**CAPITALISM:**

* The Industrial Revolution resulted in a great increase in the production of goods.
* It also created the capitalist system of production.
* This new system of society emerged in Europe during the 15th century, with two distinct classes – the rich capitalists and the poor, overworked and unpaid workers.
* Under capitalism, the instruments and means by which goods are produced are owned by private individuals.
* The production is carried out for making profit.
* Under this system, the workers do not own anything but work for a wage.
* The owners, who owned wealth or ‘capital’, came to be known as capitalists. They do not keep their wealth or use it. They invest it to make profit.
* The economy under capitalism is fast moving with the aim of producing more and more goods for bigger markets so that more profits can be made.
* Capitalism clearly divided the society into the ‘haves’ and the ‘have-nots’.

**SOCIALISM:**

* The Industrial Revolution brought great changes in the social and economic life of the people. The condition of workers was miserable as they were exploited through low wages and long working hours. They did not have political, economic or social rights.
* These conditions led to the rise of socialist movements in the European countries.
* Governments were forced to pass laws against some of the worse features of capitalism. For example, laws to protect workers from unsafe conditions.
* The idea grew that capitalism itself is evil and that it needs to be replaced.
* A new social and economic system emerged in which the means of production would be owned by the society as a whole and not by a few individuals.
* For the first time there was an attempt to remove private ownership and the economy was controlled by the government for the benefit of the entire society.
* All decisions regarding production and distribution are taken up by the central planning authority.

**IMPERIALISM:**

* It is the practice of extending the power, control or rule by a country over the political and economic life of other countries.
* This may be done through military force or by acquiring colonies and making the conquered colonies dependent.
* The essential feature of imperialism is exploitation, with or without direct political control.
* It implies systematic extraction of raw materials, shifting of industrial development and control over financial institutions.
* Imperialism reached its peak towards the end of the 19th century and the beginning of the 20th century.
* Most countries of Asia, including India, and Africa and many other parts of the world, were until recent years, under the control of one imperialist country or another.

**COLONIALISM:**

* The need for new sources of raw materials, new markets for finished products and areas for investment of capital led to the growth of colonialism.
* Colonialism is a policy by which one country acquires control over another, either partly or wholly.
* The conquered country becomes the colony of the conquering country.
* The conquering country is known as the colonial power.
* Most countries of Asia and Africa became colonies of the industrialised and capitalist powers by the latter half of the 19th century
* For example, India was conquered by the British and India became a colony of Great Britain, which was the colonial power.

**NATIONALISM:**

* Nationalism is a patriotic feeling of love and loyalty for one’s country.
* It is a spirit born out of shared common history, culture, territory and economic and political goals.
* Nationalism arose in countries which were victims of imperialist conquests, under conditions created by foreign rule.
* With the growth of nationalism, the demands of people assumed an increasingly nationalist character.
* In India, beginning with the demand to have a share in the administration, it developed into a struggle for complete independence.

**Effects of Imperialism:**

1. The most important and lasting consequence of imperialism and colonialism was the economic backwardness of the colonies.
2. Imperialism led to the destruction of local industries in these countries. For example, India had been an exporter of textiles for centuries. During the period of imperialist rule, India’s textile industry was destroyed and she became an importer of British cloth.
3. The natural resources came under the imperialist countries and were exploited for their own benefit.
4. The industrialization of these countries was prevented.
5. The patterns of agriculture in the colonies were also changed to meet the requirement of the industries of the imperialist countries. Some of the best lands were taken over by European planters.
6. Imperialism also bred racial arrogance. The idea of superiority of the white race was popularised in the imperialist countries. White rulers discriminated the locals. The worst example of racism is South Africa.
7. The imperialist countries retained their colonial possessions until the Second World War. Within two decades after the end of the War, most of the countries succeeded in regaining their independence.