Post-Cold War World, 1990–Present

Mr. Gorbachev, tear down this wall!
—Ronald Reagan, speech in West Berlin, Germany, June 12, 1987

President Ronald Reagan’s appeal to Soviet leader Mikhail Gorbachev came two years before the Berlin Wall fell in 1989. Two years after the fall, a coup ousted Gorbachev from power. The Soviet Union had officially collapsed. The Cold War was over. Communist governments remained in only a few countries, including China, North Korea, Cuba, and Vietnam. For some 45 years, the rivalry between the United States and the Soviet Union had dominated the world stage. For much of that time, the threat of nuclear war loomed large. However, after 1991, the world was not free of problems.

The end of a bipolar world presented myriad opportunities, as well as several formidable challenges. Political alliances changed, and economic interactions among nations expanded. With this new openness, particularly with regard to trade, the world became more interconnected than ever before, which produced greater wealth for many, but hardships for others. The post-Cold War world had to grapple with new democracies, vast economic inequality, ethnic conflict and genocide, terrorism, environmental degradation, and global epidemics.

Economic Globalization

Globalization is the process of interaction among peoples, governments, and companies of different nations around the world. Although the Indian Ocean trade and European imperialism are both examples of globalization, the term usually refers to the increased integration of the global economy since the 1970s. Global trade exploded with the end of the Cold War. The Eastern Bloc nations that had been under Soviet control suddenly could trade freely with capitalist democracies. India and other countries that had been nonaligned during the Cold War relaxed restrictions on trade in the 1990s. International trade agreements and organizations helped further integrate the world.

The new global economy was part of a renewed emphasis on market-oriented policy advocated by leaders such as Ronald Reagan in the United States and Margaret Thatcher in Great Britain. They advocated cutting taxes, regulations, and government assistance to the poor as a way to promote economic growth. While Reagan and Thatcher were strongly nationalistic, corporations used the shift in emphasis to move jobs to countries with lower wages, lower taxes, and fewer regulations. Critics charged that the market was more powerful than any national government, and that globalization led to labor exploitation and environmental damage.

Rise of Japan

Following the end of World War II, Japan implemented economic policies similar to eighteenth-century mercantilist policies designed to increase exports and decrease imports. To encourage exports, the government coordinated its finance and labor policies with large corporations and gave them subsidies to allow them to keep their costs low. To discourage imports, the government used high tariffs and other trade restrictions on goods made abroad. And to prepare its citizens to be productive workers, Japan emphasized rigorous education. These policies, aided by large investments from the United States and other countries, turned Japan into a manufacturing powerhouse, creating jobs and wealth.

However, Japan’s impressive growth came at a high cost for its consumers. Low-wage workers producing items for foreign markets often could not afford to buy what they made. For example, Japanese-made cars were more expensive in Japan than they were in the United States. Over time, Japanese unions became strong enough to negotiate higher wages, and international pressure forced Japan to relax its trade restrictions. Japan’s economy diversified and it became an international center of banking, finance, and information technology.

Japan’s growth slowed after the 1980s. A weak government response to a financial panic in the 1990s and a combined earthquake and tsunami in 2011 created drags on growth. Despite problems, Japan remained the third largest economy in the world in 2014, behind only the United States and China.

The Tigers and China

Closely following Japan’s economic model were four smaller states known as the Asian Tigers—Hong Kong, Singapore, South Korea, and Taiwan—and the world’s most populous country, China. Like Japan, these five states prospered through government-business partnerships, high exports, intense education, and a low-wage workforce. China’s growth began after Deng Xiaoping became the country’s leader in 1978. Under him, the Communist government began enacting reforms. It reopened the Shanghai stock market and allowed private ownership of some businesses. These moves attracted investments by foreign firms, which rushed to build factories in China to take advantage of low wages and lax environmental laws. The success of the Asian Tigers and China raised hundreds of millions of people out of dire poverty.

India, Brazil, and Russia

In the early 1990s, India opened its markets and allowed in more foreign imports. With its highly educated English-speaking workforce, India developed a software and information technology powerhouse, drawing investments from American and European companies who looked to outsource jobs and take advantage of lower labor costs. Multinational corporations, such as Microsoft and Google, also invested in the Indian economy. The influx of corporate wealth and foreign goods created
a thriving consumer culture among India’s middle class, the ranks of which swelled tremendously after 2000. In 2014, the Indian middle class was estimated to be the largest of any country in the world, with more than 350 million people.

In spite of India’s growing middle class, hundreds of millions of Indians remained in poverty. The government had not provided the basic infrastructure needed for growth, such as roads, clean water, health care, and education.

Brazil was another rapidly growing country starting in the 1990s. Its agribusinesses and steel industries brought considerable wealth to the nation. However, its urban poor continued to live in dire conditions in favelas, or slums, on the outskirts of major cities such as Rio de Janeiro.

Russia’s oil wealth markedly expanded its economy after the end of the Cold War. In the early 1990s, Mercedes-Benz dealerships and high-fashion boutiques appeared in Moscow, and Russia’s wealthier citizens became accustomed to luxury goods and prosperity. Russia and other oil-producing countries prospered as long as the price of oil stayed high. However, whenever the price of oil dropped, the economies of these countries declined rapidly. The number of homeless and unemployed in Russia, for example, rose astronomically when oil prices dropped in the early 2000s.

**Trade and Economic Development** Several organizations contributed to the growth of the global economy in the decades following World War II. Some countries joined regional organizations such as the European Economic Union, Mercosur (in South America), and the Association of Southeast Asian Nations (ASEAN). Many countries signed an international accord, the General Agreement on Tariffs and Trade (GATT), which lifted restrictive barriers to trade. Protective tariffs, taxes on foreign imports, had been at a world average rate of 40 percent prior to GATT. By lowering and eliminating tariffs, the agreement promoted more international trade and helped restore economic prosperity to war-ravaged Europe. By the 1990s, average tariff rates had sunk below 5 percent, easing the movement of goods across national borders.

In 1995, the World Trade Organization (WTO) took over GATT’s operations. The WTO made rules that governed more than 90 percent of all international trade. In part because of its power, the organization became very controversial. Its meetings were closed to the public, and its board members represented mostly corporate interests. Also, the organization’s rules favored trade over considerations that many considered moral issues. For example, through strict application of WTO rules, a member nation that refused to purchase clothing made from sweatshop labor could suffer trade sanctions from the organization.

**Resistance to Globalization** Critics of globalization asserted that free trade was not always fair trade. Large global corporations often ignored the rights of workers, disregarded environmental impacts, and forced small businesses into bankruptcy. Developing nations complained that their economies could not grow properly when their businesses had to compete with established corporations from the developed world.

In 1999, the WTO’s meeting in Seattle was shut down by a variety of interest groups, including labor unions, environmental groups, and family farmers.

Though the protests did not force the WTO to change its rules, they brought issues at the heart of the new global economy to the world’s attention.

**Globalization and Technology** Globalization made the world feel smaller, as did advances in telecommunications technology. The Internet, first developed for the U.S. Defense Department during the Cold War, became a regular tool of communication for the public by the late 1990s. Not only had communication become easier, but information was also more abundant and accessible than ever before. Distance and national borders nearly disappeared as barriers to the flow of ideas. Knowledge economies based on developing or sharing information emerged in cities around the world. Just as nationalism had undermined multiethnic empires, an emerging global consciousness might undermine nation-states. As people built stronger ties to others around the world who shared their values, their identities based on where they lived would weaken. Maybe a new global consciousness—or a renewed regionalism—would replace nationalism.

**Technology and Revolution Mobile** technologies such as cellphones and other portable devices put the tools of information creation and dissemination into the hands of individuals around the world. Twitter, Facebook, and other social networking sites made the “fourth estate,” as the media was known in the United States, accessible to anyone anywhere. The impact of this revolution became apparent quickly. In the United States, videos taken on phones of police shooting or assaulting African American men sparked outrage, inquiries into racial profiling, and riots against injustices perceived in the justice system.

**Upheld in Muslim Countries** December 2010 marked the beginning of a series of popular uprisings in many Arab countries known as the Arab Spring. The uprisings were sparked when a man in Tunisia set himself on fire to protest the confiscation of his fruit stand by police. Videos of the protests that followed the incident were shared on Facebook, disseminating the story to millions who would not have learned of the incident through official news channels. In Egypt, protests organized through social media soon erupted in Cairo and other cities against the regime of authoritarian President Hosni Mubarak. After a month of protests, Mubarak stepped down, handing power to his vice president.

In February 2011 in Iran, thousands of people, prompted by messages on social media, went to the streets in rare protests against the government. These and other similar uprisings revealed the power of new social media technologies.

**Global Popular Culture** Globalization reshaped popular culture. As multinational corporations advertised and distributed their products around the world, people everywhere became familiar with global brands, such as Apple, Nike, and Rolex. Michael Jordan and other American celebrities became international superheroes. After 2000, the cultural marketplace diversified. A style of Japanese animation known as anime became hugely popular among Western youth. And Indian musicals made in Bollywood, the popular name given to the film industry in Bombay (Mumbai), enjoyed popularity worldwide.

However, the United States remained the world’s most influential culture. Through Americanization, people the world over learned more about the United
States than Americans learned of the rest of the world. Through the influence of American movies, corporations, and scientific research, English became a second language in much of the world. The dominance of the United States in globalization created resentment among those who felt that American popular culture diluted their unique cultural identity.

**Struggles for Democracy**

The fight for civil rights was also a global effort. In India, the 1949 Constitution outlawed discrimination against the dalits, also known as untouchables. In the United States, African Americans won major victories against discrimination and segregation. Through the 1964 Civil Rights Act, which outlawed discrimination based on race, color, religion, sex, or national origin, and the 1965 Voting Rights Act, which banned discrimination in voting, the federal government stepped in to protect the rights of all citizens.

**South Africa’s Apartheid**

South Africa’s system of apartheid, instituted in 1948, tried to separate whites and blacks as much as possible. Although white South Africans made up only 15 percent of South Africa’s population, apartheid reserved good jobs and other privileges for them. So-called pass laws required black South Africans to carry identity documents when entering white areas, which they often had to do when traveling to their jobs. They were barred from living in certain areas of the country. Mixed marriages were prohibited. For a while, schools for blacks were taught only in Afrikaans, the language of many of the white South Africans who ruled the nation. These dehumanizing decrees marginalized the 85 percent of South Africans who were black, South Asian, or mixed race. (Test Prep: Write a paragraph connecting apartheid with South Africa’s colonial past. See pages 471–474.)

**Challenges to Apartheid**

In 1964, Nelson Mandela, a leader of the African National Congress (ANC), was imprisoned for life for agitating against apartheid. The ANC’s primary goals were to end white domination and create a multiracial South Africa. Mandela’s imprisonment throughout the 1960s, 1970s, and 1980s inspired a global movement to end apartheid. Black protests in South Africa, which were often peaceful, were crushed violently by the government’s forces. South Africa’s reputation grew worse in the eyes of the global community. Musicians staged concerts calling for Mandela’s release from prison, college students urged their universities and corporations to divest from South Africa, and many countries voted for strict economic sanctions against the country.

As South Africa became a pariah state (undesirable state) in the 1980s, its leadership began to notice. Mandela himself began negotiations with the government in 1986 while still in prison. In 1989, F. W. de Klerk became the nation’s acting president. He recognized the need for change. Within six months, de Klerk announced Nelson Mandela’s release from prison.

Although euphoria was high in the weeks following Mandela’s release, apartheid remained the law of the land. Police violence against protesters persisted, which stalled negotiations between Mandela and de Klerk. However, a series of reforms in the 1990s ended apartheid. In 1994, South Africa held its first free elections. The African National Congress won the majority of the seats in the Parliament. The Government of National Unity was established with ANC members in the majority. On May 10, 1994, Nelson Mandela was sworn in as president, South Africa’s first black leader.
Uniting South Africa  Immediately the Government of National Unity set up the Truth and Reconciliation Commission (TRC). Unlike the Nuremberg Trials that sought retribution for crimes against humanity committed by Nazis during World War II, the TRC sought to restore and establish an atmosphere of trust in the new multiracial South Africa. The TRC organized a series of 19 public hearings designed to expose the truth of human rights violations that had occurred during apartheid, while at the same time granting amnesty to members of the apartheid regime who agreed to testify.

China’s Citizens Protest for Freedom  After the economic reforms of the late 1980s and 1990s, China quickly became an economic powerhouse. The economic liberalization, however, was not matched by democratic reforms. The Chinese Communist Party (CCP) ruled the People’s Republic with an iron fist. It censored the news industry and controlled what students were taught in primary and secondary schools. Such practices limited freedom of speech and thought. The CCP also required all nongovernmental organizations (NGOs) to register with the government. International nongovernmental organizations (NGOs) were not free to operate in China unless they were willing to undergo strict regulation. Opposition political parties did not stand a chance in China’s governing system, although some debate was allowed in the legislative process. Overall, however, the governing system was designed to thwart all challenges to the CCP’s authority. (Text Prep: Write a paragraph connecting China’s government in the 1980s with the development of the Communist Party in China. See pages 557–558.)

Tiananmen Square  Chinese intellectuals and students had a history of protesting against their government based on the May Fourth Movement in 1919. In the spring of 1989, pro-democracy activists organized a public event mourning the death of a sympathetic high official. The protesters demanded a chance to speak with Chinese leaders about freedom of the press and other reforms. After the Chinese government refused to meet with the activists, citizens in more than 400 Chinese cities staged sit-ins, refused to attend classes, and began hunger strikes. Hundreds of thousands of students, professors, and urban workers staged a massive protest in Beijing’s Tiananmen Square. After seven weeks of protests, the government decided to end the protest. It declared martial law and sent troops armed with tanks and assault weapons into Beijing. Citizens responded by setting up barricades to block the troops. On June 4, 1989, the army arrived in Tiananmen Square and attacked the unarmed protesters. The Chinese government claimed that nobody died in Tiananmen Square that day. No mention of the event was included in school texts and all Web sites that discussed the Tiananmen Square incident and human rights abuses in China were blocked. However, estimates by Amnest International, the International Red Cross, and the New York Times indicated that anywhere from several hundred to a few thousands civilians were killed.

Minority Rights in China  The Communist government in China struggled with the demands of its 55 ethnic minorities. Some prominent examples were calls by Tibetans for more autonomy or independence and the complaints of the Uighur people concerning religious and political discrimination in the northwest province of Xinjiang.

In 2011, some of the Mongolian people in China protested against the high number of Han who had moved into Inner Mongolia, an autonomous region of northern China, and disrupted their pastoral way of life. The Mongolians staged protests against the environmental damage that came with settled agriculture, strip-mining of coal, and building of highways and damming of rivers, and overgrazing of land.

Environmental Degradation in China  China’s rapid industrialization and economic growth, combined with the impact of global warming, resulted in severe environmental problems beginning in the 1990s. Reduced rainfall led to the expansion of the Gobi Desert, which covers large parts of western China and Mongolia. At certain times of the year, Beijing’s air filled with sand blowing in from the desert. All Chinese cities experienced air pollution resulting from the increased use of coal to run power plants and factories and the increased number of motor vehicles on the streets and roads. Water pollution was another serious problem. The Huang He, or Yellow River, was so polluted that it couldn’t provide drinking water.

Water Problems in China  Major construction projects in China had significant and widespread consequences. For example, the world’s largest hydroelectric power station was built in the Three Gorges Dam on the Yangtze River. Its construction and the rising waters displaced some 1.3 million Chinese people. In the years after the dam was built, fears developed that the banks of the reservoir were collapsing and that earthquakes could cause landslides and massive flooding. The holding of so much water upstream deprived people who lived downstream of needed water for transportation and irrigation. Moreover, the building of the dam altered the ecosystem of the river.

Beijing and many other large cities used up the water in nearby aquifers, and water had to be shipped in from elsewhere. These cities called for the construction of one or more large canals to divert water from the Yangtze or the Huang He to more arid areas and cities in the north. This South-North Water Diversion Project would cost twice as much as the massive Three Gorges Dam and would require some 350,000 people to relocate.

Global Security

In the early 1990s, after the fall of the Soviet Union, President George H. W. Bush declared a New World Order, one in which the United States would take the lead in creating a unified and secure world. He believed the United States could bring Russia into the free market economy and world economic organizations that were led by the wealthiest nations. Bush also used the term in describing the coalition of nations that joined in a war against Iraq in 1991 after Saddam Hussein’s forces invaded Kuwait. This Persian Gulf War resulted in Hussein’s forces being driven out of Kuwait. However, the coalition, fearing that deposing Hussein would destabilize the Middle East, did not drive him from power.
Despite the lack of enmity between Russia and the West in the early 1990s, anger toward the United States existed in many regions of the world. Part of the anger was political. Other countries opposed how the United States exerted its influence as the world’s sole superpower. Part of the anger was toward the Americanization of popular culture. Clerics in socially conservative societies, particularly those in the Middle East, objected to American media’s permissive attitudes toward sex and gender roles. Ayatollah Khomeini of Iran was one of the first such clerics to reject American popular culture for such reasons.

Many Muslim nations were hostile to the United States for more than Hollywood images or global brands. They criticized the United States for supporting Israel in the seemingly intractable Israeli-Palestinian conflict. The United States donated millions of dollars to Israel every year, supplied its military with weapons, and did not stop its occupation of Palestinian territory.

**The Growth of Terrorism** In the post-Cold War period, large-scale open conflict between sovereign states was rare. Instead, individuals affiliated with any government formed terrorist networks that intimidated and murdered civilians. For example, in the United Kingdom, Roman Catholic militants carried out several bombings to protest Northern Ireland’s status as part of the United Kingdom rather than of the Republic of Ireland. In Spain, Basque separatists committed acts of violence to further their cause. In the United States, two right-wing extremists bombed a federal building in Oklahoma City in 1995, killing 168 people.

Several terrorist groups used a fundamentalist interpretation of Islam to justify killing others. Among the deadliest of these groups was al-Qaeda. Financed by Saudi billionaire Osama bin Laden, al-Qaeda carried out devastating attacks on the United States on September 11, 2001. In these attacks, terrorists killed themselves and more than three thousand innocent people when they hijacked and crashed planes in New York City, near Washington, D.C., and in rural Pennsylvania. Most of the world, even bitter foes of the United States such as Iran, rallied to support the United States.

In the years following the September 11 attacks, al-Qaeda and similar groups carried out additional bombings and shootings that killed thousands of people. While high-profile attacks occurred in Madrid, London, and Paris, most victims were Muslims living in rural communities in countries such as Yemen, Nigeria, or other countries throughout the world.

**War in Afghanistan** The September 11 attacks had been orchestrated from bin Laden’s camp in Afghanistan, which was under the control of another right-wing Islamic group, the Taliban. When the Taliban refused to extradite bin Laden to the United States, the U.S. Congress authorized the use of force to capture him. A U.S.-led coalition invaded Afghanistan and overthrow the Taliban. The Afghans formed a new government. U.S. troops remained in Afghanistan, but the country remained beset by violence and instability. In 2011, U.S. forces located bin Laden in a hideout in Pakistan, and killed him.

**War in Iraq** As war in Afghanistan heated up, the administration of President George W. Bush (the son of President George H. W. Bush) claimed that Iraq’s brutal dictator Saddam Hussein was connected to the September 11 terrorists and was stockpiling weapons of mass destruction. In May 2003, the United States and a few allied forces invaded Iraq, marking the beginning of the Iraq War. However, the invasion touched off massive protests in the United States and around the world. Opponents of the war charged that the Bush administration had provided no credible evidence to support its claims, so United States had no justification for attacking Iraq. In the war, Hussein was captured. A special Iraqi tribunal prosecuted him for crimes against humanity and had him executed by hanging. The war continued until 2011 when a peace agreement was achieved. In that time, more than 4,000 U.S. soldiers and several hundred thousand Iraqi civilians died. After the peace agreement, Iraq soon returned to violence.

No links between Hussein and al-Qaeda were found, nor were any weapons of mass destruction located in Iraq. The war caused President Bush’s popularity to plummet, and it tarnished the reputation of the United States throughout the world. It depleted much of the international community’s post-September 11 sympathy for the United States.

**Confronting Terrorism** The defeat of the Taliban and the death of bin Laden did not end terrorism—other groups and leaders emerged. Many countries increased their military spending to counter the new threats. However, even the United States, with a defense budget more than triple the size of any other country’s, continued to struggle to defeat terrorism.

| Countries with the Largest Military Budgets, 2012 |
|-----------------|-----------------|
| Country         | Total Military (U.S. Dollars) |
| United States   | $656 billion     |
| China           | $126 billion     |
| Japan           | $66 billion      |
| United Kingdom  | $61 billion      |
| Russia          | $59 billion      |

**Genocide and Human Rights**

The global community said “never again” to genocide after having seen the horrors of the Holocaust. However, genocides continued to occur.

**Bosnia** Ethnic conflict drove the genocide in Bosnia. The end of World War I brought with it the creation of several new nations in Eastern Europe, including Yugoslavia. That country was home to Serbians, who were Eastern Orthodox Christians; Croats and Slovenes, who were Catholic; and Muslims in the regions of Bosnia and Kosovo. Marshall Tito led Communist Yugoslavia...
In 1993, Tutsi and Hutu forces in Rwanda began negotiations for a coalition government in which both ethnic groups would share power. The negotiations were cut short in 1994 when Rwanda’s president, a Hutu, was killed in an airplane crash, supposedly shot down by rebel forces. This incident lit the flames of genocide. Over the next three months or so, between 500,000 and 1,000,000 civilians—mostly Tutsis and some moderate Hutus—were killed. Some sources estimate that casualties were even higher.

International responses ranged from insufficient to callous. United Nations peacekeepers were instructed not to use force to restore order. There were also too few peacekeepers to protect all Rwandans. Individual countries, including the United States, evacuated their personnel from the country after Belgian peacekeepers were killed. UN peacekeepers and individual nations failed to evacuate any Rwandans. The Rwandan genocide focused attention on the lack of leadership in the international community. It became clear that the United Nations needed to think seriously about its role in violent conflicts if it wanted to effectively protect human lives and human rights.

Sudan Another genocide erupted in 2003 in Darfur, a region located in western Sudan. The people involved were all Muslims, but some were nomads of Arab descent while others were non-Arab farmers. The government of Sudan was controlled by Arab Muslims. Two Darfur rebel groups, the Sudan Liberation Army and the Justice and Equality Movement, were fighting against the government. In response, the Sudanese government unleashed Arab militias known as the Janjaweed on the region. Together with Sudanese forces, the Janjaweed attacked and destroyed hundreds of villages throughout Darfur, slaughtering more than 200,000 people, mostly non-Arab Muslim Africans. More than one million people were displaced, creating a refugee crisis that spilled into neighboring Chad. Despite negotiations, appeals, and the International Criminal Court charging Sudan’s President Omar al-Bashir with war crimes, the genocide continued.

The genocides in Bosnia, Rwanda, and Sudan became stains on the conscience of the world. International organizations and the broad global community were supposed to defend human rights after the Jewish Holocaust. Considering the millions of lives lost and human dignity shattered, the failure of the international community appeared obvious. (Test Prep: Write a paragraph comparing recent genocides with the Holocaust. See page 542.)

Global Challenges

The global community also had to grapple with hunger, environmental damage, and global epidemics. Many of these problems continue today.

Hunger There have been long-term relief organizations, such as CARE and the UN’s World Food Program, which distributed food to starving people in times of emergency. However, many people looked for more long-term solutions to the problem through economic development and better farming practices.