitutional basis in Austria as a southern neighbouring country of Germany. Article 120a, Para. I of the Austrian Federal Constitutional Law states "Persons may be grouped together by statute into self-governing bodies for the independent performance of public duties which are in their exclusive or predominant common interest, and which are suitable for being jointly provided by them."

Member Mix from Trade and Industry and the Skilled Trades

In the Austrian Federal Economic Chamber (WKÖ), the legislator of the Alpine Republic has brought together all commercial entrepreneurs and craftsmen on the basis of this paragraph. As a unified chamber, the WKÖ thus maintains a

monopoly, unlike German Chambers of Commerce and Industry, to represent almost all entrepreneurs in the country—apart from farmers and representatives of the so-called free professions. Austria, like Germany, has also created its own chambers for these professions.

Complex Structure of Chambers and Professional Organisations

The structure and tasks of the individual chambers are regulated in Austria and Germany by relevant chamber laws. According to the Chamber of Commerce Act dating from 1998, there are economic chambers in the nine Austrian federal states in addition to the Austrian Federal Economic Chamber (WKÖ). Both the Federal Chamber (WKÖ) and the Chambers of Commerce in the states are divided into **seven divisions**: Trade and Crafts, Industry, Commerce, Banking and Insurance, Transport and Traffic, Tourism and Leisure Industry as well as Information and Consulting. The divisions are, in turn, subdivided into professional organisations representing individual sectors and professions accordingly. In the state chambers, these are referred to as professional groups and in the Austrian Federal Economic Chamber, they are called professional associations. In each state chamber, there are between 90 and 100 of these different forms of representation. In the WKÖ there are 93 corresponding professional associations. If the respective profession in a federal state is too small to justify an independent professional group, the professional association of the Federal Chamber represents its interests.

All forms of industry representation are independent corporations under public law, as are the state chambers and the Federal Chamber. The Austrian chamber model is thus also characterised by an extremely high degree of self-governance in the individual sectors, as required by law. The tasks in the area of activity delegated to it include the management of the master craftsman examination offices in the chambers of commerce, involvement in the field of apprenticeships or the issuance of certificates of origin. These tasks have been transferred to the state chambers under directional leadership by the state authorities. In the Federal Republic of Germany, outside the craft trades, in many cases trade associations constituted as associations under private law fulfil the tasks of the Austrian industry corporations.

Austrian entrepreneurs are generally members of at least four such bodies. They are members of the state chambers of each federal state in which they maintain business premises. They are also members of the Austrian Federal Economic Chamber (WKÖ) as well as of the representatives of their branch at both provincial and federal level. In all these self-governing bodies, membership is compulsory.

Structural Legitimation

As complex as the structure of the chambers in Austria may be, the high degree of organisation gives the federal chamber a tremendous degree of legitimacy. Given that the WKÖ is linked by law to the state chambers and the individual industry representatives, it can claim to be the mouthpiece of the entire Austrian Chamber of Commerce organisation. In view of the fact that almost all laws affecting the economy in Austria are passed at the federal level, this legitimacy is of particular importance for the WKÖ.

Contributions and Obligation to Contribute

Contributions based on an obligation to contribute consist of three levies: The first is calculated by the chambers for enterprises that have a net turnover of at least EUR 150,000 per year, based on the input tax volume of the enterprises. Another levy is based on the sum of all wages and salaries paid by the member. Thirdly, the member pays a basic levy to his or her industry representative.

Representation of Interests via the Vienna Economic Parliament

The obligation to contribute is matched by the possibility to vote in elections to the Chamber bodies, or to be elected to them. The most important body of each Austrian Federal Economic Chamber is its Economic Parliament. This can be compared to the general assembly of a German CCI. Chamber members elect their representatives to the Economic Parliament every five years. The elected “functionaries” carry out their mandate on an honorary basis. Their most important task is to elect the presidency of the chamber in each legislative period. Together with the “chairmen” of the seven “divisions” mentioned above, the presidency as “steering committee” decides, among other things, on the strategic orientation of the Chamber, its fee statutes and the establishment of arbitration courts.

The Representation of Interests in Practice

The WKÖ, as a federal chamber, also has the special task of representing the interests of trade and industry and the skilled trades in the political opinion-forming process of the Alpine Republic, at both a federal level and vis-à-vis the EU. Section 10 of the Chamber of Commerce Act grants the WKÖ the right to examine draft laws and regulations and to comment on them before they are introduced into the Austrian Federal or EU Parliament.

As with the German CCIs, the Austrian chambers are obliged to take into account the interests of all their members. According to Section 59 of the Austrian Chamber of Commerce Act, the Austrian Chamber of Commerce, like any other chamber in the country, must balance the interests of all companies represented in the Chamber when preparing an expert opinion or statement on a legislative proposal. In a multi-stage process, the industry organisations in the individual federal states first submit comments on the legislative project in the division of the state chamber responsible for them. Based on the position papers submitted, the respective state chamber then prepares a joint statement. It submits this to the WKÖ. The WKÖ then draws up a joint position at the federal level based on the views of the nine-state chambers and the seven federal divisions. If the interests of minorities among the chamber members deviate from the positions expressed in the majority resolutions, the representatives of the minority opinion can, at any stage of the opinion-forming process, demand that their deviating opinion be attached to the majority resolution “as a minority vote”.

Wide Range of Services

In addition to their rights of participation, Austrian entrepreneurs receive a range of services from their federal chambers of commerce for their compulsory contributions, covering all questions concerning setting up and running a business. The range of services offered is comparable to that of German chambers of commerce and industry. Similar to the German CCIs and Chambers of Trades and Crafts, the Austrian Chambers are also responsible for the practical management of dual vocational training. The Austrian state has also delegated to them the task of conducting examinations for master craftsman’s diplomas and issuing ordinances on the examination material used in the individual training courses. Like the CCIs, they also issue certificates of origin of goods. The Austrian Chambers also send or appoint lay judges and assessors for the labour, social and commercial courts as well as representatives to advisory boards of public authorities. Thus, entrepreneurs in Austria as well as in Germany are obliged to support the state in the performance of its tasks with their expertise and practical experience.

Foreign Trade Centres of the WKÖ

Abroad, 110 foreign trade centres linked to the WKÖ support Austrian companies. They offer largely the same services as German AHKs. However, the Austrian foreign trade centres are institutions of the WKÖ—not organisations in which entrepreneurs from Austria and the host country can become members.

Thus the range of tasks of the Austrian Chambers of Commerce largely corresponds to the work of German Chambers of Commerce: both with regard to the services they offer and their work as self-governing bodies and representatives of the interests of the business community. But there are also some fundamental

differences. For example, one of the central tasks of the chambers and professional organisations is to try to enforce the common interests of the people they bring together, including vis-à-vis the social partner.

WKÖ as a Partner in Collective Bargaining

The WKÖ fulfils this obligation by negotiating roughly 650 collective agreements with the Chambers of Austrian Employees every year. In the Alpine Republic, 98% of all employees are employed under a collective agreement. Thanks to the social partnership between employers' and employees' representatives, the negotiations of agreements in Austria generally proceed more peacefully than in almost any other country. Only in Slovakia, Japan and Switzerland do employers lose even fewer working days per year than in Austria due to strikes. The core of the Austrian social partnership is the conviction held by both parties to the collective bargaining process that they are pursuing a common economic policy goal in the long term: to increase the prosperity of society as a whole. Since the 1950s, this agreement has led to the parties conducting collective bargaining in a constructive manner and without dramatic strikes.

Proximity to Politics

The social partnership is as much an expression of Austrian "consensus democracy" as the traditionally close proximity between the country's chambers of labour, agriculture and economy and its politicians. Neither the Austrian parties nor the laws governing the chambers envisage any provisions that would prohibit chamber employees or officials from holding political office. The resulting close interdependence between chambers, parties and politics is something that the parliamentary groups in the National Council, in particular, like to take advantage of. When concerning controversial legislative projects, they instruct the social partners and thus also the expansive chambers to discuss the project outside parliament and to find a consensus that can be adopted in the National Council. This proximity between politics and the self-governing bodies of the economy is a fundamental difference between the German and the Austrian chamber model.

By Way of Comparison II: US Chamber of Commerce— Having the Freedom to Take Responsibility

In the USA, too, the chamber movement was based on the idea that the economy aids itself and the state. In the meantime, this has become the largest business association in the world. But unlike the chambers in Germany and Austria, they are

strictly organisations under private law that focus primarily on lobbying for their members.

The United States does not know the principle of self-governance. Given that Americans consider freedom to be the greatest possible form of independence from state interference in the private sphere, the executive branch in the USA has traditionally not been particularly strong. Rather, the state leaves civic society a great deal of freedom in which it can regulate its own affairs. In return, this requires a high degree of private initiative and assumption of responsibility. In the USA, there are thousands of local chambers of commerce. They often stem from initiatives founded by private entrepreneurs. However, none of these organisations has the legal form of a public corporation.

The country's most important trade association, the US Chamber of Commerce, is also a non-profit organisation. It can, therefore, be compared more to the Federation of German Industry ("Bundesverband der Deutschen Industrie") than to a German Chamber of Commerce and Industry. It cannot be assigned any tasks under public law such as the institutionalised rights of participation in the vocational training system for the chambers under public law in Germany.

Support of the State as the Starting Point for the US Chamber of Commerce

However, motives played a role in its foundation, which also led the German states and the Austrian Empire to transfer state sovereign rights to the business community when the chamber system was created in the 19th century. In 1912, President William Howard Taft invited around 700 representatives of US businesses to a conference in Washington. "We want your assistance in carrying on the government in reference to those matters that affect the business and the business welfare of the country [...] we need your assistance and we ask for it" the president told the assembled business leaders. According to Taft, the best way to provide the state with expert advice on its administrative work is to form a trade association. The entrepreneurs followed his advice.

Complex Private Law, Global Structure

Today, the US Chamber of Commerce is the largest business association in the world. It has around three million member companies. In total, there are 26 million companies in the United States. 96% of Chamber members are small and medium-sized enterprises. Among its members are also 830 trade associations, 3,000 local US Chambers of Commerce and 87 American Chambers of Commerce (AmCham) from abroad. They are not departments or spin-offs of the "parent institution" in Washington, D.C., but rather are independent organisations that stem from initiatives by private individuals in the respective countries.

The AmChams have regulated their constitution according to the private law in force in their host countries. Thus, AmCham Germany is a registered association—whose statutes are based on the German Civil Code (BGB).

Administrative Council as an Influential Body

This freedom of design often grants the administrative council a great deal of influence in the structure of the AmChams. In principle, the management of an AmCham is the responsibility of the administrative council. The Board consists of the President, the Executive Vice President, six Vice Presidents and a Treasurer. In addition to the Board, there is the administrative council which supervises and advises the Board. In addition to the members of the Board, who are ex officio members of the administrative council, the administrative council itself consists of at least 20 members. Thus, the Chief Executive and the Board of AmCham Germany are bound by the instructions of the administrative council. The Board also sets up the committees in which the chamber prepares its political work. However, there is currently only one medium-sized company on the Board of AmCham Germany. The Board and administrative council are elected by the members.

Voluntary Membership

The American Chambers of Commerce also do not have compulsory membership. Thus, they do not offer a democratic representation of all traders or representatives of a profession, unlike their German counterpart. Also, the admission as a member does not follow democratic principles. At AmCham Germany, for example, the Board decides by simple majority on the written application for admission of an interested party. In certain cases, the administrative council can also expel members with a qualified majority. Both companies and individuals can become members.

Political Lobbying

As a result, only companies that expect a tangible benefit from the work of the organisation are members of the Chambers. Mostly, they wish to influence the political agenda through the associations. In the case of the US American Chamber of Commerce, the benefits of membership also depend on the financial strength of a member. The Chamber of Commerce offers three forms of membership that allow companies to gain access to a wide range of information and decision-makers within the Chamber.

Without compulsory membership, the US Chambers cannot finance themselves through mandatory contributions. On the one hand, this forces them to make considerably greater efforts to attract members. On the other hand, they cannot offer

them the same range of services as German Chambers of Commerce and Industry. Many AmChams outside the USA lack the reliable cash flows needed.

Voice in Washington D.C.

According to the US Chamber of Commerce, services are also not what their members expect from them. Rather, they want to benefit from the Chamber's lobbying work. "They all share one thing—they count on the Chamber to be their voice in Washington, D.C.", is what the association discovered. It fulfils this task quite intensively. With almost 92 million US dollars, the US Chamber of Commerce spends more on lobbying than any other trade association in the world. It works to reduce bureaucracy and taxes, to promote the USA's international trade relations and social peace between employers and employees. With a team of lobbyists, PR specialists and communication strategists, the Chamber influences all legislative projects affecting its members in the USA.

Opinion Forming Plus Overall Representation of Interests

The organisation develops political positions in a variety of committees, task forces and working groups. Opinions in these committees are shaped by the 1,500 + members who volunteer their time in the Chamber. Since the association can therefore claim that its positions on economic, tax, labour market or trade policy issues are based on the entrepreneurial expertise and experience of its volunteers, they lend particular weight to the views and demands of the Chamber. In accordance with the U.S. understanding of freedom as the freedom to assume responsibility, the members of the Chamber also undertake to develop positions in their opinion-forming process that serve all companies and not only the special interests of corporations. As part of this commitment, the Chamber also strives to hear all of its members before taking a public stance.

At the same time, however, the US Chamber is able to defend its positions with particular emphasis because numerous corporations are represented in it. After all, they have created thousands of jobs. It is, therefore, the small and medium-sized members of the association that ultimately benefit from such convincing facts.

Own Economic Research

For their lobbying work, the Chamber's staff also compiles statistics and analyses on how certain political decisions will affect the economic development and the labour market in the USA. They often work together with affiliated research institutes such as the National Chamber Foundation. They use the results of this research to influence political decision-makers—for example, by publishing them

as studies and reports, disseminating them in the media, or using them as arguments at hearings in Congress, consultations with authorities or in statements on legislative projects, and even in one-on-one discussions with decision-makers.

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