

Globalisation means integration of markets in the global economy, leading to the increased interconnectedness of national economies. By having an idea of the history of globalisation, students can precisely understand the causes which led to such social and economic change. The nineteenth-century Industrial Revolution was one of the significant periods in the history of globalisation. Social Science History Chapter 3 - The Making of a Global World explains how globalisation has its effect on the world as well as Indian economy. These CBSE notes for Class 10 Social Science History for Chapter 3 help students to get a brief overview of all the concepts. By referring to these notes, students can recall all the essential topics from the chapter and can quickly revise the entire section.

The Pre-modern World

Globalisation refers to an economic system that has emerged since the last 50 years or so. But, the making of the global world has a long history – of trade, of migration, of people in search of work, the movement of capital, and much else. From ancient times, travellers, traders, priests and pilgrims travelled vast distances for knowledge, opportunity and spiritual fulfilment, or to escape persecution. As early as 3000 BCE an active coastal trade linked the Indus valley civilisations with present-day West Asia.

Silk Routes Link the World

Silk routes are a good example of vibrant pre-modern trade and cultural links between distant parts of the world. Several silk routes have been identified by historians, overland and by sea, connecting vast regions of Asia, and linking Asia with Europe and northern Africa. In exchange of textile and species from India, precious metals - gold and silver - flowed from Europe to Asia.

Food Travels: Spaghetti and Potato

Food offers many examples of long-distance cultural exchange. New crops were introduced by traders and travellers. Ready foodstuff such as noodles travelled west from China to become spaghetti. Our ancestors were not familiar with common foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies, sweet potatoes, and so on about five centuries ago. Many of our common foods came from America's original inhabitants – the American Indians.

Conquest, Disease and Trade

The Indian Ocean, for centuries before, had known a bustling trade, with goods, people, knowledge, customs, etc. crisscrossing its waters. The entry of Europeans helped in redirecting these flows towards Europe. America's vast lands and abundant crops minerals began to transform trade and lives everywhere. The Portuguese and Spanish conquest and colonisation of America was decisively underway by the mid-sixteenth century.

Europeans' most powerful weapon was not a conventional military weapon, but germs such as those of smallpox that they carried on their person. It proved to be a deadly killer. Until the nineteenth century, poverty and hunger were common in Europe. Until well into the eighteenth century, China and India were among the world's richest countries. However, from the fifteenth



century, China is said to have restricted overseas contacts and retreated into isolation. Europe now emerged as the centre of world trade.

The Nineteenth Century (1815-1914)

In the nineteenth century, economic, political, social, cultural and technological factors interacted in complex ways to transform societies and reshape external relations. Three flows or movements were identified by economists.

- 1. The first is the flow of trade referred largely to trade in goods (e.g., cloth or wheat).
- 2. The second is the flow of labour the migration of people in search of employment.
- 3. The third is the movement of capital for short-term or long-term investments over long distances.

A World Economy Takes Shape

In the nineteenth-century self-sufficiency in food meant lower living standards and social conflict in Britain. It happened because of population growth from the late eighteenth century. Corn laws were imposed which means restriction in the import of corn. The British agriculture was unable to compete with imports and vast areas of land were left uncultivated. So, thousands of men and women flocked to the cities or migrated overseas.

In Britain, food prices fell and in the mid-nineteenth century, industrial growth led to higher incomes and more food imports. In order to fulfil British demand, in Eastern Europe, Russia, America and Australia, lands were cleared to expand food production. In order to manage linking of railways to agricultural fields and building homes for people required capital and labour. London helped in terms of finance and terms of labour people emigrated from Europe to America and Australia in the nineteenth century.

By 1890, a global agricultural economy had taken shape, adapting complex changes in labour movement patterns, capital flows, ecologies and technology. In West Punjab, the British Indian government built a network of irrigation canals to transform semi-desert wastes into fertile agricultural lands to grow wheat and cotton for export. Even the cultivation of cotton, expanded worldwide to feed British textile mills.

Role of Technology

Some of the important inventions in the field of technology are the railways, steamships, the telegraph, which transformed the nineteenth-century world. But technological advances were often the result of larger social, political and economic factors.

For example, colonisation stimulated new investments and improvements in transport: faster railways, lighter wagons and larger ships helped move food more cheaply and quickly from faraway farms to final markets. Animals were also shipped live from America to Europe till the 1870s. Meat was considered an expensive luxury beyond the reach of the European poor. To break the earlier monotony of bread and potatoes, many could now add meat (and butter and eggs) to their diet.

Late nineteenth-century Colonialism

Trade flourished and markets expanded in the late nineteenth century. But, it has a darker side too, as in many parts of the world, the expansion of trade and a closer relationship with the world economy meant a loss of freedoms and livelihoods. In 1885 the big European powers met in Berlin to complete the carving up of Africa between them. Britain and France made vast additions to their



overseas territories. Belgium and Germany became new colonial powers. The US also became a colonial power in the late 1890s by taking over some colonies earlier held by Spain.

Rinderpest, or the Cattle Plague

In Africa, in the 1890s, a fast-spreading disease of cattle plague impacted people's livelihoods and the local economy. Africa had abundant land and a relatively small population. In the late nineteenth century, Europeans were attracted to Africa due to its vast resources of land and minerals.

Europeans came to Africa hoping to establish plantations and mines to produce crops and minerals for export to Europe. But there was an unexpected problem – a shortage of labour willing to work for wages. Inheritance laws were changed and according to the new one only one member of a family was allowed to inherit land. In the late 1880s, Rinderpest arrived in Africa carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa. The loss of cattle destroyed African livelihoods.

Indentured Labour Migration from India

Indentured labour illustrates the two-sided nature of the nineteenth-century world. A world of faster economic growth as well as great misery, higher incomes for some and poverty for others, technological advances in some areas and new forms of coercion in others. In India, indentured labourers were hired under contracts and most of them came from the present-day regions of eastern Uttar Pradesh, Bihar, central India and the dry districts of Tamil Nadu.

Indian indentured migrants main destinations were the Caribbean islands (mainly Trinidad, Guyana and Surinam), Mauritius and Fiji. Indentured workers were also recruited for tea plantations in Assam. Nineteenth-century indenture has been described as a 'new system of slavery'. In Trinidad the annual Muharram procession was transformed into a riotous carnival called 'Hosay' in which workers of all races and religions joined.

Similarly, the protest religion of Rastafarianism is also said to reflect social and cultural links with Indian migrants to the Caribbean. From the 1900s India's nationalist leaders began opposing the system of indentured labour migration as abusive and cruel. It was abolished in 1921.

Indian Entrepreneurs Abroad

People need huge capital to grow food and other crops for the world market. So, for the humble peasant Shikaripuri shroffs and Nattukottai Chettiars were amongst the many groups of bankers and traders who financed export agriculture in Central and Southeast Asia, using either their own funds or those borrowed from European banks.

Indian Trade, Colonialism and the Global System

Cottons from India were exported to Europe. In Britain, tariffs were imposed on cloth imports. Consequently, the inflow of fine Indian cotton began to decline. Over the nineteenth century, British manufacturers flooded the Indian market. By helping Britain balance its deficits, India played a crucial role in the late-nineteenth-century world economy. Britain's trade surplus in India also helped pay the so-called 'home charges' that included private remittances home by British officials and traders, interest payments on India's external debt, and pensions of British officials in India.



The Inter-war Economy

The First World War (1914-18) was fought in Europe, but its impact was felt around the world. During this period the world experienced widespread economic and political instability and another catastrophic war.

Wartime Transformations

The First World War was fought between the Allies – Britain, France and Russia (later joined by the US); and the Central Powers – Germany, Austria-Hungary and Ottoman Turkey. The war lasted for more than four years which involved the world's leading industrial nations. It was considered as the first modern industrial war which saw the use of machine guns, tanks, aircraft, chemical weapons, etc. on a massive scale. During the war, industries were restructured to produce war-related goods. Britain borrowed large sums of money from US banks as well as the US public, transforming the US from being an international debtor to an international creditor.

Post-war Recovery

Post-war economic recovery, Britain, the world's leading economy faced a prolonged crisis. Industries had developed in India and Japan while Britain was preoccupied in the war. Britain, after the war, found it difficult to recapture its earlier position of dominance in the Indian market and to compete with Japan internationally. At the end of the war, Britain was burdened with huge external debts. Anxiety and uncertainty about work became an enduring part of the post-war scenario.

Rise of Mass Production and Consumption

The US economy recovered quicker and resumed its strong growth in the early 1920s. Mass production is one of the important features of the US economy which began in the late nineteenth century. Henry Ford is a well-known pioneer of mass production, a car manufacturer who established his car plant in Detroit. The TModel Ford was the world's first mass-produced car. Fordist industrial practices soon spread in the US and were also copied in Europe in the 1920s. The demand for refrigerators, washing machines, etc. also boomed, financed once again by loans. In 1923, the US resumed exporting capital to the rest of the world and became the largest overseas lender.

The Great Depression

The period of The Great Depression, began around 1929 and lasted till the mid1930s, most parts of the world experienced catastrophic declines in production, employment, incomes and trade. The most affected areas were agricultural regions and communities. Combination of several factors led to depression. The first factor is agricultural overproduction, second is in the mid-1920s, many countries financed their investments through loans from the US. The rest of the world is affected by the withdrawal of US loans in different ways. The US was also severely affected by the depression. Unfortunately, the US banking system collapsed as thousands of banks went bankrupt and were forced to close.

India and the Great Depression

Indian trade is immediately affected by depression. The prices of agriculture fell sharply but still, the colonial government refused to reduce revenue demands. In these depression years, India became



an exporter of precious metals, notably gold. Rural India was thus seething with unrest when Mahatma Gandhi launched the civil disobedience movement at the height of the depression in 1931.

Rebuilding a World Economy: The Post-war Era

Two decades after the end of the First World War, the Second World War broke out. It was fought between the Axis powers (mainly Nazi Germany, Japan and Italy) and the Allies (Britain, France, the Soviet Union and the US). The war continued for six years over land, on sea, in the air. The war caused an immense amount of economic devastation and social disruption. Post-war reconstruction was shaped by two crucial influences. The first one is that the US emerged as the dominant economic, political and military power in the Western world. The second was the dominance of the Soviet Union.

Post-war Settlement and the Bretton Woods Institutions

Two-key lessons were drawn out from inter-war economic experience. First, mass production cannot be sustained without mass communication. The second lesson related to a country's economic links with the outside world. The Bretton Woods conference established the International Monetary Fund (IMF) to deal with external surpluses and deficits of its member nations. The International Bank for Reconstruction and Development (popularly known as the World Bank) was set up to finance postwar reconstruction. The IMF and the World Bank commenced financial operations in 1947.

The Early Post-war Years

An era of unprecedented growth of trade and incomes was inaugurated by the Bretton Woods for the Western industrial nations and Japan. During this decade, technology and enterprise were spread worldwide.

Decolonisation and Independence

After the end of Second World War, large parts of the world were still under European colonial rule. The IMF and the World Bank were designed to meet the financial needs of the industrial countries. The IMF and the World Bank from the late 1950s shift their attention more towards developing countries. Most developing countries were not benefited from the fast growth the Western economies experienced in the 1950s and 1960s. They organised as a group – the Group of 77 (or G-77) – and demanded a new international economic order (NIEO). NIEO 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.

End of Bretton Woods and the Beginning of 'Globalisation'

The US's finance and competitive strength were weakened due to rising costs of its overseas involvements from the 1960s. In the mid-1970s the international financial system also changed and the industrial world was also hit by unemployment. MNCs began to shift their production to low-wage Asian countries. China became attractive destinations for investment by foreign MNCs. In the



last two decades, the world's economic geography has been transformed as countries such as India, China and Brazil have undergone rapid economic transformation.

