



CLASS X
HISTORY
UNIT IV – TRADE AND GLOBALIZATION

NOTES

1. **The Industrial Revolution** which began in mid-eighteenth century in Britain enabled some economies to develop and compete in similar goods with each other.
2. By the middle of nineteenth century, the **Free Trade Theory of Adam Smith** overshadowed the **Theory of Mercantilism**. Western countries gradually began to repeal the high tariffs and legal barriers which had long restricted trade.
3. **The First World War (1914-1918)** disrupted the trade and economy across the globe. After this war, while the European countries were struggling to rebuild their economies, **the United States** replaced Britain as **the World leader** in the international trade and economy.
4. There was huge decline of trade and economy between the two World Wars mainly due to the **Great Economic Depression of 1929** and widespread use of protective tariffs after the First World War.
5. The economies of Europe were collapsing beyond recovery after the **Second World War (1939-1945)**. USA helped them out through the **Marshall Plan**. With the establishment of various trade related organizations and signing of various trade agreements across the world, the collapsing economies of the World were restored after the Second World War. **Three Major Economic Blocks such as North America, European Union and Far East** emerged in the early 1990s.
6. Now the Process of **Globalization** has turned, the World into **a borderless World** in the sense that the happenings in a country can be influenced by events happenings miles away in another country or countries. With the process of globalization, the world trade is increasing in a massive way leading to a globalized economy.
