



WEALTH AND THE WORLD

"What a wonderful time this must have been, when the world seemed to be opening out and showing her treasures and marvels! New discoveries came one after another, oceans and new continents, and wealth beyond measure, just waiting for the magic call – "open sesame." The very air must have breathed of the magic of these adventures."

Jawaharlal Nehru

The above excerpt from Jawaharlal Nehru's *Glimpses of World History* refers to the adventurous geographic expeditions of the 15th century. When Europeans arrived in Asia, Africa, and the Americas, they encountered many unique and fascinating features of these regions. Nehru illustrates the sense of wonder these explorers experienced by drawing a parallel to the story of 'Ali Baba and the Forty Thieves' from *The Arabian Nights*. He compares the Europeans to Ali Baba, who marveled at the treasures inside a cave that opened with the magical phrase "open sesame." These explorations and discoveries of the 15th and 16th centuries were pivotal events that significantly shaped the course of history. In the following pages we will delve deeper into the history of these transformative expeditions.

Two significant events in the 15th century were instrumental in launching the geographical expeditions:

- the conquest of Constantinople (map 4.1) by the Turks
- arrival of the Portuguese at The Guinea Coast (map 4.1) in Africa



Pepper and the Europeans

Europeans relied on spices, particularly pepper, to preserve food and for medicinal purposes. These spices were traditionally obtained through trade routes passing via Constantinople. However, after the closure of this route, Europeans were compelled to explore and establish a sea route to Asia to secure access to these valuable commodities.

These events had far-reaching effects worldwide. After the Turks captured Constantinople, the primary trade route through which goods, including pepper from Asia, reached Europe was obstructed. As a result, Europeans began exploring new routes to access these valuable commodities and reached lands hitherto unknown to them. The arrival of the Portuguese sailors on the Guinea Coast marked another key milestone. These voyages and geographical explorations reshaped global history leading to European domination and the gradual spread of European culture across the world.



Examine the given map (4.1) closely and identify the countries marked on it. Which ocean borders these countries?



Map 4.1

Portugal and Spain were the first to embark on expeditions that reshaped the world. Soon after, other nations like the Netherlands, England, and France joined in the exploration and conquest of new territories. From the map, you must have noticed that these

countries are located along the Atlantic coast, a geographic advantage that greatly contributed to their involvement in global exploration. Several other factors also enabled these nations to undertake successful expeditions, which include:

- the building of advanced ships capable of crossing vast oceans
- the invention of the compass and other navigational tools for determining direction
- patronage of the rulers
- strong military power
- extensive experience in seafaring
- advances in cartography and astronomy

European Expeditions to other Continents

The early expeditions of Europeans were in the African continent. Knowledge of the gold deposits in the Niger plains motivated Portugal to embark on such ventures. The Portuguese initiated their conquest of Africa in 1415 by capturing Ceuta, a city on the Moroccan coast. This city later became a vital granary for them. One of the early challenges for Portuguese explorers was crossing Cape Bojador (map 4.1). However, after successfully navigating it in 1434, they gained access to other regions along the African coast. This breakthrough allowed them to profit significantly from the trade of gold and slaves, further encouraging their exploration efforts. In addition to Africa, the Portuguese expanded agriculture and established colonies on nearby islands in the Atlantic. In short, these ventures in Africa and the colonisation of Atlantic islands eventually paved the way for finding a sea route to Asia, marking a crucial milestone in global exploration.



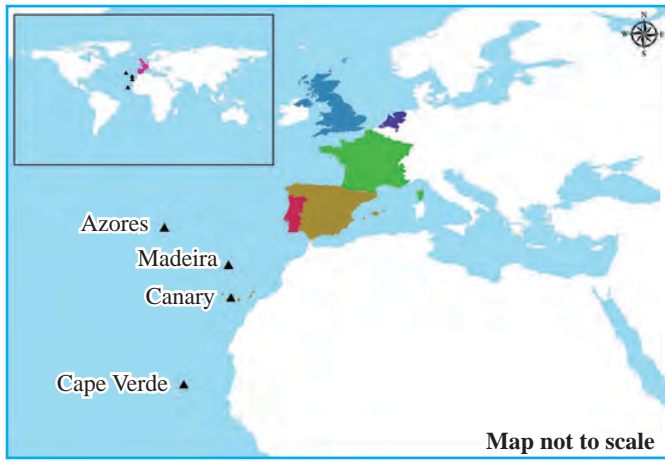
Colonisation

Colonisation is a process by which a country establishes dominion in an alien country. The colonisers tried to exploit the colonies through economic, political and cultural domination.



Atlantic Islands

The Atlantic Islands are located to the west of Africa in the Atlantic Ocean. Notable among them are Madeira, Azores, Canary and Cape Verde. These islands served as agricultural lands and strategic port centres. The Portuguese, who initially controlled many of these islands, used them as key bases for their operations in Africa and as stopover points for ships travelling to Asia to restock food and water. Later, the Canary Islands became a colony of Spain.



Map 4.2

In 1488, the Portuguese sailor Bartolomeu Dias reached the Cape of Good Hope (map 4.3), located at the southern tip of Africa. However, he was unable to navigate the rough sea route to India and was forced to return. Learning from this challenge, the Portuguese began building sturdier ships capable of withstanding the harsh conditions of the Indian Ocean. A decade later, in 1498,

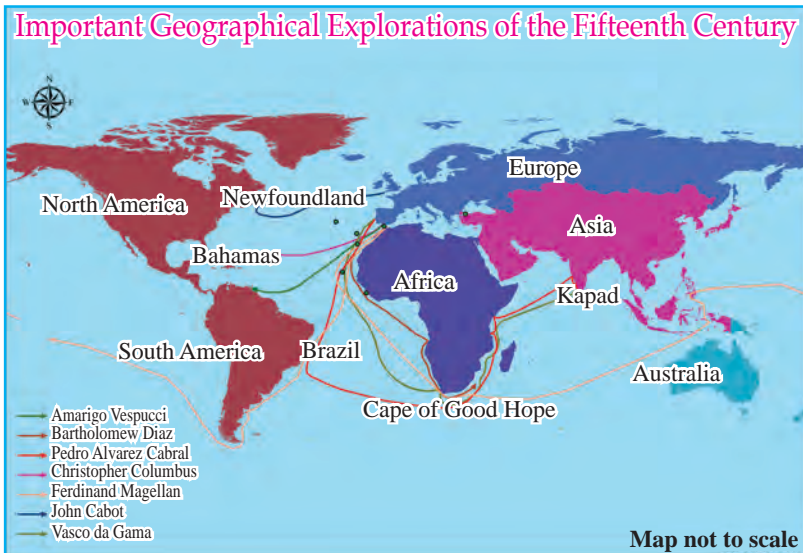
Vasco da Gama followed the same route and successfully sailed around the eastern coast of Africa via the Cape of Good Hope. He eventually reached the shores of Kappad (map 4.3) in Kozhikode, India. This marked the beginning of European domination in India.



Vasco da Gama

Spain was another country that took part in geographical expeditions. They too had long coast and the seafaring heritage just like the Portuguese. They received the patronage of King Ferdinand and Isabella the rulers of Spain. With the financial aid of Spain in 1492 Christopher Columbus, an Italian navigator, reached the Bahamas Islands (Map 4.3), located in the southeastern region of North America. This journey led to the discovery of

Important Geographical Explorations of the Fifteenth Century



Map 4.3

a previously unknown continent for Europeans. The event paved the way for the invasion and exploitation of the region by Europeans, which came to be known as the "New World." Eventually, this region was named America.

Prince Henry

Prince Henry of Portugal played a pivotal role in encouraging maritime exploration. In 1419, he established a navigation school in Sagres, Portugal, which trained sailors in the skills of sea voyages and cartography. Under his leadership, significant progress was made in the discovery of the Atlantic Islands and expeditions along the western coast of Africa.

How did the name "America" come into being?

After Bartolomeu Dias, Christopher Columbus attempted to find a sea route to Asia. In 1492, he reached the Bahamas Islands near North America, mistakenly believing he had reached India. Later, an Italian explorer named Amerigo Vespucci realised that this was, in fact, a previously unknown continent, which he referred to as the "New World." In 1507, a German cartographer named Martin Waldseemüller named the region "America" in honor of Amerigo Vespucci.



World map drawn by
Martin Waldseemüller in 1507

The following are some other important expeditions during this period.

Explorers	Expeditions
Pedro Álvares Cabral	Brazil
Ferdinand Magellan	First to circumnavigate the globe through the oceans
John Cabot	Newfoundland



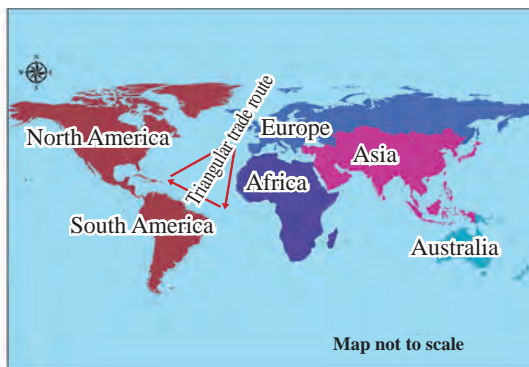
Use ICT tools to expand and enhance the table on expeditions.

Geographical explorations had far-reaching consequences. Let us examine some of them:



Triangular Trade

The products from Europe were sent to Africa, where enslaved people were purchased and transported to the Americas to be sold. From the Americas, goods such as sugar, wine, and cotton were then shipped to Europe. This system of trade, developed by Europeans, linking Europe, Africa, and the Americas, is known as the triangular trade (refer to map 4.4).



Map 4.4

- The Atlantic coast emerged as the most important trade route, connecting Europe with the Americas, Asia, and Africa. This shift led to a decline in Mediterranean trade and the rise of Atlantic trade.
- Large parts of the Americas, Africa, and Asia came under European invasion and colonisation.
- Efforts were made by Europeans to monopolise the trade of pepper and other spices from Asia.
- Gold and silver were transported in large quantities from South America to Europe, with a portion of this wealth eventually reaching India.
- The development of the triangular trade system connecting Europe, Africa, and the Americas.
- The influx of gold and silver into Europe increased the use of currency, accelerating monetisation.

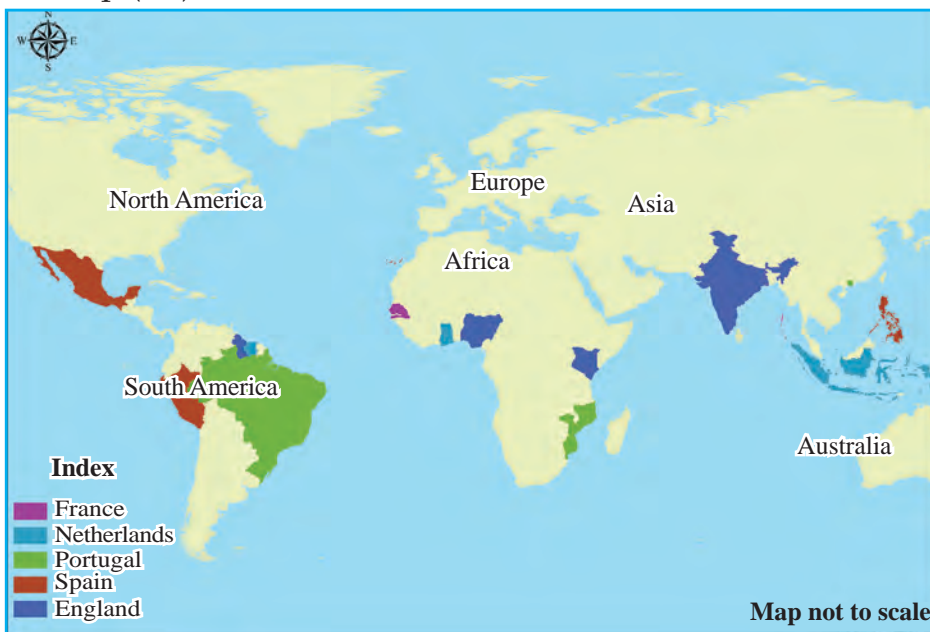
Over a period of time, the dominance in trade of Portugal and Spain declined, and countries like England, the Netherlands, and France took

their place. In the competition among these nations, France and England surpassed the Netherlands and established colonies in Asia, Africa, and the Americas. The American regions once controlled by Spain and Portugal came to be known as Latin America. Subsequently, the world witnessed intense rivalry between England and France as they sought to maximise financial gains through colonisation.



Create a digital album showcasing the effects of sea voyages and the changes they brought to the dominance in trade. Include relevant maps and pictures and present this album in the class.

Look at the Map (4.5)



Map 4.5



Examine the given map (4.5) to identify the colonies established by European countries. Add this information to the table provided. Use an atlas to identify additional colonies and expand the table further.

Countries	Colonies		
	Asia	Africa	America
Portugal			
Spain			
Netherlands			
France			
England			

Mercantilism

Vasco da Gama who was well received by king Manuel and his court in 1499 after his voyage of discovery was asked by the Count of Vimioso: "What are the commodities that can be obtained from India and what Indians wanted in exchange?" The discoverer replied that what could be brought from India included pepper, cinnamon, ginger, amber and musk; what the Indians demanded in exchange was gold, silver, velvet, scarlet cloth. The count retorted: "In that case it seems to me that it is they who have discovered us."

C.R.Boxer, Portuguese Conquest and Commerce in Southern Asia: 1500-1750,(Variorum), Hampshire, 1985.

Reflect on this conversation – why do you think Lord Vimioso made this comment? Let us explore.

At that time, the economic policy of European nations focused heavily on acquiring gold and silver, which were seen as symbols of wealth and power. When Lord Vimioso learned that gold

and silver had to be given to Indians in exchange for their goods, he felt that Europe was losing its precious resources and gave such a response. This highlights the concept of mercantilism, an economic policy where nations aimed to accumulate wealth, primarily gold and silver, through trade and other means.

According to mercantilist policy, the wealth of a nation was measured by the amount of gold and silver it possessed. Countries that adopted this policy competed to accumulate wealth in the form of these precious metals. A key characteristic of mercantilism was the effort to preserve a nation's

wealth (gold and silver) by reducing imports and increasing exports, thereby amassing wealth from other nations.



Bullion Coin

The silver and gold collected as wealth were known as Bullion. The value and amount of the metals in the coins were considered for the transactions. E.g., the value of the gold in a gold coin would be considered as its value in transaction.



Discuss and make a note on the features of mercantilism.

Colonial Policies

Colonial policies refer to the policies and strategies employed by colonial powers to extract wealth from their colonies. The

primary aim of the Portuguese colonial policy was to break the Asian spice trade monopoly of the Arabs and secure control over it. Under this policy, trade in the colonies became a monopoly of the Portuguese king. The Portuguese sought to keep other European powers out of this trade. As part of this effort, non-Portuguese individuals were prevented from travelling on Portuguese ships.

Spain also governed its colonies directly under the authority of the king, focusing on extracting as much gold and silver as possible from the Americas to enrich the kingdom. In contrast, the Dutch and the English conducted their colonial trade through joint-stock companies. But the Spanish and Portuguese kings directly controlled colonial trade. They used the wealth thus earned to build and renovate palaces. At the same time companies like those in England and the Netherlands reinvested their profits back into their businesses. This reinvestment substantially contributed to the growth of industries in England, playing a crucial role in its economic development.



Joint Stock Company

Joint stock companies are established by pooling capital from various sources (Union of Capital), emphasising the importance of share investment. These companies facilitate investments by allowing individuals to contribute capital in shares.



'It is the effective utilisation of wealth that helped in the industrialisation of England.' Discuss and make a note on the topic.

Colonisation and Natives

When I was carried on board I was immediately handled, and tossed up, to see if I were sound, by some of the crew.... When I looked around the ship... and saw... a multitude of black people of every description chained together, every one of their countenances expressing dejection and sorrow, I no longer doubted of my fate.... I was soon put down under the decks, and there I received such a salutation in the nostrils as I had never experienced in my life; so that with the loathsomeness of the stench... I became so sick and low that I was not able to eat.

Two of my wearied countrymen, who were chained together... preferring death to such a life of misery... jumped into the sea... and I believe many more would very soon have done the same, if they had not been prevented by the ship's crew... we continued to undergo more hardships than I can now relate...

(Western Civilisation Beyond Boundaries Noble, Strauss, Osheim, Neuschel, Accampo, Roberts, Cohen)



The picture shows the scene when the Spaniard Hernán Cortés and his team arrived in Tenochtitlan, the capital of the Aztecs in Mexico (America). (This image can be found at the beginning of this lesson). Locals greeted them with food and gifts. The interpreter in the image is Dona Marina, a local resident near Hernán Cortés. The Europeans used to communicate with the natives with the help of such translators.

The description you have read above is by Olaudah Equiano, an African who escaped from a slave ship. One of the consequences of European colonisation on native populations was slavery and the slave trade in Africa.

Let us examine some of the other effects of colonisation:

- wealth was extracted from the colonies and flowed into European countries
- natives lost their economic and political rights over their own regions
- indigenous cultures in the colonies faced destruction
- western lifestyles and practices spread across the colonies
- Christianity was propagated in colonised regions

New World, Changing Economic Orders

As we have discussed earlier, geographical exploration paved the way for notable changes in global trade. Individuals who had been involved in trade before these explorations became very wealthy and were referred to as merchant capitalists. This economic system was known as Merchant Capitalism.

In this system, merchants supplied raw materials to artisans living in rural areas. The artisans manufactured goods in cottage-based production. After compensating the artisans for their labour, the merchants sold the finished products and made profits. These merchants acted as intermediaries between producers and consumers.

As mentioned earlier, England started industries using the wealth gained through colonisation. Those who invested their wealth in this way became the owners of industries and made huge profits. With this, merchant capitalism gave way to industrial capitalism.

Moving towards the Industrial Revolution

As the French Revolution gave way to the fires of war in continental Europe, across the Channel (English Channel), fires belched flame and smoke from England's factory chimneys, lighting the night sky and blocking the day's sun.



An iron factory in England

(Western Civilisation Beyond Boundaries Noble, Strauss, Osheim, Neuschel, Accampo, Roberts, Cohen)

The description given above indicates the rise of factories in England during the 18th century. These factories carried out mass production using machines. The introduction of machinery into the manufacturing sector brought about many changes. Such changes in the production process between 1780 and 1850 describes the Industrial Revolution. The Industrial Revolution began in the textile industry.



How does industrial capitalism differ from merchant capitalism? Make an explanatory note.

Let us examine the major changes that took place as part of the Industrial Revolution.

- production was mechanised
- advancement in metallurgy leading to the production of better tools
- steam was used as a source of energy
- transport facilities developed
- production shifted from cottages to factories



Agrarian Revolution

The term 'Agrarian Revolution' is used to refer to the series of changes that took place in England's agricultural sector in the 17th century. Major changes associated with the Agrarian Revolution:

- small farms were consolidated to form large farms protected by fencing (Enclosure Movement)
- crop rotation was introduced
- use of new agricultural implements

As a result, there was an increase in food production.

The Industrial Revolution paved the way for both positive and negative changes. Let us examine what they are.

Merits	Demerits
Rise of factories	Exploitation of labourers
Increase in production	Poverty, epidemics
New employment opportunities	Long working hours and low wages for women and children
Rise of cities and urbanisation	Rise of slums
Urban life	Busy and polluted cities
Better living conditions	Miserable life for labourers in cities

St. Giles



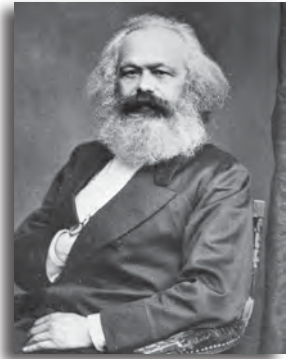
Image of St Giles slum

This image illustrates the extreme poverty of the St. Giles slums in London. It depicts "squalid children, haggard men, with long uncombed hair, in rags, most of them smoking, many speaking Irish; women without shoes or stockings—a babe perhaps at the breast, with a single garment, confined to the waist by a bit of string; wolfish looking dogs; decayed vegetables strewing the pavement; low public houses; linen hanging across the street to dry; the population stagnant in the midst of activity; lounging

about in remnants of shooting jackets, leaning on the window frames, blocking up the courts and alleys; with young boys gathered round them, looking exhausted as though they had not been to bed. Never was there so little connection between masses of living beings and their means of livelihood."

(Western Civilisation Beyond Boundaries Noble, Strauss, Osheim, Neuschel, Accampo, Roberts, Cohen)

You may have observed the ill effects of industrialisation. In response to industrial capitalist exploitation, various forms of resistance and ideologies emerged, with socialism being one of the most significant. The core principles of socialist ideologies were the equitable distribution of goods and resources, and the common ownership of the means of production. Karl Marx and Friedrich Engels played a pivotal role in transforming socialism from an early-stage dream or belief into a practical and scientific ideology.



Karl Marx



Conduct a debate on the topic merits and demerits of Industrial Revolution

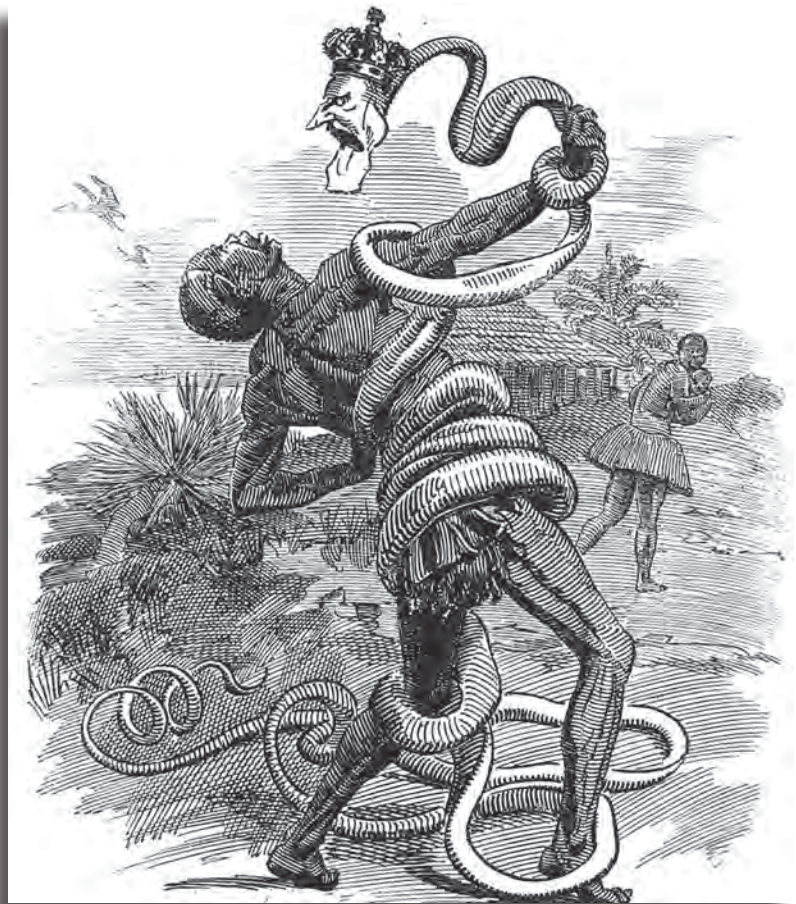
Imperialism

This cartoon, published in 1906 in the British satirical magazine *Punch*, depicts King Leopold of Belgium as a snake constricting a native of Congo. It highlights the devastating impact of Belgium's rubber plantations on the people of Congo, an African country.

- Why would Belgium start rubber plantations in Congo?
- How might this have affected Congo?
- Was Belgium the only country to adopt such practices?

Let us explore.

As factory production increased, industrialised countries found it difficult to source raw materials exclusively from within their own borders. As a result, countries like Belgium turned to their colonies such as Congo to obtain raw materials like rubber.



Rubber coils in the Belgian Congo



Imperialism

Imperialism is the practice by which a country establishes and maintains political, economic, and social control over regions beyond its own borders.

Industrial capitalists sought to maximise profits by increasing production while minimising wages. However, reducing wages decreased the purchasing power of workers, making it harder to sell goods domestically. This led industrialised nations to seek markets abroad. Colonies became both a source of raw materials and a market for European manufactured goods. To secure this arrangement, European countries established political control over their colonies, which paved the way for imperialism.



Discuss how imperialism has transformed the economic policies of European countries.

By the latter half of the 19th century countries like England and France became dominant imperial powers. A major portion of the world was controlled by these two countries. Soon, Germany Italy, Belgium, USA and Japan also emerged as new imperial nations. The new imperial nations made attempts to expand their colonies in various parts of the world. This led to the competition between the new and old imperial nations. This influenced the course of history in the 20th century and paved way for new conflicts. Let us examine what these are.

First World War

"On the 28 June 1914 President Mitterrand of France made a sudden, unannounced and unexpected appearance in Sarajevo, already the centre of a Balkan war that was to cost perhaps 150,000 lives during the remainder of the year. His object was to remind world opinion of the seriousness of the Bosnian crisis. Indeed, the presence of a distinguished, elderly and visibly frail statesman under small-arms and artillery fire was much remarked on and admired. However, one aspect of M. Mitterrand's visit passed virtually without comment, even though it was plainly central to it: the date. Why had the President of France chosen to go to Sarajevo on that particular day? Because the 28 June was the anniversary of the assassination, in Sarajevo, in 1914, of the Archduke Franz Ferdinand of Austria - Hungary..."

The Age of Extremes The Short Twentieth Century 1914-1991, Eric Hobsbawm

This excerpt describes the journey of the French President to Sarajevo, as recounted by the renowned historian Eric Hobsbawm. He reminds the reader of the assassination that triggered the First World War, which lasted from 1914 to 1918. It was the first global war in which nearly every country participated, either directly or indirectly. Let us now explore the other causes that led to this war.

Imperialist Rivalry

Earlier we mentioned the rivalry between imperialist powers. The new imperialist nations could expand their influence only by capturing territories controlled by the older imperialist powers. Germany's unprecedented progress in economic and industrial sectors caused concern for France and England. With much of Asia and Africa already under British and French control, Germany turned its focus towards regions under the Ottoman Empire. To achieve this, they planned the construction of the Berlin-Baghdad railway line. This project alarmed England, France, and Russia, as they feared it could threaten the security of their territories. Consequently, tensions and hostilities began to escalate among these nations.

Extreme Nationalism

Extreme nationalism refers to an intense and emotional devotion to one's country, often involving its excessive glorification. This concept is often related to racism. Many nations argued that regions inhabited by a particular race rightfully belong to that race alone. Such arguments were used by many nations to justify territorial expansion and conquest. In countries like Germany and Serbia, extreme nationalism grew in alarming proportions. Movements such as Pan-Slavism and Pan-Germanism serve as examples of organisations promoting such extreme nationalist ideologies.



Eric Hobsbawm



Pan-Slav Movement

The Pan-Slav Movement advocated for the unification of regions in Eastern Europe inhabited by Slavic people. Serbia, a Balkan nation, led this movement and Russia supported this.

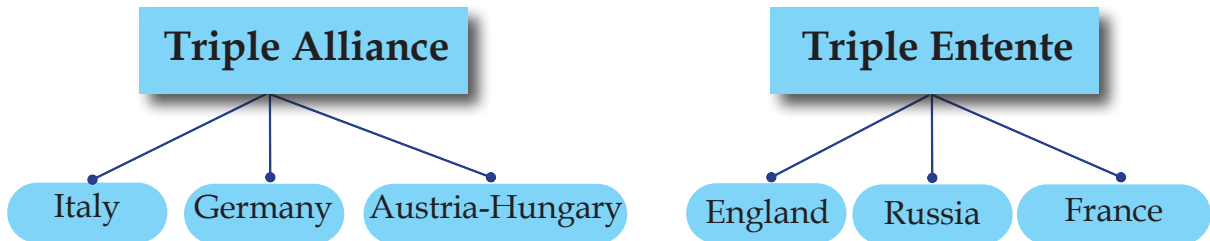
Pan-German Movement

The Pan-German Movement, led by Germany, aimed to unite the Teutonic (Germanic) people. The goal of this movement was to expand German influence into Central Europe and the Balkan region.

Formation of Military Alliances

The competition for colonies and the rise of extreme nationalism created fear and mistrust among European nations. This atmosphere of suspicion led to the formation of military alliances. Thereafter, two major alliances emerged: the Triple Alliance and the Triple Entente.

Military Alliances



The assassination of Archduke Francis Ferdinand. An image published in an Italian newspaper

Conflicts arose across various parts of the world between countries belonging to the two major alliances. These conflicts often stemmed from attempts to seize colonies held by rival nations. The situation escalated as allied nations joined forces with their respective allies, intensifying the clashes.

Sarajevo, the capital of Bosnia, was the site of a significant event that further fuelled tensions. As previously mentioned, Archduke Franz Ferdinand, the Crown Prince of Austria-Hungary was assassinated in Sarajevo where former French president Mitterrand visited. The assassin, Gavrilo Princip, was a Serbian nationalist. Due to the existing conflict between Serbia and Austria-Hungary, Austria accused Serbia of orchestrating the assassination. This

led Austria-Hungary to declare war against on Serbia on July 28, 1914. As allied nations aligned themselves with their respective sides, the conflict expanded into a World War.

Aftermath of the First World War:

- millions of soldiers and civilians lost their lives
- industrial and agricultural sectors were devastated

- marked the beginning of the decline of European global domination
- freedom movements in Asia and Africa gained momentum
- formation of the League of Nations
- Italy, Germany, and Spain transitioned to totalitarian regimes

League of Nations



Woodrow Wilson, the American President, proposed the idea of forming an international organisation to maintain world peace and ensure freedom for all nations. Based on this proposal, the League of Nations was established on January 10, 1920, to restore global peace and security.

The Growth of Totalitarianism in Europe

In 2021, Pope Francis kissed the hand of Lidia Maksymowicz, where a number had been tattooed during her time in Auschwitz concentration camp. That little girl endured the cruel experiments of doctor Josef Mengele and came face to face with death everyday in Auschwitz. She survived on pieces of bread her mother smuggled in risking her life. Lidia was only four when she was released from Auschwitz, and after her release, she began searching for her mother, who had been forced to flee.



Memorial at Auschwitz

The story above, "A Little Girl in Auschwitz," is an account of Lidia Maksymowicz, a survivor of Auschwitz's (Poland) Nazi concentration camp. Have you heard of Nazism before? Let us examine its history.

As a result of the economic and political instability caused by the First World War in Europe, movements rooted in totalitarianism emerged in several countries. Totalitarianism refers to a system where the state exerts complete control over all aspects of life, disregarding individual privacy and civil rights. This ideology



Fascism

The term "Fascism" is derived from the Latin word 'fasces', which refers to 'a bundle of rods and an Axe' symbolising authority and power, a representation of the rule of Roman emperors.

glorifies the state above all else, forcing citizens to live solely for their nation. Let us now examine the key features of totalitarianism:

- rejection of democracy
- opposition to socialism
- supporting dictatorship
- extreme nationalism
- elimination of political opponents
- glorification of war and violence

Let us get acquainted with the totalitarian movements that came to power in Italy and Germany after the World War

Italy	Germany
<ul style="list-style-type: none"> • The ideology was known as Fascism in Italy. • Founder: Benito Mussolini. • In 1922, Mussolini organised the March on Rome, using threats and terror to seize power. • Rose to power following the march. • Formed a militia called the Blackshirts. • Banned all non-Fascist political parties. • Enmity towards socialists, labour, and peasant organisations. 	<ul style="list-style-type: none"> • The ideology was referred to as Nazism in Germany. • Founder: Adolf Hitler • In 1923, Hitler led a march to Berlin and was subsequently imprisoned. • Initiated efforts to secure power through elections. • Established a militia known as the Brownshirts. • In the 1933 elections, he failed to win a majority but came to power through manipulations. • Initiated efforts to eliminate Communists, Socialists, Democrats, and Jews. • Formed the Gestapo (secret police) to gather intelligence and suppress opposition. • Hitler's aggression led to World War II.
 <p>Benito Mussolini</p>	 <p>Adolf Hitler</p>



Totalitarianism was a threat to civil liberties and world peace. Discuss and make notes.

Back to War

Dear Mum,

Of all people I know you are the one that will feel it most, so my very last thoughts go to you. Don't blame anyone else for my death, because I myself chose my fate.

I don't know what to write to you, because, even though I have a clear head, I can't find the right words. I took my place in the Army of Liberation, and I die as the light of victory is already beginning to shine.

Spartaco Fontanot

The Age of Extremes The Short Twentieth Century 1914-1991, Eric Hobsbawm

This is a letter from Spartaco Fontanot, an Italian volunteer soldier in the French Liberation Army to his mother before his death. He lost his life in World War II. Let us examine the background of this war which took place from 1939 to 1945.

Treaty of Versailles

The Treaty of Versailles was a peace treaty that Germany signed with the Allies after World War I. Its provisions sowed the seeds of World War II. Under this treaty, Germany lost its colonies and territories it held. Germany was disarmed and huge war reparations were imposed on Germany. In short, World War II was a German revolt against the Treaty of Versailles and its architects.



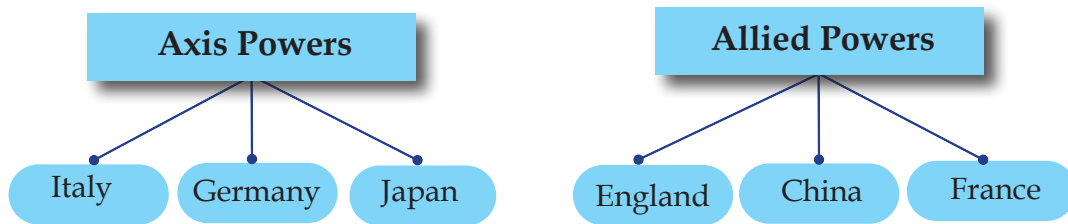
David Lloyd George (England), George Clemenceau (France), Woodrow Wilson (USA)- Architects of the Treaty of Versailles

The Failure of League of Nations

The League of Nations formed after World War I was unable to resolve disputes or enforce international disarmament. The league failed to act when Japan, Italy, and Germany launched offensives.

Formation of Military Alliances

Imperialist rivalry led to the formation of the following military alliances.



Munich Agreement

Hitler laid claim to the Sudetenland, the most industrialised region of Czechoslovakia. Hitler's argument was based on the large German population living in Czechoslovakia. Instead of resisting Hitler's argument, France and Britain ceded the Sudetenland to Germany in a treaty signed in Munich, Germany in 1938. This is called the Munich Agreement. This treaty was not ratified by Czechoslovakia. The Soviet Union, which supported them, was not invited to the talks.



After the signing of the Munich Agreement, Prime Minister Neville Chamberlain, back in England, addresses the nation, hailing the agreement as 'the peace of our time.'

Later Soviet Union and USA became part of the allied powers

Policy of Appeasement

The Soviet Union, which came into being after the Russian Revolution, spread socialist ideas around the world. This was a threat to other western capitalist countries. For this reason, they saw the Soviet Union as their enemy. They saw fascist aggression as a means of countering the spread of socialist ideas. The Munich Agreement is a prime example of Western appeasement. These appeasement policies gave Hitler confidence and he continued his offensives aggressively. World War II begins with Germany's invasion of Poland on September 1, 1939.

Let us examine the results of the war

- millions lost their lives
- famines and epidemics spread throughout the world
- the European economy collapsed
- colonisation and imperialism faced setbacks
- Europe's hegemony came to an end
- the United Nations Organization was formed
- totalitarianism ended in Italy and Germany
- colonies in Asia and Africa gained independence
- the United States and the Soviet Union emerged as global powers



United Nations Organization



After the Second World War, the United Nations Organization was formed with the aim of ensuring global peace and security. It was established on October 24, 1945.



Compare and make notes on the reasons and the results of both world wars.

Post-War World

We have seen that it was economic interests that caused the imperial rivalry of the European powers and led the two world wars. By the end of World War II, the European powers that had fought each other had become irrelevant. The United States and the Soviet Union followed contrasting economic policies. While the United States adopted capitalist policies and the Soviet Union opted for socialist policies. Both countries were wary of each other and tried to spread their ideas throughout the world. This cold war between them lasted for about half a century. Cold war ended in 1991 with the disintegration of the Soviet Union.

As mentioned earlier, the colonies, in Asia and Africa gained independence after second world war. With this, America followed capitalist ideas and adopted new ways to gain wealth. The USA funded the newly independent countries, which was a form of exploitation. This was a different kind of colonisation. This policy is known as Neo Colonialism. This new colonial policy was implemented through finance capitalism.



Cold War

The Cold War was an ideological confrontation between the capitalist countries led by the United States of America and the socialist countries led by the Soviet Union after the Second World War. This was not a time of apparent war or peace. The Non-Aligned Movement is a coalition of countries that did not belong in either of these camps.



Finance Capitalism

Finance capitalism is an economy in which financial institutions such as banking and insurance play a major role. Financial exchanges are more important at this stage than industrial production and population welfare. Banks, stock market and investment institutions play a crucial role in this economy. This system allows for the accumulation of more wealth without any production or technological change.

Finance capitalism allows big corporates to exert influence beyond military power and war. Such companies invest in different countries and make profits.

Finance Capitalism works with the aim of making huge profits. Common people and those involved in traditional occupations continued to suffer the consequences. They lose the resources they could have used freely and are controlled by capitalists. Uncontrolled exploitation of resources also leads to environmental problems.

So far, we have discussed the economic systems formed between fifteenth century and twentieth century. New technologies and related changes in society have led to the emergence of these economic changes. Capitalism developed through several stages over five centuries. It is clear from this chapter how deeply it influenced world history and how it touched billions of people. It highlights the role of economic factors and systems in determining the course of history.

Along with this, this period also witnessed the collapse of human values before capitalist interests.



Extended Activities

- Organise a digital exhibition that highlights significant economic policies that influenced the history of the world from the 15th to the 20th century.
- Set up an exhibition in the Social science lab, using ICT, to explore the tools, inventions, and key individuals associated with the Industrial Revolution.
- Prepare an atlas highlighting the countries and regions associated with the major events mentioned in the chapter spanning 15th to the 20th century.
- Screen the movie *Uncle Tom's Cabin* in the Social Science lab, which portrays theme of slavery and prepare an appreciation note.