

Interactive Notebook Setup



- 5/7/2018
- The Collapse of Communism and the Global Economy
- This will be two pages

Causes of Globalization

Characteristics of Globalization

Communist Struggles

Collapse of the Soviet Union

Environmental Changes and Responses

Causes of Globalization



- Occurred largely after WWII
- An increased process of globalization increased
- Globalization= increasingly interconnected global trade based on belief in & support free market economic policies



Causes of Globalization



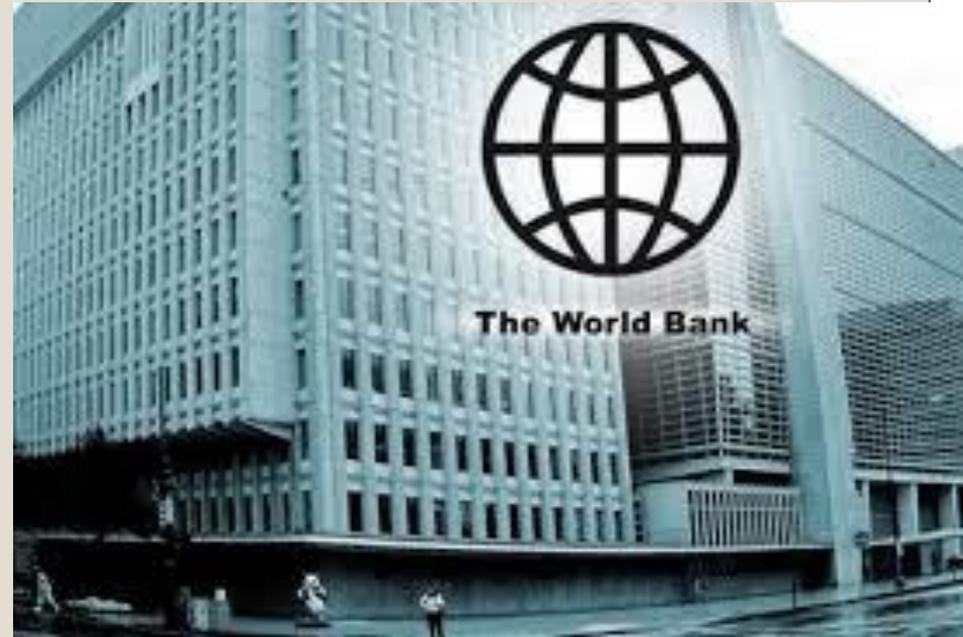
- Increased global belief & support of FREE MARKET ECONOMIC policies
- Massive support came in three different forms:
 - International Economic Organizations
 - Government Policies
 - Regional Trade Agreements

Causes of Globalization



○ The World Bank=

- ✦ Gives loans and advice to states, especially to developing countries
- ✦ Developed immediately after WWII to help rebuild after the war



Causes of Globalization

- International Monetary Fund(IMF)
 - ✦ Stabilize global currency
 - ✦ Provide emergency loans/assistance to states, often with specific stipulations
 - ✦ Observe global and local economies & makes policy suggestions
 - ✦ Part of the UN
 - ✦ 189 members, more influence given to states that contribute more

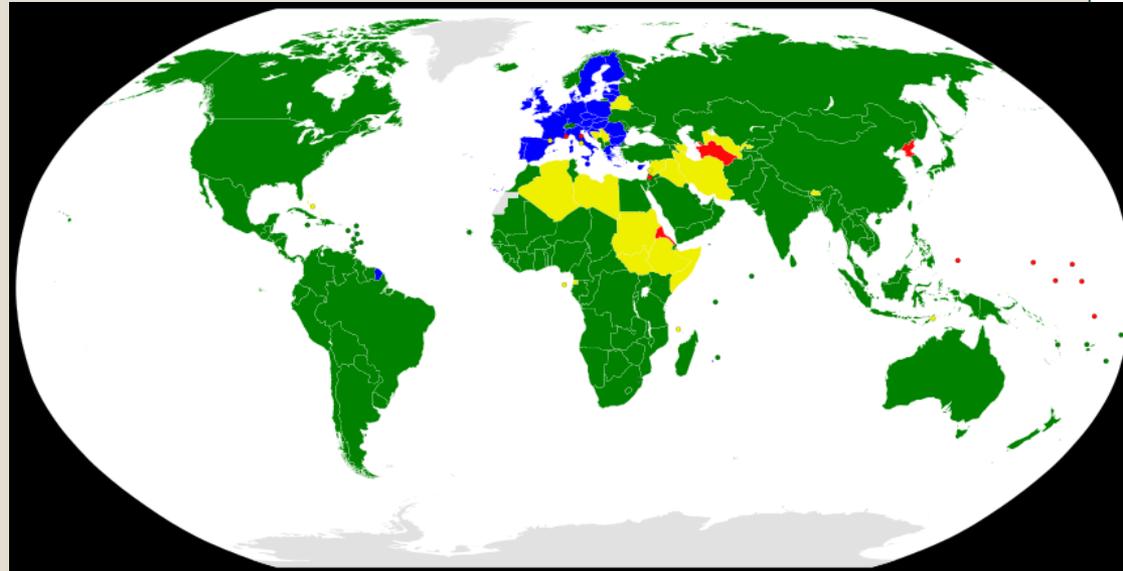


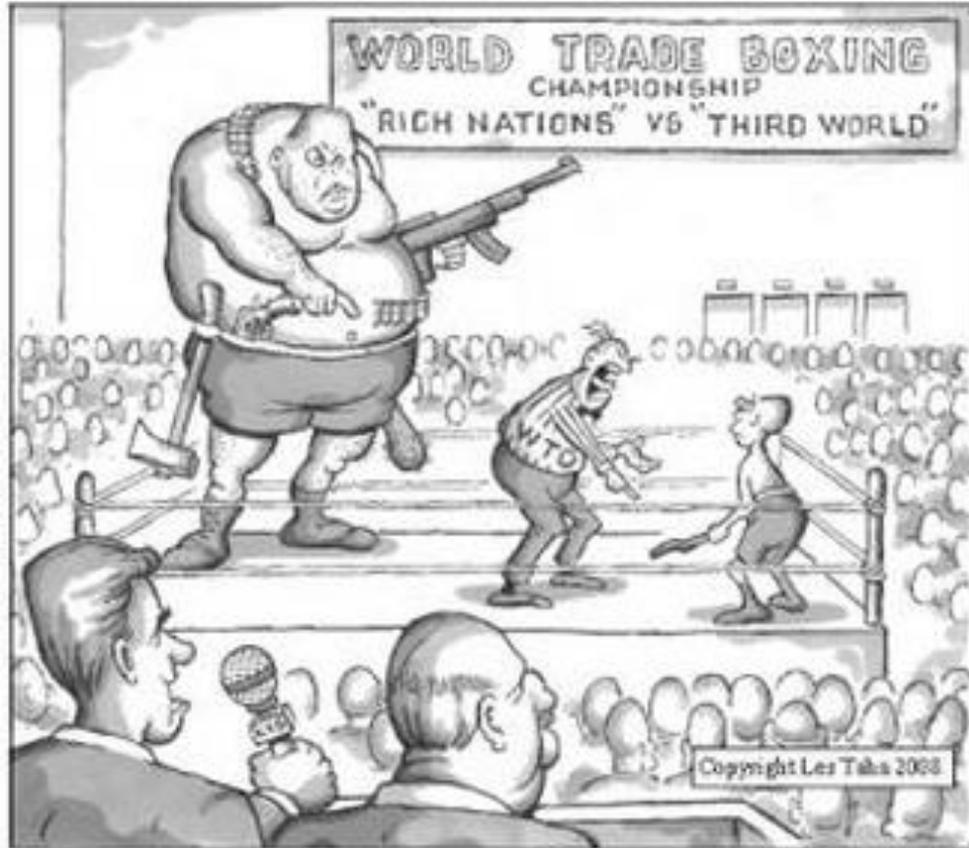
Causes of Globalization



○ The World Trade Organization

- ✦ Sets/enforces limited international trade regulations
- ✦ Always favoring free trade policies
- ✦ Negotiates trade agreements between states





...it looks like "Third World" is being reprimanded by the referee for bringing a stick into the ring.



**WORLD TRADE
ORGANIZATION**

Causes of Globalization



- Regional trade agreements made trade between particular states easier

- Did so by:
 - Lower taxes and tariffs
 - Set common labor and technological standards/laws
 - Set trade agreements and quotas

- Examples:

- North American Free Trade Agreement(NAFTA)
- European Economic Community(EEC)
- Association of Southeast Asian Nations(ASEAN)
- Mercosur in South America



THE EUROPEAN ECONOMIC COMMUNITY

- Original members of the ECSC (1952) and the EEC (1957)
- Joined the EEC, 1973
- Joined the EEC, 1981
- Joined the EEC, 1986
- Joined the EEC as part of reunified Germany, 1990



ASEAN Member Countries



Causes of Globalization



- **Transportation technology** advancements **increased** the **ease and speed** which **international trade**
- Examples:
- Freighters & Shipping containers=easy movement of goods without having to unpack
- Airplanes=Fastest movement of goods in human history



Causes of Globalization



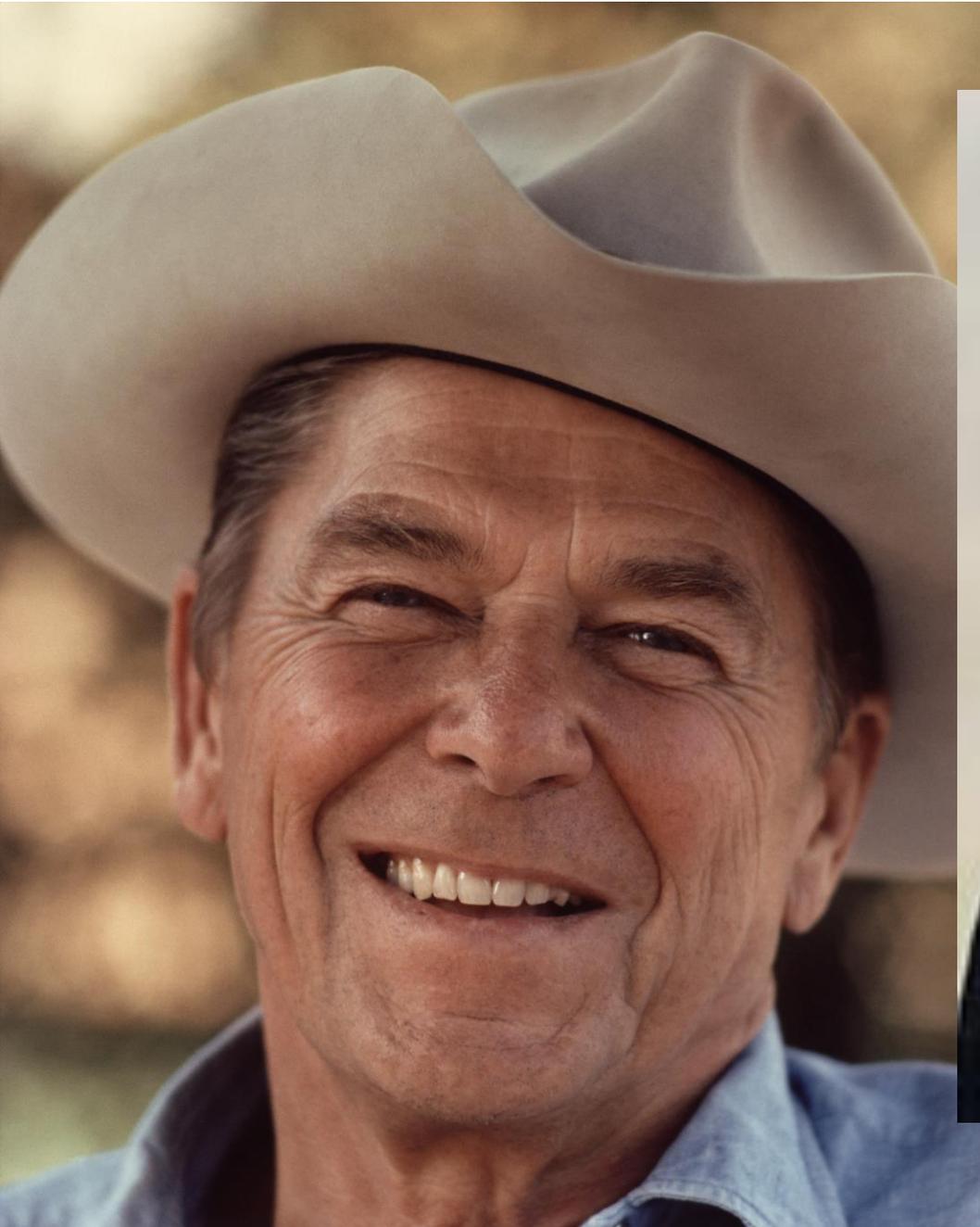
- **Communication technology** advancements **made** it so **flow of capital and investments** could **happen instantly**
- Example:
- Internet=Banks and investment firms could send money to companies/nations in minutes
- Phones/Internet=Stock markets could react instantly to changes in economics



Characteristics of Globalization



- Numerous governments encouraged free-market economic policies and promoted economic liberalization in the late 20th century
- Some policies were pushed by government leaders to challenge Communism during the Cold War
 - EXAMPLES:
 - U.S. starting with President Reagan and continuing
 - Britain under Prime Minister Margaret Thatcher



Characteristics of Globalization



- Increased globalization led to the development of Multi-National Corporations(MNC)
- MNC=companies centered in one state, but has investment, factories, and sales in multiple states
- Almost all are located in US, W. Europe and S/SE Asia

Characteristics of Globalization



- **MNC**=companies centered in one state, but has **investment, factories, and sales in multiple states in order to:**
 - Reduce production costs
 - Avoid regulations
 - ✦ Environmental and labor/human rights
 - Increase profits



Characteristics of Globalization

- MNC and globalization led to a dramatic **increase** of access to cheaper consumer goods and food



Transnational Corporations



- Example: Mattel Corporation's Barbie doll made in factories in Indonesia and China, using molds from the U.S., plastic and hair from Taiwan and Japan, and cotton cloth from China



Characteristics of Globalization



- Also led to an increase of external and internal migration as people flowed to greater work opportunities



Circulation of People and Money

- Increasing numbers of people continue to migrate seeking work, a better life, or refuge from political oppression or civil war at home
- Example #1: Mexicans, Cubans, and Haitians in the United States
- Example #2: Highly educated professionals (doctors, engineers, etc.) leaving the Global South for more developed countries



Characteristics of Globalization



- **Knowledge economies** = economic practices tied to **specific skills/production** based on education, technology, research, ect
 - Developed in **US, W. Europe, and Pacific Rim** countries



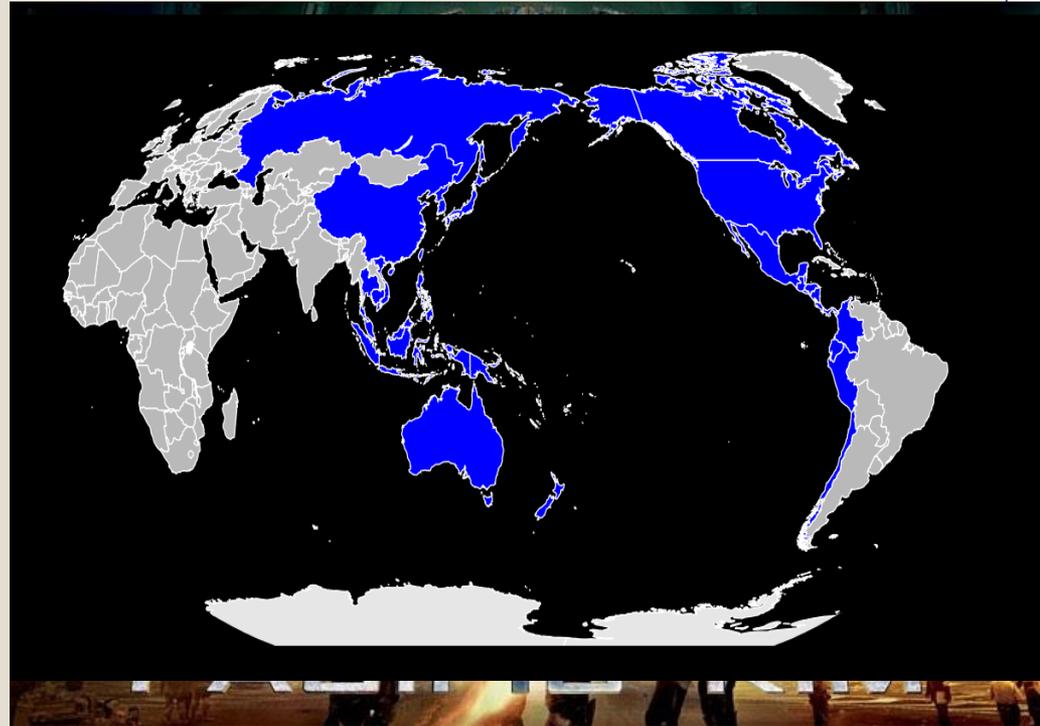
Welcoming the
knowledge economy!



Characteristics of Globalization



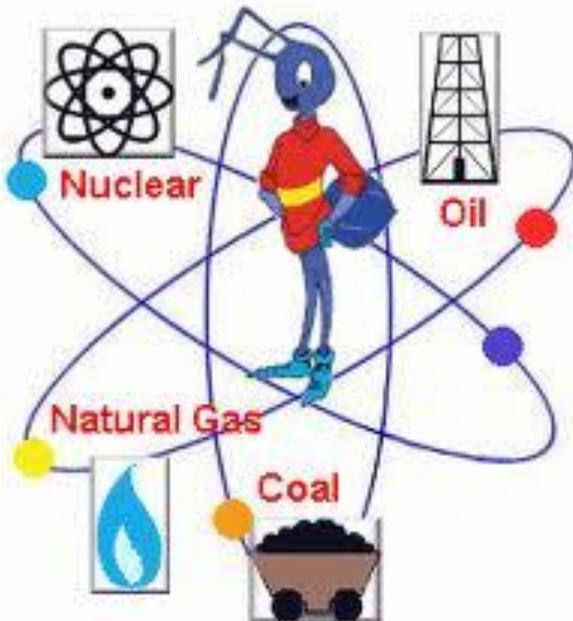
- **Developing economies** emerged and served as **HUGE exporters of manufacturing/industrial goods**
- Most importantly in **Latin America and Pacific Rim Countries** based on **government liberalization**
- Often due to MNC opening factories



Characteristics of Globalization



- **Production** of good **increased with** the development of **more effective energy technologies**
- Most importantly **petroleum(oil) and nuclear energy**





Contentious economic issues of equality between the Global North and the Global South:

- Rules for free trade
- Availability of and terms for foreign aid
- Representation in international economic organizations
- Growing problem of indebtedness
- Environmental and labor standards



Communist Struggles

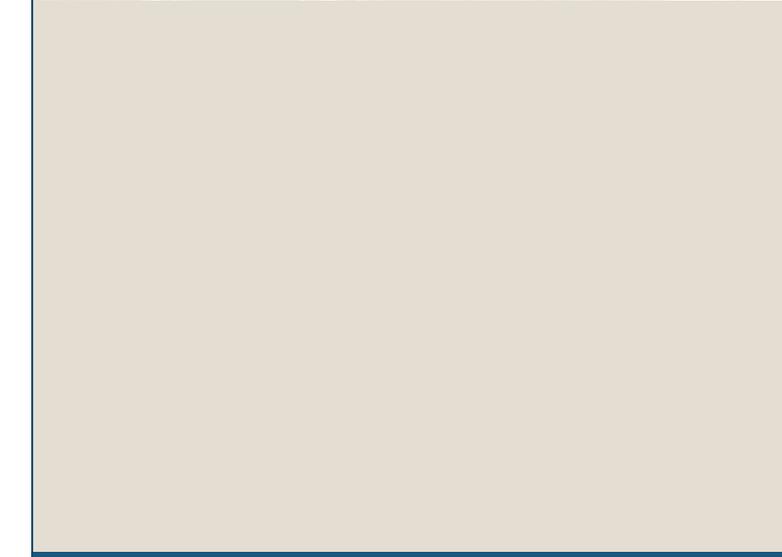


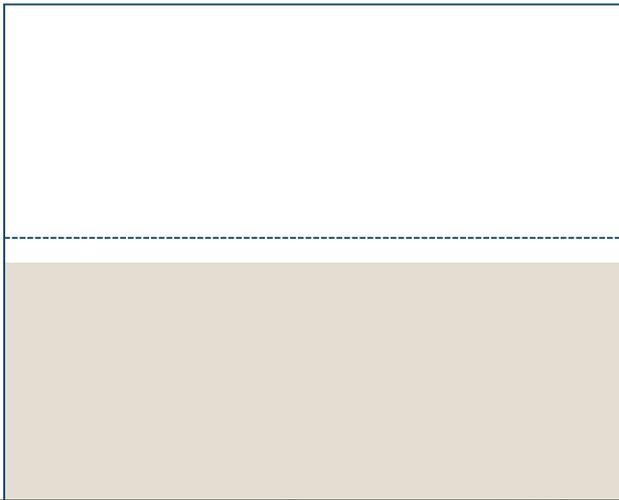
- Soviet Union & other communist **economies did not advance/adapt** in the ways that capitalist economies
- Even in the 1970's and 1980's **focused on outdated military and industrial production**
 - Tanks, steel, guns, ect
- Soviet economy = stagnant
 - People had to wait in long lines for consumer goods, which were poor in quality and declining in availability

Communist Struggles

- **Citizens** in communist economies **had limited access to consumer goods and advancing technologies**
 - Made worse anytime information about capitalist economies and goods slipped into communist states







Communist Struggles



- Moral Failures

- Many **violent action invalidated communist claims of moral superiority** over capitalism
- **EXAMPLE:**
 - ✦ Horrors of Stalin's "Terror" and the gulag
 - ✦ Mao's Cultural Revolution
 - ✦ **Genocide in communist Cambodia**
- Simultaneously = overall global political culture was more widely embracing democracy and human rights as the intended legacy of humankind



The site of one of Cambodia's "killing fields"

Collapse of Soviet Union

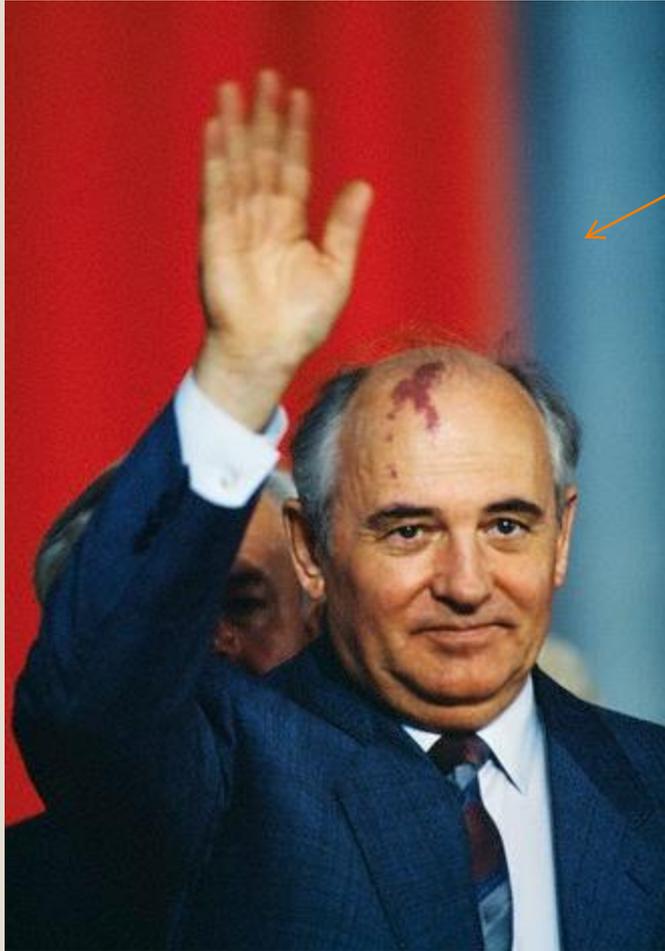


- USSR
reputation/legitimacy dramatically weakened by failures of Afghan war in 80s
 - Lasted 14 years and USSR involved for almost 10 years
 - Considered USSR Vietnam





Collapse of Soviet Union



- In 1985 Mikhail Gorbachev became the leader (General Secretary) of the Soviet Union
 - NOT part of the old Communist regime
- **Mikhail Gorbachev instituted economic and political reforms** in an attempt to keep the USSR alive

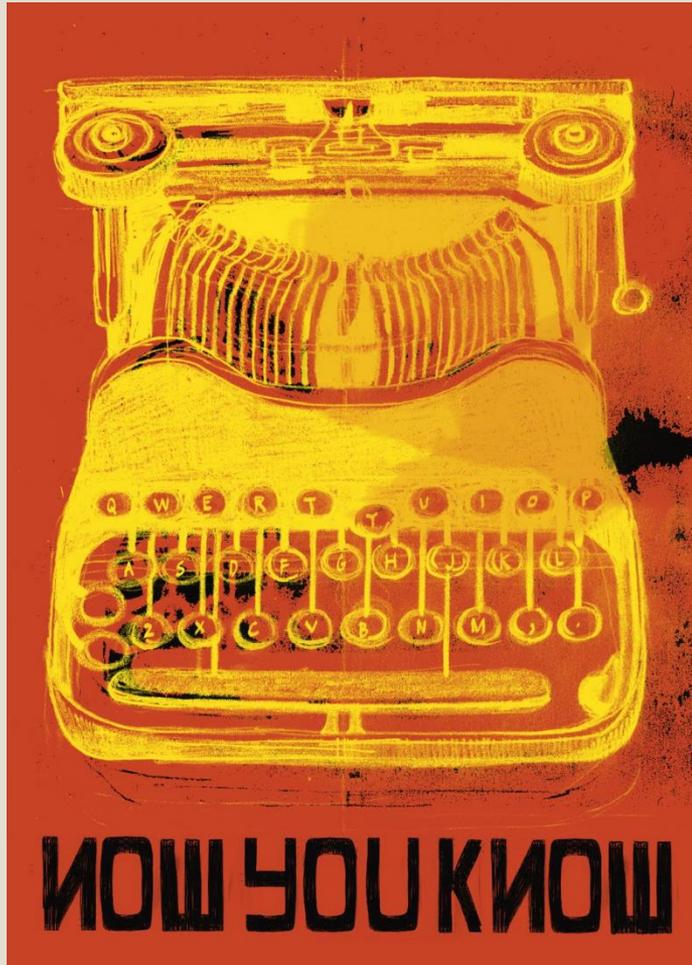
Collapse of Soviet Union



- *Perestroika* (Restructuring) = Gorbachev's **economic program** launched in 1987
 - Freed state enterprises from government regulation
 - Permitted small-scale private businesses and farming
 - Began to **welcome foreign investment**
- Resistance to these reforms led Gorbachev to seek allies outside of his official circles



Collapse of Soviet Union

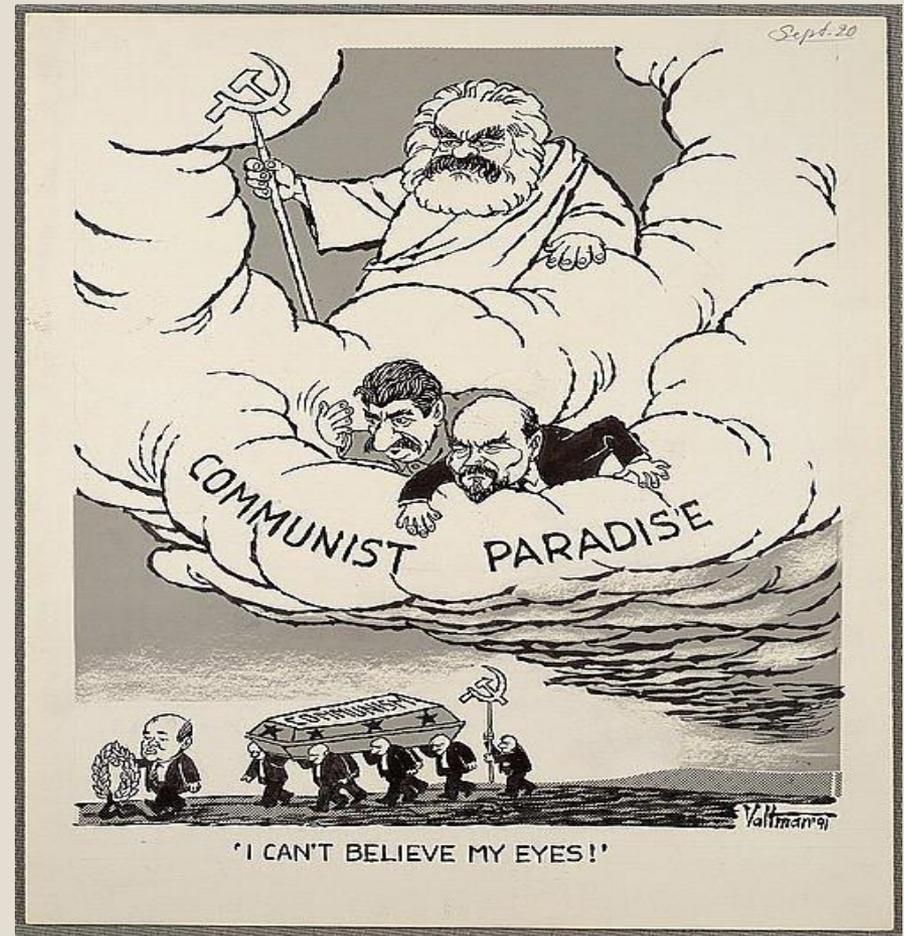


- *Glasnost* (Openness)= wider range of **cultural and intellectual freedoms in Soviet life**
- Goal = to overcome the distrust that had grown between society and the government
- The information that poured into the Soviet Union as a result of *glasnost* **led to** the mass **movement towards democratization** in the Soviet Union

Collapse of Soviet Union



- Democratization = involved the creation of a new parliament with real powers
 - Would be chosen in competitive elections
 - 1989 elections = dozens of leading communists were rejected at the polls



Collapse of Soviet Union



- In foreign affairs, Gorbachev moved to end the Cold War
 - Made cuts in Soviet military forces
 - Engaged in arms control negotiations with the U.S.

President Ronald Reagan and Mikhail Gorbachev in 1985

Collapse of Soviet Union



- Nationalist political groups all overthrew the unpopular communist regimes in Eastern Europe
 - USSR said they would not intervene
- Examples:
- Poland, Hungary, East Germany, Bulgaria, Czechoslovakia, and Romania
- “Miracle Year” of 1989
- 1991 the USSR became 15 states

The Collapse of The Soviet Union



Map 22.4 The Collapse of the Soviet Empire
Chapter 22, *Ways of the World: A Brief Global History with Sources*, First Edition
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The Collapse of The Soviet Union

- Events in the Soviet Union influenced Eastern European nations → if the USSR could practice *glasnost* and hold competitive elections, why couldn't they?
- “Miracle Year” of 1989
- Massive demonstrations, last-minute efforts at reforms, the breach of the Berlin Wall, and the surfacing of new political groups all overwhelmed the unpopular communist regimes of Poland, Hungary, East Germany, Bulgaria, Czechoslovakia, and Romania
 - Communism was swept away in Eastern Europe
 - This success inspired nationalists and democrats in the Soviet Union → brought the communist regime in the USSR to its end in 1991

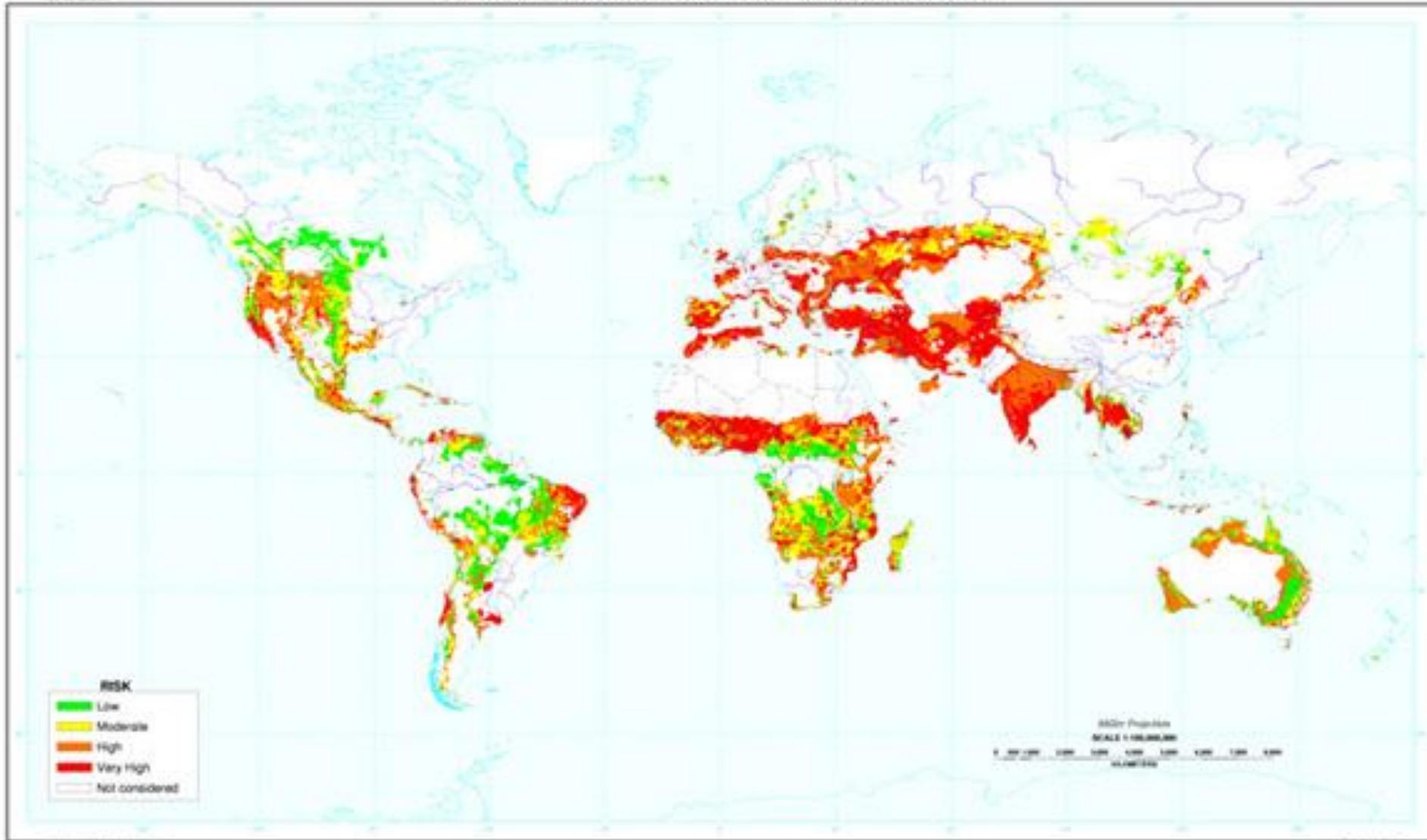


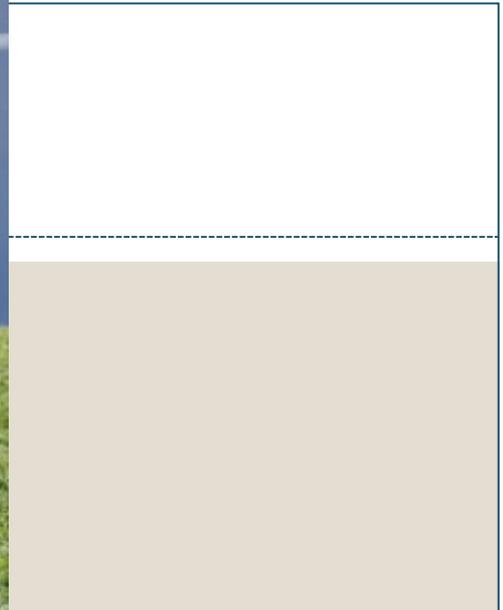


Environmental Changes and Responses

- The 20th cent was a period of **unprecedented global population expansion and globalization**, humans fundamentally **changed** their **relationship** with the **environment**
- Human population growth & Globalization **caused:**
 - **Deforestation & Desertification**
 - **Increased consumption** of the world's supply of **fresh water and clean air**
 - **Competition over resources**
 - **Especially common in Africa, Middle East, S. Asia**

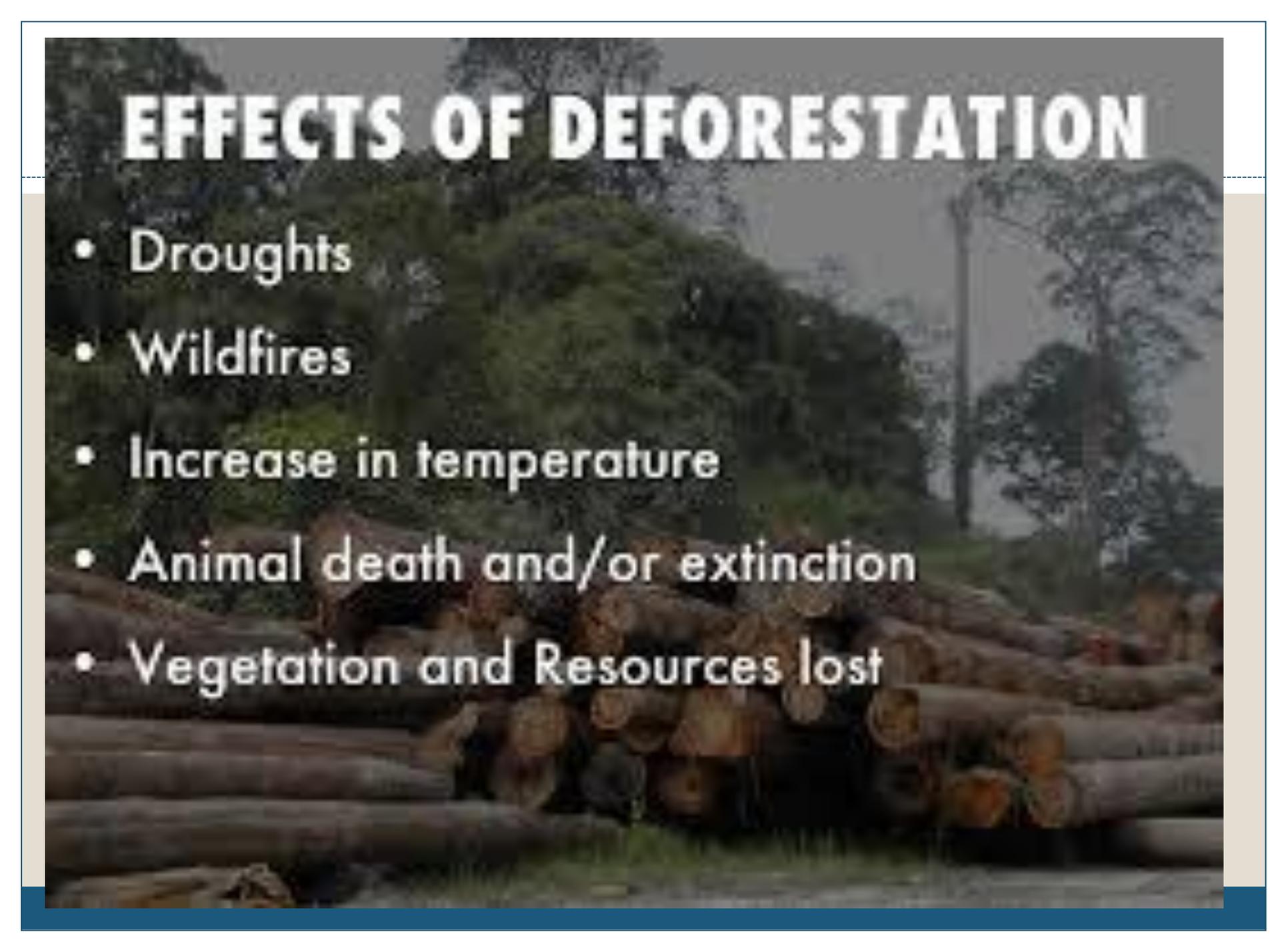
Risk of Human Induced Desertification







EFFECTS OF DEFORESTATION

A photograph of a forest with a large pile of cut logs in the foreground, illustrating deforestation. The background shows a dense forest of tall trees, and the foreground is dominated by a large stack of cut logs, suggesting a logging operation. The text is overlaid on the image.

- Droughts
- Wildfires
- Increase in temperature
- Animal death and/or extinction
- Vegetation and Resources lost

Environmental Changes and Responses

- Release of **greenhouse gases** and other **pollutants** into the atmosphere **contributed** to debates about the **nature and** causes of **climate change**
- **Movements** throughout the world **protested** the **environmental** and economic **consequences** of **globalization**
 - EXAMPLES:
 - Greenpeace
 - The Green Belt Movement in Kenya
 - Earth Day

Environmental Changes and Responses



- Concerns with global warming:
 - Melting glaciers and polar ice caps
 - Rising sea levels
 - Thawing permafrost
 - Extreme hurricanes
 - Further species extinction

Green and Global



- 1970s-1980s = environmental movements began in the Global South as well

Environmentalism in the West

Environmentalism in the Global South

National movement; many large national organizations

More locally based

Involved affluent members of the middle-class

Involved poor people

Engaged in political lobbying and corporate strategies

Environmental movements often overlap with other movements for political and social reform

More concerned with the rights of nature and wilderness protection

More concerned with issues of: food security, health, and basic survival

Relatively nonviolent movement

Movements occasionally become violent → guerrilla warfare actions by “green armies”