

Unit - 2

The World between Two World Wars



Learning Objectives

To acquaint ourselves with

- The post-World War I developments leading to the Great Depression.
- The unjust provisions of Treaty of Versailles and the rise of fascist governments led by Mussolini in Italy and Hitler in Germany.
- Anti-colonial struggles and the decolonisation process in the colonized world: Case Studies of Indo-French in South-East Asia and India in South Asia.
- European Colonisation in Africa – The case of Britain in South Africa.
- Independence struggles and political developments in South America



Introduction

The First World War shattered the global capitalist system based on European imperialism. The European powers were gravely weakened by the War, financially and politically. The conflict between the workers and the ruling classes that controlled the government became intense. As a result of this Fascism emerged in Italy and Germany. Anti-colonial struggles got intensified as the colonial powers were weakened by the War.

As we saw in the last chapter, the crisis in the Western world had led to the outbreak of World War I. We now turn to the social and political developments in the world after the end of the War.

2.1 The Great Depression

Developments in the post-World War I

The First World War led to the expansion of certain industries in the hope that the

war-time boom would continue. However, when the War came to an end, the industries that grew to meet war-time requirements had to be abandoned or modified. The situation was made worse by the political complications caused by the Treaty of Versailles. A new wave of economic nationalism which expressed itself in protectionism or in tariff barriers affected world trade. The war also placed a heavy burden of debt on every European country.

Stock Market Crash in the US

The first huge crash occurred on 24 October 1929. This discouraged investors and consumers to such an extent that more and more people began to sell their shares and dispose of their stocks. But there were no buyers. This was followed by the failure of American banks. The American financiers were forced to recall their own funds invested abroad.