

## **Corporate Citizenship and the allocation of public goods in times of Globalization**

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In recent decades, the role of public goods for sustainable development and the quality of living was largely neglected in Economic theory. European countries traditionally produce a large amount of public goods (legal framework, public infrastructure, educational institutions, cultural facilities etc.); many Europeans attribute their high standard of living to this fact. As the research of Economists like P. Samuelson, R. Musgrave and others has shown, even in a market economy special mechanisms must be in place to assure the allocation of public goods. In the 20th century, the fiscal state used to solve these problems and guaranteed the overall production of public goods. In the 21st century this is no longer the case - due to the reduced role of national administrations in a globalised world. How may the production of public goods - including a legal framework of economic exchange, a system of basic education, protection of natural resources etc. - then be organised in the future? International civil society comes into play, here. Networks of cross-sector cooperation between NGOs, international institutions and corporations may serve as 'pathfinders' in search of Global Governance structures in the 21st century. The Center for Corporate Citizenship at the Catholic University of Eichstaett has been participating in the 'Good Company Ranking' of ManagerMagazin, a leading German business magazine, to evaluate the Citizenship engagement of 120 large European corporations (DAX/EUROSTOXX) for the second time in 2007. As a result of this empirical research, examples of Corporate Citizenship engagement in basic international policy areas (social security, health care, education) will be presented. If projects are managed professionally and are therefore related to the strategic interests of the company ('win-win-scenario'), Global Corporate Citizens may contribute in a sustainable way to the provision of international public goods in the 21st century. However, such a role change does also require new concepts of state-business-society relationships. Some basic indications will finally be given in that respect.