Question 5

Compare and contrast the economic factors responsible for the decline of Spain with the economic factors responsible for the decline of the Dutch Republic by the end of the seventeenth century.

9–8 Points

- Thesis is clearly stated and addresses BOTH a comparison and a contrast for the decline of Spain and the Dutch Republic by the end of the seventeenth century (e.g., “While both Spain and the Dutch Republic suffered from massive military expenditures, the decline of Spain was more self-inflicted than the decline of the Dutch Republic”).
- Organization is clear, consistently followed, and effective in support of the argument.
- Essay is well balanced; even treatment of points of comparison as well as points of contrast.
- All major assertions in the essay are supported by multiple pieces of relevant evidence and historical specificity.
- Essay makes connections between the events of the sixteenth century to the economic decline by the end of the seventeenth century; analyzes the factors of cause and effect.
- May contain some errors that do not detract from the argument (e.g., calling the First Anglo–Dutch War the Nutmeg War or making the assertion that the primary cause of hyperinflation was the flood of bullion into Europe).

7–6 Points

- Thesis is clearly stated and addresses BOTH parts of the question.
- Organization is clear.
- Essay is somewhat balanced, though the treatment of some points of comparison and some points of contrast might be uneven.
- All major assertions in the essay are supported by at least one piece of relevant evidence or historical specificity.
- Essay makes connections between the events of the sixteenth century to the economic decline by the end of the seventeenth century; analyzes the factors of cause and effect.
- Might contain some errors that do not detract from the argument.

5–4 Points

- Thesis is clearly stated but might be uneven. Tends to focus too much on just similarities or just differences.
- Organization is clear and consistently followed, but not necessarily effective.
- Essay shows imbalance; the points of comparison or the points of contrast might be discussed superficially.
- Assertions tend to be general statements with minimal supporting evidence or historical specificity.
- Mostly historical narrative with little attempt at connections and analysis.
- Essay tends to ignore the connections between the events of the sixteenth century and the economic decline by the end of the seventeenth century; little analysis.
- May contain major errors that detract from the argument (e.g., “The Dutch Republic declined because the English took over South Africa in 1694”).

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Question 5 (continued)

3–2 Points
- Thesis is not clearly stated or just restates the question (example: “There are many similarities and many differences between the economic decline of Spain and the economic decline of the Dutch Republic”).
- Organization is unclear and ineffective.
- Essay shows serious and major imbalance; it either discusses just the factors of comparison OR just the factors of contrast.
- Statements are superficial and general without any factual support.
- Little factual support for analysis.
- Little or no analysis.
- Little evidence of any economic connections or cause/effect.
- Contains major errors that detract from the argument.

1–0 Points
- No thesis.
- Organization gets in the way of the argument.
- General, superficial, vague, and simplistic.
- Little or no supporting evidence.
- No analysis or historical connections.
- Major errors get in the way of the argument.
Question 5 Historical Background

Material in this section is derived from the following texts:

Mortimer Chambers, The Western Experience
Lynn Hunt, The Making of the West Since 1340—Peoples and Cultures
John Merriman, A History of Modern Europe
John McKay, A History of Western Society Since 1300
Jackson Spielvogel, Western Civilization Since 1300

The purpose of this question was to investigate the phenomenon of economic decline on the part of two major European powers by the end of the seventeenth century. Spain and the Dutch Republic were two enormously wealthy and powerful European states in the sixteenth century. Within one hundred years, both were in a state of economic downturn. The question investigates what happened economically and the reasons why.

Both Spain and the Dutch Republic declined economically for similar reasons: unrelenting foreign competition, smothering military expenditures, crippling inflation, and population issues. There were, however, major differences between the two:

- The economic decline of Spain was self-inflicted; the economic decline of the Dutch Republic was a crisis of geography.
- The economic decline of Spain was absolute; the economic decline of the Dutch Republic was relative.
- The economic decline of Spain was due to the catastrophic mismanagement of resources; the economic decline of the Dutch Republic was the result of hubris caused by a stellar management of resources.
- The economic decline of Spain stemmed from the lack of a middle class; the economic decline of the Dutch Republic can be traced back to the middle class.
- The economic decline of Spain came from military defeats; the economic decline of the Dutch Republic stemmed from military victories.
By the end of the seventeenth century, two once-great economic powers, Spain and the Dutch Republic, had collapsed. Both countries had similar and dissimilar economic factors for their collapses. The shortages of recursos and competition were factors for the collapse of Spain and the Dutch Republic, but differed on factors concerning the budget and treasury of the respective countries.

One common economic factor for the collapse of Spain and the Dutch Republic was the shortage of recursos. During the "Siglo de Oro" in Spain, much of Spain's economic power lay in its colonies. HereSpain reclaimed many vital recursos in which Spain traded, including gold and cargas not native to Europe like chocolate. Once Spanish territories in the Spanish Main collapsed, Spain lost much of its power. Likewise, the Dutch Republic's power came from the East India Dutch trading Company. The Dutch had dominated
Trade in East Asia during the 1600's, further in the seventeenth and eighteenth centuries however, the East India trading company began to collapse. This was due mostly to the increasing French and British interests in the region. The collapse of the company resulted in the shortage of resources for the Dutch Republic, which included opium and other Asian crops. 

Both the Dutch Republic and Spain suffered from an increase in competition for financial power. The greatness of the Dutch Republic's economic power had made Britain jealous and therefore, the English Parliament strived to weaken the Dutch Republic's power. This resulted in the passage of the Navigation Acts. The Navigation Acts stated the goods being imported into Britain must be done so on a British ship. Much of the Dutch Republic's power came not from its resources, but rather from its superior ships and naval transportation. As a result, the British...
Navigation Acts severely weakened the Dutch Republic's power. The Dutch Republic also suffered from increased competition for Asian markets. The Dutch Republic's lack of size and military strength prevented the Dutch from remaining competitive in overseas markets. Spain, on the other hand, suffered from increased competition in the Spanish main. Elizabeth I and Britain encouraged pillaging of Spanish ships. Privateers like Francis Drake proved successful at doing so.

Spain's power collapsed due to the budget and treasury whereas the Dutch Republic did not. During Philip II's reign, Spain embarked on a religious campaign against Protestants. The failure of the Spanish Armada proved to be an economic disaster and nearly bankrupted the treasury. Furthermore...
Philip continued the Spanish inquisition, which continued to eliminate Spain's smartest and brightest. Without such people, Spain's merchants and guilds suffered. The Dutch Republic on the other hand was ahead of its time and encouraged religious toleration. The Huguenots, Protestants, Jews, and Catholics alike came in large numbers to Amsterdam, and in the process Amsterdam became an intellectual and economic center further strengthening the Dutch treasury. Phillip II and other Spanish leaders attempted to revive the Spanish economy by printing more money, in order to stimulate the economy. This had the inverse effect, as it depreciated the currency and snowballed Spain's collapses. In the Dutch Republic on the other hand, the Bank of Amsterdam became the bank of the world. The florin was held to the gold standard and allowed for universal exchange rates. Furthermore, the Bank of Amsterdam accepted currencies from around the world.
Write in the box the number of the question you are answering on this page as it is designated in the exam.

By the end of the 17th century, Spain and the Dutch Republic had collapsed due to a shortage in resources and an increase in competition, but both differed in terms of budget finances.
The decline of both the French and Spanish and the Dutch Republic's economy were similar in that they were dominated by the overwhelming power of the British and the French. However, what differed was that the Spanish experienced inflation and an unstable government while the Dutch was simply dominated by the superiority of Britain's technology.

When the British and the French emerged in the seas in the seventeenth century, the Spanish and the Dutch were overwhelmed by the technology and military both powers had. The British traveled to North America and took Spanish territory in Florida, they obtained many crucial seaports in the Indian Ocean, and also conquered Dutch cities in Africa.

Their naval warfare was far too superior for the previous nations to compete with because Britain's location in Europe as an island forces the British to uphold a very strong navy. The Spanish in North America lose to the British because the Spanish primarily settled in South America, therefore the British outnumbered the Spanish. The French also obtained lots of territory and claims from the Dutch Republic in Africa and the Indian Ocean. The loss of territories for the Dutch and Spanish led to a decline in their economies because there was a decrease in natural resources and international trade.

The location of the Spanish and Dutch Republic's possessions created different effects on their economies.
The Spanish discovered numerous amounts of gold in the Americas, and when it was exported back to Spain, its value decreased because of the plentiful amount found in the Americas. This inflation caused a deep decline in its economy because with the value of the currency lowered, the significance of the goods depreciated.

The Dutch Republic, on the other hand, didn't suffer due to resource issues, but rather, it experienced the powerful competition of the British East India Company rather than over their VOC. The British were able to control the Indian Ocean because of its navy, which led to them conquering India as well. The Dutch Republic, with a relatively weak military, lost all its major seaports to the British, which resulted in the decline of the trading company of the VOC, which led to the overall decline in the Dutch Republic's economy. The VOC had served as the Netherlands' way of successful trade and exchange of raw materials. However, the loss of the VOC caused the Dutch Republic's economy to plunge.

The emergence of the French and, ultimately, the British, in the discovery of the New World had negative effects for both the Spanish and the Dutch Republic. The British and their powerful navy established the nation as a major global power, and marked a new era of sea technology and imperialism. The Spanish suffered economically.
for some time with unstable political leadership and a declining economy. Lastly, the Dutch Republic disappear as a major conqueror in the New World and succumb to the new trading powers.
Until the end of the seventeenth century, Spain and the Dutch Republic had lead the world for a short time in economic success. Spain's explorations of the Americas in the late 1400s produced wealth and prestige for the victorious Spaniards. Gold and bullion from the new world flowed into the Spanish economy. The Dutch Republic was successful in the trading business. The Dutch East and West India Companies helped make cities like Amsterdam and Antwerp the wealthiest in the world for a time.

Spain's eventual downfall was due to the expulsion of the Jews and Muslims during the Inquisition, and not investing newfound gold in sustainable public works. The Jews and Muslims who had once been money handlers were gone after 1492. Money was wasted when it should have been invested in roads and schools. When goods from the New World dried up, so did Spain.
The Dutch Republic on the other hand used its wealth in wise investments. A limiting factor for the Dutch Republic is that its population was relatively small compared to other countries. It also didn't have as easy access to the ocean like Spain or Britain did. The Dutch Republic was eventually surpassed by countries with more people and therefore larger armies.

Spain's decline from world power status is attributed to an unfortunate lack of economic planning. The decision to have a Catholic Spain and expel the Jews and Muslims was also a contributing factor to Spain's downfall. Even though the Dutch were tolerant and smart investors, their relatively small population could not stand up to larger adversaries by the end of the seventeenth century.
Overview

The intent of the question was for students to investigate the phenomenon of economic decline on the part of two major European powers by the end of the seventeenth century. Spain and the Dutch Republic were two enormously wealthy European states in the sixteenth century, but within one hundred years, both were mere shadows of their former glory. The question asked students to investigate what happened economically and why. While both Spain and the Dutch Republic declined economically for similar reasons—military expenditures, inflation, and population issues—the economic decline of Spain was largely self-inflicted, but the economic decline of the Dutch Republic was a crisis of geography. By comparing and contrasting economic factors, students should have recognized that the decline of Spain was absolute in relation to other European powers, while the economic decline of the Dutch Republic was relative to the rise of England and France.

Sample: 5A
Score: 9

This essay has a sophisticated thesis that addresses comparisons and contrasts in the decline of both Spain and the Dutch Republic. The student identifies comparisons and differences for decline. The essay has excellent thematic organization, with multiple examples of compelling and convincing historical proof. Analysis is mature and insightful, connecting historical events of the sixteenth century to economic decline in the seventeenth century. The essay is very strong on cause and effect. This essay earned a score of 9, not a score of 8, because while 8-scoring essays are analytical, essays that receive a 9 better develop and present their arguments, which this essay does very well.

Sample: 5B
Score: 6

This essay contains a balanced thesis dealing with comparisons and contrasts in the decline of both Spain and the Dutch Republic. The first body paragraph identifies general points of comparison, though it is very vague and offers little historical proof. The second and third body paragraphs identify major points of contrast. There is not enough historical specificity or sophisticated analysis for this essay to have earned a score of 7. The essay did not receive a score of 5 because it compares and contrasts decline in both Spain and the Dutch Republic and has hints of some analysis, though they are not very well developed.

Sample: 5C
Score: 3

There is no thesis in this essay. It only really deals with the decline of Spain and provides few historical connections between events of the sixteenth century and economic decline in the seventeenth century. The third paragraph, concerning the Dutch, contains a major error (citing the Dutch’s lack of access to the sea) and is poorly developed. The essay did not earn a score of 4 because there is no thesis. It earned better than a score of 2 because there is a solid paragraph on Spain, and the student identifies a few economic factors.