MIND MAP

The Making of A Global World

Rebuilding a World Economy: The Post-war Era

The Inter-war Economy

- **End of Bretton Woods and the Beginning of 'Globalisation'**
  Wages were relatively low in countries like China. Thus they became attractive destinations for investment by foreign MNCs competing to capture world markets.

- **Decolonisation and Independence**
  Most colonies in Asia and Africa emerged as free, independent nations. Developed countries organised themselves as a group – the Group of 77 (or G-77) – to demand a new international economic order (NIEO).

- **The Early Post-war Years**
  World trade grew annually at over 8 per cent between 1950 and 1970 and incomes at nearly 5 per cent.

- **Post-war Settlement and the Bretton Woods Institutions**
  An industrial society based on mass production cannot be sustained without mass consumption. The IMF and the World Bank commenced financial operations in 1947. Decision- making in these institutions was controlled by the Western industrial powers.

- **Wartime Transformations**
  The First World War was thus the first modern industrial war. It saw the use of machine guns, tanks, aircraft, chemical weapons, etc. on a massive scale.

- **India and the Great Depression**
  In the nineteenth century, across India, peasants' indebtedness increased. They used up their savings, mortgaged lands, and sold whatever jewellery and precious metals they had to meet their expenses.

- **Post-war Recovery**
  The war had led to an economic boom, that is, to a large increase in demand, production and employment.

- **The Great Depression**
  The depression was caused by:
  (1) agricultural overproduction remained a problem.
  (2) in the mid-1920s, many countries financed their investments through loans from the US.

- **Rise of Mass Production and Consumption**
  One important feature of the US economy of the 1920s was mass production. Henry Ford's cars came off the assembly line at three-minute intervals, a speed much faster than that achieved by previous methods.

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The Pre-modern World

- **Silk Routes Link the World**
  The name 'silk routes' points to the importance of West-bound Chinese silk cargoes along this route.

- **Food Travels: Spaghetti and Potato**
  Many of our common foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies, sweet potatoes, and so on were not known to our ancestors until about five centuries ago.

The Nineteenth Century (1815-1914)

- **Indian Trade, Colonialism and the Global System**
  With industrialisation, British cotton manufacture began to expand, and industrialists pressurised the government to restrict cotton imports and protect local industries.

- **A World Economy Takes Shape**
  Industry grew, the demand for agricultural products went up, pushing up food grain prices. Between 1820 and 1914 world trade is estimated to have multiplied 25 to 40 times.

- **Role of Technology**
  New technology, namely, refrigerated ships, which enabled the transport of perishable foods over long distances.

- **Rinderpest, or the Cattle Plague**
  In the late nineteenth century, Europeans were attracted to Africadue to its vast resources of land and minerals. Rinderpest, a devastating cattle disease, arrived in Africa in the late 1880s.

- **Indentured Labour Migration from India**
  Recruitment was done by agents engaged by employers and paid a small commission. From the 1900s India's nationalist leaders began opposing the system of indentured labour migration as abusiveand cruel. It was abolished in 1921.

- **Indian Entrepreneurs Abroad**
  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.