

## *The Making of a Global World*

### **What is Globalisation?**

Movement of people, goods and services across the nations has been termed as Globalisation.

- ✓ Trade and cultural relation with outside world is not a modern phenomenon. People from Harappa civilization also traded with west Asia and Egypt. Other ancient kingdoms like Mauryas and Guptas also maintained trade and cultural relation with outside world.

### **Silk Route-**

**What was the importance of silk route? OR**

**How did Silk route link the world? Explain with examples.**

- ✓ Silk routes were a series of ancient trade networks that connected china with countries in Europe and Asia.
- ✓ Silk route was used by the Chinese to export silk to other countries.
- ✓ The silk routes are a good example of pre modern trade and cultural links.
- ✓ These routes were not only used for trade relations but also for cultural exchange.
- ✓ These routes were also used by Christian missionaries and Muslim preachers to propagate their religion.
- ✓ Buddhism that emerged in eastern India also spread in several direction through the silk routes.

**Trade not only led to the cultural exchange, food also travelled from one place to another.**

**Spaghetti-** it is believed that Noodles travelled from china to become spaghetti in Europe.

Potatoes, groundnuts, soya, maize, tomatoes, chillies were introduced in Asia and Europe from Americas. All these details are based on assumption, we don't have clear evidences to suggest the origin of these food items.

### **Changes that occurred after 16<sup>th</sup> century-**

- ✓ The pre modern world shrank greatly after 16<sup>th</sup> century because of changing trade pattern throughout the world.
- ✓ European sailors found a sea route through Indian ocean to India and other Asian countries.
- ✓ Europeans also successfully crossed the Atlantic ocean and reached Americas.
- ✓ Precious metals specially silver from Americas helped Europeans to further improve their trade relations with Asia.

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- ✓ Portuguese and Spanish established many colonies in Americas.

**Note-** It was not the superior military power that helped Europeans establish their control over Americas, it was the germs that were brought by Europeans that killed most of the population of Americans, Especially the Small Pox.

### How the discovery of Americas helped Europeans?

- ✓ Until 19<sup>th</sup> century, poverty and hunger was common in Europe.
- ✓ Because of poor living condition in Europe, thousands of people fled to Americas (Poverty, diseases and religious conflicts were common in Europe).
- ✓ Introduction of potato and other food items from Americas improved the diet of people in Europe.
- ✓ Silver from Americas was used for trade with Asia.
- ✓ By 18<sup>th</sup> century African slaves were used to grow cotton and sugar for European markets in Americas.
- ✓ Europe emerged as the centre of world trade.

**Note-** Until 18<sup>th</sup> century, china and India were the world's richest countries.

### There were three type of movements in the world economy-

1. **The flow of trade-** It is related to the trade of goods. For example- Food import by Britain from Russia and America during 19<sup>th</sup> century.
2. **The flow of Labour-** Migration of people in search of employment.
3. **The movement of capital-** Movement of capital for short term and long term investment over large distances.

### The case of Britain

- ✓ As the urban centre expanded in Britain the demand for food went up.
- ✓ This increase in demand led to the increase in the food prices.
- ✓ Under pressure from landed group, government restricted the import of corn. These laws were popularly known as **corn laws**.

#### **Corn laws were soon abolished because-**

- ❖ Restriction led to high food prices.
- ❖ Agriculture produce in Britain was unable to meet the demand.
- ❖ Industrialists and urban dwellers were unhappy with the decision of govt.

#### **Scrapping of corn laws led to-**

- Free trade of food grains.
- British agriculture was unable to compete with imported food.

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- Vast areas of land were left uncultivated, thousands of men and women thrown out of job.
  - Eastern Europe, Americas and Russia became the food exporter to Britain.
  - Large population migrated from Europe to Americas and Australia.
  - Railways, ships and harbors were constructed for import of food grains in Britain.
  - London became the financial hub of the world.
- ✓ **By 1890 a global agricultural economy has taken place.**
1. Food material started flowing from far away places after scrapping of corn laws.
  2. Infrastructure such as Railways, ships and harbors were constructed for import.
  3. Raw material for industries, especially cotton was imported from India and Americas.
  4. Labours from Asia, Africa and Europe were taken to Americas and Australia for production.
  5. European colonies like India, Africa etc were also forced to produce raw material for Europe.

### Role of technology in transforming 19<sup>th</sup> century-

- ✓ Inventions like Railways, steam ship and telegraph transformed the modern world.
- ✓ Technology helped Europeans to establish colonies throughout the world.
- ✓ Railways and large steam ship made the transportation easier and faster and helped European industries to grow.
- ✓ **Impact on food**
  - A. Introduction of refrigerated ships made the transport of meat easy and economic.
  - B. Transportation of live animals was expensive as these animals used to take up a lot of space.
  - C. Many animals died in voyages, fell ill or became unfit to eat.
  - D. Until the introduction of refrigerated ships, eating meat was a luxury in Europe.
- ✓ Availability of better food at economic prices brought peace and support of colonization and imperialism abroad.

**Go through figure 10 given on page number 85.**

**Colonialism-** Colonialism is an activity in which one country exercise political and economic control over other country. Resources from colonies are used for development of homeland.

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**Imperialism-** It is an activity in which one country exercise direct or indirect control over the other country. Resources from acquired land are used for further extension of empire. Europeans started colonizing the countries throughout the world, resources from colonies were used for the development in Europe. Many Asian, African and American countries were colonized. Indian was one of such British colony until 1947.

### African colonization( Rinderpest)

#### Africa before the coming of Europeans-

- ✓ Africa had abundant land and a relatively small population.
- ✓ For centuries land and livestock sustained African livelihood. Most of the villages were self sufficient.
- ✓ People rarely worked for wages.

#### European employer find it difficult to recruit labour in Africa-

Europeans were attracted to Africa due to its vast resources. Since African people rarely worked for wages, European employer used various methods to recruit Africans.

- ✓ Heavy taxes- Heavy taxes were imposed which could be paid only by working for wages on plantations and mines.
- ✓ New inheritance laws- Inheritance laws were changed, only one member of a family was allowed to inherit land.
- ✓ Restriction and movement- Miners were also enclosed in compounds and were not allowed to move freely.

**Rinderpest-** Rinderpest was a cattle disease that killed 90% of the cattle population in Africa. It was carried by infected cattle imported from British.

- As a result of Rinderpest most of the lost their source of livelihood and they were forced to work as labourer. This is how Africa was colonized.

### Indentured Labour Migration from India

#### Indentured labour-

- ✓ It was a system of bonded labour.
- ✓ In India Indentured labourers were hired under contracts of five years.
- ✓ Most of these laborers came from UP, Bihar, Central India and Tamil Nadu.
- ✓ These areas faced economic hardship due to the decline of cottage industries and rise in mining and plantation activities.
- ✓ These labourers were sent to Caribbean Islands, Mauritius, Fiji, Malaya and Assam.

#### Indentured labour illustrates two sided nature of 19<sup>th</sup> century world-

- European countries were making progress in the field of science and innovation.
- Food was brought into Europe from America and Asia.

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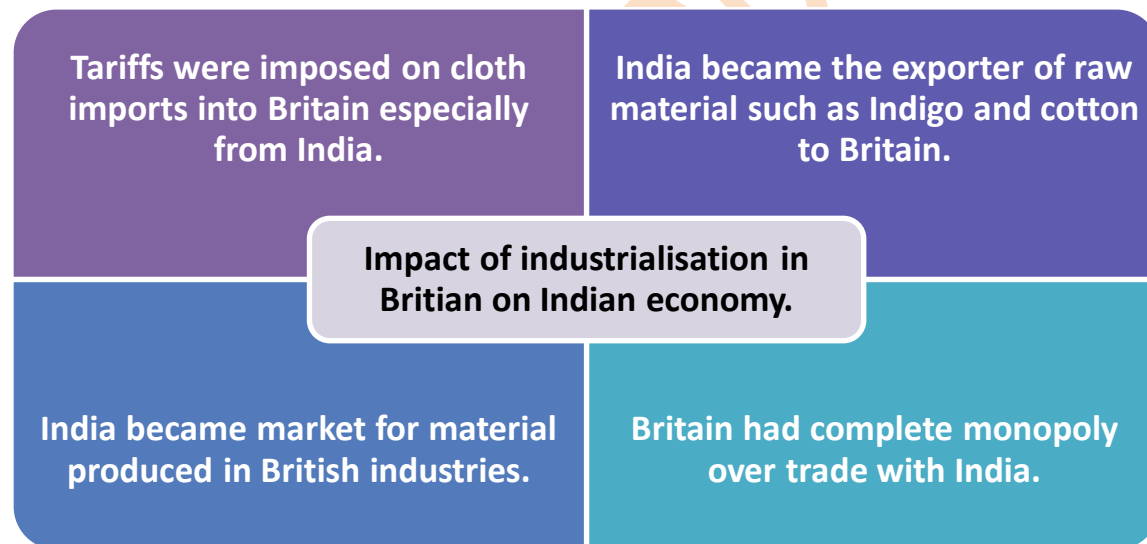
- New inventions were making life of people comfortable in Europe.
- Various countries were made colonies, life of people was miserable in these colonies.
- Indentured labour was forced to produce raw material for industries in Europe.
- The life of these labourer was miserable. It was so miserable that indentured labour was also known as new system of slavery.

Indentured labor was ended in the year 1921.

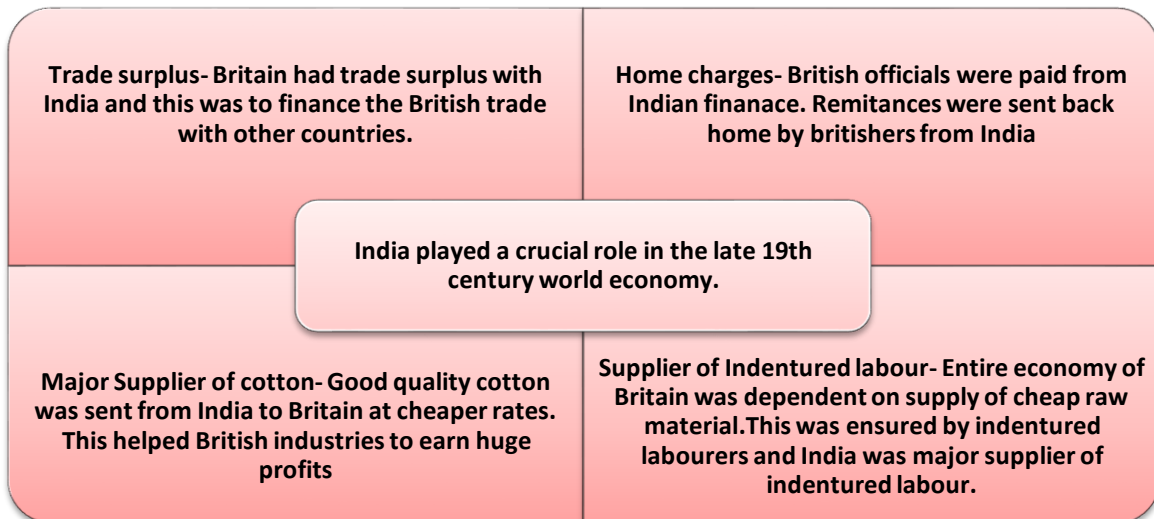
Indentured labor developed their own ways of surviving-

- Many escaped into the jungles.
- Started celebrating festivals like Hosay in which both Hindus and muslims participated.
- Many joined Rastafarianism( a religious movement born out of black slums of Jamaica).
- Chutney Music, created by indo Caribbean people.
- Their culture was blend of new culture and traditional culture.

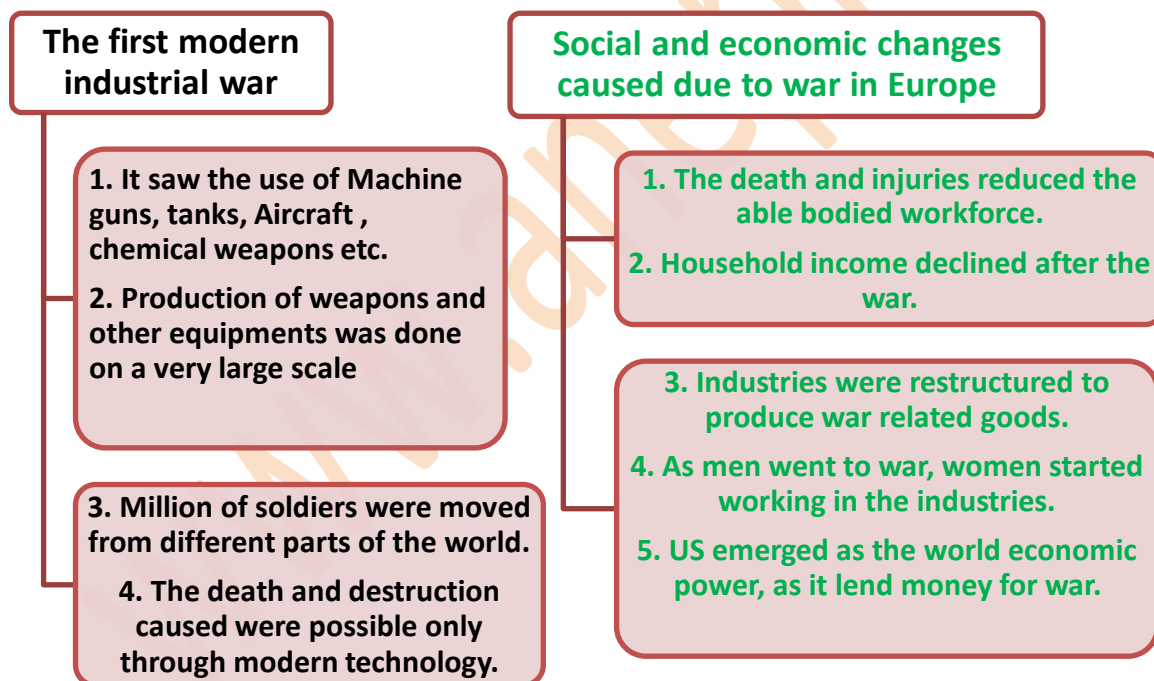
### Indian economy and global system



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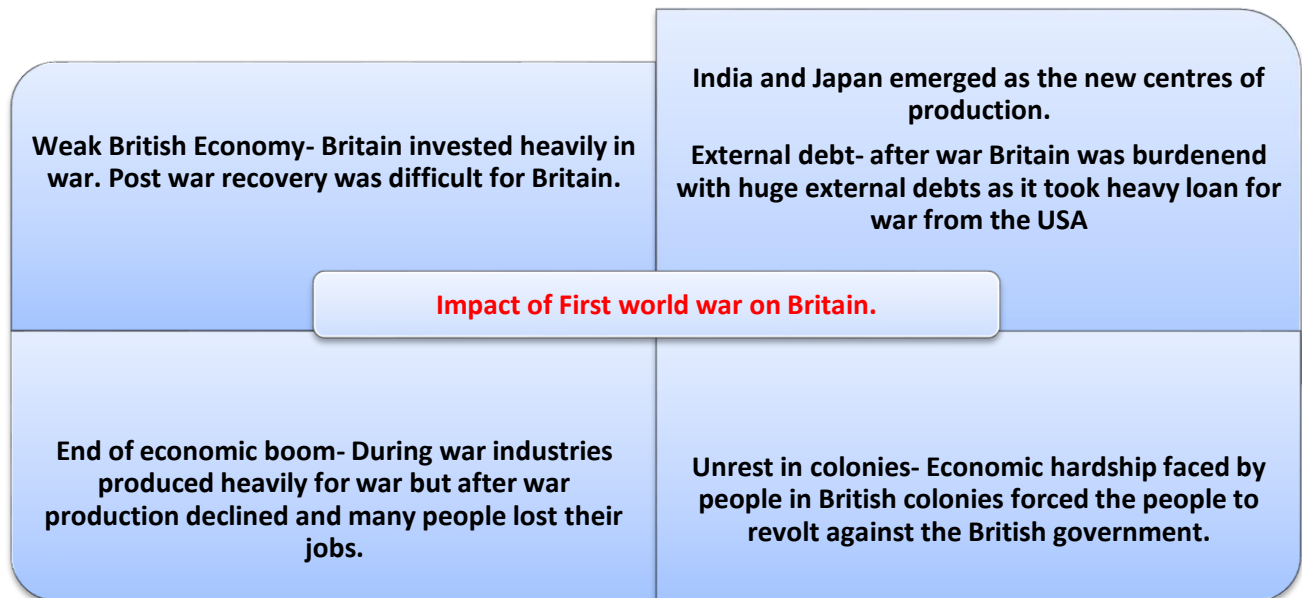


### The World wars



- ❖ The First World War lasted from 28 July 1914 to 11 November 1918. The war was between Central Powers mainly Germany, Austria-Hungary, and Turkey against the Allies that includes mainly France, Great Britain, Russia, Italy, Japan and from 1917 the United States participated in the war.

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### Impact of war on Agriculture-

- I. Before war eastern Europe was major supplier of wheat.
- II. During war USA, Canada and Australia emerged as major supplier.
- III. After war when consumption declined and output revived in Eastern Europe, the prices of wheat fell drastically.
- IV. As a result of it farmers income were collapsed.

### Henry Ford mass production( same answer for question US growth in 1920s, don't use Henry ford name just generalize the statements)

- A. Henry ford adopted the assembly line system.
- B. In assembly line system each worker repeated the same task again and again, hence making the production faster.
- C. As each worker repeated the same task their efficiency increased.
- D. As workers has to work with the speed of conveyer belt, no worker could delay the production.
- E. Henry ford doubled the payment of workers, this in turn increased the purchasing power of workers.

### Great depression

It was the time period from 1929-1939 during which most of the industrial nations saw a drastic decline in production, employment, income and trade.

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**End of world war- During WW1 there was expansion of industries due to rise in demand. Even after war this production continued without any demand.**

**Overproduction of Agriculture- There was huge demand of food during war. but after war there was sudden fall in demand, this led to sudden fall in the price of agri commodities. Farmers futhur increased production to earn more but the condition worsened.**

### Factors responsible for Great Depression

**Shortages of loan- After war many countries were dependent on USA for loan and grants. Withdrawal of loan and grants due to signs of slow down made the condition worse for many contries.**

**Import duties- US and many other countires raised the import duties. This resulted in furthur slowdown of world trade.**

**Collapse of banking system- Due to boom many people took loan but because of slowdown they were unable to return the money back. Banks collapsed.**

**Impact on trade- India's import and export nearly halfed between 1928 and 1934.**

**Imact on farmers- the prices of agricultural commodities fell drastically, but British government refused to give any relief in taxes.**

### Impact of great depression on Indian economy

**Impact on urban India- Those with fixed salaries and incomes could save more as everthing cost less.**

**Industrial investment grew as government extended tariff protection to industries(import duties were raised).**

## Second world war

World war 2 started in the year 1939 and ended in 1945 with the defeat of Japan. This war fought between Allied powers and Axis powers.

Major Axis power- Italy, Germany and Japan.

Allied powers- USA, France, Britain and USSR



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The sanctions that were imposed on Germany after world war 1 were the major reason for the outbreak of second world war.



**Two important lesson were learnt by economist and politicians from inter war economic experience.**

1. An industrial society based on mass production cannot sustain without mass consumption. Mass consumption can be ensured only if people have stable incomes.
2. Intervention of government is very necessary in maintaining fluctuation of price, output and employment. During the world war 1 it was believed that capitalist economy is self sustaining, but great depression proved that markets alone cannot ensure employment.

### **G77 and rise of New international world order.**

- 1. Both IMF and IBRD were dominated by western powers and were interested only in controlling natural resources in developing countries.**
- 2. US often managed to get rights to extract natural resources cheaply.**
- 3. Developing nations organised themselves into group of 77 to exercise real control over their natural resources.**
- 4. They demanded fairer prices for natural resources and more development assistance.**
- 5. They also wanted better opportunity for their products in the markets of developed nations.**

### **End of Bretton woods system**

- The decline of US currency- US was no longer dominant economic power and US dollar could not maintain its value in relation with gold.**
- Many developing countries were forced to borrow from western commercial banks instead of international financial institutions. this led to the periodic debt crisis.**
- Developed countries themselves faced the high unemployment from mid 1970s.**
- Shifting of MNC's to low wages countries provided developing countries new type of capital flow and economic transformation.**

**Fixed exchange rate and floating exchange rate- read these terms from book page no. 101**