Shanghai—Old Meets New  The city of Shanghai is one of the great success stories in a rapidly growing Chinese economy. The prosperity of its modern industries has left many behind, however. In this photo a poor woman walks past Shanghai’s modern skyline carrying goods to market in baskets and a neck yoke, a technology thousands of years old.  (Dennis Cox/China Stock)

- How did the Cold War affect politics in Latin America and the Middle East in the 1970s and 1980s?
- What forces led to the collapse of the Soviet Union?
- What explains differences in the rate of population growth among the world’s cultural regions?
- How does wealth inequality among nations impact international migration patterns?
- How has technological change affected the global environment in the recent past?
China began an ambitious program of economic reforms at the end of the 1970s. Until then China, with the world’s largest population, lagged far behind the mature industrialized nations of Europe and North America in economic performance, as well as behind neighboring nations like Japan and South Korea. Since the reforms China has experienced rapid economic growth and has become one of the few socialist nations to successfully make the transition from a socialist to a market economy. Despite this remarkable expansion, as many as 100 million Chinese still lived in poverty in 2000. As is indicated in the opening illustration, ancient technology and poverty can exist in close proximity with modernity and affluence in China.
These same problems of poverty and inequality are found across the globe. In an era of astounding technological change and spreading prosperity, 1.2 billion of the world’s population live on less than a dollar per day.

At the end of the twentieth century many of the nations of the developing world found that population growth continued to outstrip economic resources. In wealthy industrialized nations as well, politicians and social reformers still worry about the effects of unemployment, family breakdown, substance abuse, and homelessness. As had been true during the Industrial Revolution in the eighteenth century (see Chapter 22), dramatic economic expansion, increased global economic integration, and rapid technological progress in the last decades of the twentieth century coincided with problems of social dislocation and inequality. Among the most important events of the period were the emergence of new industrial powers in Asia and the precipitous demise of the Soviet Union and its socialist allies.

POSTCOLONIAL CRISSES AND ASIAN ECONOMIC EXPANSION

Between 1975 and the end of the century, wars and revolutions provoked by a potent mix of ideology, nationalism, ethnic hatred, and religious fervor spread death and destruction through many of the world’s least-developed regions. These conflicts often had ties to earlier colonialism and foreign intervention, but the character and objectives of each conflict reflected specific historical experiences. Throughout these decades of conflict the two superpowers sought to avoid direct military confrontation while working to gain strategic advantages. The United States and the Soviet Union each supplied arms and financial assistance to nations or insurgent forces hostile to its superpower rival. Once they became linked to this geopolitical rivalry, conflicts provoked by local and regional causes tended to become more deadly and long-lasting. Conflicts in which the rival superpowers financed and armed competing factions or parties were called proxy wars.

In Latin America the rivalry of the superpowers helped transform conflicts over political rights, social justice, and economic policies into a violent cycle of revolution, military dictatorship, and foreign meddling. In Iran and Afghanistan resentment against foreign intrusion and a growing religious hostility to secular culture led to revolutionary transformations. Here again superpower ambitions and regional political instability helped provoke war and economic decline. These experiences were not universal. During this period some Asian nations experienced rapid transformation. Japan became one of the world’s leading industrial powers. A small number of other Asian economies entered the ranks of industrial and commercial powers, including socialist China, which initiated market-based economic reforms.

The collapse of the Soviet system in eastern Europe at the end of the 1980s ended the Cold War and undermined socialist economies elsewhere. As developing and former socialist nations opened their markets to foreign investment and competition, economic transformation was often accompanied by wrenching social change. The world’s growing economic interconnectedness coincided with increased inequality. While the world’s wealthiest industrial nations continued to prosper in the 1990s, some developing nations also reapcd substantial benefits from rapid technological change and world economic integration.

This period also witnessed a great increase in world population and increased international immigration. Population growth and increased levels of industrialization had a dramatic impact on the global environment. Every continent felt the destructive effects of forest depletion, soil erosion, and pollution. Wealthy nations with slow population growth found it easier to respond to these environmental challenges than did poor nations experiencing rapid population growth.

In the 1970s Latin America entered a dark era of political violence. As revolutionary movements challenged the established order in many nations, democratic governments were overturned by military revolts. A region of weak democracy in 1960 became a region of military dictatorships fifteen years later. The new authoritarian leaders had little patience with civil liberties and human rights.

The ongoing confrontation between Fidel Castro and the government of the United States (see Chapter 31) helped propel the region toward crisis. The fact that the Cuban communist government survived efforts by the United States to overthrow it energized the revolutionary
left throughout Latin America. Fearful that revolution would spread across Latin America, the United States increased support for its political and military allies in that region. Many of the military leaders who would come to power in this period were trained by the United States.

Brazil was the first nation to experience the full effects of the conservative reaction to the Cuban Revolution. Claiming that Brazil’s civilian political leaders could not protect the nation from communist subversion, the army overthrew the constitutional government of President João Goulart\textsuperscript{a} in 1964. The military suspended the constitution, outlawed all existing political parties, and exiled former presidents and opposition leaders. Death squads—illegal paramilitary organizations sanctioned by the government—detained, tortured, and executed thousands of citizens. The dictatorship also undertook an ambitious economic program that promoted industrialization through import substitution, using tax and tariff policies to compel foreign-owned companies to increase investment in manufacturing.

This combination of dictatorship, violent repression, and government promotion of industrialization came to be called the “Brazilian Solution” in Latin America. Elements of this “solution” were imposed across much of the

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\textsuperscript{a} João Goulart (ju-waw go-LARHT)
The Nicaraguan Revolution
Overturns Somoza

A revolutionary coalition that included Marxists drove the dictator Anastasio Somoza from power in 1979. The Somoza family had ruled Nicaragua since the 1930s and maintained a close relationship with the United States. (Susan Meiselas/ Magnum Photos, Inc.)

region in the 1970s and early 1980s. In 1970 Chile’s new president, Salvador Allende, undertook an ambitious program of socialist reforms. He also nationalized most of Chile’s heavy industry and mines, including the American-owned copper companies that dominated the Chilean economy. From the beginning of Allende’s presidency the administration of President Richard Nixon (served 1969–1973) organized opposition to Allende’s reforms. Afflicted by inflation, mass consumer protests, and declining foreign trade, Allende was overthrown in 1973 by a military uprising led by General Augusto Pinochet and supported by the United States. President Allende and thousands of Chileans died in the uprising, and thousands more were illegally seized, tortured, and imprisoned without trial. Once in power Pinochet rolled back Allende’s social reforms, dramatically reduced state participation in the economy, and encouraged foreign investment.

In 1976 Argentina followed Brazil and Chile into dictatorship. Isabel Martinez de Perón became president after the death of her husband Juan Perón in 1974 (see Chapter 30). Argentina was wracked by high inflation, terrorism, and labor protests. Impatient with the policies of the president, the military seized power and suspended the constitution. During the next seven years the military fought what it called the Dirty War against terrorism. More than nine thousand Argentines lost their lives, and thousands of others endured arrest, torture, and the loss of property.

Despite these reverses, revolutionary movements persisted. The high-water mark of the revolutionary movement came in 1979 in Nicaragua with the overthrow of the corrupt dictatorship of Anastasio Somoza. The broad alliance of revolutionaries and reformers that took power called themselves Sandinistas. They took their name from Augusto César Sandino, who had led Nicaraguan opposition to U.S. military intervention between 1927 and 1932. Once in power, the Sandinistas sought to imitate the command economies of Cuba and the Soviet Union, nationalizing properties owned by members of the Nicaraguan elite and U.S. citizens.

During his four-year term U.S. president Jimmy Carter (served 1977–1980) championed human rights in the hemisphere and stopped the flow of U.S. arms to regimes with the worst records. Carter also agreed to the reestablishment of Panamanian sovereignty in the Canal Zone at the end of 1999, but his effort to find common ground with the Sandinistas failed.

In 1981 Ronald Reagan became president. He was committed to reversing the results of the Nicaraguan Revolution and defeating a revolutionary movement in neighboring El Salvador. His options, however, were limited by

Salvador Allende (sal-va-DOH ah-YEHN-day)
Augusto Pinochet (ah-GOOS-toh pin-uh-CHET)
Isabel Martínez de Perón (EEZ-ah-bell mar-TEEN-deh PAWN)

Sandinistas (sahn-din-EHS-tahs)
the U.S. Congress, which resisted using U.S. combat forces in Nicaragua and El Salvador and put strict limits on military aid. The Reagan administration sought to roll back the Nicaraguan Revolution by the use of punitive economic measures and by the recruitment and arming of anti-Sandinista Nicaraguans, called Contras (counter-revolutionaries).

Confident that they were supported by the majority of Nicaraguans and assured that the U.S. Congress was close to cutting off aid to the Contras, the Sandinistas called for free elections in 1990. But they had miscalculated politically. Exhausted by more than a decade of violence, a majority of Nicaraguan voters rejected the Sandinistas and elected a middle-of-the-road coalition led by Violeta Chamorro*.

The revolutionaries of El Salvador hoped to imitate the initial success of the Sandinistas of Nicaragua. Taking their name from a martyred leftist leader of the 1930s, the FMLN (Farabundo Martí National Liberation Front) organized an effective guerrilla force. The United States responded by providing hundreds of millions of dollars in military assistance and by training units of the El Salvadoran army.

The assassination of Archbishop Oscar Romero and other members of the Catholic clergy by death squads tied to the Salvadoran government as well as the murder of thousands of noncombatants by military units made it difficult for the Reagan administration to sustain its policy of military aid as opposition grew in the U.S. Congress. In the end, external events finally brought peace to El Salvador. With the electoral defeat of the Sandinistas in Nicaragua and the collapse of the Soviet Union (see below), popular support for armed struggle waned and the FMLN rebels negotiated an end to the war, transforming themselves into a civilian political party.

The military dictatorships established in Brazil, Chile, and Argentina all came to an end between 1983 and 1990. In each case reports of kidnappings, tortures, and corruption by military governments undermined public support. In Argentina the military junta’s foolish decision in 1982 to seize the Falkland Islands—the Argentines called them the “Malvinas”—from Great Britain ended in an embarrassing military defeat and precipitated the return to civilian rule. In Chile and Brazil the military dictatorships ended without the drama of foreign war. Despite significant economic growth under Pinochet, Chileans resented the violence and corruption of the military. In 1988 Pinochet called a plebiscite to extend his authority, but the majority vote went against him. A year later Chile elected its first civilian president in eighteen years. Brazil’s military initiated a gradual transition to civilian rule in 1985 and four years later had its first popular presidential election. By 2000 nearly 95 percent of Latin America’s population lived under civilian rule.

At the same time Latin America was more dominated by the United States than it had been in 1975. The United States had thwarted the left in Nicaragua and El Salvador by supporting military proxies. It used its own military in the 1983 invasion of the tiny Caribbean nation of Grenada and again in 1989 to overthrow and arrest dictator General Manuel Noriega* of Panama. These actions were powerful reminders to Latin Americans of prior interventions (see Chapter 23), but they also served as reminders of American power at a time when socialism was discredited by the collapse of the Soviet bloc.

With its influence uncontested, the United States urged Latin American nations to reform their economies by reducing the economic role of the state. Called neoliberalism in Latin America and other developing regions, these free-market policies reduced protections afforded local industries, government social welfare policies, and public-sector employment. Governments sold public-sector industries, like national airlines, manufacturing facilities, and public utilities, to foreign corporations, but popular support eroded because of political scandals and a slowing economy. Between 2001 and 2002 Argentina, which had ambitiously pursued neoliberal reforms, experienced an economic and political meltdown. This contributed to the appearance of a reinvigorated nationalist left in Latin America that began to roll back neoliberal reforms (see Diversity and Dominance: The Struggle for Women’s Rights in an Era of Global Political and Economic Change). Among the most vocal critics of neoliberalism and American influence was Hugo Chávez*, elected president of Venezuela in 1998.

Islamic Revolutions in Iran and Afghanistan

Although the Arab-Israeli conflict and the oil crisis (see Chapter 31) concerned both superpowers, the prospect of direct military involvement remained remote. When unexpected crises developed in Iran and Afghanistan, however, significant strategic issues came to the foreground. Both countries adjoined Soviet territory, making Soviet military intervention more likely. Exercising post–Vietnam War caution, the United States reacted with restraint. The Soviet Union chose a bolder and ultimately disastrous course.

* Violeta Chamorro (vee-oh-LET-ah cha-MOR-roh)
* Farabundo Martí (fah-rah-BOON-doh mar-TEE)
* Manuel Noriega (MAN-wel no-REE-ah-EE-gah)
* Hugo Chávez (HUGH-go SHAH-vee)
The Struggle for Women's Rights in an Era of Global Political and Economic Change

The struggle for women's rights is one of the most important social movements of the twentieth century. Although fundamental similarities in objectives can be identified across cultural and political boundaries, women in less-developed nations are forced to recognize that their objectives and strategies must take into account international inequalities in power and wealth. In this section Gladys Acosta, a militant Peruvian feminist, discusses the appropriate agenda for this struggle in the era after the fall of the Soviet Union and the rise of neo-liberalism.

Neo-liberalism is the term used in Latin America to identify the free-market economic policies advocated by the United States. Among its chief characteristics are an end to the protection of local industries, a reduction in government social welfare policies, a reduction in public-sector employment, a commitment to paying debts to international creditors, and the removal of impediments to foreign investment. Many Latin Americans believe neo-liberalism is a new form of imperialism.

No one can abstain from the debate about the great historical systems of our time. Not even those of us who are trying to change the complex web of human relationships from a feminist perspective. Everywhere people are talking about the end of ideologies. But before we can grasp the significance of current events and their consequences, we need to pinpoint our various doubts and blank spots. Capitalism is the main pivot of our lives because we were born under its influence. It [has] hegemony....

Gender, the main distinction between all people, is ignored in most philosophical, political or economic discussions. The reason for this lies partly in the low level of women's participation, but not entirely, because women are not always aware of the system of submission and repression to which we are subjected against our will. We need to find something which unites women in a gender-specific manner.

That doesn't mean sweeping under the carpet all the differences between us, like social position, culture or age....

Neo-Liberalism in Action

For those of us who live under the influence of the capitalist system, the situation is different. When I talk of neo-liberalism, I mean austerity measures, foreign debts, and increased liberties for all those who have the power of money at their disposal and the power of repression over those who make demands. We have now reached a new form of capitalist accumulation. The world's economic system is in a state of change and capital has become more concentrated and centralized. I would not go as far as to say countries don't exist anymore but national identities do certainly play a different role now. It is important to understand the dynamics because otherwise historical responsibilities are obscured and we no longer know whom we're fighting against. If we look at the bare face of neo-liberalism from a woman's point of view, we cannot fail to notice its murderous consequences. To create a more humane society we must continue to reject neo-liberalism here and now in the hope of being able to change the dead present into a living future. Under neo-liberalism there is a breathtaking circulation of commodities, but also an exchange of ideas, illusions and dreams. At the moment we're experiencing capitalism's greatest ideological offensive. It's all business: everything is bought and sold and everything has its price.

The Consequences of Neo-Liberal Politics

We women play an important role in this ever-more internationalized economy because we represent, as ever, a particularly exploitable workforce. A number of studies have revealed the existence of subcontractor chains who work for transnational companies "informally" and mainly employ
women. Basically we are dealing with a kind of integration into the world market which often uses our own homes as its outlet. Obviously, this work is badly paid and completely unprotected and has to be done without any of those social rights which were formerly achieved by trade union struggles. The most important thing for us is to keep hold of just one thread of the enterprise so we can show how the commodities make their way to their final destination. As it advances worldwide, this capitalism also encourages the expansion of certain kinds of tourism. A visible increase in prostitution is part of this, whereby women from poor countries are smuggled into large, internationally operated rings which exploit them. The reports of Filipina women traded on the West German market send shivers down our spines . . . What kind of freedom are you talking about there?

How the Adoption of Austerity Measures Affects Women’s Lives

It is obvious that foreign debt is one of the most inhuman forms of exploitation in our countries when one considers the ratio between work necessary for workers’ needs and work producing profit for employers. The experts have already explained how the prevailing exchange and investment structures have created international finance systems which keep whole populations in inhuman conditions. Although many people might think it crazy, the development model of the global economy has a marked relation to gender. As long as prices were slapped on some luxury consumer items there weren’t any serious problems; but now the snare has been set around basic commodities. Women in every household are suffering every day as a result of impoverished economies and those who are most exposed to the effects of foreign debt are women.

When it comes to shopping, caring for sick children or the impossibility of meeting their schooling costs, the illusion of “leaving poverty behind” evaporates. Yet the problem is not only of an economic nature because under such circumstances the constant tension leads to grave, often lasting exhaustion. The psychosocial damage is alarming. The situation is ready to explode, so to speak. . . . The adoption of austerity measures means a curtailment of the state’s commitment to social services with a direct effect on women. Daily life becomes hell for them. The lack of even minimal state welfare presents women (and obviously children too) with crushing working days. There is a constant expenditure of human energy without any hope of rest! No relaxation, no breaks. . . . And if we consider what happens within the family, we notice that women keep the smallest portion of the meagre family income. They give everything to their children or those adults who bring home a pay packet. As a result malnutrition among women is increasing at an alarming rate and their frequent pregnancies represent a superhuman physical achievement.

Women’s valiant achievements in defending life and survival are not acknowledged by society. The efforts of women’s organisations, whether it be communal kitchens, the glass-of-milk committees [milk distribution among the poor] or health services don’t get the appropriate social esteem. The social value of women cannot be calculated. Perhaps in years to come the fate of millions of women who sacrifice everything to support the children and youth of Peru and other countries in Latin America will be acknowledged. We should not ignore the fact that violence of every form . . . goes hand-in-hand with the difficult situation I have described. It’s nothing new for women because the open wounds of sexual violence, abuse at home and the contempt of this machista culture, have always featured in our lives and our mothers’ lives. The challenge is to prevent these from also affecting our future generations.

QUESTIONS FOR ANALYSIS

1. What is neo-liberalism?

2. According to Acosta, how does global economic integration fostered by neo-liberalism affect the lives of women as workers?

3. Acosta claims that indebtedness to foreign lenders leads to austerity measures. How does this impact families in poor countries?


1. In the last report of the Comisaria de mujeres in Lima (the only one in the country at present) 4,800 rapes were filed for 1990, of which 4,200 went to trial. The police commissioner, in reading the document, personally acknowledged the alarming social problem which is posed by the violence of men who are connected to their victims in some way and which, indeed, persists throughout all levels of society.
Muhammad Reza Pahlavi succeeded his father as shah of Iran in 1941. In 1953 covert intervention by the U.S. Central Intelligence Agency (CIA) helped the shah retain his throne in the face of a movement to overturn royal power. Even when he finally nationalized the foreign-owned oil industry, the shah continued to enjoy American support. As oil revenues increased following the price increases of the 1970s, the United States encouraged the shah to spend his nation’s growing wealth on equipping the Iranian army with advanced American weaponry.

Resentment in Iran against the Pahlavi family’s autocracy dated from the 1925 seizure of power by the shah’s father. The shah’s dependence on the United States stimulated further opposition. By the 1970s popular resentment against the ballooning wealth of the elite families that supported the shah and the brutality, inefficiency, malfeasance, and corruption of his government led to mass opposition.

Ayatollah Khomeini, a Shi‘ite philosopher-cleric who had spent most of his eighty-plus years in religious and academic pursuits, became the voice and symbolic leader of the opposition. Massive street demonstrations and crippling strikes forced the shah to flee Iran and ended the monarchy in 1979. In the Islamic Republic of Iran, which replaced the monarchy, Ayatollah Khomeini was supreme arbiter of disputes and guarantor of religious legitimacy. He oversaw a parliamentary regime based on European models, but he imposed religious control over legislation and public behavior. Elections were held, but the electoral process was not open to all: monarchists, communists, and other groups opposed to the Islamic Republic were barred from running for office. Shi‘ite clerics with little training for government service held many of the highest posts, and stringent measures were taken to combat Western styles and culture. Universities were temporarily closed, and their faculties were purged of secularists and monarchists. Women were compelled to wear modest Islamic garments outside the house, and semiofficial vigilante committees policed public morals and cast a pall over entertainment and social life.

The United States under President Carter had criticized the shah’s repressive regime, but the overthrow of a long-standing ally and the creation of the Islamic Republic were blows to American prestige. The new Iranian regime was religiously doctrinaire. It also was anti-Israeli and anti-American. Khomeini saw the United States as a “Great Satan” opposed to Islam, and he helped foster Islamic revolutionary movements elsewhere, which threatened the interests of both the United States and Israel. In November 1979 Iranian radicals seized the U.S. embassy in Tehran and held fifty-two diplomats hostage for 444 days. Americans felt humiliated by their inability to do anything, particularly after the failure of a military rescue attempt.

In the fall of 1980, shortly after negotiations for the release of the hostages began, Saddam Hussein, the

Shi‘ite (SHI-ite)
ruler of neighboring Iraq, invaded Iran to topple the Islamic Republic. His own dictatorial rule rested on a secular, Arab-nationalist philosophy and long-standing friendship with the Soviet Union, which had provided him with advanced weaponry. He feared that the fervor of Iran's revolutionary Shi'ite leaders would infect his own country's Shi'ite majority and threaten his power. The war pitted American weapons in the hands of the Iranians against Soviet weapons in the hands of the Iraqis, but the superpowers avoided overt involvement during eight years of bloodshed. Covertly, however, the United States used Israel to transfer arms to Iran, hoping to gain the release of other American hostages held by radical Islamic groups in Lebanon and to help finance the Contra war against the Sandinista government of Nicaragua. When this deal came to light in 1986, the resulting political scandal intensified American hostility to Iran. Openly tilting toward Iraq, President Reagan sent the United States Navy to the Persian Gulf, ostensibly to protect nonbelligerent shipping. The move helped force Iran to accept a cease-fire in 1988.

While the United States experienced anguish and frustration in Iran, the Soviet Union found itself facing even more serious problems in neighboring Afghanistan. In 1978 a Marxist party with a secular reform agenda seized power in Afghanistan. Offended by these efforts to reform education and grant rights to women, traditional ethnic and religious leaders led a successful rebellion. The Soviet Union responded by sending its army into Afghanistan to install a communist regime. With the United States, Saudi Arabia, and Pakistan paying, equipping, and training Afghan rebels, the Soviet Union found itself in an unwinnable war like the one the United States had stumbled into in Vietnam. Unable to justify the continuing drain on manpower, morale, and economic resources, and facing widespread domestic discontent over the war, Soviet leaders finally withdrew their troops in 1989. The Afghan communists held on for another three years. But once rebel groups took control of the entire country, they began to fight among themselves over who should rule.

Asian Transformation

Japan has few mineral resources and is dependent on oil imports, but the Japanese economy weathered the oil price shocks of the 1970s better than did the economies of Europe and the United States. In fact, Japan experienced a faster rate of economic growth in the 1970s and 1980s than did any other major developed economy, growing at about 10 percent a year. Average income also increased rapidly, overtaking that of the United States in 1986. While average income today lags behind that of the United States, Japan remains the world's second largest economy.

There are some major differences between the Japanese and U.S. industrial models. During the American occupation, Japanese industrial conglomerates known as zaibatsu (see Chapter 28) were broken up. Although ownership of major industries became less concentrated as a result, new industrial alliances appeared. During the period of dramatic growth there were six major keiretsu, each of which included a major bank and firms in industry, commerce, and construction together in an interlocking ownership structure. There were also minor keiretsus dominated by a major corporation, like Toyota. Government assistance in the form of tariffs and import regulations inhibiting foreign competition were crucial in the early stages of development of Japan's automobile and semiconductor industries, among others.

Through the 1970s and 1980s Japanese success at exporting manufactured goods produced huge trade surpluses with other nations, prompting the United States and the European Community to engage in tough negotiations to try to force open the Japanese market. These efforts had only limited success. In 1990 Japan's trade surplus with the rest of the world was double its size in 1985. Many experts assumed that Japan's competitive advantages would propel it past the United States as the world's preeminent industrial economy, but problems began to appear in the 1980s and have proved difficult to solve. Japanese housing and stock markets had become highly overvalued, in part because the large and profitable trade surpluses led to real estate and stock market speculation. The close relationship of government, banks, and industries also contributed to speculation and corruption that undermined the nation's confidence. As the crisis deepened and prices collapsed, the close relationships between industry, government, and banks that had helped propel the postwar expansion proved to be a liability, propping up inefficient companies. By the end of the decade Japan's GDP (gross domestic product) had suffered a loss greater than that suffered by the United States in the Great Depression.
The Japanese model of close cooperation between government and industry was imitated by other Asian states in the 1970s. The most important was the Republic of Korea, commonly called South Korea, which had a number of assets that helped promote economic development. The combination of inexpensive labor, strong technical education, and substantial domestic capital reserves allowed South Korea to overcome the devastation of the Korean War in little more than a decade. Despite large defense expenditures, South Korea developed heavy industries such as steel and shipbuilding as well as consumer industries such as automobiles and consumer electronics.

Taiwan, Hong Kong, and Singapore also developed modern industrial and commercial economies. As a result of their rapid economic growth, these three nations and South Korea were often referred to as the Asian Tigers. Taiwan suffered a number of political reverses, including the loss of its United Nations seat to the People's Republic of China in 1971 and the withdrawal of diplomatic recognition by the United States. Nevertheless, it achieved remarkable economic progress, based on smaller, more specialized companies and investment in the economy of the People's Republic of China.

Hong Kong and Singapore—both former British colonies with extremely limited resources—also enjoyed rapid economic development. Singapore's initial economic takeoff was based on its busy port and on banking and commercial services. After separating from Malaysia in 1965, this society of around 4 million people diversified by building textile and electronics industries. Hong Kong's economic prosperity, based on its port as well as its banking and commercial services, was increasingly tied to China's growing economy. Worried about Hong Kong's reintegration into the People's Republic of China in 1997, local capitalists moved significant amounts of capital to safe havens like the United States and Canada, but in recent years Hong Kong has regained its dynamism and is now even more closely tied to the rapidly expanding Chinese economy.

These newly industrialized economies (NIEs) shared many characteristics that helped explain their rapid industrialization. All had disciplined and hard-working labor forces, and all invested heavily in education. For example, as early as 1980 Korea had as many engineering graduates as Germany, Britain, and Sweden combined. All had very high rates of personal saving, about 35 percent of GDP, that allowed them to generously fund investment in new technology. All emphasized outward-looking export strategies. And, like Japan, all benefited from government sponsorship and protection. They were also beneficiaries of the extraordinary expansion in world trade and international communication that permitted technology to be disseminated more rapidly than at any time in the past.

Despite this momentum the region was shaken by a deep crisis that began in 1997. Like the recession that had already afflicted Japan, the Asian financial crisis was provoked by the burdens of bad loans, weak banks, and the international effects of currency speculation. The situation was stabilized by relief efforts of the United States, Japan, and international institutions like the International Monetary Fund.

**China Rejoins the World Economy**

In China after Mao Zedong's death in 1976 the communist leadership introduced comprehensive economic reforms that relaxed state control of the economy, allowing more initiative and permitting individuals to accumulate wealth. The results were remarkable. Under China's leader Deng Xiaoping* these reforms were expanded across the nation. China also began to permit foreign investment for the first time since the communists came to power in 1949. Between 1979 and 2005 foreign direct investment in China grew to $618 billion as McDonald's, General Motors, Coca-Cola, Airbus, and many other foreign companies began doing business there. As a result, China became a major industrial exporter and the world's sixth most important trading nation. But more than 100 million workers were still employed in state-owned enterprises, and most foreign-owned companies were segregated in special economic zones. The result was a dual industrial sector—one modern, efficient, and connected to international markets, the other directed by political decisions.

When Mao came to power in 1949, the meaning of the Chinese Revolution was made clear in the countryside, where collective ownership and organization were imposed. Deng Xiaoping did not privatize land, but he did abolish communes and permit the contracting of land to families, who were free to consume or sell whatever they produced. By 1984, 93 percent of China's agricultural land was in effect in private hands and producing for the market, tripling agricultural output.

Perhaps the best measure of the success of Deng's reforms is that between 1980 and 1993 China's per capita output more than doubled. Exports to the developed nations of the West, especially to Europe and the United States, were crucial to this expansion. Between 1979 and 2001 Chinese GDP grew from $177 billion to $1.16 trillion.

*Deng Xiaoping (dung shue-yao-ping)
Best estimates of per capita wealth indicate that during this same period per capita GDP in China grew from $200 to $920. By comparison, South Korea had a per capita GDP twelve times larger and Singapore twenty times larger. Nevertheless, it is clear that economic reforms combined with massive investments and technology transfers from the United States, Europe, and Japan had propelled China into the twenty-first century as one of the world’s major industrial powers.

Much of China’s command economy remained in place, and the leadership of the Chinese Communist Party resisted serious political reform. Deng Xiaoping’s strategy of balancing change and continuity avoided some of the social and political costs experienced by Russia and other socialist countries that abruptly embraced capitalism and democracy. However, the nation’s leadership faced a major challenge in 1989. Responding to inflation and to worldwide mass movements in favor of democracy, Chinese students and intellectuals, many of whom had studied outside China, led a series of protests demanding more democracy and an end to corruption. This movement culminated in Tiananmen Square, in the heart of Beijing. Hundreds of thousands of protesters gathered and refused to leave. After weeks of standoff, tanks pushed into the square, killing hundreds and arresting thousands.

China’s continuing economic growth is sustained by direct foreign investment and by one of the world’s highest savings rates. China’s industries are modern and compete with more established industries in Japan and the West. But there are challenges. Increasing inequality, high levels of migration from the countryside to the cities, relatively weak infrastructure, poor protection of intellectual property rights, and corruption could retard future growth.

THE END OF THE BIPOLAR WORLD

After the end of World War II competition between the United States and the Soviet Union and their respective allies created a bipolar world. Every conflict, no matter how local its origins, had the potential of engaging the attention of one or both of the superpowers. The Korean War, decolonization in Africa, the Vietnam War, the Cuban Revolution, hostilities between Israel and its neighbors, and numerous other events increased tension between the superpowers, each armed with nuclear weapons. Given this succession of provocations, budgets within both blocs were dominated by defense expenditures, and political culture everywhere was dominated by arguments over the relative merits of the two competing economic and political systems.

Few in 1980 predicted the startling collapse of the Soviet Union and the socialist nations of the Warsaw Pact. Western observers tended to see communist nations as both more uniform in character and more subservient to the Soviet Union than was true. Long before the 1980s deep divisions had appeared among communist states. In general, the once-independent nations and ethnic groups that had been brought within the Soviet Union seemed securely transformed by the experiences and institutions of communism. By 1990, however, nationalism was resurgent, and communism was nearly finished.

Crisis in the Soviet Union

Under U.S. president Ronald Reagan and the Soviet Union’s general secretary Leonid Brezhnev*, the rhetoric of the Cold War remained intense. Massive new U.S. investments in armaments placed heavy burdens on a Soviet economy unable to absorb the cost of developing similar weapons. Soviet economic problems were systemic: shortages had become a part of Soviet life. Obsolete industrial plants and centralized planning that stifled initiative led to a declining standard of living relative to the West, while the arbitrariness of the bureaucracy, the cynical manipulation of information, and deprivations created a generalized crisis in morale.

Despite the unpopularity of the war in Afghanistan and growing discontent, Brezhnev refused to modify his rigid and unsuccessful policies. But he was unable to contain an underground current of protest. In a series of powerful books, the writer Alexander Solzhenitsyn* castigated the Soviet system and particularly the Stalinist prison camps. He won a Nobel Prize in literature but was charged with treason and expelled from the country in 1974. Self-published underground writings (samizdat) by critics of the regime circulated widely despite government efforts to suppress them.

By the time Mikhail Gorbachev* took up the reins of the Soviet government in 1985, weariness with war in Afghanistan, economic decay, and vocal protest had reached critical levels. Casting aside Brezhnev’s hard

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Tiananmen (tee-yehn-ahn-men)

Brezhnev (leh-oh-NEED BREZ-nef)
Solzhenitsyn (sohl-zhuh-NEEF-tehn)
Gorbachev (GOHR-beh-CHOH)
line, Gorbachev authorized major reforms in an attempt to stave off total collapse. His policy of political openness (glasnost) permitted criticism of the government and the Communist Party. His policy of perestroika® ("restructuring") was an attempt to address long-suppressed economic problems by moving away from central state planning toward a more open economic system. In 1989 he ended the unpopular war in Afghanistan.

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Primary Source: The Last Heir of Lenin Explains His Reform Plans: Perestroika and Glasnost

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**The Collapse of the Socialist Bloc**

Events in eastern Europe were important in forcing change on the Soviet Union. In 1980 protests by Polish shipyard workers in the city of Gdansk led to the formation of Solidarity, a labor union that soon enrolled 9 million members. The Roman Catholic Church in Poland, strengthened by the elevation of a Pole, Karol Wojtyla*, to the papacy as John Paul II in 1978, gave strong moral support to the protest movement.

The Polish government imposed martial law in 1981 in response to the growing power of Solidarity and its allies, giving the army effective political control. Seeing Solidarity under tight controls and many of its leaders in prison, the Soviet Union decided not to intervene. But Solidarity remained a potent force with a strong institutional structure and nationally recognized leaders. As Gorbachev loosened political controls in the Soviet Union after 1985, communist leaders elsewhere lost confidence in Soviet resolve, and critics and reformers in Poland and throughout eastern Europe were emboldened.

Beleaguered Warsaw Pact governments vacillated between relaxation of control and suppression of dissent. Just as the Catholic clergy in Poland had supported Solidarity, Protestant and Orthodox religious leaders aided the rise of opposition groups elsewhere. This combination of nationalism and religion provided a powerful base for opponents of the communist regimes. Threatened by these forces, communist governments sought to quiet opposition by seeking solutions to their severe economic problems. They turned to the West for trade and financial assistance. They also opened their nations to travelers, ideas, styles, and money from Western countries, all of which accelerated the demand for change.

By the end of 1989 communist governments across eastern Europe had fallen. The dismantling of the Berlin Wall, the symbol of a divided Europe and the bipolar world, vividly represented this transformation. Communist leaders in Poland, Hungary, Czechoslovakia, and Bulgaria decided that change was inevitable and initiated political reforms. In Romania the dictator Nicolae Ceausescu® refused to surrender power but was overthrown and executed. The comprehensiveness of these changes became clear in 1990, when Solidarity leader Lech Walesa® was elected president of Poland and dissident playwright Vaclav Havel® was elected president of Czechoslovakia.

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perestroika (per-ih-STROY-kah)
Karol Wojtyla (KAH-rol voy-TIL-ah)

Nicolae Ceausescu (nehk-oh-LIE chew-SHESS-koh)
Lech Walesa (leck wah-LEN-sah)  Vaclav Havel (wah-SLAV bah-VEEL)
Following the fall of the Berlin Wall, a tidal wave of patriotic enthusiasm swept aside the once-formidable communist government of East Germany. In the chaotic months that followed, East Germans crossed to West Germany in large numbers, and government services in the eastern sector nearly disappeared. The collapse of the East German government led quickly in 1990 to reunification. Although numerous problems appeared, including high levels of unemployment and budget deficits, the nearly fifty years of confrontation and tension that had dominated Europe seemed to end overnight.

Soviet leaders looked on with dismay at the collapse of communism in the Warsaw Pact countries. They knew that similarly powerful nationalistic sentiments existed within the Soviet Union as well. The year 1990 brought declarations of independence by Lithuania, Estonia, and Latvia, three small states on the Baltic Sea that the Soviet Union had annexed in 1939. Gorbachev tried to accommodate the rising pressures for change, but the tide was running too fast.

The end of the Soviet Union came suddenly in 1991 (see Map 32.1). After communist hardliners botched a poorly conceived coup against Gorbachev, disgust with communism boiled over. Boris Yeltsin, the president of the Russian Republic and longtime member of the Communist Party, led popular resistance to the coup in Moscow and emerged as the most powerful leader in the country. Russia, the largest republic in the Soviet Union, was effectively taking the place of the disintegrating USSR. With the central government scarcely functioning, nationalism, long repressed by Soviet authorities, reappeared throughout the Soviet Union. In September 1991 the Congress of People's Deputies—the central legislature of the USSR, long subservient to the Communist Party—voted to dissolve the union. In December a loose successor organization with little central control, the
Commonwealth of Independent States (CIS), was created. The same month Mikhail Gorbachev resigned.

The ethnic and religious passions that fueled the breakup of the Soviet Union soon overwhelmed the Balkan state of Yugoslavia. In 1991 it dissolved into a morass of separatism and warring ethnic and religious groups. Slovenia and Croatia, the most westerly provinces, both heavily Roman Catholic, became independent states in 1992. Reflecting centuries of Muslim, Catholic, and Orthodox competition in the Balkans, the people of the province of Bosnia and Herzegovina were more mixed: 40 percent were Muslims, 30 percent Serbian Orthodox, and 18 percent Catholics. Following the declaration of Bosnian national independence in 1992, the Orthodox Serbs attempted to rid the state of Muslims, a violent campaign identified as ethnic cleansing in the international press. At first, no European power acted to stop this tragedy. Finally, after extensive television coverage of atrocities and wanton destruction seemed to force the issue, the United States intervened and eventually brokered a settlement in 1995.

In 1999 new fighting and a new round of ethnic cleansing occurred in the southernmost Yugoslavian province of Kosovo. Once the ancient homeland of the Serbs, Kosovo now had a predominantly Muslim and Albanian population. When NATO’s warnings went unheeded, the United States, Britain, and France launched an aerial war against Serbia that forced the withdrawal of Serbian forces from Kosovo. While attention was focused on the Balkans, constructive ethnic and religious conflict also characterized the transitional period in Armenia, Georgia, and Chechnya.

Progress and Conflict in Africa

Since independence democracy has had mixed results in sub-Saharan Africa. Many elected leaders have used their offices to enrich themselves and limit or eliminate political opposition. Military coups and conflicts over resources such as diamonds have also been distressingly common. Southern Africa, however, has seen democratic progress and a steady decline in armed conflicts since 1991. A key change came in South Africa in 1994, when long-time political prisoner Nelson Mandela and his African National Congress (ANC) won the first national elections in which the African majority could participate equally. Since then, the lively politics of this ethnically diverse country have been a model of how democracy can resolve conflicts. Also hopeful has been the return to democracy of Nigeria, Africa’s most populous state, after decades of military rulers. In 1999, after a succession of military governments, Nigerians elected President Olusegun Obasanjo* (a former coup leader), and a 2003 vote renewed his term, despite serious voting irregularities. Similarly, in 2002 Kenyans voted out the party that had held power for thirty-nine years.

Unfortunately, Africa was also the scene of ethnic cleansing. In 1994 the political leaders of the Central African nation of Rwanda incited Hutu people to massacre their Tutsi neighbors. The major powers avoided characterizing the slaughter as genocide because an international agreement mandated intervention to stop genocide. Without action by foreign powers, the carnage continued until some 750,000 people were dead and millions of refugees had fled into neighboring states. Finally, the United States and other powers intervened and the United Nations set up a tribunal to try those responsible for the genocide. In 1998 violence spread from Rwanda to neighboring Congo, where growing opposition and ill health had forced President Joseph Mobutu from office after over three decades of dictatorial misrule. Various peacemaking attempts failed to restore order. By mid-2003 more than 3 million Congolese had died from disease, malnutrition, and injuries related to the fighting.

The Persian Gulf War

The first significant conflict to occur after the breakup of the Soviet Union and the end of the Cold War was the Persian Gulf War. The immediate causes were local and bilateral. Iraq’s ruler, Saddam Hussein, had borrowed a great deal of money from neighboring Kuwait and sought unsuccessfully to get Kuwait’s royal family to reduce the size of this debt. He was also eager to gain control of Kuwait’s oil fields. Hussein believed that the smaller and militarily weaker nation could be quickly defeated, and he suspected, as a result of a conversation with an American diplomat, that the United States would not react. The invasion came in August 1990.

The United States convinced the government of Saudi Arabia that it was a possible target of Iraq’s aggression. Saudi Arabia, an important regional ally of the United States and a major oil producer, was the key to any military action by the United States. The United States and its allies concentrated an imposing military force of 500,000 in the region. With his intention to use

Olusegun Obasanjo (oh-LOO-she-gun oh BAH-san-jo)
force endorsed by the United Nations and with many Islamic nations supporting military action, President George H. W. Bush ordered an attack in early 1991. Iraq proved incapable of countering the sophisticated weaponry of the coalition. The missiles and bombs of the United States destroyed not only military targets but also “relegated [Iraq] to a pre-industrial age,” the United Nations reported after the war. Although Iraq’s military defeat was comprehensive, Husain remained in power, and the country was not occupied. In fact Husain crushed an uprising in the months following this defeat. The United States and its key allies then imposed “no-fly” zones that denied Iraq’s military aircraft access to the northern and southern regions of the country. As a result, military tensions and periodic armed confrontations continued.

In the United States the results were interpreted to mean that the U.S. military defeat in the Vietnam War could be forgotten and that U.S. military capability was unrivaled. Unable to deter military action by the U.S.-led coalition or to meaningfully influence the diplomacy that surrounded the war, Russia had been of little use to its former ally Iraq, and its impotence was clear.

THE CHALLENGE OF POPULATION GROWTH

For most of human history population growth was viewed as beneficial, and human beings were seen as a source of wealth. Since the late eighteenth century, however, population increases have been viewed with increasing alarm. At first it was feared that food supplies could not keep up with population growth. Then social critics expressed concern that growing population would lead to class and ethnic struggle as numbers overwhelmed resources. By the second half of the twentieth century population growth was increasing seen as a threat to the environment. Are urban sprawl, pollution, and soil erosion inevitable results of population growth? The questions and debates continue today, but clearly population is both a cause and a result of increased global interdependency.

The population of Europe almost doubled between 1850 and 1914, putting enormous pressure on rural land and urban housing and overwhelming fragile public institutions that provided some crisis assistance (see Chapter 26). This dramatic growth forced a large wave of immigration across the Atlantic, helping to develop the Western Hemisphere and invigorating the Atlantic economy (see Chapter 23). Population growth also contributed to Europe’s Industrial Revolution by lowering labor costs and increasing consumer demand.

Educated Europeans of the nineteenth century were ambivalent about the rapid increase in human population. Some saw it as a blessing that would promote economic well-being. Others warned that the seemingly relentless increase would bring disaster. The best-known pessimist was the English cleric Thomas Malthus, who in 1798 argued that unchecked population growth would outstrip food production. When Malthus looked at Europe’s future, he used a prejudiced image of China to terrify his European readers. A visitor to China, he claimed, “will not be surprised that mothers destroy or expose many of their children; that parents sell their daughters for a trifle; . . . and that there should be such a number of robbers. The surprise is that nothing still more dreadful should happen.”

The generation that came of age in the years immediately following World War II inherited a world in which the views of Malthus were casually dismissed. Industrial and agricultural productivity had multiplied supplies of food and other necessities. Cultural changes associated with expanded female employment, older age at marriage, and more effective family planning had combined to slow the rate of population increase. And by the late 1960s Europe and other industrial societies had made what was called the demographic transition to lower fertility rates (average number of births per woman) and reduced mortality. The number of births in the developed nations was just adequate for the maintenance of current population levels.

By the late 1970s, however, the demographic transition had not occurred in the Third World, and the issue of population growth had become politicized. The leaders of some developing nations actively promoted large families, arguing that larger populations would increase national power. These arguments remained a persistent part of the debate between developed and developing nations. Industrialized, mostly white, nations raised concerns about rapid population growth in Asia, Africa, and Latin America. Populist political leaders in those regions asked whether these concerns were not fundamentally racist.

The question exposed the influence of racism in the population debate and temporarily disarmed Western advocates of birth control. However, once the economic shocks of the 1970s and 1980s revealed the vulnerability of developing economies, governments in the developing world jettisoned policies that promoted population growth. Mexico is a good example. In the
1970s the government had encouraged high fertility, and population growth rose to 3 percent per year. In the 1980s Mexico rejected these policies and promoted birth control. As a result Mexico’s annual population growth fell to 2.3 percent per year by the end of the decade and in the 1990s to 1.7 percent.

World population exploded in the twentieth century (see Table 32.1). Although the rate of growth has slowed since the 1980s, world population still increases by a number equal to the total population of the United States every three years. If fertility remains constant from today, with a world average of 2.5 children per woman, world population will reach nearly 30 billion in 2150, more than three times the 2050 projection found in Table 32.1.

This is not likely. Fertility is already declining in many developing nations, and many scholars see world population in 2150 in the 10 to 15 billion range. Mortality rates have also increased in some areas as immigration, commercial expansion, and improved transportation facilitate the transmission of disease. The rapid spread of HIV/AIDS is an example of this phenomenon. Less-developed regions with poorly funded public health institutions and with few resources to invest in prevention and treatment experience the highest rates of infection and the greatest mortality. In Russia, for example, new HIV infections rose from under five thousand in 1997 to over ninety thousand in 2001. AIDS has spread at a similar pace in China. But the disease has developed most quickly and with the most devastating results in Africa, the home of 28 million of the world’s 40 million infected people.

Unlike population growth in the eighteenth and nineteenth centuries, when much of the increase occurred in the wealthiest nations, population growth at the end of the twentieth century was overwhelmingly in the poorest nations. Although fertility rates dropped in most developing nations, they remained much higher than rates in the industrialized nations. At the same time, improvements in hygiene and medical treatment caused mortality rates to fall, despite recent catastrophes, such as HIV/AIDS. The result has been rapid population growth.

**The Industrialized Nations**

In the developed industrial nations of western Europe and in Japan at the beginning of the twenty-first century, fertility levels are so low that population will fall unless immigration
Table 32.1 Population for World and Major Areas, 1750–2050

<table>
<thead>
<tr>
<th>Major Area</th>
<th>1750</th>
<th>1800</th>
<th>1850</th>
<th>1900</th>
<th>1950</th>
<th>1995</th>
<th>2050*</th>
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<td>978</td>
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<td>1,650</td>
<td>2,521</td>
<td>5,666</td>
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<td>107</td>
<td>111</td>
<td>153</td>
<td>221</td>
<td>697</td>
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<tr>
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<td>502</td>
<td>635</td>
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<td>203</td>
<td>276</td>
<td>408</td>
<td>547</td>
<td>728</td>
<td>653</td>
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<td>24</td>
<td>38</td>
<td>74</td>
<td>167</td>
<td>480</td>
<td>783</td>
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<td>7</td>
<td>26</td>
<td>82</td>
<td>172</td>
<td>297</td>
<td>438</td>
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<tr>
<td>Oceania</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>13</td>
<td>28</td>
<td>48</td>
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<table>
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<th>1850</th>
<th>1900</th>
<th>1950</th>
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<th>2050*</th>
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<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<td>10.9</td>
<td>8.8</td>
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<td>12</td>
<td>21.3</td>
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<tr>
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<td>64.1</td>
<td>57.4</td>
<td>55.6</td>
<td>61</td>
<td>57.5</td>
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<tr>
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<td>24.7</td>
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<td>72</td>
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<td>3.0</td>
<td>4.5</td>
<td>6.6</td>
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<td>8.6</td>
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<td>North America</td>
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<td>5.0</td>
<td>6.8</td>
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<td>0.4</td>
<td>0.5</td>
<td>1</td>
<td>0.5</td>
</tr>
</tbody>
</table>

* Estimated


Increases. Japanese women have an average of 1.39 children; in Italy the number is 1.2. Although Sweden tries to promote fertility with cash payments, tax incentives, and job leaves to families with children, the average number of births per woman has fallen to 1.4 in recent years. The low fertility found in mature industrial nations is tied to higher levels of female education and employment, the material values of consumer culture, and access to contraception and abortion. Educated women now defer marriage and child rearing until they are established in careers. An Italian woman in Bologna, the city with the lowest fertility in the world, put it this way: "I'm an only child and if I could, I'd have more than one child. But most couples I know wait until their 30's to have children. People want to have their own life, they want to have a successful career. When you see life in these terms, children are an impediment."

In industrialized nations life expectancy has improved as fertility has declined. The combination of abundant food, improved hygiene, and more effective medicines and medical care has lengthened human lives. In 2000 about 20 percent of the population in the more-developed nations was sixty-five or over. By 2050 this proportion should rise to one-third. Italy soon will have more than twenty adults fifty years old or over for each five-year-old child. Because of higher fertility and greater levels of immigration, the United States is moving in this direction more slowly than western Europe; by 2050 the median age in Europe will be fifty-two, while it will be thirty-five in the United States.

The combination of falling fertility and rising life expectancy in the industrialized nations presents a challenge very different from the one foreseen by Malthus. These nations generally offer a broad array of social services, including retirement income, medical services, and housing supplements for the elderly. As the number of retirees increases relative to the number of people who are employed, the costs of these services may become
unsustainable. Economists track this problem using the PSR (potential support ratio). This is the ratio of persons fifteen to sixty-four years old (likely workers) to persons sixty-five or older (likely retirees). Between 1950 and 2000 the world’s PSR fell from twelve to nine. By 2050 it will fall to four. Clearly, nations with the oldest populations, especially Japan and the nations of western Europe, will have to reexamine programs that encourage early retirement as the ratio of workers to retirees drops.

In Russia and other former socialist nations, current birthrates are now actually lower than death rates—levels inadequate to sustain the current population size. Birthrates were already low before the collapse of the socialist system and have contracted further with recent economic problems. Since 1975 fertility rates have fallen between 20 and 40 percent across the former Soviet bloc. By the early 1980s abortions were as common as births in much of eastern Europe.

Life expectancy has also fallen. Life expectancy for Russian men is now only fifty-seven years, down almost ten years since 1980. In the Czech Republic, Hungary, and Poland, life expectancy is improving in response to improved economic conditions, but most of the rest of eastern Europe has experienced the Russian pattern of declining life expectancy. High unemployment, low incomes, food shortages, and the dismantling of the social welfare system of the communist era have all contributed to this decline.

The Developing Nations

Even if the industrialized nations decided to promote an increase in family size in the twenty-first century, they would continue to fall behind the developing nations as a percentage of world population. At current rates 95 percent of all future population growth will be in developing nations (see Map 32.2 and Table 32.1). A comparison between Europe and Africa illustrates these changes. In 1950 Europe had twice the population of Africa. By 1985 Africa’s population had drawn even with Europe’s. According to projections, Africa’s population will be three times larger than Europe’s by 2025.

As the 1990s ended other developing regions had rapid population growth as well. While all developing nations had an average birthrate of 33.6 per thousand inhabitants, Muslim countries had a rate of 42.1. This rate is more than 300 percent higher than the 13.1 births per thousand in the developed nations of the West. The populations of Latin America and Asia were also expanding, but at rates slower than sub-Saharan Africa and the Muslim nations. Latin America’s population increased from 165 million in 1950 to 511 million in 1999 and is projected to reach 809 million in 2050, despite declining birthrates.

In Asia, the populations of India and China continued to grow despite government efforts to reduce family size. Today these two nations account for roughly one-third of the world’s population. In China efforts to enforce a limit of one child per family led initially to female infanticide as rural families sought to produce male heirs. This is no longer the case. India’s policies of forced sterilization created widespread outrage and led to the electoral defeat of the ruling Congress Party. Yet both countries achieved some successes. Between 1960 and 1982 India’s birthrate fell from 48 to 34 per thousand, while China’s rate declined even more sharply—from 39 to 19 per thousand. Still, by 2025 both China, which today has 1.1 billion people, and India, with 853 million, will likely reach 1.5 billion.

Population pyramids generated by demographers clearly illustrate the profound transformation in human reproductive patterns and life expectancy in the years since World War II. Figure 32.1 shows the 2001 age distributions in Pakistan, South Korea, and Sweden—nations at three different stages of economic development. Sweden is a mature industrial nation. South Korea is rapidly industrializing and has surpassed many European nations in both industrial output and per capita wealth. Pakistan is a poor, traditional Muslim nation with rudimentary industrialization, low educational levels, and little effective family planning.

In 2001 nearly 50 percent of Pakistan’s population was under age sixteen. The resulting pressures on the economy have been extraordinary. Every year approximately 150,000 men reach age sixty-five—and another 1.2 million turn sixteen. Pakistan, therefore, has to create more than a million new jobs a year or face steadily growing unemployment and steadily declining wages. Sweden confronts a different problem. Sweden’s aging population, growing demand for social welfare benefits, and declining labor pool means that its industries may become less competitive and living standards may decline. In South Korea, a decline in fertility dramatically altered the ratio of children to adults, creating an age distribution similar to that of western Europe earlier in the twentieth century. South Korea does not face Pakistan’s impossible task of creating new jobs or Sweden’s growing demands for welfare benefits for the aged.

The demographic problem and potential technological adjustments are most clearly visible in Japan. Japan has the oldest population in the world, with a
Map 32.2 World Population Growth  At current rates of growth, every three years the world’s population will increase by the equivalent of a nation the size of the United States. Most of this population increase will be in some of the world’s poorest nations. By 2050, for example, Pakistan, a nation of only 40 million in 1950, will surpass the United States and become the country with the world’s third largest population.  Source: Data from www.worldbank.org.
current median age of forty-one. Large numbers of young immigrants from poorer nations are entering the work forces of Canada, Germany, the United States, and most other industrialized nations, slowing the aging of these populations. Japan has resisted immigration, instead investing heavily in technological solutions to the problems created by its aging labor force. As of 1994 Japan had 75 percent of the world’s industrial robots. Although Japanese industries are able to produce more goods with fewer workers, Japan will still face long-term increases in social welfare payments.

UNEQUAL DEVELOPMENT AND THE MOVEMENT OF PEOPLES

Two characteristics of the postwar world should now be clear. First, despite decades of experimentation with state-directed economic development, most nations that were poor in 1960 were as poor or poorer in 2000. The only exceptions were a few rapidly developing Asian industrial nations and an equally small number of oil-exporting nations. Second, world population increased to startlingly high levels, and most of the increase was, and will continue to be, in the poorest nations.

The combination of intractable poverty and growing population generated a surge in international immigration. Few issues stirred more controversy. Even moderate voices sometimes framed the discussion of immigration as a competition among peoples. One commentator analyzed the situation this way: “As the better-off families of the northern hemisphere individually decide that having only one or at the most two children is sufficient, they may not recognize that they are in a small way vacating future space (that is, jobs, parts of inner cities, shares of population, shares of market preferences) to faster-growing ethnic groups both inside and outside their boundaries. But that, in fact, is what they are doing.”

Large numbers of legal and illegal immigrants from poor nations with growing populations are entering the developed industrial nations, with the exception of Japan. Large-scale migrations within developing countries are a related phenomenon. The movement of impoverished rural residents to the cities of Asia, Africa, and Latin America (see Map 32.2 and Table 32.2) has increased steadily since the 1970s. This internal migration often serves as the first step toward migration abroad.

The Problem of Growing Inequality

Since 1945 global economic productivity has expanded more rapidly than at any other time in the past. Faster, cheaper communications and transportation have combined with improvements in industrial and agricultural technologies to create material abundance that would have amazed those who experienced the first Industrial Revolution (see Chapter 22). Despite this remarkable economic expansion and growing market integration, the
### Table 32.2 The World’s Largest Cities (Population of 10 Million or More)

<table>
<thead>
<tr>
<th>City</th>
<th>1950</th>
<th>City</th>
<th>1975</th>
<th>City</th>
<th>2000</th>
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<th>2015</th>
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<tr>
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<td>Tokyo</td>
<td>19.8</td>
<td>Tokyo</td>
<td>26.4</td>
<td>Tokyo</td>
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<tr>
<td></td>
<td></td>
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<td>18.1</td>
<td>Dhaka</td>
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<tr>
<td></td>
<td></td>
<td>Shanghai</td>
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<td>Bombay</td>
<td>18.1</td>
<td>São Paulo</td>
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<tr>
<td></td>
<td></td>
<td>Mexico City</td>
<td>11.2</td>
<td>São Paulo</td>
<td>17.8</td>
<td>Delhi</td>
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<tr>
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<td></td>
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<td>New York</td>
<td>16.6</td>
<td>Mumbai</td>
<td>20.5</td>
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<tr>
<td></td>
<td></td>
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<td>Los Angeles</td>
<td>13.1</td>
<td>Mexico City</td>
<td>20.4</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Calcutta</td>
<td>12.9</td>
<td>New York</td>
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The majority of the world’s population remains in poverty. The industrialized nations of the Northern Hemisphere now enjoy a larger share of the world’s wealth than they did a century ago. The United States, Japan, and the nations of the European Union accounted for a startling 74 percent of the world’s economy in 1998.

The gap between rich and poor nations has grown much wider since 1945. But among both groups traumatic changes have resulted from changes in competitiveness, technology transfers, and market conditions. In 2001 Luxembourg and Switzerland had the highest per capita GNI (gross national income)—$39,840 and $35,630, respectively; the U.S. figure was $34,280; and Greece, the poorest nation in the European Union, had a per capita GNI of $11,430. The nations of the former Soviet Union and eastern Europe had per capita GNIs lower than some developing nations in the Third World. Russia’s per capita GNI was $1,750 in 2001, less than Mexico’s $5,530, Brazil’s $3,670, and South Africa’s $2,820, but higher than Bolivia’s $950 and the Philippines’ $1,030. Among other developing economies, Algeria and Thailand had per capita GNIs of $1,150 and $1,080, respectively. Nigeria, India, and China had GNIs below $1,000. Even in the industrialized world, people were divided into haves and have-nots. Tax reforms in the 1980s in the United States increased wealth inequality dramatically. This trend continues to the present, driven by the stock market boom of the 1990s and another round of tax reforms under President George W. Bush (elected 2000). Wealth inequality is now as great as on the eve of the 1929 stock market crash. Scholars estimate that the wealthiest 1 percent of households in the United States now control more than 30 percent of the nation’s total wealth, while the poorest households have average incomes of under $5,000. Even in Europe, where tax and inheritance laws redistributed wealth, unemployment, homelessness, and substandard housing have become increasingly common.
Internal Migration: The Growth of Cities

In developing nations, migration from rural areas to urban centers increased threefold between 1925 and 1950, and the pace accelerated after that (see Table 32.2). Shantytowns around major cities in developing nations are commonly seen as signs of social breakdown and economic failure. Nevertheless, city life was generally better than life in the countryside. A World Bank study estimated that three out of four migrants to cities made economic gains. Residents of cities in sub-Saharan Africa, for example, were six times more likely than rural residents to have safe water. An unskilled migrant from the depressed northeast of Brazil could triple his or her income by moving to Rio de Janeiro.

However, as the scale of rural-to-urban migration grew, these benefits became more elusive. In the cities of the developing world, basic services have been crumbling under the pressure of rapid population growth. In cities like Mexico City and Manila, which are among the world’s largest cities, tens of thousands live in garbage dumps, scavenging for food and clothing. In Rio de Janeiro and other Latin American cities, large numbers of abandoned children live in the streets and parks, begging, selling drugs, stealing, and engaging in prostitution to survive. In Rio alone it is estimated that 350,000 abandoned children are on the streets. Worsening conditions and the threat of crime and political instability have led many governments to try to return people to the countryside. Indonesia, for example, has relocated more than a half-million urban residents since 1969. Despite some successes with slowing the rate of internal migration, nearly every poor nation still faces the challenge of rapidly growing cities.

Global Migration

Each year hundreds of thousands of men and women leave the developing world to emigrate to industrialized nations. After 1960 this movement increased in scale, and ethnic and racial tensions in the host nations worsened. Political refugees and immigrants faced murderous violence in Germany; growing anti-immigrant sentiment led to a right-wing political movement in France and to a recent series of riots in cities with large immigrant populations; and the United States expanded its effort to more effectively seal the border with Mexico. Throughout the 1990s rising levels of immigration posed daunting social and cultural challenges for both host nations and immigrants.

Immigrants from the developing nations brought host nations many of the same benefits that the great migration of Europeans to the Americas provided a century earlier (see Chapter 23). Many European nations
actively promoted guest worker programs and other inducements to immigration in the 1960s, when an expanding European economy first confronted labor shortages. However, attitudes toward immigrants changed as the size of the immigrant population grew and as European economies slowed in the 1980s. Facing higher levels of unemployment, native-born workers saw immigrants as competitors willing to work for lower wages and less likely to support labor unions. However, because cultural and ethnic characteristics have traditionally formed the basis of national identity in many European countries (see Chapter 26), worsening relations between immigrants and the native-born may have been inevitable. Put simply, many Germans are unable to think of the German-born son or daughter of Turkish immigrants as a German.

Because immigrants are generally young adults and commonly retain positive attitudes toward early marriage and large families dominant in their native cultures, immigrants in Europe and the United States have tended to have higher fertility rates than do host populations. In Germany in 1975, for example, immigrants made up only 7 percent of the population but accounted for nearly 15 percent of all births. Although immigrant fertility rates decline with prolonged residence in industrialized societies, the family size of second-generation immigrants is still larger than that of the host population. Therefore, even without additional immigration, immigrant groups grow faster than longer-established populations.

As the Muslim population in Europe and the Asian and Latin American populations in the United States expand in the twenty-first century, cultural conflicts will test definitions of citizenship and nationality. The United States will have some advantages in meeting these challenges because of long experience with immigration and relatively open access to citizenship. Yet at the end of the twentieth century the United States was moving slowly in the direction of asserting control over the border with Mexico and debating a culturally conservative definition of nationality focused in part on demanding the use of English in government.

**TECHNOLOGICAL AND ENVIRONMENTAL CHANGE**

Technological innovation powered the economic expansion that began after World War II. New technologies increased productivity and disseminated human creativity. They also altered the way people lived, worked, and played. Because most of the economic benefits were concentrated in the advanced industrialized nations, technology increased the power of those nations relative to the developing world. Even within developed nations, postwar technological innovations did not benefit all classes, industries, and regions equally. There were losers as well as winners.

Population growth and increased levels of migration and urbanization led to the global expansion of agricultural and industrial production. This multiplication of farms and factories intensified environmental threats. At the end of the twentieth century, loss of rain forest, soil erosion, global warming, air and water pollution, and extinction of species threatened the quality of life and the survival of human societies. Here again, differences between nations were apparent. Environmental protection, like the acquisition of new technology, had progressed most in societies with the greatest economic resources.

New Technologies and the World Economy

Nuclear energy, jet engines, radar, and tape recording were among the many World War II developments that later had an impact on consumers’ lives. When applied to industry, new technology increased productivity, reduced labor requirements, and improved the flow of information that made markets more efficient. Pent-up demand for consumer goods also spurred new research and the development of new technologies. As the Western economies recovered from the war and incomes rose, consumers wanted new products that reduced their workloads or provided entertainment. The consumer electronics industry rapidly developed new products, changes that can be summarized by the music industry’s movement from vinyl records to 8-track tapes, CDs, and MP3 technologies.

Improvements in existing technologies accounted for much of the developed world’s productivity increases during the 1950s and 1960s. Larger and faster trucks, trains, and airplanes cut transportation costs. Both capitalist and socialist governments built highway systems, improved railroad tracks, and constructed airports. Governments also bore much of the cost of developing and constructing nuclear power plants.

No technology has proved more influential in the last three decades than the computer, which transformed both work and leisure (see Environment and Technology: The Personal Computer). The first computers were expensive, large, and slow. Only large corporations, governments, and universities could afford them. But by the mid-1980s desktop computers had replaced typewriters in most of the developed world’s offices, and
The Personal Computer

The period since World War II has witnessed wave after wave of technological innovations. Few of them have had a greater impact on the way people work, learn, and live than the computer. Until the 1970s most computing was done on large and expensive mainframe computers, access to computers was controlled by the government agencies, universities, and large corporations that owned them, and computers were used mainly for data storage and analysis. Today most computer use is devoted to communication and information searches.

Few anticipated the technological innovations of the last three decades that revolutionized the computer industry. In rapid succession transistors replaced vacuum tubes in mainframes and then silicon chips replaced hard-wired transistors. The race to miniaturize was on. The key development was the microprocessor, a computer processor (in effect the computer’s brain) on a silicon chip. Computers became smaller and cheaper as memory chips and microprocessors were made smaller and more powerful. Today, laptop computers weigh only a few pounds and can be carried anywhere.

As new companies entered the market, prices fell, and computers became a part of modern consumer culture.

Each new generation of computers has been more powerful, smaller, and less expensive. A modern 5-gigahertz Intel Pentium V chip is more than twenty times faster than the first desktop processor just forty years ago. By the mid-1990s desktop and laptop computers had replaced the mainframe for most uses. The Internet was developed to facilitate defense research in the 1960s. The establishment of the World Wide Web as a graphic interface in the 1990s allowed the smaller, faster computers to become research portals that accessed a vast international database of research, opinion, entertainment, and commerce. The computer revolution and the Web have had a revolutionary impact, allowing individuals and groups—without the support of governments, corporations, or other powerful institutions—to collect and disseminate information more freely than at any time in the past (see Chapter 33).

Among the revolutionary changes that impact modern women and men is the mounting tide of e-mails used to conduct business, arrange people’s social lives, and pass on jokes and political opinions. E-mail traffic has exploded from 5.1 million messages in 2000 to 135.6 million messages in 2005. This important and intrusive part of modern life has been facilitated by wireless connections and hand-held devices like BlackBerrys that allow us to remain connected in airport waiting rooms, restaurants, and sporting events.

From Mainframe to Laptops and PDAs During the last forty years the computer revolution has changed the way we work. (left: Dagmar Fabricus; right: AP/Wide World Photos)
the technology continued to advance. Each new generation of computers was smaller, faster, and more powerful than the one before.

Computers also altered manufacturing. Small dedicated computers were used to control and monitor machinery in most industries. In the developed world companies forced by competition to improve efficiency and product quality brought robots into factories. Europe quickly followed Japan’s lead in robotics, especially in automobile production and mining. Although the United States introduced robots more slowly because it enjoyed lower labor costs, it has now fully embraced this technology.

The transnational corporation became the primary agent of these technological changes. Since the eighteenth century powerful commercial companies have conducted business across national borders. By the twentieth century the growing economic power of corporations in industrialized nations allowed them to invest directly in the mines, plantations, and public utilities of less-developed regions. In the post–World War II years many of these companies became truly transnational, having multinational ownership and management. International trade agreements and open markets furthered the process. Ford Motor Company not only produced and sold cars internationally, but its shareholders, workers, and managers also came from numerous nations. Symbolic of these changes, the Japanese automaker Honda manufactured cars in Ohio and imported them into Japan, while Germany’s Volkswagen made cars in Mexico for sale in the United States.

The location of manufacturing plants overseas and the acquisition of corporate operations by foreign buyers rendered such global firms as transnational as the products they sold. In the 1970s and 1980s American brand names like Levi’s, Coca-Cola, Marlboro, Gillette, McDonald’s, and Kentucky Fried Chicken were global phenomena (see Material Culture: Fast Food). But in time Asian names—Hitachi, Sony, Sanyo, and Mitsubishi—were blazoned in neon and on giant video screens on the sides of skyscrapers, along with European brands such as Nestlé, Mercedes, Pirelli, and Benetton.

As transnational manufacturers, agricultural conglomerates, and financial giants became wealthier and more powerful, they increasingly escaped the controls imposed by national governments. If labor costs were too high in Japan, antipollution measures too intrusive in the United States, or taxes too high in Great Britain, transnational companies relocated—or threatened to do so. In 1945, for example, the U.S. textile industry was located in low-wage southern states, dominating the American market and exporting to the world. As wages in the South rose and global competition increased, producers began relocating plants to Puerto Rico in the 1980s and to Mexico after NAFTA went into effect in 1994 (see Chapter 33). Now China is the primary manufacturer of textiles. The relatively low Mexican wages that attracted investments in the early 1990s now appear high in comparison with wages in China. As industries moved around, searching for profits, the governments in the developing world were often hard-pressed to control their actions. As a result, the worst abuses of labor and of the environment usually occurred in poor nations.

Conserving and Sharing Resources

In the 1960s environmental activists and political leaders began warning about the devastating environmental consequences of population growth, industrialization, and the expansion of agriculture onto marginal lands. Assaults on rain forests and redwoods, the disappearance of species, and the poisoning of streams and rivers raised public consciousness. Environmental damage occurred both in the advanced industrial economies and in the poorest of the developing nations. Perhaps the worst environmental record was achieved in the former Soviet Union, where industrial and nuclear wastes were often dumped with little concern for environmental consequences. The accumulated effect of scientific studies and public debate led to national and international efforts to slow, if not undo, damage to the environment.

The expanding global population required increasing quantities of food, fresh water, housing, energy, and other resources as the twentieth century ended (see Map 32.3). In the developed world industrial activity increased much more rapidly than population grew, and the consumption of energy (coal, electricity, and petroleum) rose proportionally. Indeed, the consumer-driven economic expansion of the post–World War II years became an obstacle to addressing environmental problems. Modern economies depend on the profligate consumption of goods and resources. Stock markets closely follow measures of consumer confidence—the willingness of people to make new purchases. When consumption slows, industrial nations enter a recession. How could the United States, Germany, or Japan change consumption patterns to protect the environment without endangering corporate profits, wages, and employment levels?

Since 1945 population growth has been most dramatic in the developing countries, where environmental pressures have also been extreme. In Brazil, India, and China, for example, the need to expand food production led to rapid deforestation and the extension of farming and grazing onto marginal lands. The results were predictable: erosion and water pollution. Population growth
MATERIAL CULTURE

Fast Food

Since early times foods and beverages have been moved across national borders and cultural boundaries by empires and commercial enterprises. The list of examples is very long. Sugar, coffee, tea, chocolate, corn, manioc, potatoes, wheat, wine, beer, distilled alcohols, tomatoes, and bananas are a small number of the foods and beverages carried from their origins to new continents and new peoples. In each case, host cultures accepted these additions to the indigenous cuisine while at the same time changing their preparation and altering their cultural meanings. Chocolate, a bitter ritual beverage consumed by the Aztec elite, for example, was sweetened with sugar and became a beverage of mass consumption in Europe.

In modern industrialized nations fast food outlets have appeared everywhere to meet the needs of populations transformed by cultural changes. Women and men in these societies marry later or not at all, and families have fewer meals together because of the schedules of school and work. The traditional boundaries between work and family life have been blurred. Individuals work long hours, travel long distances, and eat on the run. In 2003 there were 1.9 billion fast food outlets worldwide, with annual sales of $282 billion.

With globalization, increased immigration and travel, and greater cultural connectivity promoted by films, television, and the Web, cuisine and associated ideas about preparation and delivery have been internationalized. McDonald's now operates more than 30,000 restaurants in 119 countries. When a new franchise opened in Kuwait City, the drive-through line was over 10 kilometers long. Generally meals cost the same in each cultural setting. In the United States, one of the richest countries in the world, McDonald's provides low-cost food to the masses, while in Pakistan, one of the poorest, the meals are luxuries. What is the attraction? For many in the developing world the fast food cuisines, restaurant designs, and styles of preparation represent the world of modernity and sophistication, not unlike the enthusiasm in the developed world for Mexican, Thai, or Ethiopian restaurants and cuisines.

Indeed, McDonald's is merely one of numerous examples of fast food globalization. The one-thousandth KFC outlet opened recently in China, surpassing McDonald's presence in this dynamic economy. Papa John's opened its fourtieth outlet in Seoul and its twentieth outlet in Shanghai. Wendy's, Domino's, Cinnabon, and Subway have followed. Even Brazilian brands like Habib's and British brands like Dino Chicken have expanded into the Middle East and India, respectively.

Many have condemned this process as Yankee imperialism or as the unwanted homogenization of global culture. Tens of thousands have demonstrated, and some have gone to jail as a result of attacks on these symbols of foreign cultural penetration. Yet, as in earlier examples of unequal cultural exchange, local cultures have found ways to impose their tastes and values on these powerful international businesses. In Singapore McDonald's serves its signature hamburger on rice cakes instead of buns, and in Israel McDonald's has established Kosher outlets. KFC, the most successful American chain in China, serves a Beijing Duck Wrap with spring onions and rice gurul for breakfast. In India, with its large vegetarian population, McDonald's, Pizza Hut, and other successful franchises devote as much as 75 percent of their menu to vegetarian foods. Not only have menus been altered, but local preferences for a more leisurely style of dining have also forced chains like Pizza Hut and KFC to modify restaurant design to provide more seating and table service.

Societies produce an enormous range of products that serve as class and culture markers and as forms of self-expression. In the modern world food helps mark consumers as "traditional" or "sophisticated" and as "rich" or "poor." Both the global success of fast food companies and the popular protests against them suggest the complexity of this form of cultural transmission.
Map 32.3  Fresh Water Resources  This map links population density and the availability of water. Red areas are highly stressed environments where populations use at least 40 percent or more of available water. Less stressed environments are blue. The deeper the shade of red or blue the greater the environmental stress.  Source: National Geographic, September, 2002. Reprinted by permission of The National Geographic Society.  Source: From "Global Water Stress," National Geographic, September 2002, pp. 14–16. Reprinted by permission of the National Geographic Society.
in Indonesia forced the government to permit the cutting of nearly 20 percent of the total forest area. These and many other poor nations also attempted to force industrialization because they believed that providing for their rapidly growing populations depended on the completion of the transition from agriculture to manufacturing. The argument was compelling: Why should Indians or Brazilians remain poor while Americans, Europeans, and Japanese grew rich?

Environmental efforts produced significant results. In western Europe and the United States air quality improved dramatically. Smog levels in the United States fell nearly a third from 1970 to 2000, even though the number of automobiles increased more than 80 percent. Emissions of lead and sulfur dioxide were down as well. The Great Lakes, Long Island Sound, and Chesapeake Bay were all much cleaner at the end of the century than they had been in 1970. The rivers of North America and Europe also improved. Still, in the United States more than thirty thousand deaths each year are attributed to exposure to pesticides and other chemicals.

New technologies made much of the improvement possible. Pollution controls on automobiles, planes, and factory smokestacks reduced harmful emissions. Scientists identified the chemicals that threaten the ozone layer, and their use in new appliances and cars began to be phased out.

Clearly, the desire to preserve the natural environment was growing around the world. In the developed nations continued political organization and enhanced awareness of environmental issues seemed likely to lead to step-by-step improvements in environmental policy. In the developing world and most of the former Soviet bloc, however, population pressures and weak governments were major obstacles to effective environmental policies. Since the 1990s the rapid expansion of China's industrial sector has put additional pressure on the environment as is indicated by the fact that respiratory disease caused by industrial pollution is now the leading cause of death.
Thus it was likely that the industrialized nations would have to fund global improvements, and the cost was likely to be high. Nevertheless, growing evidence of environmental degradation continued to propel reform efforts. The media drew attention to the precipitous shrinkage of Peru’s Andean glaciers, which have lost a quarter of their volume in the last three decades; to oil spills, loss of rain forest in Brazil, and deforestation in Indonesia; and to erosion in parts of Africa. A growing, vocal movement pushed reluctant politicians to act.

In Kyoto, Japan, in 1997 representatives from around the world negotiated a far-reaching treaty to reduce greenhouse gases that contribute to global warming. Although it was affirmed by nearly all other industrial nations, President Bush has opposed American participation. Without broad agreement among the rich nations, the economic and political power necessary for environmental protections on a global scale will be very difficult to institute.

**Comparative Perspectives**

The world was profoundly altered between 1975 and 2000. Both the United States and the Soviet Union feared that every conflict and every regime change represented a potential threat to their strategic interests, and every conflict threatened to provoke confrontation between them. As a result, the superpowers were drawn into a succession of civil wars and revolutions. The costs in lives and property were terrible, the gains small. As defense costs escalated, the Soviet system crumbled. By 1991 the Soviet Union and the socialist Warsaw Pact had disappeared, transforming the international stage.

The world was also altered by economic growth and integration, by population growth and movement, and by technological and environmental change. Led by the postwar recovery of the industrial powers and the remarkable economic expansion of Japan, the Asian Tigers, and more recently China, the world economy grew dramatically. The development and application of new technology contributed significantly to this process. International markets were more open and integrated than at any other time. The new wealth and exciting technologies of the postwar era were not shared equally, however. The capitalist West and a handful of Asian nations grew richer and more powerful, while most of the world’s nations remained poor.

Population growth in the developing world was one reason for this divided experience. Most of the world’s population growth in recent decades is in developing nations with limited economic growth. Unable to find adequate employment or, in many cases, bare subsistence, people in developing nations have migrated across borders, hoping to improve their lives. These movements have often provided valuable labor in the factories and farms of the developed world, but they have also provoked cultural, racial, and ethnic tension. Problems of inequality, population growth, and international migration will continue to challenge the global community in the coming decades.

**SUMMARY**

- How did the Cold War affect politics in Latin America and the Middle East in the 1970s and 1980s?
- What forces led to the collapse of the Soviet Union?
- What explains differences in the rate of population growth among the world’s cultural regions?
- How does wealth inequality among nations impact international migration patterns?
- How has technological change affected the global environment in the recent past?
During the Cold War the United States and the Soviet Union were engaged in a global contest for dominance. While the superpowers avoided direct conflict, they both were drawn into revolutions, civil wars, and regional conflicts when they found opportunities to undercut each other. Fear that the Cuban (1959) and later Nicaraguan (1979) revolutions would spread across Latin America led the United States to support the rise of military dictatorships across the region. In the Middle East, the United States and the Soviet Union both armed and trained the militaries of Israel and the Arab nations. Earlier U.S. support for the government of the shah of Iran helped to produce a religious and nationalist uprising that overthrew the shah and led to a long confrontation with the United States. The Soviet Union, pursuing the establishment of friendly regimes on its borders, sent an army into Afghanistan and set up a puppet government. However, with the United States, Saudi Arabia, and Pakistan supplying the insurgency, the Soviet Union was forced to withdraw.

The Soviet Union ultimately collapsed at the end of the 1980s. Although its economy had made great strides in the decades immediately after World War II, central planning proved uncompetitive with the West, especially in meeting demands for consumer products and technological innovation. The Soviets also found it increasingly difficult to control the nationalist passions that circulated below the surface of its constituent republics. Nationalism was more dangerous still in the satellite nations. Use of military force to crush uprisings in Hungary in 1956 and Czechoslovakia in 1968 were the clearest indications that the Soviet empire was based on force. As the cost of the Cold War grew in the 1980s, the Soviet system began to crumble. Between 1989 and 1991 the socialist bloc and then the Soviet Union itself dissolved.

In the mature industrial nations and Japan, fertility declined in the period after 1945. Populations in the developed world have grown slowly or not at all. This is largely because women are better educated and have entered the workforce in larger numbers. As a result, they marry later and have fewer children. The effects are mitigated by longer life expectancies. A more extreme pattern is found in Russia and the other nations of the old Soviet Union. In these nations birthrates have crashed and life expectancy has declined as well, leading to falling population levels. In the developing world the educational levels and workforce participation rates of women are more traditional. Birthrates remain high while life expectancy has generally improved. As a result, population is growing rapidly. While in Korea, China, and other newly industrialized economies birthrates are now close to those in the developed world, birthrates remain high in sub-Saharan Africa and the Muslim world. As a result, more than 95 percent of the world's future population growth will occur in the poorest developing nations.

With population growing most rapidly in the world's poorest nations and the richest nations producing fewer children and growing older, people have begun to migrate from poorer nations to richer nations, especially to the United States and Canada, Australia and New Zealand, and western Europe. In addition, within developing nations migrants leave the poorest agricultural regions to seek opportunities in slightly-better-off urban centers. These patterns were growing in strength at the end of the twentieth century.

Growing population and the development process have forced marginal lands into production and stimulated the exploitation of new resources. The need to feed a rapidly growing world population has also pressured ocean resources. As the world's population has reached 6 billion and the largest cities have reached 20 million, the need to produce and deliver raw materials and finished goods has put tremendous stress on the environment. In the 1990s these pressures were compounded with the rapid development of the Chinese and Indian economies.

At the same time, new technologies and the wealth produced by economic expansion have allowed the world's richest nations to implement ambitious programs of environmental protection. As a result, pollution produced by automobiles and factories has actually declined in the richest nations. The question that remains is whether rapidly developing nations, such as China and India, will move more quickly than the mature industrial nations did to introduce these new technologies.

**KEY TERMS**

proxy wars p. 918  
Salvador Allende p. 920  
Dirty War p. 920  
Sandinistas p. 920  
eo-liberalism p. 922  
Ayatollah Ruhollah Khomeini p. 924  
Saddam Hussein p. 924  
keiretsu p. 925  
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newly industrialized economies (NIEs) p. 926  
Deng Xiaoping p. 926  
Tiananmen Square p. 927  
Mikhail Gorbachev p. 927  
perestroika p. 928  
Solidarity p. 928  
etnic cleansing p. 930  
Thomas Malthus p. 931  
demographic transition p. 931
SUGGESTED READING


For Latin America, Thomas E. Skidmore and Peter H. Smith, Modern Latin America, 4th ed. (1996), provides an excellent general introduction to the period 1975 to 1991. The literature on the era of repression is large. Nunca Mas (1986), the official report of the Argentine government, provides a moving introduction. Also see news stories in 1999 and 2000 about the arrest of Augusto Pinochet in London and the resulting legal proceedings. The movie Official Story (available with subtitles or dubbed) offers an effective look at the legacy of the Dirty War in Argentina. For Central America see Walter La Feber, Inevitable Revolutions: The United States in Central America (1983).


NOTES

