

# CHAPTER 27

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- 1989** Communism falls in eastern Europe  
U.S.-led Panamanian coup  
*Patterson v. McLean Credit Union*
- 1990** Germany reunifies  
Americans with Disabilities Act
- 1991** Gulf War  
Dissolution of the Soviet Union
- 1992** William Jefferson Clinton elected president  
*Casey v. Planned Parenthood of Pennsylvania*
- 1993** North American Free Trade Agreement approved  
Israel and Palestinian Liberation Organization sign the Oslo Accords
- 1994** Republican victory in Congress; Contract with America  
Rwandan genocide
- 1995** Timothy McVeigh bombs a federal building in Oklahoma City
- 1996** Clinton eliminates Aid to Families with Dependent Children  
Telecommunications Act
- 1998** Clinton impeached
- 1999** Protests in Seattle against the World Trade Organization  
Kosovo war  
Repeal of the Glass-Steagall Act
- 2000** *Bush v. Gore*  
George W. Bush elected president





# Globalization and Its Discontents, 1989–2000

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*The Goddess of Democracy and Freedom, a statue reminiscent of the Statue of Liberty, was displayed by pro-democracy advocates during the 1989 demonstrations in Beijing's Tiananmen Square. After allowing it to continue for two months, the Chinese government sent troops to crush the peaceful occupation of the square. To this day, it is difficult in China to discuss openly the events of 1989.*



## Focus Questions

- What were the major international initiatives of the Clinton administration in the aftermath of the Cold War?
- What forces drove the economic resurgence of the 1990s?
- What cultural conflicts emerged in the 1990s?
- How did a divisive political partisanship affect the election of 2000?
- What were the prevailing ideas of American freedom at the end of the century?

In December 1999, delegates from around the world gathered in Seattle for a meeting of the World Trade Organization (WTO), a 135-nation group created five years earlier to reduce barriers to international commerce and settle trade disputes. To the astonishment of residents of the city, more than 30,000 persons gathered to protest the meeting. Their marches and rallies brought together factory workers, who claimed that global free trade encouraged corporations to shift production to low-wage centers overseas, and “tree-huggers,” as some reporters called environmentalists, who complained about the impact on the earth’s ecology of unregulated economic development.

Some of the latter dressed in costumes representing endangered species—monarch butterflies whose habitats were disappearing because of the widespread destruction of forests by lumber companies, and sea turtles threatened by unrestricted ocean fishing. Protesters drew attention to the depletion of ozone in the atmosphere, which shields the earth from harmful solar radiation. The heightened use of aerosol sprays and refrigerants containing damaging chemicals had caused a large hole in the ozone layer. A handful of self-proclaimed anarchists embarked on a window-breaking spree at local stores. The police sealed off the downtown and made hundreds of arrests, and the WTO gathering disbanded.

Once a center of labor radicalism, the Seattle area in 1999 was best known as the home of Microsoft, developer of the Windows operating system used in most of the world’s computers. The company’s worldwide reach symbolized “globalization,” the process by which people, investment, goods, information, and culture increasingly flowed across national

*Protesters dressed as sea turtles, an endangered species, at the demonstrations against the World Trade Organization in Seattle, December 1999.*



boundaries. Globalization has been called “the concept of the 1990s.” During that decade, the media resounded with announcements that a new era in human history had opened, with a borderless economy and a “global civilization” that would soon replace traditional cultures. Some commentators claimed that the nation-state itself had become obsolete in the globalized world.

Globalization, of course, was hardly a new phenomenon. The internationalization of commerce and culture and the reshuffling of the world’s peoples had been going on since the explorations of the fifteenth century. But the scale and scope of late-twentieth-century globalization was unprecedented. Thanks to satellites and the Internet, information and popular culture flowed instantaneously to every corner of the world. Manufacturers and financial institutions scoured the world for profitable investment opportunities.

Perhaps most important, the collapse of communism between 1989 and 1991 opened the entire world to the spread of market capitalism and to the idea that government should interfere as little as possible with economic activity. The Free World triumphed over its communist rival, the free market over the idea of a planned economy, and the free individual over ideas of shared community and social citizenship. American politicians and social commentators increasingly criticized the regulation of wages and working conditions, assistance to the less fortunate, and environmental protections as burdens on international competitiveness. During the 1990s, presidents George H. W. Bush, a Republican, and Bill Clinton, a Democrat, both spoke of an American mission to create a single global free market as the path to rising living standards, the spread of democracy, and greater worldwide freedom.

Similar demonstrations at economic summits overseas followed the Seattle protests. The media called the loose coalition of groups who organized the protests the “antiglobalization” movement. In fact, they challenged not globalization itself but its social consequences. Globalization, the demonstrators claimed, accelerated the worldwide creation of wealth but widened gaps between rich and poor countries and between haves and have-nots within societies. Decisions affecting the day-to-day lives of millions of people were made by institutions—the World Trade Organization, International Monetary Fund, World Bank, and multinational corporations—that operated without any democratic input. These international organizations required developing countries seeking financial aid to open their economies to penetration from abroad while reducing spending on domestic social concerns. Demonstrators demanded not an end to global trade and capital flows, but the establishment of international standards for wages, labor conditions, and the environment, and greater investment in health and education in poor countries.



*Douglas Harp's 1993 lithograph drew attention to the development of a hole in the atmosphere's ozone layer, exposing human beings to increased solar radiation.*

Even President Clinton, a staunch advocate of free trade, told the Seattle delegates that the protesters were “telling us in the streets” that “we’ve been silent” about the effects of globalization. The Battle of Seattle placed on the national and international agendas a question that promises to be among the most pressing concerns of the twenty-first century—the relationship between globalization, economic justice, and freedom.

## THE POST-COLD WAR WORLD

### THE CRISIS OF COMMUNISM

The year 1989 was one of the most momentous of the twentieth century. In April, tens of thousands of student demonstrators occupied Tiananmen Square in the heart of Beijing, demanding greater democracy in China. Workers, teachers, and even some government officials joined them, until their numbers swelled to nearly 1 million. Both the reforms Mikhail Gorbachev had introduced in the Soviet Union and the example of American institutions inspired the protesters. The students erected a figure reminiscent of the Statue of Liberty, calling it “The Goddess of Democracy and Freedom.” In June, Chinese troops crushed the protest, killing an unknown number of people, possibly thousands.

In the fall of 1989, pro-democracy demonstrations spread across eastern Europe. Gorbachev made it clear that unlike in the past, the Soviet Union would not intervene. The climactic event took place on November 9 when

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*Demonstrators dancing atop the Berlin Wall on November 10, 1989. The next day, crowds began dismantling it, in the most dramatic moment of the collapse of communist rule in eastern Europe.*



crowds breached the Berlin Wall, which since 1961 had stood as the Cold War's most prominent symbol. One by one, the region's communist governments agreed to give up power. In 1990, a reunified German nation absorbed East Germany. The remarkably swift and almost entirely peaceful collapse of communism in eastern Europe became known as the "velvet revolution."

Meanwhile, the Soviet Union itself slipped deeper and deeper into crisis. Gorbachev's attempts at economic reform produced only chaos, and his policy of political openness allowed long-suppressed national and ethnic tensions to rise to the surface. In 1990, the Baltic republics of Estonia, Latvia, and Lithuania, which had been absorbed into the Soviet Union in 1940, declared their independence. In August 1991, a group of military leaders attempted to seize power to overturn the government's plan to give greater autonomy to the various parts of the Soviet Union. Russian president Boris Yeltsin mobilized crowds in Moscow that restored Gorbachev to office. Gorbachev then resigned from the Communist Party, ending its eighty-four-year rule. One after another, the republics of the Soviet Union declared themselves sovereign states. At the end of 1991, the Soviet Union ceased to exist; in its place were fifteen new independent nations.

The sudden and unexpected collapse of communism marked the end of the Cold War and a stunning victory for the United States and its allies. For the first time since 1917, there existed a truly worldwide capitalist system. Even China, while remaining under Communist Party rule, had already embarked on market reforms and rushed to attract foreign investment. Other events suggested that the 1990s would also be a "decade of democracy." In 1990, South Africa released Nelson Mandela, head of the African National Congress, from prison. Four years later, as a result of the first democratic elections in the country's history, Mandela became president, ending the system of state-sponsored racial inequality, known as "apartheid," and white minority government. Peace came to Central America, with negotiated ends to the civil war in El Salvador and an election in Nicaragua won by opponents of the Sandinistas in 1990. Throughout Latin America and Africa, civilian governments replaced military rule.

#### **A NEW WORLD ORDER?**

The sudden shift from a bipolar world to one of unquestioned American predominance promised to redefine the country's global role. President George H. W. Bush spoke of the coming of a "new world order." But no one knew what its characteristics would be.

Bush's first major foreign policy action was a throwback to the days of American interventionism in the Western Hemisphere. At the end of 1989, he dispatched troops to Panama to overthrow the government of General Manuel Antonio Noriega, a former ally of the United States who had become involved in the international drug trade. Although the invasion cost the lives of over 3,000 Panamanians and was condemned by the United Nations General Assembly as a violation of international law, the administration deemed it a great success. The United States installed a new government and flew Noriega to Florida, where he was tried and convicted on drug charges.



*President Bill Clinton with Nelson Mandela, during Clinton's visit to South Africa in 1998. Mandela's election as president of South Africa in 1994, ending decades of white minority rule, was one of the most significant triumphs of democracy in the 1990s.*





*The end of the Cold War and breakup of the Soviet Union, Czechoslovakia, and Yugoslavia redrew the map of eastern Europe (compare this map with the map of Cold War Europe in Chapter 23). Two additional nations that emerged from the Soviet Union lie to the east and are not indicated here: Kyrgyzstan and Tajikistan.*

#### THE GULF WAR

A far more serious crisis arose in 1990 when Iraq invaded and annexed Kuwait, an oil-rich sheikdom on the Persian Gulf. Fearing that Iraqi dictator Saddam Hussein might next attack Saudi Arabia, a longtime ally that supplied more oil to the United States than any other country, Bush rushed troops to defend the kingdom and warned Iraq to withdraw from Kuwait or face war. His policy aroused intense debate in the United States. Critics insisted that diplomacy be given a chance to resolve the crisis. Bush spoke of defending the freedom of Saudi Arabia and restoring that of Kuwait. Antiwar activists pointed out that neither qualified as a free country—both, for example, denied women the right to vote. But the Iraqi invasion so flagrantly violated international law that Bush succeeded in building a forty-nation coalition committed to restoring Kuwait's independence, secured the support of the United Nations, and sent half a million American troops along with a naval armada to the region.

In February 1991, the United States launched Operation Desert Storm, which quickly drove the Iraqi army from Kuwait. Tens of thousands of Iraqis and 184 Americans died in the conflict. The United Nations ordered Iraq to disarm and imposed economic sanctions that produced widespread civilian suffering for the rest of the decade. But Hussein remained in place. So did a large American military establishment in Saudi Arabia, to the outrage of Islamic fundamentalists who deemed its presence an affront to their faith.



## VISIONS OF FREEDOM



Workers trying to deal with crowds of customers at the opening of the first McDonald's restaurant in Beijing in 1992. By the end of the century, there were 200 McDonald's in China and the company was serving hamburgers in more than 100 countries, one example of the globalization of the world economy during the 1990s. The company's spread also provoked protests from those who claimed its food was unhealthy or fattening.

### QUESTIONS

1. What does the image tell us about economic and cultural globalization in the 1990s?
2. Compare this image to the one on pp. 1122–1123 as a measure of American influence in China and the world.



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*President Bush, with Defense Secretary Dick Cheney (left) and General Colin Powell (right), chair of the Joint Chiefs of Staff, at a meeting in January 1991, shortly before the beginning of the Gulf War. Cheney and Powell would play major roles in the administration of Bush's son, President George W. Bush.*



The Gulf War was the first post-Cold War international crisis. Despite assembling a broad coalition, the United States did nearly all of the fighting itself. Relying on high-tech weaponry like cruise missiles that reached Iraq from bases and aircraft carriers hundreds of miles away, the United States was able to prevail quickly and avoid the prolonged involvement and high casualties of Vietnam. The Soviet Union, in the process of disintegration, remained on the sidelines. In the war's immediate aftermath, Bush's public approval rating rose to an unprecedented 89 percent.

#### VISIONS OF AMERICA'S ROLE

In a speech to Congress, President Bush identified the Gulf War as the first step in the struggle to create a world rooted in democracy and global free trade. But it remained unclear how this broad vision would be translated into policy. Soon after the end of the war, General Colin Powell, chairman of the Joint Chiefs of Staff, and Dick Cheney, the secretary of defense, outlined different visions of the future. Powell predicted that the post-Cold War world would be a dangerous environment with conflicts popping up in unexpected places. To avoid being drawn into an unending role as global policeman, he insisted, the United States should not commit its troops abroad without clear objectives and a timetable for withdrawal. Cheney argued that with the demise of the Soviet Union, the United States possessed the power to reshape the world and prevent hostile states from achieving regional power. It must be willing to use force, independently if necessary, to maintain its strategic dominance. For the rest of the 1990s, it was not certain which definition of the American role in the post-Cold War world would predominate.

#### THE ELECTION OF CLINTON

Had a presidential election been held in 1991, Bush would undoubtedly have been victorious. But in that year the economy slipped into recession. In a kind of hangover from the speculative excesses of the Reagan years, unemployment rose and family income stagnated. Despite victory in the

Cold War and the Gulf, public-opinion polls showed that more and more Americans believed the country was on the wrong track. No one seized more effectively on the widespread sense of unease than Bill Clinton, a former governor of Arkansas. In 1992, Clinton won the Democratic nomination by combining social liberalism (he supported abortion rights, gay rights, and affirmative action for racial minorities) with elements of conservatism (he pledged to reduce government bureaucracy and, borrowing a page from Republicans, promised to “end welfare as we know it”).

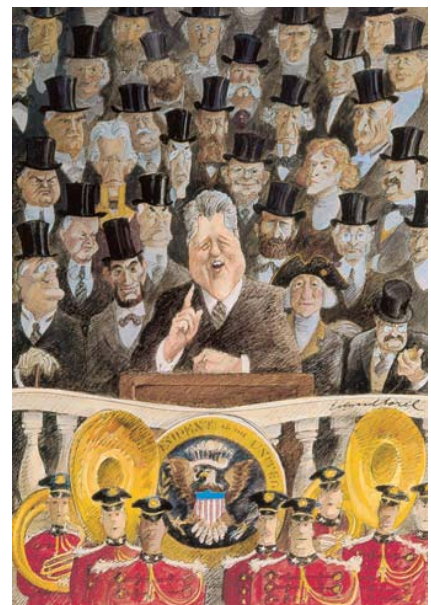
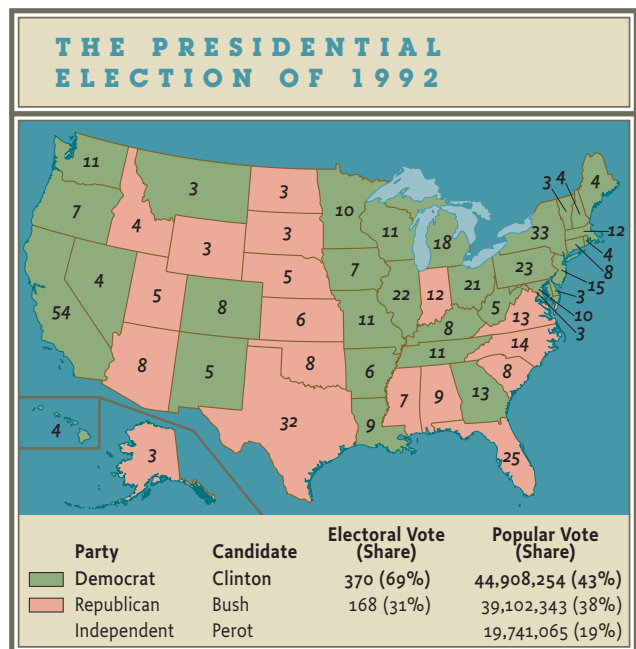
A charismatic campaigner, Clinton conveyed sincere concern for voters’ economic anxieties. To counter Republican rhetoric urging voters to blame their woes on “welfare queens” and others who cheated honest taxpayers, Clinton argued that deindustrialization caused rising inequality and the loss of good jobs. In his speech accepting the nomination, he spoke of people “working harder than ever, spending less time with their children, working nights and weekends,” while “those who cut corners and cut deals have been rewarded.”

Bush, by contrast, seemed out of touch with the day-to-day lives of ordinary Americans. On the wall of Democratic headquarters, Clinton’s campaign director posted the slogan, “It’s the Economy, Stupid”—a reminder that the economic downturn was the Democrats’ strongest card. Bush was further weakened when conservative leader Pat Buchanan delivered a fiery televised speech at the Republican national convention that declared cultural war against gays, feminists, and supporters of abortion rights. This seemed to confirm the Democratic portrait of Republicans as intolerant and divisive. From a peak of 89 percent in 1991, Bush’s popularity slumped to 29 percent during the 1992 campaign.

A third candidate, the eccentric Texas billionaire Ross Perot, also entered the fray. He attacked Bush and Clinton as lacking the economic know-how to deal with the recession and the ever-increasing national debt. That millions of Americans considered Perot a credible candidate—at one point, polls showed him leading both Clinton and Bush—testified to widespread dissatisfaction with the major parties. Perot’s support faded as election day approached, but he still received 19 percent of the popular vote, the best result for a third-party candidate since Theodore Roosevelt in 1912. Clinton won by a substantial margin, a humiliating outcome for Bush, given his earlier popularity.

## CLINTON IN OFFICE

In his first two years in office, Clinton turned away from some of the social and economic policies of the Reagan and Bush years. He appointed several blacks and women to his cabinet, including Janet Reno, the first female attorney general, and named two supporters of abortion rights, Ruth Bader Ginsburg and Stephen Breyer, to the Supreme Court. He modified the military’s strict ban on gay soldiers, instituting a “don’t ask, don’t tell” policy by which officers would not seek out gays for dismissal from the armed



Edward Sorel’s illustration for the cover of the *New Yorker* depicts Bill Clinton at his 1993 inauguration, flanked by some of his predecessors as president.

forces. His first budget raised taxes on the wealthy and significantly expanded the Earned Income Tax Credit (EITC)—a cash payment for low-income workers begun during the Ford administration. The most effective antipoverty policy since the Great Society, the EITC raised more than 4 million Americans, half of them children, above the poverty line during Clinton's presidency.

Clinton shared his predecessor's passion for free trade. Despite strong opposition from unions and environmentalists, he obtained congressional approval in 1993 of the North American Free Trade Agreement (NAFTA), a treaty negotiated by Bush that created a free-trade zone consisting of Canada, Mexico, and the United States.

The major policy initiative of Clinton's first term was a plan devised by a panel headed by his wife, Hillary, a lawyer who had pursued an independent career after their marriage, to address the rising cost of health care and the increasing number of Americans who lacked health insurance. In Canada and western Europe, governments provided universal medical coverage. The United States had the world's most advanced medical technology and a woefully incomplete system of health insurance. The Great Society had provided coverage for the elderly and poor through the Medicare and Medicaid programs. Many employers offered health insurance to their workers. But tens of millions of Americans lacked any coverage at all. Beginning in the 1980s, moreover, businesses shifted their employees from individual doctors to health maintenance organizations (HMOs), which reduced costs by limiting physicians' fees and, critics charged, denying patients needed medical procedures.

Announced with great fanfare by Hillary Rodham Clinton at congressional hearings in 1993, Clinton's plan would have provided universal coverage through large groupings of organizations like the HMOs. Doctors and health insurance and drug companies attacked it vehemently, fearing government regulations that would limit reimbursement for medical procedures, insurance rates, and the price of drugs. Too complex to be easily understood by most voters, and vulnerable to criticism for further expanding the unpopular federal bureaucracy, the plan died in 1994. Nothing took its place. By 2008, some 50 million Americans, most of them persons who held full-time jobs, still lacked health insurance, meaning that illness could quickly become a financial disaster.

#### THE "FREEDOM REVOLUTION"

With the economy recovering slowly from the recession and Clinton's first two years in office seemingly lacking in significant accomplishments, voters in 1994 turned against the administration. For the first time since the 1950s, Republicans won control of both houses of Congress. They proclaimed their triumph the "Freedom Revolution." Newt Gingrich, a conservative congressman from Georgia who became the new Speaker of the House, masterminded their campaign. Gingrich had devised a platform called the "Contract with America," which promised to curtail the scope of government, cut back on taxes and economic and environmental regulations, overhaul the welfare system, and end affirmative action.

Viewing their electoral triumph as an endorsement of the Contract, Republicans moved swiftly to implement its provisions. The House





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*Congressman Newt Gingrich of Georgia at a rally in September 1994 announcing the "Contract with America," the Republican program for the congressional elections that fall. The Republican sweep resulted in Gingrich's election as Speaker of the House.*

approved deep cuts in social, educational, and environmental programs, including the popular Medicare system. With the president and Congress unable to reach agreement on a budget, the government in December 1995 shut down all nonessential operations, including Washington, D.C., museums and national parks.

Gingrich had assumed that the public shared his intense ideological convictions. He discovered that in 1994 they had voted against Clinton, not for the full implementation of the Contract with America. Most Americans blamed Congress for the impasse, and Gingrich's popularity plummeted.

#### **CLINTON'S POLITICAL STRATEGY**

Like Truman after the Republican sweep of 1946, Clinton rebuilt his popularity by campaigning against a radical Congress. He opposed the most extreme parts of his opponents' program, while adopting others. In his state of the union address of January 1996, he announced that "the era of big government is over," in effect turning his back on the tradition of Democratic Party liberalism and embracing the antigovernment outlook associated with Republicans since the days of Barry Goldwater. He also approved the Telecommunications Act of 1996, which deregulated broadcasting and telephone companies and gave billions of dollars worth of digital frequencies to existing broadcasters without charge.

Also in 1996, ignoring the protests of most Democrats, Clinton signed into law a Republican bill that abolished the program of Aid to Families with Dependent Children (AFDC), commonly known as "welfare." Grants of money to the states, with strict limits on how long recipients could receive payments, replaced it. At the time of its abolition, AFDC assisted 14 million individuals, 9 million of them children. Thanks to stringent new eligibility requirements imposed by the states and the economic boom of the late 1990s, welfare rolls plummeted. But the number of children living in poverty remained essentially unchanged. Nonetheless, Clinton had succeeded in one of his primary goals: by the late 1990s, welfare, a hotly contested issue for twenty years or more, had disappeared from political debate.

Commentators called Clinton's political strategy "triangulation." This meant embracing the most popular Republican policies, like welfare reform, while leaving his opponents with extreme positions unpopular among suburban middle-class voters, such as hostility to abortion rights and environmental protection. Clinton's strategy enabled him to neutralize Republican claims that Democrats were the party of high taxes and lavish spending on persons who preferred dependency to honest labor. Clinton's passion for free trade alienated many working-class Democrats but convinced middle-class voters that the party was not beholden to the unions.

Clinton easily defeated Republican Bob Dole in the presidential contest of 1996, becoming the first Democrat elected to two terms since FDR. Clinton had accomplished for Reaganism what Eisenhower had done for the New Deal, and Nixon for the Great Society—consolidating a basic shift in American politics by accepting many of the premises of his opponents.

#### CLINTON AND WORLD AFFAIRS

Like Jimmy Carter before him, Clinton's primary political interests concerned domestic, not international, affairs. But with the United States now indisputably the world's dominant power, Clinton, like Carter, took steps to encourage the settlement of long-standing international conflicts and tried to elevate support for human rights to a central place in international relations. He met only mixed success.

Clinton strongly supported a 1993 agreement, negotiated at Oslo, Norway, in which Israel for the first time recognized the legitimacy of the Palestine Liberation Organization. The Oslo Accords seemed to outline a road to Mideast peace. But neither side proved willing to implement them fully. Israeli governments continued to build Jewish settlements on Palestinian land in the West Bank—a part of Jordan that Israel had occupied during the 1967 Six-Day War. The new Palestinian Authority, which shared in governing parts of the West Bank as a stepping stone to full statehood, proved to be corrupt, powerless, and unable to curb the growth of groups bent on violence against Israel. At the end of his presidency, Clinton brought Israeli and Palestinian leaders to Camp David to try to work out a final peace treaty. But the meeting failed, and violence soon resumed.

Like Carter, Clinton found it difficult to balance concern for human rights with strategic and economic interests and to formulate clear guidelines for humanitarian interventions overseas. For example, the United States did nothing in 1994 when tribal massacres racked Rwanda, in central Africa. More than 800,000 people were slaughtered, and 2 million refugees fled the country.

#### THE BALKAN CRISIS

The most complex foreign policy crisis of the Clinton years arose from the disintegration of Yugoslavia, a multi-ethnic state in southeastern Europe that had been carved from the old Austro-Hungarian empire after World War I. As in the rest of eastern Europe, the communist government that had ruled Yugoslavia since the 1940s collapsed in 1989. Within a few years, the country's six provinces dissolved into five new states. Ethnic conflict plagued several of these new nations. In 1992, Serbs in Bosnia, which



*A 1992 photograph of refugees in war-torn Bosnia illustrates the humanitarian crisis in the Balkans during the 1990s.*

straddled the historic boundary between Christianity and Islam in southeastern Europe, launched a war aimed at driving out Muslims and Croats. They conducted the war with unprecedented ferocity, using mass murder and rape as military strategies. “Ethnic cleansing”—a terrible new term meaning the forcible expulsion from an area of a particular ethnic group—now entered the international vocabulary. By the end of 1993, more than 100,000 Bosnians, nearly all of them civilians, had perished.

With the Cold War over, protection of human rights in the Balkans gave NATO a new purpose. After considerable indecision, NATO launched air strikes against Bosnian Serb forces, with American planes contributing. UN troops, including 20,000 Americans, arrived as peacekeepers. In 1998, ethnic cleansing again surfaced, this time by Yugoslavian troops and local Serbs against the Albanian population of Kosovo, a province of Serbia. More than 800,000 Albanians fled the region. To halt the bloodshed, NATO launched a two-month war in 1999 against Yugoslavia that led to the deployment of American and UN forces in Kosovo.

## HUMAN RIGHTS

During Clinton’s presidency, human rights played an increasingly important role in international affairs. Hundreds of nongovernmental agencies throughout the world defined themselves as protectors of human rights. During the 1990s, the agenda of international human rights organizations expanded to include access to health care, women’s rights, and the rights of indigenous peoples like the Aborigines of Australia and the descendants of the original inhabitants of the Americas. Human rights emerged as a justification for interventions in matters once considered to be the internal affairs of sovereign nations. The United States dispatched the military to distant parts of the world to assist in international missions to protect civilians.



New institutions emerged that sought to punish violations of human rights. The Rwandan genocide produced a UN-sponsored war crimes court that sentenced the country's former prime minister to life in prison. An international tribunal put Yugoslav president Slobodan Milošević on trial for sponsoring the massacre of civilians. The European Court of Human Rights overruled legal decisions by national courts that violated individual rights. Spanish and British courts considered charging former Chilean dictator Augusto Pinochet with murder, although he proved to be too ill to stand trial. It remained to be seen whether these initiatives would grow into an effective international system of protecting human rights across national boundaries. Despite adopting human rights as a slogan, many governments continued to violate them in practice.

### A NEW ECONOMY?

Clinton's popularity rested in part on the American economy's remarkable performance in the mid- and late 1990s. After recovery from the recession of 1990–1991, economic expansion continued for the rest of the decade. By 2000, unemployment stood below 4 percent, a figure not seen since the 1960s. Many economists had insisted that if unemployment fell that low, inflation would inevitably increase. Yet prices barely rose during the boom, because rising worldwide oil production kept the cost of energy low and weak unions and increased global competition made it difficult for workers to achieve significant wage increases and for corporations to raise prices. The boom became the longest uninterrupted period of economic expansion in the nation's history. Because Reagan and Bush had left behind massive budget deficits, Clinton worked hard to balance the federal budget—a goal traditionally associated with fiscal conservatives. Since economic growth produced rising tax revenues, Clinton during his second term not only balanced the budget but actually produced budget surpluses.

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*The first Starbucks store, which opened in Seattle in 1971. By the early twenty-first century, Starbucks had more than 7,000 such establishments in countries around the globe.*





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*Two architects of the computer revolution, Steve Jobs (standing), the head of Apple Computer, and Bill Gates (via the Internet), founder of Microsoft, at a 1997 convention.*

#### THE COMPUTER REVOLUTION

Many commentators spoke of the 1990s as the dawn of a “new economy,” in which computers and the Internet would produce vast new efficiencies and the production and sale of information would occupy the central place once held by the manufacture of goods. Computers had first been developed during and after World War II to solve scientific problems and do calculations involving enormous amounts of data. The early ones were extremely large, expensive, and, by modern standards, slow. Research for the space program of the 1960s spurred the development of improved computer technology, notably the miniaturization of parts thanks to the development of the microchip on which circuits could be imprinted.

Microchips made possible the development of entirely new consumer products. Video cassette recorders, handheld video games, cellular phones, and digital cameras were mass-produced at affordable prices during the 1990s, mostly in Asia and Latin America rather than the United States. But it was the computer that transformed American life. Beginning in the 1980s, companies like Apple and IBM marketed computers for business and home use. As computers became smaller, faster, and less expensive, they found a place in businesses of every kind. In occupations as diverse as clerical work, banking, architectural design, medical diagnosis, and even factory production, they transformed the American workplace. They also changed private life. By the year 2000, nearly half of all American households owned a personal computer, used for entertainment, shopping, and sending and receiving electronic mail. Centers of computer technology, such as Silicon Valley south of San Francisco, the Seattle and Austin metropolitan areas, and lower Manhattan, boomed during the 1990s.

Hollywood, as always, reflected changes in popular consciousness, in this case the impact of the computer revolution. In *War of the Worlds*, a 1953 movie based on a novel by H. G. Wells, technologically superior aliens invade earth



*Young people seemed to adapt to the computer revolution more readily than their elders. Here nine-year-old Anna Walter teaches several adults how to use the Internet in Wichita, Kansas.*

only to succumb to disease viruses to which they have no resistance. In *Independence Day*, one of the most successful movies of the 1990s, a similar invasion is thwarted in part by the introduction of a different kind of virus—a program that disables computers—into the control mechanism of the alien spaceship.

The Internet, first developed as a high-speed military communications network, was simplified and opened to commercial and individual use through personal computers. The Internet expanded the flow of information and communications more radically than any invention since the printing press. At a time when the ownership of newspapers, television stations, and publishing houses was becoming concentrated in the hands of a few giant media conglomerates, the fact that anyone with a computer could post his or her ideas for

worldwide circulation led “netizens” (“citizens” of the Internet) to hail the advent of a new, democratic public sphere in cyberspace.

#### GLOBAL ECONOMIC PROBLEMS

American economic expansion in the 1990s seemed all the more remarkable since other advanced countries found themselves bogged down in difficulty. In western Europe, unemployment remained far higher than in the United States. Japan, which some commentators of the 1980s had expected to surpass the United States as the world’s leading economic power, was locked in a long-term recession. Despite an influx of Western loans and investment, Russia moved from one economic crisis to another. Relying strongly on advice from American free-market economists and the Clinton administration, Russian president Boris Yeltsin presided over a policy of “shock therapy” that privatized state-owned enterprises and imposed severe cuts in wages and in the guaranteed jobs, health care, and housing Russians had become used to under communism. Foreign investors and a new Russian business class (many of them Yeltsin’s relatives and cronies, and former party officials) reaped a windfall, while most of the population plunged into poverty.

Many Third World countries faced large trade deficits and problems repaying loans from foreign banks and other institutions. A sharp decline in the value of the Thai currency in 1997 sparked a fiscal crisis throughout Asia, only resolved by massive loans from the International Monetary Fund. These bailouts inspired criticisms, echoed at the Seattle protests of 1999, that globalization increased social inequality. Foreign investors had their loans repaid, but receiving nations were required to balance their budgets by stringent cutbacks in public spending, so that the burden fell disproportionately on the poor.

#### THE STOCK MARKET BOOM AND BUST

In the United States, economic growth and talk of a new economy sparked a frenzied boom in the stock market that was reminiscent of the 1920s. Investors, large and small, poured funds into stocks, spurred by the rise of





*Technicians at the offices of FHP Wireless in Belmont, California, one of numerous technology companies launched with great fanfare in the late 1990s. Unlike many, FHP survived. In 2002, Fortune magazine listed it as one of the country's "cool companies." It is now called Tropos Networks.*

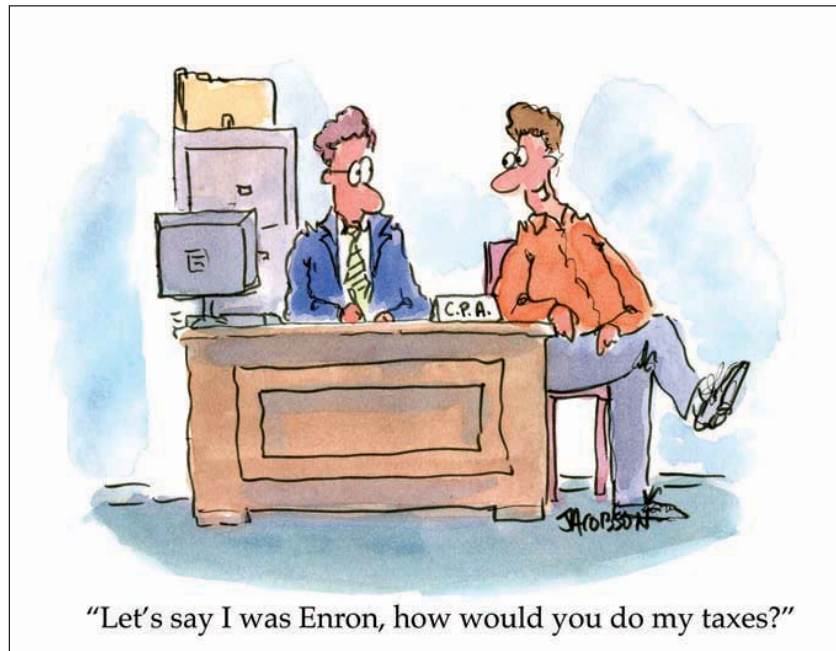
discount and online firms that advertised aggressively and charged lower fees than traditional brokers. By 2000, a majority of American households owned stocks directly or through investment in mutual funds and pension and retirement accounts.

Investors were especially attracted to the new "dot coms"—companies that conducted business via the Internet and seemed to symbolize the promise of the new economy. Standard & Poor's index of 500 stocks (S&P 500) increased 20 percent or more each year from 1996 to 1999, a remarkable performance. But the NASDAQ, a stock exchange dominated by new technology companies, rose more than 500 percent from 1998 to 1999. Many of these "high-tech" companies never turned a profit. But economic journalists and stock brokers explained that the new economy had so revolutionized business that traditional methods of assessing a company's value no longer applied.

Inevitably, the bubble burst. On April 14, 2000, stocks suffered their largest one-day point drop in history. For the first time since the Depression, stock prices declined for three successive years (2000–2002), wiping out billions of dollars in Americans' net worth and pension funds. The value of NASDAQ stocks fell by nearly 80 percent between 2000 and 2002. Not until 2006 would the general stock index again reach the level of early 2000, while the NASDAQ still remains far below its record high. By 2001, the American economy had fallen into a recession. Talk of a new economy, it appeared, had been premature.

#### THE ENRON SYNDROME

Only after the market dropped did it become apparent that the stock boom of the 1990s had been fueled in part by fraud. For a time in 2001 and 2002, Americans were treated almost daily to revelations of incredible greed and corruption on the part of respected brokerage firms, accountants, and



Cartoonist David Jacobson's comment on the Enron scandal.

company executives. During the late 1990s, accounting firms like Arthur Andersen, giant banks like J.P. Morgan Chase and Citigroup, and corporate lawyers pocketed extravagant fees for devising complex schemes to help push up companies' stock prices by hiding their true financial condition. Enron, a Houston-based energy company that epitomized the new economy—it bought and sold electricity rather than actually producing it—reported as profits billions of dollars in operating losses. Brokers at respected Wall Street firms advised favored clients to sell risky stocks while foisting them on ordinary customers. When stock prices began to fall, insiders jumped ship while brokers urged hapless individual investors to hold on to their shares, many of which ended up being worthless.

In the early twenty-first century, the bill came due for many corporate criminals. The founder of Adelphia Communications was convicted of misuse of company funds. A jury found the chairman of Tyco International guilty of looting the company of millions of dollars. A number of former chief executives faced long prison terms. Kenneth Lay and Jeffrey Skilling, chief officers of Enron, were convicted by a Texas jury of multiple counts of fraud. (Lay died before sentencing.) Even reputable firms like J.P. Morgan, Chase, and Citigroup agreed to pay billions of dollars to compensate investors on whom they had pushed worthless stocks.

#### FRUITS OF DEREGULATION

At the height of the 1990s boom, with globalization in full swing, stocks rising, and the economy expanding, the economic model of free trade and deregulation appeared unassailable. But the retreat from government economic regulation, a policy embraced by both the Republican Congress and President Clinton, left no one to represent the public interest.

The sectors of the economy most affected by the scandals—energy, telecommunications, and stock trading—had all been subjects of deregulation.

Enron could manipulate energy prices because Congress had granted it an exemption from laws regulating the price of natural gas and electricity. WorldCom, a communications giant that, like Enron, issued fraudulent earnings statements, had benefited from the Telecommunications Act of 1996, mentioned earlier, that privatized the airwaves.

Many stock frauds stemmed from the repeal in 1999 of the Glass-Steagall Act, a New Deal measure that had separated commercial banks, which accept deposits and make loans, from investment banks, which invest in stocks and real estate and take larger risks. The repeal made possible the emergence of “superbanks” that combined these two functions. Phil Gramm, the Texas congressman who wrote the repeal bill, which Clinton signed, explained his thinking in this way: “Glass-Steagall came at a time when the thinking was that government was the answer. In this era of economic prosperity, we have decided that freedom is the answer.”

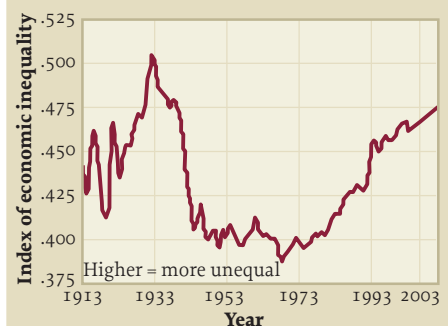
But banks took their new freedom as an invitation to engage in all sorts of misdeeds, knowing that they had become so big that if anything happened, the federal government would have no choice but to rescue them. Conflicts of interest proliferated. Banks financed risky new stock offerings by fledgling Internet companies while their investment arms peddled the shares to an unsuspecting public. Worse, these banks poured money into risky mortgages. When the housing bubble collapsed in 2007–2008, the banks suffered losses that threatened to bring down the entire financial system. The Bush and Obama administrations felt they had no choice but to expend hundreds of billions of dollars of taxpayer money to save the banks from their own misconduct.

### RISING INEQUALITY

The boom that began in 1995 benefited nearly all Americans. For the first time since the early 1970s, average real wages and family incomes began to grow significantly. Economic expansion at a time of low unemployment brought rapid increases in wages for families at all income levels. It aided low-skilled workers, especially non-whites, who had been left out of previous periods of growth. By 2000, the number of long-term unemployed, 2 million in 1993, had declined to around 700,000. Yet, despite these gains, average wages for nonsupervisory workers, adjusted for inflation, remained below the level of the 1970s. Overall, in the last two decades of the twentieth century, the poor and the middle class became worse off while the rich became significantly richer.

Between 1977 and 1999, the average after-tax income of the poorest one-fifth of Americans fell 12 percent, and that of the middle one-fifth decreased by 3 percent. In contrast, thanks to the soaring stock market and increasingly generous pay for top executives, the income of the top one-fifth rose 38 percent. The wealth of the richest Americans exploded during the 1990s. Sales of luxury goods like yachts and mansions boomed. Bill Gates, head of Microsoft and the country’s richest person, owned as much wealth as the bottom 40 percent of the American population put together. In 1965, the salary of the typical corporate chief executive officer (CEO) had been 26 times the annual income of the typical worker. In 2000, the ratio had increased to 310 to 1.

**Figure 27.1 U.S. INCOME INEQUALITY, 1913–2003**



The “Gini index” measures economic inequality; the higher the number, the more unequally income is distributed. As the graph shows, inequality peaked just before the Great Depression, fell dramatically during the New Deal, World War II, and the postwar economic boom, and then began a steady upward climb in the early 1970s.





## VOICES OF FREEDOM

### **FROM BILL CLINTON, Speech on Signing of NAFTA (1993)**

The North American Free Trade Agreement was signed by President Bill Clinton early in his first term. It created a free-trade zone (an area where goods can travel freely without paying import duties) composed of Canada, the United States, and Mexico. Clinton asked Americans to accept economic globalization as an inevitable form of progress and the path to future prosperity. “There will be no job loss,” he promised. Things did not entirely work out that way.

As President, it is my duty to speak frankly to the American people about the world in which we now live. Fifty years ago, at the end of World War II, an unchallenged America was protected by the oceans and by our technological superiority and, very frankly, by the economic devastation of the people who could otherwise have been our competitors. We chose then to try to help rebuild our former enemies and to create a world of free trade supported by institutions which would facilitate it. . . . As a result, jobs were created, and opportunity thrived all across the world. . . .

For the last 20 years, in all the wealthy countries of the world—because of changes in the global

environment, because of the growth of technology, because of increasing competition—the middle class that was created and enlarged by the wise policies of expanding trade at the end of World War II has been under severe stress. Most Americans are working harder for less. They are vulnerable to the fear tactics and the averseness to change that are behind much of the opposition to NAFTA. But I want to say to my fellow Americans: When you live in a time of change, the only way to recover your security and to broaden your horizons is to adapt to the change—to embrace, to move forward. . . . The only way we can recover the fortunes of the middle class in this country so that people who work harder and smarter can, at least, prosper more, the only way we can pass on the American dream of the last 40 years to our children and their children for the next 40, is to adapt to the changes which are occurring.

In a fundamental sense, this debate about NAFTA is a debate about whether we will embrace these changes and create the jobs of tomorrow or try to resist these changes, hoping we can preserve the economic structures of yesterday. . . . I believe that NAFTA will create 1 million jobs in the first 5 years of its impact. . . . NAFTA will generate these jobs by fostering an export boom to Mexico by tearing down tariff walls. . . . There will be no job loss.

## **FROM GLOBAL EXCHANGE, SEATTLE, Declaration for Global Democracy (December 1999)**

The demonstrations that disrupted the December 1999 meeting of the World Trade Organization in Seattle brought to public attention a widespread dissatisfaction with the effects of economic “globalization.” In this declaration, organizers of the protest offered their critique.

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As citizens of global society, recognizing that the World Trade Organization is unjustly dominated by corporate interests and run for the enrichment of the few at the expense of all others, we demand:

Representatives from all sectors of society must be included in all levels of trade policy formulations. All global citizens must be democratically represented in the formulation, implementation, and evaluation of all global social and economic policies.

Global trade and investment must not be ends in themselves, but rather the instruments for achieving equitable and sustainable development including protection for workers and the environment.

Global trade agreements must not undermine the ability of each nation-state or local community to meet its citizens’ social, environmental, cultural or economic needs.

The World Trade Organization must be replaced by a democratic and transparent body accountable to citizens—not to corporations.

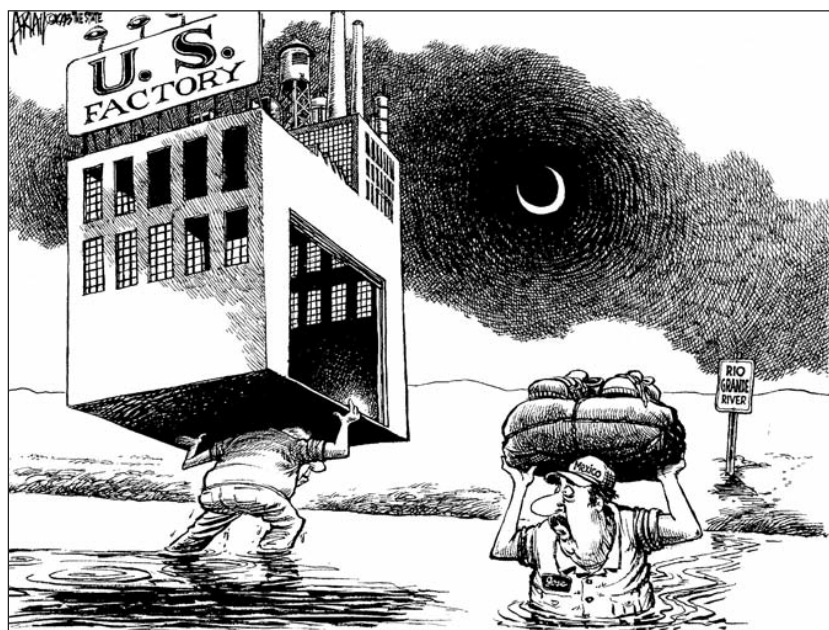
No globalization without representation!

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### **QUESTIONS**

- 1.** Why does Clinton feel that free trade is necessary to American prosperity?
- 2.** Why do the Seattle protesters feel that the World Trade Organization is a threat to democracy?
- 3.** How do these documents reflect contradictory arguments about the impact of globalization in the United States?

A cartoonist offered this view in 1993 of the results of the North American Free Trade Agreement, suggesting that the United States was exporting manufacturing factories and jobs, and receiving immigrant workers in exchange.



Dot-com millionaires and well-paid computer designers and programmers received much publicity. But companies continued to shift manufacturing jobs overseas. Thanks to NAFTA, which eliminated barriers to imports from Mexico, a thriving industrial zone emerged just across the southern border of the United States, where American manufacturers built plants to take advantage of cheap labor and weak environmental and safety regulations. Despite low unemployment, companies' threats to shut down and move exerted downward pressure on American wages. In 2000, the United States no longer led the world in the hourly wages of manufacturing workers, lagging behind several countries in Europe. In terms of the distribution of income and wealth, the United States was the most unequal society in the developed world.

High-tech firms did not create enough high-paying jobs to compensate. Microsoft, symbol of the new economy, employed only 30,000 people. In 1970, General Motors had been the country's largest corporate employer. In the early-twenty-first century, it had been replaced by Wal-Mart, a giant discount retail chain that paid most of its 1.6 million workers slightly more than the minimum wage. Wal-Mart aggressively opposed efforts at collective bargaining. Not a single one of its employees belonged to a union.

In 2000, well over half the labor force worked for less than fourteen dollars per hour, a wage on which families found it very difficult to make ends meet. Because of the decline in union membership and the spread of part-time employment, fewer and fewer workers enjoyed fringe benefits common in union contracts, such as employer-provided health insurance. In "dual cities" like Los Angeles and New York, high-tech computer companies and firms engaging in international finance coexisted with sweatshops reminiscent of the Progressive era, where workers toiled in overcrowded conditions for the minimum wage or less. Poverty was not limited to urban areas. The highest rates of poverty could be found in isolated rural regions that experienced the continuation of the long-term decline in family farming.



Barbie's Liberty, a satirical work by the artist Hans Haacke, recasts the Barbie doll, one of America's most successful toys, in the image of the Statue of Liberty to comment on the loss of manufacturing jobs to low-wage areas overseas.



Of the twenty-five poorest counties in the United States in 2000, nine were located in Nebraska and South Dakota.

At the end of the twentieth century, the United States, more than ever before, was a suburban nation. Two-thirds of new jobs were created in the suburbs. Suburbs were no longer places from which people commuted to jobs in central cities—their office parks, industrial plants, and huge shopping malls employed many local residents. Nor were suburbs as racially segregated as in the past. In 2000, one-quarter of the suburban population was black, and Hispanics represented a majority of the population in the suburbs of Los Angeles and Miami. But suburbs remained divided by income—there were rich suburbs, middle-class suburbs, and poor suburbs, with little connection between them.

## CULTURE WARS

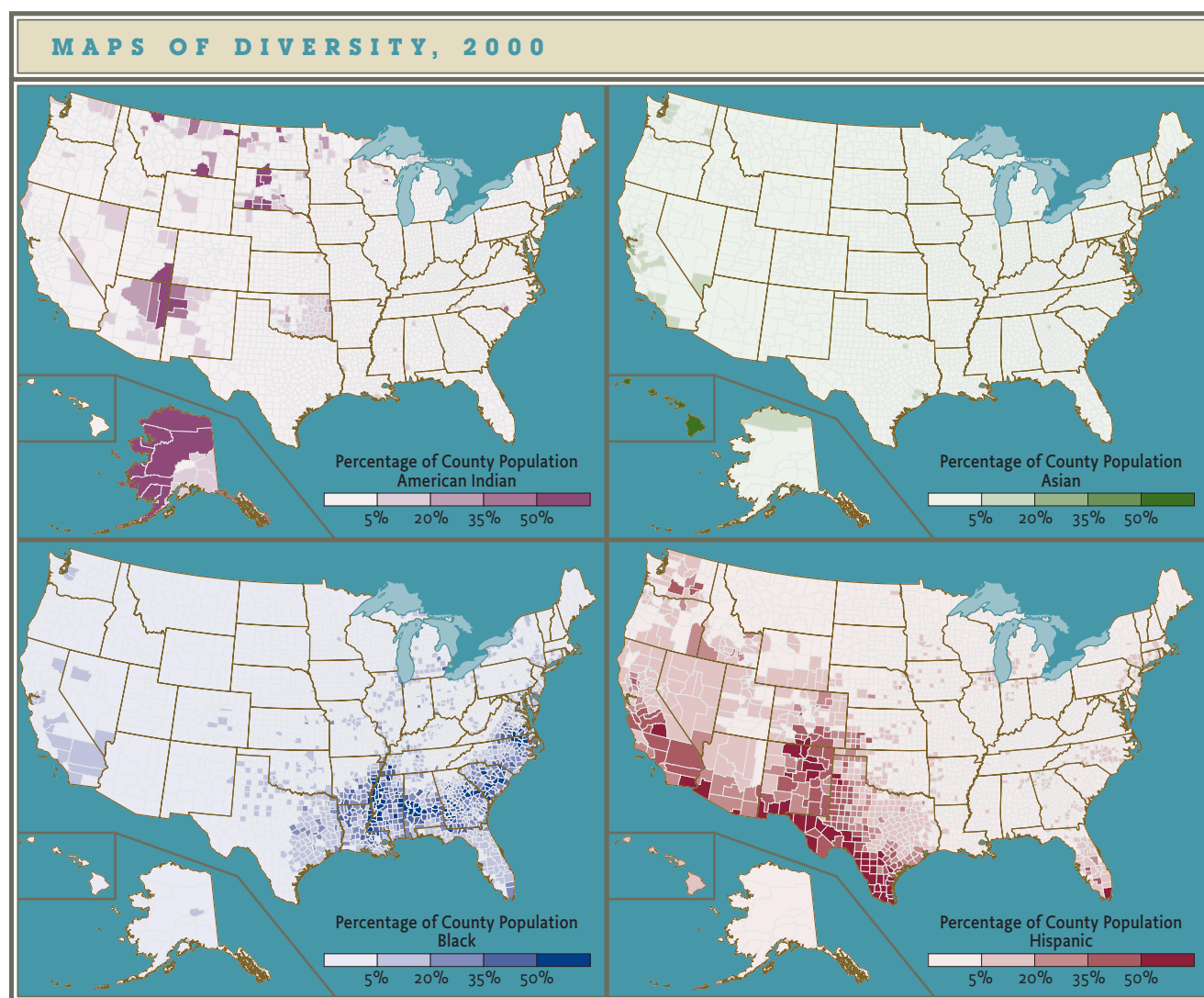
The end of the Cold War ushered in hopes for a new era of global harmony. Instead, what one observer called a “rebellion of particularisms”—renewed emphasis on group identity and insistent demands for group recognition and power—racked the international arena during the 1990s. In the nineteenth and twentieth centuries, socialism and nationalism had united people of different backgrounds in pursuit of common goals. Now, in Africa, Asia, the Middle East, and parts of Europe, the waning of movements based on socialism and the declining power of nation-states arising from globalization seemed to unleash long-simmering ethnic and religious antagonisms. Partly in reaction to the global spread of a secular culture based on consumption and mass entertainment, intense religious movements attracted increasing numbers of followers—Hindu nationalism in India, orthodox Judaism in Israel, Islamic fundamentalism in much of the Muslim world, and evangelical Christianity in the United States. Like other nations, although in a far less extreme way and with little accompanying violence, the United States experienced divisions arising from the intensification of ethnic and racial identities and religious fundamentalism.

## THE NEWEST IMMIGRANTS

Because of shifts in immigration, cultural and racial diversity became increasingly visible in the United States. Until the immigration law of 1965, the vast majority of twentieth-century newcomers had hailed from

**Table 27.1 IMMIGRATION TO THE UNITED STATES, 1960–2000**

<i>Decade</i>	<i>Total</i>	<i>Europe</i>	<i>Asia</i>	<i>Western Hemisphere</i>	<i>Africa</i>	<i>Oceania</i>
1961–1970	3,321,584	1,123,492	427,642	1,716,374	28,954	25,122
1971–1980	4,493,302	800,368	1,588,178	1,982,735	80,779	41,242
1981–1990	7,337,030	761,550	2,738,157	3,615,225	176,893	45,205
1991–2000	9,052,999	1,359,737	2,795,672	4,486,806	354,939	55,845



*Based on the 2000 Census, these maps show that nearly every state has a significant non-white population.*

Europe. That measure, as noted in Chapter 25, sparked a wholesale shift in immigrants' origins. Between 1965 and 2000, nearly 24 million immigrants entered the United States, a number only slightly lower than the 27 million during the peak period of immigration between 1880 and 1924. About 50 percent came from Latin America and the Caribbean, 35 percent from Asia, and smaller numbers from the Middle East and Africa. Only 10 percent arrived from Europe, mostly from the war-torn Balkans and the former Soviet Union.

In 2000, the number of foreign-born persons living in the United States stood at more than 31 million, or 11 percent of the population. Although less than the peak proportion of 14 percent in 1910, in absolute numbers this represented the largest immigrant total in the nation's history. The immigrant influx changed the country's religious and racial map. By 2000, more than 3 million Muslims resided in the United States, and the combined population of Buddhists and Hindus exceeded 1 million.

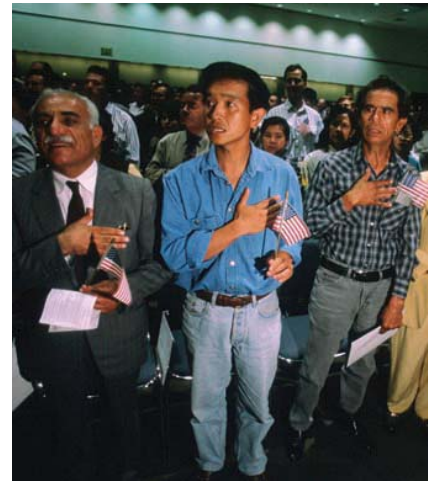
As in the past, most immigrants became urban residents, with New York City, Los Angeles, Chicago, and Miami the most common destinations. New ethnic communities emerged, with homes, shops, restaurants, foreign-language newspapers, radio and television stations, and ethnic professionals like businessmen and lawyers. Unlike in the past, rather than being concentrated in one or two parts of city centers, immigrants quickly moved into outlying neighborhoods and older suburbs. The immigrant influx revitalized neighborhoods like New York City's Washington Heights (a Dominican enclave) and Flushing (a center for Asian newcomers). By the turn of the century, more than half of all Latinos lived in suburbs. Orange County, California, which had been a stronghold of suburban conservatism between 1960 and 1990, elected a Latina Democrat to Congress in the late 1990s. While most immigrants settled on the East and West Coasts, some moved to other parts of the country. They brought cultural and racial diversity to once-homogeneous communities in the American heartland.

Post-1965 immigration formed part of the worldwide uprooting of labor arising from globalization. In 2000, the global immigrant population was estimated at 100 million. Those who migrated to the United States came from a wide variety of backgrounds. They included poor, illiterate refugees from places of economic and political crisis—Central Americans escaping the region's civil wars and poverty, Haitians and Cambodians fleeing repressive governments. But many immigrants were well-educated professionals from countries like India and South Korea, where the availability of skilled jobs had not kept pace with the spread of higher education. In the year 2000, more than 40 percent of all immigrants to the United States had a college education.

For the first time in American history, women made up the majority of newcomers, reflecting the decline of manufacturing jobs that had previously absorbed immigrant men, as well as the spread of employment opportunities in traditionally female fields like care of children and the elderly and retail sales. (Many were paid by their employers "off the books," without withholding taxes. This practice became a focus of public discussion in 1993 when President Clinton was forced to withdraw two female cabinet nominees when it came to light that they had hired undocumented immigrants as housekeepers and paid them in this manner.) Thanks to cheap global communications and jet travel, modern-day immigrants retained strong ties with their countries of origin, frequently phoning and visiting home.

### THE NEW DIVERSITY

Latinos formed the largest single immigrant group. This term was invented in the United States and included people from quite different origins—Mexicans, Central and South Americans, and migrants from Spanish-speaking Caribbean islands like Cuba, the Dominican Republic, and Puerto Rico (although the last group, of course, were American citizens, not immigrants). With 95 million people, Mexico in 2000 had become the world's largest Spanish-speaking nation. Its poverty, high birthrate, and proximity to the United States made it a source of massive legal and illegal immigration. In 2000, Mexican-Americans made up a majority of the Hispanic population of the United States and nearly half the residents of Los Angeles.



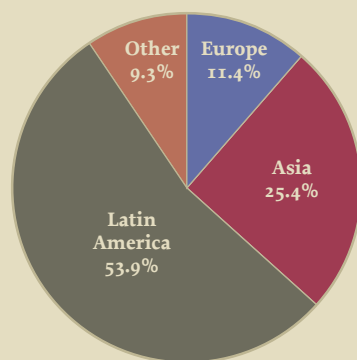
*Recent immigrants reciting the Pledge of Allegiance during a naturalization ceremony.*



*Latina nannies pushing baby carriages in Beverly Hills, California. In the 1990s, for the first time in American history, female immigrants outnumbered male immigrants.*



**Figure 27.2 BIRTHPLACE OF IMMIGRANTS, 1990–2000**



*During the 1990s, immigration from Latin America and Asia eclipsed immigration from Europe, traditionally the main source of newcomers to the United States.*

Numbering more than 45 million in 2007, Latinos had become the largest minority group in the United States. Latinos were highly visible in entertainment, sports, and politics. Indeed, the Hispanic presence transformed American life. José was now the most common name for baby boys in Texas and the third most popular in California. Smith remained the most common American surname, but Garcia, Rodriguez, Gonzales, and other Hispanic names were all in the top fifty.

Latino communities remained far poorer than the rest of the country. A flourishing middle class developed in Los Angeles, Miami, and other cities with large Spanish-speaking populations. But most immigrants from Mexico and Central America competed at the lowest levels of the job market. The influx of legal and illegal immigrants swelled the ranks of low-wage urban workers and agricultural laborers. Latinos lagged far behind other Americans in education. In 2007, their poverty rate stood at nearly double the national figure of 12.5 percent. Living and working conditions among predominantly Latino farm workers in the West fell back to levels as dire as when César Chavez established the United Farm Workers union in the 1960s.

Asian-Americans also became increasingly visible in the 1990s. There had long been a small population of Asian ancestry in California and New York City, but only after 1965 did immigration from Asia assume large proportions. By 2000, the number of Asian-Americans stood at 11.9 million, eight times the figure of 1970. Like Latinos, Asian-Americans were a highly diverse population, including well-educated Koreans, Indians, and Japanese, as well as poor refugees from Cambodia, Vietnam, and China. Growing up in tight-knit communities that placed great emphasis on education, young Asian-Americans poured into American colleges and universities. Once subjected to harsh discrimination, Asian-Americans now achieved remarkable success. White Americans hailed them as a



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*The U.S. Border Patrol apprehending Mexicans who had entered the country in violation of immigration laws, near San Diego, California. In 1990, more than 1 million immigrants were arrested and deported after crossing the border illegally.*

“model minority.” By 2007, the median family income of Asian-Americans, \$66,000, surpassed that of whites. But more than any other group, Asian-Americans clustered at opposite ends of the income spectrum. Large numbers earned either more than \$75,000 per year (doctors, engineers, and entrepreneurs) or under \$5,000 (unskilled laborers in sweatshops and restaurants).

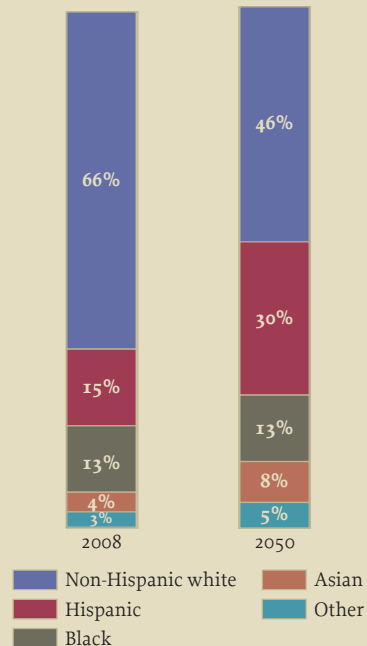
The United States, of course, had long been a multiracial society. But for centuries race relations had been shaped by the black-white divide and the experience of slavery and segregation. The growing visibility of Latinos and Asians suggested that a two-race system no longer adequately described American life. Multiracial imagery filled television, films, and advertising. Interracial marriage, at one time banned in forty-two states, became more common and acceptable. Among Asian-Americans at the turn of the century, half of all marriages involved a non-Asian partner. The



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*Korean youngsters rehearsing a dance at the Veterans' Administration Medical Center in Columbia, South Carolina, an illustration of the growing diversity of American society.*

**Figure 27.3 THE PROJECTED  
NON-WHITE MAJORITY: RACIAL  
AND ETHNIC BREAKDOWN**



*Despite the ups and downs of unemployment, the rate for non-whites remains persistently higher than that for whites.*

**Figure 27.4 UNEMPLOYMENT RATE BY SEX AND RACE, 1954–2000**

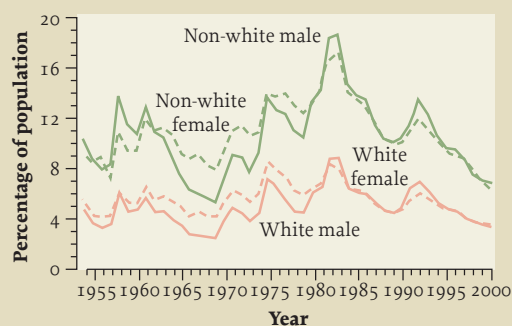


figure for Latinos was 30 percent. Some commentators spoke of the “end of racism” and the emergence of a truly color-blind society. Others argued that while Asians and some Latinos were being absorbed into an expanded category of “white” Americans, the black-white divide remained almost as impenetrable as ever.

One thing, however, seemed clear at the dawn of the twenty-first century: diversity was here to stay. In 2000, whites made up around 70 percent of the population, blacks and Hispanics around 13 percent each, and Asians 6 percent. Because the birthrate of racial minorities is higher than that of whites, the Census Bureau projected that by 2050, only 50 percent of the American population would be white, a little less than 25 percent would be Hispanic, and blacks and Asians would account for around 13 percent each.

#### AFRICAN-AMERICANS IN THE 1990S

Compared with the situation in 1900 or 1950, the most dramatic change in American life at the turn of the century was the absence of legal segregation and the presence of blacks in areas of American life from which they had once been almost entirely excluded. Thanks to the decline in overt discrimination and the effectiveness of many affirmative action programs, blacks now worked in unprecedented numbers alongside whites in corporate board rooms, offices, and factories. The number of black policemen, for example, rose from 24,000 to 65,000 between 1970 and 2000, and in the latter year, 37 percent of the black population reported having attended college. The economic boom of the late 1990s aided black Americans enormously; the average income of black families rose more rapidly than that of whites.

One major change in black life was the growing visibility of Africans among the nation’s immigrants. Between 1970 and 2000, twice as many Africans immigrated to the United States as had entered during the entire period of the Atlantic slave trade. For the first time, all the elements of the African diaspora—natives of Africa, Caribbeans, Central and South Americans of African descent, Europeans with African roots—could be found in the United States alongside the descendants of American slaves.

Nigeria, Ghana, and Ethiopia provided the largest number of African

immigrants, and they settled overwhelmingly in urban areas, primarily in New York, California, Texas, and the District of Columbia. Some were impoverished refugees fleeing civil wars in Somalia, Sudan, and Ethiopia, but many more were professionals—more than half the African newcomers had college educations, the highest percentage for any immigrant group. Indeed, some African countries complained of a “brain drain” as physicians, teachers, and other highly skilled persons sought opportunities in the United States that did not exist in their own underdeveloped countries. While some prospered, others found it difficult to transfer their credentials to the United States and found jobs driving taxis and selling African crafts at street fairs.

Most African-Americans, nonetheless, remained in a more precarious situation than whites or many recent immigrants. The black unemployment rate remained double that



Table 27.2 HOME OWNERSHIP RATES BY GROUP, 1970–2000

	1970	1980	1990	2000
Whites	65.0%	67.8%	68.2%	73.8%
Blacks	41.6	44.4	43.4	47.2
Latinos	43.7	43.4	42.4	46.3
All families	62.9	64.4	64.2	67.4

of whites, and in 2007 their median family income of \$34,000 and poverty rate of 25 percent put them behind whites, Asians, and Latinos. Half of all black children lived in poverty, two-thirds were born out of wedlock, and in every index of social well-being from health to quality of housing, blacks continued to lag. Despite the continued expansion of the black middle class, a far lower percentage of blacks than whites owned their homes or held professional and managerial jobs. Housing segregation remained pervasive. In 2000, more than one-third of the black population lived in suburbs, but mostly in predominantly black communities. The gap in wealth between blacks and whites remained enormous. In 2007, the total assets of the median white family (bank accounts, stocks, the value of a home, etc.) stood at \$87,000. For black families, the figure was \$5,400.

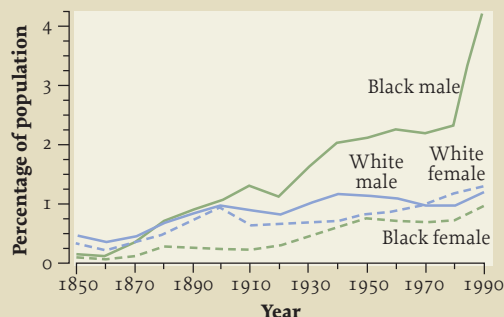
#### THE ROLE OF THE COURTS

As in the late nineteenth century, the Supreme Court in the last years of the twentieth century little by little retreated from the civil rights revolution. The justices made it increasingly difficult for victims of discrimination to win lawsuits and proved increasingly sympathetic to the pleas of whites that affirmative action plans discriminated against them. In *Patterson v. McLean Credit Union* (1989), the Court barred a black employee who suffered racial harassment while working from suing for damages under the Civil Rights Act of 1866. That law, the justices maintained, only prohibited discrimination at the moment of signing a contract, not on the job.

In the same year, the Court overturned a Richmond law reserving 30 percent of city construction contracts for minority businesses. Less than 1 percent of such contracts had gone to black-owned companies in the five years before the city council enacted the new law. But Justice Sandra Day O'Connor, who wrote the opinion, insisted that in the absence of clear statements of racism by government officials (hardly a likely occurrence), one could not prove the existence of discrimination. Blacks, she speculated, may have been “attracted to other industries than construction,” as if their distribution among the occupations had historically been a matter of free choice.

Despite the nation's growing racial diversity, school segregation—now resulting from housing patterns and the divide between urban and suburban school districts rather than laws requiring racial separation—was on the rise. Most city public school systems consisted overwhelmingly of minority students, large numbers of whom failed to receive an adequate education. The courts released more and more districts from desegregation orders. By 2000, the nation's black and Latino students were more isolated

**Figure 27.5 INSTITUTIONAL INMATES AS A PERCENTAGE OF THE POPULATION BY SEX AND RACE, 1850–1990**



from white pupils than in 1970. Nearly 80 percent of white students attended schools where they encountered few if any pupils of another race. Since school funding rested on property taxes, poor communities continued to have less to spend on education than wealthy ones.

#### THE SPREAD OF IMPRISONMENT

During the 1960s, the nation's prison population had declined. But in the 1970s, with urban crime rates rising, politicians of both parties sought to convey the image of being "tough on crime." They insisted that the judicial system should focus on locking up criminals for long periods rather than rehabilitating them. They treated drug addiction as a violation of the law rather than as a disease. State governments greatly increased the penalties for crime and

reduced the possibility of parole. Successive presidents launched "wars" on the use of illegal drugs. As a result, the number of Americans in prison rose dramatically, most of them incarcerated for non-violent drug offenses.

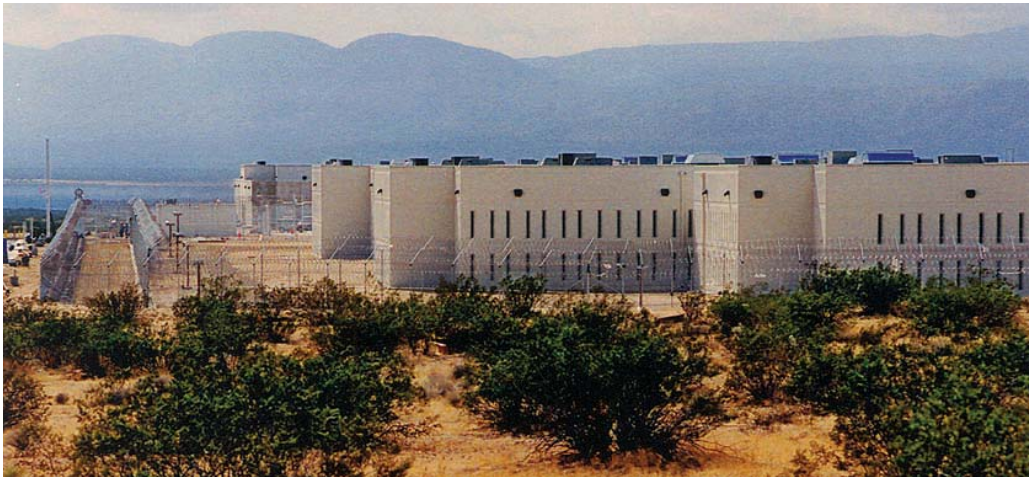
During the 1990s, thanks to the waning of the "crack" epidemic and more effective urban police tactics, crime rates dropped dramatically across the country. But because of the sentencing laws of the previous two decades, this did nothing to stem the increase of the prison population. In 2008, it reached 2.3 million, ten times the figure of 1970. Several million more individuals were on parole, probation, or under some other kind of criminal supervision. These figures dwarfed those of every other Western society.

As the prison population grew, a "prison-industrial complex" emerged. Struggling communities battered by deindustrialization saw prisons as a source of jobs and income. Between 1990 and 1995, the federal government and the states constructed more than 200 new prisons. In 2008, five states spent more money on their prison systems than on higher education. Convict labor, a practice the labor movement had managed to curtail in the late nineteenth century, revived in the late twentieth. Private companies in Oregon "leased" prisoners for three dollars per day. A call to Trans World Airlines for a flight reservation was likely to be answered by a California inmate.

#### THE BURDEN OF IMPRISONMENT

Members of racial minorities experienced most strongly the paradox of growing islands of unfreedom in a nation that prided itself on liberty. In 1950, whites accounted for 70 percent of the nation's prison population and non-whites 30 percent. By 2000, these figures had been reversed. One reason was that severe penalties faced those convicted of using or selling crack, a particularly potent form of cocaine concentrated among the urban poor, while the use of powder cocaine, the drug of choice in suburban America, led to far lighter sentences.

The percentage of the black population in prison stood eight times higher than the proportion for white Americans. More than one-quarter of all black men could expect to serve time in prison at some time during their lives. A criminal record made it very difficult for ex-prisoners to find



*A private, for-profit, maximum-security prison under construction in 1999 in California City, in the Mohave Desert, illustrates the expansion of the “prison-industrial complex.”*

jobs. Partly because so many young men were in prison, blacks had a significantly lower rate of marriage than other Americans. Their children became “prison orphans,” forced to live with relatives or in foster homes. With twenty-nine states denying the vote to those on probation and seven barring ex-felons from voting for their entire lives, an estimated 4 million black men (13 percent of the black male population) could not cast a ballot at the end of the twentieth century. In 2000, in the seven states that denied the vote to ex-offenders (Alabama, Florida, Iowa, Kentucky, Mississippi, Nevada, and Virginia), one black man in four was permanently disenfranchised. Since then, most of these states have taken steps to restore voting rights to those who have served their sentences.

Blacks convicted of crimes were also more likely than whites to receive the death penalty. In 1972, the Supreme Court had temporarily suspended states’ use of this punishment. But the Court soon allowed it to resume, despite evidence of racial disparities in its application. Even as western Europe and other countries abolished the death penalty, the United States executed 598 persons between 1977 and 1999. In the 1830s, Alexis de Tocqueville had described executions as common in Europe but rare in America. At the close of the twentieth century, with more than 3,000 prisoners on death row, the United States ranked with China, Iran, and Saudi Arabia as the nations that most often executed their citizens. The 2.3 million Americans in prison in 2008 represented one-quarter of the entire world’s inmates and far exceeded the number in any other country.

The continuing frustration of urban blacks exploded in 1992 when an all-white suburban jury found four Los Angeles police officers not guilty in the beating of black motorist Rodney King, even though an onlooker had captured their assault on videotape. The deadliest urban uprising since the New York draft riots of 1863 followed. Some fifty-two people died, and property damage approached \$1 billion. Many Latino youths, who shared blacks’ resentment over mistreatment by the police, joined in the violence. The uprising suggested that despite the civil rights revolution, the nation had failed to address the plight of the urban poor. Racial minorities benefited enormously from the dramatic decline in unemployment that accompanied the economic boom of the mid- and late 1990s. But when the boom ended in 2000, these gains once again began to disappear.





*The AIDS quilt, each square of which represents a person who died of AIDS, on display in Washington, D.C. The quilt was exhibited throughout the country, heightening public awareness of the AIDS epidemic.*

### THE CONTINUING RIGHTS REVOLUTION

Reflecting the continued power of the rights revolution, the 1990s also witnessed the emergence of new movements for public recognition. In 1990, newly organized disabled Americans won passage of the Americans with Disabilities Act. This far-reaching measure prohibited discrimination in hiring and promotion against persons with disabilities and required that entrances to public buildings be redesigned so as to ensure access for the disabled.

Some movements that were descended from the late 1960s achieved their greatest visibility in the 1990s. Prominent among these was the campaign for gay rights, which in the last two decades of the century increasingly turned its attention to combating acquired immunodeficiency syndrome (AIDS), a fatal disease spread by sexual contact, drug use, and transfusions of contaminated blood. AIDS first emerged in the early 1980s. It quickly became epidemic among homosexual men. The gay movement mobilized to promote “safe sex,” prevent discrimination against people suffering from AIDS, and press the federal government to devote greater resources to fighting the disease. By 2000, even though more than 400,000 Americans had died of AIDS, its spread among gays had been sharply curtailed. But in other parts of the world, such as Africa, the AIDS epidemic remained out of control.

Gay groups also played an increasing role in politics. In cities with large gay populations, such as New York and San Francisco, politicians vied to attract their votes. Overall, the growth of public tolerance of homosexuality was among the most striking changes in American social attitudes in the last two decades of the century.

### NATIVE AMERICANS IN 2000

Another social movement spawned by the 1960s that continued to flourish was the American Indian Movement. The Indian population reached 4 million in the 2000 Census—a sign not only of population growth but also of a renewed sense of pride that led many Indians for the first time to identify themselves as such to census enumerators. Meanwhile, with the assistance of the Native American Rights Fund, established in 1971, some tribes embarked on a campaign for restitution for past injustices. In 2001, for example, a New York court awarded the Cayuga Nation \$248 million for illegal land seizures two centuries earlier.

The legal position of Indians as American citizens who enjoy a kind of quasi-sovereignty still survives in some cases. Notable examples are the lucrative Indian casinos now operating in states that otherwise prohibit gambling. Indian casinos take in around \$15 billion each year, making some tribes very rich. One such group is the Pequot tribe of Connecticut. In 1637, as the result of a brief, bloody war, Puritan New Englanders exterminated or sold into slavery most of the tribe’s members. The treaty that restored peace decreed that the tribe’s name should be wiped from the historical record. Today, the few hundred members of the Pequot tribe operate Foxwoods, reputedly the world’s largest casino.

The Census of 2000 listed a Native American population of around 2.5 million, 80 percent of them of mixed Indian and non-Indian ancestry. Half

of today's Indians live in five western states (California, Oklahoma, Arizona, New Mexico, and Washington). Although some tribes have reinvested casino profits in improved housing and health care and college scholarships for Native American students, most Indian casinos are marginal operations whose low-wage jobs as cashiers, waitresses, and the like have done little to relieve Indian poverty. Native Americans continue to occupy the lowest rung on the economic ladder. At least half of those living on reservations have incomes below the poverty line.

### MULTICULTURALISM

The new face of American society went hand in hand with one of the most striking developments of the 1990s—the celebration of group difference and demands for group recognition. “Multiculturalism” became the term for a new awareness of the diversity of American society, past and present, and for vocal demands that jobs, education, and politics reflect that diversity. As the numbers of minority and female students at the nation's colleges and universities rose, these institutions moved aggressively to diversify their faculties and revise the traditional curriculum.

One sign of multiculturalism could be seen in the spread of academic programs dealing with the experience of specific groups—Black Studies, Latino Studies, Women's Studies, and the like. Literature departments added the writings of female and minority authors to those of white men. Numerous scholars now taught and wrote history in ways that stressed the experiences of diverse groups of Americans, rather than a common national narrative.

At the same time, public opinion polls revealed a remarkable growth of toleration. The number of respondents who accepted interracial dating without objection rose from 45 percent in 1987 to 78 percent in 2003. Those who believed gays should automatically be fired from teaching jobs fell from 50 to 35 percent over the same period. In addition, popular television shows portrayed gay characters in a sympathetic light.

### THE IDENTITY DEBATE

Among some Americans, the heightened visibility of immigrants, racial minorities, and inheritors of the sexual revolution inspired not celebration of pluralism but alarm over perceived cultural fragmentation. Conservatives, and some traditional liberals as well, decried “identity politics” and multiculturalism for undermining a common sense of nationhood. As in the debates over the Alien Act of the 1790s, Irish immigration in the 1850s, and the “new immigrants” of the early twentieth century, the definition of American nationality again became a contentious political question. Bill Clinton's 1992 slogan, “It's the Economy, Stupid,” was directed, in part, at members of the Democratic Party who preferred to focus on racial and gender issues rather



*This “public sculpture” by the Native American artist Lewis DeSoto links his own surname with more than four centuries of American history. The wall label invokes the depredations of the sixteenth-century Spanish conquistador Hernán DeSoto. The car reminds the viewer that the Chrysler Corporation chose the name DeSoto for a now-defunct automobile. On the rear of the car is an insignia based on traditional Indian basket designs, encircled by the Latin word for smallpox, which the conquistadores transmitted to the Indian population.*

than traditional economic concerns. Republicans appealed most directly to those alarmed by the influx of non-white immigrants and the decline of traditional “family values.” But differences over diversity did not follow party lines.

Increased cultural diversity and changes in educational policy inspired harsh debates over whether immigrant children should be required to learn English and whether further immigration should be discouraged. These issues entered politics most dramatically in California, whose voters in 1994 approved Proposition 187, which denied illegal immigrants and their children access to welfare, education, and most health services. A federal judge soon barred implementation of the measure on the grounds that control over immigration policy rests with the federal government. But during the 1990s, California voters also approved measures banning bilingual education in public schools, and affirmative action in admission to public colleges and universities. By 2000, twenty-three states had passed laws establishing English as their official language (similar to measures enacted in the aftermath of World War I). The 1996 law that abolished welfare also barred most immigrants who had not become citizens from receiving food stamps.

But since 1900, the United States had become a far more tolerant society. Efforts to appeal to prejudice for political gain often backfired. In California, Republicans’ anti-immigrant campaigns inspired minorities to mobilize politically and offended many white Americans. In 2000, Republican presidential candidate George W. Bush emphasized that his brand of conservatism was multicultural, not exclusionary.

#### CULTURAL CONSERVATISM

Immigration occupied only one front in what came to be called the Culture Wars—battles over moral values that raged throughout the 1990s. The Christian Coalition, founded by evangelical minister Pat Robertson, became a major force in Republican politics. It launched crusades against gay rights, abortion, secularism in public schools, and government aid to the arts. Pat Buchanan’s Republican convention speech of 1992 calling for a “religious

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*Demonstrators for and against Proposition 187, with police separating them, at a rally in Los Angeles in August 1996. Approved by California voters two years earlier, the measure severely restricted the services available to undocumented immigrants.*





war for the soul of America,” mentioned earlier, alarmed many voters. But cultural conservatives hailed it as their new rallying cry.

It sometimes appeared during the 1990s that the country was refighting old battles between traditional religion and modern secular culture. In an echo of the 1920s, a number of localities required the teaching of creationism, a religious alternative to Darwin’s theory of evolution. The battles of the 1960s seemed to be forever unresolved. Many conservatives railed against the erosion of the nuclear family, the changing racial landscape produced by immigration, and what they considered a general decline of traditional values. Cultural conservatives were not satisfied with a few victories over what they considered immorality, such as rules banning the National Endowment for the Arts from making grants to artists who produced sexually explicit material, or the Defense of Marriage Act of 1996, which barred gay couples from spousal benefits provided by federal law.

### “FAMILY VALUES” IN RETREAT

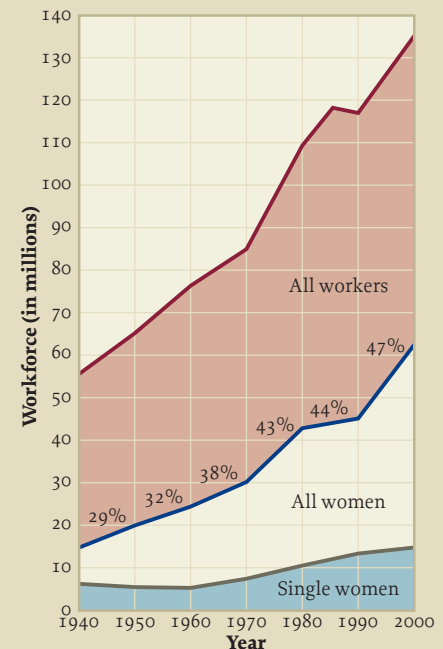
The census of 2000 showed “family values” increasingly in disarray. Half of all marriages ended in divorce (70 percent on the West Coast), and over one-third of all births were to unmarried women, including not only sexually active teenagers but growing numbers of professional women in their thirties and forties, as well. Two-thirds of married women worked outside the home, and less than one-fourth of all households consisted of a “traditional” family—a wife, husband, and their children.

However, the pay gap between men and women persisted. In 2008, men’s median weekly earnings were \$800, women’s \$610. In only two occupational categories did women earn more than men—postal service clerks and special education teachers.

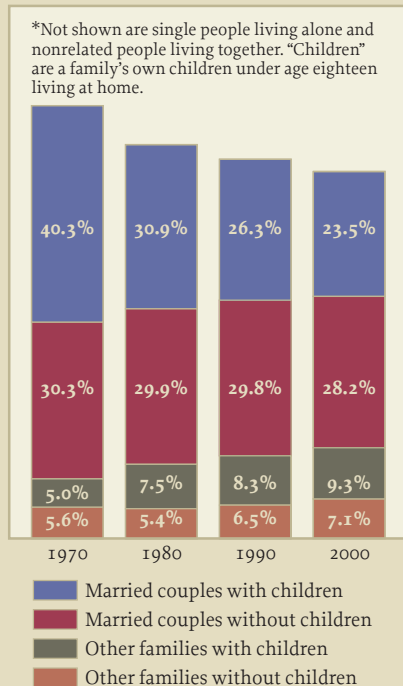
Although dominated by conservatives, the Supreme Court, in *Casey v. Planned Parenthood of Pennsylvania* (1992), reaffirmed a woman’s right to obtain an abortion. The decision allowed states to enact mandatory waiting periods and anti-abortion counseling, but it overturned a requirement that the husband be given notification before the procedure was undertaken. “At the heart of liberty,” said the Court, “is the right to . . . make the most intimate and personal choices” without outside interference. In effect, *Casey* repudiated the centuries-old doctrine that a husband has a legal claim to control the body of his wife.

The narrowness of the 5-4 vote in *Casey* and the vehemence of the dissenters, including Chief Justice William Rehnquist, in insisting that *Roe v. Wade* must be reversed, left the legal status of abortion rights dependent on future changes in the Court’s membership. As of 2000, however, although conservatives had controlled the presidency under Reagan and Bush, Congress after 1994, and the Supreme Court, they had not eliminated abortion rights, restored prayer to public schools, or persuaded women to abandon public aspirations and “go about the business of marrying and raising children,” as Republican congressional leader Richard Armey indelicately demanded. Women did not listen to Armey. At the dawn of the twentieth-century, women received more than 60 percent of all college degrees (as opposed to 35 percent in 1960) and over 40 percent of advanced law, medical, and business degrees (up from around 5 percent forty years

**Figure 27.6 WOMEN IN THE PAID WORKFORCE, 1940–2000**



*By 2000, women represented nearly half of the American workforce, and unlike in the nineteenth century, a majority of women working outside the home were married.*

**Figure 27.7 CHANGES IN FAMILY STRUCTURE, 1970–2000\***

At the beginning of the twenty-first century, less than one-quarter of American households consisted of a “traditional” family—a married couple living with their children.

earlier). The abortion rate declined throughout the 1990s, but this was mostly because teenagers had increasing access to contraception. The sexual revolution and feminism, it seemed, were here to stay.

### THE ANTIGOVERNMENT EXTREME

At the radical fringe of conservatism, the belief that the federal government posed a threat to American freedom led to the creation of private militias who armed themselves to fend off oppressive authority. Groups like Aryan Nation, Posse Comitatus, and other self-proclaimed “Christian patriots” spread a mixture of racist, anti-Semitic, and antigovernment ideas. Private armies, like the Militia of Montana, vowed to resist enforcement of federal gun control laws. For millions of Americans, owning a gun became a prime symbol of liberty. “We’re here because we love freedom,” declared a participant in a 1995 Washington rally against proposed legislation banning semiautomatic assault weapons.

Many militia groups employed the symbolism and language of the American Revolution, sprinkling their appeals with warnings about the dangers of government tyranny drawn from the writings of Thomas Jefferson, Patrick Henry, and Thomas Paine. They warned that leaders of both major parties formed part of a conspiracy to surrender American sovereignty to the United Nations, or to some shadowy international conspiracy. Although such organizations had been growing for years, they burst into the national spotlight in 1995 when Timothy McVeigh, a member of the militant antigovernment movement, exploded a bomb at a federal office building in Oklahoma City. The blast killed 168 persons, including numerous children at a day-care center. McVeigh was captured, convicted, and executed. The worst act of terrorism in American history until the twenty-first century, the bombing alerted the nation to the danger of violent antigovernment right-wing groups.



Items on sale at Michigan's “Gun Stock '95,” an antigovernment convention.

## IMPEACHMENT AND THE ELECTION OF 2000

The unusually intense partisanship of the 1990s seemed ironic, given Clinton's move toward the political center. Republicans' intense dislike of Clinton could only be explained by the fact that he seemed to symbolize everything conservatives hated about the 1960s. As a college student, the president had smoked marijuana and participated in antiwar demonstrations. He had married a feminist, made a point of leading a multicultural administration, and supported gay rights. Clinton's popularity puzzled and frustrated conservatives, reinforcing their conviction that something was deeply amiss in American life. From the very outset of his administration, Clinton's political opponents and a scandal-hungry media stood ready to pounce. Clinton himself provided the ammunition.

### THE IMPEACHMENT OF CLINTON

Charges of sexual misconduct by public officials had a long history. Federalists had accused Thomas Jefferson of having sexual relations with his slave Sally Hemings, a charge apparently confirmed by DNA tests during the 1990s. But in the 1980s and 1990s, scrutiny of politicians' private lives became far more intense than in the past. Gary Hart, as noted in the previous chapter, had been driven from the 1988 campaign because of an extramarital liaison. In 1991, Senate hearings on the nomination to the Supreme Court of Clarence Thomas, a black conservative, became embroiled in sensational charges of sexual harassment leveled against Thomas by law professor Anita Hill. To the outrage of feminists, the Senate narrowly confirmed him.

From the day Clinton took office, charges of misconduct bedeviled him. In 1993, an investigation began of an Arkansas real-estate deal known as Whitewater, from which he and his wife had profited. The following year, an Arkansas woman, Paula Jones, filed a civil suit charging that Clinton had sexually harassed her while he served as governor of that state. In 1998, it became known that Clinton had carried on an affair with Monica Lewinsky, a White House intern. Kenneth Starr, the special counsel who had been appointed to investigate Whitewater, shifted his focus to Lewinsky. He issued a lengthy report containing almost pornographic details of Clinton's sexual acts with the young woman and accused the president of lying when he denied the affair in a deposition for the Jones lawsuit. In December 1998, the Republican-controlled House of Representatives voted to impeach Clinton for perjury and obstruction of justice. He became the second president to be tried before the Senate. Early in 1999, the vote took

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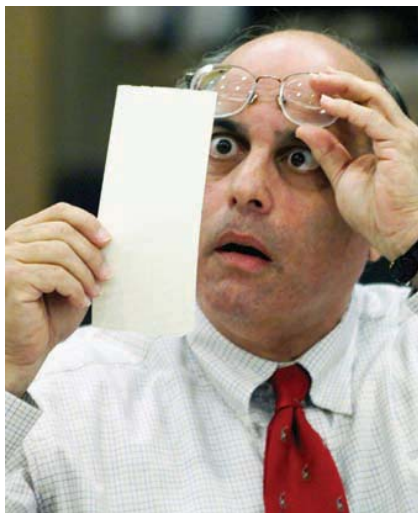
*The aftermath of the bombing of a federal office building in Oklahoma City in 1995, the worst act of terrorism in the United States during the twentieth century.*







Herbert Block's 1998 cartoon comments humorously on Clinton's talent for political survival.



A member of a Florida election board trying to determine a voter's intent during the recount of presidential ballots in November 2000. The U.S. Supreme Court eventually ordered the recount halted.

place. Neither charge mustered a simple majority, much less than the two-thirds required to remove Clinton from office.

Karl Marx once wrote that historical events occur twice—first as tragedy, the second time as farce. The impeachment of Andrew Johnson in 1868 had revolved around some of the most momentous questions in American history—the Reconstruction of the South, the rights of the former slaves, relations between the federal government and the states. Clinton's impeachment had to do with what many considered to be a juvenile escapade. Polls suggested that the obsession of Kenneth Starr and members of Congress with Clinton's sexual acts appalled Americans far more than the president's irresponsible behavior. Clinton's continuing popularity throughout the impeachment controversy demonstrated how profoundly traditional attitudes toward sexual morality had changed.

### THE DISPUTED ELECTION

Had Clinton been eligible to run for reelection in 2000, he would probably have won. But after the death of FDR, the Constitution had been amended to limit presidents to two terms in office. Democrats nominated Vice President Al Gore to succeed Clinton (pairing him with Senator Joseph Lieberman of Connecticut, the first Jewish vice-presidential nominee). Republicans chose George W. Bush, the governor of Texas and son of Clinton's predecessor, as their candidate, with former secretary of defense Dick Cheney as his running mate.

The election proved to be one of the closest in the nation's history. The outcome remained uncertain until a month after the ballots had been cast. Gore won the popular vote by a tiny margin—540,000 of 100 million cast, or one-half of 1 percent. Victory in the electoral college hinged on which candidate had carried Florida. There, amid widespread confusion at the polls and claims of irregularities in counting the ballots, Bush claimed a margin of a few hundred votes. In the days after the election, Democrats demanded a hand recount of the Florida ballots for which machines could not determine a voter's intent. The Florida Supreme Court ordered the recount to proceed.

Just as Clinton's impeachment recalled the trial of Andrew Johnson, the battle for the presidency in 2000 seemed to repeat the disputed election that ended Reconstruction (a contest in which Florida had also played a crucial role). As in 1877, it fell to Supreme Court justices to decide the outcome. On December 12, 2000, by a 5-4 vote, the Court ordered a halt to the recounting of Florida ballots, allowing the state's governor Jeb Bush (George W. Bush's brother) to certify that the Republican candidate had carried the state and had therefore won the presidency.

The decision in *Bush v. Gore* was one of the oddest in Supreme Court history. In the late 1990s, the Court had reasserted the powers of the states within the federal system, reinforcing their immunity from lawsuits by individuals who claimed to be victims of discrimination and denying the power of Congress to force states to carry out federal policies. Now, however, it overturned a decision of the Florida Supreme Court interpreting the state's election laws. Many observers did not expect the justices to consider the matter at all, since it did not seem to raise a federal constitutional question. They justified their decision by insisting that the "equal protection"

clause of the Fourteenth Amendment required that all ballots within a state be counted in accordance with a single standard, something impossible given the wide variety of machines and paper ballots used in Florida. Perhaps recognizing that this new constitutional principle threatened to throw into question results throughout the country—since many states had voting systems as complex as Florida’s—the Court added that it applied only in this single case.

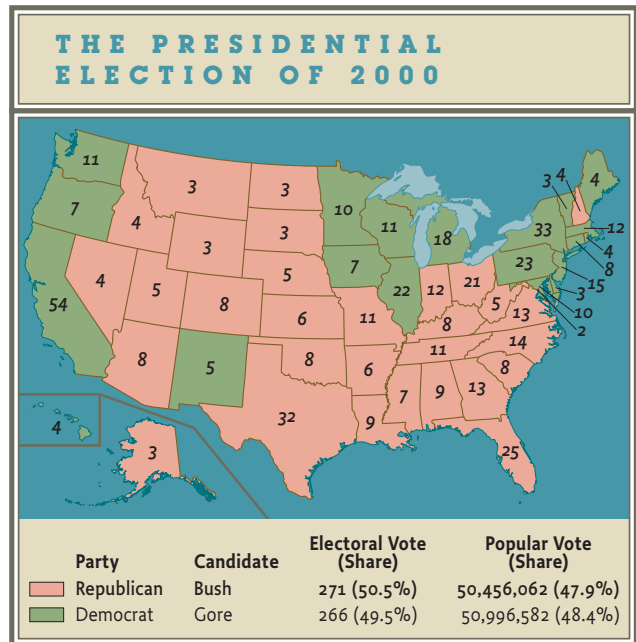
### THE 2000 RESULT

The most remarkable thing about the election of 2000 was not so much its controversial ending as the even division of the country it revealed. Bush and Gore each received essentially half of the popular vote. The final count in the electoral college stood at 271-266, the narrowest margin since 1876. The Senate ended up divided 50-50 between the two parties. But these figures concealed deep political and social fissures. Bush carried the entire South and nearly all the states of the trans-Mississippi farm belt and Rockies. Gore won almost all the states of the Northeast, Old Northwest, and West Coast. Residents of urban areas voted overwhelmingly for Gore. Rural areas went just as solidly for Bush. Members of racial minorities gave Gore large majorities, while white voters preferred Bush. The results also revealed a significant “gender gap.” Until the 1960s, women had tended to vote disproportionately Republican. In 2000, women favored Gore by 11 percent, while men preferred Bush by the same margin.

Democrats blamed the Supreme Court, Ralph Nader, and sheer bad luck for Bush’s narrow victory. Running as the candidate of the environmentalist Green Party, Nader had won tens of thousands of votes in Florida that otherwise may have gone to Gore. In one county, a faulty ballot design led several thousand Gore voters accidentally to cast their votes for independent conservative candidate Pat Buchanan. Had their votes been counted for Gore, he would have been elected president. But the largest reason for Gore’s loss of Florida was that 600,000 persons—overwhelmingly black and Latino men—had lost the right to vote for their entire lives after being convicted of a felony.

### A CHALLENGED DEMOCRACY

Coming at the end of the “decade of democracy,” the 2000 election revealed troubling features of the American political system at the close of the twentieth century. The electoral college, devised by the founders to enable the country’s prominent men rather than ordinary voters to choose the president, gave the White House to a candidate who did not receive the most votes an odd result in a political democracy. A country that prided itself on modern technology had a voting system in which citizens’ choices could not be reliably determined. Counting both congressional and presidential races, the campaign cost more than \$1.5 billion, mostly raised from wealthy individuals and corporate donors. This reinforced the widespread belief that money dominated the political system. It remained for future



"IT'S STILL A REPRESENTATIVE FORM OF  
GOVERNMENT—THEY REPRESENT US"



Another cartoon by Herbert Block, from 2000, suggests that democracy has been corrupted by the influence of “big money interests” on government.

generations to ponder the implications for democracy of the ever-closer connection between power in the economic marketplace and power in the marketplace of politics and ideas.

Evidence abounded of a broad disengagement from public life. As governments at all levels competed to turn their activities over to private contractors, and millions of Americans walled themselves off from their fellow citizens by taking up residence in socially homogeneous gated communities, the very idea of a shared public sphere seemed to dissolve. Organizations like parent-teacher associations, the Boy Scouts, and the Red Cross all suffered declining membership and volunteering. With politicians and political parties still in disrepute and neither candidate able to generate much enthusiasm, voter turnout remained far below that of other democracies. Nearly half the eligible voters did not bother to go to the polls, and in state and local elections, turnouts typically ranged between only 20 and 30 percent. More people watched the televised Nixon-Kennedy debates of 1960 than the Bush-Gore debates of 2000, even though the population had risen by 100 million. Both candidates sought to occupy the political center and relied on public-opinion polls and media consultants to shape their messages. Major issues like health care, race relations, and economic inequality went virtually unmentioned during the campaign.

## FREEDOM AND THE NEW CENTURY

The century that ended with the 2000 election witnessed vast human progress and unimaginable human tragedy. It saw the decolonization of Asia and Africa, the emergence of women into full citizenship in most parts of the world, and amazing advances in science, medicine, and technology. Thanks to the spread of new products, available at ever-cheaper prices, it brought more improvement in the daily conditions of life to more human beings than any other century in history. Worldwide life expectancy in the twentieth century rose from forty to sixty-seven years, and the literacy rate increased from 25 percent to 80 percent. This was the first century in which the primary economic activity for most of mankind moved beyond the acquisition of basic food, clothing, and shelter. But the twentieth century also witnessed the death of uncounted millions in wars and genocides and the widespread degradation of the natural environment, the underside of progress.

## EXCEPTIONAL AMERICA

In the United States, people lived longer and healthier lives in 2000 compared to previous generations, and they enjoyed a level of material comfort unimaginable a century before. In 1900, the average annual income was \$3,000 in today's dollars. The typical American had no indoor plumbing, no telephone or car, and had not graduated from high school. As late as 1940, one-third of American households did not have running water. In 2000, health conditions had improved so much that the average life expectancy for men had risen to seventy-four and for women to seventy-nine (from





forty-six and forty-eight in 1900). More than 14 million Americans attended college in 2000, more than three times the figure for 1960.

In 2000, nearly one American in seven was older than sixty-five. Certain to continue rising in the twenty-first century, this figure sparked worries about the future cost of health care and the economic stability of the Social Security system. But it also suggested that people would enjoy far longer and more productive periods of retirement than in the past. On the other hand, poverty, income inequality, and infant mortality in the United States considerably exceeded that of other economically advanced countries, and fewer than 10 percent of workers in private firms belonged to unions, a figure not seen since the nineteenth century.

Many of the changes affecting American life, such as the transformed role of women, the better health and longer lifespan of the population, the spread of suburbanization, and the decline of industrial employment, have taken place in all economically advanced societies. In other ways, however, the United States at the dawn of the twenty-first century differed sharply from other developed countries. Prevailing ideas of freedom in the United States seemed more attuned to individual advancement than to broad social welfare. In 2003, when asked whether it was more important for the government to guarantee freedom from want or freedom to pursue individual goals, only 35 percent of Americans selected freedom from want, as opposed to 58 percent in Germany, 62 percent in France and Great Britain, and 65 percent in Italy. The United States was a far more religious country. Sixty percent of Americans agreed with the statement, “religion plays a very important part in my life,” while the comparable figure was 32 percent in Britain, 26 percent in Italy, and only 11 percent in France. One in three Americans said he or she believed in the literal truth of the Bible, and half that the United States enjoys “special protection from God.” Religion and

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*At the beginning of the twenty-first century, more than 7 million American families lived in gated communities, where the wealthy, and some members of the middle class as well, walled themselves off from the rest of society. This one is in the Brentwood section of Los Angeles.*

nationalism reinforced one another far more powerfully in the United States than in the more secular nations of western Europe.

Other forms of American exceptionalism had a darker side. Among advanced countries, the United States has by far the highest rate of murder using guns. In 1998, the last year for which comparative statistics are available, there were 11,789 murders with guns in the United States, as opposed to 373 in Germany, 151 in Canada, 54 in Great Britain, and 19 in Japan. The United States continued to lag behind other countries in providing social rights to its citizens. In Europe, workers are guaranteed by law a paid vacation each year and a number of paid sick days. American employers are not required to offer either to their workers. Only four countries in the world have no national provision for paid maternity leave after a woman gives birth to a child: Liberia, Papua New Guinea, Swaziland, and the United States.

#### VARIETIES OF FREEDOM

In a speech at midnight on January 1, 2000 (strictly speaking, a year before the twenty-first century actually began), President Clinton proclaimed, “the great story of the twentieth century is the triumph of freedom and free people.” Freedom remained a crucial point of self-definition for individuals and society at large. When asked in a public-opinion survey what they were proudest of about America, 69 percent of respondents answered, “freedom.” Americans were increasingly tolerant of divergent personal lifestyles, cultural backgrounds, and religious persuasions. They enjoyed a degree of freedom of expression unmatched in virtually any country in the world. But their definition of freedom had changed markedly during the course of the twentieth century. Thanks to the rights revolution and the political ascendancy of antigovernment conservatives, the dominant definition of freedom stressed the capacity of individuals to realize their desires and fulfill their potential unrestricted by authority. Other American traditions—freedom as economic security, freedom as active participation in democratic government, freedom as social justice for those long disadvantaged—seemed to be in eclipse. Americans sought freedom within themselves, not through social institutions or public engagement.

It was an irony of late-twentieth-century life that Americans enjoyed more personal freedom than ever before but less of what earlier generations called “industrial freedom.” The sustained recovery from the recession of the early 1990s did not entirely relieve a widespread sense of economic insecurity. Globalization—which treated workers at home and abroad as interchangeable factors of production, capable of being uprooted or dismissed without warning—seemed to render individual and even national sovereignty all but meaningless. Since economic liberty has long been associated with economic security, and rights have historically been linked to democratic participation and membership in a nation-state, these processes had ominous implications for traditional understandings of freedom. It remained to be seen whether a conception of freedom grounded in access to the consumer marketplace and the glorification of individual self-fulfillment unrestrained by government, social citizenship, or a common public culture could provide an adequate way of comprehending the world of the twenty-first century.

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**SUGGESTED READING****BOOKS**

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## CHAPTER REVIEW

### REVIEW QUESTIONS

1. Why was the year 1989 one of the most momentous in the twentieth century?
2. Describe the different visions of the U.S. role in the post–Cold War world as identified by President George H. W. Bush and President Clinton.
3. Explain Clinton's political strategy of combining social liberalism with conservative economic ideas.
4. Describe the importance of human rights issues during the Clinton presidency.
5. Identify the factors that, in the midst of 1990s prosperity, increased the levels of inequality in the United States.
6. Assess the composition and impact of immigration in this period.
7. What main issues gave rise to the culture wars of the 1990s?
8. Assess the role of the Supreme Court in the presidential election of 2000.
9. What is globalization, and how did it affect the United States in the 1990s?



### FREEDOM QUESTIONS

1. Discuss the global events of 1989 in terms of freedom.
2. What was the meaning of Newt Gingrich's "Freedom Revolution"?
3. Discuss the role of human rights in American foreign policy during the Clinton years.
4. Describe several ways in which Americans viewed freedom around the year 2000.



## KEY TERMS

"new world order" (p. 1127)

Gulf War (p. 1130)

the Perot candidacy (p. 1131)

Contract with America (p. 1132)

North American Free Trade Agreement (p. 1132)

welfare reform (p. 1134)

Oslo Accords (p. 1134)

Balkan crisis (p. 1134)

"ethnic cleansing" (p. 1135)

*Patterson v. McLean Credit Union* (p. 1151)

"tough on crime" movement (p. 1152)

Americans with Disabilities Act (p. 1154)

multiculturalism (p. 1155)

Defense of Marriage Act (p. 1157)

Clinton impeachment (p. 1159)

## REVIEW TABLE

### *The New Diversity of America*

Group	Origins	Population in 2000	Demographics
Latinos	Mexico, Caribbean, Central and South America	35 million	Largest minority group in the United States as of 2001
Asian-Americans	Korea, China, South-east Asia, Japan	11.9 million	Fastest-growing immigrant group in America
African-Americans	Africa, Caribbean	36.4 million	Majority still live in the South and three-fifths of all blacks live in only ten states
Indians	North America	4 million	Growth from natural births as well as a renewed sense of pride identifying oneself as Indian