

mercantilism ap world history definition

mercantilism ap world history definition is a fundamental concept within the study of global economic systems in the AP World History curriculum. This economic theory dominated European thought from the 16th to the 18th century and played a crucial role in shaping the colonial policies and trade practices of emerging nation-states. Understanding mercantilism involves examining its principles, the historical context in which it arose, and its impact on global trade, colonization, and the development of capitalism. This article explores the mercantilism AP World History definition, its key characteristics, the role it played in European expansion, and the legacy it left on modern economic thought. Additionally, we will analyze mercantilism's influence on international relations and the rise of powerful empires during the early modern period.

- Definition and Principles of Mercantilism
- Historical Context and Origins
- Mercantilism and European Colonialism
- Economic Policies Under Mercantilism
- Criticism and Decline of Mercantilism
- Legacy and Impact on Modern Economic Systems

Definition and Principles of Mercantilism

The mercantilism AP World History definition centers on an economic theory that emphasizes the accumulation of wealth, primarily gold and silver, as the foundation of national power. This system posited that a country's wealth was finite, and to increase its own wealth, it had to limit imports and maximize exports. The belief was that achieving a favorable balance of trade would result in greater national prosperity and security. Mercantilism also stressed the importance of government intervention in the economy to regulate trade and protect domestic industries.

Core Tenets of Mercantilism

Mercantilism is characterized by several core principles that guided the economic policies of European states:

- **Trade Surplus:** Encouraging exports over imports to accumulate precious metals.
- **Colonial Expansion:** Establishing colonies to provide raw materials and serve as exclusive markets.
- **Government Regulation:** Strict control over trade through tariffs, monopolies, and navigation laws.
- **Accumulation of Wealth:** Viewing wealth as a zero-sum game where one nation's gain is another's loss.
- **Protectionism:** Imposing tariffs and restrictions to shield domestic industries from foreign competition.

Historical Context and Origins

Mercantilism arose in Europe during the late Renaissance and early modern period, roughly between the 16th and 18th centuries, coinciding with the rise of powerful centralized states and expanding overseas empires. This period was marked by intense competition among European powers for global dominance, trade routes, and valuable resources. The collapse of the feudal system and the growth of capitalism created fertile ground for mercantilist ideas to flourish.

Economic and Political Environment

During this era, nation-states such as England, France, Spain, and the Dutch Republic sought to strengthen their economies and military capabilities through wealth accumulation. The discovery of the Americas and new sea routes opened unprecedented opportunities for trade and resource extraction. Mercantilist policies reflected the desire to control these new economic opportunities and to finance growing armies and navies essential for imperial ambitions.

Mercantilism and European Colonialism

One of the most significant applications of mercantilist theory was in the expansion and management of European colonies. Colonies were viewed as vital components in achieving a favorable balance of trade by supplying raw materials not available in Europe and serving as captive markets for manufactured goods.

Role of Colonies in Mercantilist Policy

Colonial possessions were expected to support the mother country's economy through several mechanisms:

- Providing raw materials such as sugar, tobacco, cotton, and precious metals.
- Serving as exclusive markets where only the colonizing nation could sell manufactured goods.
- Restricting colonies from producing finished goods to ensure dependence on the mother country's industries.
- Enforcing trade monopolies through navigation acts and mercantile laws.

This system often led to exploitation and economic dependence, fueling rivalries between European powers over control of lucrative colonial territories.

Economic Policies Under Mercantilism

Mercantilism translated into concrete economic policies designed to maximize national wealth and power. Governments played an active role in regulating the economy to serve national interests rather than free market principles.

Key Mercantilist Policies

1. **Tariffs and Import Restrictions:** To reduce foreign competition and protect domestic industries.
2. **Subsidies:** Financial support for exports and key industries to encourage production.
3. **Monopolies and Chartered Companies:** Granting exclusive trading rights to companies like the British East India Company.
4. **Navigation Acts:** Laws requiring goods to be transported on national ships and routed through home ports.
5. **Accumulation of Bullion:** Policies aimed at hoarding precious metals to increase national reserves.

These policies contributed to the growth of state power and the emergence of modern bureaucratic institutions to enforce economic regulations.

Criticism and Decline of Mercantilism

Despite its dominance, mercantilism faced criticism from emerging economic thinkers who challenged its assumptions and methods. The theory's zero-sum view of wealth and restrictive trade practices were increasingly seen as inefficient and harmful to economic growth.

Challenges from Classical Economists

Figures like Adam Smith, often regarded as the father of modern economics, argued against mercantilism in the 18th century. Smith's seminal work, *The Wealth of Nations*, promoted the idea of free trade and the invisible hand of the market, emphasizing that wealth was generated through production and exchange rather than merely accumulating bullion. This shift marked the decline of mercantilism and the rise of classical economic liberalism.

Legacy and Impact on Modern Economic Systems

The mercantilism AP World History definition remains relevant for understanding the foundations of modern economic policy and international relations. While mercantilism as a formal economic doctrine has been largely discredited, its influence persists in various forms, especially in protectionist policies and nationalist economic strategies.

Enduring Influences

- **National Economic Strategy:** The idea that state intervention can protect and promote national interests in the global economy.
- **Colonial Legacies:** Economic patterns established during mercantilist periods shaped global trade and development disparities.
- **Modern Protectionism:** Tariffs and trade barriers still used by nations to safeguard industries.
- **Global Trade Competition:** The mercantilist mindset of economic rivalry continues to influence geopolitical relations.

Studying mercantilism provides valuable insight into the evolution of economic thought and the complex interplay between economics, politics, and imperialism in world history.

Frequently Asked Questions

What is the definition of mercantilism in AP World History?

Mercantilism is an economic theory and practice dominant in Europe from the 16th to 18th centuries that promoted governmental regulation of a nation's economy to augment state power, emphasizing a positive balance of trade and accumulation of precious metals.

How did mercantilism influence European colonial policies?

Mercantilism drove European powers to establish colonies as sources of raw materials and markets for manufactured goods, enforcing strict trade regulations to ensure wealth flowed back to the mother country, thus fueling colonial expansion and competition.

What role did mercantilism play in the development of global trade networks?

Mercantilism encouraged nations to control trade routes and colonies, leading to the expansion of global trade networks, the establishment of trading companies, and increased economic interconnection between Europe, the Americas, Africa, and Asia.

How does mercantilism differ from modern economic theories?

Unlike modern free-market economics, mercantilism advocates for heavy state intervention, protectionism, and accumulation of wealth through trade surplus, whereas modern theories often emphasize free trade, comparative advantage, and minimal government interference.

Why is mercantilism significant in AP World History?

Mercantilism is significant because it explains the economic motivations behind European imperialism, the rise of nation-states, and the global economic transformations during the Early Modern period, all of which are key themes in AP World History.

Additional Resources

1. *Mercantilism and the Rise of Capitalism*

This book explores the economic system of mercantilism that dominated Europe from the 16th to the 18th centuries. It analyzes how mercantilist policies

shaped early capitalism, focusing on state regulation of trade and accumulation of wealth through colonies. The author provides historical context and examines the impact of mercantilism on global trade and European imperialism.

2. The Age of Mercantilism: Economic and Political Foundations

This volume offers a comprehensive overview of mercantilism as both an economic theory and political practice. It discusses the definition of mercantilism in AP World History, emphasizing its role in state-building and international competition. Readers will gain insight into the policies of protectionism, tariffs, and colonial expansion that characterized this era.

3. Mercantilism in World History: Trade, Colonies, and Power

Focusing on the global implications of mercantilism, this book examines how European powers used mercantilist strategies to dominate trade and establish colonies. It connects mercantilism to the broader trends in world history, including the transatlantic slave trade and the rise of European empires. The narrative highlights the economic motivations behind imperial expansion.

4. Economic Systems in AP World History: Mercantilism and Beyond

Designed for students preparing for the AP World History exam, this book defines mercantilism and compares it to other economic systems like capitalism and socialism. It includes clear explanations of key concepts, primary source excerpts, and practice questions. The book helps readers understand mercantilism's significance in shaping global economic history.

5. The Political Economy of Mercantilism

This scholarly work delves into the intersection of politics and economics during the mercantilist period. It explains how governments implemented mercantilist policies to increase national wealth and power. The author discusses the role of monopolies, trade restrictions, and colonial exploitation in the mercantilist framework.

6. Mercantilism: Origins, Practices, and Decline

Tracing the historical development of mercantilism, this book covers its origins in early modern Europe, the practical application of mercantilist policies, and its eventual decline with the rise of classical economics. It provides a detailed definition suitable for AP World History students and contextualizes mercantilism within European and global history.

7. Colonial Mercantilism and the Global Economy

This text examines how mercantilism influenced colonial economies and the global trade system. It highlights the triangular trade, the role of colonies in providing raw materials, and the restrictions placed on colonial manufacturing. The book offers a critical perspective on how mercantilism shaped economic relationships between Europe and its colonies.

8. Mercantilism and the Making of the Modern World

This book argues that mercantilist policies were foundational in shaping modern economic and political institutions. It outlines how mercantilism contributed to state centralization, colonial expansion, and the development

of global markets. Readers will find a thorough definition and analysis of mercantilism within the context of world history.

9. *Trade and Empire: Mercantilism in the AP World History Curriculum*

Specifically tailored for AP World History students, this guide focuses on the mercantilist economic system as part of the curriculum. It provides clear, concise definitions and explores the relationship between trade policies, empire-building, and economic control. The book includes study tips and review questions to reinforce understanding of mercantilism.

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