

CHAPTER 20
SECTION 3

Section Summary
GLOBAL POLITICS AND ECONOMICS

READING CHECK

What authority does the WTO have that GATT did not have?

VOCABULARY STRATEGY

Find the word *intervention* in the underlined sentence. What does *intervention* mean? Circle any nearby words or phrases that help you figure out what *intervention* means.

READING SKILL

Identify Main Ideas What role did the United States play in global economics during the 1990s?

In the 1990s, the United States was the world’s sole super-power. The nation became involved in economic and political events around the world. One important issue in the 1990s was free trade. The **European Union (EU)** coordinates the monetary and economic policies of European nations. It is an example of a free trade bloc, and it challenged the economic leadership of the United States. The **North American Free Trade Agreement (NAFTA)** was a direct response to the EU. It created a free trade zone among the United States, Canada, and Mexico.

Clinton supported NAFTA, although many Democrats opposed it. Clinton also supported the revision to the **General Agreement on Tariffs and Trade (GATT)** aimed at lowering tariffs worldwide. A year later, the **World Trade Organization (WTO)** replaced GATT. The WTO has greater authority to negotiate trade agreements and settle disputes.

Although many Americans opposed military involvement in foreign countries, Clinton found it necessary to intervene in conflicts in Somalia and Haiti. After the fall of communism in Yugoslavia, civil war broke out in newly independent Bosnia. Bosnian Serbs attacked and murdered Muslims and Croats. This state-sanctioned mass murder became known as **ethnic cleansing**. In 1995, Clinton asked NATO to bomb Serbian strongholds. This intervention brought about a cease-fire, but violence flared in another former Yugoslavian republic. Once again, NATO responded. U.S. troops helped return some stability to the region.

In the 1990s, the conflict between Israelis and Palestinians grew. Clinton led negotiations that produced an agreement between Israeli and Palestinian leaders. That involvement in the Middle East made the United States a target of a terrorist group called **al Qaeda**. The group launched several attacks on U.S. targets at home and abroad.

Review Questions

1. How did the United States respond to the European Union?

2. What did Clinton do when violence broke out in Bosnia?
