

CHAPTER
34
SECTION 1

Section Summary

INDUSTRIALIZED NATIONS AFTER THE COLD WAR

READING CHECK

Which four Pacific Rim countries are called the “Asian tigers”?

VOCABULARY STRATEGY

What does the word *inflation* mean in the underlined sentence? Think about what happens when you *inflate* a tire. In this sentence, *inflation* refers to prices. If prices are *inflated*, would you expect them to be higher or lower? Use these clues to help you understand the meaning of *inflation*.

READING SKILL

Compare and Contrast Compare and contrast the U.S. economy in the early 1990s with the economy in the early 2000s.

The beginning of a new global economy began with the end of the Cold War. The division between communist Eastern and democratic Western Europe crumbled. Business and travel became easier. At the same time, new challenges emerged, including a rise in unemployment and in immigration from the developing world. One exciting change was the reunification of Germany. However, East Germany’s economy was weak and had to be modernized.

In the 1990s, the European Economic Community became the **European Union** (EU). The **euro** soon became the common currency for most of Western Europe. By the early 2000s, more than a dozen countries had joined the EU, including some Eastern European nations. The expanded EU allowed Europe to compete economically with the United States and Japan. However, older members of the EU worried that the weak economies of Eastern European nations might harm the EU. Most Eastern European nations wanted to join NATO, too.

After the breakup of the Soviet Union, Russia struggled to forge a market economy. Unemployment and prices soared, and criminals flourished. In 1998, Russia **defaulted** on much of its foreign debt. High inflation and the collapse of the Russian currency forced banks and businesses to close. When **Vladimir Putin** became president in 2000, he promised to end corruption and strengthen Russia’s economy. However, he also increased government power at the expense of civil liberties.

After the Cold War, the United States became the world’s only superpower. It waged wars in the Middle East and started peace-keeping operations in Haiti and the former Yugoslavia. An economic boom in the 1990s produced a budget **surplus** in the United States. Within a decade, however, slow economic growth and soaring military expenses led to huge budget **deficits**.

The **Pacific Rim** nations have become a rising force in the global economy. Following World War II, Japan became an economic powerhouse and dominated this region. However, by the 1990s, Japan’s economy began to suffer, and Taiwan, Hong Kong, Singapore, and South Korea surged ahead. These “Asian tigers” have achieved economic success, due in part to low wages, long hours, and other worker sacrifices.

Review Questions

1. When did the global economy begin to develop?

2. What economic challenges did Russia face after the breakup of the Soviet Union?

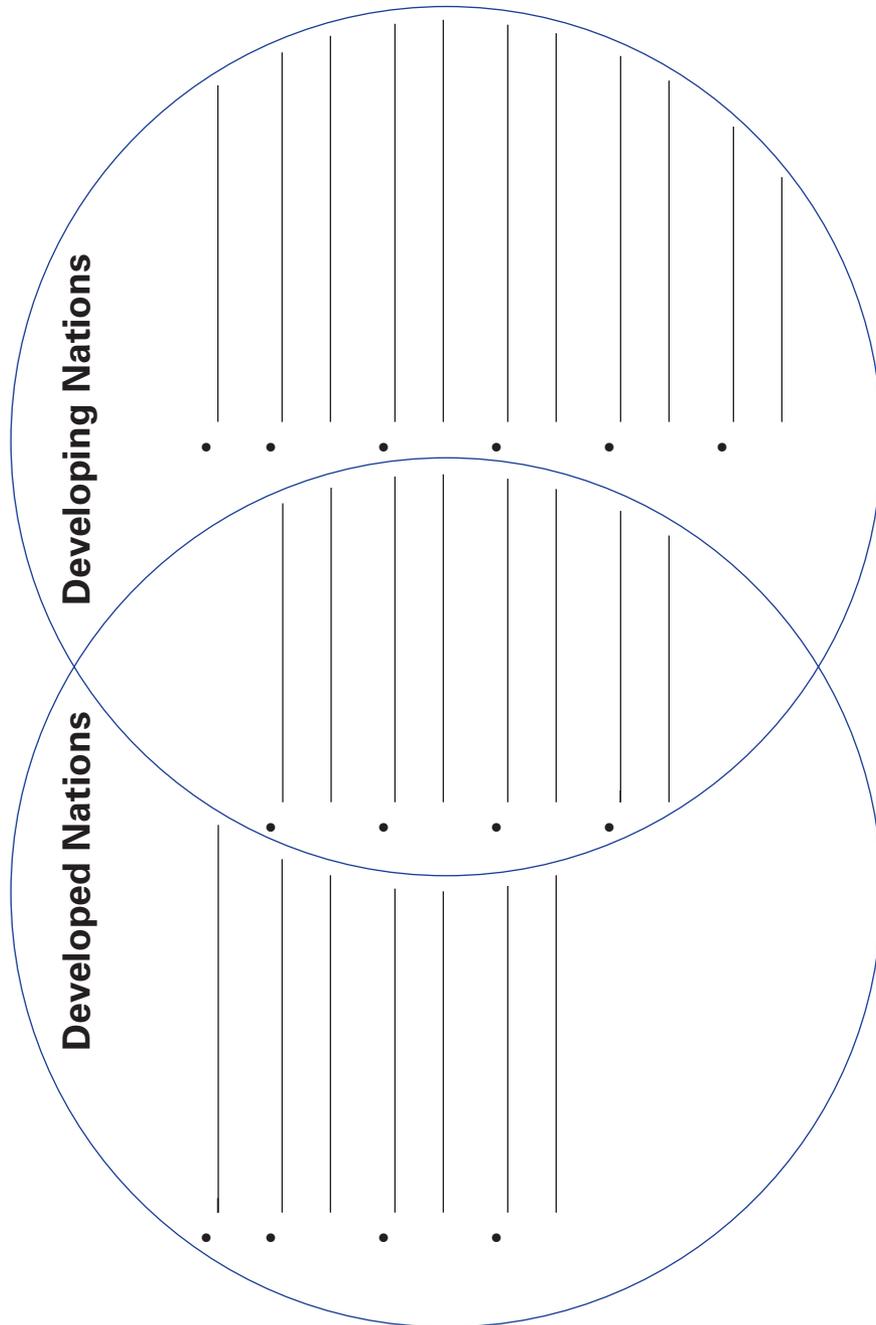
CHAPTER
34
SECTION 2

Note Taking Study Guide

GLOBALIZATION

Focus Question: How is globalization affecting economies and societies around the world?

As you read this section in your textbook, use the Venn diagram to compare the effects of globalization on developed and developing nations.



CHAPTER 34
Section Summary
SECTION 2
GLOBALIZATION

READING CHECK

What is globalization?

VOCABULARY STRATEGY

What does the word *assets* mean in the underlined sentence? Think about what it means if someone says that you are an *asset* to the team. Use this clue to help you figure out the meaning of *assets*.

READING SKILL

Compare and Contrast Compare and contrast the effect of borrowing capital on rich and poor nations.

Globalization defines the post-Cold War world. It is the process by which national economies, politics, and cultures become integrated with those of other nations. One effect of globalization is economic **interdependence**. This means that countries depend on one another for goods, resources, knowledge, and labor.

Improvements in transportation and communication, the spread of democracy, and the rise of free trade have made the world more interdependent. Developed nations control much of the world’s capital, trade, and technology. Yet they rely on workers in developing countries, to which they **outsource** jobs to save money or increase efficiency. Globalization has also encouraged the rise of **multinational corporations** that have branches and assets in many countries.

One effect of interdependence is that an economic crisis in one region can have a worldwide impact. For example, any change to the global oil supply affects economies all around the world. Another example is debt. Poor nations need to borrow capital from rich nations in order to modernize. When poor nations cannot repay their debts, both poor nations and rich nations are hurt.

Many international organizations and treaties make global trade possible. The United Nations deals with a broad range of issues. The World Bank gives loans and advice to developing nations. The International Monetary Fund promotes global economic growth. The **World Trade Organization (WTO)** tries to ensure that trade flows smoothly and freely. It opposes **protectionism**—the use of tariffs to protect a country’s industries from competition. Regional trade **blocs**, such as the EU in Europe, NAFTA in North America, and APEC in Asia, promote trade within regions.

Global trade has many benefits. It brings consumers a greater variety of goods and services. It generally keeps prices lower. It also exposes people to new ideas and technology. Nations involved in free trade often become more democratic. However, some people oppose globalization of trade. They claim that rich countries exploit poor countries. Some believe that globalization hurts indigenous peoples by taking away their lands and disrupting their cultures. Others say that the emphasis on profits encourages too-rapid development. This endangers **sustainability**, thereby threatening future generations.

Review Questions

1. What is the goal of the World Trade Organization?

2. How do consumers benefit from global trade?

CHAPTER
34
SECTION 3

Note Taking Study Guide

SOCIAL AND ENVIRONMENTAL CHALLENGES

Focus Question: How do poverty, disease, and environmental challenges affect people around the world today?

As you read this section in your textbook, complete the chart below to compare aspects of globalization.

Aspects of Globalization	Environmental Issues	<ul style="list-style-type: none"> • _____ • _____ • _____ • _____ • _____
	Human Rights	<ul style="list-style-type: none"> • _____
	Poverty/Disease	<ul style="list-style-type: none"> • Natural disasters • _____

CHAPTER
34
SECTION 3

Section Summary

SOCIAL AND ENVIRONMENTAL CHALLENGES

READING CHECK

What is an epidemic?

VOCABULARY STRATEGY

What does the word *inhibit* mean in the underlined sentence? The words *help* and *aid* are antonyms of *inhibit*. Use what you know about these antonyms to help you understand the meaning of the word *inhibit*.

READING SKILL

Compare Compare the two theories about global warming mentioned in the Summary.

Poverty, disasters, and disease are still challenges today. The gap between rich and poor nations is growing. Half the world's population earns less than \$2 a day. Poverty is a complex issue with many causes. Many poor nations owe billions in debt and have little money to spend to improve living conditions. Political upheavals, civil war, corruption and poor planning inhibit efforts to reduce poverty. Rapid population growth and urbanization also contribute to poverty.

Natural disasters cause death and destruction around the world. One example is the **tsunami** in the Indian Ocean in 2004. Other natural disasters include earthquakes, floods, avalanches, droughts, fires, hurricanes, and volcanic eruptions. Natural disasters can cause unsanitary conditions that lead to disease. Global travel makes it possible for diseases to spread quickly. When a disease spreads rapidly, it is called an **epidemic**. HIV/AIDS is an epidemic that has killed millions. Natural disasters can also cause **famine**. Wars and problems with food distribution also contribute to famine. Poverty, disasters, and wars have forced many people to become **refugees**.

International agreements, such as the Universal Declaration of Human Rights and the Helsinki Accords, have tried to guarantee basic human rights around the world. However, human rights abuses continue. Women in both the developed and developing world often lack equal rights. Worldwide, children suffer terrible abuses. In some nations, they are forced to serve as soldiers or slaves. Indigenous people around the world also face discrimination and exploitation.

Industrialization and the world population explosion have caused damage to the environment. Strip mining, chemical pesticides and fertilizers, and oil spills are all environmental threats. Gases from power plants and factories produce **acid rain**. Pollution from nuclear power plants is another threat. Desertification and **deforestation** are major problems in certain parts of the world. Deforestation can lead to **erosion** and is a special threat to the rain forests. One hotly debated issue is **global warming**. Many scientists believe that Earth's temperature has risen because of gases released during the burning of fossil fuels. Others argue that global warming is due to natural fluctuations in Earth's climate.

Review Questions

1. What are some causes of poverty?

2. What environmental problem is a special threat to the rain forests?

CHAPTER
34
SECTION 4

Note Taking Study Guide

SECURITY IN A DANGEROUS WORLD

Focus Question: What kinds of threats to national and global security do nations face today?

As you read this section in your textbook, complete the chart below to compare threats to global security.

Threats to Security	Nuclear weapons are unsecured in Soviet Union.					
	Nuclear Weapons					

CHAPTER
34
SECTION 4

Section Summary

SECURITY IN A DANGEROUS WORLD

READING CHECK

What is terrorism?

VOCABULARY STRATEGY

What does the word *priority* mean in the underlined sentence? Notice the sentence that follows it. What did the United States do because security was a *priority*? Use this context clue to help you understand the meaning of the word *priority*.

READING SKILL

Compare and Contrast Compare and contrast information about nuclear weapons before and after the Nuclear Nonproliferation Treaty.

Weapons of mass destruction (WMDs) include nuclear, biological, and chemical weapons. During the Cold War, the United States and Russia built up arsenals of nuclear weapons. To ensure that nuclear weapons did not **proliferate**, or spread rapidly, many nations signed the Nuclear Nonproliferation Treaty (NPT) in 1968. However, the treaty does not guarantee that nuclear weapons will not be used. Four nations have not signed the treaty, and other nations, such as Iran and North Korea, are suspected of buying and selling nuclear weapons even though they are treaty members. Stockpiles of nuclear weapons in the former Soviet Union are a special concern. This is because the Russian government has not had money to secure the weapons properly.

In the 2000s, terrorist groups and “rogue states” began to use WMDs for their own purposes. **Terrorism** is the use of violence, especially against civilians, to achieve political goals. Terrorist groups use headline-grabbing tactics to draw attention to their demands. Regional terrorist groups, such as the Irish Republican Army (IRA), operated for decades. They commit bombings, shootings, and kidnappings to force their governments to change policies. Increasingly, the Middle East has become a training ground and source for terrorism. Islamic fundamentalism motivates many of these groups. One powerful Islamic fundamentalist group is **al Qaeda**, whose leader is Osama bin Laden. Al Qaeda terrorists were responsible for the attacks on the United States on September 11, 2001.

Al Qaeda’s attacks triggered a global reaction. Fighting terrorism became a central goal of both national and international policies. In 2001, Osama bin Laden and other al Qaeda leaders were living in **Afghanistan**. When Afghanistan’s Islamic fundamentalist leaders, the **Taliban**, refused to surrender the terrorists, the United States attacked Afghanistan and overthrew them. Because President Bush believed that Saddam Hussein of Iraq was secretly producing WMDs, the United States also declared war on Iraq. In addition, increased security at home became a priority. As a result, the United States created a new Department of Homeland Security and instituted more rigorous security measures at airports and public buildings.

Review Questions

1. Why are nuclear weapons in the former Soviet Union a special concern?

2. Why did the United States declare war on Iraq?

CHAPTER
34
 SECTION 5

Note Taking Study Guide
ADVANCES IN SCIENCE AND TECHNOLOGY

Focus Question: How have advances in science and technology shaped the modern world?

As you read this section in your textbook, complete the chart below to compare the impacts of modern science and technology.

Important Science and Technology	Medicine and Biotechnology	 • • • • • • •
	Computers	 • • • • • •
	Space Science	 • • • • • •

CHAPTER
34
SECTION 5

Section Summary

ADVANCES IN SCIENCE AND TECHNOLOGY

READING CHECK

What is biotechnology?

VOCABULARY STRATEGY

What does the word *manipulation* mean in the underlined sentence? It comes from the Latin word *manus*, meaning “hand.” Use this word-origins clue to help you figure out the meaning of the word *manipulation*.

READING SKILL

Compare How have people benefited from advances in science and technology since the space race began?

Since 1945, scientific research and technological developments have transformed human existence. One example is the exploration of space. During the Cold War, the United States and the Soviet Union competed in a “space race.” This began in 1957 when the Soviet Union launched *Sputnik*, the first **artificial satellite**. By 1969, the United States had landed the first human on the moon. Both superpowers explored military uses of space and sent spy satellites to orbit Earth.

However, since the end of the Cold War, nations have worked in space together. For example, several countries are involved in the **International Space Station (ISS)**. Thousands of artificial satellites belonging to many countries now orbit Earth. They are used for communication, observation, and navigation.

Another important technological development is the invention of the computer. It has led to the “Information Age.” **Personal computers**, or **PCs**, have replaced typewriters and account books in homes and businesses. Factories now use computerized robots, and computers remotely control satellites and probes in space. The **Internet** links computer systems worldwide and allows people to communicate instantly around the globe. It also allows people to access vast storehouses of information that were unavailable before.

Other important developments have occurred in medicine and **biotechnology**—the application of biological research to industry, engineering, and technology. Vaccines have been developed that help prevent the spread of diseases. In the 1970s, surgeons learned to transplant human organs. **Lasers** have made many types of surgery safer and more precise. Computers and other technologies have helped doctors diagnose and treat diseases. The fields of genetics and genetic engineering have made dramatic advances. **Genetics** is the study of genes and heredity. Genetic engineering is the manipulation of genetic material to produce specific results. Genetic research has produced new drug therapies to fight human diseases and has created new strains of disease-resistant fruits and vegetables. Genetic cloning has many practical applications in raising livestock and in research. However, cloning raises ethical questions about the role of science in creating and changing life.

Review Questions

1. What are the three uses of artificial satellites?

2. Why is cloning controversial?
