



NOTES

SOCIAL SCIENCE

(HISTORY)

THE MAKING OF A GLOBAL WORLD



**REVISION NOTES
CHAPTERWISE &
TOPICWISE**

Chapter 3: The Making of a Global World

Concepts Covered:

1. The Pre-Modern world

- Introduction
 - Globalisation and ancient travellers
- Silk route links the world
- Food travels : Spaghetti and Potato
 - Important new crops
- Conquest, Disease and Trade
 - Discovery and Colonisation of America
 - Disease and Europeans conquest to America
 - Change in Economic powers

2. The Nineteenth Century (1815-1914)

- Three types of flows in economic exchanges
- A world economy takes shape
 - Demand supply and price
 - Corn laws and its abolition
 - Situation of World economy
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- Role of Technology
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- Rinderpest, or the Cattle Plague
 - Impact of Rinderpest in Africa
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 Future's Key

Fukey Education

THE PRE-MODERN WORLD

Introduction

Globalisation and ancient travellers

The making of the global world has a long history – of trade, of migration, of people in search of work, the movement of capital, and much else.

- From ancient times Travellers, traders, priests, and pilgrims travelled for knowledge, opportunity, and spiritual fulfilment, or to escape persecution.
- They carried goods, money, values, skills, ideas, inventions, and even germs and diseases.



Silk route links the world

Silk Routes are good example of vibrant pre-modern trade and cultural links between distant parts of the world.

- Historians have identified several silk routes, over land and by sea, knitting together vast regions of Asia, and linking Asia with Europe and northern Africa.
- They are known to have existed since before the Christian Era and thrived almost till the fifteenth century.
- Chinese pottery also travelled the same route, as did textiles and spices from India and Southeast Asia. In return, precious metals - gold and silver- flowed from Europe to Asia.



THE MAKING OF A GLOBAL WORLD**THE PRE-MODERN WORLD**

- Christian missionaries almost certainly travelled this route to Asia. Muslim preachers came from these routes.
- Buddhism emerged from eastern India and spread in several directions through intersecting points on the silk routes.

Food travels: Spaghetti and Potato

Traders and travellers introduced new crops to the lands they travelled. Noodles from China travelled to the west and came to be known as Spaghetti. Arab traders took pasta to fifth-century Sicily, an island now in Italy.

Christopher Columbus accidentally discovered America's (North and South). Many of our common foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies, sweet potatoes, and so on were not known to our ancestors until about five centuries ago. In fact, many of our common foods came from America's original inhabitants - the American Indians.

Important new crops

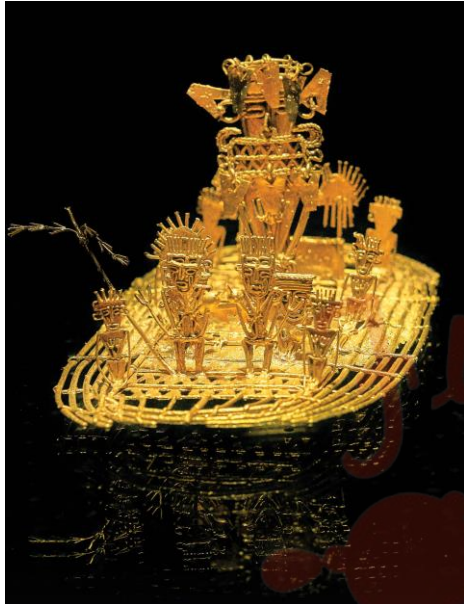
The new crops could make the difference between life and death.

The introduction of potatoes made this possible.

- Europe's poor began to eat better and live longer with the introduction of the humble potato.
- Ireland's poorest peasants became so dependent on potatoes that when disease destroyed the potato crop in the mid-1840s, hundreds of thousands died of starvation.

Conquest, Disease and Trade**Discovery and Colonisation of America**

European sailors found a sea route to Asia and also successfully crossed the western ocean to America. Vast lands and abundant crops and minerals began to transform trade and lives everywhere.



- Precious metals, particularly silver, from mines located in present day Peru and Mexico also enhanced Europe's wealth and financed its trade with Asia.
- Expeditions of EL Dorado (City of gold).

Disease and Europeans conquest to America

- European conquest was not just a result of superior firepower.
- In fact, the most powerful weapon of the Spanish conquerors was the germs such as those of smallpox that they carried on their person.
- America's original inhabitants had no immunity against these diseases that came from Europe.
- Smallpox in particular proved & deadly killer.

Change in Economic powers

- Until well into the eighteenth century, China and India were among the world's richest countries.
- They were also pre-eminent in Asian trade.
- However, from the fifteenth century, China is said to have restricted overseas contacts and retreated into isolation.
- China's reduced role and the rising importance of the Americas gradually moved the centre of world trade westwards.
- Europe now emerged as the centre of world trade.

THE NINETEENTH CENTURY (1815-1914)

Three types of flows in economic exchanges

Flow of Trade

Referred largely to trade in goods

Example., cloth or wheat.

Flow of Labour

The migration of people in search of employment.

Flow of Capital

Short-term or long-term investments over long distances.

All three flows were closely interwoven and affected people's lives more deeply now than ever before.

- The interconnections could sometimes be broken.
- For example, labour migration was often more restricted than goods or capital flows.



A world economy takes Shape

Traditionally, countries liked to be self-sufficient in food. But in nineteenth-century Britain, self-sufficiency in food meant lower living standards and social conflict.

Demand supply and price

- Rapid increase in population resulted in increase in the demand of food grains.
- As urban centres expanded and industry grew, the demand for agricultural products went up, pushing up food grain prices.
- Under pressure from landed groups, the government also restricted the import of corn.
- The laws allowing the government to do this were commonly known as the Corn Laws.

Corn laws and its abolition

- Unhappy with high food prices, industrialists and urban dwellers forced the abolition of the Corn Laws.
- Food could be imported into Britain more cheaply than it could be produced within the country. British agriculture was unable to compete with imports.

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THE NINETEENTH CENTURY (1815-1914)

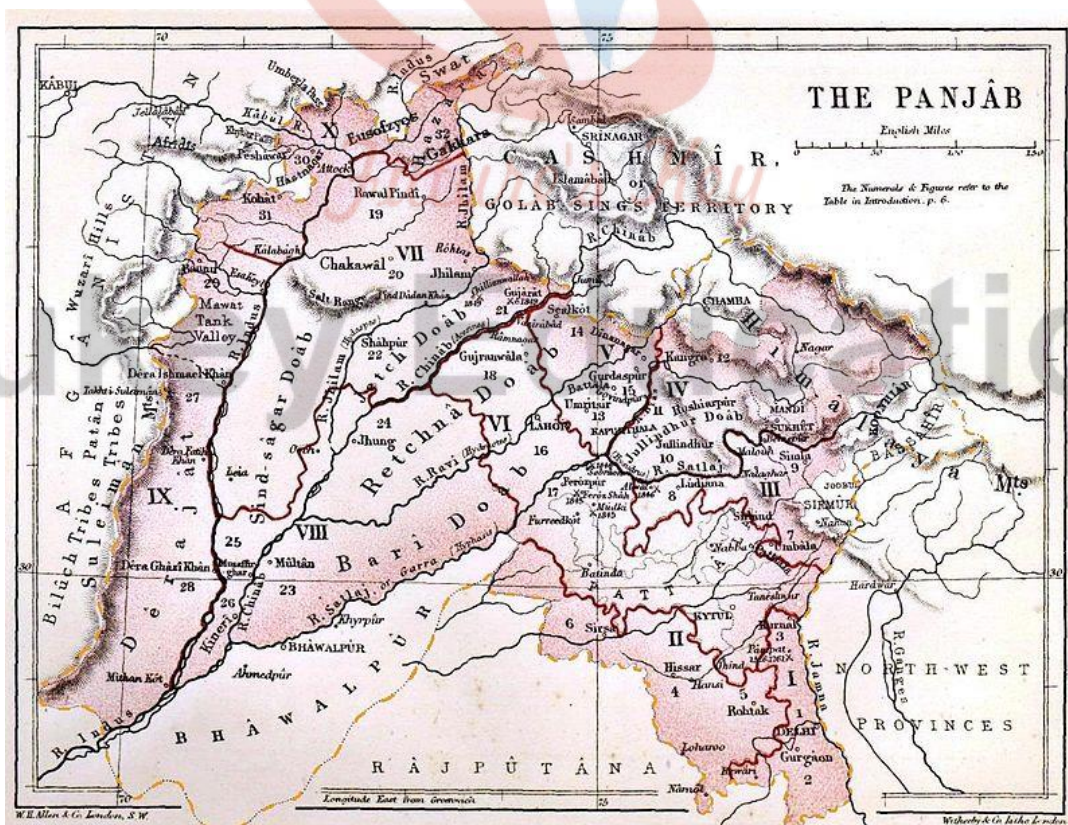
- Vast areas of land were now left uncultivated, and thousands of men and women were thrown out of work.
- They flocked to the cities or migrated overseas.

Situation of World economy

- Migration was taking place on large scale for farming on Newlands.
- Railways were needed to link the agricultural regions to the ports.
- New harbours had to be built and old ones expanded to ship the new cargoes.
- People had to settle on the lands to bring them under cultivation.
- This meant building homes and settlements.

Thus, by 1890, a global agricultural economy had taken shape, accompanied by complex changes in labour movement patterns, capital flows, ecologies and technology. Food no longer came from a nearby village or town, but from thousands of miles away. It was not grown by a peasant tilling his own land, but by an agricultural worker. It was transported by railway, built for that very purpose, and by ships.

Situation of Indian economy



THE MAKING OF A GLOBAL WORLD**THE NINETEENTH CENTURY (1815-1914)**

Here the British Indian government built a network of irrigation canals to transform semidesert wastes into fertile agricultural lands that could grow wheat and cotton for export.

The Canal Colonies

- The Canal Colonies were settled by peasants from other parts of Punjab.
- Similar story can be traced for cotton and rubber.

Role of Technology

The railways, steamships the telegraph, for example, were important inventions without which we cannot imagine the transformed nineteenth-century world.

Advancement in technology

Before 1870, animals were shipped live from America to Europe and then slaughtered when they arrived there. But live animals took up a lot of ship space. Many also died in voyage, fell ill, lost weight, or became unfit to eat. Meat was hence an expensive luxury beyond the reach of the European poor.

The development of new technology like Refrigerated ships enabled the transport of perishable foods over long distances. Now animals were slaughtered for food at the starting point-in America, Australia, or New Zealand - and then transported to Europe as frozen meat. This reduced shipping costs and lowered meat prices in Europe. The poor in Europe could now consume a more varied diet. Better living conditions promoted social peace within the country and support for imperialism abroad.

Late Nineteenth-century Colonialism

Trade flourished and markets expanded during the late Nineteenth Century. There was a darker side to this process. The expansion of trade and a closer relationship with the world economy also meant a loss of freedoms and livelihoods.

European conquests produced many painful economic, social, and ecological changes through which the colonised societies were brought into the world economy.

Rinderpest, or the Cattle Plague

Africa had abundant land and a relatively small population. Land and livestock sustained African livelihoods, and people rarely worked for a wage. In late nineteenth-century Africa, there were few consumer goods that wages could buy. Attracted by the vast resources of land and minerals in Africa, Europeans arrived in Africa, and they faced a shortage of labour willing to work for wages.

- Employers used many methods to recruit and retain labour.
- Heavy Taxes were imposed which could be paid only by working for wages on plantations and mines.
- Inheritance laws were changed only one member of a family was allowed to inherit land, as a result of which the others were pushed into the labour market.
- Mineworkers were also confined in compounds and not allowed to move about freely.



Rinderpest arrived in Africa in late 1880's. It was carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa. After entering Africa in the east, rinderpest moved west 'like forest fire', reaching Africa's Atlantic coast in 1892. It reached the Cape (Africa's southernmost tip) five years later. Rinderpest killed 90 per cent of the cattle.

Impact of Rinderpest in Africa

- The loss of cattle destroyed African livelihoods.
- Planters, mine owners and colonial governments now successfully monopolised what scarce cattle resources remained, to strengthen their power and to force Africans into the labour market.
- Control over the scarce resource of cattle enabled European colonists to conquer and subdue Africa.

Indentured Labour Migration from India

THE MAKING OF A GLOBAL WORLD**THE NINETEENTH CENTURY (1815-1914)**

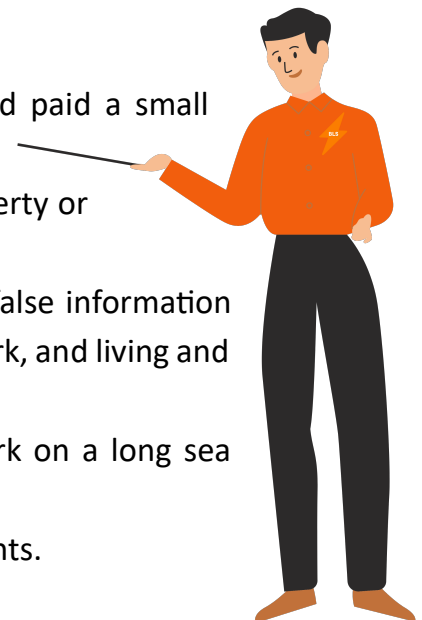
A bonded labourer under contract to work for an employer for a specific amount of time, to pay off his passage to a new country or home is known as Indentured labour. Labours from India went to work on plantations, in mines, and in road and railway construction projects around the world.

In India, indentured labourers were hired under contracts which promised return travel to India after they had worked five years on their employer's plantation. Most Indian indentured workers came from the present-day regions of eastern Uttar Pradesh, Bihar, central India and the dry districts of Tamil Nadu.

The main destinations of Indian indentured migrants were the Caribbean islands (mainly Trinidad, Guyana, and Surinam), Mauritius and Fiji. Tamil migrants went to Ceylon and Malaya. Indentured workers were also recruited for tea plantations in Assam.

Recruitment of Indentured labour

- Recruitment was done by agents engaged by employers and paid a small commission.
- Many migrants agreed to take up work hoping to escape poverty or oppression in their home villages.
- Agents also tempted the prospective migrants by providing false information about final destinations, modes of travel, the nature of the work, and living and working conditions.
- Often migrants were not even told that they were to embark on a long sea voyage.
- Sometimes agents even forcibly abducted fewer willing migrants.

**Survival of Indentured labour**

- Many of them escaped into the wilds, though if caught they faced severe punishment.
- Others developed new forms of individual and collective self-expression, blending different cultural forms, old and new.
- In Trinidad the annual Muharram procession was transformed into a riotous carnival called 'Hosay' (for Imam Hussain) in which workers of all races and religions joined.
- Similarly, the protest religion of Rastafarianism (made famous by the Jamaican reggae star Bob Marley) is also said to reflect social and cultural links with Indian migrants to the Caribbean.
- 'Chutney music', popular in Trinidad and Guyana, is another creative contemporary expression of the post-indenture experience.

Indentured labour in the Modern World

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THE NINETEENTH CENTURY (1815-1914)



- Most indentured workers stayed on after their contracts ended or returned to their new homes after a short spell in India.
- There are large communities of people of Indian descent in these countries.
- India's nationalist leaders began opposing the system of indentured labour migration as abusive and cruel. It was abolished in 1921.

Indian Entrepreneurs abroad

- The Indian Bankers the Shikari Puri shroffs and Nattukottai Chettiars were amongst the many groups of bankers and traders who financed export agriculture in Central and Southeast Asia, using either their own funds or those borrowed from European banks.
- They had a sophisticated system to transfer money over large distances, and even developed indigenous forms of corporate organisation.
- Indian traders and moneylenders also followed European colonisers into Africa. Example: Hyderabad Sindhi traders and their flourishing trade

Indian Trade, Colonialism and Global system

Traditionally fine cottons produced in India were exported to Europe. After industrial revolution, British cotton manufacture began to expand, and industrialists pressurised the government to restrict cotton imports and protect local industries. Tariffs were imposed on cloth imports into Britain. The inflow of fine Indian cotton began to decline, and the outflow of machine-made British goods increased.

While exports of manufactures declined rapidly, export of raw materials increased equally fast.

Example: - Between 1812 and 1871, the share of raw cotton exports rose from 5 per cent to 35 per cent.

The value of British exports to India was much higher than the value of British imports from India. Britain used this surplus to balance its trade deficits with other countries - that is, with countries from which Britain was importing more than it was selling to.

Britain's trade surplus in India also helped pay the so-called 'home charges'. Including private remittances home by British officials and traders, interest payments on India's external debt, and pensions of British officials in India



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THE INTER-WAR ECONOMY

First World-War

First world war (1914-18) was mainly fought in Europe. But its impact was felt all around the world. During this period, the world experienced widespread economic and political instability, and another catastrophic war.

Wartime Transformations

The fighting involved the world's leading industrial nations, which now harnessed the vast powers of modern industry to inflict the greatest possible destruction on their enemies.

First World War as Modern Industrial War

- It saw the use of machine guns, tanks, aircraft, chemical weapons, etc. on a massive scale.
- These were all increasingly products of modern large-scale industry.
- To fight the war, millions of soldiers had to be recruited from around the world and moved to the frontline on large ships and trains.
- The scale of death and destruction - 9 million dead and 20 million injured - was unthinkable before the industrial age, without the use of industrial arms.

Impact of First World-War

1. The killed and maimed were men of working age.
 - Reduced able - bodied work force in Europe
 - Household incomes declined after the war
2. Industries were restructured to produce war related goods
 - As men went to battle, women stepped in to undertake jobs that earlier only men were expected to do.
3. The war led to the snapping of economic links between some of the world's largest economic powers which were now fighting each other.
4. U.S became an international creditor.
 - Britain borrowed large sums of money from US banks as well as the US public.
 - The US and its citizens owned more overseas assets than foreign governments and citizens owned in the US.



Post-War Recovery

Position of Britain

Britain which was the world's leading economy in the pre-war period, in particular, faced a prolonged crisis.

- While Britain was preoccupied with war, industries had developed in India and Japan.
- After the war, Britain found it difficult to recapture its earlier position of dominance in the Indian market, and to compete with Japan internationally.
- To finance war expenditures, Britain had borrowed liberally from the US. at the end of the war, Britain was burdened with huge external debts.

Increase in the unemployment

- When the war boom ended, production contracted, and unemployment increased.
- At the same time, the government reduced bloated war expenditures to bring them into line with peacetime revenues.
- These developments led to huge job losses in 1921 one in every five British workers was out of work.
- Indeed, anxiety and uncertainty about work became an enduring part of the post-war scenario.



Crisis in Agricultural Economies

- Before the war, Eastern Europe was a major supplier of wheat in the world market.
- When this supply was disrupted during the war, wheat production in Canada, America and Australia expanded dramatically.
- But once the war was over, production in Eastern Europe revived and created a glut in wheat output.
- Grain prices fell, rural incomes declined, and farmers fell deeper into debt.

Rise of Mass production and Consumption

In U.S.A., recovery was quicker. One important feature of the US economy of the 1920s was mass production.

Mass Production

- Pioneer of mass production was the car manufacturer Henry Ford.

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THE INTER-WAR ECONOMY

- He adopted the assembly line of a Chicago slaughterhouse, (in which slaughtered animals were picked apart by butchers as they came down a conveyor belt) to his new car plant in Detroit.
- He realised that the 'assembly line' method would allow a faster and cheaper way of producing vehicles.
- The assembly line forced workers to repeat a single task mechanically and continuously-such as fitting a particular part to the car at a pace dictated by the conveyor belt.
- Standing in front of a conveyor belt, no worker could afford to delay the motions, take a break, or even have a friendly word with a workmate.

Impact of Mass production

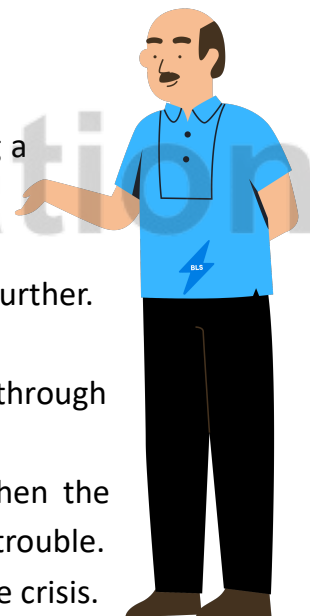
Mass production lowered costs and prices of engineered goods. Thanks to higher wages, more workers could now afford to purchase durable consumer goods such as cars. There was a spurt in the purchase of refrigerators, washing machines, radios, gramophone players, all through a system of higher purchase (i.e., on credit repaid in weekly or monthly instalments. Boom in house construction and homeownership, financed once again by loans.

The Great Depression (1929 - 1930s)

During this period most parts of the world experienced Catastrophic declines in production, employment, incomes, and trade. Agricultural regions and communities were the worst affected. This was because the fall in agricultural prices was greater and more prolonged than that in the prices of industrial goods.

Reasons for the Great depression

1. Agricultural overproduction remained a problem.
 - As prices slumped, farmers tried to expand production and firing a larger volume of produce to the market to maintain their overall income.
 - This worsened the glut in the market, pushing down prices even further.
2. Withdrawal of US loan
 - In the mid-1920s, many countries financed their investments through loans from the US.
 - While it was often extremely easy to raise loans in the US when the going was good, US overseas lenders panicked at the first sign of trouble.
 - Countries that depended crucially on US loans now faced an acute crisis.



THE MAKING OF A GLOBAL WORLD**THE INTER-WAR ECONOMY****USA and the Great Economic Depression**

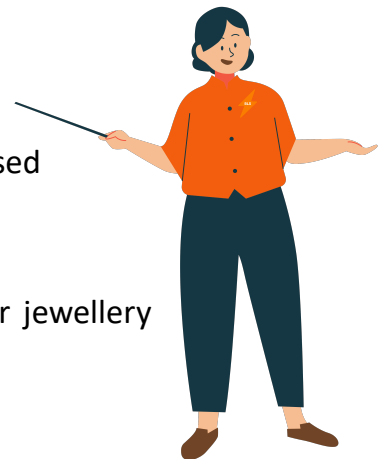
- The withdrawal of US loans affected much of the rest of the world, though in different ways.
- In Europe it led to the failure of some major banks and the collapse of currencies such as the British pound sterling.
- In Latin America, and elsewhere, it intensified the slump in agricultural and raw material prices.
- The US attempt to protect its economy in the depression by doubling import duties also dealt another severe blow to world trade.

India and the Great Depression

Peasants and farmers suffered more than urban dwellers.

Impact in Rural areas

- Agricultural prices fell sharply, and the colonial government refused to reduce revenue demands.
- Across India, peasants' indebtedness increased.
- They used up their savings, mortgaged lands, and sold whatever jewellery and precious metals they had to meet their expenses.

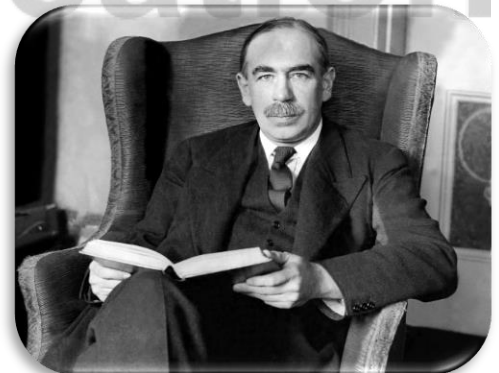
**Impact in urban areas**

The depression proved less grim for urban India.

- Because of falling prices, those with fixed incomes (say town-dwelling landowners who received rents and middle-class salaried employees) now found themselves better off.
- Industrial investment also grew as the government extended tariff protection to industries, under the of nationalist opinion.

Role of India in recovery from depression

- In these depression years, India became an exporter of precious metals, notably gold.
- The famous economist John Maynard Keynes thought that Indian gold exports promoted global economic recovery.
- They certainly helped speed up Britain's recovery but did little for the Indian peasant.
- Rural India was thus seething with unrest when Mahatma Gandhi launched the civil disobedience movement at the height of the depression in 1931.



REBUILDING A WORLD ECONOMY: POST-WAR ERA

Second world war (1939-45)

There were basically two groups: -

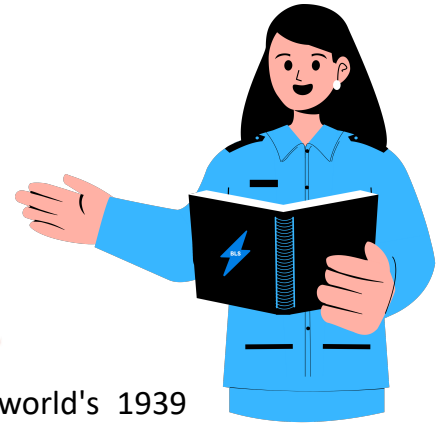
Axis power

Nazi Germany, Japan, and Italy.

Allies power

Britain, France, the Soviet Union, and the US.

- Death and destruction were enormous.
- At least 60 million people, or about 3 per cent of the world's 1939 population, are believed to have been killed, directly or indirectly, as a result of the war.
- Millions more were injured.



Impact of Second World War

- Many more civilians than soldiers died from war-related causes.
- Vast parts of Europe and Asia were devastated, and several cities were destroyed by aerial bombardment or relentless artillery attacks.
- The war caused an immense amount of economic devastation and social disruption.
- Two crucial influences shaped post-war reconstruction: -
 - US's emergence as the dominant economic, political, and military power in the Western world.
 - The dominance of the Soviet Union.

Post-war settlement and the Bretton Woods institutions

Economists and Politicians drew two key lessons from inter-war economic experiences.

- Mass production needs mass consumption.
- Country's economic link with outside world should be controlled by government.

The main aim of the post-war international economic system was to preserve economic stability and full employment in the industrial world.

Its framework was agreed upon at the United Nations Monetary and Financial Conference held in July 1944 at Bretton Woods in New Hampshire, USA.



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REBUILDING A WORLD ECONOMY: POST-WAR ERA

Conference of Bretton Woods

- International Monetary Fund (IMF) was established to deal with external surpluses and deficits of its member nations.
- The International bank for reconstruction and development (World Bank) was set up to finance post-war reconstruction.
- The IMF and the World Bank are referred to as the Bretton Woods institutions, or sometimes the Bretton Woods twins.
- The post-war international economic system is also often described as the Bretton Woods system.
- The IMF and the World Bank commenced financial operations in 1947.
- Decision-making in these institutions is controlled by the Western industrial powers. The US has an effective right of veto over key IMF and World Bank decisions.



Working of Bretton Woods system

- The international monetary system is the system linking national currencies and monetary system.
- The Bretton Woods system was based on fixed exchange rates.
- In this system, national currencies,
For example, the Indian rupee, were pegged to the dollar at a fixed exchange rate.
- The dollar itself was anchored to gold at a fixed price of ₹ 35 per ounce of gold.

The early post-war years

The Bretton Woods system inaugurated an era of unprecedented growth of trade and incomes for the Western industrial nations and Japan.

- World trade grew annually at over 8 per cent between 1950 and 1970 and incomes at nearly 5 per cent.
- The growth was also mostly stable, without large fluctuations.
- For much of this period the unemployment rate, for example, averaged less than 5 per cent in most industrial countries.

Therefore, they invested vast amounts of capital, importing industrial plant and equipment featuring modern technology.

Decolonisation and Independence

THE MAKING OF A GLOBAL WORLD**REBUILDING A WORLD ECONOMY: POST-WAR ERA**

After the second world war, in the next two decades, most colonies in Asia and Africa emerged as free, independent nations. They were, however, overburdened by poverty and a lack of resources, and their economies and societies were handicapped by long periods of colonial rule.

The IMF and the World Bank were designed to meet the financial needs of the industrial countries. They were not equipped to cope with the challenge of poverty and lack of development in the former colonies. But as Europe and Japan rapidly rebuilt their economies, they grew less dependent on the IMF and the World Bank. Thus, from the late 1950s, the Bretton Woods institutions began to shift their attention more towards developing countries.

Challenges faced by newly independent countries.

- As colonies, many of the less developed regions of the world had been part of Western empires.
- Now, ironically, as newly independent countries facing urgent pressures to lift their populations out of poverty, they came under the guidance of international agencies dominated by the former colonial powers.
- Even after many years of decolonisation, the former colonial powers still controlled vital resources such as minerals and land in many of their former colonies.
- Large corporations of other powerful countries, for example the US, also often managed to secure rights to exploit developing countries' natural resources very cheaply.
- At the same time, most developing countries did not benefit from the fast growth the Western economies experienced in the 1950s and 1960s.
- Therefore, they organised themselves as a group - the Group of 77 (or G-77) - to demand a new international economic order (NIEO).
- By the NIEO they meant a system that would give them real control over their natural resources, more development assistance, fairer prices for raw materials, and better access for their manufactured goods in developed countries' markets.

**End of Bretton Woods and the beginning of Globalisation**

There was collapse of the system of fixed exchange rates and the introduction of a system of floating exchange rates because from the 1960s, the rising costs of its overseas involvements weakened the US's finances and competitive strength. The US dollar now no longer commanded confidence as the world's principal currency. It could not maintain its value in relation to gold.

THE MAKING OF A GLOBAL WORLD**REBUILDING A WORLD ECONOMY: POST-WAR ERA****Changes in the International Financial System**

- Earlier, developing countries could turn to international institutions for loans and development assistance.
- But now they were forced to borrow from Western commercial banks and private lending institutions.
- This led to periodic debt crises in the developing world, and lower incomes and increased poverty, especially in Africa and Latin America.
- In the last two decades the world's economic geography has been transformed as countries such as India, China and Brazil have undergone rapid economic transformation.



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THE MAKING OF A GLOBAL MIND MAP

