

expanding there. Nationalism also threatened a number of older European empires. Austria-Hungary ruled many ethnic groups such as Serbs, Croats, and Poles. Each of these groups sought to form its own independent nation. In 1914, nationalist feelings helped spark World War I.

Nationalism spread to other parts of the world. In Africa, Asia, and Latin America nationalist leaders fought to end foreign control. In the decades after World War II, nationalist movements forced European powers to give up their colonies. Many new nations celebrated their independence. You will read in the next section how these new nations also faced many problems.

## The Cold War

After World War II, the Cold War shaped the international scene. The Cold War was a political and economic struggle between the democratic nations of the West, led by the United States, and the Communist bloc, led by the Soviet Union. (See Chapter 33.) The Cold War led to a dangerous arms race between the United States and the Soviet Union. The two superpowers stockpiled nuclear weapons capable of great destruction.

During the Cold War, the superpowers competed for influence in the developing world. Many leaders of developing nations received money, weapons, and advice from the Soviet Union or the United States. Some saw communism as a way to free themselves of western control. After Mao Zedong led a successful communist revolution in China, the United States began to oppose some nationalist movements. Sometimes, the United States stepped in directly to oppose Soviet influence. It fought a long, costly war to stop communist rebels in Vietnam.

Most developing nations wanted economic aid from the industrial world. They did not, however, want to become involved in the Cold War.

As you will read in Unit 8, the Cold War ended in the early 1990s with the collapse of the Soviet Union. That dramatic change led to new hopes of an end to the arms race between the superpowers.

## SECTION 2 REVIEW

- 1. Identify:** (a) Industrial Revolution, (b) Cold War.
- 2. Define:** (a) capital, (b) entrepreneur, (c) urbanization, (d) imperialism, (e) westernization, (f) nationalism.
- 3.** Why were European nations able to expand overseas in the 1500s and 1600s?
- 4.** Explain two effects of (a) the second agricultural revolution, and (b) the Industrial Revolution.
- 5.** Why were European nations able to gain colonies in the 1800s?
- 6. Applying Information** How did the Cold War create tensions around the world?
- 7. Writing Across Cultures** Imagine that you are an African in a European colony in Africa during the 1800s. Write a diary entry detailing your feelings about European efforts to westernize your land.

## 3

# THE DEVELOPING WORLD

### FIND OUT

What are the main goals of developing nations?

What economic problems do developing nations face?

How does underdevelopment contribute to widespread poverty?

**Vocabulary** cash crop, modernization, tariff, privatization, literacy, population density

“Man has become crazy,” noted Davi Yanomami after spending a few hours observing people in New York City. “They look all the time at the ground and never see the sky. Why do they do that?”

Davi was a long way from the Brazilian rain forest where he was a leader of the Yanomami people. He had gone to New York to ask the United Nations for help. Gold miners were polluting rivers and destroying traditional hunting areas. They also carried diseases that were killing the Yanomami.

Today, mining and other kinds of development threaten traditional cultures around the world. Many developing nations like Brazil face difficult choices in their efforts to build modern industrial economies.

## World Economic Patterns

As you have read, in 1300 a vast trading network stretched across the Islamic world from the Mediterranean Sea to Southeast Asia. European nations gained a share of this trade by finding their own routes to Asia. During the Age of Imperialism, western nations took

control of this global trade. They also created a new trading pattern.

Imperialist nations encouraged people in Africa, Asia, and Latin America to grow **cash crops** that could be sold on the world market. These cash crops included cotton, rice, coffee, and sugar. Industrial nations also imported mineral resources such as iron, copper, and tin from less-developed areas. The developed countries, in turn, sold manufactured goods, such as clothing and weapons, to less-developed lands.

This trading pattern made less-developed areas dependent on Europe and the United States. Even after developing nations won independence in the years following World War II, they remained tied economically to their former rulers. This dependence created problems for the new nations. Many of them relied on the export of a single crop or commodity. If the world demand for a product

**Plantation Workers** In British colonies such as Ceylon (now Sri Lanka), Britons owned many of the plantations and companies, and the people of Ceylon provided the labor. In the 1920s, these workers packed tea and rubber for export.

**Interdependence** How did the imperialist powers gain from having colonies? How did the colonies suffer from this rule?



such as cotton or copper fell, prices dropped. Nations that depended on earnings from cotton or copper suffered. In addition, as people in developing nations depended increasingly on imported manufactured goods, local economies based on crafts declined.

## Goals of Modernization

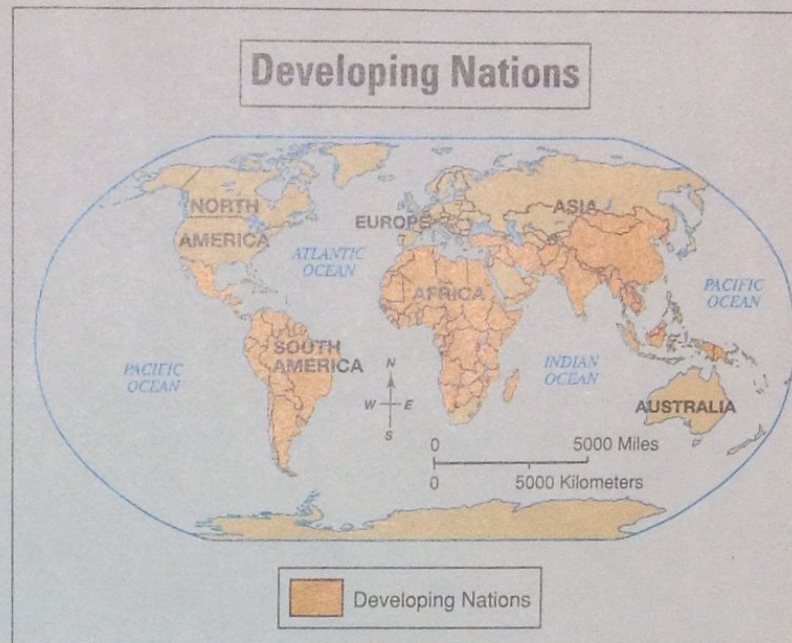
After winning independence, developing nations devised political and economic policies aimed at **modernization**. They wanted to set up stable governments and produce a high level of goods and services. Those goals have often proved hard to achieve. As you study each region, you will learn how different countries have tried to modernize.

**Political stability.** Newly independent nations have faced many challenges. Colonial powers drew artificial borders to create new nations. Often those borders put people with diverse cultures into a single nation. Without common traditions to unite them, these groups competed for power. In some countries, military leaders seized control. On occasion, former colonial rulers or one of the superpowers interfered in political affairs.

**Economic diversity.** For developing nations, modernization includes improving both agriculture and industry. A key goal of modernization is economic diversity. This means producing various kinds of crops and goods so that the nation is no longer dependent on a single export. Just as western nations did during the Industrial Revolution, developing nations are introducing modern farming methods and building factories to produce manufactured goods.

Developing nations have also tried to end dependence on foreign imports by imposing high tariffs. A **tariff** is a tax on imported goods. Tariffs make foreign goods more costly than those produced locally. This encourages people to buy from local manufacturers.

The policy has had mixed results. In many countries, the government owned major industries. These state-owned companies were often inefficient and produced low-quality goods. Many governments in developing nations have now moved toward **privatization**. They are selling state-owned industries to pri-



### MAP STUDY

Many developing nations tried to stay out of the Cold War struggle. During these years, developing countries were working to build their economies and to improve the lives of their people.

- 1. Location** In which areas of the world are most developing nations located?
- 2. Interaction** Which superpowers provided money, weapons, and military advisers to many developing nations during the Cold War?
- 3. Making Global Connections** Compare this map with the map on page 35. (a) What experience did many developing nations share in 1914? (b) How might that experience have contributed to their present situation as developing nations?

vate investors. These governments hope that putting businesses in private hands will improve quality and efficiency.

**Education and services.** A major goal of developing nations is to increase literacy. **Literacy** is the ability to read and write. Governments have set up schools to train students in the skills needed in a modern industrial economy. New nations also have tried to improve other services such as medical care, housing, and water and sewage systems.

**Mixed success.** Some nations have had great success. South Korea and Singapore, for

example, have grown dramatically. Their success is based on technological skill and a decision to produce goods that will sell in the world market. Such nations are often called newly industrialized countries (NICs). Many other nations, however, remain economically dependent.

## Loans and Debt

To modernize, developing nations had to build transportation and communication systems such as airports and power plants. However, most did not have the money for such projects. They borrowed from wealthy industrial nations.

In the 1970s, the price of oil soared. Oil-rich nations of the Middle East put their wealth in western banks. The banks, in turn, wanted to earn interest on the money. They encouraged developing nations to borrow. Then, in the 1980s, interest rates rose. Many borrower nations could not repay their debts, leading to a major debt crisis.

In time, lender and borrower nations worked out ways to ease the crisis. Even so, debt remains a problem for developing

nations. They have to spend much of their income to pay back loans. As a result, they cannot afford to provide basic services such as schools. They have also had to cut spending on new development projects.

The debt crisis made lenders cautious. Banks made fewer loans and restricted how the money could be spent. In the 1990s, fewer loans were made to governments. Instead, banks made loans to private enterprises to finance development projects. At the same time, more foreign companies were allowed to invest directly in building factories and exploring for oil, gas, and minerals.

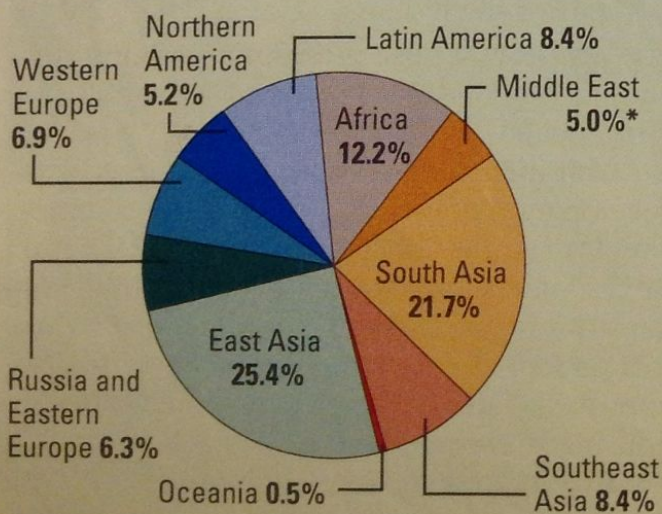
## Problems of Development

In 1990, the world's population topped 5 billion. More than three quarters of the world's population lives in the developing world. Since birth rates are high in many developing nations, that percentage will rise in the future.

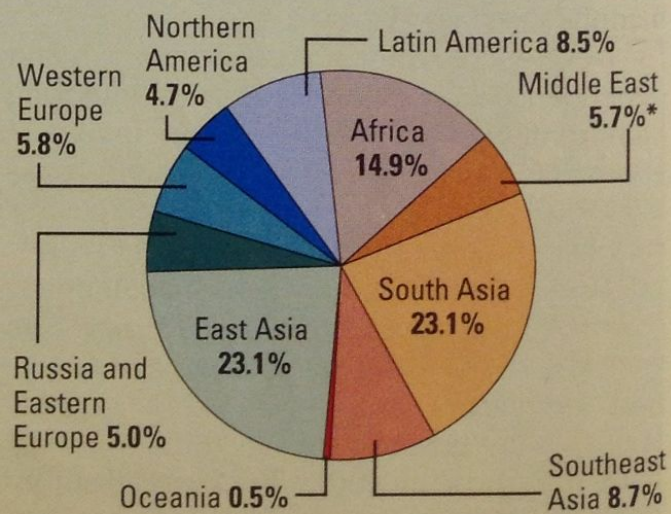
**Population explosion.** Traditionally, people in farming societies have had large families. Farm families needed children to help

**Graph Skills** In the next 20 years, the world's population will increase by more than one third. ▶ According to these graphs, which regions will have a smaller percentage of the world's population in 2010 than they had in 1993? How will the population growth of the developing nations compare with that of the industrialized nations?

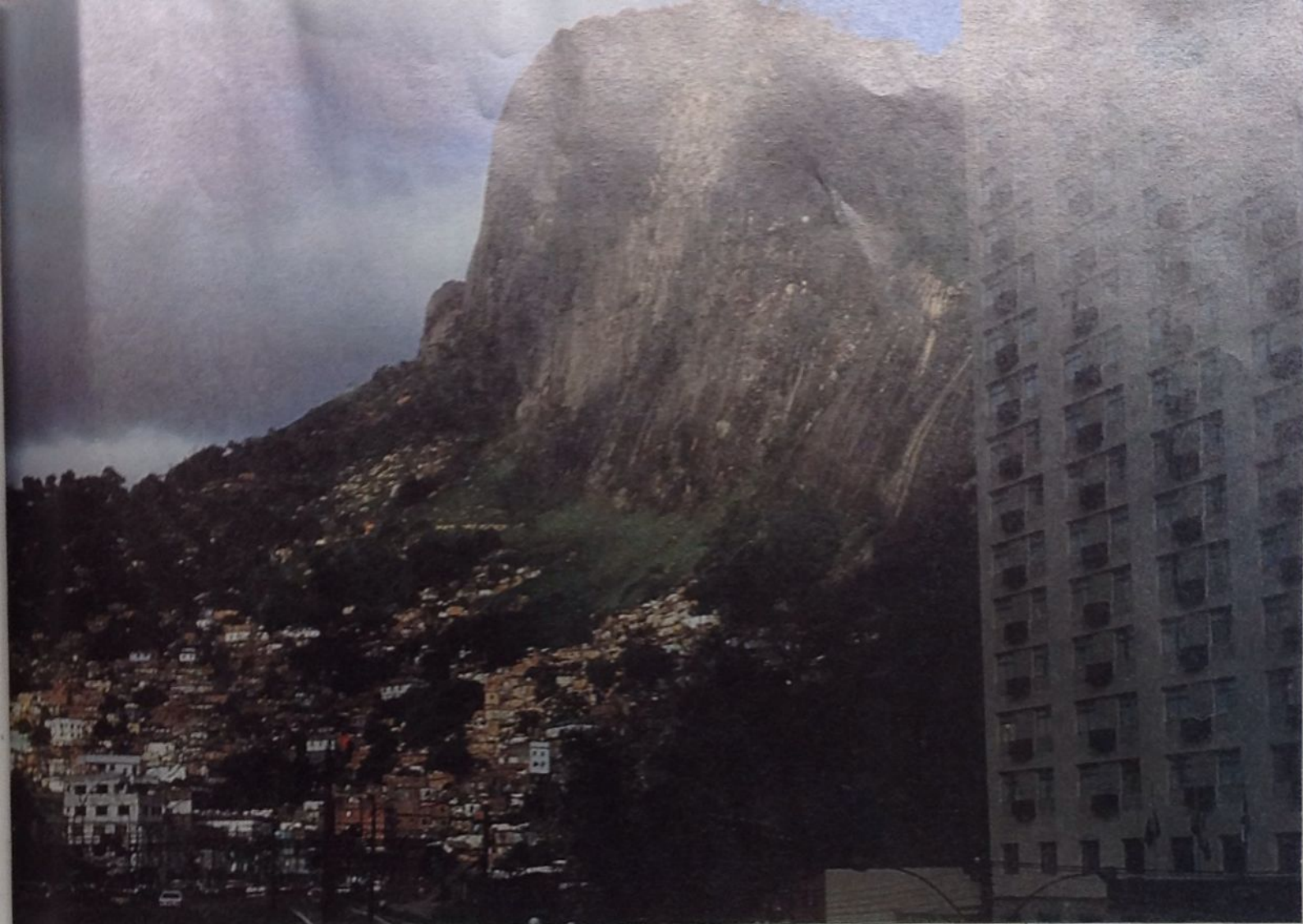
## Distribution of World Population by Region, 1993–2010



1993 ▶ **5.5 Billion**



2010 (projected) ▶ **7.0 Billion**




**Urban Crowding** Population pressure today is creating a shortage of housing in cities throughout the world. In Rio de Janeiro, newcomers from rural areas of Brazil have settled in “favelas,” or sprawling slums, that border modern apartment buildings. **Choice** Why are people from rural areas attracted to the cities despite poverty and overcrowding?

work the land. Also, because a large number of children died in infancy, a family had to have many children to ensure that some lived to adulthood.

Today, better health care has helped increase life expectancy. People live longer, and more children survive to have children themselves. The result is a population explosion, especially in developing nations.

Governments have taken steps to limit population growth. Some nations, such as China, have harsh laws that discourage parents from having more than one child. Others try to inform people about family planning. However, because of traditions and religious beliefs, many people choose to have large

families. (  See Connections With Literature, page 804, “If I Forget Thee, Oh Earth.”)

**Urbanization.** The population explosion and the push to industrialize have led to rapid urbanization. Each year, millions of people leave farms for already crowded cities. The population of Mexico City, for example, doubled between 1980 and 1991 and is expected to double again between 1991 and 2000.

Some cities have very high population densities. **Population density** is the average number of people living in an area of a specific size. Parts of Bombay, India, have a population density of 939,000 people per square mile, compared to Chicago, with an average of 13,200 people per square mile.

Rapid population growth puts a great strain on poor nations. Cities cannot keep up with the need for housing, schools, or even basic health and sanitation services. In later chapters, you will learn why people choose to live in cities despite these problems.

**Cultural change.** Cities have contributed to changes in traditional ways of life. In cities, people may have fewer ties to family and community than people in farm villages.

Some leaders of developing nations note that western societies have paid a price for their wealth. They point to high crime rates, drug abuse, and the loss of traditional values in the industrial world. These leaders welcome western technology but warn against other parts of western culture. Their goal is to preserve the positive traditions of their own cultures.

**A growing gap.** Rapid population growth and the failure to modernize have widened the gap between developing and developed nations. In the poorest countries, crop failures brought on by drought or other natural disasters condemn millions to hunger. As you will read in the next section, rich nations support international efforts to aid developing countries.

## SECTION 3 REVIEW

- 1. Identify:** (a) economic diversity, (b) debt crisis, (c) population explosion.
- 2. Define:** (a) cash crop, (b) modernization, (c) tariff, (d) privatization, (e) literacy, (f) population density.
- 3.** Describe four goals of developing nations.
- 4.** How has dependence on a single crop or commodity hurt many developing nations?
- 5.** What effects has rapid population growth had on developing nations?
- 6. Comparing** How are the changes taking place in developing nations today similar to those that occurred in Europe during the Industrial Revolution?
- 7. Writing Across Cultures** Write a speech for a leader of a developing nation in which you welcome western technology but warn against other aspects of western culture.

## 4

# GROWING INTERDEPENDENCE

### FIND OUT

- How is the world becoming more interdependent?
- Why is concern for the environment increasing?
- What efforts are underway to protect human rights?
- How is technology shaping the future?

**T**he doctors congratulated Ali Maow Maalin as he left the hospital in October 1977. Maalin, a health care worker, had just recovered from the deadly disease of smallpox. But Maalin's case was special. His was the last known case of smallpox in the world.

Maalin had been helping to vaccinate villagers in rural Somalia as part of a campaign to rid the world of smallpox. The World Health Organization, an agency of the United Nations, had begun the campaign in 1967. The campaign was so successful that today, only two frozen samples of the smallpox virus remain in the world.

The campaign against smallpox showed how international cooperation could solve a worldwide problem. Today, many problems, such as the illegal drug trade and air pollution, cross national boundaries. Governments have begun to realize that they must work together to find solutions to global problems.

## International and Regional Organizations

In 1945, delegates from 51 nations signed the United Nations (UN) Charter. Member nations promised to preserve world peace and to cooperate in solving global social and economic problems. Today, the UN has grown

to 185 member countries. By supporting UN programs, these nations recognize the interdependence of today's world.

Through its many agencies, the UN has helped developing nations. As you have just read, the World Health Organization supports programs to wipe out deadly diseases. Along with national and private groups, it is working to slow the spread of AIDS. Another UN agency, the Food and Agriculture Organization, provides experts to help farmers increase food production. The International Monetary Fund encourages the expansion of world trade. In times of crisis, the UN also sends emergency food and other aid.

The UN tries to solve threats to world peace. On occasion, it has sent troops to keep the peace in troubled areas. During the Cold War, however, the United States and the Soviet Union often used their power to limit UN action. With the easing of Cold War tensions, the UN hopes for increased cooperation in its peacekeeping efforts.

Both the UN and regional organizations support development projects to help people in poor nations. Groups that promote regional cooperation include the Organization of American States (OAS) and the Organization of African Unity (OAU). Member nations share

common interests based on their location and work together to promote trade and economic growth.

Private groups also make a difference by helping people at the local level. For example, people in developing countries often find it hard to save enough money to set up businesses. With poor nutrition, little or no schooling or medical care, and few jobs, even the most energetic and talented people face a life of poverty. Private banks that give small loans offer a first step out of poverty. One of these banks is the Grameen Bank.



### Bringing Hope to the Poor

Inside a tiny house in rural Bangladesh, five women sit cross-legged on a dirt floor. In hushed, serious voices, they negotiate a loan with an official of the Grameen Bank. The loan is small, just a few dollars. Yet it is enough to let one of the women open a pottery shop. At first, only one woman is eligible for a loan, but all five are responsible for seeing that the money is repaid. Once the first woman begins to

#### Banking in Bangladesh

Employees of the Grameen Bank in Bangladesh hold classes in sanitation, health care, and nutrition to enable people to better their conditions. The bank's goal is to aid the poor and landless by loaning money they can use to improve their lives.

**Change** How could a loan change a person's outlook on life?



repay her loan, plus interest, each of the others, in turn, will be allowed to borrow.

The Grameen Bank was founded in 1976 by Dr. Yunus, an economics professor in Bangladesh. He thought of the idea while trying to help a poor village woman get a loan worth about three dollars. He said, "I realized how difficult it was to convince the bank to make that loan without collateral." (Collateral is money or property that is pledged to guarantee a loan.) Dr. Yunus decided to open a bank that specialized in making small loans.

The Grameen Bank focuses on helping women. As in many other countries, women in Bangladesh seldom own property. With the loans, they can buy cows or set up small businesses to make pottery or weave cloth.

The bank makes loans to groups of women. The women meet every week with a bank official. Those meetings give women a feeling of support. People from the bank also use the meetings to teach the women about health care, family planning, and nutrition. The women show that they take their responsibilities seriously when they recite this pledge:

“ Prosperity must we bring to our families,  
We shall have decent houses,  
We shall keep the family size small,  
We shall make sure that our children  
get an education . . .  
We shall always help each other. ”

The women feel pride in helping their families. In addition, as the women earn money, they feel that they are treated with more respect. ■

## Issues of Global Concern

Organizations like the Grameen Bank help some people in developing countries move out of poverty. Others, however, see little hope for the future.

**Refugees.** Every year, hundreds of thousands of people leave poor nations. They move to industrial nations such as the United States, Australia, France, and Germany. Many are refugees escaping poverty, war, or harsh

governments. Civil wars and other conflicts have created millions more refugees. Most survive in temporary camps set up by the UN and private aid groups.

**Drug trade.** Poverty and underdevelopment contribute to the illegal drug trade. Poor farmers in parts of Latin America and Asia grow crops that are made into illegal drugs. A farmer in Bolivia, for example, can make more money growing coca plants than raising food. Drug traffickers buy the coca and make cocaine. The worldwide drug trade has grown into a huge criminal business.

Today, nations that produce illegal drugs and nations that buy them are working together. The United States and Bolivia, for example, have set up programs to convince farmers to grow other crops.

**Terrorism.** Another issue of global concern is terrorism. Terrorists use acts such as bombings or hijackings to publicize their cause and achieve their goals. They often are driven by political or religious causes.

In 1998, terrorists bombed United States embassies in Kenya and Tanzania, killing and wounding hundreds of people. Another terrorist attack blew up Pan Am Flight 103 over Lockerbie, Scotland, in 1988. After years of pressure from the United States and other nations, Libya handed over two suspects in that attack to face international trial.

**The environment.** Industrial accidents have increased concern for the environment. In 1984, a chemical plant in Bhopal, India, accidentally released deadly gas into the air. The accident killed more than 2,100 people and permanently injured 86,000. A 1986 explosion at Chernobyl, a nuclear power plant in the Soviet Union, also caused widespread damage. Oil spills from ships have damaged coastal waters and wildlife.

Pollution also threatens the environment. Industrial nations produce much of the world's pollution. Yet developing nations, too, are becoming polluters. They say they cannot afford costly programs to end pollution, but must first develop their economies.

Population pressures and the need to earn income from raw materials have led to the destruction of rain forests around the





**Mining in Brazil** This open-pit mining operation in the interior of Brazil scars the land and endangers the environment. Many nations are faced with a dilemma: Should they protect the environment or earn money from the export of raw materials and cash crops? The answer to the question is not easy. **Choice** Give an argument to support each side of the debate.

world. These forests provide much of the world's oxygen and support 90 percent of plant and animal species. Global efforts are underway to slow the destruction.

**World financial markets.** Economic links among nations have increased. These ties offer benefits but can also cause problems.

Events in one region can affect markets a world away. In 1997, a financial crisis in Thailand spread rapidly across Asia and alarmed western nations as well. Financial problems in Russia have also had a global ripple effect. European and American banks, for example, made loans to Russia. They feared these loans might never be repaid if Russia's economy collapsed.

Through international organizations, industrial nations are seeking reforms in world financial markets. They want better supervision to ensure a stable world economy.

**Human rights.** In 1975, representatives from 35 nations signed the Helsinki Agreement. The agreement states that freedom of speech, religion, and the press are basic human rights. Nations agree to protect the rights of their citizens to get a fair trial, to earn a living, and to live in safety from attack.

Groups such as Amnesty International monitor human rights around the world. Through public campaigns, they expose abuses and pressure governments to respect their citizens' rights.

**Technology and the future.** People are turning to science to solve global problems. Scientists are developing new kinds of crops, new medicines to combat disease, and methods to repair environmental damage. Some advances make life easier for millions. Technology can also promote cultural change.