

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.

Answer

Examples of the different types of global exchanges which took place before the seventeenth century:

- Textiles, spices and Chinese pottery were exchanged by China, India and Southeast Asia in return for gold and silver from Europe.
- Gold and foods such as potatoes, soya, groundnuts, tomatoes and chillies were first exported from the Americas to Europe.

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

Answer

The global transfer of disease in the pre-modern world helped in the colonisation of the Americas because the native American Indians were not immune to the diseases that the settlers and colonisers brought with them. The Europeans were more or less immune to small pox, but the native Americans, having been cut off from the rest of the world for millions of years, had no defence against it. These germs killed and wiped out whole communities, paving the way for foreign domination. Weapons and soldiers could be destroyed or captured, but diseases could not be fought against.

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) The British government's decision to abolish the Corn Laws was the inflow of cheaper agricultural crops from America and Australia. Many English farmers left their profession and migrated to towns and cities. Some went overseas. This indirectly led to global agriculture and rapid urbanisation, a prerequisite of industrial growth.

(b) The coming of rinderpest to Africa caused a loss of livelihood for countless Africans. Using this situation to their advantage, colonising nations conquered and subdued Africa by monopolising scarce cattle resources to force Africans into the labour market.

(c) Most of the victims of world war belonged to young generations of working men. As a result, it reduced the workforce in Europe, thereby reducing household income. The role of women increased and led to demand for more equality of status. It made the feminist movement stronger. Women started working alongside men in every field. Women and youngsters became more independent and free with long-term effects.

(d) The impact of the Great Depression in India was felt especially in the agricultural sector. It was evident that Indian economy was closely becoming integrated to global economy. India was a British colony and exported agricultural goods and imported manufactured goods. The fall in agricultural price led to reduction of farmers' income and agricultural export. The government did not decrease their tax and so, many farmers and landlords became more indebted to moneylenders and corrupt officials. It led to a great rural unrest in India.

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

Answer

Two examples from history to show the impact of technology on food availability were:

- Faster railways, lighter wagons and larger ships helped transport food more cheaply and quickly from production units to even faraway markets.
- Refrigerated ships helped transport perishable foods such as meat, butter and eggs over long distances.

5. What is meant by the Bretton Woods Agreement?

Answer

The Bretton Woods Agreement was finalised in July 1944 at Bretton Woods in New Hampshire, USA. It established the International Monetary Fund and the World Bank to preserve global economic stability and full employment in the industrial world. These institutions also dealt with external surpluses and deficits of member nations, and financed post-war reconstructions.

Discuss

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 the international economic exchange are trade flows, human capital flows and capital flows or investments. These can be explained as—the trade in agricultural products, migration of labour, and financial loans to and from other nations.

India was a hub of trade in the pre-modern world, and it exported textiles and spices in return for gold and silver from Europe. Many different foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies and sweet potatoes came to India from the Americas after Columbus discovered it.

In the field of labour, indentured labour was provided for mines, plantations and factories abroad, in huge numbers, in the nineteenth century. This was an instrument of colonial domination by the British.

Lastly, Britain took generous loans from USA to finance the World War. Since India was an English colony, the impact of these loan debts was felt in India too. The British government increased taxes, interest rates, and lowered the prices of products it bought from the colony. Indirectly, but strongly, this affected the Indian economy and people.

8. Explain the causes of the Great Depression.

Answer

The Great Depression was a result of many factors:

- Prosperity in the USA during the 1920s created a cycle of higher employment and incomes. It led to rise in consumption and demands. More investment and more employment created tendencies of speculations which led to the Great Depression of 1929 upto the mid-1930s.
- Stock market crashed in 1929. It created panic among investors and depositors who stopped investing and depositing. As a result, it created a cycle of depreciation.
- Failure of the banks. Some of the banks closed down when people withdrew all their assets, leaving them unable to invest. Some banks called back loans taken from them at the same dollar rate inspite of the falling value of dollar. It was worsened by British change in policy to value pound at the pre-war value.

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

G-77 countries is an abbreviation for the group of 77 countries that demanded a new international economic order (NIEO); a system that would give them real control over their natural resources, without being victims of neo-colonialism, that is, a new form of colonialism in trade practised by the former colonial powers.

The G-77 can be seen as a reaction to the activities of the Bretton Woods twins (the International Monetary Fund and the World Bank) because these two institutions were designed to meet the financial needs of industrial and developed countries, and did nothing for the economic growth of former colonies and developing nations.