

Calling for a “Shared Future”

In 2000, the United Nations launched the Millennium Summit. The three-day event, held in New York City, was the largest gathering of world leaders in history. In the Millennium Declaration, they stated:

“We believe that the central challenge we face today is to ensure that globalization becomes a positive force for all the world’s people. For while globalization offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed. . . . [O]nly through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable.”

—Millennium Declaration, September 8, 2000

▲ Former White House official John Sununu meets with Saudi Arabian government leaders at a dinner during the Millennium Summit in New York City in 2000.

Global Politics and Economics

Objectives

- Analyze how the United States responded to changes in the global economy.
- Assess the foreign policy goals and actions of the Clinton administration.
- Describe U.S. relations with various Middle Eastern countries and groups.

Terms and People

EU	WTO
NAFTA	ethnic cleansing
GATT	al Qaeda

NoteTaking

Reading Skill: Identify Main Ideas

Complete a flowchart like this one to help you identify main ideas about global politics and economics.



Why It Matters With the end of the Cold War, the United States was the sole superpower in a dramatically changing world. No longer defined by its opposition to communism, the United States had to carve out new roles for itself in a world of globalization and increasing regional conflict. President Clinton, the nation’s first baby-boomer President, ushered in this new period of American soul-searching. **Section Focus Question:** What role did the United States take on in global politics and economics following the Cold War?

Competing in the Global Economy

In the 1990s, the United States was both an important promoter of global trade and an example for newly industrializing nations. As more nations participated in economic globalization, the United States tinkered with its own policies to ensure it remained an economic powerhouse.

The Role of Free Trade As an economic leader, America has had a major role in globalization. Free trade—the guiding principle of globalization—has been hotly debated in American politics. Americans want the lower costs that free trade creates but worry about the loss of American jobs to other countries. Generally, Republicans have supported the interests of big business and free trade agreements. Democrats have been more sympathetic to labor interests and have often opposed legislation that would cost American workers’ jobs. Depending on which party has been in power, free trade has either been encouraged or hindered.

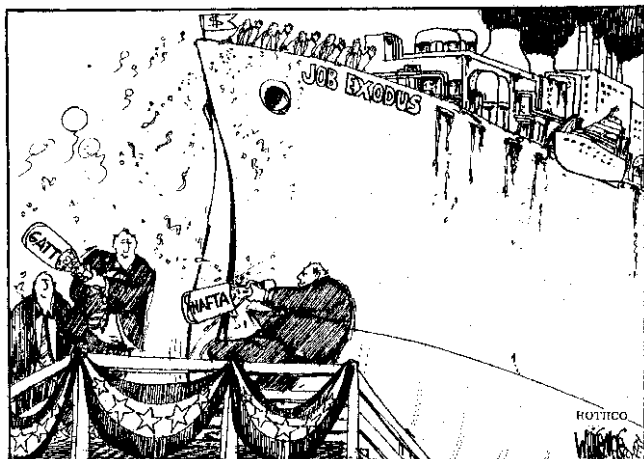
Bill Clinton challenged the traditional Democratic thinking by supporting free trade blocs, which in theory would increase the economic prosperity of particular regions. Europe was an example of such a bloc. In 1993, a number of European nations established the **European Union (EU)** to coordinate monetary and economic policies. By the end of the century, the EU had adopted a single currency, the euro, to promote economic efficiency. The EU's combined resources both encouraged trade among its members and challenged the economic leadership of the United States. North American free trade proponents believed a similar bloc would stimulate their own region.

America Joins NAFTA The **North American Free Trade Agreement (NAFTA)**, a direct response to the EU was originally proposed during the Bush administration. President Bush and leaders of the other nations signed the agreement in 1992, but Congress blocked it. It called for a gradual removal of trade restrictions among the United States, Canada, and Mexico. NAFTA's supporters maintained that creating a free trade zone in North America would promote economic growth, reduce prices, increase exports, and encourage economic investment. Most labor leaders, environmentalists, and liberal Democrats argued that NAFTA would force American manufacturers to relocate to Mexico, where wages were lower and environmental controls were less rigid. They feared that hundreds of thousands of American jobs would be lost. President Clinton embraced NAFTA and pushed it through Congress. It went into effect in 1994, and since then the three countries have also signed agreements covering environmental protection, safety standards, and workers' rights.

Fourteen years later, with the removal of remaining trade restrictions between the United States and Mexico, the final provisions of NAFTA went into effect in January 2008.

Expanding Global Trade Clinton signed a total of 270 free trade agreements, including the revision of the **General Agreement on Tariffs and Trade (GATT)** in 1994 and the accords of the **World Trade Organization (WTO)** in 1995. GATT's goal was to reduce tariffs to promote free trade. The WTO replaced GATT, expanding the organization's authority to negotiate trade agreements, settle disputes, and enforce compliance with them. Clinton also continued the strong U.S. support of the World Bank.

Critics complain that the WTO and World Bank favor business interests over environmental concerns and workers' rights. At the 1999 WTO meeting in Seattle, protesters filled the streets, disrupting the proceedings. Yet most people agree that economic globalization has often had positive effects by exposing people to new ideas, technology, and communications. Nations involved in free trade have often become more democratic. Normalizing trade—engaging in free trade with countries rather than imposing sanctions based on disagreements—can strengthen economic ties. For example, normalizing trade with China has encouraged that country to adopt free market reforms.



Analyzing Political Cartoons

This political cartoon appeared as part of an intense national debate about the United States joining NAFTA.

1. What is the cartoonist's opinion about joining NAFTA?
2. Based on the cartoon, how would joining NAFTA affect the United States?



Checkpoint Which trade blocs has the United States become involved with?

Americans on the Global Stage

When Bill Clinton became President, the more than 40-year-old American foreign policy of fighting communism had just ended. The United States needed to develop a role for itself in the post-Cold War world. Americans were willing to provide economic aid, as they did to nations of the former Soviet Union. But many of them questioned military intervention abroad, fearing a costly commitment like the Vietnam War. With violence surging in regional conflicts throughout the world, however, Clinton found it necessary to intervene. He did so with mixed success.

Vocabulary Builder

intervention—(ihn tuhr VEHN shuhn) *n.* becoming involved in the affairs of another nation, often by force

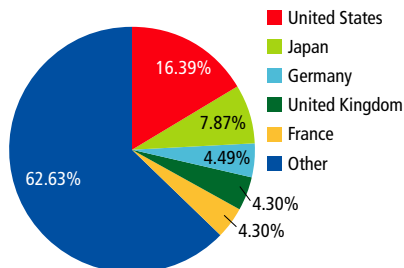
INFOGRAPHIC

The World Bank

The World Bank was founded in 1944 to help rebuild war-torn Europe. It still handles reconstruction efforts, as it did in India following a 2001 earthquake. **1** Yet it has increasingly focused on issues facing developing countries, such as healthcare, human rights, debt relief, economic growth, and poverty. In Latin America, the Bank gives loans to people like this Peruvian man so they can own their own homes and businesses. **2** Throughout the developing world, the Bank works to promote education for people like this Bulgarian girl. **3**

The U.S. has taken a primary role in the financing and management of the Bank. The Bank has its headquarters in Washington, D.C. As one of the Bank's most important partners, the U.S. has long seen the Bank and its work as integral to the American economy. Forty-five percent of U.S. exports go to developing countries in which the Bank is active, supporting American jobs. The U.S. also believes that strong and stable developing countries are vital to its own security.

Voting Power by Country



SOURCE: The World Bank

▲ Five of the Bank's 184 member countries take the lead in setting its direction. The chart shows the voting power for the Bank's Reconstruction and Development department. As with the World Bank's four other departments, the United States has the most voting power.

▼ A Senegalese family picks tomatoes on land that used to be plagued by drought. The Bank worked with governments and local communities to make the land usable and promote agriculture.

Thinking Critically

- Analyze Information** What kinds of work does the World Bank do?
- Draw Inferences** Why is it in America's interest to support the World Bank?

Intervening in Somalia and Haiti In the late 1980s, civil war broke out in Somalia. By 1991, the government had disintegrated and the fighting had caused widespread famine. In 1992, the United States led a multinational force, later joined by the UN, to bring about peace and distribute food. The coalition fell apart in 1994 when several countries, including the United States, suffered steep casualty rates and withdrew their troops. Eventually, the UN also withdrew, and civil war dragged on for several more years in the devastated country.

Meanwhile, conflict was simmering in Haiti. In 1990, Haitians brought Jean-Bertrand Aristide to the presidency, in the nation's first free elections. Less than a year later, a military coup overthrew Aristide, plunging the country into turmoil. Thousands of Haitians left the country by boat to immigrate to the United States as political refugees. Many were sent back by American immigration officials, causing a public outcry. In 1994, Clinton sent American troops to Haiti to restore Aristide to power. Although American action improved the situation, within a decade Haiti faced a sinking economy and rising rates of disease and crime.

Fighting Ethnic Cleansing in Eastern Europe

In the Balkans, the collapse of communism broke up the country of Yugoslavia. For decades, the communist leader Tito had contained ethnic and religious strife. But his death in 1980, and the collapse of communism in 1989, left the country with no unifying forces. Soon, four of Yugoslavia's six major republics formed their own states, and long-suppressed ethnic and religious hostilities came boiling to the surface.

In newly independent Bosnia, ethnic and religious rivalries among Eastern Orthodox Serbs, Catholic Croats, and Bosnian Muslims eventually led to civil war. Serbs, with the help of Serbia-dominated Yugoslavia, attacked Bosnians and Croats. In many cases, they forcibly removed Bosnians and Croats from their homes and later murdered them. This state-sanctioned mass murder, violence, and rape, known as **ethnic cleansing**, shocked the world. The UN intervened with humanitarian aid. Yet atrocities continued on all sides of the struggle, and years went by before the world community intervened to stop the slaughter.

Galvanizing NATO Forces Finally, in the late summer of 1995, Clinton encouraged NATO to bomb Serbian strongholds. This was the first time the organization had gone into combat, and its use of force quickly brought about a cease-fire. In December 1995, the Dayton Accords established a federated, multinational Bosnia. Although the ethnic cleansing had ended, the enforced peace had not solved the problems of the region. In 1998, violence flared up anew—this time in Kosovo, a Serbian province on the Adriatic Sea. The fighting once again involved ethnic cleansing and also spread to the neighboring countries of Macedonia and Albania. NATO forced Serbs to withdraw from Kosovo.

✓ **Checkpoint** How did Clinton involve the United States in foreign conflicts?

NATO in the Balkans

American soldiers monitor a border crossing between Serbia and Kosovo in 2001.



America and the Middle East

In the 1990s, disputes and fighting between Israelis and Palestinians grew increasingly fierce. The conflict had increased instability in the region as a whole. As Clinton worked to address it, violence originating in the region spread outward, with the United States increasingly a target



Camp David Talks

President Clinton walks with Ehud Barak and Yasir Arafat in the woods of Camp David in July 2000.

Trying for Peace in Israel In 1993, Palestinians and Israelis conducted secret negotiations in Oslo, Norway. The resulting Declaration of Principles promised Palestinian self-rule in Jericho and the Gaza Strip, as well as security for the Israelis. The declaration did not address Israeli settlement of the West Bank, a major issue that led to chronic violence, nor did it in any way placate extremists on both sides who had no interest in compromising. Israeli prime minister Yitzhak Rabin, who had signed the declaration, fell victim to the fury in 1995 when an Israeli religious fundamentalist assassinated him.

In 2000, Clinton invited Palestinian leader Yasir Arafat and Israeli prime minister Ehud Barak to Camp David to work on a peace agreement. They came close to signing one, but Arafat was not satisfied with any of the proposals. Back in Israel, Barak was ousted by Ariel Sharon, a “hawk” who opposed any concessions to the Palestinians. Palestinian suicide bombings increased, and with them so did crackdowns by the Israeli military.

Dealing With Terrorism In 1993, a terrorist group called **al Qaeda** exploded a bomb in the World Trade Center in New York City, killing six people and injuring more than one thousand others.

Al Qaeda was led by a wealthy Saudi businessman named Osama bin Laden. Bin Laden had fought in Afghanistan in the 1980s on the side of Islamic fundamentalists who sought to expel the Soviet Union. By the late 1990s, he had formed al Qaeda with the purpose of ending American involvement in Muslim countries. Five years after the U.S. bombing, al Qaeda set off car bombs at American embassies in Nairobi, Kenya, and in Dar es Salaam, Tanzania. The blasts killed 225 people and injured more than 5,500 others. In 2000, al Qaeda bombed the USS *Cole*, an American warship anchored off the coast of Yemen, killing 17 American sailors. These attacks angered Americans and frustrated politicians, who were learning that fighting terrorism would be extremely difficult.



Checkpoint What strategic, political, and economic interests did the United States have in the Middle East?

SECTION

3 Assessment

Progress Monitoring Online

For: Self-test with vocabulary practice
Web Code: nea-2031

Comprehension

1. Terms and People For each term below, write a sentence describing what effect it has on the global economy or global society.

- EU
- NAFTA
- GATT
- WTO
- ethnic cleansing
- al Qaeda

2. NoteTaking Reading Skill:

Identify Main Ideas Use your completed flowchart to answer the Section Focus Question: What role did the United States take on in global politics and economics following the Cold War?

Writing About History

3. Quick Write: Plan a Structure

Compare the issue of America and the world in the context of this section with how it related to an earlier period in American history. Choose the best way to structure your comparison, such as point by point or topic by topic.

Critical Thinking

4. Identify Central Issues Why have efforts to reduce tariffs and trade barriers often been controversial in the United States?

5. Identify Assumptions What basic assumption about the U.S. role as sole superpower underlies American peacekeeping efforts of the 1990s?

6. Analyze Information For what various reasons has the United States become involved in Middle Eastern affairs?