



CHAPTER - 4

THE MAKING OF GLOBAL WORLD

INTRODUCTION

Globalisation is an economic activity associated the free movement of goods, technology, ideas and people across the globe.

Section 1 Pre Modern world

Silk Route

There are several silk routes, over land and by sea, knitting together vast region of Asia and linking asia with Europe and northern africa.

Food travels: Spaghetti and Potato:

» Noodles travelled west china to become spaghetti, some foods like Potatoes, tomatoes were only introduced in Europe and asia after christopher columbus discovered america.

Conquest, Disease and Trade

- * Precious metals from mines of peruu and Mexico enhanced European trade with Asia.
- * The spanish conquerors used for germs of smallpox in the conquest of America.
- * Untill the nineteenth century, poverty and hunger were common in Europe.



The Nineteenth Century

- * In the late 18th century, growth in the population increased the demand for food grains in Britain.
- * The imported food into Britain more cheaply than it could be produced within the country.
- * Industrial growth led to higher income in Europe.
- * Food is only an example, product such as cotton, rubber, coal also had some rate.

Role of Technology

- The railways, steamships, the telegraphs were important inventions that transformed 19th century world.
- * After the introduction of new technology, namely refrigerated ships animals were slaughtered for food at the starting point and then transported to Europe as frozen meat.

Late nineteenth-century colonialism

- * Europe an conquest of Asia and Africa as colonies.
- * Belgium and Germany become new colonial powers.
- * The US became a colonial power in the late 1890s by taking over some colonies earlier held by Spain.
- * Rinderpest, or the cattle plague =
- * It was carried by infected cattle imported from British India and destroyed 90% of the livestock.
- * The colonial government now strengthen their power and to force Africans into the labour market.



* Indentured Labour Migration from India:-

- * I.L was a bonded labourer under contract to work for an employer.
- * Recruitment was done by agents by providing false information about the work and location.
- * On arrival at the plantation, labourers found living and working condition harsh. It was abolished in 1921.

* Indian Entrepreneur

- * Some bankers like Nattukotai and chettiers financed export of agriculture to central and South-East Asia.
- * They even followed the European to Africa.
- * Industrial Revolution in England changed the balance of Trade between England and India.
- * Indian handicraft and agriculture were destroyed and Britain enjoyed a trade surplus with India.
- * Their export increased and import decreases.

* The Inter-war Economy

- * The First world war was the first modern industrial war.
- * During the war, industries were restricted to produce war-related goods.
- * The war transformed the US from being an international debtor to International creditor.



Post-war Recovery

After the war was over, the production reduced and unemployment increased.

Rise of Mass Production and Consumption :

- * In the US, war recovery was quicker
- * Assembly line method introduced by Henry Ford soon spread to the costs and prices of engineered goods.
- * There was a housing and consumer boom in 1920s, which ultimately led to the Great Depression of 1929.
- * Markets crashed in 1929 and led to the failure of bank and the crisis affected other countries

India and the Great Depression

- * India was also affected by the Great Depression
- * Indian exports declined extensively prices fall.
- * Bengal Jute growers suffered the most.
- * Large scale migration took place from villages to towns and cities.

Post-war Era

- The second world war broke out a mere two decades after the end of the first world war and once again it led to destruction
- * After the USA and the USSR emerged as superpower.

Post-war settlement and the Bretton wood Institution

- * To ensure a stable economy a framework was agreed upon at the United Nations Monetary and financial conference held at



Bretton Woods in New Hampshire, U.S.A

- It established the International Monetary Fund (IMF) and the World Bank.
- * The IMF to deal with external surpluses and deficits of its member Nation
- * The International Bank for Reconstruction and Development (World Bank) was set up to finance post-war reconstruction.
- * Both (IMF and World Bank) commenced financial operation in 1947.
- * Bretton Wood system was based on a fixed exchange rate.
- * National currencies were pegged to the American dollar at a fixed rate.
- * Decision-making in these institutions is controlled by the western institution is controlled by the western industrial powers largely by U.S.A.

Decolonization and Independence

- * Many countries in Asia and Africa became independent Nations, supported by UNO and NAM.
- * Group of 77 (G-77) was organized by developing countries to demand a new International Economic order which would give these countries real control over their national resources, raw material, manufactured goods in their markets.
- * MNCs or Multinational companies were established in the 1950s and 1960s and operated in several countries.