

## **Modern Sovereign State System is under Cloud in the Age of Globalization**

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### **ABSTRACT**

This research paper is all about the end of the state as modern state system lacks sovereignty, independent government, well-defined territory and participant population. It explains that communication revolution, international financial institutions (IFIs), advertisements, aggressive marketing and above all multinational corporations (MNCs) have made an end of the traditional form of the state that used to be based on four basic elements, Sovereignty, Government, Territory, and Population.

The MNCs may be called as Multinational Governments (MNGs) or Multinational States (MNS) owing to their economic power that dictates the modern states. Besides that weapons of mass destruction (WMD) and missiles race in different parts of the world have diminished the very concept of state or its well-defined boundaries. The modern state has to redefine its character otherwise MNGs are going to take it under its sway with all its technological sophistications and scientific advancements.

The hypothesis of this research paper is that modern state does not comply with its definition. Modern state system lacks sovereignty and government. Now a single individual or a group of individuals without having any territory can claim their status equal to that of the state.

**KEY WORDS:** WMD, MNG, New World, US Foreign Obama Policy, Bin Ladin, Afghanistan

### **Historical and Theoretical Framework**

In political science the concept of the state is defined as “*a politically organized body of people under a single government*” (<http://www.cogsci.princeton.edu/cgi-bin/webwn?stage=1&word=state>) Generally, it is considered that there are four basic elements of a state: Government, Population, Territory, and Sovereignty. It (State)

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may be defined as a well-defined area occupied by a group of people governed by a ruler and it is sovereign internally and externally.

In the past, tribes, ethnic groups and their mode of actions used to threaten the state. But state was never as much at stake as it was today. Tribes and religious ethnic groups in Pakistan, India, Sri Lanka, Nepal, Bhutan, Maldives and in Afghanistan, Kurds in Iraq and Turkey, Quebec in Canada are pertinent examples in this context that remain a permanent source of discontent in above mentioned states.

In this age of communication the concept of the state seems under threat and misgiving. Now we are unable to say that state has four basic elements and it is a politically organized body of people under a single government. The communication revolution, scientific advancement, and technological sophistication have dissolved the meanings of the state. The WMD and missile race in the world are adding fuel to fire.

It is quite evident that modern state is facing crisis under the umbrella of interdependence, environmental pollution, WMD and terrorism. Under such state of sorry affairs state system has shattered into pieces and usurped by the MNGs.

The incident of 9/11 in 2001 exposes the feeble meanings of the state. If state is sovereign internally and externally, how it was attacked by an individual sitting in Afghanistan (as blamed by the U.S. government) and America retaliated with cruise missile one million dollars apiece. (Friedman, 1999) Osama Bin Laden is not a state but an individual who waged war against the so called sole superpower of the world. It means in this communication age an individual can assume a status of a state.

The analytical study of behaviouralism explains that the feeling of recognition is a basic human nature, as Hegel calls it self-esteem. Fukuyama emphasizes in his latest book that end of the twentieth century is guiding people towards liberal society for two reasons: "*economic and struggle for recognition.*" (Fukuyama, 1998) He further argues that political events of the first half of the twentieth century, like two destructive World Wars of 1914-1918 and 1939-1945, along with emergence of totalitarian ideologies, deployment of nuclear weapons and degradation of environment owing to industrialization, overshadow the world with Hitlerism and Stalinism. Therefore, people became used to such pessimistic aspects of life. (Ahmad, 2004) In such gloomy environment, globalization emerged as a ray of hope.

Likewise, in the last quarter of twentieth century, decline of authoritarianism from Latin America to Eastern Europe, from Soviet Union to Middle East and Asia gave a flip to liberal democracy. (Ahmad, 2004) But the liberal democracy is in question after 9/11 incident and afterward the US-Afghan war in 2001-2002 and the US-Iraq war in 2003.

People in this century are more aware and conscious about facts and observe them conspicuously. They do not accept any thing offhand. But even then media is still a strong weapon that can be used at any time to ruffle public opinion. The

MNGs are using the latest multimedia facility to facilitate their plans that purely based on profit maximization and nothing else.

Therefore, Fukuyama's thesis looks in action but as for as struggle for self recognition is concerned in the modern world may be considered as antithesis of his thesis. As economically deprived, "have nots" are waging war against the "haves." Terrorism is one of the main reasons of that deprivation.

Internet, cyberspace, e-mail, fax machines are such tools in the hands of an individual living in the 21<sup>st</sup> century, who can exploit such tools or resources for his political, economic, social or any other benefit. Private TV channels through cable network are available in every state. These channels are commercial in nature and any one can buy time to communicate his message. Advertisements are so bewitching that area of choice for the customers has been curtailed by giant MNGs. Marketing has become so aggressive that hardly one can escape from buying. Credit cards are assisting to the people to become subjects of the creditor.

McDonalds, Pizza Hutt, KFC, IBM, Mercedes Benz, Pepsi, Coca Cola, Nike, Ford, General Motors, Marlboro, Macintosh, Vitech, Compaq, Dell, Fahrenheit, etc. are such MNGs that may be considered as mini states in every so called states like Pakistan, Japan, India, Bangladesh, USA, UK, Canada, etc. The MNGs are ruling over the world. Who rules over the world? - That utilizes and earns most economic resources of the world.

Modern state system is directly under the thumb of giant business tycoons who are owners of these MNGs. They dictate their conditions and kept nation states under their influence. Monopolization of the capital is the main objective of these MNGs. This monopolization is not new for the nation states. In the sixteenth and seventeenth centuries' imperialist states, like Great Britain, Portugal, Hungary, Germany, Italy used to do so.

In eighteen and nineteen centuries' colonial powers including all imperial powers, the New World (U.S.) and subsequently the World War II, period of neocolonialism- monopolized the world economic resources. In the past, usually states used to monopolize resources but in modern times individual or group of individuals did so.

Democratization of information through Internet, democratization of finance through credit cards, and democratization of technology through computers (Friedman, 1999) have made categorically the end of a state. Francis Fukuyama's End of History is utterly at stake; as modern man does not enjoy freedom or constitutional liberalism. Lets look into the operational framework of this thesis.

## **Operational Framework**

Nevertheless, the factual position is that the MNGs of America and Japan are leading contestants. (Ahmad, 2004:11) The former tends to capture the world through its McWorld, the latter, through its technology. Benjamin R. Barber's

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McWorld is a collection of Macintosh, MTV, and McDonald, trust in commercial revolution. McWorld having a control over information, communication and entertainment will eventually control human destiny. (Barber, 1996). It also mesmerizes people with fast music, fast computers, and fast food through MTV, Macintosh, and McDonalds respectively. (Ibid: 4)

Kenichi Ohmae talks about borderless world in his document, *The End of the Nation State and Rise of Regional Economies* published in 1996. This book assists in arguing that contemporary state has no sovereignty and government in a real sense.

Kenichi Ohmae describes four “Is”, (Investment, Industry, Information Technology and Individual), as a ‘sine qua non’ for economic development. (Ohmae, 1996) The close study of his thoughts etches the reality of developed world that are flushed with the surplus cash for investment. Japan is a country that has more than 10 trillion US \$ and intends to invest in the world to get a huge profit out of it. (Ahmad, 2004).

America has the same tendency to invest or export its surplus to get advantage out of it. It gives a real boost to the economies of such countries. Sometimes it happens that a country is near to bankruptcy but has a huge amount of cash in the form of pension funds and life insurance, and such cash has no profit lying in the same geographical area. So, such countries invest the same cash in the other countries to get profit on that public money. (Ahmad, 2004: 15-20). It means every state unable to get fruits of increased interconnectedness but only the groups or individuals who have money can collect all fruits of globalization. Bill Gates, or may be Osama Bin Laden can easily oscillate the world stock exchange.

The American government is presently investing 10 percent pension funds in Asia and getting a huge rate of interest on it. So investment is not constrained by geographical boundaries, wherever the opportunity is located, investors invest their money. (Ohmae, 1996: 4). Investment is not only coming from public sector. Ten years ago, most of the times, “The flow of cross border funds was primarily from government to government or from multilateral lending agency to government.” (Ibid).

With the advent of economic globalization the flow of cross border funds is now private, government hesitate to involve at either end. Mostly this investment is done through MNGs.

It testifies that these giant MNCs have transformed into MNGs. These newly economically sound MNGs have their subjects, government, sovereignty and territory, and believe in a borderless world. For example, in Pakistan McDonalds, KFC, and Pizza Hutt are such fast food restaurants where people (as subjects) feel more comfortable with their paramours. This freedom attracts transitional countries’ (where democracy is in its infancy) young generation more as they feel insecure at any other public place in the country (state). Therefore, these MNGs are ruling over such generations. As the local administration is not concerned with their free environment so the MNGs are sovereign and independent in their small

territories. These MNGs not only have full control over the economy of developing countries but also very strong in the developed world.

John Kenneth's analysis categorically stresses that giant corporations (MNGs) dominate the U.S. economy. "Their strategic influence on economic and political affairs and the imperative need of their corporations for their own safety and protection, to control their sources of raw materials and their markets." (Ibid).

The cumulative effect of the annual flow of investments results in an economic involvement that is much greater than exports. So, the US foreign policy mainly based upon controlling the globe directly or indirectly with an energetic expansionist policy of U.S. business. Industry is the second "I" that boosting the modern phenomenon of globalization. Now, under economic globalization, MNGs have come into action. They usually manufacture the desires of the people through advertisements and marketing to attract the people of the world. Therefore, people start making demands upon the local market to bring their desirable products. In this way, it becomes an inability for the trader to bring foreign products to satisfy their demands. (Ahmad, 2004: 15-20).

The GM, IBM, P&G, and Uniliver are such MNGs that existing in China and working successfully and comfortably expanding their business. (Ohmae, 1996: 3-4) Third, "I" is the information technology, which has created a global village, and the whole world has come under its sway without any hindrance. Investment and industry are being facilitated by information technology. It kept them moving and alive. Electronic commerce is a product of information technology, "Which now makes it possible for a company to operate in various parts of the world without having to build up an entire business system in each of the countries where it has presence." (Ibid.)

The wiring of the world by the Internet has made it possible for any individual either he is an engineer, designer, architect, planner, scientist or sociologist to control his business in abroad. Individual consumer is the fourth "I" who compels the market to bring the best and cheapest product, no matter from where it comes from.

The MNGs with developed resources can easily compete in the world market by forcing the policy of dumping in the outset. In the modern global economy, the nature and size of business units matters in the development of a country. (Ohmae, 1985) The nation states have border and connections that are considerable in the borderless world. (Ohmae, 1985)

It seems that information technology has transformed the whole universe altogether and it has become quite difficult to understand the reality of any product in the market. They just want to develop a world for themselves where they could monopolize the capital. Lenin rightly said that capitalist countries always have, "The urgency to develop a world market, the struggle to control foreign sources of raw materials, the competitive hunt for colonies, and the tendency toward the concentration of capital." (Magdoff, 1969: 27).

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These MNGs are playing a drama in which every character trying to get an Oscar through its excellent performance without knowing the element of selective morality on the part of jury. The UN being a so-called central authority has failed to a certain extent to check the on going race of McDonaldization of the world.

This jungle like world is full of ethnic identities, fighting with each other for example, Kurds in Iraq, rival groups in Afghanistan, Quebec in Canada, Tamil in Sri Lanka, Serbians and Croats in former Yugoslavia etc., so it is very difficult for the modern state to unify them but these MNGs are integrating them well through their taste, advertisements, slogans and environment.

Barber exposes that McWorld believes in extreme commercialism. It sometimes disguises itself under the name of democracy and gets hold on predacious markets. (Barber, 1996: 10). Contrary to this multiculturalism turned into a malignant tumor and keep dividing the sovereign identities and could not serve to sustain the modern sovereign state system successfully. (Ibid: 17) Markets in the world dislike frontiers as nature dislikes vacuum. Here Benjamin R. Barber testifies Kenichi Ohmae's borderless world.

Within their expensive and permeable domains, interests are private, trade is free, currencies are convertible, access to banking is open, contracts are enforceable (the state's legitimate economic function) and the laws of productions and consumption are sovereign, trumping the laws of legislature and courts. (Ibid: 13)

*In Europe, Asia, America, International Financial Institutions, trade organizations, transnational lobbies like OPEC, international news agencies like CNN, BBC, Zee news and MNGs are busy in reshaping the world through their activities. (Ibid.) Sometimes products are made in any one of the following countries: Hong Kong, Indonesia, Korea, Malaysia, Mauritius, Mexico, Philippines, Singapore, Taiwan, Thailand, but it becomes difficult to trace the origin of any product.<sup>1</sup> Gillette's chairman Alfred M. Zeien says firmly, in business, I do not find any country foreign but I use to modify the products to any marketplace in the world.<sup>2</sup>*

*The MNGs that can also be remembered as transnational post national and antinational have become central players in Global Economy. They have left behind the sovereign state and representing the people hood. (Barber, 1996: 23).*

Their customers are not citizen of a particular nation or members of parochial clan: they belong to universal tribe of consumers defined by needs and wants that are ubiquitous, if not by nature then by cunning of advertising. (Ibid)

*McWorld is serving 20 million customers around the world everyday and attracting more and more people day by day. The people are using the products of McWorld from the world over, Reebok shoes; Perfumes of Safari, Fahrenheit, and Ralph Lauren have ended the frontiers of the world. (Ibid: 24)*

In 1992, the number one fast food restaurant in Japan, considered by volume

of customers, was McDonald and Colonel's Kentucky Fried Chicken got the number two position. (Ibid: 18) It shows that how Japanese has been influenced by California-ization. Kenichi Ohmae says the process of convergence of taste and preference is called California-ization. (Ohmae, 1985: 27) All these developments slit open three broad effects about MNGs' economic policy:

- a. They can transfer capital to anywhere in the world.
- b. Company men have been made more responsive, who take care of customers demand and fulfils accordingly.
- c. The economic nationalization can hardly influence the purchase decision in the prevailing conditions, as acculturation has become a state symbol in the developing countries. (Ibid: 28).

The MNGs abhor government intervention in market's decision-making process. The developed countries intend to squeeze the last drop of blood from the frail sovereign entities of the developing world.<sup>3</sup> That is why; developed world is busy in maximizing its sales and holding the economic markets in a capitalist fashion.

Through MNGs, market ideology has overcome the self-interest. (Barber, 1996: 31). Whenever, sovereign entities want to attract MNGs' attention towards state generated public interests like justice, full employment and environmental protection, the MNGs feel it against their interests. They decide to withdraw their investments from that country, without giving a prior notice and by leaving indigenous employees in lurch, even without giving them compensatory amounts.

This is in accordance with real philosophy of *laissez-faire*, "*Leave us alone! Let us do what producers and consumers do: Sell Buy, Produce, Consume.*" (Ibid: 31). Barber calls *laissez-faire* as a force with a new label of McWorld, based on internationalism and global markets.

This kind of *laissez-faire* of the capitalist 'haves' can also be adequate in a way with the Marxian concept of economic war between the rich and the poor countries<sup>4</sup>. It can also be translated in Hobbes Levi Athenian approach as a, "*War of all against all...the quest for power after power that ceaseth only in death.*" (Ibid: 32)

The IFIs are another source of MNGs to rule over the world and making an end of the state. The IMF and the WB work as a guarantor of the US while giving economic aid and loans to the developing nations. The WB tries to redress the grievances of the developing world through its welfare schemes and programmes. The presidency of James Wolfenson, commenced in 1995, has the main objective to alleviate the poverty from civil society in the developing world.

The bank is also intended to reduce the debt burdens from the highly indebted poor countries (HIPC). The critics are of the opinion that the WB acts as little but speaks much. All these reforms have been a direct corollary of 'Washington Consensus' in which some measures of structural adjustments and economic liberalization were imposed in 1980 and 1990, to make reforms in the macroeconomic policies of under-developed countries.<sup>5</sup> Contrary to this IMF has

confined it to reform and the release of information and ameliorating its systems of national and international oversight<sup>6</sup>.

The IMF has proposed, "A broader range of institutional reforms is needed if countries are to establish and maintain private sector confidence and thereby lay the basis for sustained growth."<sup>7</sup> It has confined itself and restrained to specific issues like, institutional reforms of treasury, budget preparation and approval procedures, tax administering, accounting and audit procedures, Central Bank operations, and the official statistics functions. As far as market mechanism is concerned it deals with exchange, trade, and price systems and aspects of the financial systems. In the regulatory and legal affairs it (IMF) concentrates on taxation, banking sector laws and regulations and the establishment of free and fair market entry (Ibid). The IMF authorities claim that they keep the secrecy and centralization of power.

During the East Asian crisis in the late 1990s, the concerned government call them 'poorly supervised', 'poorly functioning', 'badly regulated', 'corrupt' and 'government directed.' (Mills, 1981: 83).

The IMF does not consider the IFIs were responsible for the East Asian crisis. Such statement show a reversal in IMF's policy, when they used to call same countries as 'tigers', economic 'miracles' and 'impressive' etc. (IMF, 1997: 59,60) Few years later, the IMF accepted that it had some connections to those crisis. (Katona, 1998: 1458-1462). The IFIs transparency and accountability are deficient that is why; a protest was made in Washington to condemn the WB and the IMF.<sup>8</sup>

The above description shows that the IFIs are the puppets in the hands of MNGs. American MNGs are utilizing a network of banks, corporations, restaurants and other consumer goods. Coca Cola, KFC, Pepsi, Marlboro, Nike, Hershey, Wrigley, Levi's, and McDonald's all are serving the MNGs' purpose and achieving their profit motive, in the far-flung areas of the world in their unique style and fashion, attracting every generation. (Barber, 1996: 60).

The MNGs are busy in economic pursuits, employing its industry, arms, food, music, fashion, films and ultimately its culture. American culture is an amalgam of different communities of the world. It has become a melting pot where hundreds of people are living in a well knitting unit. The capitalist ideology is keeping all people united by fulfilling their needs and demands in time. The government employs the internal integrity and peace abroad to rule over the world. American consumer goods are hardly American by its origin but known as American.

For example, Chevy is a famous automobile in America built in Mexico by imported parts and then reimported into the US. Same the case is with Ford, built in Germany by Turkish workers and sold in Hong Kong and Nigerian markets (Ibid: 24). Economic globalization is against the essence of Ricardo's theory of *comparative advantage*. Since, in economic globalization, advantage is purely lying with developed world.<sup>9</sup> It all shows that modern state has become a satellite of the MNGs and World Trade Organization (WTO).

The WTO came into existence on January 1, 1995. Almost all the trading



nations including Pakistan are members of the WTO. This international body has three main objectives:

- a. To help trade flow as freely as possible.
- b. To serve as forum for trade negotiations.
- c. To settle disputes between states in trade affairs.

The entire member nations are well aware about the rules and regulations of conducting trade through WTO. Its rules are transparent and predictable. The trading nations do trade with full confidence because all the agreements and contracts are signed after a considerable debate and controversy. The WTO also assists the developing countries in the affairs of technical know how and trains them accordingly. Contrary to this, Bretton Woods institutions are only working for the developed world especially for America. (Ahmad, 2004: 22-25).

In this way, these MNGs are depleting the resources of the world unilaterally. This is the point where sense of deprivation starts in the world over especially in the developing world. This deprivation is leading the world towards terrorism and unfortunately it is being faced by the state not by the MNGs. As MNGs finish off their business from the country where terrorist activities become a routine matter and start business in peaceful countries. It definitely lessens the profit margin because in the third world MNGs earn more than in the developed world. These MNGs are running after profit maximization without considering the welfare of the whole.

The question arises here why MNGs are emerging in the world as a ruler instead of the state. Infact, after the Second World War in 1945 nation states started manufacturing weapons of mass destruction and an arms race started between rival states. It encompasses the developing world also. Contrary to this, the MNGs are inclined towards peace and entertaining people in music, computers, and fast food.

The communication revolution assisted the businessmen motive of profit maximization. Now multimedia has exaggerated the things so fast that whatever is said in media is considered true. Numerous private TV channels and Radio stations are at work now in the world over even in developing countries like Pakistan, where ten years back there were only two TV channels, PTV and STN. But now ARY, Geo, Geo News, Indus, Indus Plus, Indus Music, PTV World, PTV National, Uni-plus, AAJ, Hum, APNA, Rung, TV one, ATV, fTV, and a number of private radio stations like FM 100, FM101. There are more than hundred channels working in India.

Through media false news of scientific and technological advancement are spread to influence the public. For example it was popularized in late 1990s that America had made a stealth plane that was very advance and could detect any covert plans going on in the world during its flight over any country. It was exaggerated as this plane could detect even what was being cooked in the cattle of any home. If it was so why America could not detect that the World Trade Center and Pentagon are going to be attacked on September 11, 2001? Why America

could not see that Pakistan has made Nuclear Bomb? Why America could not find out nuclear deals done by European and Asian scientists?

It looks like that one day this exaggeration will take this form that any private channel will announce that God is online, the host will say, hello God, and then bang, everything will set at fire. The host will come out unharmed and tell to his boss that God was on line and when I start talking every thing set ablaze. The BBC will explain this as that God was on line in such and such country when the host said hello to God, and as He (God) responded, every thing set ablaze as God's sound frequency was greater than the normal sound frequency. The CNN will explain this event that do not worry about God's Sound frequency, our men are at work at Mercury and trying to get contact with God and fix everything at its right place very soon; consequently, communication revolution and MNGs are going hand in hand and exploiting the state resources for their own purpose.

Thomas L. Friedman considers the idea of end of state as nonsense. (Friedman, 1999: 157-158). But he himself writes,

“In the Cold War, it was the size of the state that mattered. You needed the big state to fight the communists, maintain the walls around your country and sustain a generous welfare system to buy off your workers so they wouldn't go communist. In the era of globalization (rule of MNGS) it is the quality of the state that matters.”  
(Ibid).

Now people are more quality conscious they can spend money for quality products. Friedman himself admitted that at present size of the state does not matter but the quality of a product that is being given by the MNGs. He again says, “The electronic herd turns the whole world into a parliamentary system, in which every government lives under the fear of a no-confidence vote from the herd.” (Ibid).

This statement of Friedman is positively assisting the hypothesis of the end of the state. He calls electronic herd to the Private sector that is run directly by MNGs. He called MNGs as long horn cattle. Look at the facts and figures how these MNGs are controlling the world economic out put. According to the WB report, in 1970, the local factories those are associated with the MNGs earned 4.5% of world Gross Domestic Product (GDP). This earning of the MNGs has gone double today. (Ibid).

In 1987, MNGs' direct investment in the developing world accounted for 0.4 %of their total GDP and it has gone more than 2% today. It is not only happening in the developing world but all over the world. When he talks about his Golden Straitjacket that is free market capitalism, emphatically argues, “Which system today is the most effective at generating rising standards of living, the historical debate is over. The answer is free-market capitalism.” (Ibid).

This is how we can derive that free-market capitalism is the economic policy of the MNGs. They know this is the only way to satisfy the demands of the present

generations. It is against the modern concept of sustainable human development (SHD) as it (SHD) fulfills the demands and needs of the present generations without damaging the needs of the future generations. This is how I am afraid of these MNGs. I am personally pleased with their economic designs but not agree with their actions that are based on selective morality and profit maximization on the cost of future generations. If these MNGs are really serious in having a *Universal-market* they have to be more pragmatic and must be compatible with their actions while formulating policies. For example visa policy for the third world countries is highly biased. People are not allowed to go in the world to find out their own prospects of life independently.

Contrary to this, these MNGs are doing brain drain in the world and giving jobs to people who are extraordinary in information technology, Science and Engineering. The MNGs pay them high perks and allure them towards their bright future. It deprives the modern nation states to such brilliant and talented social capital. Being a great supporter of MNGs and their *Multinational State* concept that is very close to human nature, keep people dynamic and united. It really minimizes the digital divide between the North and the South. But pragmatism is missing that was why terrorism is in action. Sense of deprivation among more and satisfaction among few will destroy this planet.

Samuel P. Huntington's thesis of clash of civilizations will come true that will be a real misfortune for the world. The 9/11 incident admonishes us and warns the MNGs to be practical and give everybody's share according to one's capabilities and talent. Profit maximization may transform into terror maximization. May God forbid me and keep this world peaceful and prosperous.

The MNGs are creating a revolution silently but fastly. This *clandestine revolution* is not beyond to any one but very close to every one, hardly anyone is aware of it. Thanks to communication revolution it is well nigh impossible to escape from it. If the supporters of nation states wish to carry on the modern state system they have to adopt a hardheaded approach to maintain this system. They need to assure sovereignty and integrity of the state in a true sense. Examples of Iraq, Afghanistan, Kashmir, Palestine and Israel are before us where state is totally helpless in performing its affairs. Afghanistan and Iraq are very pertinent and classical examples in this backdrop where American group of people's administration is at work.

## **Conclusion**

Role of media is making an end of the state and helping out the purpose of the MNGs of the world is condemnable. It is really diminishing the value of a common man. Only the rich are getting fruits of it the poor are at loss. The concept of MNGs can become successful if it run unbiased and objectively. The people of the South should have the same rights as the North has. The weapons of mass

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destruction are harmful for all. If, Iraq is punished for it, why Israel is spared for the same. Pakistan detonates its nuclear detonation and faces severe economic sanction but her counterpart India does the same but is awarded with joint military exercises by a sole superpower in the world. That is why these MNGs are more successful in the world as they need profit only not armaments or ally in controlling any region. This secular approach is making them popular in the world. The MNGs have no religion but one ideology that is profit maximization through free market or laissez faire.

Although, one can criticize on the idea of the end of the state yet it is the beauty of social sciences that difference of opinion always exists. Above mentioned facts are admonishing that if nation states do not react against the across-the-board role of the MNGs, it may harm the very existence of the state very soon. Presently it is challenging the basic elements of the state but afterward the state itself comes under its sway.

1. Former Secretary of State George Shultz as cited by Winston, *Twilight*, 10.
2. Cited in Louis Uchitelle, "Gillette's World View: One Blade Fits All," *New York Times*, January 3, 1994.
3. The Americans MNGs are working very efficiently in the developing world. They are earning at the stake of local markets and sending back all profits in their native lands that are billions of dollars every year. In this way these MNGs are not only grasping over the economic markets of the world but also capturing the local labor cunningly.
4. "That is what a market is: an unobstructed set of change relationships among individuals, consumers and individual producers that are allowed to take its course; and McWorld is nothing if not a market." (Ibid)
5. Washington's New Strategic Approach, Development and Co-operation, No. 6 of 1999.
6. Who will stand up to IMF for reform? (German Newspaper News Service), *The New Vision* 27 September 1999, 2.
7. International Monetary Fund, *Good Governance: The IMF's Role*, 2<sup>nd</sup> March 2000, preamble, 1.
8. Smith and Moises Naim, *Altered States: Globalization, Sovereignty and Governance*, Ottawa, International Development Research Council, 2000, 17. "The functional argument for transparency and accountability is equally important. No institution of authority now can long endure without the informed consent of those who are governed by it. Globalization itself is arming people with the information they need to give consent of those who are cases, the means to refuse it. But lack of democratic process is keeping international institutions weak people living in democracies are understandable reluctant to transfer allegiance and powers to organizations less accountable (and even more remote) than their own national governments." (Ibid)
9. The new universalism turns out to be little more than an omnipresent American parochialism dubbed into various languages and funded by Multinational Corporations.

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