

Chapter-3

THE MAKING OF A GLOBAL WORLD

Phases	Characteristics
	<ol style="list-style-type: none"> 1. Globalisation has a long history not something new 2. In Ancient times travelless, traders, priests, pilgrims travelled 3. Carrying goods, money, values, skills, ideas, inventions 4. Silk route linked the world. 5. Food travels:- From america to Europe and Asia 6. Noodles from China to Italy to become spaghethi 7. Indian ocean-bustiling trade link- 8. Expeditions to Americas-brought precious metals 9. Conquerors carried germs of small population pox to control
The 19th Century (1815-1914)	<ol style="list-style-type: none"> 1. • Global agricultural economy developed 2. • Food production expanded in Russia, America, 3. Australia to meet the british demand 4. In Britain corn law implemented industrialists and urban dwellers forced to abolish cornlaw 5. Role of technology-Railway, steamship and telegraph 6. European conquest of Asia and Africa as colonies 7. Migration of indentured labour from India 8. Fine Indian cotton exported to Europe. 9. Indian bankers and traders financed export of to Agriculture flourishing emporia at busy ports world wide.
The Inter war economy (Between two world wars)	<ol style="list-style-type: none"> 1. • First world war transformed US from debtor to creditor 2. • Britain came under hugedebt 3. • Wheat production fell in Europe but increased in Canada, America, Australia 4. • Rise of mass production and consumption 5. • The great depression of 1929 in US 6. • India's imports and exports fell, peasants worst hit 7. • India became exporter of Gold 8. • Industrial investment grew in urban India
The Post war era (After 2nd world war)	<ol style="list-style-type: none"> 1. • US and USSR emerged as world powers 2. • Bretton woods conference established IMF and world bank 3. •Decolonisation and Independence of Asian and African countries 4. • By1960 dollar lost its command in worlds currency 5. • Formation of G-77 who demanded new economic order 6. • End of Bretton woods system.

Points to Remember

- 1) **Silk routes** - The 'silk routes' points to the importance of West-bound Chinese silk cargoes along this route. 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.
- 2) **Corn Law** - Under pressure from landed groups, the British government restricted the import of corn. The laws allowing the government to do this were commonly known as the 'Corn Laws'.
- 3) **Rinderpest Plague** - Rinderpest is a fast spreading cattle plague which hit Africa in the late 1880s.
- 4) **Bretton Woods** - Bretton Woods is the name of Hotel in USA where the National Monetary and Financial conference held in 1944 to ensure the stable economy.
- 5) **Flow of Goods** - Trade in goods such as grain and cloth.
- 6) **Flow of Labour** - Migration of people to new areas in search of work.
- 7) **Hosay** - 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.
- 8) **G-77** - G-77 was a group organized by developing countries to demand a New International Economical Order (NIEO) which would give these countries real control over their national resources, raw material, manufactured goods and their markets.
- 9) **Veto** - A constitutional right to reject a decision or proposal made by a law making body.
- 10) **Tariff** - Tax imposed on a country's imports from the rest of the world. Tariffs are levied at the point of entry, i.e., at the border or the airport.
- 11) **Exchange Rates** - They link national currencies for purposes of international trade. There are broadly two kinds of exchange rates: fixed exchange rate and floating exchange rate

One Mark Questions-

- 1) Name the Allied Countries?
- 2) What is El-Dorado in Latin America?
- 3) Which country has the veto power in IMF and world bank?
- 4) Around 500 years back which crop was not known by our ancestors?
- 5) Name those two inventions of nineteenth century which brought

changes in the world?

- 6) Why the price of wheat fell upto 50% between 1928 to 1934 in India?
- 7) Who discovered American continent?
- 8) Name the European country which conquered America?
- 9) Give any two factors which helped in making of global world?

Answer Key

- 1) Britain, France and Russia.
- 2) City of Gold.
- 3) United States of America
- 4) Potato.
- 5) 1) Steam engine 2) Railways
- 6) Due to Great Depression.
- 7) Christopher Columbus.
- 8) Spain
- 9) 1) Trade 2) In search of work 3) Money

Short/Long Questions (3/5 Marks)

- 1) What changes took place in the world due to the discovery of new sea routes of America?
- 2) Why the thousands of people run away from Europe to America in 19th century?
- 3) What were the impact of industrialization of cotton industries on Britain?
- 4) What were the causes of attraction of Europeans towards Africa?
- 5) What do you mean by Surplus trade? Why the balance of trade is always favorable for Britain in terms of India?
- 6) What were the impact of first world war on the economy of Britain?
- 7) What were the causes of Economic Depression?
- 8) What were the effect of Economic Depression on Indian economy?
- 9) Explain with the help of appropriate examples that how the agreement system was explained as new slave system in 19th century?
- 10) What is globalization? Explain three forms of exchange rates.
- 11) What do you mean by Bretton Woods agreement?

Answer Key

1. a) Europe's poor began to eat better and live longer with the introduction of the humble potato.

- b) Trade of slaves.
- c) Frequent religious movements in Europe.
- 2. a) Import of cheap goods to discontinue the Corn Law.
- b) Spread of epidemic disease.
- c) Religious conflict.
- 3. a) Fall in import of cotton in India due to import duty imposed by British government.
- b) Indian garments had to face tough competition in international market.
- c) Import of cotton in very cheap rate by British government.
- 4. a) Availability of vast resources of land and minerals.
- b) To establish plantations and mines.
- c) To produce crops and minerals for export to Europe.
- 5. When export value is more than import value is known as Surplus Trade -
 - The excess of goods in the market of Britain.
 - Increase in export of grains and raw material exported to Britain and other countries of world from India.
 - The goods imported to India cost very high whereas the goods exported to Britain cost very less.
- 6.
 - Hard to maintain the top position of Britain in Indian market.
 - After first world war Britain had to compete with Japan.
 - Debt taken by America during First world war.
 - Fall in demand of goods due to the end of war caused fall in production and increase in unemployment.
 - The heavy taxes imposed by the government to fulfill the losses of war which causes great fall in employment.
- 7.
 - Agricultural overproduction
 - Falling agricultural prices.
 - Agricultural incomes declined.
 - Countries that depended crucially on US loans now faced an acute crisis. - The withdrawal of US loans affected much of the rest of the world. - Thousands of banks became bank corrupt
- 8. a) Import and export of country cut to the half.
- b) Fall in the rate of grains upto 50% due to the fall of price in international market.
- c) A great loss to farmers and peasants.

- d) The Great Depression was harmful for urban population and the economy.
 - e) The rural India was also affected badly due to the Great Economic Depression.
9.
 - a) Agents provided false information to misguide the labourers.
 - b) Labourers were also kidnapped by the agents.
 - c) The living and working conditions of new place were very hard.
 - d) Wages were very low. The wages were deducted in terms of work was not done properly.
 - e) There were no legal rights for labourers.
10. Globalization is an economic system with the free movement of goods, technology, ideas and people across the globe.
- Flow of capital - Investment of capital for a short and long period in far off areas.
 - Flow of Goods - Trade in goods such as grain and cloth.
 - Flow of Labour - Migration of people to new areas in search of work.
11. Bretton Woods - Bretton Woods is the name of Hotel in USA where the National Monetary and Financial conference held in 1944 to ensure the stable economy.
- Establishment of IMF and World Bank.
 - Bretton Woods system was based on fixed exchange rate.