

## Chapter 3: The Making of a Global World

### Discuss: 1

**Question:** Explain what we mean when we say that the world 'shrank' in the 1500s.

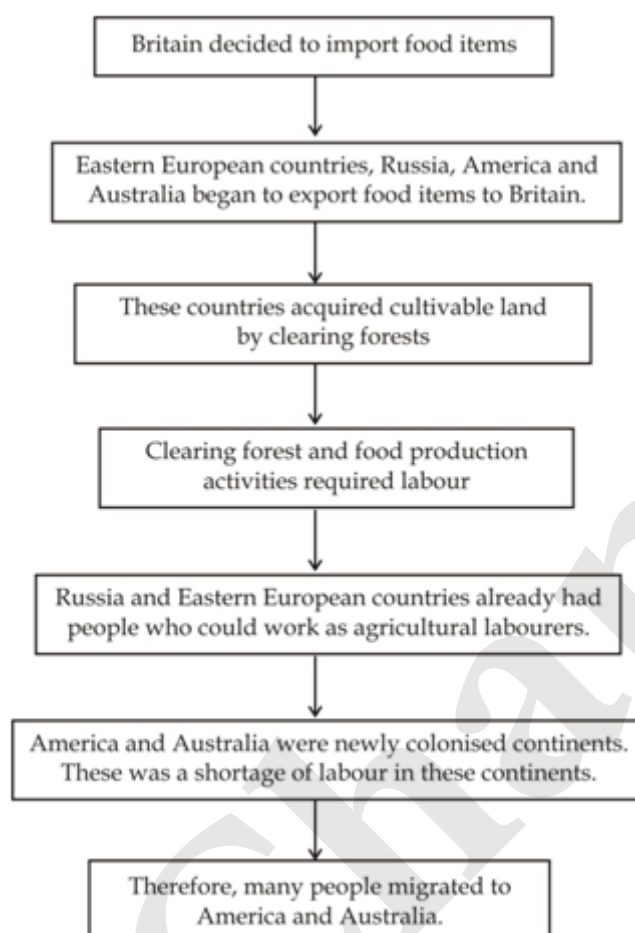
**Answer:**

- The word 'Shrank' stands for increased interaction among the people of various continents of the world.
- Before 1500 s there was not much inter connectedness, trade and commerce among the residents of various containments.
- But after 1500s the commercial cultural exchange of ideas and people increased in the continents of the world that stretched from America to the Asia through Europe and Africa.

### Activity: 1

**Question:** Prepare a flow chart to show how Britain's decision to import food led to increased migration to America and Australia.

**Answer:**



### Activity: 2

**Question:** Imagine that you are an agricultural worker who has arrived in America from Ireland. Write a paragraph on why you chose to come and how you are earning your living.

**Answer:** Hi! I am mack , I am from Ireland. I have come to America. I was a peasant in Ireland. But I had to migrate to America. The main reason behind this was the unemployment of peasants in Ireland. This occurred due to the import of chapter food items in our country. Thus, we were out berated by the imported food grain and became unemployed. Then I decided to migrate to America, as here peasants were required to work on large farms, and I got employment. In America I live near my employer's farm. I work in his field and grow crops. In this way I earn my living.

### Discuss: 2

**Question:** Discuss the importance of language and popular traditions in the creation of national identity.

## Answer:

- A person is identified by his language and traditional practices because the language that he speaks belongs to a nation, his motherland. It is the nation which is important than an individual.
- Also the language and traditional practices of a land or territory develop in a long time, thus get firmly established.
- People are born and die but language and traditions stay. They are always alive.
- They give an identity to an Individual wherever he goes.

Therefore, the language and popular traditions are important in creating national identity of an Individual.

## Discuss: 3

**Question:** Who profits from jute cultivation according to the jute growers' lament? Explain.

**Answer:** The jute growers' lament was that only the traders and moneylenders profited from jute cultivation, not the growers. Peasants of Bengal cultivated raw jute which was processed in factories for export in the form of gunny bags.

They grew raw jute hoping that a better time would come and there would be increase in exports. But this did not happen as gunny exports collapsed due to the depression. Due to glut in the local market, the price of raw jute crashed by more than 60 per cent and so, they fell into heavy debt. Thus, only the traders and moneylenders profited from jute cultivation, not the farmers.

## Discuss: 4

**Question:** Briefly summarize the two lessons learnt by economists and politicians from the inter-war economic experience?

**Answer:** The inter-war economic experience was very bad.

- Most of the countries were devastated and cities were destroyed.
- The economists and politicians learned that they had to ensure economic stability of the industrial countries.
- Also they understood the interdependence of national economies all over the world.

Hence, they drew up an internationally accepted framework to recover and consolidate the world economy.

## Write in brief

**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:**

- Exchange of food:** Food offers many examples of long-distance cultural exchange. It is believed that 'noodles' travelled west from China to become 'spaghetti'.
- Exchange of germs:** The Portuguese and Spanish conquests and colonization of America were decisively underway by the mid-sixteenth century. The European conquest was not just a result of superior firepower. In fact, the most powerful weapon of the Spanish conquerors was not a conventional military weapon at all. It was the germs such as those of smallpox that they carried on their person. Because of their long isolation, America's original inhabitants had no immunity against these diseases that came from Europe. Smallpox in particular proved a deadly killer. Once introduced, it spread deep into the continent, ahead even of any European reaching there. It killed and decimated whole communities, paving the way for conquest.

**Question 2.** Explain how the global transfer of disease in the pre-modern world helped in the colonization of the Americas.

**Answer:** The colonization of the Americas took place in the mid-sixteenth century. It was, however, not due to the superior military strength of the Spanish conquerors. The most powerful weapon of the Spanish conquerors was not a conventional military weapon at all but it was primarily due to the global

transfer of disease that helped in the colonization of the Americas. The Spaniards carried on their person, the germs such as those of smallpox into the Americas. The local inhabitants had no immunity against these diseases due to their long isolation.

It resulted in – spread of these diseases in the continent. Smallpox in particular killed and decimated many communities and paved the way for conquest and colonization of the Americas. It was not a Warfare. John Winthrop, the first governor of the Massachusetts Bay colony in New England, wrote in May 1634 that smallpox signaled, God's blessing for the colonists '... the natives ... were near all dead of smallpox, so as the Lord had cleared our title to what we possess.' Thus it can be said that the guns could be bought or captured and turned against the invaders but not diseases such as smallpox to which the conquerors were mostly immune.

**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. Effects of the British government's decision to abolish the Corn Laws were as follows:**

- Food could be imported into Britain more cheaply than it could be produced within the country.
- Vast areas of land were left uncultivated. As a result of it thousands of men and women became unemployed. They shifted to cities and settled there, Many migrated to overseas in search of work.

**b. The coming of rinderpest or cattle plague to Africa:** Rinderpest arrived in Africa in the late 1880s. It was carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa. Entering Africa in the east, rinderpest moved west 'like forest fire' and reached Africa's Atlantic coast in 1892.

**It had a terrifying impact on people's livelihood and the local economy as mentioned below:**

- On its way it killed 90 per cent of the cattle.
- The loss of cattle destroyed African livelihoods.
- Planters, mine owners and colonial governments monopolized the remaining cattle resources and strengthened their power. They forced the Africans into the labor market.
- Control over the remaining cattle resource enabled European colonizers to conquer and subdue Africa. The coming of rinderpest shows how in an era of conquest even a disease affecting cattle reshaped the lives and fortunes of thousands of people and their relations with the rest of the world.

**c. The death of men of working age in Europe because of the world war had the following effects:**

- The death and injuries reduced the able-bodied work force in Europe.
- Almost in every family some members had died during the war. Thus, with fewer numbers within the family, household incomes declined after the war.

**d. The effects of the Great Depression on the Indian economy were as given below:**

- By the early twentieth century the global economy had become integrated. The crisis in one part of the world quickly affected the other parts affecting lives, economies, and societies. Colonial India had become an exporter of agricultural goods and importer of manufacturers. Thus the depression affected Indian trade badly. The exports and imports decreased to half between 1928 and 1934.
- Prices in India fell sharply. For example, between 1928 and 1934, wheat prices fell by 50 percent.
- The peasants suffered more than the urban people. In spite of the fall in agricultural prices, the government did not reduce the land revenue. Peasants producing for the world market were the worst hit e.g., the collapse of gunny exports led to crash in the price of raw jute to more than 60 percent.
- In general peasants' indebtedness increased. They used their savings, mortgaged lands, and sold their jewelry and precious metals to meet their expenses.
- India, however, became an exporter of gold. The famous economist John Maynard Keynes thought that Indian gold exports promoted global economic recovery.



- In urban India, the condition of people was, however, better because prices had fallen and they with their fixed incomes could purchase more. Industrial investment also increased due to tariff protection to industries under the pressure of the nationalists. Thus, the Great Depression had affected adversely the rural economy but it was less harmful for urban India.
- e. **The decision of MNCs to relocate production to Asian countries had the following effects:**
- It stimulated world trade and capital flows.
  - Low wages in countries like China had made these countries attractive destinations for investments by foreign MNCs competing to capture world markets. For example, Indian markets are flooded with most of the TVs, mobile phones, and toys that are made in China. This is because of the low-cost structure of the Chinese economy, most importantly its low wages.
  - The world's economic geography has been transformed as countries such as India, China and Brazil have undergone a rapid economic transformation. For example, India has followed policies of liberalization and globalization.

**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 significant. The railways, steamships, the telegraph were important inventions which transformed the nineteenth-century world as mentioned below:

1. Railways, lighter wagons, and larger ships helped move food more cheaply and quickly from faraway farms to final markets.
2. Earlier in the trade of meat, animals were shipped live from America to Europe and then slaughtered.

**This system had drawbacks as mentioned below :**

- a. Animals took more space on the ship.
- b. Many died in voyage.
- c. Many fell ill and lost weight.
- d. Many became unfit to eat.

In view of the above meat was expensive luxury beyond the reach of the European poor.

3. Earlier there was less demand due to high prices. The new technology i.e., refrigerated ships, enabled the transport of perishable foods over long distances because now the animals were slaughtered at the starting point and then transported to other places as frozen meat. This reduced the price of meat. The poor could also afford meat and add to their diet. Better living conditions promoted social peace within the country and support for imperialism abroad. Thus, technology made the availability of food products possible in different and faraway places.

**Question 5. What is meant by the Bretton Woods Agreement?**

**Answer:** The main aim of the post-war international economic system was to preserve economic stability and full employment in the industrial world. The United Nations Monetary and Financial Conference held in July 1944 at Bretton Woods in New Hampshire in the USA agreed upon its framework.

**The Bretton Woods Conference established the following institutions:**

- **International Monetary Fund:** Its aim was to deal with external surpluses and deficits of its member nations
- The International Bank for Reconstruction and Development or World Bank was set "Up to finance post-war reconstruction.
- The above institutions are known as The Bretton Woods institutions or Bretton Woods twins. The post-war international economic system is also often described as the Bretton Woods system. It was based on fixed exchange rates. National currencies 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 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.

**Discuss**

**Question 6.** Imagine that you are an indentured Indian laborer in the Caribbean. Drawing from the details in this chapter, write a letter to your family describing your life and feelings.

**Answer:**

Dear family,

Working in Trinidad (Caribbean) as an indentured laborer is not easy task. Through this letter, I want to tell you about my hardship, Misbehavior of the contractor towards me and how much I miss you all.

The contractor at the time of hiring me did not provide the correct information regarding place of work, mode of travel and living and working conditions.

Very few legal rights are provided to us. The contractor uses harsh and abusive language at the worksite. He treats us like animals and we are an uneasy minority in the cocoa plantations in Trinidad. We don't have any rights to speak or to express our dissatisfaction with the working conditions.

Whenever I do not attend my work, I am prosecuted and sent to jail. There is a lot of work at the plantations with heavy workload and sometimes I have to finish all of it one day.

In case of unsatisfactory work, my wages are cut.

I am living a life of a slave and in great trouble.

**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 international economic exchange with examples of India and Indians are as follows:

- a. **Flow of trade:** The flow of trade refers to trade in goods. Before industrialization, fine cotton produced in India was exported to Europe. With industrialization, British cotton manufacture began to expand, and industrialists pressurized the government to restrict cotton imports and protect local industries. The government imposed tariffs on cloth imports into Britain. As a consequence, the inflow of fine Indian cotton began to decline.
- b. **Flow of labor:** This includes migration of people in search of employment. In the nineteenth century, hundreds of thousands of Indian laborers went to work on plantations, in mines, and in road and railway construction projects around the world. In India, indentured laborers were hired at a contract which promised return travel to India after they had worked for five years on their employer's plantation.  
The Caribbean islands (mainly Trinidad, Guyana and Surinam], Mauritius, and Fiji were the main destinations of Indian indentured migrants. Most of these indentured laborers migrated in hope for a bright future or to escape poverty or oppression in their home village, but they were exploited by the recruiting agent and by the employer.
- c. **The movement of capital:** This includes the movement of capital for short term or long term investment over long distances. The Shikaripuri Shroffs and NattukottaiChettiars were amongst the many groups of Indian bankers and traders who financed export agriculture in Central and Southeast Asia. For this, they used either their own funds or borrowed from European banks. They had a sophisticated system to transfer money over large distances, and even developed indigenous forms of corporate organization.

**Question 8.** Explain the causes of the Great Depression.

**Answer:**

- a. Agriculture overproduction was one of the major causes of the Great Depression which led to fall in prices. With the fall in prices and decline in agricultural income, farmer tried to expand production and bring 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. Farm produce rotted for a lack of buyers.
- b. Another cause of the Depression was shortage of loans. In the mid 1920s, the US gave loans to many countries so that they could finance their investments. But the US withdrew giving loans if there was any kind of trouble. So countries depending crucially on US loans faced an acute crisis disturbing world trade.

- c. Conditions created by the War were also responsible for the Great Depression, during expansion to fulfill the increasing demand for war-related goods. But after the war, the sharp decrease in demands for military and war products gave birth to economic depression.

**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:** The G-77 countries refer to a group of developing countries which did not benefit from their fast growth in the 1950s and 1960s. By organising G-77 they demanded 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. Thus, G-77 can be seen as a reaction to the activities of the Bretton Woods twins.

**Project**

**Question:** Find out more about gold and diamond mining in South Africa in the nineteenth century. Who controlled the gold and diamond companies? Who were the miners and what were their lives like?

**Answer:**

- During the 19th century in South Africa, gold was discovered in Johannesburg and diamonds in Kimberly. Soon European migrants began mining of gold and diamonds in South Africa, when from 1886 onwards, mining business became highly profitable. This can be attested by the data that South Africa was producing world's 27% gold from 1886 to 1914 (the year of First World War).
- Cecil Rhodes was the first European to create Gold and diamond mining monopoly buying up land and forming De Beers, today World's largest diamond producing company.
- Mining company were controlled by Europeans and Americans, as many of white settlers migrated to South Africa; with desire of making huge profits in the mining industry. They also introduced technological advances and deep mining techniques so that profits could be increased.
- The workers on the mining fields were African natives, and most of them migrated to South Africa, from other parts and colonial states of African continents.

**The mining worker lived a miserable life. For example:**

- They were paid ten times lower wages than the white workmen.
- Apartheid (racism): The discovery of gold and diamonds in Southern Africa led to apartheid (racism) from as early as 1889.
- In 1889 chamber of mines was formed by European industrial nations mainly to reduce African wages. This was to increase the profitability of mines. This increased racial attack on African blacks, as they were a disatisfied lot and lives miserable lives.