

Globalisation is an economic system and it emerges since 50 years.

To understand the making of global world we have to understand the history of trade, migration and people search for work and the movement of capitals.

The Pre Modern World

1. Human societies have steadily more interlinked.
2. Travelers, traders, priest and pilgrims travelled vast distance for carrying goods, money, ideas, skills, inventions and even germs and disease.
3. Indus Vally civilisation was linked with West Asia.
4. Cowries a form of currency from the Maldives.

Silk Route Link the World

1. The silk routes were regarded as the most important route linking the distant parts of the world.
2. Routes were existed even before the Christian Era and flourished till the 15th century.
3. The Buddhist preachers, Christian missionaries and later on Muslim preacher used to travel by Routes.
4. Routes proved to be a great source of trade and cultural links between distinct parts of the world.

Conquest, Disease and Trade:

1. In 16th century after European sailors found a sea route to Asia and America.
2. The Indian subcontinent had been known for bustling trade with goods, people, customs and knowledge. It was a crucial point in their trade network.
3. After the discovery of America, its vast lands and abundant crops and minerals began to transform trade and lives every where.
4. Precious metals, particularly silver from mines located in Peru and Maxico enhanced Europe's wealth and financed its trade with Asia.
5. The Portuguese and Spanish conquest and colonisation of America was under way.
6. The most powerful weapon of the Spanish conquerors was not a conventional military weapon but germs of small pax which they carried.
7. America's original inhabitants had no immunity against such type of diseases.

A World Economy Takes Shape :

1. Abolition of the Corn law.
2. Under pressure from landowners groups the government restricted the import of food grains.
3. After the carn laws were scrapped, food could be imported into Britain more cheaply than it could be produced in the country.
4. British farmers were unable to compete with imports. Vast areas of land were left uncultivated.
5. As food prices fell, consumption in Britain rose.
6. Faster industrial growth in Britain led to higher incomes and more food imports.

The role of Technology:

1. Technology had a great impact on the transformation of 19th century world such as Railways, steamship and telegraph.
2. Technological advances were often the results of social, political and economic factors.
3. The refrigerated ships greatly helped to transport the perishable food items over a long distance.
4. It greatly facilitated the shipment of frozen meat from America, Australia Or New Zealand to different European Countries.

The Nineteenth Century (1815 to 1914)

In the 19th Century, Economic, Political, Social, Cultural and technological factors interacted in complex ways to transform societies and reshape external relations.

Indentured Labour Migration from India

Meaning of Indentured Labour

1. Indentured labour means a bonded labourer under contract to work for an employer for a specific amount of time.
2. It brought higher income for some and poverty for others.

Causes of Migration of Indian Indentured Workers

1. Most came from the present day regions of eastern Uttar Pradesh, Bihar, Central India and Tamil Nadu.
2. These regions of India experienced many social changes like cottage industry declined, land rents rose and the lands were cleared for mines and plantation.
3. In 19th century indenture described as a new system of slavery.
4. Hosay, A riotous carnival in Trinidad when workers of all races and religions join in celebrating.

The Inter War Economic

1. The first World war was mainly fought in Europe.
2. During this time, the world experienced economic, political instability and another miserable war.
3. The first world war was fought between two power bloc. On one were the allies – Britain, France, Russia and later joined the US. and on the opposite side -Germany, Austria, Hungary and Ottoman and Turkey.
4. this war lasted for 4 years.

Technological Transformations

1. First-time modern weapons like Machine gun, tanks, aircraft, chemical weapons etc were used on a massive scale.
2. Millions of soldiers had to be recruited from around the world. and most of them were men of working age.

Bretton Woods Institutions:

1. To deal with external surpluses and deficits a conference was held in July 1944 at Bretton woods in New Hampshire, U.S.A.
2. International Monetary Fund and World Bank were set up to finance post war restructuring.
3. The post war international economic system is known as Bretton Woods systems.
4. This system was based on fixed exchange rates.
5. IMF and World Bank are referred as Bretton Woods Twins.
6. U.S has an effective right of veto over key IMF and World Bank.

The Great depression

Factors responsible for depression

1. Agricultural overproduction remained a problem. It makes the price of agriculture products slumping.
2. Many countries financed their investment through the loan they got from the USA.
3. American capitalists stopped all loans to European countries.
4. In Europe, it led to a failure of some major banks and collapse of currencies like Sterling.
5. Doubling the import duties by the USA, which hit the world trade badly.

New International Economic Order – NIEO

1. Most developing countries did not benefit from the fast growth of Western economies in 1950's & 60's.
2. They organised themselves as a group. The group of 77 or G-77 to demand a New International Economic Order (NIEO).
3. It was 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.

New Economic Policy In China

1. Wages were very low in countries like China.
2. The low-cost structure of Chinese economy made its products cheaper.
3. China became a favourite destination for MNCs to invest.
4. New Economic policy of China back into the fold of world Economy.

MNCs:

1. Multinational corporations are large companies that operate in several countries at the same time.
2. The world wide spread of MNCs was a notable feature in the 1950s and 1960s as US business expanded worldwide.
3. High imports tariffs imposed by different governments forced MNCs to locate their manufacturing units.

Conclusion:

In last two decades, the economy of the world has changed a lot as countries like China, India and Brazil have achieved rapid economic development.