# The Leading Multinationals - A National threat?

- The might of large companies -

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# Free lecture without manuscript. The record of the tape was written by students including mistakes

#### Stephan Mögle-Stadel

Journalist and Chairman of the World Federalist Movement in Germany

## UNorganized World – the Chances of Globalisation

Let me say a few words as an introduction before I start my speech here with the assistance of the overhead projector. What we heard up to now was from a point of view held on the level of economics, technology, world wide communication and trade. If we take a look at this level we can recognize that at least economically we live in one World. This is my thesis at first. Our planet is united economically and also in technological and scientific aspects. What I would like to talk about now is the social level, the level of psychology, culture and politics. These two levels - the social and the economical ones - differ but also fit in one another. For this explanation I should say that I am a member of a new think-tank - it is the Club of Budapest which is a sister organisation of the Club of Rome. I guess most of you know the Club of Rome more or less well - "The Limits to Growth" in 1972. It represents the so called "hard science". The Club of Rome analyses economic affects, industrial development and statistics. What the Club of Budapest does is some research work on the interdependence in the development of culture, political systems and economics. For this reason I would like to start with a quotation of Janos Neumann. He is the founder of the Game Theory and also a winner of the Nobel Prize. In 1955 he said: "The globe itself finds it in a speedingly growing crisis. How we can survive technology? It indicates that this crisis which affects all human kind does not originate from events of human errors. Its roots lie in the relationship of technology to geography versus political organisation. This development of technologies which will achieve predominance within the next decades (note it was 1955 and that it is happening now) finds itself in full opposition to the present geographical and political units and conceptions. It constitutes the growing crisis of technology. It will

so far be necessary to design new political forms and procedures." Neumann was also one of the founders of the computer systems today. He worked in Princeton, and you can say that this man laid the basic for the Future Studies at the MIT, Massachusetts Institute of Technology, where most of the statistics studies of the Club of Rome were prepared.

If you look at the world today you will find in the economic sector a new way of thinking. Just let me give you two examples: A slogan of IBM sounds, and I guess most of you will know it, "IBM – solutions for a small planet". The Company of Britta Steilmann – a designer of young ladies' fashion (her father is an industrialist and a member of the Club of Rome) – has the slogan: "It is one world, it is our world." With these two slogans from the global advertising or global marketing I want to present you some current affairs facts going back in the history where the development of globalisation, and also the governmental crisis we face today, has its roots.

I please you to recognize this headline of the Spiegel Magazine from September last year - "total global: Wie der Turbokapitalismus die Welt verändert" - how turbo-capitalism will change the world. With this headline so to say the discussion about globalisation got some heat. At the same time there was a book called "Die Globalisierungsfalle" written by two editors of the Spiegel Magazine. It is now a best-seller published by the Rowohlt Verlag. And if we, as I do as a journalist, step from one international conference to the next one we shall always find quotations and headlines like the following one. It is taken from the International Harold Tribune: "Does the Nation State have a Future?" Well, the answer to the question in the article and also the answer given by our president Roman Herzog in September last year on the Deutscher Historikertag was a clear No. Our president says no. The nation state as we know it today will not have a future if we do not find a way to globalize the achievements of the nation state which give us social security through the division of powers. Also on this conference the answer to the question "Does the nation state have a future?" was simply No. No, if... (and this is a conditional sentence) ...if we do not change our way of thinking and bring some of the structures we enjoy nowadays in our nation state into the international or global sphere.

This is an essay. It is published in the New World Magazine which cites the Siemens Magazine. The question was: "Das Ende des

Nationalstaates?" I will just quote in English: "The old nation states have lost their autonomy, their sovereignty, their power. Just like the feudal lords they will be swept away because of anachronisms. The world of the 21st century is a global one, with global problems and global solutions. The nation states of the 19th and 20th century could continue like before if they wish, but they should not be too confident about their survival in the 21st century because of the super connecting technologies. Maybe that is the first time in history of mankind that governments are unable to direct commerce and industry. Global trade is rushing ahead towards the 21st century, governments lie behind." And the last quotation: "Monetarism and Keynesianism function best in national economies. But now it is a global economy today. Nation states have even lost the grip of the welfare state." Well, this was not a journalist who wrote this. This was William Knoke, the chairman, the CEO of the Harvard Capital Group, one of the top business makers in the USA. I guess this is an article which should be read carefully by the heads of the state like our Bundeskanzler Helmut Kohl, because the industry, here Siemens, tells it clearly - the system as it is now comes to an end. Kohl is one of the main supporters of the European Idea. Because he knows that we need larger political and social units which are able to counterbalance the larger economy.

The gentleman of whom you just heard this quotation has published now, very recently a book in America which is called "Bold New World". In German it is published by the publishing company of the Austrian Industrial Society: "Kühne Neue Welt". And he asked himself as an economist if we face the globalisation of today and see how it is running, what do we need? And he said, we need world wide environmental laws, we need something like a world law and we need to counterbalance the multinationals and the global players, even more, we need some kind of an official – hopefully democratically authorized – global government. And this is new. Normally you know this from philosophers like Kant or others who think on such a level. But now also some of the economists start to think in this terms.

What is also known – this is a book-report published by the Club of Rome. Until two years ago the Club of Rome was famous for warning because of the limits to growth. But I need to say that it exaggerate a bit the global crisis, the situation. In this book is being asked: "Is the world still governable?" And the Club of Rome wrote

that within the next 10 to 15 years the top level point on international agendas will be global governance. How we govern our planet?

You may ask: Well, do the politicians have nothing to say about this problem? Because there are almost only scientists or business men in the Club of Rome? Of course they have. This man – Strobe Talbot is the vice foreign minister of the USA. In this essay he writes that we are running for a single global authority and that a phrase used in the middle of the 20<sup>th</sup> century – to be a citizen of the world or world citizen – will assume a real meaning at the end of the 21<sup>st</sup> century. So he also put the verse of a global nation on his political agenda.

Now you may ask: Why? What happens in the reality? And I will show it with some examples. The simplest explanation - let me put it into one sentence - is the following: We have gone from national economies to a global economy but our systems of law and social order are still on the level of national states. So, there is a gap which arises between the economical and political sphere and this gap is one of the main reasons for the social disorder world wide and for the shadows of globalisation. This is a topic broadly discussed in the public at the moment. Let us have a look at a VHS in Stuttgart, for example. A VHS is a citizens or peoples university, if we put it into English. So, there is a new programme at this peoples university in Stuttgart on Globalisation and Global Responsibility. These have their roots in the global civilisation, which as a very old idea actually going back to the old Greeks. I think it expresses cosmopolite or just world state. It is interesting. What was originally a philosophical or humanitarian idea becomes now an important point on the political and economical agenda.

Let us take a look at the situation which we face today. If you see the economic sector, it is globalized. It has already reached the global level – human kind, the sphere of world economics: multinational companies, global marketing, etc. But what happens with the legal policy sector, with the law enforcement of the state, with the intellectual, spiritual or ethical sector? No, they do not have reached the global level. What does that mean for the political sector? Well, it means that here on the global level we have a lawless sphere and we have a sphere of non ethics. It means that economics as a strong force in human history does not have anything to balance it on the global level. This is the reason for a lot

of trouble we have. Remember how some years ago Mr. Soros did some speculations in the currency-exchange sector which forced the British government to leave the European Currency System. So, a single man with his financial manipulations in this one sector forced a whole government. Interesting.

And now, my thesis is that it is of interest to us all as citizens - I am speaking as a citizen not as a leader of a multinational company we as citizens are interested that also the legal policy sector, the intellectual sector, the ethical sector, etc. get enforced to the global level. It is a real question of survival because, this may sound amazing, but the globalisation of the world economy is a strong peace factor of today. Remember that some decades ago, during the World War I for example, you had German cannons made by Krupp shooting against French cannons and so on. But now in a global economy capital is being invested world wide and the investors are interested that these world wide structures do not break down because this would mean the loss of their investments. And for this reason, it is clearly seen in social science that the economic sector takes also care that international conflicts do not arise to global ones. On the other hand, through our way of doing international trade and industrialisation we destroy our planet step by step. Also for this we need some kind of regulation. To sume up, we have at first a positive phenomenon which gives us some more security because of the economic interest world wide. On the other hand, our way of over-consumption will destroy us step by step, if we go further more in this direction in our biosphere system. We are in a serious trouble. We have no environmental laws world wide and we have no institution which can enforce such laws to counterbalance the free market sector.

Let us take a look at history now to see how it happens: We have had the so called micro state system in Germany, it was named "Kleinstaaterei". This micro-state-system was swept away by the development of national economics. Trade and economy showed a strong tendency for europeanization and worldwide colonialization. At this time we overcame the micro-state-system. At first it was tried peacefully – remember, in 1848 the St. Paul's assembly took place. It was time to overcome the micro-state-system here in Germany and create a German national state. The first approach was intellectual and peaceful: let's do it in parliamentarian assembly, working out a constitution. But the old forces - like a dam - were to

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strong at that time. All changes need some time in history. Well, the pressure of an idea whose time has come got so high that 23 years later through the French-German war and through the iron fist of Bismarck of course we got a German state. However, the first approach was much more acceptable. Well, we see in history that there are some waves of social movement. For example, in 1899 there was a European wide peace movement. It is forgotten nearly, but there was such a movement. One of the events was the 1<sup>st</sup> Den Haag Peace Conference for example. This was at first, 100 years ago, an idea of a philosopher – Kant. He wrote an essay about eternal peace and 100 years later his idea of an international peace contract became for the first time of history a political chance to get realized through this 1<sup>st</sup> Den Haag Peace Conference.

Let us see how it worked afterwards through our century: The next thing which happened was the 1st World War. And through the 1st World War, and please remember this, was enforced something. That was the establishment of the first world organisation called "Völkerbund". It was not strong enough to face in the 20ies the first main wave of globalisation in our century. Globalisation of course is not a phenomenon of the last 5 years. It existed also in the 20ies remember the Black Friday when the bank and stock market crashed down. This event had as a consequence that the next wave appeared. That was a anti social wave - nationalism, fascism, etc. This was supported also by the effects of globalisation. Afterwards this lead again to another war and this war lead us to the establishment of a second world organisation. This is the today existing United Nations Organisation. Afterwards we had again a cold war period - a global high tech and economical war. And this lead to the next social movement - the so called 68-movement when the young people asked: Hey, stop a moment! What happens with this fascism? There was a famous book in Germany. It was called "Die Unfähigkeit zu trauern" written by Alexander and Margarethe Mitscherlich. This book describes some of the social and psychological consequences of repression through fascism. And now after the end of the cold war period we are again in the situation of an unorganized world. We have the United Nations but they are not fit for our time. Let me put it in this way. And we do not have a suitable kind of world organisation. As Butros Ghali in his book "UNorganized World" challenges, now we need a solid kind of world organisation after everything that is happening at the moment. Well, it is the question concerning our future. What happens? Do we have a big recession,

stagnation, neo-, micro-nationalism? Or will it happen that we get some kind of world citizenship, of global social movements within the NGO community, the Non Governmental Organisations Community. Over 3000 organisations are registered at the UN which maybe the forerunner of a new real global society. And can this global society counterbalance this stream of neo nationalism?

You see here in this abstract what I told you about history. An interesting thing is that in this area in this century we have had the first world citizen movement. Its members were for example Albert Einstein, Albert Camus, Andres Bréton and so on. And in 1948 they interrupted the United Nations Assembly in Paris and urged the delegates to decide about the human rights. You might remember that in December 1948 we got the Universal Declaration of Human Rights at the United Nations. It never would have happened otherwise, like the summit in Berlin about the climate crisis showed. But those famous people stepped in and interrupted the session and challenged them through public relations and press work. It was like Greenpeace today. They were forerunners to realize the declaration of human rights.

In our contemporary world I would like to show you only a few flashes. Now we have not only the Internet. There is also the one world web in it. So through the Internet comes a feeling of unity, of communication, without any boundaries, without any bureaucracy. On the other hand, the NGOs prepare for a huge conference in May 1999. It will be 100 years after the Den Haag Peace Conference. So the NGO community becomes also a global player step by step.

And what we also can see: In the educational sector for example are the so called international schools. They put into their agendas as you can see here: "These efforts allow students to develop a positive attitude as world citizens." So we also have some shifts in education. It starts at first with such international schools and may be it will take a longer time for other schools to realise it because this international schools are like ice breakers. And it is also similar in the British school of Berlin. "The school encourages the understanding of and the respect for world citizenship". These were only some flashes on what is going on to give you an idea of our current situation.

I would like also to show you something from the law sector. That is the international criminal court because at the moment we do not have a real law system world wide. And without such a system we have a lot of problems. We cannot handle conflicts. It is hard to handle such guys like in former Yugoslavia because they do not have a law which applies to the individuals. If Saddam Hussein for example as a dictator gives an order, we cannot blame him as a person, but according to the international law system we must blame the whole country inclusive the opposition and all these other people who have nothing to do with this. And this causes solidarity effects.

Now I come to the last point of my message today. Also parliamentarians from all parliaments world wide came together and found an NGO. It is called Parliamentarians for Global Action. In this way they want to democratise the United Nation System.

I think these were only a few flashes in a complex field and also very quick ones. But our present crises is also one of acceleration. So I just give you a good example of acceleration. What you see now is this question here: On national level we know that we have a government. And we have a chance to elect this government. And we have the chance in the next term not to elect these people if they are doing something wrong. We have a parliament, we have jurisdiction. This is just the division of powers. On the international level we have something like the so called United Nations. They do not really function. We have the beginning of the European Union. But on the global level - do you see what we have? We have nothing. That means we have anarchy, social Darwinism and the survival of the fittest. And this means that the global crisis is of course also a governmental crisis. For this reason I showed you that when you speak about globalisation it is not only the economic sector you should have in mind. Globalisation means how we can create our world new again. And this will be a challenge especially of your generation.

I thank you for your attention.

Lecture 14 th of May 1997 at Westfälische Wilhelms University Münster by Stephan Mögle-Stadel, now vice-chair World Citizen Foundation NYC www.weltdemokratie.de

# Cyclical Sociological Reactions

#### Re-Evolution (World-Citizenship)?

1999

Citizen Peace Conference, Den Haag, May 1999 UN-Conference on Global Governance? Euro? Haifa: Inauguration of Arche & Terrassen-Anlage Auroville: Inauguration of Matri-Mandir-temple

#### or Regression / Auto-Aggression

(Stag-nation, Neo- and Mikro-Nationalismus)

1989: End of the Cold War by Gorbatschow & Co. "Peace Dividend"

1966

The Re-Action / Rebellion of the children / students

"68 movement", Anti-Vietnam-demonstrations, Civil-Rights-Movement, birth of terre des hommes a.o. NG0s, Anti-Nuclear-Movement, Cosmonautical view of the earth, cosmopolitical responsibility?

Beatles, Hare Krishna, Yoga, Sexual Revolution, Anti-Baby-Pill

1961-66: Assasination of Dag Hammarskjöld, Martin Luther-King, John F. and Robert Kennedy

Cold World-War, Arms-race, Global High-Tech and Economy-War (Geocid)

1948:

World Citizen Movement

1945:

Establishment of 'United' Nations (UNO)

Second World War (1939-45) - Hiroshima 06.08.1945

#### 1933

#### Nationalism / Faschism of the (grand) parents...

perverts / integrates / overwhelms / oppresses:

Wandervogel Youth Movement, Neuform-initiative (Eden-Reformhäuser), Neuromantik (Gottfried Benn), Anthroposophy / Waldorf-Schools New Age Movement (Graf Keyseding), Nudist Movement (Ascona) New Economy- and interest-order (Silvio Gesell) Critics on industrial 'civilization' (Oswald Spengler, Ludwig Klages)

1929:

'Black Friday' (24. 10.): Wodd Economy Crisis,

NYSE Bank- and stock-market crash

1920:

Establishment of the 'Völkerbund' (the Societé des Nations)

First World War (1914 - 18) - Versailler 'peace treaty' 28.06.1919

1899

First Hague Peace Conference (NL)

### Cyclical Sociological Reactions

1899 First Hague peace conference (Europ. Powers and USA)
Foundation of the Hague International Court (paper)
('non-partial jurisdiction shall win over international violence')

Bertha v. Suttner (German Peace Society) initiats the Nobel-Peace-Prize

1900:

Boxer-Rebellion in China versus Europ. colonial powers

'Opium war' against chinese population

1899-1902:

Boer war

European-civil Peace Movement: Foundation of peace societies in all countries

1870-71:

German-french war / Deutsches Reich Emperors

proclamation in Versailles

1869:

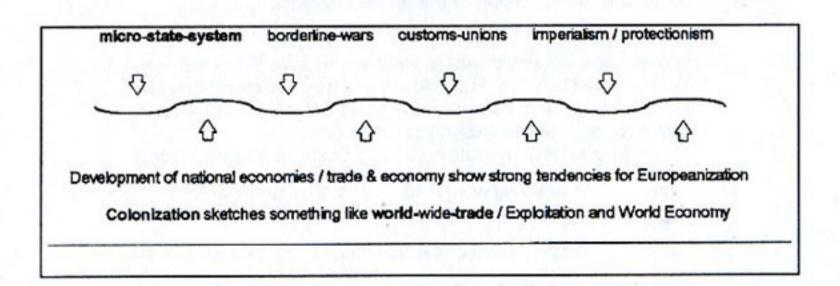
Konzil of Rome: Pronounciation of dogma of infallibility of the

pope (guru-principle)

1866 North-german Alliance under Prussian leadership

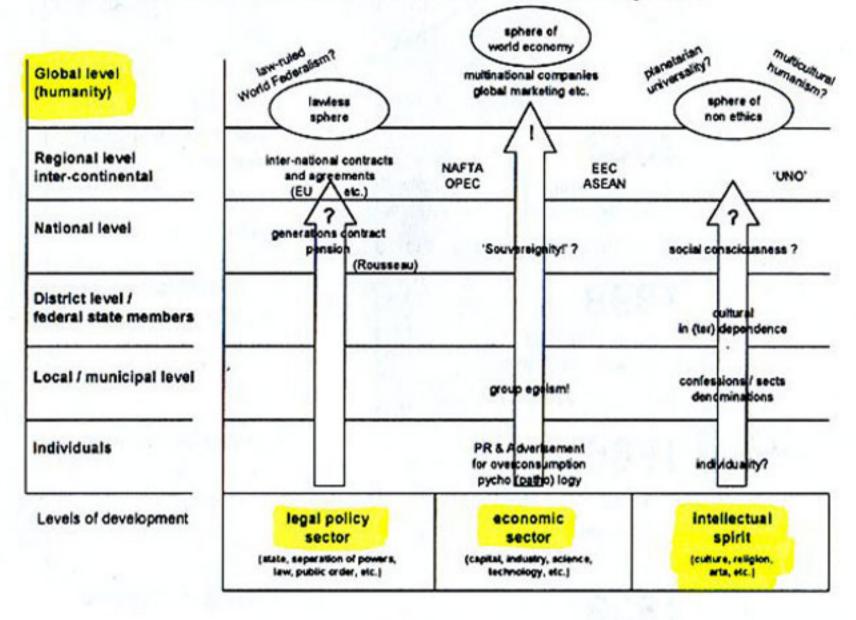
1848: Constitutional Assembly at St. Paul's church in Frankfurt / Main First German Bundestag / National Assembly and Federal Constitution (draft)

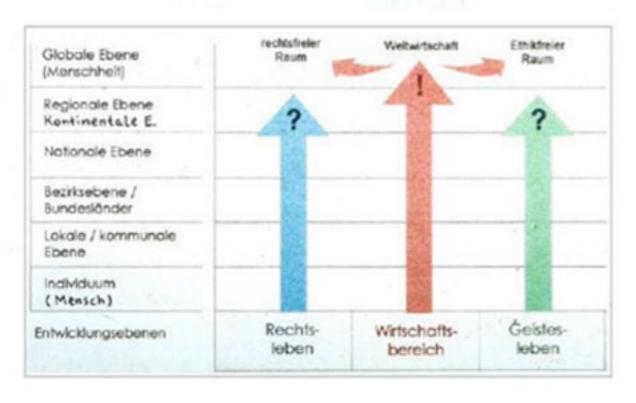
Switzerland becomes a federal state (before only confederation = canton-wars)



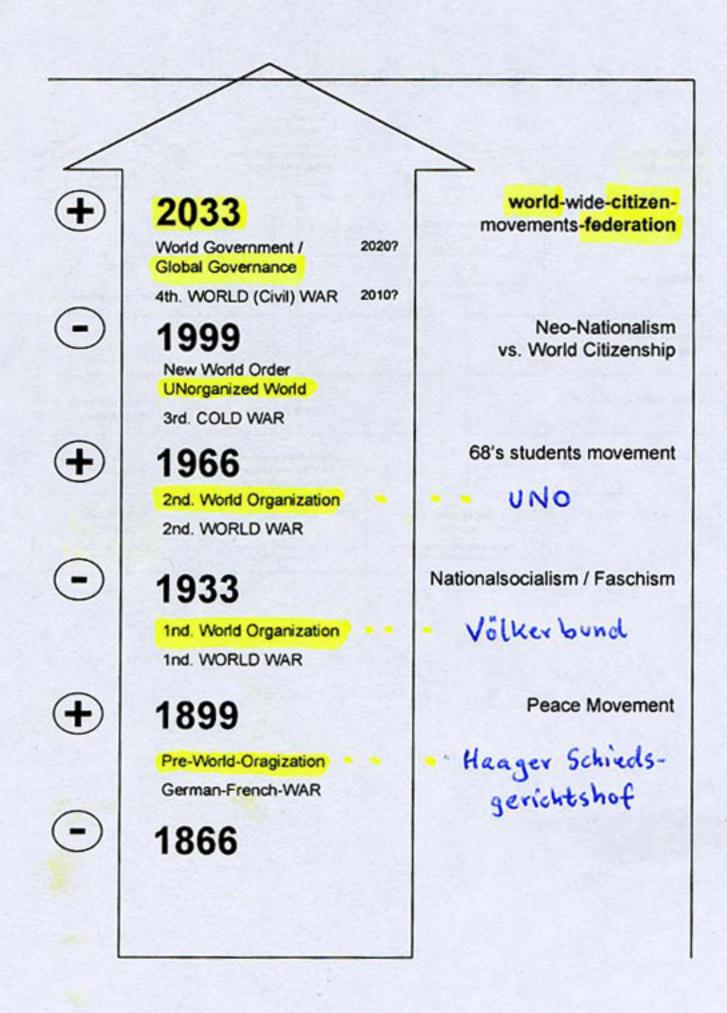
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### Current State of Civilizational Development





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# UNSUSTEM WILLOWS O SCONOMICUM WILLOWS O STATEM O

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Münster, den 11. August 1997

#### SYMPOSIUM OECONOMICUM MUENSTER 1997

Sehr geehrter Herr Mögle-Stadel,

Das SYMPOSIUM OECONOMICUM MUENSTER 1997 liegt nun schon über zwei Monate zurück:

Ein gemütlicher Empfang im Friedenssaal und anschließendem Abendessen mit Professoren, Referenten und Moderatoren.

Welch ein Tag ... war der 14. Mai 1997 im Schloß der Universität Münster, mit anregenden Diskussionen zwischen Theorie und Praxis, Wirtschaft und Wissenschaft sowie einem kulturellen Rahmenprogramm. Ein Tag, den wir nie vergessen werden!

Als kleine Erinnerung daran haben wir Ihnen ein paar Fotos, unsere Zeitung "Der Tag", die noch am Abend des Symposiums erschienen ist, und einige Zeitungsartikel beigelegt.

Im Namen aller Symposianer 1997 möchten wir Ihnen, Herr Mögle-Stadel, nochmals herzlich für Ihr Engagement und die Teilnahme an unserem Themenkreis *The Leading Multinationals - a National Threat?* danken.

Zur Zeit sind wir immer noch mit der Nachbereitung des Symposiums beschäftigt:

In den nächsten Monaten soll eine alle Themenkreise umfassende Dokumentation zusammengestellt werden, in der unter anderem die gehaltenen Referate veröffentlicht werden. Durch Abhören unserer Kassettenaufnahmen haben wir versucht, Ihren Vortrag zu rekonstruieren. Den Text legen wir sowohl in schriftlicher Form als auch als Microsoft Word – Dokument bei. Wegen der schlechten Tonqualität war es sehr schwierig, ihn einwandfrei wiederzugeben.