

## The Making of a Global World

### Discuss

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**1. Explain what we mean when we say that the world 'Shrank' in the 1500s.**

**Ans.** The World 'Shrank' in the 1500s can be understood as follows

- (i) Europeans discovered the sea route to Asia and so trade activities became increased between Asia and Europe.
- (ii) The American continent was discovered only when the sea-route through the Atlantic Ocean to America was found.
- (iii) Due to both of the above reasons, there was increased interaction among the people living in various continents of the world, thus causing the world to 'Shrink' in metaphorical terms.

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**1. 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.**

**Ans.** The potato crop has failed in Ireland last year and I was reduced to poverty. There was no food available to eat and I also had no money. As it is, the cities are very crowded and many diseases are prevalent. Also, we Catholics were prosecuted by the Englishmen, who were mostly protestant. The English tried to dominate us by imposing the English language on us. That is why I decided to leave Ireland and emigrate to America, where I was sure I will have a better future. Here I am earning my living as an agricultural labourer on a very big wheat farm. I get a regular salary and am very happy that I left Ireland.

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

**Ans.** Britain decides to import food items



Russia, America and Australia export food items to Britain



These countries increase their production to supply Britain



America and Australia were newly colonized and did not have enough labour



Thus, many people migrated to these countries to fulfill the demand for labour.

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

**Ans.** A person is identified as belonging to a particular nation by his cultural traditions and the language that he speaks. The language as well as the traditional practices usually develop and get established over a long period of many hundreds of years. They give an identity to an individual wherever he is. For instance, a Frenchman will normally speak the French language fluently. He will also follow French traditions and customs wherever he is in the world, as he would have imbibed them in his family from his childhood days. Thus, he will be identified as a French national.

**2. Who profits from jute cultivation according to the jute growers's lament? Explain.**

**Ans.** 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% and so they fell into heavy debt. Thus, only the traders and moneylenders profited from jute cultivation, not the farmers.

**3. Briefly summaries the two lessons learnt by economists and politicians from the inter-war economic experience.**

**Ans.** Two lessons learnt by economists and politicians from the inter-war economic experience were  
(i) An industrial society based on large production is unsustainable without consumption on a large scale. For this high and permanent incomes through full employment are necessary.  
(ii) Economic links of country should be maintained with the outside world or other countries. To provide full employment, the governments must be well equipped with the power to control the flow of capital, labour and goods.

## Exercises – Write in brief

**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.**

**Ans.** Two examples of different types of global exchange  
(i) Before the 17th century, China exported silk and pottery to Europe in exchange of gold and silver from Europe. This trade was carried out using the traditional 'silk route'.  
(ii) Many common food items like potatoes, soya, groundnuts, maize, tomatoes and chillies were introduced into Europe from the Americas after they were discovered by columbus at the end of the 15<sup>th</sup> century.

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

**Ans.** The Portuguese and the Spanish had a strong firepower and army. But along with these, they also used germs and viruses for conquering parts of America. As America was isolated, earlier the original inhabitants had no immunity against these dreadful germs and viruses. The diseases once introduced, spread very fast. They killed and decimated whole communities, paving the way for their conquest. These germs were more dangerous as compared to guns and firearms because guns could be bought or captured, but there was no answer for these germs. Thus, the Portuguese and Spanish colonizers could conquer the local population easily to enable colonization of the Americas.

**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 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.**

**Ans.** (a) After the abolition of the Corn Laws, food could be imported into Britain more cheaply than it could be produced within the country. Due to this, farmers did not grow corn, leaving the land uncultivated. This resulted in unemployment on a large scale and the people started migrating from England to America and Australia looking for work.

(b) The coming of rinderpest to Africa caused a loss of livelihood for countless Africans. Rinderpest was a cattle plague spread by Asian cattle taken to Africa by the European colonisers. The disease infected the African cattle, which died in thousands. This virtually destroyed the African economic system based on cattle and land. Africans who worked rearing cattle were unemployed and forced to earn their livelihood by working in mines and on plantations set up by the Europeans. Using this situation to their advantage, colonizing nations conquered and subdued Africa by monopolizing scarce cattle resources to force Africans into the labour market.

(c) After the First World War, most men of working age were either maimed or dead. These deaths and injuries reduced the workforce of able bodied people with fewer members in the family. This household income declined after the war.

(d) The Great Depression immediately affected Indian trade. In the 20th century, India became an exporter of agricultural goods and importer of manufactured goods. Her export and import nearly halved between 1928-34. As international prices crashed, prices in India also plunged. Peasants and farmers were worst hit. Colonial rulers refused to reduce the land revenue.

(e) Wages are relatively low in Asian countries due to excess supply of workers and a lower standard of living. Most of these economies have low cost structure. Most of these countries have a huge market. The low cost structure of these economies enabled mass production at a much lower cost. It led to a stimulation of world trade and capital flow. It benefited the Asian countries by increase of employment and a quick economic transformation.

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

**Ans.** Examples of impact of technology on food availability

(i) The technique of cold storage and use of refrigerated ships boosted the export of perishable goods without fear of loss. Meat exported from America could be sent to areas where meat was scarce.

(ii) Faster railways, larger ships and lighter wagons enabled cheaper and quicker movement of perishable foodstuffs from faraway farms to their final markets.

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

**Ans.** The Bretton Woods Conference was held in July of 1944 at Bretton Woods in New Hampshire, USA, Under this system, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) afterwards called the World Bank were established to preserve global economic stability and full employment in industrialized world.

## Discuss

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

Ans. To,

XYZ, B-50 Tri Nagar,  
Madras (Chennai)  
Date .....

I am working in Trinidad (Caribbean) as an indentured labourer. Through this letter, I want to tell you about my hardship and misbehaviour of the contractor towards me.

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 coolies and we are an uneasy minority in the cocoa plantations in Trinidad.

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 (in the contractor's thinking), my wages are cut. I am living a life of a slave and in great trouble.

yours.....  
XYZ

2. **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.**

Ans. The three types of movements or flows in international economic exchange are

**(i) Flow of Trade** This refers to trade in tangible goods like wheat, cotton, etc. Historically fine cotton cloth was produced in India by weavers and exported to European countries, but when the industrial revolution started in Europe and the European countries imposed tariff barriers, this export of textiles dropped drastically. In fact, India started exporting raw cotton and importing mill made cloth from England.

**(ii) Flow of Labour** This refers to migration of people in search of employment. During the nineteenth century, a large number of Indian labourers migrated to Africa, the West Indies and other countries to work on plantations and in mines as well as in railway and road construction projects set up by the Europeans. These Indians settled in the countries where they had gone after their contracts ended and now their descendants are found in these countries.

**(iii) Flow of Capital** This refers to movement of capital over long distances for short-term and long-term investments. Groups of Indian financiers and traders like the Sheriffs, Chatters, etc. financed agriculture plantations in various Asian and African countries using their own funds or those borrowed from European banks.

3. **Explain the causes of the Great Depression.**

Ans. **(i) Conditions Created by War** There was an immense industrial expansion in view of the increased demand of goods supplied to the army during the period of the First World War. After the war, the demand for these goods suddenly dropped and so there was no demand in many industries. There was also a large fall in the agricultural prices due to reduced demand.

**(ii) Overproduction in Agriculture** Agricultural overproduction was another major factor responsible for the depression. This was made worse by falling agricultural prices. As prices slumped and agricultural incomes

declined, the farmers tried to increase the production and bring a larger volume of produce to the market to- maintain their overall income. This worsened the situation by pushing down the prices of farm produce further. Various goods rotted in the markets because of lack of buyers.

**(iii) Shortage of Loans** In the mid-1920's many countries financed their investments through loans from the USA. While it was often very easy to raise loans in the USA during the boom period, the USA overseas lenders panicked at the first sign of trouble.

**(iv) Multiple Effects** With the fall in prices and the prospect of a depression, USA banks slashed domestic lending and stopped bank loans. Thousands of banks went bankrupt and were forced to close down. Factories closed, leading to unemployment of hundreds of people were rendered jobless, which further aggravated the crises.

**4. 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?**

**Ans.** The developing countries did not benefit from the economic growth of the developed countries like USA, European countries and Japan to remove this disparity, these 77 countries organized themselves into a group called the G-77 countries. Later on, more developing countries joined the group and now it consists of about 130 countries. They have demanded a New International Economic Order, in which they have a real control over their natural resources; they get more development assistance and fairer prices for raw materials exported by them. They want better access to the markets in developed countries for their manufactured goods. The Bretton Woods twins, IMF and World Bank, were mainly set up to favour the developed nations. They did not help the developing nations significantly as both of these institutions controlled their investments in the developing countries. So, the developing countries decided to set up their own group, the G-77, so that they could bargain better with these institutions and the developed countries for economic development and resultant benefits.