

**Unit 8. United States and the Post-Cold War World (1991-Present)**

**Learning Target 32**

**Analyze how the American economy has been impacted by improved global communications, international trade, transnational business organizations, overseas competition, and the shift from manufacturing to service industries.**

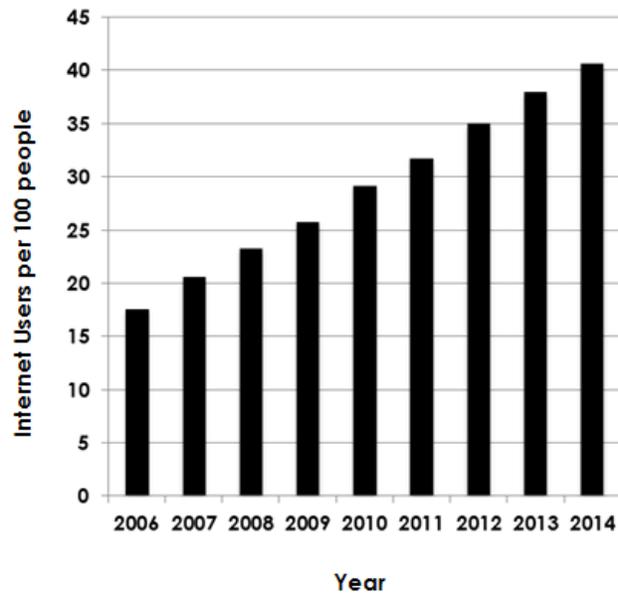


The American economy has been impacted by many influences since the early 1990s. Global communication has rapidly increased use of technologies such as the personal computer, Internet, and mobile phone.

Business organizations that operate internationally with production facilities in more than one country have grown rapidly by large numbers. For example, an American automobile might have parts imported from several countries and assembled in yet another country. Overseas competition has challenged American producers and local communities.

A trade deficit is when the value of a country's imports exceeds the value of its exports. A trade deficit can cause outsourcing of jobs. When countries import certain goods rather than buying domestically, local industries start to go out of business. The U.S. trade deficit has increased in recent decades. This has led to a decrease in manufacturing jobs and closing of plants. It has also contributed to a shift toward service industries and a growth in lower paying jobs in fast food and sales.

**Worldwide Internet Users, 2006-2014**



*What trend is shown on the bar graph? How has this trend impacted the American economy?*

**Learning Target 33**

**Describe political, national security and economic challenges the U.S. faced in the post-Cold War period and following the attacks on September 11, 2001.**



The post-Cold War period and the attacks on September 11, 2001, presented new challenges for the United States.

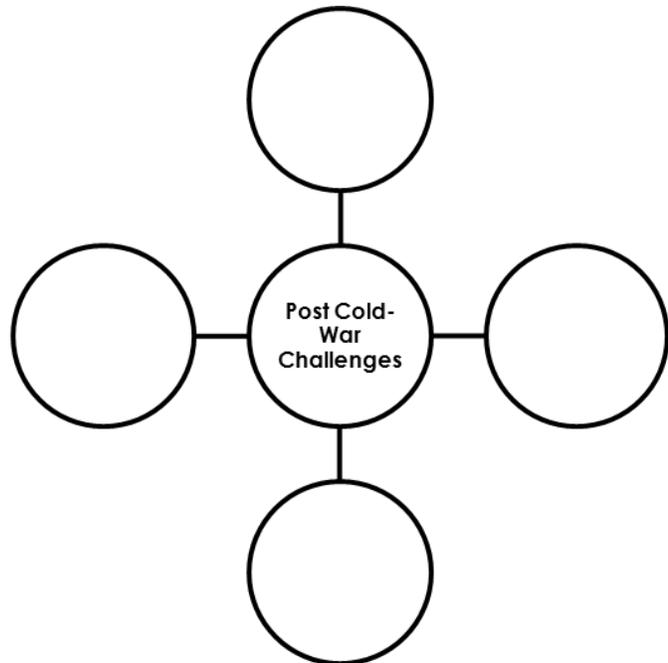
Political instability resulted from the decline of balance of power politics that dominated during the Cold War. The role of the U.S. role in global politics changed including engagement in preemptive (preventative) wars. The U.S. has also been impacted by issues surrounding the control of nuclear weapons and growth of terrorism. In responding to terrorism and security concerns, the U.S. has confronted the issue of balancing national security with civil liberties.

Economic challenges for the country included operating within a globalized economy. The country witnessed the change from the prosperity of the 1990s to the recession that began in 2007.

With the end of the Cold War, the U.S. cut spending for arms production and military spending shrank as a portion of the total federal budget. Reductions in defense spending due to the end of the Cold War led to the loss of millions of U.S. jobs in defense plants.

The attacks on September 11, 2001 presented national security challenges for the country. The country was divided over two wars that were launched in response to the September 11 attacks. The U.S. invaded Afghanistan in 2001 and toppled the Taliban government (the political faction that provided safe harbor for al-Qaeda terrorists) in two months, but combat troops remained for thirteen years. In 2003, the U.S. invaded Iraq, claiming the country continued to possess weapons of mass destruction. Saddam Hussein's government was quickly defeated, but U.S. military presence remained until 2011.

The passage of the USA PATRIOT Act and the detainment and torture of enemy combatants also sparked intense debate.



*Use the graphic organizer to identify post-Cold War challenges in the U.S.*

For video tutorials, interactive review games, and additional assessment practice for this unit, go to: [www.ohiotestprep.com/ah8](http://www.ohiotestprep.com/ah8)



**Unit 8. Checking for Understanding**

1. Since 1990, the United States has experienced changes to its economy.

Identify the consequence for each change.

Draw a line from each change to its correct consequence.

Changes		Consequences
Technologies such as the personal computer, internet and mobile phones become more common.	●	● Global communication improves.
Competition from overseas producers leads to increasing trade deficits.	●	● Transnational business organizations become common.
Producers increasingly import parts from their factories in other countries.	●	● The United States experiences a shift from a manufacturing to a service.

2. Describe the effect the end of the Cold War had on the amount of military spending by the U.S. government in the 1990s.