Question 5

Analyze the ways in which the expansion of the market economy and new financial practices affected European society in the period 1450 to 1750.

9–8 Points

- Thesis is explicit and analyzes the links between the market economy, new financial practices, and European society and is specific regarding multiple effects on society.
- Organization is clear, consistently followed, and effective in support of the argument. Market economy and new financial practices need not be discussed separately or compartmentalized.
- Essay is well balanced; all major topics suggested by the prompt are all covered at some length.
- All major assertions in the essay are supported by multiple pieces of relevant evidence.
- May contain errors that do not detract from the argument.

7–6 Points

- Thesis is explicit and discusses the effects of the market economy and new financial practices.
- Organization is clear, effective in support of the argument, but not consistently followed.
- Essay is balanced; does not focus exclusively on one period, region, or topic; it may discuss economic or financial aspects more than effects on society, or vice versa.
- All major assertions in the essay are supported by at least one piece of relevant evidence.
- May contain an error that detracts from the argument.

5–4 Points

- Thesis is explicit, but not fully responsive to the question; it may mention only market economy or new financial practices, or effects on society. It may be very general or limited.
- Organization is clear, effective in support of the argument, but not consistently followed.
- Essay shows some imbalance; some major topics suggested by the prompt are neglected. Essays in this category may deal only with overseas expansion, even if they effectively link it to effects on society.
- Most of the major assertions in the essay are supported by least one piece of relevant evidence.
- May contain a few errors that detract from the argument.

3–2 Points

- No explicit thesis or a thesis that merely repeats/paraphrases the prompt.
- Organization is unclear and ineffective.
- Essay shows serious imbalance, most major topics suggested by the prompt are neglected; it may discuss only economic developments, or may deal only with overseas empires and expansion with no links to societal impact.
- Only one or two major assertions are supported by relevant evidence.
- May contain several errors that detract from the argument.

1–0 Points

- No discernable attempt at a thesis.
- No discernable organization.
- Only one or none of the major topics suggested by the prompt is mentioned.
- Little or no supporting evidence is used.
- May contain numerous errors that detract from the argument.
From 1450 to 1750, the Commercial Revolution significantly increased money in European economies and expanded the middle classes and changed the lower classes. Firstly, new market practices and ways to invest money caused the middle class to grow. Secondly, the influx of money and increase in production allowed for the Consumer Revolution. Lastly, the Agricultural Revolution and its transition to a pre-industrial economy made the lower classes change from mostly rural workers to urban workers.

Firstly, the development of an economy in which capital could be invested and gain interest caused the middle class to become larger and more powerful. Early family banks such as the Medici's and Fugger's proved that storing people's money and lending it out was profitable and useful; their large stores of money were lent to national governments which used the money to fund developments of internal infrastructure and exploration and colonization. When they developed internal transportation and tax-collecting systems, the middle class formed a bureaucracy that served monarchs effectively and increased the wealth of the nation. Later on, this turned into more private enterprise, such as joint-stock companies where individuals could invest in a venture and share...
liability for failure, and if successful, they grew in wealth. These developments provided opportunities for entrepreneurs to go around the restrictive guild system and enter a larger, international market where profit could be found. As a result, cities grew and became more than just dirty housing for poor laborers; a class developed that could influence politics, advance learning, and employ workers who in turn grew the city more. The middle class broke the Medieval class system of feudalists and nobles and fueled revolutionary intellectual and political movements as the middle class sought more power.

Next, the practices of mercantilism allowed the standard of living to rise. When a nation's investment of money lent by bankers went into an exploratory expedition, the new markets of the Americas and more opportunity in Africa and Asia were opened up for entrepreneurs to develop companies. Due to gold and silver and other new wealth coming in from mines in colonial holdings, the Price Revolution provided an incentive for more resources were available for manufacturing, and the 1500-1700 Price Revolution provided an incentive for still more private enterprise. Therefore, companies started to produce more luxury
goods for European society. In this Consumer Revolution, the standard of living rose and became popular for especially the middle class but also the lower and upper classes. Also, population increased more than ever. And one reason was because trade wars based on economics eventually replaced religious and dynastic wars.

Lastly, the Agricultural Revolution revolutionized the working classes. Once the middle class had grown and the international economy was thriving and profitable, the cottage industry, or the putting-out system, became common as a way to help rural workers earn more money. However, the biggest change came from the Enclosure Movement, which made farmers either remove peasants from villages and turn the land into commercial farms. Not only did this mean the end of traditional village life, but it took away the peasants' livelihood and turned them into landless wage laborers. They moved to cities for their increasing urbanization, and this made cities become overcrowded and still more dirty. A side-effect of this was the beginning of the Illegitimacy Explosion because community controls were removed, causing girls to have children out of wedlock and allowing their partners to leave without supporting them financially. Overall, the Agricultural Revolution...
created a new brand of poverty and urbanism that is a significant characteristic of our world today. This new proletariat was also a useful source of labor for middle-class entrepreneurs, however.
During the period 1450 to 1750, many European countries entered a new age of exploration that brought new goods to European markets. European economies expanded and dealt with this influx of goods in various ways. The expansion of the market economy and new financial practices led to profound changes in society through the rise of new political and economic systems.

Exploration and the goods it brought to Europe was a major cause of the Commercial Revolution. The Commercial Revolution was Europe's turn from small, village based economies to large-scale national economies. In order to organize their newly nationalized economies, rulers introduced new economic systems. Many countries, like Spain and France, turned to a mercantilist policy. The monarchs of these countries hoarded precious metals brought back from the Americas and protected domestic production through huge tariffs. The goal of a mercantilist economy was to have control of as much bullion as possible and to maintain a favorable balance of trade, meaning they
had more exports than imports. New foods from the Americas, like potatoes and corn, led to a population explosion in Europe. This high population along with a mercantilist economy led to the Price Revolution, or massive inflation. People suffered as their money was almost worthless. Great Britain embraced mercantilist capitalism. The mercantilism allowed monarchs to grow rich and seize more power, and so many mercantilist countries were ruled by absolute monarchies. France and Louis XIV are the most prominent examples. Louis XIV was able to gain absolute control over France and acquire vast wealth through his mercantilist policies.

In Great Britain, the Commercial Revolution caused a different economic system to grow. The British were more concerned with making money, and so they turned to capitalism, which eventually began the Industrial Revolution. Capitalism isn't concerned with balance of trade, but rather production. This huge increase in production made factory owners rich while still bringing manufactured goods to market for the workers. The British
were more concerned with their individual rights than the French, and the English Bill of Rights protected them from a monarch grabbing absolute power. Instead, a democratic Parliament presided over the British capitalist economy as wealthy and influential factory owners gained political power, and the people ruled themselves.

Exploration was the cause of the Commercial Revolutions, in which economies in Europe became national economies. Rulers used either mercantilism or capitalism to regulate the wealth in their countries. Mercantilist economies turned into absolutism, which restricted the people’s rights, as in France. Capitalist economies were more democratic, because it was the middle class who gained power through their industrial wealth. These choices had important effects on the people of Europe. Population exploded, and people either starved as their government hoarded wealth, or grew wealthier and happier as factories pumped out manufactured goods for the people.
The market economy and new financial practices had quite a few affects on European society. It mostly helped better society. Also, made living easier for citizens in Europe. European society improved immensely during this time. European Society improved by more job opportunities, more money, and more people moved from the country to the city.

This improved European society because it meant more money and more job opportunities. It meant more money because of the new financial practices. This meant more financial aid for the lower classes which helped immensely. More job opportunities also helped out immensely also. This also meant more money for people which helped them live and feel themselves.

People moving from the country to the city also helped. This was urbanization which meant people moved from rural areas to urban areas. This helped the economy a lot also. It meant more people could afford to live in the city. Which meant they had money to pay taxes like they should. Many people stayed in the country to farm and
harvest crops. But the ones who worked in factories in the city generally moved closer to their workplace.

In conclusion, the expansion of the market economy and new financial practices affected European society. Mostly in a positive way. It helped provide for the poor. Also, it gave new opportunities to working class. European society improved by this because of more job opportunities, more money, and people moved from the city to the country.
Overview

The intent of the question was to have students relate economic and financial developments to changes in European society. The question called for students to examine with some specificity all three parts of the prompt. For the market economy and new financial practices, there are various concepts and terms that students were expected to know: joint-stock companies, nascent stock exchanges, developments in banking, the Price Revolution, proto-industrialization, the Agricultural Revolution, mercantilism, and new commodities that came through increased European contact with the rest of the world. The effects on society were vast and diverse but included the following: rise of a middle class, social mobility, urbanization, changes in marriage and family patterns as well as gender roles, the rise of a consumer culture, enclosures of communally held lands, and patronage of the arts.

Sample: 5A
Score: 9

The thesis is explicit, relevant, and highly developed, analyzing not only the market economy and new financial practices, but three effects on European society. It is highly organized and the organization is followed throughout. The first paragraph deals with banking, joint-stock companies, the growth of the middle class, and the decline of the guilds. The second deals with mercantilism, overseas expansion, and consumerism. The third takes up the agricultural revolution, the putting-out system, enclosures, and the resulting changes in rural society as well as urbanization. The increase in illegitimacy is used as an illustration of the waning of the village community. All points are supported with relevant evidence. There are no errors.

Sample: 5B
Score: 5

The thesis is clear but general and limited in its scope to political and economic systems. The organization is clear and consistently followed. The essay displays some imbalance in that it focuses overwhelmingly on the impact of overseas expansion. Where it does attempt to discuss effects on European society, the discussion is limited almost completely to political and economic systems, where mercantilism in France buttressed absolutism, and laissez faire capitalism in England led to more representative government. It was not scored a 6 because of its imbalance and the deficiencies of the thesis. It was not scored a 4 because there is a limited and oblique mention of an effect on society (“the middle class … gained power through their industrial wealth”).

Sample: 5C
Score: 1

The thesis is largely generic, rephrasing the prompt and adding some general ideas about more job opportunities and urbanization. The first body paragraph consists of generic statements about jobs and money with no evidence or connection to the period or the question. The second paragraph mentions urbanization but does not connect it with either the market economy or new financial practices. The essay was not scored a 0 because it does mention a relevant effect on society.