

# The Modern World

*The 20<sup>th</sup> Century since 1945: Promises and Paradoxes (1945–Present)*



**Economics and integration**

**Population and resources**

**A global society**

**Contemporary conflicts**

## Thematic Icons



**Economics and business**



**Geography and environment**



**Historical concepts and questions**



**Politics, government and citizenship**



**Religion and thought**



**Society and culture**



**War, diplomacy and foreign policy**

**Icons:** For more detailed instructions, see the *User Guide*



Flash activity (these activities are not editable)



Teacher notes included in the Notes page



By the end of this section, you will have learned about post-World War II economic development and political integration and be able to answer these key questions:

- What was the economic Golden Age?
- What were the impacts of economic growth around the world?
- What effects have increasing integration and globalization had?



In order to contextualize the modern world, use this timeline to recap previous key historical events.  
Either press on a date or drag the pointer along the timeline to find out information about what happened in each year.

Press **start** to begin.

**start**





# An economic Golden Age



Since World War II, the world has undergone massive changes. Countries are now much more politically, socially and economically interdependent.

After over 20 years of instability, economic stagnation and war, the 1950s and 1960s were a period of unprecedented economic growth, prosperity and rises in living standards. This was particularly true in the U.S., but also applied to Europe and other western nations. This period has been referred to as a **Golden Age** of economic prosperity.



Why do you think this period is called a Golden Age?



The war devastated much of Europe, both physically and economically. After coming through harsh austerity measures in the immediate aftermath of the war, Europe soon entered into a period of rapid economic growth and prosperity.

**Marshall Plan** policies allowed for over \$20 billion in aid to be given to Western Europe by 1960 for rebuilding and growth.

European governments also took on an increased role in managing their own economies. In postwar Britain, the coal, steel, railroad and healthcare industries were **nationalized**. This led to large influxes of government capital into the economy.



Japan also had to be rebuilt. How was this done?



**Cold War** divisions meant that Eastern and Western Europe developed along very different economic lines after World War II. The West embraced capitalism and the East was managed under a communist system.

Drag each statement to the correct place, depending on whether it refers to the economy of Eastern or Western Europe.

Press **start** to begin.

**start**

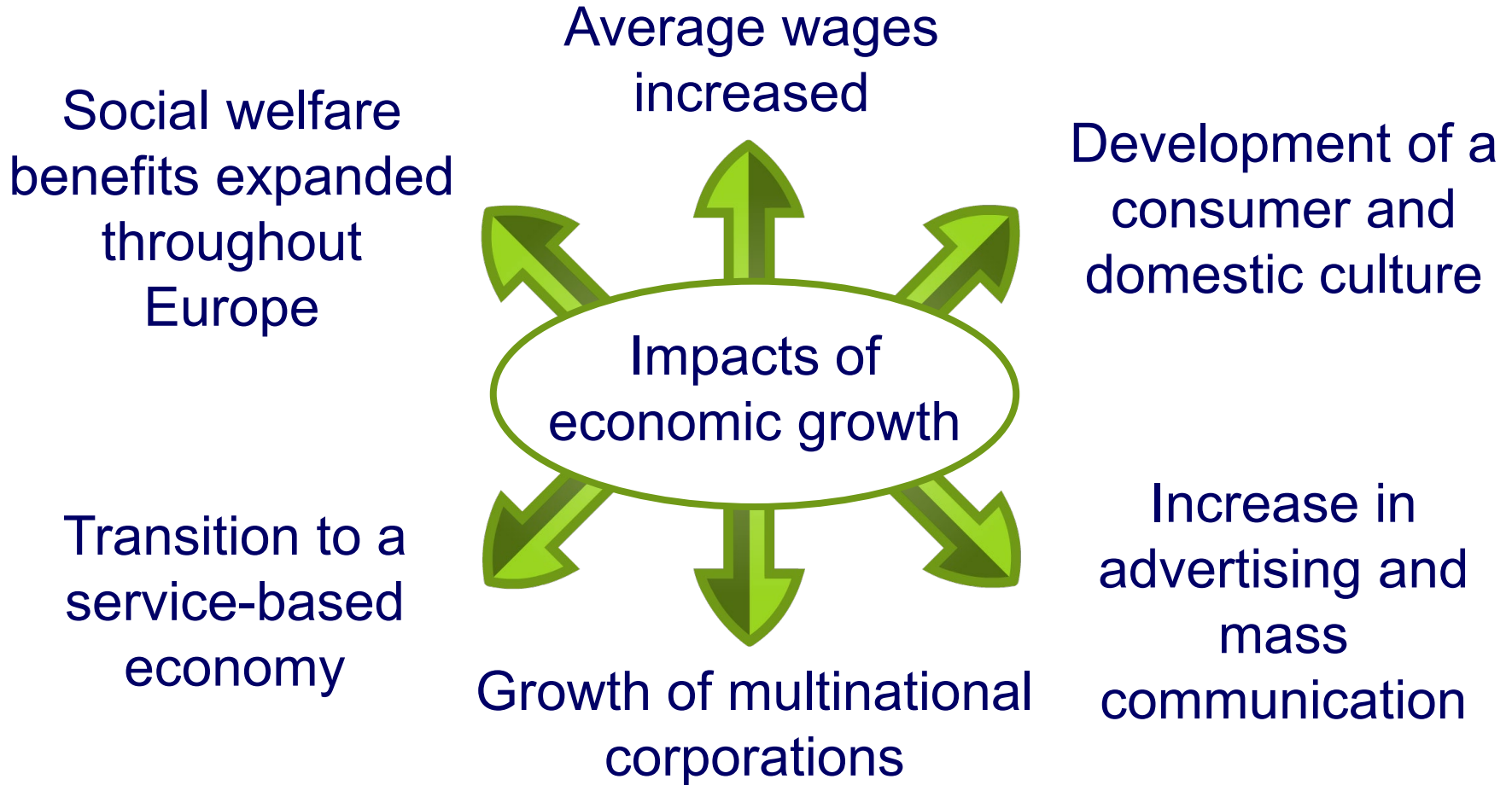




# Impacts of economic growth



Economic growth in the West had many impacts and effects:



How did economic growth affect the average person?







# Oil supply and demand



In the globalized economy, raw materials for energy and manufacturing became precious commodities. The following map of the world shows the largest importers and exporters of oil in the 1970s.

Use the information contained on the map to answer the questions.

Press **start** to begin.

start



What might happen if countries stopped exporting oil?





In October 1973, OPEC put an **embargo** on oil exportation to the U.S. and Europe in reaction to the U.S. support of Israel during the **Yom Kippur War** in the Middle East.



This led to a global shortage of oil. As the oil supply decreased but demand stayed the same, prices also increased and added to the economic uncertainty caused by the embargo.

The embargo was lifted in 1974. However, oil prices remained high and the West's Golden Age ended, with economic stagnation continuing throughout the 1970s.

How has the world economy changed since then?



# World GDP and population



World population increases have occurred steadily over time, but have started to rise quicker since World War II. However, beginning in the postwar era, overall world **GDP** has increased rapidly.

Press the buttons to examine these graphs showing world GDP growth and world population growth between 1800 and 2000.

Press **start** to begin.

**start**



Are population growth and GDP connected?



Closer economic and political integration between countries has become an important part of postwar global affairs, and has been particularly strong in Europe. Watch this animation to find out about European integration.

Press **start** to begin.

start



What are the pros and cons of free trade?

Other regions also set up trade agreements. In 1994, the **North American Free Trade Agreement (NAFTA)** between the U.S., Canada and Mexico came into effect.

NAFTA removed barriers to trade and set policies to increase trade between the nations. The treaty still holds strong today.

There have been discussions to expand NAFTA to create the **Free Trade Area of the Americas (FTAA)** with Latin America, but talks for this have faltered and no agreements have been reached.

 **What other free trade zones and trade blocs are there?** 



At the end of the Cold War, the U.S. was left in such a position of global dominance that it can be regarded as a **hyperpower**.



From the 1980s, the U.S. had shifted politically to the right, as social issues became more prominent and the country faced economic problems, particularly budget deficit.

Europe was also affected by the economic slowdown from the 1970s onwards, but its major countries – Britain, France and Germany – took different approaches to managing the situation. Over time, Europe has moved economically more to the right, but still with a strong belief in the **welfare state**.

Who were the leaders of these countries at this time?



**Globalization** is the increased interdependence of the world economies and the breaking down of social and cultural barriers. However, it is a complex and divisive issue. While globalization has many benefits, it also has some drawbacks. Decide whether each statement describes a pro or a con of globalization, then drag it to the appropriate space.

Press **start** to begin.

start



Are there any other pros and cons of globalization?



Economic growth and integration were important parts of an increasingly connected world following World War II. Decide whether you think these statements are true or false.

Press **start** to begin.

**start**

