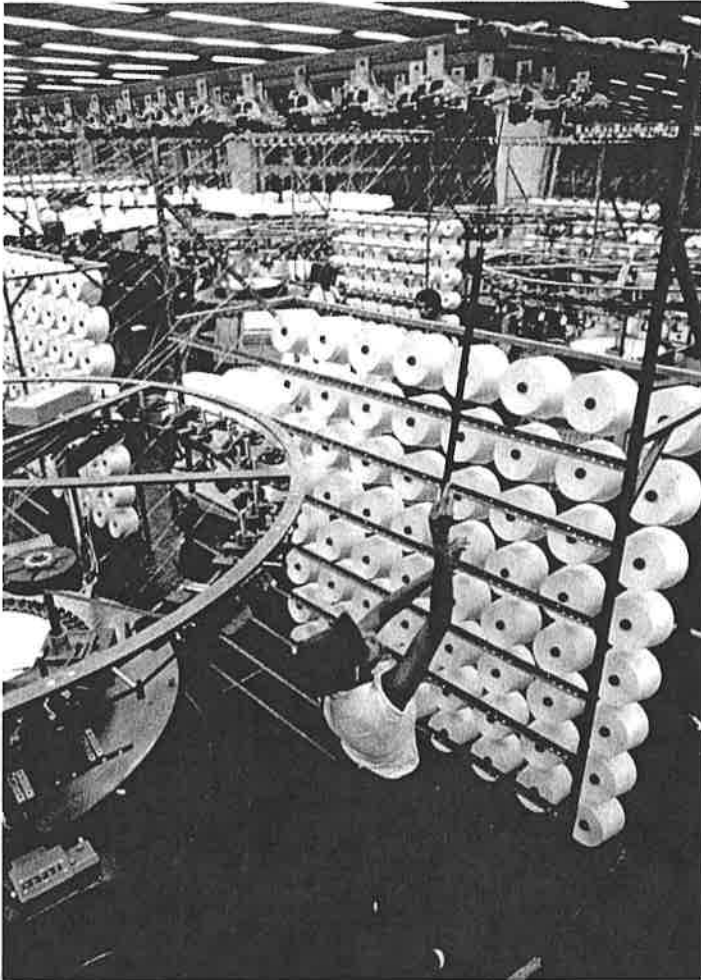


For much of its history, Brazil contributed raw materials to the world market, but recently Brazil has become competitive in the global trade of manufactured goods. This factory in Recife, Brazil, produces textiles.



**outsource** contract out or send offshore

A country's comparative advantage can shift over time. Through most of the 1900s, Brazil, India, and China, like most of the world's less developed countries, were poor. They contributed raw materials to the world economy, but little else. Today, each of those countries has become much more competitive in global trade. Along with Russia, they are known as the BRIC economies (from the first letter of each country's name). They have been singled out for their potential to become economic powerhouses in the coming years.

Many developing countries have found that they have a comparative advantage in human resources, or labor. Wages paid there are often much lower than in developed countries. For this reason, they have attracted labor-intensive service and factory work once performed in the West and Japan. Today, for example, many poor but well-educated, English-speaking people in India work at call centers. By telephone, they handle sales and customer support for numerous American and British companies. In China, factory workers produce goods found in stores throughout the world.

The evolution of the corporation played a role in the globalization of labor. The classic multinational corporation was based in one country—mainly in the United States, Western Europe, or Japan. It did business in other countries through subsidiaries, or companies that it controlled. Government policies in a base country often helped corporations but also restricted their business practices. These policies generally encouraged corporations to keep jobs in the home country.

The 1990s and early 2000s saw a rise in mergers between companies based in different countries. The resulting global corporations essentially decoupled themselves from any one nation's resources—and their often restrictive government policies. Global corporations made business decisions based on their own priorities. One consequence was the **outsourcing**, or sending abroad, of jobs from developed to less developed countries. There the low cost of labor reduced the cost of production. Today, corporations outsource not only unskilled but also skilled jobs. A computer sold in the United States, for example, may be designed by engineers in India and assembled by technicians in Mexico.

**Distribution of Wealth and Resources** In spite of the economic impact of job losses, the developed nations are still the wealthiest nations of the world, at least for now. With generally high wages and standards of living, their citizens consume most of the world's goods, by far. In the process they use up a large percentage of the world's oil, metals, and other natural resources.

Many people in developing countries would like to enjoy the same standards of living as developed countries. This helps explain migration patterns. Each year, hundreds of thousands of workers head for North America, Western Europe, Japan, Australia, and elsewhere in search of a better life. Many of them send part of their earnings back to their families in their home country. That flow of cash, known as remittances, provides important economic support to households and to governments in many of those countries. In 2009, remittances worldwide topped \$400 billion.

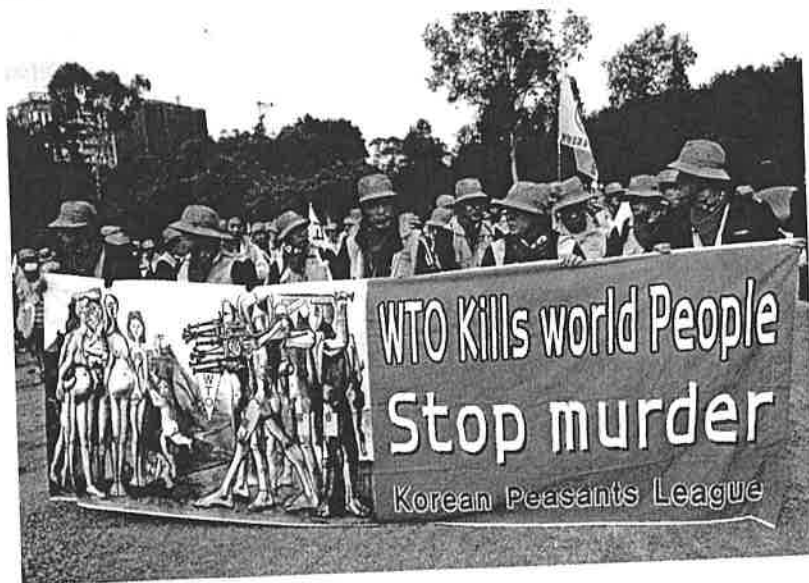
**Impact of Globalization** One criticism of globalization is that it has not closed the gap in standards of living between developed and developing countries. Another is that it forces developing countries to link their economies with the rest of the world even if they do not have the resources to compete successfully. As a result, critics say, those countries focus on the global marketplace and end up ignoring the needs of people locally. They also give up some of their sovereignty to powerful multinational corporations, which make economic decisions that can have a huge impact on a country.

Others insist that globalization has actually helped close the economic gap between developing and developed countries. The outsourcing of jobs, they argue, gives a welcome boost to developing economies. Workers in China and India, for example, can now afford consumer goods such as televisions and cars. To narrow the unequal distribution of wealth and resources, supporters of globalization insist that developing countries should be encouraged to pursue free-trade policies. In 2000, the Secretary General of the United Nations agreed, saying:

*The main losers in today's very unequal world are not those who are too much exposed to globalization. They are those who have been left out.*

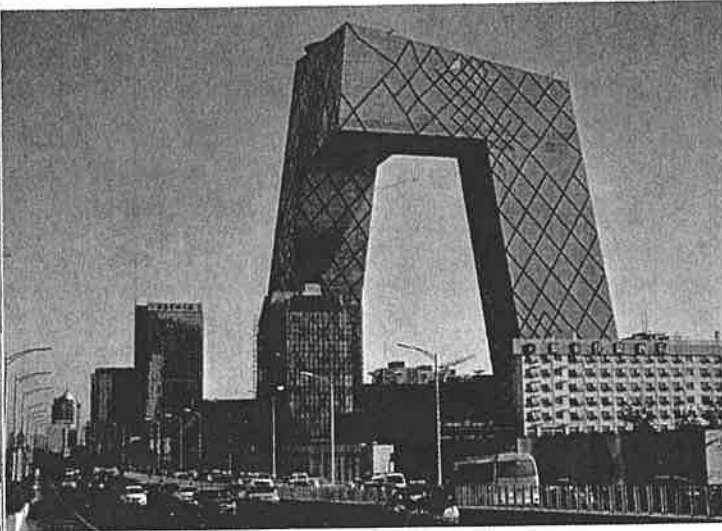
—Kofi Annan, speaking at a United Nations convention, February 2000

Critics argue that globalization hurts local economies. The Korean Peasants League, pictured here at an anti-World Trade Organization protest in 2005, is a militant anti-globalization group. They argue that free trade policies harm the interests of local Korean farmers.



Globalization includes more than just the exchange of goods. New ideas and inventions have always spread from region to region, but with globalization, scientific knowledge, medical advances, and new technology all pass easily across modern borders. Part of the reason for this is the information revolution. As countries build advanced communications systems, they connect themselves more effectively with the world.

Another result of this connectedness is the globalization of culture through a process of cultural diffusion. Today, in a world of global commerce, nearly any product can be sold nearly anywhere. But the developed world dominates global commerce. It also dominates the mass media—television, radio, movies, and the Internet. Through these channels, goods as well as ideas and values can flow. They can alter local cultures, changing the foods people eat, the way people dress, and even the way they think. With globalization, some cultural shift is inevitable. But nobody is sure what the impact will be or how globalization will affect traditional cultures.



Globalization has increased cultural connectedness and the free exchange of ideas and styles. One example of this is the China Central Television Headquarters building, pictured here. It was designed by the innovative Dutch architect Rem Koolhaas, but was constructed in Beijing, China, and has become a visual symbol of modern Beijing.

### 30.5 Conflict, Cooperation, and Security

The Cold War ended in 1991 with the breakup of the Soviet Union. Throughout the world, people looked forward to a time of peace and security. Globalization did encourage cooperation—economic and political—among nations, but the world continued to be plagued by violent conflict.

**Ethnic Violence** Many countries have more than one ethnic group living within its borders. Each group may have its own language, religion, or customs. In some of these countries, the clash of different cultures has led to extreme levels of bloodshed. Northern Ireland, Cambodia, Bosnia, Rwanda, and Sudan all have a recent history of ethnic violence.

Northern Ireland is part of the United Kingdom. It split off from the rest of Ireland in the 1920s because it had a Protestant majority loyal to Great Britain while the rest of Ireland was majority Catholic. In the decades that followed, Northern Ireland's Protestant majority used its political power and control of institutions to oppress the Roman Catholic minority. The Catholics fought for their rights, often using terror tactics such as bombings. The Protestants fought back, and the violence escalated. Thousands of British troops were sent to the region to try to restore order. Only in the late 1990s was a lasting peace achieved, through a series of negotiations and compromises.

Cambodia experienced ethnic violence on an even more destructive scale. In 1975, after years of civil war, Cambodia fell into the hands of the guerrilla fighters of the Khmer Rouge. The Khmer Rouge was a radical communist political group. From 1975 to 1979, it engaged in an extreme campaign to destroy its enemies. Those supposed enemies included the wealthy, the educated, and the members of nearly every ethnic minority in the country. First the Khmer Rouge emptied the cities, sending most of Cambodia's urban population into the countryside to work the fields as forced labor. Many died from exhaustion, starvation, or disease. Mass executions of "class enemies" and ethnic minorities followed. This genocide resulted in the deaths of more than 1.5 million Cambodians.

Bosnia also experienced the horrors of ethnic violence. Bosnia and Herzegovina (or, simply, Bosnia) became a province of Yugoslavia in 1946. Ethnic tensions among its Serb, Croat, and Muslim populations boiled over into civil war in 1992, when Bosnia declared its independence from Yugoslavia. Bosnian Serbs opposed separation from Yugoslavia. In the war that followed the Serbs pursued a policy of **ethnic cleansing**, a brutal—but ultimately failed—attempt to expel all Muslims from Bosnia by force. Their tactics included rape and mass murder.

Those same tactics also appeared in the genocide that afflicted the African nation of Rwanda. Beginning in the early 1990s, rebels from the Tutsi ethnic group fought for power against the governing Hutu ethnic group, who far outnumbered them. A peace accord reached in 1993 was shattered that same year when the extremist nationalist Hutus began a killing spree. In a 100-day period, the extremist Hutus slaughtered some 800,000 people throughout the country. The victims were Tutsi men, women, and children and some moderate Hutus. Tutsi forces later defeated the Hutus and ended the genocide.

In Sudan, ethnic conflict pitted the governing Arab Muslims of the north against a small minority of African Christians and followers of native religions in the south. The southern Sudanese had long complained of mistreatment by the government. Starting in the mid-1980s, defiant southerners launched a guerrilla war aimed at liberating their region from the north. The warfare left some 2 million Sudanese dead. In 2005, a peace treaty opened the door to self-rule. In 2011, the southern region became the independent nation of South Sudan.



Northern Ireland experienced violence between Protestants and Catholics beginning in the 1960s and lasting until the late 1990s. Here Catholic youths throw stones during a riot in Belfast, the capital of Northern Ireland, in 1970.

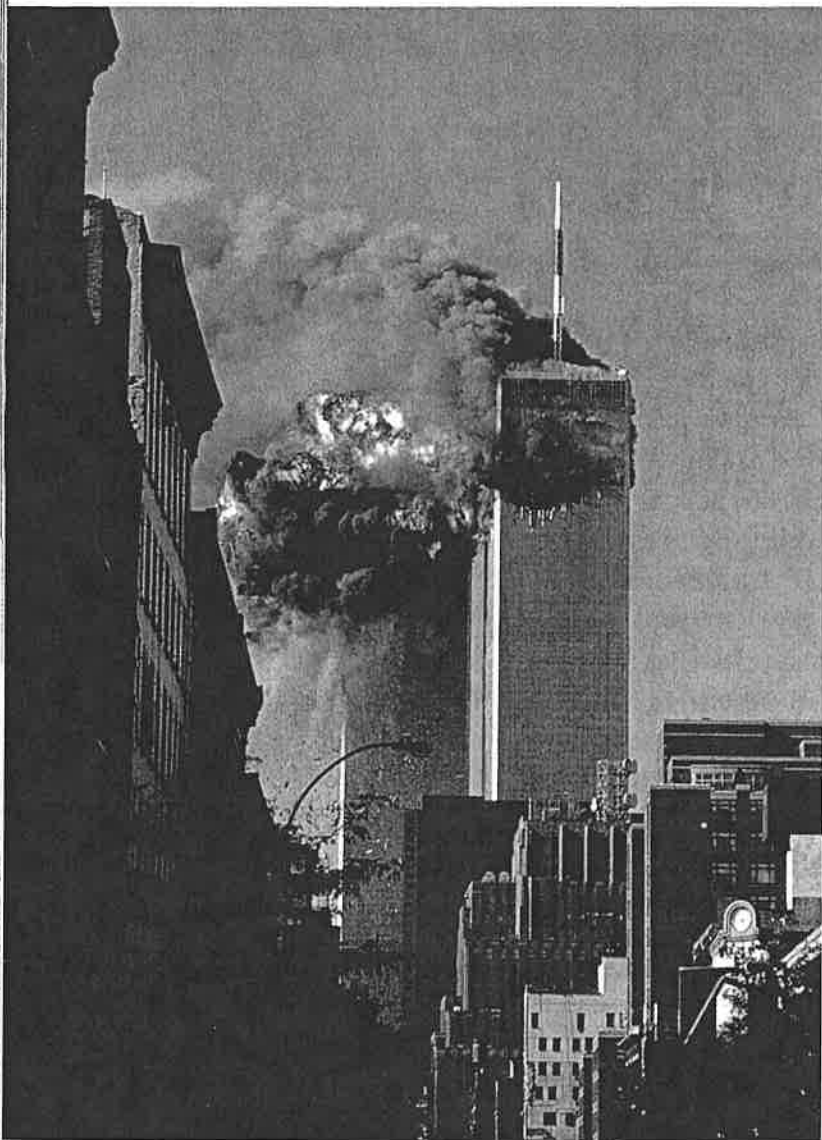
**ethnic cleansing** forced removal from a given territory of persons of another ethnic or religious group

Two wounded refugees flee Rwanda, which was devastated by ethnic conflict and genocide in 1993.



**terrorist** one who carries out unlawful violence against civilian targets in order to instill fear and advance political goals

**Lingering Sources of Tension and Conflict** The splitting of Sudan did not bring peace. Violent clashes between feuding ethnic groups continued elsewhere in Sudan, namely in the western region of Darfur where non-Arab tribes face vicious attacks from government-supported militias. To a lesser degree problems continue in South Sudan itself. Ethnic discord in this region of Africa is just one of several lingering sources of tension and conflict in the 21st-century world. Another is instability in the Middle East.



On September 11, 2001, radical Muslim terrorists flew commercial jet aircrafts into each of the towers of the World Trade Center in New York City, collapsing both towers. The Pentagon was also targeted in this coordinated attack. In total, nearly 3,000 people were killed.

The Middle East today is home to about a dozen states with a majority Muslim population. Israel, a Jewish state in this otherwise Muslim region of the world, has long faced hostility from its neighbors. Two ongoing sources of conflict have been rejection of Israel's right to exist and Israel's control of areas that the largely Muslim Palestinian Arabs want for their own state.

Another source of instability in the Middle East is the presence of radical Islamic terrorist organizations. The United States became a target of radical Muslim **terrorists** on September 11, 2001. The 9/11 attacks on the twin towers of the World Trade Center in New York City and on the Pentagon killed nearly 3,000 people and led to a global "war on terror." The war began with a U.S.-led invasion of Afghanistan. That was where Osama bin Laden, the mastermind of the 9/11 attacks, had based his terrorist organization, known as al Qaeda.

U.S. troops intended to find Osama bin Laden and destroy al Qaeda. Ten years later, in neighboring Pakistan, an American assault force finally located and killed bin Laden. By that time, al Qaeda's strength had been steadily reduced. However, as American troops prepared to withdraw from

Afghanistan, the country remained unstable, its future uncertain.

In 2003, the United States also invaded Iraq. The U.S. government had intelligence that led them to believe that Iraqi leader Saddam Hussein was stockpiling weapons of mass destruction (WMD). The goal of the invasion was to find and destroy those weapons, whether chemical, biological, or nuclear. Over time, troops did uncover a few aged chemical weapons but no significant stores of WMD. Soon after

invading Iraq, U.S. forces drove Saddam Hussein from power. However, the Iraq War turned out to be a long and costly struggle against remnants of Saddam Hussein's regime and various Muslim militias and extremist groups, including al Qaeda.

In early 2010, Iraqis elected a national government. The United States formally ended its military operation in Iraq in late 2011 after nearly nine years of war. Nearly 4,500 U.S. troops were killed in Iraq and more than 30,000 were wounded. Estimates of Iraqi civilian deaths were in the tens of thousands.

Some extremist groups in the Iraq War received military training and arms from Iran. In the early 2000s, this Islamic republic steadily gained power and influence in the Middle East. Many in the West feared that Iran was seeking to develop nuclear weapons. The Iranians, however, insisted that their nuclear program had only the peaceful goal of producing nuclear power.

Two countries to the east of Iran—Pakistan and India—do possess nuclear weapons. What makes this a worrisome situation is that these South Asian countries are fierce rivals. A major source of tension between them is the region of Kashmir. Kashmir lies east of Pakistan and north of India. About 48 percent of Kashmir is under Indian occupation and 35 percent is occupied by Pakistan, with the remaining territory under control of China. Like Pakistan but unlike India, Kashmir's population is mainly Muslim. Pakistani troops have, on occasion, moved into Indian Kashmir in support of those who want to separate from India. Their actions led to wars in 1965 and 1999. Violence in the region has claimed more than 40,000 lives, and Kashmir continues to be a potential flashpoint in relations between India and Pakistan.

**The Struggle for Democracy** In the 1970s and 1980s, authoritarian rule seemed to be yielding steadily to democracy. From South Korea to South Africa, from Czechoslovakia to Chile, dictatorships gave way to democracies. By and large, these regime changes did not come about through violent revolution. The causes were complex. They included rising levels of education and prosperity, increasing



In 1999, tensions in Kashmir led to open conflict between India and Pakistan. In this photo, Pakistani soldiers aim an artillery gun across the Line of Control, the boundary that separates the Indian and Pakistani-controlled sections of Kashmir.

In April 2011, protesters filled Tahrir Square in the Egyptian capital city of Cairo. The popular uprising brought about the resignation of the Egyptian president Hosni Mubarak and was a central event in what came to be known as the Arab Spring.



demands for human rights, and pressure for political change. Unpopular policies instituted to deal with a failing economy helped undermine many authoritarian governments as well.

By the late 1980s, even the Soviet Union found itself struggling to maintain communist rule. Its unproductive system of collective farming had led to food shortages. Its huge military budget had sapped the economy of resources. Economic reforms (*perestroika*) and political reforms (*glasnost*) ultimately led to a fairly peaceful transition to capitalism and democracy.

In the early years of the 21st century, progress toward democratization continued. It centered on North Africa and the Middle East, where strong rulers kept their people oppressed. Activists in these countries had long sought democratic reforms, but authoritarian government persisted. Then, in 2011, a remarkable series of popular revolts swept this largely Arab Muslim region. Together, they became known as the **Arab Spring**.

The first uprising occurred in the North African country of Tunisia. Starting in December 2010, Tunisians, many of them young and unemployed, took to the streets to protest the lack of jobs, high food prices, poverty, and government corruption. In mid-January 2011, the growing demonstrations caused Tunisia's president to flee the country.

Tunisia's outburst of democratic action triggered other revolts. By the end of January 2011, pro-democracy demonstrations broke out in several Egyptian cities. In April 2011, massive, largely peaceful protests in the capital city of Cairo led to a dismantling of the government and the arrest of Egypt's president, Hosni Mubarak. In Egypt, as in Tunisia, social media played a key role. Activists used Facebook and Twitter posts to help organize and spread information about the uprising.

Demonstrations also took place in Algeria, Yemen, Lebanon, Iran, Bahrain, Syria, and elsewhere. The level of violence varied. In Libya, anti-government actions took the form of an armed rebellion. With the help of NATO air strikes, the rebel army managed to gain control of the country in August and oust the Libyan dictator, Muammar al-Gaddafi. He was killed shortly after his capture by the opposition.

**Arab Spring** name for the popular upheavals that swept Arab countries of North Africa and the Middle East in 2011

Antigovernment unrest in Syria began in early 2011. Syria's dictatorship government, led by Bashar al-Assad, responded with military force. The government sent out troops and tanks in a sustained effort to suppress the rebellion. The United States, France, Germany, and the United Kingdom called on Assad to step down, but the crackdown continued into 2012. By early 2012, more than 7,000 Syrians had died.

The future of democratizing countries is uncertain. Throwing off authoritarian rule is not easy. Neither is replacing it with a democratic government. Countries in transition to democracy, however, do not need to go it alone. Just as NATO supported Libyan freedom fighters, other global organizations stand ready to help in the transition to democratic rule. The United Nations made clear its intention to promote justice, human rights, and political security in the region. The World Bank and the International Monetary Fund (IMF) promised aid as a way of encouraging economic security and stability.

## Summary

**In this lesson, you read about global issues that affect the contemporary world. These include changes in world population, the challenge of managing natural resources, patterns of global interaction, and issues stemming from conflict between and within nations.**

**Cultural Interaction** Today, foods, goods, new technologies, and scientific and medical advances all cross international borders with ease. As a result, nations and corporations that dominate global commerce and mass media are able to spread their cultural ideas and values worldwide.

**Political Structures** Throughout the modern world, dictatorship is giving way to democracy. From the fall of communism in the Soviet Union to the democratization movement known as the Arab Spring, people have demanded political and economic reforms that promise to give them more individual freedom and a better life.

**Economic Structures** A majority of nations have decided that capitalism offers the best route to economic growth and a higher standard of living. Even Communist China has made the radical shift from a communist economic system to a market-oriented one.

**Social Structures** Earth's overall population is rising, but in some developed countries it is falling. Those countries must find ways to support their aging population. Much higher birthrates in the developing world result in larger families and a younger population. These countries often lack the natural resources to support a growing population.

**Human-Environment Interaction** The development, distribution, and consumption of Earth's natural resources vary from one country to the next. How those resources are managed can have a profound effect on the environment and on people's standard of living. Industrial development has had a negative impact on the environment. Starting in the 1970s an environmental movement arose which increased awareness of the problem. Many scientists today believe that the biggest problem facing the environment is global climate change.