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SOCIAL CAPITAL AND GLOBAL TRANSFORMATION

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ABSTRACT

Concerted endeavors of all sectors at all levels of society are required for its transformation, and any move towards a new composition is closely related to societal change. For this, a collective effort is needed on all levels, and not the least, on a global scale. This will only work with a unity of purpose. A unity of purpose would achieve that (see, e.g., Dahl, A. L. 2019)

- the world's businesses, public entities and third sector organizations work together to preserve and improve wellbeing of mankind,
- the controversy of arguments for or against non-market approaches to any economic activity, especially in the delivery of public goods is settled for good,
- a comprehensive agenda is set up a on all societal levels for maintaining and expanding public goods, whether tangible ones or intangible ones,
- decision-making support for communal efforts on public goods is built from whichever source,
- communal efforts are made visible and measurable through measuring and valuating public goods (as monetization will also contribute to ease funding decisions),

- the interdependencies and interrelationships of the Social Development Goals (SDGs) are utilized as they are essential for the wellbeing and the survival of mankind.

This would mean that for achieving new stages of development, i.e., new stages of the common good, common efforts are needed which combine s what has been generally confined either to the public or to the private sectors (Bürgenmeier 2012). The quintessence is that all members of society do not act in isolation, and that the pursuit of their own interest necessarily crosses each other's paths in the process. They must ask themselves what they can do to contribute to the effort. And they need institutions, local and global, must "get it right", as per a statement of Nobel laureate Amartya Sen (Sen 2010, p. 57). Private and corporate citizens look for effectiveness of institutions, in the first place, Sen claims; the claim for 'just' institutions comes second. On a global scale, three perspectives come into mind: One is what has been called the *transformation of issue spaces* (Ruggie 2004 a), the other is *globally active civil society* organizations and the third is building and utilizing *social capital*.

Keywords: Social Capital, Global Transformation, Collective Action, Issue Spaces

INTRODUCTION

The onset for human wellbeing, whether of individuals, of families, regions or countries depends on progress and continuous improvement, promoted by the inventiveness of humankind, and the spread of the resultant inventions throughout the global community. Only if all its members can benefit from what their fellow citizens develop will this transformation be sustainable. This holds for technological and economic transformation (Loktionov 2025) as well as for social and political development (Babakhani and Azimi 2024). But there are prerequisites: One is personal and public security, safe access to the basics for livelihood and health, the second is well-working social relations and the freedom of choice. These are public goods. But security and access to the basics cannot be guaranteed by a national institution only; the space in which such issues are dealt with has become the international scope (Ruggie 2004 a). And on all levels of this scope, all individuals are intrinsically linked to each other, i.e., they are the "global public". The concern of the public, hence, must be on the aforementioned public goods. It is the role of the community to control social linkages and their foundations.

Public goods provision, on all levels from the local to the global, was set forth as a concept for the creation of wealth by David Pearce within its system of multiple capital assets. Pearce was a pioneer of environmental economics. He was actively engaged in the set-up of the Millennium Development Goals[1]. Pearce (2005), in contrast to the statements made by the Club of Rome ("Limits to Growth", Meadows et al. 1972), believed that it is not depletion of resources which affects wealth, but that wealth is destroyed if these resources are under-valued. Table 1 depicts the categories which Pearce defined for wealth assets – of which the majority are public goods.

Table 1: Types of capital assets

Capital assets	Household level	Community level	National level
Physical assets	Housing Tools Animals Machines	Schools Hospitals Local infrastructure	Major infrastructure
Financial assets	Cash	Access to credit/insurance	Access to credit/insurance
Human assets	Labor Education Skills Health	Pooled labor	Labor markets
Environmental assets	Land Soil fertility Woodlots Water, Watersheds Sanitation Air quality	Common land Fisheries Forests Fuels	Rivers/seas/lakes Large watersheds Minerals Global climate
Social assets	Family trust Solidarity	Community trust Security Participation Cultural assets Justice systems	Inter-community links Governance Government trust Political freedoms Rights, Justice Markets

Source: Pearce 2005, p. 32

1 Agreed upon by the UN member states Millennium Development Goals (MDGs) in the September 2000 Millennium Summit in New York. The eight goals commit to combat poverty, hunger, disease, illiteracy, joblessness, environmental degradation, and discrimination against women, and to foster global partnerships. The aim was to achieve the goals by 2015.

The question is who is to provide these public goods. The table clearly shows that most of them are produced from within society, as with the social assets enumerated in the lower part of the table. Deneulin and Townsend (2007, p. 20) argue that a good is perceived as being "public" when there is a common understanding in a given society about (first) that it is beneficial to all and (secondly) that it can both be provided by non-market mechanisms and by the private sector. Sekera (2014) states that any public good must be created through collective choice, it needs to be paid for collectively, and when it is provided through non-market production, no cost must be charged to an individual recipient.

Collective choice aggregates individual preferences to produce a social outcome. Since the seminal concepts of collective choice were fashioned in the two decades following World War II (see, e.g., Arrow 1963), it has exhibited how demand and provision of goods and services can be organized through institutional arrangements that account for both individual and public preferences (Abrams 1980). One such arrangement can be voting another one is collective action. The term "collective action", from its start, has been used to denominate circumstances in the areas of the social sciences, like anthropology, psychology, political science, and economics (Commons 1950). But its major application was societal processes that produce the common good. This was enabled by Mancur Olson. Olson (1965) claims that if a society wishes to benefit from a public good, then is members have a common interest in ensuring that the good is provided sufficiently (by the entity that can best produce it) – whether it be tangible, like provision of water, or intangible, like national security or specified knowledge.

SOCIAL CAPITAL

The public good which must be activated for collective action is social resources/social capital. Social capital has become a prolific construct but it also has been critically debated in the social sciences. Bourdieu initiated the conception (1974; see also Bourdieu 1986), and, afterwards, the approaches to it have shifted over time. In Bourdieu's term, social capital is built in families and clans, or it originates clubs, where members are homogenous. Their attitudes and cultural practices are more or less homogenous as well and this produces social benefits for this class society. Putnam (1993), who studied civic associations in Italy, defines it as "set of horizontal relations between people, from which attitudes and norms develop that impact the productivity of a community" (Putnam 1993, 173-174). Coleman's (1988) definition is broader: "a variety of different entities, with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors – whether personal or corporate actors – within the structure" (Coleman 1988, p. 12). This implicitly describes relations among groups, more than between individuals. A more extensive view encompasses the political and social and environment that shapes social structures in which norms are developed and applied (see, e.g., Grootaert 2001). Hence, social capital cannot be separated from the societal foundation provided by public institutions. Any such separation would mean that civil society conflicts may simply be settled by society itself 'in its inner workings' (e.g., Foley and Edwards 1999; Grix 2001) without the political system. However, authorities – well functioning governmental institutions – are required to prevent that societal conflicts turn into civil disruption. Social networks cannot avert this on their own. So, over-simplifying the social capital concept can lead to false assumptions. A The social capital concept needs to be operationalized in order to enable value creation and to increase wellbeing (Bhandari and Yasunobu 2009; Rostila 2011).

Operationalization of the social capital concept has long been driven down by the approach of the World Bank approach which was restricted to a networking perception: "The institutions, relationships, and norms that shape the quality and quantity of a society's social interactions" (World Bank 1998). While the definition points to "institutions", of which the political environment should be a foremost one, it is not within the five key aspects which the World Bank embedded in its indicator that attempts to measure the state of social capital. They are (World Bank 1998, p. 9): groups and networks – trust and solidarity – collective action and cooperation – social cohesion and inclusion – information and communication. Since there are no direct numerical indications that properly reflect these aspects, the Bank resorted to proxy statistics. By this, it aimed to establish a contextual relation between its five aspects and statistics that are available elsewhere. E.g., it connects its index to the number of civic associations. But not only will this context differ from country to country, it also differs from one district to the other[2]. These differences cannot be mirrored in any indicator. Therefore, the concept became very controversial. In the end, the World Bank did not update its index any longer (Hammer and Pritchett 2004). In its new strategy for reducing poverty, it explicitly sets a connection between institutional reform and the promotion of social associations (Cammack 2004). The logic is that state and social institutions need to be more responsive and

[2] A method to measure social capital on a local base (district, ZIP-codes) was developed by the Basel Institute for Commons and Economics (http://www.commons.ch). See: Dill and Gebhart 2016.

accountable to the poor communities. Then more social capital can be developed in these communities (Ruckert 2010).

Social capital on the local levels generates definite benefits for individuals or for groups. These outcomes span from job opportunities to competitive advantage of (small) businesses, from educational performance to individual and public health to government effectiveness (see, e.g., Lin and Erickson 2008, Kay and Johnston 2007; Portes 2000, Woolcock 1998). When viewing at social capital as a concept of outcomes, the inputs also get into consideration: These will be governmental institutions and agencies, the rule of law, the court system, etc. input/output relations as well as cost and benefit assessments can be brought in. Such an interpretation of social capital will also comprehend the terms of *Social Value, Social Resources, Institutional (Social) Capital,* and *Governmental Social Capital* (North 1990). It is the political, legal, and institutional environments which condition social capital. Figure 1 can demonstrate how to construe a relation between the World Bank's social capital definition Bank and the resources definition:

The figure shows that it is resources AND relationships which build social capital: This has been studied on the local and regional levels, as it is here where one can directly measure the influence which regional institutions and local businesses building social capital (Peiró Palomino and Tortosa-Ausina 2012). The expansion to the global level would come from the SDGs.

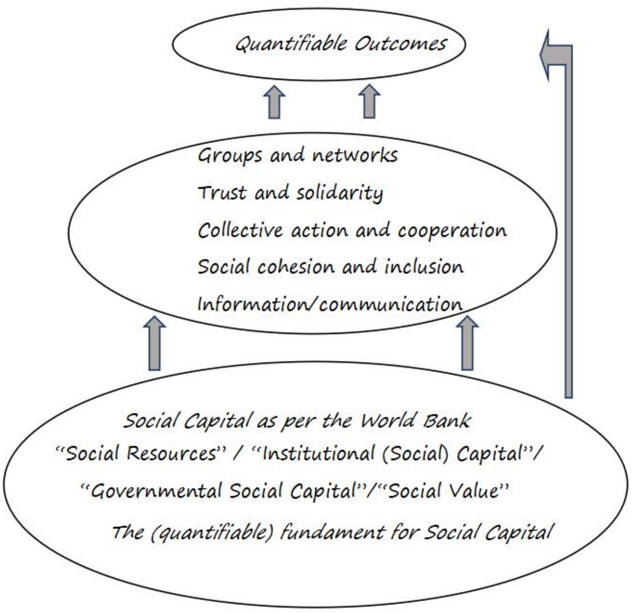

Figure 1: Social Capital and Social Resources

Source: Bardy, Saner and Yiu 2015.

PUBLIC GOODS IN THE SDGS

The intensity of cooperation between governments, civil society and businesses has risen with the United Nations Sustainable Development Agenda and its forerunners, United Nations Global Compact and the Millennium goals initiative. A wide array of collaborative efforts followed from these programs. Additional frameworks for collective action were set up by transnational government institutions and NGOs, including (see OECD 2018, p. 78):

- the Istanbul Principles that guide civil society organizations in putting the principles of development effectiveness into practice;
- the Guidelines for Effective Philanthropic Engagement;
- the United Nations Program on Reducing Emissions from Deforestation and Forest Degradation (REDD);
- the International Health Partnership.

Indices have been designed for ranking the actors' performance in reaching communal goals and commitments. One example is the Commitment to Development Index of the Center for Global Development which has also set up forums for learning and dialogue to encourage policy change as well as changes of mindset and behavior. Then there is the OECD Development Assistance Committee, the Global Partnership for Effective Development Co-operation and the Development Co-operation Forum. They commonly address all facets of transformation – social, technical/ economic and the ecological.

Collaboration of all societal groups neither favors the interests of the rich nor does it overemphasize the concerns of poor people. If we take SDG #1, "End Poverty Everywhere", there is a direct link to enhancing the wellbeing of all members of society, not just of the beneficiaries of this goal. The SDGs are all indivisible, and they affect multiple sectors and levels simultaneously as well as the present and the future generations. Optimizing the social, economic and ecological objectives of the SDGs (is a task of the present generation. It is responsible to leave a stock of natural, man-made and social capital for future generations, a stock from which they can sustain an income. The capital stock must be perpetually maintained. Otherwise, it would be depleted prematurely. Sustainability, hence, is an 'economic calculus' (Brätland 2006). The intergenerational responsibility) applies to all forms of capital. Long before this was formulated in the Brundtland definition of sustainability

(WCED 1987), authors Harold J. Barnett and Chandler Morse said in their work *Scarcity and Growth: The Economics of Resource Availability:*

"By devoting itself to improving the lot of the living, therefore, each generation, whether recognizing a future-oriented obligation to do or not, transmits a more productive world to those who follow . . . The most important components of the inheritance are knowledge, technology, capital instruments and economic institutions" (Barnett and Morse 1963, pp. 248 f.).

Scarcity and Growth, one of the most influential books ever published on the human prospect, made a persuasive case that economic growth cannot be halted by scarcity of resources – in contrast to what the Club of Rome stated a few years later in *Limits to Growth* (Meadows et al. 1972). And it makes clear that collective efforts are required. On a global scale, international institutions are needed to pursue that collective action. This entails transnational firms, intergovernmental associations and civil society organizations that span the world; they complement the state actors who were the customary overseers of global public goods before the private domain became internationalized. Private and public domain are intertwined, and therefore all society must control the outcome of this interplay. Societal control, whether on a regional or a state level, starts with check-and-balance mechanisms. These are inherent in democratic systems; if it comes to specific topics, referendums may be organized as well as roundtables which include all who are affected by a governmental decision. Again, this can only work with collective efforts. For instance, on controlling the effects of technology, lawmakers depend on specification material that is provided by non-government sources; from there, standards boards are established - a democratic system of self-regulation. On a global scale, this is one good example of Ruggie's (2004 a) concept of transformation of issue spaces.

TRANSFORMATION OF ISSUE SPACES

Issues of whichever kind, when the international political world reassembled after World War II, were solved by global governance arrangements. These rule-systems were designed to function between independent states, and if interference through the United Nations was needed, it only worked on case-by-case basis. But then territorial associations like the European Union were built, and trade agreements were formed like NAFTA or the Mercosur and ASEAN, and powerful non-state actors like global CSOs and multinational enterprises expanded their reach. This transformed political and economic relations completely: Policy spaces, which had been either internal or external", became global, and the provision of public goods became reliant on issues both inside and outside national borders. The same happened on the level of international trade, where internal factors like subsidies and other protectionist measures began to have an impact on trans-border measures like tariffs and volume restrictions (Ruggie 2004 a, p. 508). Similarly, while pollution had mainly caused concerns with inside the borders of a state or even a province, its causes and effects became universal: The source of plastic waste in the oceans is not located on the seashores, and oil spills or marine garbage on the high seas does not affect the oceans only because of its effects on the food chain. On a positive end, conditions in the global supply chains are re-shaped by those players who proliferate human rights issues which address regulations of local government in the states where the suppliers are located.

One foremost concern must relate to issues that endanger public goods internationally. So, instruments must be deployed which control these issues. Control always starts with defining an issue and then proceeds with discourse, contestation, and action. This will be organized throughout the production, provision and consumption of a public good, resulting in a new format of interactions among states. The states will have to include non-state actors. A good example is global health where a worldwide interaction of states, the and pharmaceutical and the healthcare industry together with patients' representatives has achieved that a great variety of human interests can be expressed and pursued (Kickbusch 2013). There are drawbacks as well: As rule-enforcing has to be conferred to a public entity, not all state actors are willing or able to comply. Staying with global health: The World Health Organization (WHO) may have the power to establish rules that would apply across borders, but rule-enforcement lies with national governments. They may often shun the obligations obligation to invest in health measures. There is a remedy: Partnering with private actors for finance and investment can enable the state actors to concentrate on control. This was done through the partnerships in malaria control which were built in many countries affected by this plague (Nahlen and Steketee 2012). Another case is HIV/AIDS, where the United Nations announced in 2002 that they would discontinue the policy of relying on governments and instead fund corporate endeavors to provide anti-retroviral drugs (Lamont 2002).

In the HIV/AIDS case private actors were entrusted with authoritative power (conferred upon them by the United Nations) and they assumed the role of legitimate players in a global effort. The basis for this is their expertise and successful practice. Another public good where this was the case is intellectual property rights. Here, multinational corporations were given the task to develop an international arrangement which has become the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). This was devised by an independent team of twelve industry representatives (the Intellectual Property Committee, based in the U.S.3), and then entered into the WTO negotiations. It was the business sector that identified a trade problem, developed a solution, articulated a concrete proposal and introduced it into international negotiations between governments. "In effect, twelve corporations made public law for the world" (Sell 2003, p. 96).

It may be argued that when business firms are bestowed political authority in international politics, societal control cannot be exerted. Certainly, the cases where this is done must be carefully selected. But in the TRIPS case, the governments who negotiated within the WTO had enough room for intervention. There is a fine line, undeniably, between this controlled procedure and the cases where business firms act as interest groups in lobbying state governments or international organizations. However, in many parts of the world, lobbying is becoming more and more regulated (see, e.g., Ban and You 2019). Secondly, civil society, at present, has developed the means to harness abuse of corporate power. One example: When, in 2001, the pharmaceutical industry intended to prioritize considerations of patent rights over global health concerns, a number of global civil society organizations together with media all over the world forced the industry to significantly reduce prices (Spar and Bartlett 2003). More recently, this occurred again through a worldwide set-up of CoVID vaccine patent waiver proposals (Sheikh et al. 2021, Chaudhuri 2022).

CONTROL ACTIVITIES BY THE GLOBAL NON-PROFIT SECTOR

The profile of non-governmental organizations and civil society organizations has been constantly increased throughout the last decades. Many of them operate at the international level: About 30 000 entities had an intentionally transnational reach in 2002; more than 1000 of them had members from at least three countries (Ruggie 2004, p. 554). Since then, the numbers have increased, but more importantly, their political clout has risen (Lewis et al.

[3] The committee was formed in 1986 by Bristol-Myers, DuPont, FMC Corporation, General Electric, General Motors, Hewlett-Packard, IBM, Merck, Monsanto, Pfizer, Rockwell and Warner Communications. Their work was finalized in 1994.

2020). A number of factors have contributed to this, like advances in communications technology and globalization. And many governments have purposely chosen to support NGOs. Also, the rise of multilateral negotiations between states has inspired NGOs and activists to shadow them (Keane 2003).

Many NGOs started with local objectives on a local level. For instance, in 1942 Oxfam was founded by Oxford citizens wishing to support war-torn suburbs (hence the acronym: "Oxford Committee for Famine Relief"). As of today, Oxfam is an international organization which has affiliates and an international secretariat in Nairobi. The operational budget is over 100 million US$ per year for international activities (https://en.wikipedia.org/wiki/Oxfam). Oxfam was prominently involved in Ethiopia where it drove Starbucks towards fair trade coffee arrangements (Arslan and Reicher 2011); in post-genocide Rwanda OXFAM supported land-restitution on a wide scale (Pottier 2002). Then there is the Climate Action Network (CAN), an association representing environmental NGOs, which participated in multilateral climate negotiations since it was founded in 1989 (Garrelts 2014).

The foremost aim of international NGOs is to support developing countries, both through local efforts and transregional projects. Many of them engage in monitoring the behavior of multinational enterprises (MNEs). The objectives vary from control of workplace conditions, of prices and quality of products/services to monitoring consumer information and environmental conduct. They do not have any formal directive nor mandate from a government agency; they act as powerful watchdogs independently. Very often, there are no specific legal frameworks which could serve as a recourse. Their counterparts, the managers of MNEs, are faced with a dilemma: They might be willing to accept an NGO request, but there are corporate guidelines and disclosure requirements to which they are bound. In any case, NGOs will assume the task of reducing the 'information asymmetry' which exists between producers and consumers in a globalized economy: Consumers get to know more about how the goods they purchase are produced, how waste was processed, how workers are treated in the supply change; corruption of public officials will be revealed as well whether raw materials stem from countries where civil war is going on. From this, consumers may be encouraged to penalize such producers, and the producers may be led to become more socially responsible (Lodge and Wilson 2006).

Societal control is also employed to monitor international financial institutions (IFIs) like the International Monetary Fund, the World Bank, and transregional development banks. This is accomplished by IFIwatchnet (http://www.ifiwatchnet.org), an initiative formed by 60 international NGOs from 35 different countries with networks in every region of the world. IFIwatchnet builds on, among others, the findings of the Bretton Woods Project. This is a UK-based NGO (http://www.brettonwoodsproject.org) which has been involved for many years in holding global institutions accountable for how they render their services and in empowering their customers. Recent issues which were taken up by IFIwatchnet are the impact of international trade on food crises and the ongoing debt agendas of African states. What also was scrutinized were the IMF and World Bank-led COVID-19 response (Lewis et al. 2020, pp. 155f.).

For their monitoring work national and international NGOs have access to a knowledge device which was set up the United Nations' Department of Economic and Social Affairs (UNDESA) in its Division for Sustainable Development Goals. This is a large database by the name of SDG Knowledge Platform (https://sustainable development. un.org). The database contains all information uploaded by citizens, businesses and private sector associations as well as local authorities. The platform is timely, reliable and has both aggregated and disaggregated data. It is accessible to any user anywhere, from which cross-border joint action can be built.

The SDG Knowledge Platform and the networks behind the data contribute to shaping a influential civil society. Powerful institutions can be crafted which will safeguard the rights of citizens and their independence. This builds social capital, as was shown above, and it will mostly start on a local level. An example is the case of dairy producer Danone. Here, a stark opposition from a number of local the CSOs had been built up against the company's outdated farming methods. But what had started as a fight against the firm ended up in productive togetherness (which is social capital) and a common success. Regenerative farming was introduced and further collaboration was established with organizations, companies and institutions in the field of sustainability (Izquierdo Yusta et al. 2023). Whether in the area of sustainable farming, circular production and consumption systems or other fields of sustainability like continuous training, both among employees and customers, any business which reaches out to its stakeholders and its community builds social capital. On the international level there are sources for social capital as well. Some of them only need to be rediscovered.

REDISCOVERING SOCIAL CAPITAL

The United Nations Global Compact initiative spells out an impressive leverage for social capital formation on a global scale. It requests corporations to promote fundamental principles on human rights, on environmental responsibility and on rights at work (https://unglobalcompact.org). Each of its ten[4] principles relates to public goods:

1. "Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labor.
5. The effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery".

The Global Compact has become a "values-based platform for bringing the relevant social actors together in seeking joint solutions to the imbalances and dislocations resulting from the gap between the global economy and national communities" (Ruggie 2004 b). If these imbalances and dislocations are eliminated, a balanced provision of public goods on a global scale becomes possible. The Global Compact initiative employs three instruments to provide solutions where public goods provision is deficient, not inclusive and lagging behind quality or schedule. They are learning and information sharing, policy dialogues and partnerships.

An example which encompasses the three instruments is "Green Shipping Africa". This is a partnership that was built between seventeen maritime authorities from across Africa, the UN's International Maritime Organization, and several shipping companies. It was launched in a conference that was held in Ghana in February of 2023, and which was co-organized by

[4] Principle no. 10 was added in June 2004 in accordance with the United Nations Convention Against Corruption which had been adopted in 2003.

the Danish Maritime Authority[5]. The aim of the Maritime Just Transition Task Force is to support a just and human-centered decarbonization of the shipping industry (Doo 2025). Its members are industry (the International Chamber of Shipping), labor unions (the International Transport Workers' Federation and the International Labour Organization) national authorities worldwide represented by the International Maritime Organization. This diversity of memberships will guarantee that the new venture achieves progress, and the oceans will get cleaner, the atmosphere will be less burdened with carbon dioxide and new jobs will be provided, of which many will be available in Africa. As per a statement from a Global Compact officer, "moving towards a low-emission global economy will create tens of millions of new, high-quality green jobs across sectors. Through ensuring a Just Transition to a green economy, Africa has an opportunity to capitalize on the emerging green jobs of the future – in shipping and beyond"[6].

For "Green Shipping Africa" to become effectful even beyond its reach, one foundation is that decarbonization is an uncontested issue on all global agendas. But with the climate change theme being overwhelming, less attention is given (at least by the general public) to resource exploitation in developing countries, including unfair work conditions. Slowly, and with the Global Compact being also pressurized by CSOs, these issues have been taken up. For many, cross-sectoral partnerships were established, for instance, the Extractive Industries Transparency Initiative (EITI). This is an international organization which obliges member states to comply with standards for transparency in the context of the oil, gas and mining industries. In its mission statement, EITI has all the ingredients that can build social capital: "We believe that a country's natural resources belong to its citizens. Our mission is to promote understanding of natural resource management, strengthen public and corporate governance and accountability, and provide the data to inform policymaking and multi-stakeholder dialogue in the extractive sector" (https://eiti.org). Over 50 countries have committed to increasing the accountabilities of their extractive sector management. A country's EITI membership will also help to build trust in its politicians (Villar 2020).

Another example of building global social capital is the Ethical Trading Initiative (ETI). This is an alliance of companies, trade unions and CSOs based in London which promotes fair

[5] The Danish involvement has its roots in the fact its maritime industries have a long history of social links. This nexus supports a common mentality and attitude towards shipping, with mutually accepted social norms, formal organizations and laws, codes, and regulations (Sornn-Friese and Iversen 2011).

[6] https://unglobalcompact.org/news/5009-02-15-2023

treatment of workers' rights around the globe. Each company that joins the initiative adopts a code of labor practice of which they expect that all their suppliers comply with it. The code addresses issues such as wages, health and safety, hours of work and the freedom to join trade unions (http://www.ethicaltrade.org). The “social” is inherent in the fact that these members’ performance not only affects the behavior in the supply chain provide but also the living in the communities where the business takes place. This, in turn, forms new capital within those communities, including the respective government agencies. The members and their suppliers will also collaborate with CSOs on the ground and with international CSOs. ETI can provide support on how to shape that cooperation (so also does EITI) and install partnerships which utilize the power of both sides with regard to specific knowledge, expertise in communications, and public credibility.

CONCLUSION: STATE ACTORS, BUSINESSES AND INDIVIDUALS COLLABORATING FOR PUBLIC GOODS AND HUMAN WELLBEING

There is one simple reason for the power of social capital: All members of a society do not act in isolation, wherever they are located, they live together, whether they are individuals state authorities or businesses. The objectives and projects which they pursue may be particularized, but they will always cross each other’s paths. Their pursuits often have an effect on others, and ‘external effect’, that spills over into the spheres of others. This may happen with or without these others approving it. So, these externalities can also be negative, but they can also be a boon.

The external effects can be far-reaching: For instance, a people who defends its homeland generates positive externalities; these externalities benefit other members of the global society as shown, very recently, in the struggle of Ukraine against the Russian invasion. A more peaceable example is communal water treatment plants that are managed by partners from industry and public institutions. They ensure that groundwater stays clean: So, they produce a benefit which goes beyond the borders of that arrangement. Education and healthcare are further examples. These are public goods that require social capital to be procured – whether they are procured by the state for all its members of by a common venture which sets up the good for its associates only. The external effects may reach way beyond that state or that association; health and education are global public goods. It is certainly more difficult on the international level than locally to cooperate for the production of a public good. But the main prerequisites are the same: The partners must cooperate openly and without preconditions.

Global public goods have become vulnerable. Again, it is the war which Russia started against the Ukraine that has shown how one can destroy peace and security as well the wellbeing of hundreds of millions of people. Vulnerability can also be caused through careless digitization of processes, wherever they affect the spheres of human life. Cybercrime and the misuse or falsification of publicly available data has become a widespread feature against which statal authorities alone can rarely protect their constituencies. What is needed are efforts on the global institutional level. Citizens, including corporate citizens, must feel that these institutions secure the benefits of public goods. They must get the feeling that they can rely on worldwide institutions to "get it right", as stated by Nobel laureate Amartya Sen (Sen 2010, p. 57). Sen claims that policymakers always need to broaden their perspectives beyond national borders. Again, this will not work without social capital: All members of society have to participate in democratic dialogue, deliberation and the preparation of solutions to common issues. This will not only foster security but also pave the way to necessary transformation. For all time, societal challenges have required that the members of society transcend their self-interest to engage in impersonal cooperation - i.e., to collaborate with 'strangers' (Rutar 2025). In today's interconnected world, the wellbeing of mankind depends on this collaboration. There are no boundaries between the private and the public spheres are tenuous. Separating these spheres has never had any reason, neither ethical, political nor economic. Only with this greater stakeholder model will society move forward.

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