Chapter 4 – The Making of a Global World

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Question 1:

Give two examples of different types of global exchanges which took place before the seventeenth century, choosing one example from Asia and one from the Americas.

Answer:

Examples of the different types of global exchanges which took place before the seventeenth century:

1) Textiles, spices and Chinese pottery were exchanged by China, India and Southeast Asia in return for gold and silver from Europe.

2) Gold and foods such as potatoes, soya, groundnuts, tomatoes and chillies were first exported from the Americas to Europe.

Question 2:

Explain how the global transfer of disease in the pre-modern world helped in the colonisation of the Americas.

Answer:

The global transfer of disease in the pre-modern world helped in the colonisation of the Americas because the native American Indians were not immune to the diseases that the settlers and colonisers brought with them. The Europeans were more or less immune to small pox, but the native Americans, having been cut off from the rest of the world for millions of years, had no defence against it. These germs killed and wiped out whole communities, paving the way for foreign domination. Weapons and soldiers could be destroyed or captured, but diseases could not be fought against.

Question 3:

Write a note to explain the effects of the following:

(a) The British government's decision to abolish the Corn Laws.

(b) The coming of rinderpest to Africa.

(c) The death of men of working-age in Europe because of the World War.

(d) The Great Depression on the Indian economy.

(e) The decision of MNCs to relocate production to Asian countries.

Answer:

(a) The British government's decision to abolish the Corn Laws resulted in losses for the agricultural sector, but progress in the industrial sector. Food began to be imported more cheaply into Britain, and thousands of workers involved in cultivation became unemployed. However, consumption increased and the industrial sector grew, with more workers being available in cities than in rural areas.

(b) The coming of rinderpest to Africa caused a loss of livelihood for countless Africans. Using this situation to their advantage, colonising nations conquered and subdued Africa by monopolising scarce cattle resources to force Africans into the labour market.

(c) The death of men of working age in Europe because of the World War reduced the able-bodied workforce in Europe, leading to a steady decline in household incomes and a consequent struggle to meet the living expenditure by families whose men were handicapped or killed.

(d) The Great Depression had a major impact on the Indian economy. Between 1928 and 1934, it reduced Indian imports and exports by nearly half. Wheat prices too fell by 50% during this time. More than the urban areas, the agricultural sector (which dominated livelihoods in rural lands) was badly hit by the Great Depression.

(e) The decision of MNCs to relocate production to Asian countries led to a stimulation of world trade and capital flows. This relocation was on account of low-cost structure and lower wages in Asian countries. It also benefitted the Asian nations because employment increased, and this resulted in quick economic transformation as well.

Question 4:

Give two examples from history to show the impact of technology on food availability.

Answer:

The impact of technology on food availability was manifold in the late nineteenth century. Faster railways, lighter wagons and larger ships helped transport food more cheaply and quickly from production units to even faraway markets. Also, refrigerated ships helped transport perishable foods such as meat, butter and eggs over long distances.

Question 5:

What is meant by the Bretton Woods Agreement?

Answer:

The Bretton Woods Agreement was finalised in July 1944 at Bretton Woods in New Hampshire, USA. It established the International Monetary Fund and the World Bank to preserve global economic stability and full employment in the industrial world. These institutions also dealt with external surpluses and deficits of member nations, and financed post-war reconstructions.

Question 6:

Imagine that you are an indentured Indian labourer in the Caribbean. Drawing from the details in this chapter, write a letter to your family describing your life and feelings.

Answer:

Indentured Indian labourers in the Carribbean—facts—signed a contract stating that they would return to India after working for five years at a plantation; belonged to eastern Uttar Pradesh, Bihar, central India and the dry districts of Tamil Nadu; migrants took up the overseas jobs hoping to escape poverty and oppression in their home villages; migrants were not even informed about the long sea voyages, and some unwilling ones were abducted as well; also known as "the new system of slavery"; harsh living and working conditions; few legal rights; many escaped into the wilds; some developed new art forms for expression; some returned home after the contract period, while others stayed on

(Base your letter on these facts.)

Question 7:

Explain the three types of movements or flows within international economic exchange. Find one example of each type of flow which involved India and Indians, and write a short account of it.

Answer:

The three types of movements or flows within the international economic exchange are trade flows, human capital flows and capital flows or investments. These can be explained as—the trade in agricultural products, migration of labour, and financial loans to and from other nations.

India was a hub of trade in the pre-modern world, and it exported textiles and spices in return for gold and silver from Europe. Many different foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies and sweet potatoes came to India from the Americas after Columbus discovered it.

In the field of labour, indentured labour was provided for mines, plantations and factories abroad, in huge numbers, in the nineteenth century. This was an instrument of colonial domination by the British.

Lastly, Britain took generous loans from USA to finance the World War. Since India was an English colony, the impact of these loan debts was felt in India too. The British government increased taxes, interest rates, and lowered the prices of products it bought from the colony. Indirectly, but strongly, this affected the Indian economy and people.

Question 8:

Explain the causes of the Great Depression.

Answer:

The Great Depression was a result of many different factors. The post-war global economy was weak. Also, agricultural over-production proved to be a nuisance, which was made worse by falling food grain prices. To counter this, farmers began to increase production and bring even more produce to the markets to maintain their annual incomes. This led to such a glut of food grains that prices plummeted further and farm produce was left to rot. Most countries took loans from the US, but American overseas lenders were wary about the same. When they decreased the amount of loans, the countries economically dependent on US loans faced an acute crisis. In Europe, this led to the failure of major banks and currencies such as the British pound sterling. In a bid to protect the American economy, USA doubled import duties. This worsened the world trade scenario. All these factors contributed to the Great Depression. It affected USA the worst on account of its being a global loan provider and the biggest industrial nation.

Question 9:

Explain what is referred to as the G-77 countries. In what ways can G-77 be seen as a reaction to the activities of the Bretton Woods twins?

Answer:

G-77 countries is an abbreviation for the group of 77 countries that demanded a new international economic order (NIEO); a system that would give them real control over their natural resources, without being victims of neo-colonialism, that is, a new form of colonialism in trade practised by the former colonial powers.

The G-77 can be seen as a reaction to the activities of the Bretton Woods twins (the International Monetary Fund and the World Bank) because these two institutions were designed to meet the financial needs of industrial and developed countries, and did nothing for the economic growth of former colonies and developing nations.