

MONEY: ENDS AND TRENDS

July 2001

The Rise of the Global Titans — Part III

The first two parts of this series on the global titans — the modern-rise of global-spanning multinational corporations — documented the extent of their power and rapidity of their advance. Their sudden emergence in human history could be very significant as already suggested. The global titans play a facilitating role in some of the endtime processes that afflict the world during the endtimes.

Though I would argue that the global titans as a group are already the most powerful economic force on the face of the globe today, the advance of the multinational corporation is still underway. They continue to get even bigger in leaps and bounds. These firms gobble up other companies, merge or build new companies at a rapid pace. In recent years, these activities have boomed to frenzied levels. \$100 billion plus take-over deals have become the norm, though they have slowed down over the past six months due to stock market declines. All the same, the total number of mergers or acquisition by MNCs around the world (both cross-border or domestic) has literally exploded over the past twenty years, rising 42 per cent per annum.ⁱ The value of these deals has risen over twenty-five fold relative to the size of the world economy. Clearly, an energized trend is underway.

As a result the business landscape continues to change dramatically. A few companies may dominate an entire industry. For example, only 10 companies account for nearly half of all US apparel sales.ⁱⁱ The largest five music companies control almost 85% of the market in the US in 1999. The three largest soft drinks companies commandeer 90% of US sales.ⁱⁱⁱ These are only a few examples. Industry concentration is becoming the norm.

Of much greater significance is that this same phenomenon is occurring on a global scale. Whereas mergers and acquisition were usually concentrated within countries in the past, mergers today have moved to the global arena. Ever larger companies are emerging, dominating entire global industries. Media companies spread their networks globally as they gobble each other up. Telecommunications companies, already the among the largest firms in most countries, merge and align with each other around the globe. A small number of them now control the majority of international communication traffic. Car companies devour the weaker ones hoping to gain advantages in the global sweepstakes for dominance, sticking together major companies from Japan, France, Germany and the US to name a few. The same trends are evident in pharmaceutical, technology, petroleum ... in every major world industry. Importantly, this trend is also evident in financial services industries. For example, the top ten investment banks in the world now garner more than 75% of the fees in global capital markets.^{iv} Many more statistics could be cited.

Trends Set to Continue in the Future

Following long periods of M&A binges, a hangover usually sets in for a while as companies digest their new acquisitions and others fail. One of these down periods is long overdue. Yet, over the longer-term, the global titans will probably continue to extend their reach much further. The road is being cleared for their further advance and gain in power. For one, governments and international organization are in fawning approval. Between 1991 and 1999, over 94% of the 1,093 changes made in the laws

around the world pertaining to foreign investment (*that's what MNC's do when they expand outside of their headquarter country*) were in the direction of creating a more favorable investment framework. Paralleling this trend is the number of bilateral investment treaties and taxation agreements between countries. These have literally boomed in the past 20 years ten-fold, in the process greatly smoothing the road for global businesses. Clearly, the welcoming mat is out to the MNC almost anywhere it wishes to venture in the world.

Some people are even willing to invest greater powers in TNCs. One global thinker advocates that global companies be given the responsibility of international security. Given their superior global information systems, MNCs are the natural choice to regulate international exports and imports and to gather intelligence.^v We should expect MNCs to become even more powerful world-wide in the years ahead. All signs are that this global favoritism for the multi-national company will continue.

What Do Corporate Trends Mean For Christians?

The rise of the MNC is of great significance to Christians for more than a few reasons. As we have observed in Part I, they are at the very center of globalization. MNCs are at the forefront of the convergent drive to a world-wide materialistic belief system. In the process, they impact our personal and economic freedoms and challenge and test our Christian faith. Increasingly, the values and ethics promoted in the places where many of us work are being determined by these basically immoral entities. We see that MNCs as a group wield enormous power over world affairs as they collectively dominate global economic and financial systems.

The rise of the MNC could even be prefigured in the Bible. To repeat the conclusions of the previous article in this series, while MNCs are not mentioned in specific, their role in bringing about the prophesied world conditions of the last days cannot be easily dismissed. The cultural and workplace values that are promoted, the development of a world systemic financial and economic power structure, and a rapid convergence of materialistic beliefs around the globe are all processes that MNC's have either promoted or created. Above all, MNCs figure prominently in an endtime boom in wealth and in the emergence of an all-encompassing global commercial order.

Could it be possible that the captains of the largest world-spanning corporations were seen by the Prophet Daniel in his last vision? In Daniel 11:39 we read that Satan (or possibly the Antichrist) "[...] *will attack the mightiest fortresses with the help of a foreign god and will greatly honor those who acknowledge him. He will make them rulers over many people and will distribute the land at a price.*" Here we see that the world in the last days is ruled and apportioned by "*price.*" Those that acknowledge and worship this Antichrist and the false gods that he promotes (*Please see the article series carried in Midnight Call, [The Rise of Three False Gods for additional perspectives](#)*) will be rewarded in an economic or monetary way. Who are these people? We cannot know for sure. Could they be the senior executives of the major world-controlling companies or industries? Certainly, the chief executive officers of the biggest MNCs are rulers over many employees, and distribute the global economic landscape through the mechanisms of price. Their actions, whether through mergers and acquisitions or economic initiatives of any kind increasingly have the potential to impact entire nations. Already some of the global titans employ greater than 200,000 people. It is very possible that as the MNCs get ever larger that the captains of industry could possibly take on the figurative roles of the elites that the Antichrist honors with wealth and gifts.

Could the top industry bosses of the world even qualify as the ten kings of the last days as spoken about in Revelations? While that is clearly a speculation, it is a possibility worth examining. Leading international consulting firms now talk of a world ruled by the “megaglot” — massive organizations that will make today’s multinationals look like corner stores. Interestingly, one consulting firm recently predicted that 10 to 20 of these super companies may form by the year 2010.^{vi} These will be so large, they predict, that they will have their own social systems to supplant the services that are traditionally offered by governments. If their forecasts are correct, the chief executive officers of the megaglots will indeed be very powerful. And, if the world continues its path towards rampant materialism and economic centralization, these managers of large industry-dominating MNCS — global economic kingdoms — could indeed number among the world’s kings. It is an interesting perspective though not the only possibility.

Whether or not these possible interpretations will prove to be correct, one thing is clear: The rapid emergence of the MNC is not a random event of human history.

A Final Alert

Are MNC’s really as bad as this article seems to portray? Actually, the perspectives expressed here have little to do with anti-corporatism. Let’s not forget that many modern advances and developments would not have been possible without the backing of large multinationals. Nevertheless, it remains true that the global titans are a major avenue — if not the very epicenter — of an endtime economic and monetary order that conspires against God and persecutes the values and beliefs of Christians. Without a doubt, MNCs are one of the major avenues of globalization on earth today driving a worldwide convergence towards unified beliefs and values centering upon money and wealth. In many ways these new leviathans play a crucial role in creating a spiritual and materialistic “straight jacket” that challenges the faith and freedom of overcoming believers.

Looking ahead, one can imagine that MNCs as a group will continue to expand and envelope a greater part of the earth’s human economic activity, wielding fierce financial control of world affair. As a result, the circle of individuals with the power to influence the world’s economic and financial activity will therefore likely continue to shrink even further.

An alert is timely. Though we may be employed by these companies, our eternal values and morality does not need to be corrupted. While we may enjoy the conveniences that these entities bring to the world, our souls need not be captured by these comforts. In our day, these are challenges that will require much prayer and courage.

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ⁱ UNCTAD, World Investment Report 2000, page 10.

ⁱⁱ The Retail Consolidation. Wall Street Journal quote research of NPD Group, a market-research firm based in Port Washington, New York.

ⁱⁱⁱ Wall Street Journal, March 8, 1999

^{iv} Source: Stern Business School. According to a Securities Data Corporation survey in 1999, the top 20 investment banks increased their market share of global capital markets business from 80% in 1990 to 97% in 1998.

^v Beyond Border Control. Stephen E. Flynn, Global Affairs, Volume 79 No. 6, November/December 2000..

^{vi} Deloitte, Outlook 2000 Plus.