

THE HISTORICAL TRANSFORMATION OF INDIGENOUS AND  
COLONIAL INSTITUTIONS OF CENTRAL MEXICO:  
THE STATE AND MONETARY SYSTEMS

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by  
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ABSTRACT

Based on a critical analysis of the mainstream development discourse, the subaltern's history, and hybrid theoretical models, this dissertation is focused on studying the transformation of the Pre-Hispanic state and the institutionalized social relationships of money in Central Mexico. This work emphasizes the need to recreate historical specific models to reconceptualize institutional development in former colonies. Chartalism, the state theory of money, assists in the creation of a more comprehensive theory to study monetary history in Central Mexico.

I argue that in order to create an alternative historiography, it is mandatory to shed light on the institutional structure of the Mexican subaltern—the Mexicas. This study begins by analyzing the nature of the Mexica's political and monetary institutions. This analysis is followed by the study of the monetary and production systems that emerged out of the interaction between the Mexicas and the Spanish immigrant population during the early and the late colonial periods. The study focuses on the transformation of Nahuas interrelated institutions—state and money—once the Spanish institutions were introduced.

A parallel objective of this dissertation is to study two major kinds of institutions—institutions of social reproduction and institutions of economic exploitation—found in constant interaction throughout the history of Mexico. The institutions of social reproduction have allowed the maintenance of non-capitalist social arrangements in the form of peasant-indigenous communities that have coexisted through self-sufficiency and/or a partial incorporation into the capitalist economy. The institutions of exploitation are represented by the ancient tributary systems and the colonial taxation systems that have attempted to control peasant-indigenous communities to a political institution. From this interaction, a particular monetary system has been generated during the colonial times. Influenced by cultural patterns and ideologies, political and monetary systems have taken different shapes throughout historical periods in Central Mexico how this study shows.

The faculty listed below, appointed by the Dean of the School of Graduate Studies, have examined a dissertation titled “The Historical Transformation of Indigenous and Colonial Institutions of Central Mexico: Monetary and Production Systems,” presented by Karol Gil-Vásquez, candidate for the Doctor of Philosophy degree, and certify that in their opinion it is worthy of acceptance.

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## CHAPTER 1

### THEORETICAL FRAMEWORK: AN ANALYSIS OF MONETARY HISTORY IN CENTRAL MEXICO

#### **Statement of the Problem: The Development of Money and the History of the Subaltern**

In 2010, Mexico commemorated two hundred years of its independence and one hundred years of its legendary revolution. Despite the government's battle with powerful drug cartels, the high levels of unemployment, and the acute poverty, the former President Felipe Calderon placed all these issues aside to organize a great festival. The state officials decided that this celebration, known as *El Bicentenario*, would provide an opportunity to bring harmony in a troubled nation. In Mexico City, where the great festivities took place, *El Bicentenario* began with the New Fire ritual at the Zocalo square, a Pre-Hispanic religious practice performed by twenty-six shamans from all over the country.

The New Fire ritual paid tribute to the admired founders of the Mexican nation: the Aztecs. Resembling the fourteenth century's tradition, the fire was lit at Mexico City; its light represented another chance to start all over again. The contemporary belief resembled the Pre-Hispanic notion of the fifty-two years cycle. In Tenochtitlan, this calendar marked a new beginning; a ritualistic performance that symbolized an opportunity to initiate a life cycle. It seemed that modern Mexico needed to rejuvenate this notion once again.

In the 2010 celebration, Mexico City's citizens and visitors were entertained with a magnificent festival. Free concerts featuring all kind of musicians, performing the most popular Mexican compositions, were presented. A wonderful spectacle of fireworks and dance shows took place throughout the day. *El Bicentenario's* zenith included the erection of *El*

*Coloso*, a six ton and twenty meters high sculpture of a Mexican man. The giant symbolized the leaders of Mexico. *El Coloso* did not have a name or a specific identity. It represented the anonymous Mexicans, most of them poor indigenous and peasants, who shaped with their struggles the history of the *mestizo* nation. *El Coloso* represented the silenced and profound Mexico (Bonfil-Batallas 1996).

Nevertheless, the ideology of national unity through *mestizaje* and festivities has functioned as a doctrine and a ceremonial habit to idealize the reconciliation among the antagonistic sectors of a troubled society. The Mexican nation coexists within a dividing and invisible line that continues to expand. This blurred division—defined by class, economic power, and ethnicity—has impeded the creation of a democratic state and society. Thus, despite the pompous display of the Indian with her magnificent past in great festivities, the building of Mexico as a nation has diminished the role of the pre-Hispanic world.

The creation of citizens has confined the cultural diversity of Mesoamerican's peoples into a plain category. In other words, the creation of the Mexican "Indian" has begun when the need to minoritize their patrimony became necessary. As accurately written by Bonfil-Batallas (1972),

"the Indian was born when Colon takes possession of the Hispaniola island on behalf of the Catholic kings. Before the European discovery, the population of the American continent was formed by a plethora of societies, each society with its own identity [...] There were no "Indians" nor a concept that described uniformly all the population of the continent [...] That great internal diversity [of Mesoamerica] was annihilated at the very moment in which the process of conquest process: Pre-Hispanic peoples were going to see their specific history masked. They were converted, within the new colonial context, into a plural and uniform being: the Indian, the Indians." (4)

Nevertheless, despite the various attempts to remove her from history, the Indian continues to invisibly immerse herself throughout time. She continues to add pages to her

unwritten history in the past and the present time. By being aware of her imposed irrelevancy, she has searched and found an obscure place where to resiliently coexist with an institutional framework that continues to oppress her. In this dissertation, room is given to display her participation in building the colonial state and the monetary systems of Central Mexico. The Indian has lived and continues to live in contemporary Mexico.

For instance, at the end of 2012, 40,000 Zapatistas let themselves heard once again. By walking towards the city squares that have been previously occupied during the Zapatista uprising, *Tzotziles*, *Tzetzales*, and *Chontales* stated “we march in silence, to be heard.” In 1994, the Zapatistas stood against the implementation of the North American Free Trade Agreement, which they consider a mechanism of exclusion and destruction. The New World Order would segregate them even more, destroy their ways of living by expanding the market economy through all corners of rural Mexico, they have argued. At that time, the Zapatista firmly restated that they would not permit any longer a Mexico without them. In 2012, they asserted their existence and their concern for the deplorable state of the country after years of *laissez faire* capitalism. Ever since 1994, the impoverished and victimized peoples of Chiapas have marched, negotiated, influenced, established, and demanded. To sum up, *Tzotziles*, *Tzetzales*, and *Chontales* have been active agents on shaping the subjugating policies of modern Mexico.

In neoliberal Mexico, the so-called indigenous rebellion has taken a more active role. In the state of Guerrero, the Mixtecs have set the example of community organizing to fight the rampant levels of criminal activity. In the municipality of Ayutla located in the region known as Costa Chica, the Union of Peoples and Organizations of Guerrero –a civil movement for self-defense—has created a new institution: the communal police. Ever since its establishment in January 1997, the communal police patrols the streets and detains those individuals who

have assaulted, kidnapped, and/or assassinated members of the community. The suspects face civil trials where sentences and punishments are determined by the communities' authorities. The trials are open to the public. Community assemblies are organized in the towns' plazas to witness the judicial process. Along the same lines, the *Purepechas*<sup>1</sup> of Cherán have established their own government in order to guarantee their safety under the increasing levels of drug-related violence. Through a process of direct democracy, the *Purepechas* select their representatives based on Article 33 of the 169 Convention of the International Labor Organization (Najar 2012a).

In other regions, Mexico's indigenous resistance has taken an even more proactive form. For instance, at Espinal—a poor indigenous municipality of 25,000 people located in the eastern state of Veracruz—the *Totonacas*<sup>2</sup> issued their own currency in 2010. The *tumines*, adorned with the images of Emiliano Zapata and Diego Rivera, illustrate the nature of an alternative policy of development as well as a form of resistance to an economic and political system unable to address people's basic needs. At Espinal, the *Totonacas* took policies of economic development into their own hands by reestablishing, under the principle of reciprocity, an alternative monetary system. In Guerrero and Michoacán, the *Purepecha* and the *Mixtecs* have fulfilled the roles of the federal government. The phenomena in Cherán, Ayutla, and Espinal shed light on the activities of invisible agents who have managed, despite odds, to incorporate themselves in the making of Mexico's institutions.

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<sup>1</sup> The *Purepecha* or *Tarascans* are indigenous people concentrated in the northwestern region of Michoacán, mainly in the cities of Uruapan and Patzcuaro. The *Purepechas* have a long history of resistance that started with their successful independence from the *Triple Alliance* throughout the XIV and XV centuries. The city of Cherán located close to Morelia, the state's capital, has reported to have a total population of 16,243 people, it is one of the eleven state's municipalities that are denoted as *Purepecha*. A significant portion of the community's income originates from remittances sent by migrants currently working in the United States.

<sup>2</sup> *Totonacas* refer to the indigenous people who speak *Totonoca*, a Mesoamerican language spoken approximately by 290,000 people in the eastern-central states of Veracruz, Puebla, and Hidalgo.

The current state of affairs underlines the troubled state of Mexico. In this dissertation, I argue that these issues are connected to the historical development of two interrelated institutions—money and government—in a post-colonial world. The study of the historical evolution of money and the state can assist on generating more accurate explanations to understand the issues of post-colonial Mexico. Thus, it becomes necessary to seriously consider the practices and ideologies of what is today's marginalized population of Mexico to fully understand the nature of its resistance. This study embodies the need to see behind the veil of what appear to be irrelevant occurrences such as the 'indigenous' institutions of a communitarian police, a government of direct representation, and an alternative monetary system. The nature of the Espinal's monetary system encompasses this importance and complexity.

*Totonacas'* money<sup>3</sup> aims to jumpstart the local economy. The project's founders argue that the value of *tumin* is given by a network of producers and consumers that accepts the currency in the payment of goods and services. The logic of the *tumines* stands against the conventional vision of money. Its purpose is to increase the distribution of products and services throughout the entire community. A previous agreement has been established between the local baker and other producers. These producers promise to accept *tumines* in the payment of goods and services (Najar 2012b). Espinal's producers recover those earnings by having more products and services.<sup>4</sup> Merchants sell more; and consumers are able to acquire more goods and services due to lower prices. By holding an agreement to utilize the *tumin* as a mean

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<sup>3</sup> The *tumin* is utilized among the 115 members of the community network. The members have received 500 *tumines* in advance. Each producer gives an estimated value to the currency; while, at the same time, commit to forgo earnings in pesos.

<sup>4</sup> For instance, a kilogram of meat is worth 70 pesos in the market, the same product is worth 50 pesos and 20 *tumines* within the network. The butcher utilizes the *tumines* to purchase a different good, for instance, bread. In turn, the baker utilizes the *tumines* to purchase flour, sugar and eggs.



of payments, the consumers' purchasing power increases and profits are reduced. In addition, employees who receive earnings in *tumines* can redeem them for goods within the community network (Ibid.).

In response, the Central Bank of Mexico accused the *tumines*' creators of attempting to replace the Mexican peso. The *tumines* issuers maintain that no crime has been committed. The Mexican Federal Penal Code does not criminalize the use of bills of payment for commercial transactions among private entities. Federal prosecutors insist that the *tumines*' designs and materials are different from the official bills in circulation, not only by the portrayed images but also by their intrinsic material. Given their perspectives on money, the Mexican authorities conclude that issuing *tumines* does not constitute a federal felony (Ibid.).

The *tumines*' creators hold a completely different perspective from the Central Bank officers on the nature of money, an 'indigenous' perspective. For them, the *tumin* is not a commodity with inherent value; instead, the *tumin*'s value is rooted in the group of people who have agreed with each other to accept it as a mean of payment. This agreement involves a reciprocal mechanism of trust that enhances solidarity among the network's members. Therefore, the Central Bank officials are mistaken in their assessment of the actual nature of the currency 'issue.' To appropriately address the question related to the criminality of issuing *tumines*, a broader analysis is required to reach a comprehensive indictment based on the characteristics of the institutional structure of Mexico. Once an alternative approach to study the nature of money is considered, the analysis of this 'crime' uncovers a complicated and fascinating story. By considering indigenous institutional resistance, this is the chronicle that constitutes the central objective of this dissertation.

Based on a historical approach, this research project analyzes a monetary system's evolution and the attempts to establish a centralized state in Pre-Hispanic and colonial Central Mexico. The contemporary issues exemplified by the *tumin's* project and the *de facto* establishment of Cherán's communal government and Ayutla's communitarian police underline the historical relations established between the marginalized (indigenous/peasant communities) and the Mexican government for the past five hundred years. Historically, the marginalized has utilized methods of resistance to challenge the hegemonic power of invasive economic and political institutions. Furthermore, the Espinal's contemporary ability to galvanize their economy based on a reciprocal community agreement emphasizes the limitations of a modern state to control a stratified nation. I argue in this dissertation that such institutional restraints have historically impeded the full development of a centralized government and consequently the implementation of money throughout Central Mexico.

Unfortunately, given the hegemony of a neoclassical perspective to study money, the Westernized anthropological approach to study the marginalized, and the irrelevancy that is given to the Indian's resistance, these 'minor' concerns related to the inability of the Indian to assimilate are not given sufficient attention. The Mexican Central Bank sees money as a medium of exchange, a perspective that severely downplays the social history of Mexico's money. Contrasting this view, this dissertation is based on a *Chartalist* approach. A *Chartalist* framework allows the scholar to build the history behind the communities of Cheran, Ayutla and Espinal's ability to challenge the modern state and capitalism.

Based on the *Chartalist* framework, money represents a social relationship shaped by the cultural, social, and political environment that surrounds it. Reciprocal and credit-debt relationships are the foundations of the institution of money. In turn, these social relationships

have synchronically evolved with political and cultural institutions. The transformation of reciprocal relationship into credit-debt relationships denominated in the unit of account is directly related to a central authority. In order to determine the nature and significance of the *tumines*, one must disregard the notion of money as a commodity and replace it with that of a social relationship. In this way, one can understand what the *tumines* can tell us about the history of Mexico, its government, its economy, and peoples. The study of money, as an institutionalized social relationship, helps to analyze the transformation or resistance of established cultural norms throughout time. Consequently, the transformation of cultural norms underlines the importance of the ideological changes required to accept foreign institutional frameworks. In other words, the study of social cultural norms helps to identify to what degree money, as an institutionalized relationship, is systematically and institutionally accepted in the social process of adapting to a new global political economy.

In the historical evolution of money, reciprocal relationships appear first based on principles of community and solidarity, mechanisms that are destroyed and substituted by money, a mathematical measurement—or unit of account—utilized to pay off social debts. The institutional transition between reciprocal relationship and credit-debt relationships is represented by the creation of a unit of account, which substitutes a generalized sense of indebtedness with a mathematical stick to quantify social debts. This unit of account is coercively imposed by the state to clear debt payments; mainly, debts with the state—taxes. Thus, money represents a social relationship between the state and its citizens. The state has the power to impose on people the payment of taxes denominated in a unit of account.

Based on this approach, this dissertation attempts to address some of the questions raised by the phenomena of Cheran, Ayutla, and Espinal. Most importantly, it attempts to

analyze why the impoverished indigenous communities of ‘sovereign’ and modern Mexico have successfully challenged its monetary and governmental institutions. Are these institutions as well entrenched as conventionally thought? The analysis of Pre-Hispanic and colonial Mexican history provides material to answer this question. This study highlights the need of homogenizing the institutional package of a diverse social environment for money to prevail as an internalized social relationship among people who are not necessarily subjected to a state.

This study focuses on the social practices that evolved historically and allowed for the *tumines* project, the Cheran’s alternative government, and Ayutla’s alternative judicial system to be established in today’s Mexico. Under this analytical context, an additional question must be raised: what would occur if the Espinal’s community decides to complement its monetary system with the establishment of a Cheran-type of communal government and/or an Ayutla’s communal police force? This decision directly confronts the Mexican state’s hegemony. On attempting to answer this question, this dissertation also studies the evolution of political institutions in Central Mexico to account for the fragile context where colonial states and monetary systems have developed over the last centuries.

The current phenomena in three of the many poverty-stricken indigenous municipalities of Mexico highlight the social relationships that have influenced Mexican monetary history. The nature of this institution is surrounded by the conditions of a colonial and a global political economy; contexts that have complicated the linear evolution of money. Hence, the appearance of money does not follow a sequential fashion after the establishment of a colonial authority in Central Mexico. I argue that the existence of a centralized colonial authority implies envisioning a nation. A project of nation building constitutes also a big chapter in the history of money in the Central Mexico, given its specific historical

development. In Latin America, the history of money raises questions related to the colonial state's capacity and interest of creating and controlling citizens. Hence, the additional questions that this study addresses are the following: Did reciprocal relationships prevail over money? Did the lack of a centralized government complicate the ability of the colonial power to subjugate the marginalized? Did the colonial authorities aim creating 'subjects' of the state?

Subsequent material shows that it was not in the plans of the colonizers to establish a strong government. Instead, the Spaniards' 'changing interests'—first, the exploitation of precious metals, second, the extraction of raw materials, and third, the establishment of a colonial society—allow for the continuous existence of native institutions at the ceremonial, ideological, and political levels. In sixteenth century Central Mexico, Pre-Hispanic ceremonial practices continue to be sufficiently strong to modify the coercive instruments such as a taxation system. An additional question unfolds from this analysis, what kind of political power is required to facilitate the full implementation of money in former colonies? The final chapter provides the conclusive remarks with regard to the necessary political, social, and economic conditions for money to be fully implemented in Central Mexico prior to the nineteenth century.

Colonial societies have evolved within hybrid institutions that continue to merge the ceremonial and instrumental practices of the colonized or marginalized and colonizers or agents of marginalization. The strength of the Pre-Hispanic ceremonial institutions has challenged the hegemonic control of those who appeared to have political and economic power. Before I turn to the pertaining subject of this dissertation, it is important to first establish how, at the theoretical level, social scientists including economists, historians, anthropologists, and sociologists, have overlooked the inclusion of those who appear to have

no agency in the formation of contemporary economic and political institutions. To study the evolution of monetary systems in Central Mexico, it is essential to determine the influence of external institutions as well as the perspectives taken by those who were to be influenced by those institutions. This discussion is followed by the presentation of Chartalism and Institutionalism as theoretical frameworks to correct for this fault.

### **The History of the Subaltern's Resistance**

Despite the historical significance of indigenous and peasant movements in colonized countries, economic historians have failed to pay attention to peasants/indigenous' contributions during periods of institutional transition. These active members have not had the opportunity to write their own history. At this moment, the lack of academic interest is coupled with the transformation of capitalist institutions. These changes claim the solution of immediate problems that include the eternal quest of economic development as a way to improve the standards of living of poor indigenous and peasants.

With the rise of global financial capitalism and the spread of a conventional paradigm to analyze economic phenomena, the peasants and indigenous peoples' agency is perceived as problematic and/or irrelevant. There are better things to worry about for the 'developing' world—creation of markets and employment, growth rates, investment inflows, consumption patterns, exchange rate stability, etcetera—to successfully accomplish a process of 'modernization.' Social scientists and policy makers seem to be highly concerned with the absence of the political institutions—democracy and the rule of law—that are considered to fully guarantee and accommodate the adequate functioning of both: laissez faire and paternalistic capitalism.

It is constantly argued that peasants and indigenous peoples and practices will continue to be pushed out or transformed as the tentacles of financial capitalism capture every corner of the world. In contemporary societies, it is of no theoretical and pragmatic relevancy their ceremonial practices that evidently retard productivity and economic development. Still, the flexible nature of capitalist institutions have been able to convert indigenous' sacred places and religious cults into beautiful touristic clichés that invite Western tourists to explore a mysterious and fascinating past. In some regions of the so called Third World, this cultural 'exchange' has been transformed into a palliative strategy to accommodate the agenda of economic development. A region that is perceived without agency, past, and possibly future in the world economy; unless, its traditional nuclei is shrank into abstract elements able to articulate with the superior Western values of efficiency, individuality, and rationality (Haberman 1985). According to Kuznets (1966),

the transformation of an underdeveloped into a developed country is not merely the mechanical addition of a stock of physical capital; it is a thoroughgoing revolution in the patterns of life and a cardinal change in the relative power and position of various groups in the population [...] the growth to higher levels of population and per capita income involves a revolutionary change in many aspects of life and must overcome the resistance of a whole complex of established interests and values. (30)

Traditional social values are related to specific societies. These values are not universal and absolute. On the contrary, science and technology—instrumental values—tend to place upon societies universal norms and standards. Societies that want to benefit from the efficiency and productivity generated by technology must replace traditional social values with the standards of science. Following Ayres (1944) and Dewey (1996), Street (1987) writes, “[a traditional society] must adopt the scientific conception of truth and value over the ritualistic values of the past. Often this implies a significant cultural revolution” (186). Therefore, why

should one contribute to the historical annals of economic history with a study of steady agents that retard change and social, political, and economic betterment?

In this research, I analyze the role of indigenous institutional infrastructure in the process of impeding the Cultural Revolution necessary to incorporate money as an internalized institution. This historical transition has involved a ‘dis-encounter’ between ceremonial and instrumental practices, some established and others imported. Contrasting the instrumentality’s argument, I sustain throughout this study that in periods of institutional clashes, native habits of thought and practices must be incorporated in the Chartalist analysis of money. In Central Mexico, money and the colonial state are clear examples of hybrid institutions. Unfortunately, the role of native habits of thought and practices has been constantly dismissed given the one sided approach to study money.

Thus, I reject the dichotomy between ceremonial and instrumental habits of thought. This separation implies the presence of native institutions as mere obstacles for the functioning of a heavily instrumental system of production. In the Chartalist study of money, ancient ceremonial practices are worth researching because their existence resembles a significant and vivid amount of resistance that continues to shape contemporary institutions. Beyond a normative position that implies a linear process of economic development, I am interested in analyzing the transformation of traditional habits of thought when confronted with money.

Contrasting the perception of ceremonial habits of thought, I argue that the practices of the marginalized have an important instrumental value in the process of institutional development. Traditional values have been conveniently adapted and incorporated in the making of contemporary economic and political instruments. Inconvenient institutions—such as religious and cultural practices—have metamorphosed into effective instruments of



resistance. This silent rebellion has cumulatively shaped the heterogeneous format of today's global economy. Ultimately, the agenda of economic development aims the implementation of capitalism across the globe. However, the institutionalization of capitalism has constantly faced the resistance of the societies that are considered to be in the process of adapting instrumental values and discarding ceremonial habits of thought.

### **The Study's Framework**

This dissertation includes a total of seven chapters. The first chapter provides the statement of the problem and discusses the need to study the transformation of Pre-Hispanic institutions in Central Mexico during the colonial period. This study is centered upon two institutions: the state and the monetary system. Chapter 2 presents the study's methodological framework—hybrid models and the history of the subaltern. This chapter develops a critical analysis of the development discourse, the neoclassical culture of economics, and the *Western Anthropology of Modernity* as applied to the study of former colonies. It emphasizes the need to recreate historical specific models to re-conceptualize institutional development on this region; furthermore, to account for the subaltern's agency in dialectical processes. I argue that Chartalism, the state theory of money, can assist in the creation of a more comprehensive theory to frame monetary history in Central Mexico. Overall, this study represents an attempt to build a historical and country-specific model to study monetary history.

Chapter 3 sets the ground for the analysis of the subaltern's institutional structure by presenting Mexico's historical context. In this chapter, I also discuss the rationale behind selecting the Nahuas of Central Mexico as the providers of the most influential institutional framework of the Pre-Hispanic world. The Nahuas' of Central Mexico political and religious

institutions are the point of departure of this dissertation's historical analysis. A brief introduction to the *Triple Alliance's* establishment, expansion, and political transformation is provided. Chapter 4 presents a brief analysis of Pre-Hispanic institutions—political economy—that existed in Central Mexico prior to the Spaniards' arrival. In this section, I account for the history of the subaltern—the Nahuas/Mexicas—by incorporating them in the study of institutional “dis-encounters” during the colonial period. The question to be addressed in this chapter is whether or not the Nahuas have developed money prior to the arrival of the Spaniards. This discussion takes on a critical analysis to the actual existence of an Aztec empire, which links the study of Pre-Hispanic monetary systems with the nature of Pre-Hispanic states. Chapter 5 builds on Chapter 4 and adds pages to the analysis of Nahua's institutionalized social relationships by tracing their transformation once the Spanish monetary system was introduced in Central Mexico. Chapter 5 addresses the most important institutional transformations—at the social, political, and religious levels—that took place after the disintegration of the *Triple Alliance* (early colonial period).

In Chapter 6, the issue regarding the Pre-Hispanic monetary system's evolution is addressed. The main question is: Did the colonial unit of account replace Nahua's reciprocal practices? To address this question it becomes necessary to analyze the social and political processes generated by *La Conquista*, which include the absence of a monopoly of violence (Elias 1983) and the establishment of a centralized government. These processes link two divergent institutions —the role of the colonial state and the ability of the subalterns to resist or accommodate their practices in the colonial political economy. The degree of conflict or negotiation between these two institutions leads to the creation of a specific monetary system that prevailed in Central Mexico until the break of the 1810 War of Independence. Out of this

analysis it is concluded that the interplay between the colonial state and the native's institutions of resistance reconsiders the idea of *La Conquista* at the ideological level. The existence of a *Reciprocal Conquest* has influenced the fractured expansion of both a centralized state and money in Central Mexico.

Chapter 7 provides the conclusions on the transformation of Pre-Hispanic reciprocal relationships through the expansion of the colonial monetary system. It discusses the most important transformations—at the political and religious levels—experienced by the subaltern society through the implementation of the Bourbon Reforms (late colonial period), which represents the major external shocks to entrenched native institutions prior to 1810. In the final chapter, the nature of the state needed for the successful implementation of money in colonial societies is discussed. The study of the Pre-Hispanic and colonial periods has required a substantive literature review which included a revision of the Nahuas' anthropological and historical studies as well as colonial economic history. The study of colonial economic history has encompassed the study of historical documents such as *El Libro de Tasaciones de Pueblos de la Nueva España, Siglo XVI* available at the General Archive of the Mexican Nation. This research has taken place in my last visit to the National Autonomous University of Mexico (UNAM) in August 2011.

A mutually inclusive objective of this research is to study what I consider two kinds of institutions—institutions of social reproduction and institutions of coercion—found in constant interaction throughout the history of Mexico. On the one hand, the institutions of social and cultural reproduction—that is the instrumentality of ideological resistance—have allowed the maintenance of non-capitalist social arrangements in the form of peasant-indigenous communities. Historically, these communities coexist through both: self-sufficiency

and/or a partial incorporation into invasive systems of production. Throughout this study, I indirectly address the interplay of these institutions.

Traditional societies have managed to reproduce along the same forces that strive for their destruction by articulated modes of production and passive rebellion. Historically, the nature of hegemony has been more fragile and malleable as opposed to completely oppressive in Central Mexico. In this study, the institutions of exploitation—represented mainly by the colonial taxation system and the colonial economy—have attempted to subject independent communities to a political entity (the Spanish Crown); but, not necessarily aim to incorporate them into the monetary economy. Influenced by cultural patterns, institutions of social reproduction (the instruments of resistance) and the institutions of exploitation (invasive political and monetary systems) have taken different roles throughout historical periods; which together ended up challenging, unintentionally, a centralized authority's hegemony. This analytical skeleton, I believe, provides a complete account of the social relationships that transformed Pre-Hispanic human reciprocity into measurable credit debt-relationships. This change could have only occurred with the presence of a hegemonic central authority given the strength of Mesoamerican institutional practices.

As previously discussed, ancient ceremonial practices have been mistakenly perceived by the development discourse, the *Anthropology of Western Modernity*, and the mainstream culture of economics (Gudeman 1986) as hurdles to accomplish higher standards of living across the 'Third World.' Contrasting this view, I consider these practices as the anchors to redesign new strategies of change; such strategies have been identified by Escobar (1995) as discourses of transition. The question is how to approach the study of ancient practices. That is, why these practices are relevant in the study of monetary history?

## **Theoretical Framework: Institutional Economics and Chartalism**

A Chartalist study on Pre-Hispanic and colonial money opens the opportunity to introduce the history of the marginalized. The subalterns' perspectives can shape the prevalent culture of economics that is dominated by the conventional idea of development. The social analysis of money in Central Mexico is based on two complementary heterodox schools of thought: Institutionalism and Chartalism. According to Gruchy (1982), “[w]hat the institutionalists from Veblen on have taken from the cultural anthropologists include a historical and empirical approach to economic analysis, a view of culture as an evolving complex of institution [...], an awareness of human behavior as a cultural product and of the major role of habit in behavior, and understanding of the conflicts of personal behavior and cultural activities”(4).

In the same vein, heterodox economists see capitalism as a system of production embedded in a society whose institutional purpose is money making. Their units of analysis are social relationships rather than individuals.<sup>5</sup> This position stands against the neoclassical or Metallist perspective of money. From this orthodox standpoint, money is a commodity that expedites and facilitates transactions of exchange. Menger ([1909] 2002) states that the original and primary function of money, common to all its manifestation and stages of development, is that of a generally used intermediary of exchange. For neoclassical economists, money is not an institution; it is a ‘thing.’ Thus, the Metallist or commodity approach to analyze money is limited and useless to approach the history of monetary systems.

In sharp contrast, Chartalist theoreticians argue that the functions of money are not limited to the sphere of exchange. Chartalists go beyond a reductionist approach and see

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<sup>5</sup> Marx [1990(1867)] establishes that the difference between simple commodity production (C-M-C) and the generalized commodity production is that in the latter production is conveyed to make money (M-C-M’). Keynes (1936) has successfully argued that money is the operative factor in a modern capitalist economy.

money as a historical and evolving institution shaped by social relationships. Money represents foremost an important ancient institution. The major difference is that, under capitalism, money is the economy's operative factor and ultimate purpose. In other historical stages, money has functioned as a method of 'pacification' and a mechanism to enhance social cohesion and solidarity. It is until the rise of a centralized authority that money becomes a mathematical 'stick' or a unit of account (Wray 2012).

Thus, money has been a pervasive, conservative, and old institution grounded in a social relationship that developed into a unit of account approximately 4,000 years ago in certain parts of the world (for example, Mesopotamia). Although its origins are lost in the midst of time, it is speculated that money predates writing because the earliest examples of writing appear to be records of monetary debts (Keynes 1930; Forstater 2005). Some Post Keynesian economists (Gardiner 2004; Goldberg 2009; Hudson 2004; Ingham 2000, 2004; Peacock 2006; Wray 1990, 1998, 2004, 2012), along with Chartalist theoreticians, argue that money is social in nature. Money is an institutionalized behavior that consists of complex social practices that embody power and class relationships, socially constructed meaning, and abstract representations of social value (Wray 2012).

Studies that are focused on Western societies establish that a debt-credit relationship has preceded money. The word debt is synonymous with the word guilt that is the act of accepting a liability and acknowledging personal indebtedness. Debt's origins are found in social practices such as marriage, aging, the act of killing, joining a secret society, among others (Polanyi et al. 1971). In his recent work, Graeber (2011) traces the anthropological history of debt with its relation to the development and evolution of money. Accordingly, grounded evidence shows that money can be traced to fundamental changes in the social order

occurring thousands of years ago. Such changes are related to violence. He writes, “[i]f we have become a debt society, it is because the legacy of war, conquest, and slavery has never completely gone away. It’s still there; lodged in our most intimate conceptions of honor, property, even freedom” (164). That is, debt and money are rooted in predation.

According to Wray (1998), the first social obligations may have been fines for inflicting personal injury. The wergild, the practice of paying a compensation for injuries inflicted on others, has varied across regions and degrees of offense.<sup>6</sup> Overall, the method of alleviating guilt after a wrongdoing sustains a basic principle: a social commitment, a promise to fulfill a given word, an agreement usually carried out by two parties. A universal need to compensate the other for the inflicted pain with the purpose of maintaining social unity exists across societies. A sense of sacrifice and perpetual indebtedness also drives the clearance of these social accounts. Such indebtedness is transformed into gratitude and thankfulness; human emotions that seal social relationships and guarantee communal arrangements (Graeber 2011). According to Innes (1914), “[t]he sanctity of an obligation is, indeed, the foundation of all societies not only at all times, at all stages of civilization, and the idea that to those whom we are accustomed to call savages, credit is unknown and only barter is used, is without foundation”(391).

According to Wray (1990), with the development of hierarchical complex societies “[t]he practice of paying in order to ‘pacify’ or eliminate one’s debt for injuries inflicted on another seems to have accustomed the population to the notion of measuring value and the palace would have had a great incentive to standardize the measure of value”(50). The wergild fines were possibly converted to payments made to an authority. Heavy taxes, in the form of

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<sup>6</sup> For instance, the Welsh laws was reckoned in cattle; the Irish payment was in cattle or bondmaids; the Germanic codes accepted precious metals; the Russian codes included silver and furs in payments to ‘appease’ those inflicted with social or physical pain ( Innes 1913, 1914).

grains, were imposed on producers. In the medieval West, the rulers announced the conversion rate of metals to grains and accepted either one in tax payment. Monetary units seem to have derived from weight units rather than precious metals. Thus, the key to understand money is debt and the state's ability to implement a tax on its subjects. Once this coercion is accomplished the state can choose the form in which its subjects pay the tax.<sup>7</sup>

Money is a "creature of the state" (Innes 1913; Knapp 1924). Chartalism sees money as a unit of account in which state obligations are acquired and eliminated. A tax levy is a mechanism of systematic control over those living in a specific territory denominated by a political entity. State taxation represents an institutionalized effort to manage a group of people under a single sovereign entity. In other words, a random group of people becomes a 'nation' once tax obligations are accepted and paid. In Western societies, this process is implemented by a judicial authority that enforces contracts denominated in monetary terms.<sup>8</sup>

Debt and the ability of the state to impose a tax on its subjects permit the state to select the form in which citizens can redeem the tax. "Certainly its tokens can also be used as a medium of exchange (and means of debt settlement among private individuals), but this derives from its ability to impose taxes and its willingness to accept its tokens, and indeed is

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<sup>7</sup>For instance, the earliest records of tallies came from Babylonia, on clay *shubatti* ('received') tablets that indicated a quantity of grain, the word *shubatti*, the name of the person from whom received, the name of the person by whom received, the date, and the seal of the receivers of the king's scribe. Stored in temples, the tablets were kept safe from tampering or they were sealed in cases which would have to be broken to reach them. When the debt was repaid would the case be broken. Metal coins were late developments; introduced as lower-cost alternatives. In order to ensure debt payment, a numerical method had to be developed to account for an intangible social transaction.

<sup>8</sup> According to Innes (1913), "the government by law obliges certain selected persons to become its debtors. It declares that so-and-so, who imports goods from abroad, shall owe the government so much on all the imports, or that so-and-so, who owns land, shall owe to the government so much per acre. This procedure is called levying a tax, and the persons thus forced into the position of debtors to the government must in theory seek out the holders of the tallies or other instrument acknowledging a debt due by the government, and acquire from them the tallies by selling to them some commodity or in doing some service, in exchange for which they may be induced to part with their tallies. When these are returned to the government treasure, the taxes are paid. (398)



necessitated by imposition of the tax” (Wray 1998, 57). Furthermore, a connection exists between the state and the unit of account. According to historical analyses, early governments appear to understand that minting and taxes were two sides of the same coin of royal prerogative (Hudson 2004). Political authorities establish the monetary value of precious metals by setting it equal to a *numeraire* that is itself derived from the weights of the monthly consumption of grain per unit.

In the process of levying a tax, coercion plays a key role. The successful imposition of taxes requires the creation of citizens. Citizens are people who have recognized a central authority and are committed to respect its indictments. Moreover, the creation of nations, a group of citizens that recognizes a single authority, is also guaranteed by a taxation system. Henry (2004) writes, “[s]uch theories [Chartalism and the Modern Money Theory] necessarily connote (or at least imply) some underlying inequality, as those who claim obligations must be in a superior position to those who are obligated to the former”(3). In non-egalitarian societies, money represents an institution that is subjected to different mechanisms of surplus expropriation and accumulation. Based on this theoretical framework, the questions to address regarding the case of Central Mexico are the following: How Pre-Hispanic reciprocal relationships change when a colonial political authority merges with local authorities? How a unit of account is systematically implemented in a colonial society?

In his case study of Egypt, Henry (Ibid.) argues that money was a social relationship bounded to the transition of an egalitarian into a class society where the tribal obligations have been altered and the ruling class levied non-reciprocal obligations on the underlying population. The *deben* is the unit of account, a measure for the systematic form of bookkeeping to maintain records of extinguished obligations. In Egyptian society, a small segment of the

population has imposed its standard on the majority, and the institutions through which the majority accepts the will of the minority—money. “Money, then, as a unit of account, represents the class relations that developed in Egypt (and elsewhere), and class relations are social relations” (Ibid.,27). The main characteristic is that class relations, in comparison to other credit-debt relationships, are characterized by an unbalanced distribution of power as well as various degrees of rebellion.

As an institutionalized social relationship, the basic principle of money is sustained across nations independently of their stage of capitalist development. The development of money is also shaped by patterns of cultural and social behavior. Based on the Chartalist approach, no studies have yet studied the evolution of money—from representing a circle of social indebtedness to becoming an instrument of pacification created and implemented by the state in Mesoamerican’s ancient societies and Latin American colonial societies. Based on Henry (Ibid.), I argue that such historical analysis sheds light on the evolution of the institutions of reproduction in Central Mexico’s complex societies. This transformation can be seen in transitory phases: from egalitarian to sovereign class societies and from sovereign class societies to colonial societies, the case of the Nahuas of Central Mexico. In the latter, the development of money must have particular characteristics given the institutional collusion that took place throughout the fifteenth century. This evolution maintains the principle of social indebtedness and sacrifice that has prevailed in all societies; hence, what kind of social relationships prevailed in the Nahua world? The second part of this study is concerned with determining if the full establishment of the colonial state was successful, and to what degree, on implementing money throughout Central Mexico.

## **Chartalism: Monetary and Production Systems in Non-Western Societies**

Based on a Chartalist-Post Colonial approach, this dissertation offers explanations to the destruction and/or reconstruction of pre-capitalist forms of production; since taxes imply a form of monetization of the economy (Wray 1998). Also, taxes trace the full or partial incorporation of colonial economies in the global market by destroying traditional economies. According to Forstater (2005), “one of the goals of the colonial policy of demanding taxes be paid in a government-issued currency was to compel Africans to offer their “labor” power for sale in exchange for wages denominated in that currency (as well as to move movement from subsistence to cash-crop production and to create new markets for European goods)” (63).

In the African case, the payment of taxes implies labor commodification and the incorporation of these societies into the colonial and world economies (Neale 1976). A study of the transition between the Mesoamerican and colonial institutions pioneers the study of complex institutional formations. The transformation of a tributary system into an actual taxation system goes along modifications on social relationships. These relationships are shaped by changing hierarchical structures and imposed coercive mechanisms. In order to do so, I argue throughout this study that it is mandatory to include the history of the subalterns as agents of change.

Subaltern studies reconsider a historical revision that illustrates dialectical processes that see ‘divergent’ worlds as connected at different stages. Cultural linkages have facilitated and accommodated vested interests. Unfortunately, these connections have been understated if not completely dismissed by the Western interpretation of the non-Western world. According to Post Colonial scholars, this position is clearly observed in the current discourse of economic development (Ardnt 1981; Bhabha 1990; Binder 1986; Mintz 1976; Worsley 1984).

The dominant discourse of development ignores the existence of hybrid institutions. That is, the levels of interaction between the marginalized and the ones who hold power have been defined based on hegemonic principles, an approach that highlights the dominance of the ‘strong’ and blurs the directing principles of the ‘weak.’ For instance, a contemporary implication of these overriding accounts is found in the notion of the peasant economy, which identifies it as the major obstacles for economic development. Still, some peasant economies continue to operate under networks of reciprocity throughout the world as the Espinal community has recently shown.

This interdisciplinary study represents an opportunity to incorporate the “other” side of historical processes through the analysis of hybrid institutions focused on two interrelated institutions: money and the state. Such analysis, at the same time, provides an alternative perspective to the *Anthropology of Western Modernity*. In the following pages, a specific approach to study ancient Mexico is developed to compare the institutions of coercion—the taxation systems and money—and the institutions of resistance—ceremonial habits of thought—that set the economy that evolved at the end of the fifteenth century in Central Mexico.

Based on a Post-Colonial framework, the study of the state and monetary systems in Pre-Hispanic and colonial Mexico provides an excellent opportunity to redefine the economic and political models utilized by the development agenda. In Central Mexico, a specific social history of money has evolved. Before elaborating on this point, I must provide a reinterpretation to the *Anthropology of Western Modernity* and acknowledge Mesoamerica’s cultural and economic institutions. Mesoamerica’s diversity re-defines colonial institutions as partial products of one of the most influential ancient societies of Mesoamerica—the Nahuas of

Central Mexico. It is also important to critically revise the mainstream theory of development to underline the need of incorporating the study of the subaltern in historical institutional analysis. The following chapter takes on this endeavor and presents the appropriate methodological approach to undertake this research project, which includes reconsidering the concept of hegemony.

## CHAPTER 2

### METHODOLOGY: HYBRID MODELS AND SUBALTERN STUDIES

#### **The Destructive Nature of the Development Discourse**

From the theoretical standpoint, the conventional development discourse does not allow the incorporation of the subaltern's perceptions. The word development entails a hierarchical order and a normative task. The concept implies the negative aspects of stationary periods and automatically assumes the backward and reduced state of the past. Behind the veil of the cardinal world order, the first, second, and third world's categories imply a *Spencerian* pattern of progressive evolution. Within this context, capitalism becomes the ultimate and superior end.

The neoclassical development discourse highlights the benefits of instrumentality. It is mostly focused on determining the best techniques of production to enhance efficiency, productivity, and economic growth. The notion of instrumentality highlights the positive outcomes of industrialization and downplays its negative results. In this chapter, I critically analyze the instrumental grounds of the development discourse. These remarks are discussed in order to reinterpret the "Third World's" institutional development, which is completely dismissed by a universal approach to analyze economic institutions across the world.<sup>1</sup> Criticisms are followed by the presentation of the dissertation's research methodology—subaltern studies and hybrid institutional models—in order to initiate with adequate theoretical grounds the study of Central Mexico's monetary system.

The conventional notion of development is relatively new. Several scholars find its roots in the political rearrangements after World War II when the victorious allied nations

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<sup>1</sup> One of these notions sustains commodity money has existed in all human societies across regions and times.

redefined themselves as the global power structures (Ardnt 1981; Binder 1986; Mintz 1976; Pletsch 1981; Wallerstein 1984; and Worsley 1984). Ever since, the development discourse has embodied a diversity of strategies. Nonetheless, the rhetoric of instrumentality has been maintained. Not only standards in production systems have been established, the development discourse demands also the uniform establishment of a democratic form of government. The institution of democracy is believed to facilitate the “creation of a society equipped with the material and organizational factors required to pave the way for rapid access to the forms of life created by the industrial civilization”(Escobar 1998, 429).

For instance, in 1951, the Department of Social and Economic Affairs at the United Nations (UN) stated:

[t]here is a sense in which rapid economic progress is impossible without painful [political] adjustments. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of caste, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of [this] economic progress. (Ibid.,15)

After more than sixty years since this announcement was made, diverse policies of development emerged out of this universal idea of progress<sup>2</sup>. Until today, nonetheless, poor and indigenous communities throughout the world seem to resist paying the full price of ‘moving forward.’ Consequently, the stories of a successful transformation from ‘a state of

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<sup>2</sup> Regarding this generalized vision of modernization in the case of Mexico, according to Bonfil-Batallas (2003), “the ruling groups of the country, who make or impose the most important decisions affecting all of Mexico’s society, have never admitted that to advance might imply liberating and encouraging the cultural capacities that really exist in the majority of the population[...] In this way of thinking about things, the majority of Mexicans have a future only on the condition that they stop being themselves. That change is conceived as a definite break, a transformation into someone else. It is never conceived as bringing up to date through internal transformation, as liberating cultures that have been subject to multiple pressures during five centuries of colonial domination (30).”

backwardness' to 'a state of progress' in many parts of the so called Third World have become self-fulfilled prophecies of failure.<sup>3</sup>

On the surface, the 1950s UN's vision embodies a notion of development that belongs to all people and works for their best interest. Nonetheless, given the cumulative failures of past and current strategies, the agenda of development is constantly changing. During the 1970s, the 1950s emphasis on growth is redefined in terms of the reduction of poverty, inequality, and unemployment. Policies' modifications are further implemented once it becomes evident that the unchanging living conditions of the Third World—results themselves of an unbalanced growth—are required. In other words, constant changes on development policies indirectly admit the failure of the preceding ones. Consecutive reforms of development policies imply “the realization that the nineteenth-century theory of international division of labor, with its promise of the inevitable and rapid spread of the benefits of modern economic civilizations to all corners of the earth, [is] hardly tenable” (Kuznets 1965, 3).

In the late 1970s and beginning of the 1980s, the concern became the balanced relationship between men and the environment. Income inequity was the result of the previous stage: irresponsible industrialization and urbanization, which by the 1990s have generated severe environmental and social issues across the globe. Widespread poverty and marginalization demanded the implementation of serious measurements. Recently, the new development strategy incorporated a cultural variable in order to ameliorate the deplorable living conditions generated by the imposition of *laissez faire* capitalism in the last forty years.

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<sup>3</sup> As of 2006, the richest 20 percent of the world's population has accounted for 75 percent of the world's income; whereas the poorest 40 percent of the world's population accounts for 5 percent of the world's income. The industrialized world region has consumed over 86 percent of the goods found on earth while the underdeveloped poor region only consumes 1.3 percent of these goods. The industrialized wealthiest countries (1 billion people) account for 76 percent of the world's gross domestic product, whereas the underdeveloped countries (2.4 billion people) account for only 3.2 percent (United Nations Development Programme 2007).



Ever since, the development of ‘human’ and ‘social’ capital has complemented the other development strategies. Such policies were oriented to utilize the natives’ natural, cultural, technological, and social resources. The new concern on 'social' variables was coupled with a concern for the creation of an environment where people could actually develop at their full “potential” (Tejerina 2010).

Despite the replacement of development strategies that revolve around economic variables for those that emphasize social and cultural variables, the conventional discourse of development, for the most part, has worked within the framework of *laissez faire* capitalism. Thus, the development agenda is preoccupied solely with instrumental variables. Conventional development policies focus on what people should do or should have done. Regularly, these measurements do not take into account what people want to do or think about their lives (Copestake and Camfield 2009). Underdeveloped peoples appear to have no agency and influence on their changing environment. Stripped from their institutional package in order to accomplish economic growth and technological advancement, they simply become inert tools of the instrumentality.

The agenda of economic development does not belong to the peoples’ notions of well being. Development is a theoretical and pragmatic space of concepts and practices mostly related to capitalism’s best outcomes. In this discourse, people’s voices are rarely heard; particularly those of the most disadvantaged. Discussing countries’ need to develop becomes an ongoing dialogue purely related to technical, political, and economic events. It is only through the material advancement brought by capitalism and democracy that social and political progress must be achieved. As a result, development creates labels of ‘abnormalities’ in order to fit members of ‘backward’ and ‘indigenous’ communities into an organized system

of knowledge based on the principles of comparative advantage. For the most part, such definitions and categories describe idiosyncratic and local institutions in comparison to the institutions that are considered to have reached the ultimate stage of evolution—capitalism.

Neoclassical economics' tendency to expand its positivist methodology into the categorization of human beings generates a concrete set of relationships of power that end up uniformly shaping heterogeneous social structures. The discourse of economic evolution rests upon the principles of neoclassical economics. This system of ideas has not only extracted the individual from the social sphere; instead, it has created a matrix of power that legitimizes relations of domination in the production sphere. Neoclassical economics creates notions of superiority and inferiority not only among different ethnic groups but also among countries (for example, the modern versus the ancient/primitive world). It establishes a historical structural dependence that is related to capital and the world market (Quijano 2000).

The abnormal concepts are generated by comparing people based on their standing with the instrumental system of production. This approach depicts 'peasant' or 'informal' economies as inefficient methods of production and vicious circles of low productivity. Most importantly, neoclassical conceptualizations are concerned with generating 'clients' of development. 'The indigenous,' 'the illiterate,' 'the malnourished,' 'the peasant,' 'the popular classes,' 'the small farmer', 'the landless farmer', 'the pregnant woman,' 'the slum dweller,' and 'the Third World' are expected to automatically and rapidly adopt and accept the cultivated values of the Western European men. According to Escobar (Ibid.), the development of the Third World has represented ultimately a failed attempt to complete the Enlightenment project in Asia, Africa, and Latin America.

The validity of labels is not necessarily based on its objectivity and ability to organize the information of potential customers of development programs. Instead, it rests upon the ability to define parameters of social thought and behavior that are dichotomized into right and wrong. “The issue is not whether we label people, but which labels are created, and whose labels prevail to define a whole situation or policy area, under what conditions and with what effects” (Wood 1985, 349). Labels usually define the ‘abnormals’ as inferior and childish. This is the way the ‘disadvantaged’ have been constantly defined ever since the rise of Classical Liberalism in Western Europe. The conventional theory of economic development has reinforced a perpetual recognition and disavowal of difference; that is, an inherent practice of discrimination and marginalization (Babha 1990).

As a result, reformist development strategies have not provided the promised life of comfort, independence, and liberty. On the contrary, such policies have successfully accomplished the deformation of active and productive community members. Development policies have placed people under the rug to make them invisible, inactive, and subordinate to the yoke of the coercive mechanisms of capitalism. Escobar (1998) writes,

this system of relations establishes a discursive practice that sets the rules of the game: who can speak, from what points of view, with what authority, and according to what criteria of expertise, it sets the rules, institutions such as the United Nations which had the moral, professional, and legal authority to name subjects and define strategies, and the international lending organizations, which carried the symbols of capital and power and the position of leadership of the rich countries.(41)

Post-Colonial scholars argue that the world segmentation has led to a discourse centered on a Eurocentric vision that only highlights the progressive nature of its institutions. Within this context, the Western model represents the unique mean to accomplish economic, political, and social modernization. Modernization is automatically related to people’s well being (Binder 1986; Escobar 1998; Mintz 1976; Said 1978; Worsley 1984). Therefore, a

tendency prevails among Anglophone historians, anthropologists, and, most of all, economists to see the developing world situation as “a problem in economic backwardness, a problem in political instability, a problem in the oscillation between radical reform and stubborn conservatism—in short, as a museum of unmodernity” (Van Young 2004, 276). Modernity, from the Eurocentric perspective, is explained as the ‘solution’ to, or the overcoming of, non-Western civilizations’ immaturity through the transformation of their ineffective institutions—most of them ancient practices—into ones that fully incorporate instrumentality.

By overlooking the strength of people’s agency in the development process, many of the development programs across the globe have failed to equalize the strategy of ‘progress.’ Development has become a form of physical and ideological accommodation that has not fully destroyed indigenous and peasant communities and their practices. According to Renjifo and Grillo (2001), conventional development is in fact the cause and the problem of indigenous poverty. Given that development consists of a package of practices and ideas that are foreign to the indigenous population’s vision of life.<sup>4</sup>

One could argue that capitalism’s successful expansion throughout the world is not fully guaranteed given its inherent instability. The concentration of power and wealth has generated economic instability to the extent that the ‘underdeveloped’ regions of the world continue to grow not only in the ‘Third World’ but also in the ‘First World.’<sup>5</sup> In the latter, this

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<sup>4</sup> “[This discourse] is an important instrument of imperialism to tie us even more firmly to the global market that dominates. On this conceptual base, imperialism has constructed a global development enterprise, which sells the promise of a universe and interrupted progress. The developing countries are the result of a policy that not only declared development to be uniform for all peoples as an objective worthy of effort or as a human precept, but also as a task that is capable of being achieved in the short term” (Apfel-Marglin 1998 in Tejerina 2010).

<sup>5</sup> In the United States—the wealthiest capitalist country of the world—the 2007 Financial Disaster left a total of 46.2 million poor. The population that is considered to live in poverty represents 15.1 percent of the total. Income inequality has grown significantly since the late 1970s. By 2011, the top earnings of the one percent of U.S. household gained about 275 percent after federal taxes and income transfers between 1979 and 2007. From 1992 to 2007, the top 400 earners in the U.S. saw their income increase almost four-fold and their average tax rate

situation is related to the rise of money manager capitalism (Wray 2008; 2009a; 2009b; 2010). In the former, ‘backward’ institutional structures continue to resist the United Nations’ attempts to disintegrate them. The “Third World’s” societies have found a comfortable spot to accommodate their divergent interests, at least, at the ideological level. In this regard, Fernandez (2000) states,

Above all, to decolonize is to reaffirm our [ancient] culture and to reject the imperialist pretension of homogenizing peoples. Therefore, to decolonize is to break with the world development project, which imperialism has set up to affirm its power and its dominance of the world market, to homogenize and normalize, as it pleases, the behavior of peoples. (48)

### **Rethinking Hegemony and Reconsidering Hybrid Models**

The developing agenda dismisses the agency of its clients. Studies that focus on the role of the marginalized are missing. I argue that these studies are useful on establishing to what extent ancient institutions and the ongoing development clients’ resistance account for the uninterrupted process of institutional development. Regarding historical resistance, Richard Rodriguez (2001) states, “the Indian stands in the same relationship to modernity as did to Spain—willing to marry, to breed, to disappear in order to ensure her inclusion in time, refusing to absent herself from the future. The Indian has chosen to survive, to consort with the living, to live in the city, to crawl on her hands and knees, if need be, to Mexico City or L.A” (418).

According to Scott (1985), the indigenous peoples—a ‘category’ that illustrates the concept of the ‘marginalized’—have had weapons at their disposal that ensured their survival in colonial and postcolonial encounters. “The Weapons of the Weak” are represented by

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reduced by 37 percent. The share of total income in the United States going to the low earning 80 percent of households has dropped to less than 50 percent in 2007 (U.S. Census 2011).

passive methods of resistance in the everyday living. In a form of resistive adaptation, to survive, the Indian crawl; to win, the Indian breed. In other words, the Indian continue to live, interact, and exist, at least, under a subordinate position. In Latin American history, indigenous peoples not only have overcome political attempts of nation building by resisting the cultural and homogenous discourses of *Mestizaje* or *Raza Cosmica* (Grace Miller 2004) how it occurred in Mexico (Stabb 1959) and Guatemala (Grandin 2000). In fact, the indigenous took over the other, at the ideological level, the Spaniard.<sup>6</sup>

Look once more at the city from La Malinche's point of view. Mexico is littered with the shells and skulls of Spain, cathedrals, poems, and the limbs of orange trees. But everywhere you look in this great museum of Spain you see living Indians. Where are the ['*conquistadores*']? Postcolonial Europe expresses pity or guilt behind its sleeve, pities the Indian the loss of her gods or her tongue. But let the Indian speak for herself. Spanish is now an Indian language. Mexico has captured Spanish. (Rodriguez 2001, 23-24)

Passive acts of resistance demand the reconsideration of the concept of hegemony and false consciousness<sup>7</sup>—the terms utilized by Antonio Gramsci to illustrate the process of ideological domination—and to study the actual degree of

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<sup>6</sup> Rodriguez (2001) rejects the reconstruction of the Malinche, the representational birthplace of mestizaje; as either the victim of a Spanish rape or the betrayer of indigenous past. He portrays her as the seductress of Spain and writes:

"Because Marina was the seducer of Spain, she challenges the words Europe has always told about India. I assure you that Mexico has an Indian point of view as well, a female point of view:

*I opened my little eye and the Spaniard disappeared.*

*Imagine a dark pool; the Spaniard dissolved; the surface triumphantly smooth.*

*My eye!*

*The spectacle of the Spaniard on the horizon, vainglorious, the shiny surfaces, clanks of metal: the horses, the muskets, the jingling bits.*

*Cannot you image me curious? Didn't I draw near?*

European vocabularies do not have a silence rich enough to describe the force within Indian contemplation" (22).

<sup>7</sup> Gramsci's concepts are related to Marx and Engels' (2000[1844]) well known passage from *The German Ideology*. The ideas of the ruling class are in every epoch the ruling ideas. That is, the class which is the ruling material force of society is at the same time its ruling intellectual force. The class which has the means of material production at its disposal has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it. The ruling ideas are nothing more than the ideal expression of the dominant material relationship, the dominant material relationships grasped as ideas; hence of the relationships which make the one class the ruling one, therefore, the ideas of its dominance, The individuals composing the ruling class possess, among other things, consciousness, and therefore think. Insofar therefore as they rule as a class and determine the extent and compass of an epoch, it is evident that they do this in its whole range, hence among other things, rule also as thinkers, as producers of ideas, and regulate the production and distribution of the idea of their age: thus their ideas are the ruling ideas of the epoch.

false consciousness among the weak, the subordinated, and the conquered. “Gramsci is, I believe, misled when he claims that the radicalism of subordinate classes is to be found in their acts than in their beliefs. It is more nearly the reverse. In the realm of behavior—particularly in power-laden situation—is precisely where dominated classes are most constrained” (Scott 1985, 322).

Hegemony is perceived as the control of the ruling class of not only the means of physical production; but also, the control of symbolic production: culture, religion, education, and the media. In this regard, the indigenous peoples and peasants are seen as passive agents unable to articulate their resistance. They are assumed to rapidly assimilate the beliefs imposed by the discourses of colonization and/or development. Given indigenous peoples’ restrained reflective potential due to economic exploitation, the cultural values of the instrumental system of production are accepted by ideological mystification. He writes:

This argument, as I understand it, asks us to believe that, for subordinate classes, the larger structure of domination is typically experienced in the same way a peasant might experience the weather [...] In fact, the analogy with the weather is instructive at another level. The inevitability of the weather has not prevented every group of traditional cultivators from personifying this natural force or from developing rituals to influence its course or, when their efforts have failed, from cursing their fate [...] If there is any “mystification” of natural laws in traditional societies, it is in the direction of bringing them under human control, not the reverse. (Ibid., 324)

Nevertheless, passivity and inevitability are conducts rarely observed in the daily behavior of subordinate classes. Subjugated people tend to be more radical at the ideological level than at the level of practice. Their ceremonial radicalization does not prevent them from accomplishing or materializing their paradigm—revolution or decolonization. Their vision usually constitutes an antithesis that entails utopian ideologies that draw back to egalitarian/traditional societies. In their daily routines, the exploited have found—in their non-

confrontational habits of thought and practices—a pragmatic method of resistance. Such resistance does not necessarily involve an immediate process of decolonization or liberalization in the form of a ‘conscious’ armed revolution. Within the unbalanced power structure, an armed revolution is perceived as impractical. Thus, methods have developed to cumulatively shelter the subaltern’s interests, and, at the same time, defy dominance.

During these ongoing processes, at some point in time, the social relations of exploitation and coercion are modified. The degree of coercion—for instance, people’s relationships with a colonial state and the foreign owners of the means of production—are redefined. Scott (Ibid.) writes “in the tenacity of self-preservation—in ridicule, in truculence, in irony, in petty acts of noncompliance, in foot dragging, in dissimulation, in resistant mutuality, in the disbelief in elite homilies, in the steady, grinding efforts to hold one’s own gains overwhelming odds—a spirit and practice that prevents the worst and promises something better” (350). Indigenous peoples and peasants by utilizing symbolic tools are able to penetrate, neutralize, and negate the coercive practices of hegemonic institutions. Thus, going back to the main question of this study, I must address to what extent symbolic tools have historically influenced or hinder the development of money in Central Mexico.

### **The Pitfalls of the World Systems School of Thought**

Regarding the study of political economy, the inclusion of cultural processes of ambiguous forms of conquests requires an economic analysis that stands against a tautological vision of capitalism. The subaltern’s history corresponds to a different time periods, cultural, political, and economic conditions. Their unfolding processes underline the heterogeneity of systems of production and political governance that exist in complex societies. I cannot escape



a theoretical discussion of alternative paradigms to economic development without presenting the seminal contributions of Immanuel Wallerstein (1974; 1979; 1980; 1984).

The World Systems school of thought underlines the coercive and exploitative relationships that have existed between the colonizers and the colonized throughout time. This analysis is taken by analyzing the historical role of capitalism in the formation of cores and peripheries (Wallerstein 1979; 1983; 1984; Frank 1982). The point of departure—the development of capitalism in Western Europe—has mechanically dictated the peripheries’ institutions. Under this theory, the peripheries’ institutions are primarily charged with the transfer of surplus value to the metropolis through articulated process that connects non-capitalist and capitalist modes of production. According to Benton (2001), although successful on highlighting the world’s interrelatedness and giving some agency to the non-Western world, the World System’s approach considers the peripheries’ institutions as secondary to capitalist economic forces. Its paradigm rejects the notion of economic processes as socially embedded. That is, for Wallerstein (1979; 1983; 1984) and Frank (1982), institutions bent to economic forces.

According Stern (1988), Western capitalism has had a strong degree of influence on dictating the economic formation of colonized nations. However, a mechanical approach of exploited versus exploiter tends to overlook the formation of the peripheries’ institutions that continue to influence production and ideological processes. He writes, “[t]o slight the world-system, or the impact of capitalism on Spanish America, is to ignore the obvious. The point is, however, that the [W]orld [S]ystem constituted only one of several great “motor forces” that shaped patterns of labor and economy in the periphery; it did not always constitute the decisive causal force even in the sector of high priority” (857). By granting supremacy to the world

economy's exploitative nature, the agency of ancient and colonial institutions is downplayed even though they have historically entertained vested interests and shaped social relationships in a cumulative fashion.

Gudeman and Rivera (1990; 1993) argue that the world's cores and peripheries do not emerge as independent from each other. Instead, they move together across time by intermingling institutional practices. Such interactions take place within a framework of dominance and power from past to current habits, between local and global frameworks, and between centric discourses and marginal voices. For instance, the peasant economy resembles more that of the Physiocrats' land-based model. The peasant model is encompassed by overlapping domains of routines within this space there is a confrontation between the local and global power as well as ancient and scientific beliefs. Thus, marginalized peoples play an important role within a complex institutional matrix.

Benton (2001) argues that the cores and the peripheries' interaction cannot be blindly dismissed since it has shaped the international capitalist order. Yet, the structure of the legal authority and the emergence of cultural hierarchies have been inextricably intertwined through cultural intermediaries that push for cultural inclusiveness. She writes, "Brenner's contribution to the general position that local politics—defined to include contested cultural representations about race, ethnicity, and class—[has] formed people's consciousness and therefore guided their actions as much as or more than pressures to adjust to shifts in the international economy, no matter how powerful and invasive those pressures were" (Ibid., 267).

The historical collision between the West and the non-West has shaped living conditions in the 'developing' world. The latter generates subjacent mechanisms to dictate its reality. Their economies and cultures are disheveled. In turn, the global structure—as the

institutional matrix—is molded by native conflicts and ideologies. This paradigm suggests an analysis that incorporates patterned interactions that have to be studied in a way that recognizes their inseparability from local cultural practices at the regional level. Such habits of thought and practices have accommodated a set of diverse interests that are shaped by several parties; even when each party has different amounts of power. International forces are exogenous forces. Still, their strength is significant in regional dialectical processes. In other words, Marx's *Asiatic Mode of Production* is not static. It adapts and influences the World System.

Unfortunately, Lewis' *dual economy* model (1955) has established a conventional dichotomy of the economies and societies of the 'Third World.' The economy's is separated into the modern sphere and the traditional sphere. In the traditional sector, new ideas are not created; its social, political and economic architectures are proved inadequate for the instrumental system of production. This dualism has strongly influenced the development discourse, which specifies the arena where the modernizing efforts must be centralized. Contrasting this notion, according to Stavenhagen (1963; 1970), *dual societies* (Lewis 1954; 1955; Fei and Ranis 1964; Jorgenson 1961; 1967; Rostow 1960) do not necessarily illustrate a dichotomy. The traditional and modern units are interrelated given that the two processes originated in a single historical moment. Both sectors perform specific roles in the generation of 'backwardness' and 'modernization.'

Consequently, ancient practices, habits of thought, and culture continue to shape contemporary institutions. They represent a lubricating mechanism that soothes complex processes of interaction. Studies that describe ancient forms of organization represent a comprehensive analysis on the historical attempts to implement capitalism in the non-Western world. A historical account that considers not only the global market; but also, the underlying

mechanisms that generate social and political phenomena is needed. In this dissertation, the incorporation of money takes place within an institutional matrix that is immersed in global, colonial, and traditional societies and economies.

Benton's cultural model of institutional world history complements heterodox schools of economic thought that see the economy as socially embedded. According to Polanyi et al. (1971), economics is a term compounded of two meanings, each having independent roots: the substantive and the formal meaning. The substantive meaning emerges from humans' dependence for their living upon nature and their fellows. The formal meaning derives from the logical character of means to an end type of relationships. When the economy is seen as an interaction purely based on mechanical, biological, and psychological symbols, its processes lack the ideological construct. The economy is humane and enmeshed in institutions that are economic and non-economic. The 'non-economic' aspects are vital for the economy's functioning. The study of the manner in which economic processes are instituted at different times and places is of central importance.

Hasty generalizations of the world's regions lead to assumptions of triviality and provide incomplete, fractured, and mistaken representations of their actual realities. Regarding colonial narratives of institutional development, it is important to reconsider the role played by traditional habits of thought, customs, and laws that have remained alive despite the radical changes brought about by years of incessant attempts of colonization. I sustain in this study, along Post-Colonialist scholars, that the "Other" continues to play a role in the historical dialectics. They have never been passive agents in the making of monetary systems.

## **Subaltern Studies and Institutional Ethnography**

In order to account for the participatory evolution of the marginalized and their institutions, the subaltern's history must be accounted. I must bring into the room of academic discussion the voices that have been silenced in the making of colonial history. These voices are made up of 'marginalized' institutional practices, habits of thought, cultural habits, and their degree of resistance in either shaping or adapting social relationships such as money. The proposed project is an initial effort to deconstruct historiography and reconstruct a historical framework that reflects on Third World's hybrid institutional structure. This theoretical framework assimilates each part of both cooperative and coercive social relationships granting each side the same level of representation in the process.

A subaltern perspective regards the social and economic phenomena that take place at the base levels of society as well as the paradigm of those who have not had the right to reinvent their history (Guha 1989). The analysis of subaltern studies is centered on the clients of development; people, who are portrayed as mere victims, whose inevitable fate is the result of their backward habits of thought. Subaltern studies represent an academic effort to correct this perspective by translating people's own history, culture, and practices into their own journals to re-conceptualize them in adequate paradigms (Namuddu 1991).

The purpose of institutional ethnography is to unpack the works of ancient institutions; "to train ourselves to see what culturally we have been taught to overlook, namely, the participation of [ancient] institutional practices in the construction of the world's practices. Institutional ethnography equips us to discern how we inevitably live and even produce ourselves within the conceptual and social spaces woven, as ever-so-fine spider-webs, by the unglamorous but effective tasks that all types of institutions perform daily"(Escobar 1998,

113). To reach such endeavor, economists must learn to pay attention to what we have been taught to consider irrelevant and to minimize what we have been indoctrinated to believe of paramount importance. Following this framework, I turn my attention to the study of the Nahua institutions in the making of colonial monetary systems in Central Mexico.

### **Replacing the Market Economy's Cult: Neoclassical Economics and the Anthropology of Western Modernity**

The market economy is an institution that economists have been taught to consider of exceptional and universal importance. The invention of the market economy as an autonomous domain goes along the implementation of the *Anthropology of Western Modernity*. Both approaches stand away from the relationships among people—a perspective held by political economists—and the relationship between people with nature—a notion held by ancient peoples. The ideas of exchange value surpass the concepts of use value and the capitalist mode of production appears as a universal institution throughout the history of humankind. The neoclassical interpretation of how an economy has functioned is nothing but a hegemonic attempt to downplay prior alternatives modes of production. It also represents an effort to dictate academically and pragmatically the way humans make a living.

Within a capitalist context, economists have been indoctrinated to attend the variables that matter the most—market, prices, entrepreneurship, individualism, productivity, and savings ratios, for example. They have also been taught to consider social, political, and cultural factors as independent appendices that stand on their own. Neoclassical economics, through the development discourse, imposes a capitalist vision of the ancient world through its market centered anthropologists, historians, and sociologists, a discourse identified by Escobar (1995) as the *Anthropology of Western Modernity*.

According to Godelier (1986), anthropologists are complicit in the rationalization of modern economics. They have contributed to westernizing the constructs of ancient economies, religions, politics, and societies. These notions are seen as the fundamental blocks of all societies. He writes,

we must ask what symbolic and social processes make these domains appear self-evident, and perhaps even ‘natural’ field of activity in any society[...] subjecting to scrutiny of the apparent organization of societies into seemingly natural domains. It must reverse the spontaneous impulse to look in every society for economic institutions and relations separate from other social relations, comparable to those of a Western capitalist society. (18)

According to Gudeman (1986), anthropologists utilize a reconstructive methodology to observe economic practices and beliefs. These are restated in the formal language to be assessed with respect to core criteria such as utility, labor or exploitation. Most of their theories share the assumption that a universal model exists to explain the data collected in the field. Therefore, it must be recognized, first of all, that neoclassical economics does not represent a universal and well-accepted discourse. Its methodology entails discarding historical analysis and enhancing a dogmatic framework to portray harmonious economic and social relationships situated on a system of production. In reality, the principles of neoclassical economics only provide a snapshot of a specific period of time and place that only works once the assumptions of the perfect competitive market are met. Evidently, the world capitalist economy is far from representing a perfect competitive model.

Since the dominant culture of economics has continued to reproduce and discover their own assumptions in the Third World’s exotic human materials; the ability of these peoples to model their own behavior is restricted. As heterodox institutional economists, we must make an effort to dig into the available historical data to build these unconventional paradigms; to begin a new conversation; to shape a different culture of economics in order to

unfold the process of institutional development. Hybrid models provide a comprehensive vision to analyze institutional development. This paradigm stands against global institutional homogenization.

According to Escobar (1995), Latin America represents a good example of the cultural hybridization that embodies multiple patterns of tradition and modernity. Urban and peasant cultures are made out of socio-cultural mixtures that are difficult to distinguish at first sight. The dichotomizing methodology of the development discourse—a division that establishes a sharp distinction between traditional and modern, rural and urban, and modern and popular cultures—is not clear. The classification of nations, cultures, sectors, and peoples in pre-established categories is inadequate when organizing phenomena in the non-industrialized regions of the world. In these places, modernity-generating processes have created a hybrid form of ‘modernity’ or a hybrid form of ‘underdevelopment,’ which is characterized by continuous attempts of renovation.

In the colonial period, an institutional interconnection has taken place between the West and its children. Both have generated technological, social, cultural, and economic phenomena in the last centuries, specifically in today’s industrialized world. In his influential work, *Open Veins of Latin America*, Galeano (1973) concludes that Latin America and Western Europe have been intertwined in the development of capitalism from the times of primitive accumulation onwards. Consequently, economic modernization in the West and underdevelopment in the non-West are the products of an imbalanced interrelation and hybridization. Still, Western mainstream scholarship—including neoclassical economics—in a hasty generalization of academic irrelevance, has not incorporated nor acknowledged the evolutionary process of non-Western ancient institutions and their influence on the historical



formation of contemporary socio-economic structures. In *Europe and the People without History*, Wolf (1982) demonstrates that Africans, Asians, and Native Americans have been trapped in global processes and deeply implicated in contemporary world history. In the last centuries, Africans, Asians, and Native Americans have been immersed into the capitalist world economy without even requiring them to exhibit the ideological features of capitalism.

In order to correct for this one-sided analytical vision, according to Escobar (2012), transitional discourses represent an emergent scholarship domain, which is based on hybrid cultural and institutional transformation. This exchange is expressed in the Great Transition Initiative<sup>8</sup> (Raskin et al. 2002), a transformation that involves a shift from the modern understanding of the world to a fresh and innovative conceptualization that goes beyond dualistic and reductionist practices. In these models, resilience represents a parallel transition to the conventional notion of sustainable development. This change requires seeding communities with diversity by increasing reliance on social and economic self-organization and strengthening the capability to produce.

My research project does not involve a tangible proposal of public policy. Instead, it is an academic effort to deposit the analysis of the silenced voices of Central Mexico to include them in this global institutional transformation. Consequently, this study represents an attempt to give instrumental agency to the ceremonial aspects of indigenous institutional resistance; thus, a transitional discourse. These quite voices –represented by ongoing cultural and

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<sup>8</sup> “Common to many transition discourses, and perhaps best exemplified by the GTI [Great Transition Initiative], is that humanity is at a breaking point and entering a planetary phase of civilization as a result of the accelerating expansion of the modern era of the past few decades; a global system is taking shape with fundamental differences from previous historical phases[...] The GTI distinguishes among three worldviews or mindsets: evolutionary, catastrophic, and transformational, with their corresponding global scenarios: conventional worlds, barbarization, and the Great Transition (GT). Only the latter promises lasting solutions to the sustainability challenges, but it requires fundamental changes in values as well as novel socioeconomic and institutional arrangements. The GT paradigm redefines progress in terms of nonmaterial human fulfillment. It highlights interconnectedness and envisions a dematerialized production, the decoupling of well-being from consumption, and the cultivation of new values (e.g. solidarity, ethics, community, meaning)”(Escobar 2012, 22).

ideological practices—are analyzed to detect their level of influence on the formation of the state and monetary systems of colonial Central Mexico. Nonetheless, the material generated by this study can be utilized to understand the specific evolution of economic institutions in Central Mexico. By acknowledging the hybrid nature of the colonial state and the monetary system of Central Mexico, one can take a more comprehensive model to interpret the subsequent series of historical events. A socially embedded colonial economy must account for an institutional matrix that includes the practices of the subaltern. Once space is given to the passive agents, the development's agenda takes a different meaning. It becomes detrimental and its unsuccessful attempts to modernize a complex society are fully comprehended. In the following chapter, I begin the study of the subaltern by providing a snapshot of the socio-economic institutional infrastructure that generated one of the most important and influential polities in Mesoamerica prior to the Spaniards' arrival: the Nahuas. According to Bonfil-Batalla (1996), the Mesoamerican world is “one of the few original civilizations that humanity has created throughout all its history.”

## CHAPTER 3

### THE TRIPLE ALLIANCE'S INSTITUTIONAL MODEL: A SUBALTERN HISTORICAL CONTEXT

The Indians *of* Mexico have not been granted the historical consideration required to study institutional development. For the majority of Mexicans, “there is a circumstantial pride in a past that is somehow assumed to be glorious but that is experienced as something dead, a matter for specialists and an irresistible attraction for tourists. Above all, it is assumed to be something apart from ourselves, something that happened long ago in the same place where we, the Mexicans, live today” (Bonfil-Batallas 1996, 4).

The Indians *of* Mexico represent, mostly, inert objects that have constructed the unique and contradictory nature of colonial history. In this historical framework, there is a shallow perception of the role they have played in the making of Mexican institutions. The majority of Mexicans “do not recognize a historical connection or a continuity with the past. Some believe that Mesoamerican civilization was destroyed by the European invasion; others seem to regard that event as a sort of redemption. What remains of Mesoamerican civilization is regarded as ruins some of stones but others still living” (Ibid.).

The Indians *of* Mexico are superficially recognized by the inaugurations of several archeological sites throughout the country; places that attempt to preserve the remnants of civilizations that were grandiose and influential at some point. Generally, Mexicans tend to “accept and utilize the precolonial past as the history of the national territory, but not as our own past. They are simply the Indians, the Indian part of Mexico” (Ibid.). Unfortunately, Mexicans seem to be culturally blind. They fail or simply do not want to recognize that many of their habits of thought, practices, and beliefs have been previously established by the same

people they paradoxically despise and admire. “There is an attempt to hide the Indian face of Mexico because no real connection with Mesoamerican civilization is admitted. The clear and undeniable evidence of our Indian ancestry is a mirror in which [Mexicans] do not want to see our own reflection” (Ibid., 18). However, the paths of Indian survival have been drawn on every corner of Central Mexico despite the fact that the majority of them have physically disappeared.

The Mesoamerican cultural legacy has shaped the political and monetary systems of colonial Central Mexico. This chapter is devoted to briefly present the institutions that existed in Central Mexico prior to the arrival of the Spaniards. Following the purpose of the main discussion—incorporating and analyzing the transition of the subaltern’s practices in the historical study of the state and monetary system—this chapter is focused on describing the characteristics of the Nahua institutions.

## **Historical Continuity**

In attempting to describe the geography of Central Mexico to Emperor Charles V, Hernando Cortes is said to have taken a piece of parchment, crumpled it in his hand, and thrown it down upon a table, telling his monarch that the country looked like a wrinkled piece of paper. This trope provides an adequate mental image of the troubled landscape that has defined the social and environmental conditions of the Valley of Mexico.<sup>1</sup> Ever since the

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<sup>1</sup> According to Wolf (1959), “Middle America with its twin provinces Mexico and Guatemala is one of the proving grounds of humanity where men change themselves by changing their surroundings and labor in defiance of the perennial prophecy”(3). Archeological findings identified the presence of man since the Late Pleistocene. The earliest evidence of plant domestication has been recorded in Tamaulipas, México. It is traced to an early seed-gathering populations that existed between 8,000 and 6,000 B.C. Archeological findings have also indicated that cultivation was an integral part of Middle America societies. Maize, beans, and squash—the trinity of current Amerindian diet—have been cultivated since 900 B.C.

arrival of the first immigrants, Mesoamerica has been characterized by biological, linguistic, and cultural diversity.<sup>2</sup>

A total of sixty-two indigenous languages have been recorded between the northern border of Mexico and the southern border of Guatemala, in majority, unintelligible from each other. Contradicting the endless efforts to categorize them, the Indians of Mexico continue to be a heterogeneous conglomeration of peoples. The Mexican Basin's geographic area has hosted all kinds of populations; from nomadic groups of hunters and gathers to complex centralized polities. The latter are concentrated in the central and southern regions whereas the former are scattered throughout the northern area, a region historically known as *the Chichimeca*. The egalitarian life of a simple farming community led to increased complexity from relatively early times. Social differentiations, between priests and common believers, hieratic intellectuals and earth-bound peasant, have been artistically represented by the widespread practice of a peculiar art style in the region.<sup>3</sup> Middle America is the place where the complex societies of America emerged: the Olmecs (600 B.C.), the Teotihuacans (100 B.C.), the Toltecs (800 C.E.) and the Mexicas (1,400 C.E.).

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<sup>2</sup> In this region, mountains rise all over the space as a form of citadel. "The mountains which govern the shape of the land also turn the country into a mosaic of climatic conditions. A valley may experience a warm, temperate, sunny climate; its surrounding slopes may feel the foggy breath of the cold mountains. Bleak desert may ring an irrigated garden; mountain barriers may shield a subtropical pocket from frost or cold. A chain of mountains may deny rain to the land in its shadow, precipitate water on the country beyond" (Ibid.,17). A complex topography creates landscapes that give room to a variety of systems of production and societies. In Mesoamerica's narrow southeastern highland have occurred more kinds of maize and birds than in all the North American territory; environmental diversity, at first, allow for pockets of population that produced a variety of items, products of one pocket could not be found in other pockets.

<sup>3</sup> For instance, in La Venta, Tabasco—the greatest Olmec ceremonial precinct—clay figures resembled masked men; which indicates the presence of religious specialists. The Olmec artists' delight in carved jade coupled with a jaguar obsession in ceremonial axes and altars indicate the existence of non-egalitarian societies (Brundage 1985). "Jade was the most precious stone of Middle American lapidary art. Twenty-five centuries later, at the time of the Spanish Conquest of Middle America, when a noble died among the Mexica of the valley of Mexico or in Yucatan, a piece of jade was put into the man's mouth upon burial to represent its heart; a commoner received only a common green stone. The same use of jade is attested for Kaminaljuyu by A.D. 300[...] Again, we have a link between objects used and nobility, uncommon status, domination, and rulership" (Wolf 1959,73).

## The Mexicas

By the twelfth century, one of the most well-known civilizations has developed on the Anahuac basin. Popularized as the Aztecs, the Mexicas or the Nahuas inherited a wide range of institutions, beliefs, practices, and cultural patterns that can be traced back to ancient Mesoamerica's societies.<sup>4</sup> The Toltecs, for instance, had a widespread political and cultural influence in its brief time of existence; its legacy held much prestige among the inhabitants of the region (Townsend 1992).

Popularized as the Aztec Empire,<sup>5</sup> the history of the Nahuas of Central Mexico started with their establishment on a cluster of small islands located in the Tetzaco Lake, where they built Tenochtitlán.<sup>6</sup> Despite the inhospitable location, the islands rested upon a

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<sup>4</sup> Mesoamerican history is divided into four periods: Archaic (c 7000 BC -2000 B), Pre-Classic or Formative (c.2000 BC- AD 250), Classic (c. AD 250- AD900), and Post-classic (AD 900-1521). During the archaic period, the gradual development of horticultural skills and some signs of fixed settlements give rise to the desert cultures of the United States' Western region and northern Mexico. During the early Formative or Pre-classic period, Neolithic farming villages are found together with pottery, looms, and figurines made out stones. These villages are ruled by groups of elders, shamans or chiefs, regional differentiation. In San Lorenzo, the earliest ceremonial sites are found. It belongs to the Olmec civilization. During the Pre-Classic period, the Olmec civilization emerges with their knowledge on astronomy, sculpture, and writing; the city of Monte Alban is founded in 600 B.C. with a round calendar in use. During the Pre-Classic period, an urban revolution takes place with the building of great urban centers and the development of new social class divisions, the city of Teotihuacan develops the Pyramid of the Sun and the construction of the city of Monte Alban begins. In the Early Classic period, for the Maya, the Classic is more formally defined as the interval during which the ancient monuments were erected in the lowlands. Consolidated states with substantial social class differentiation, long-count calendar, writing, sculpture, mathematics, ceramics, and large-scale urban planning are found widespread in many regions of Mesoamerica. Class divisions have been well established from immemorial times (Wolf 1959).

<sup>5</sup> Throughout this dissertation I follow Lockhart's (1992) approach to study the Mexicas. Contrasting Gibson (1976), he contends the existence of the Aztec Empire. Hence, he refers to the Aztecs as the Nahuas. Under his framework, the *Triple Alliance* does not represent an imperial force. During its expansion years, the *Triple Alliance* subjugates the adjacent populations of the Mexican Basin. However, such subjugation obeys—as this dissertation shows—an ideology that respects the institutional framework where these societies operated. These societies include the Mixtecos, Zapotecos, Totonacas, Huastecos, Mazahuas, Otomis, Amuzgos, Chatinos, Chinantecos, Chochos, Chontales, Cuicatecos, Huaves, Ixcatecos, Mazatecos, Mixes, Mixtecos, Triquis, Zapotecos, Chochos, Pames, Tlapanecos, Amuzgos, and Huastecos. Hence, in this sense, the diversity of the Valley of Mexico is still maintained during the reign of the *Triple Alliance*. Nonetheless, the *Triple Alliance* has created a broader and useful institutional framework. Its institutions are utilized by the *conquistadores* and the Spanish Crown to operate the colonial economy, particularly its tributary networks and spiritual beliefs. It is for this reason that I focus my study of the Mexican subaltern on what Lockhart (Ibid.) calls the Nahuas of Central Mexico. By no means, I intend to disregard and downplay the cultural heterogeneity of Mesoamerica.

<sup>6</sup> The city, erected upon a mythical tale—a large cactus upon which an eagle would perch, Huitzilopochtli's sacred sign,—was built upon a lake despite geographic and political disadvantages. Diaz del Castillo (1963

well-grounded institutional structure. Mesoamerica's instrumental and ceremonial practices combined with existent political units and tributary systems would play on Nahuas' favor in upcoming centuries.<sup>7</sup> From immemorial times, Mesoamerican societies organized the tilling of the soil based on rulers, who began to assume new roles and status in promoting agricultural prosperity. These hierarchical societies and small provinces have been "permanently set by the eternal round of the agricultural cycle, enlivened by the drama of ritual festivities and the seasonal excitement of endemic raids and small-scale hostilities" (Ibid., 50). In the western shore, the principal political center—Atzacapotzalco, occupied by the Tepenec people—remained as an important town with a history that dated back to ancient Teotihuacan. By utilizing kinship networks and military supremacy, the Nahuas began to expand in the last period of the fourteenth century. Driven by the need to ensure the cycle of life, their expansion was dynamic up to the Spanish invasion. Throughout the two centuries of its existence, a total of nine rulers<sup>8</sup> organized and controlled pseudo-dependent regions, which expanded its sphere of influence to Mesoamerica's southern rich regions.

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[1576]) writes "and when we saw all those cities and villages built in the water and other great towns on dry land, and that straight and level causeway leading to Mexico [i.e.] Tenochtitlán], we were astounded. These great towns and cues [i.e. temples] and build ingrain from the water, all made of stone. Seemed like an enchanted vision from the tale of Amadis. Indeed, some of our soldier asked whether it was not a dream. It is not surprising therefore that I should write in this vein. It was all so wonderful that I do not know how to describe this first glimpse of things never heard of, seen or dreamed of before" (214).

<sup>7</sup> Prior to the rise of Tenochtitlán, archeological evidence demonstrates the existence of a tribal social order where alliances and marriages functioned as territorial instruments of expansion. Economic power has been increasingly concentrated in the leaders through the construction of hunting enclosures. "The Codex Xolotl depicts these enclosures with Xolotl and Nopaltzin, showing how the preserves were supplied with rabbits and other game obtained as tribute from communities to the north and east" (Townsend 1992,52). Descriptions indicate the existence of various kinds of land ownership: land belonging to the temple, land belonging to the town or district, land belonging to the palace, and communal land. The presence of chiefdoms in Mesoamerica clearly represents a transitional stage between egalitarian/stateless societies to hierarchical/state societies (Earle 1997).

<sup>8</sup> Acamapichtli (1376-1396), Huitzilihuitl (1396-1417), Chimalpopoca (1417-1427), Itzcoatl (1427-1440), Moctezuma Xocoyotzin I (ca. 1440-ca. 1469), Axayacatl (ca. 1469-ca. 1481), Tizoc (ca. 1481-ca. 1486), Ahuitzotl (1486- 1502), and Moctezuma Xocoyotzin II (1502-20).

## **The *Triple Alliance*'s Establishment and Expansion**

The formation of political coalitions in the Valley of Mexico was determined by existent networks and practices. These included various tributary channels that assisted the Mexicas in expanding their regional dominion. Political alliances were to define the nature of the social relationships. The connection between the Nahua most important political liaison -- the *Triple Alliance*—and the nature of the colonial monetary system was strictly related to symbols that embraced an ideology based, to some degree, on egalitarian notions.

The characteristics of the coalition of the *Triple Alliance* and key institutions—such as the ethnic state, the social structure, rules of land tenancy, and the characteristics of Pre-Hispanic commerce—defined the nature of the Nahua's society. In subsequent chapters, I argue that the ideology of the Nahua state influenced the characteristics of the colonial monetary system as well. Thus, it is essential to analyze what kind of political entity constituted the *Triple Alliance* and the characteristics of the institutions that supported its operation. In this analysis, it is interesting to observe the impact of the environmental, social, and ideological super structure on limiting the struggle between the centripetal and centrifugal forces that creates a centralized political unit (Elias 2000).<sup>9</sup> In turn, centralized political units

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In his seminal work, Elias (2000) emphasizes the monopoly mechanism as the force behind the process of state formation in Western Europe. For him, state formation is a violent competitive process through which there emerged successively larger territorial units with more effective monopoly apparatuses. In the course of the "elimination contest," a smaller number of central rulers emerge with more power and a greater territorial extension than others. Gradually, fewer kings have an effective and complete monopoly over the means of violence and taxation. In this process, the subaltern does not play a passive role, "[i]n order to establish consolidated states, the factual monopoly of the use of physical force has to be considered legitimate by both rulers and ruled. Stable systems of political authority do not rest on the monopoly of coercion alone: this state monopoly also has to be anchored in the cultural order of society. A political order needs legitimacy" (Jung 2008, 2). In addition to the monopoly of power, Elias identifies other threads in the process of state formation—the royal mechanism, the division of labor, the emergence of bureaucracy, the growth of towns and trade, and the increase of population. Nonetheless, according to Mennel (2004), "Elias pays most attention to the monopolization of violence within state formation, he sees it as only one important thread interweaving with others in a long-term



are the kind of institutions that develop bureaucratic apparatuses that denominate credit-debt relationships based upon units of account.

The birth of the *Triple Alliance* was accomplished by the ability of the Mexicas to bring under their control the settled provinces—most importantly, Atzacapotzalco. During Acamapichtli's rule, the Mexicas were obliged to send levies to the Tepenec ruler Tezozomoc. Marital unions, in particular, ensured a special place for the Mexicas among the Tepenec vassals. The Mexica fought along the Tepenecs on their conquests' ventures. Their military victories granted them significant tracts of land. Once Moctezuma Xocoyotzin I overthrew the Mexica remaining vassalage to Atzacapotzalco, the *Triple Alliance* was established among the Mexicas and the rebellious Tepenecs provinces—Tlacopan and Tetzucoco.

The victory over the Tepenec made available to the *Triple Alliance* vast amounts of land and tribute. The land was distributed among them<sup>10</sup>. The form of land repartition determined the *Triple Alliance*'s future expansion in all cardinal directions. According to the Nahuatl historian, Fernando de Alva Ixtlilxochitl (1952), Moctezuma Xocoyotzin I received ten parcels; military commanders of lesser rank received two parcels, and each tribal clan received one parcel for their temples' upkeep. In general, the pattern of land distribution favored the rulers and warrior classes; which established the foundations of a hierarchical society that recognized prestige and rank from the beginning. The Nahuas' social framework resembled the distributional practices that evolved in Feudal Western Europe. Still, the Mexica social order was based upon ceremonial practices of egalitarianism and community more so than its Western European counterparts.

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overall process of social development which enmeshed individuals in increasingly complex interdependence" (161).

<sup>10</sup> Tlacopan took over the western side; Tetzucoco was allotted the eastern basic, and Tenochtitlán and Tlatelolco were assigned to extensive regions of the south and north parts of the valley.

After the Atzacapotzalco conquest, Moctezuma Xocoyotzin I's administration consolidated the Nahuas presence in previously conquered towns. The pattern of the *Triple Alliance's* expansion demonstrates that the experience Mexicas had on dealing with the Tepenecas taught them very well the relevancy of tribute collection to control a population, and, most importantly, to increase tribute flows.<sup>11</sup> First, the Huastec region was successfully captured. Then, the Nahuas moved into Mixtec country.<sup>12</sup> Their aggressive expansion into distant territories occurred during the administration of the last two rulers. During the reign of Ahuizotl, his armies departed to the mountainous lands of Guerrero, Oaxaca, and down the Isthmus of Tehuantepec where a program of state-supported construction of economic and religious infrastructure was enforced. All defeated provinces were obliged to provide regular tribute from their respective districts. During the reign of Moctezuma Xocoyotzin II, the Nahuas domain captured the current states of Oaxaca, Guerrero, Puebla, the Northern Frontier, and Guatemala. At the time of the Spaniards' arrival, the Nahuas were spreading at a rapid pace. The *Triple Alliance's* was on its apogee.

The successful subjugation of distant provinces was primarily attributed to well-established regional networks and the control of the economic infrastructure—including roads, merchant expeditions, and fairs. Such administration implied a direct coordination of the modes of production through tributary systems and merchant guilds. These mechanisms had a significant effect on the development of the regional economies and political institutions. Still,

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<sup>11</sup> Related to the *Triple Alliance* economic success was the conquest of the *chinampa* communities around the southern part of the Tetzoco Lake. Between 1428 and 1519, the *chinampa* zone produced half if not more of the foodstuff entering Tenochtitlán (Parsons 1976). The further expansion to southern distant provinces came after their victory over Atzacapotzalco, which increased the amounts of tribute.

<sup>12</sup> The Mixtec country was inhabited by communities scattered in ample valleys. Each valley was organized in autonomous kingdoms. Their most powerful towns were organized in a class-system comprising the rulers and his extended family; a smaller stratum of hereditary nobles, a broad class of farmers, tradesmen, and artisans; as well as social farmers, servants, and prisoners of war. Known for its craftspeople, the Mixtecs manufactured the finest gold smithing, lapidary work, weaving, manuscript-painting, and ceramics (Townsend 1992).

Davis (1982) has argued that the Mexicas did not develop a centralized administrative bureaucracy in the Mesopotamian or Chinese sense. Consequently, the established political and economic hegemony remained unstable. Long distances, the ‘wrinkled piece of paper’ type of topography, and the policy of leaving local chiefs in authority as long as the tribute inflows were maintained, represented sources of weakness and potential rebellion. The absence of a mechanism able to build a centralized authority supports the argument that the Aztec empire, as a cohesive political unit interested in controlling subjects and accumulating wealth, did not exist as such<sup>13</sup>. Along these lines, Elias’s seminal work (2000) contributes to this discussion. The process of state formation requires the struggle between centrifugal mechanisms—institutions that generate political fragmentation—and centripetal mechanisms—institutions that lead to the centralization of power—to establish a monopoly of violence. That is, the concentration of political power and territorial control in the hands of a single ruler must be accomplished. Moreover, the existence of a cohesive political unit—such as an empire—requires a process of institutional homogenization and radical modifications on the ideological nature of political institutions.

In the following chapter, I argue that the controversy related to whether or not the Nahuas actually built an empire is linked to one of the purpose of this dissertation. This question is addressed by analyzing deeply the functioning of the political and socio-economic structure that operated under the *Triple Alliance*’s umbrella. Therefore, it appears necessary to first study the nature of the connections between the different ‘pockets’ of the population scattered throughout the Valley of Mexico. Furthermore, one must raise an important question: What is the ideological engine behind the *Triple Alliance*’s political interests? The ideology of

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<sup>13</sup> Contrasting this notion, Townsend (1992) argues that tributary networks promoted and forced alliances; which were enhanced by a vast system of religious obligations. Through other mechanisms, he believes that the *Triple Alliance* did build an empire.

a political institution ultimately determines what needs to be extracted from its subjects and the kind of relationship between the political institution and its subjects. In other words, what is the purpose of the monopoly of violence? The nature of an ideology and a social relationship is directly related to the implementation of money. I address the first inquiry in the following section by discussing how *altepetls* were connected to the *Triple Alliance*.

### **The *Altepetl*—Political Structure**

According to Lockhart (1992) the *altepetl*—the ethnic state—was the heart of the social and political organization of the Nahua world (See Appendix II). The *altepetl* refers to a community holding sway over a given territory; that is, a sovereign entity comparable in size to early Mediterranean city-states. Under the *Triple Alliance*, the minimum requirements to form an *altepetl* were: a territory, a set of named constituents' parts, and a dynastic *tlatoani*. Coupled with the complex nature of the environmental characteristics and the ancient social history of the Mexican Basin, each *altepetl* was unique. Initially, *altepetls* were formed by migrants from legendary Tula and/or the *Chichimeca* who strongly retained an ethnic pride from their ancestors. A well-established *altepetl* was constituted by a main temple,—that symbolized its sovereignty—an ethnic god, and a distributional center. Consequently, “[p]re-conquest empires were conglomerations in which some *altepetls* were dominant and some subordinated, but the unit either giving or receiving tribute was always the *altepetl*. While empires and even large ethnic confederations came and went, the smaller constituents states tended to survive” (Ibid., 14).

The constituent part of an *altepetl* was the *calpulli* which represented the microcosms of the *altepetl*. Each *calpulli* was initially a kind of clan bounded by family ties.<sup>14</sup> Its leader held a portion of the territory to be utilized by its members, in addition to a proper god and a specific name. The *calpulli* would contribute separately, and more or less equally, to the *altepetl*'s obligations. In war times, each *calpulli* contributed a soldier to the *Triple Alliance*. As the *Triple Alliance* expanded, the *calpulli* became an administrative unit to organize tribute collection. However, although connected to the *Triple Alliance*, the *altepetl* retained intact important factors that made it relatively independent from *Triple Alliance*'s jurisdiction. It maintained a level of independence.

This kind of independence was further enhanced by the characteristics of the local authority. Within the *altepetl*, each *calpulli* had its own leader; who maintained a distinctive title and a portion of the territory for exclusive use of its members. From the ideological standpoint, the *calpulli* had a specific name and god. The *calpulli*'s name often portrayed geographically features and ethnic affiliation. Some of these names implied foreign ethnicity; perhaps as many subgroups were added as outsiders when joining the established groups. *Altepetls* and *calpulli*'s religious and ethnic practices were generally respected by the *Triple Alliance*, which maintained a particular way of creating larger constructs in political, social, economic, and artistic realms. Structures that somehow kept their status of independence, and, at the same time, were incorporated to a political whole by tributary networks. Thus, the concentration of political power and territorial control was not held in a single ruler's hands. In Elias' theoretical framework, the *altepetl*'s structure remained a strong centrifugal mechanism in the process of state formation in Pre-Hispanic Mexico.

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<sup>14</sup> They were divided into a ward of roughly twenty, forty, eighty or a hundred households, each ward having a leader responsible for land allocation, tribute collection, and other administrative duties. Each ward had its own representative with a distinctive title.

The centrifugal mode of organization is identified as cellular as opposed to hierarchical. They tended to emphasize “a series of relatively equal, relatively separate, and self-contained constituted parts of the whole, the unity of which consisted in the symmetrical numerical arrangements of the part, their identifiable relationship to common reference points, and their orderly cyclical rotations” (15). The intricate arrangement was capable of producing real, cohesive, and lasting larger units; more than the sum of its national-level institutions or the sum of all the communities and national-level institutions taken together (Ibid.). A society based upon this kind of ceremonial liaison did not depend on the *Triple Alliance*’s production to accomplish its reproduction. Each unit could function independent from one another.

Just as the *Triple Alliance* symmetrical cellular and centrifugal organization extended upward and outward to include larger and more complex political configurations; larger entities retained their ethnic character, the spirit of which might have emerged from various sources.<sup>15</sup> Large *altepetls* were fleeting political confederations with little ethnic solidarity; the biggest instance of all was the *Triple Alliance* itself (Ibid.). The work of Chimalpahin Quauhtlehuanitzin (1983) offers an illustration to understand the way a complex *altepetl*—Chalco—functioned before the conquest.<sup>16</sup> He concludes that the greater Chalco *altepetl* was a very loose entity, hardly more than a regional defense alliance stiffened by some recent sense of common ethnicity and historical experience (Schroeder 1991).

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<sup>15</sup> 1) The progressive subdivision of an originally unitary group—the case of Tlaxcala and Tenochtitlán /Tlatelolco, 2) a sense of common historical experience that shaped an ethnic sense within a diverse group—the case of Chalco and Teztzoco, and 3) an ethnic distinction and accommodation orchestrated by the state—the case of Cuauhtincha. This entity experienced fierce rivalries and feelings of ethnic independence and superiority from each ethnic group.

<sup>16</sup> Formed by a series of immigrants arriving at different times, Chalco was inhabited by people originated from the *Chichimeca*. During the thirteenth and fourteenth century, the *chichimecas* established a set of “kingdoms” that ultimately became organized within a two-tiered numerical organization and ranking. In all settlements, all the peoples were considered Chalca. Chimalpahin referred to the entire structure as the Chalco *altepetl*. The four parts of the *altepetl* were ranked in the chronological order according to the pattern of establishment. All sections were *altepetls* themselves; each part maintaining a specially titled ruler.

Once an *altepetl* was established, a given polity could possess a rulership whether it was occupied by a dynastic *tlatoani* at the moment or not. However, duties performed for the *tlatoani* or king manifested the rotational order and outward extension of the *altepetl*, which constituted the primary point of reference of all *calpullis* and the *altepetl*'s embodiments. The *altepetl*'s *tlatoani* was based on an individual *calpulli*, the one with the highest ranking, where he, in effect, served as a *tectlatoani* of the smaller entity while serving as the central ruler of the whole. Even so, tributes and labor duties from all over the *altepetl* went directly to the *tlatoani*. All *calpullis* resorted to the *altepetl*'s *tecpan* to pay court. It was in the *altepetl*'s *tecpan* that the *calpulli* commoners rotated in service. Out of this scattered although well-connected structure, the *Triple Alliance* did not have to build a centralized authority to maintain control over the collection of tribute; tribute is one of the two centripetal mechanisms that linked the Valley of Mexico with Tenochtitlan. The political pseudo-independence arrangement functioned for the local entities and the *Triple Alliance*'s ceremonial goal. The collected tribute was distributed in the *tianguis* and religious rituals. Religious festivities entertained ideological concerns preoccupied with ensuring a life cycle as opposed to the mere expansion of political and economic power, which characterizes Elias' process of state formation.

In the Mexican Basin, the points of interaction among different *calpullis* were temples and centers of distribution (*tianguis*), which illustrate centripetal mechanisms. All the *calpullis* alike looked to the temple and its god in the same way as they looked to the *tlatoani*. The *calpulli* rotated in duties to the temple and the performance of rites and festivities. Palace, temple, and *tianguis* were ordinarily located near to one another, representing a considerable force toward social nucleation all over Central Mexico. This type of political and social

organization created a conglomeration of independent political entities connected merely by tributary and distributive mechanisms.

When the Nahuas described *altepetls*, they may have in mind large urban settlements; and, at times, the entire *altepetl*. In an *altepetl*, the existence of any central urban cluster did not constitute a separate jurisdiction, but would fall into the area of some of the constituents' *calpullis*. So, it was the *calpulli*, each separately and as a part of the overall rotation that contributed to and benefited from the *altepetl*'s operations. Based on a cellular political structure, each *calpulli* supplied with tribute levies once the *Triple Alliance*'s sphere of influence expanded. Nonetheless, the micro-cosmos continued to function as a centrifugal force that contributed to the decentralizing nature of the *Triple Alliance*. In the following section, I analyze the characteristics of the Mexica social relationships established within tributary entities and how these were connected to the *Triple Alliance*. Based on a specific ideology, the established social structure, land tenancy, and the operation of Pre-Hispanic commerce would determine the nature of Nahua money.

### **The *Triple Alliance*'s Institutions**

#### **Social structure**

The social structure established by the *Triple Alliance* was characterized by a hierarchical structure that embodied, to some degree, egalitarian values. Within the *Triple Alliance*'s scope, below the rulers were the *pillis* (nobility), whose status was hereditary and were descendents of *tlatoanis* and *tecuhltis*. The Nahua nobility paid no tribute and did not work the land. According to Davies (1987), the *pillis* were a caste apart. *Pillis* had the right to usufruct the land and to reside in the vicinity of their local palace. Despite their social and



economic privileged status, the *pillis* were accountable to the *Triple Alliance*. The latter threatened them with having their status demoted or with a severe punishment if they did not comply with the established laws. The *macehuales* were the commoners. They were *calpulli* members, who cultivated common lands and were entitled to education in the *tepochochallis*, schools specialized in military training. In certain provinces, *calpullis* were entirely inhabited by its rulers whereas in other places *calpullis* were inhabited only by *macehuales*.

Representing an important chapter in Mesoamerican economic history, the *pochtecas* constituted the Mexica merchant class that practiced under the state's guidance. The major *altepetl* entrusted them with foreign expeditions and tribute collection. Frequently, they worked for the *Triple Alliance* as ambassadors, emissaries, and spies. At times, they exercised more influence on public matters than the nobility; resembling the political power held by Medieval Europe's merchants. However, *pochtecas* portrayed more the merchants of the Assyrian Empire. They did not represent a mercantile middle class that pursued the accumulation of wealth. Their goal was concentrated on having social prestige during exclusives rites and religious ceremonies and gaining special treatment from the *Triple Alliance*, which was symbolically represented by tribute exception. During religious ceremonies and festivities, *pochtecas* were after the *tlatoanis*' recognition at public ceremonies (Ibid.). In his chronicles, Sahagún (1982[1905]) identifies a total of seventy-nine categories of *pochtecas* that included the merchants that imported and exported slaves, precious metals, tobacco, cacao, animals, matte paper, and corn. Still, the *Triple Alliance's tlatoani* functioned as the major representative of the Nahuas' economic and military presence in the most distant regions. His presence intensified with the appearance of *pochtecas* guilds dedicated to import and export raw materials.

According to León-Portilla (1990[1963]), the Nahuas merchants possessed their own judicial and economic code that incorporated the various functions that they have to carry out. Pre-Hispanic commercial ‘exchange’ was not ruled by the forces of demand and supply; instead by a series of social norms. The *pochtecas*’ code included the *Triple Alliance*’s rules of socio-economic interaction. The *Triple Alliance*’s ideas on law, justice,<sup>17</sup> ‘property,’ contracts, and commercial guilds embodied features of a society, that even though manifested itself as hierarchical; maintained important practices of equality and community. These notions rested upon reciprocal social obligations of *tit for tat*; relationships that maintained a sense of obligation and sacrifice. For instance, based on the principle of *in qualli, in yectli*, the *tlatoani* determined the obligations of the merchants. This criterion aimed to establish a rule to what is convenient for one person to do; must not harm those who have engaged in “commercial” activity. *In qualli, in yectli* did not appreciate self-interest instead the interest of the community. It was precisely what is right to do what is convenient for everyone, the ultimate law that dictated *Triple Alliance*’s commerce. This law was accompanied by a system of price setting and goods’ distribution.

The *pochteca* guilds constituted the root of the cultural institution of Pre-Hispanic commerce. As the dominion of the *Triple Alliance* spread throughout the Valley of Mexico and the rest of Mesoamerica, *pochtecas* began to import from distant regions luxury products such

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<sup>17</sup> Law and Justice in Ancient Mexico  
Among the Aztecs two forms of law existed: consensual and written.  
The ancient norm of life,  
That of the Chichimecas,  
of the Toltecas,  
of the Acolhuas,  
of the Tepenecs...  
They in the entire world,  
Founded their dominion  
They give  
The mandate, the power  
The glory, the fame. (León-Portilla 1962b, 31)

as jade, cotton, cacao, and precious metals. Members of specific *altepetls* abandoned the practice of agriculture and adopted the merchants' role given kinship networks; increasing the *pochtecas*' presence throughout Middle America. By the third quarter of the fifteenth century, merchant guilds were clearly identified as *pochtecas* and lived on specific *calpullis*.<sup>18</sup> Thanks to *pochteca* guilds, the nobles and the priests acquired luxury goods that were incorporated in the conspicuous display of religious ceremonies and festivities; which were basically instrumental means to expand the *Triple Alliance*'s ceremonial presence throughout Mesoamerica.

It was through the *pochtecas* guilds that unconsolidated *altepetls* began to concentrate their political influence; and, at the same time, strengthened the symbolic presence of their dominion through tribute collection. Along ceremonial lines, *pochtecas* paid tribute to Quetzalcoatl by organizing different banquets where food and valuable goods were distributed. In these parties, *pochtecas* manifested that commercial guilds were in good terms with the *Triple Alliance* as well as the people living in pseudo-independent *altepetls* by assuming various social responsibilities. According to León-Portilla (Ibid.), the merchants often confirmed their material poverty at the personal level. They recognized that all their goods belong to the guild, which was the ultimate representation of the *Triple Alliance*. The following are the words of a *pochteca* from Soconusco when questioned about his alleged wealth:

In reality, I do not have properties;  
what I have brought it is property  
of our mothers and fathers,  
of the Pochtlan and Oztoman merchants. (51)

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<sup>18</sup> The first league or guild of merchants was located in the *altepetls* of Acxotlan, Atlauhco, Amachtlan, Itzolco, Pochtlan, Tepetitlan y Tzomolco. For instance, the feather crafters were all concentrated in the *altepetl* of Amatlan, a cluster nearby Tlatelolco where an important fair was held. Nearby Atzcapotzalco, a fair dedicated to the distribution of slaves was organized. An important distribution center was located in the pacific coast of Soconusco; the main producer of cacao, quetzal feathers, jade, and precious metals (Ibid.).

Ultimately, *Pochtecas* were the agents of *Triple Alliance*'s consolidation on Mesoamerica. They were far from representing capitalist entrepreneurs. They supplied the goods needed to give symbolic meaning to the social rituals that enhanced reciprocity between the *Triple Alliance* and the *pochtecas* as well as the *pochtecas* and the rest of the population. The role of *pochtecas* abroad was determined to a certain degree by the quest for tribute. Evidently, the merchants' trading areas were expanding with the *Triple Alliance*'s presence while they were actively involved in the collection of tribute and the enforcement of its extraction when levied *altepetls* failed to submit their payments. Long distance trading and tribute levying were both imposed on subjected regions by the *Triple Alliance*'s direct emissaries as well as *pochtecas*.<sup>19</sup>

### **The Tianguis—Centers of Distribution**

The *tianguis*, incorrectly identified as *markets* by the Spaniards, were mechanisms of distribution directly managed by the *Triple Alliance*. Organized by the *pochtecas*, the *tianguis* were held in specific days and locations. There, prices of products were fixed, means of payment were established, and social conduct was regulated. For instance, the prices of imported cacao beans to be sold at the *tianguis* were announced to the officials and then to the public (Lockhart 1992). *Altepetls*' officers considered market supervision as one of their primary duties.

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<sup>19</sup> In order to carry out trade, the *pochtecas* were required by the state to acquire a license. Although they gave the tribute in kind, they supplied neither personal nor war service. There were four hierarchical positions for the *pochtecas*, each with specific duties and obligations. The highest officials (*pochtecatlatoque*) were appointed by the *tlatoani*, who selected them from the older and most prestigious *pochteca*'s *guild*. At home, they advised young traders and commissioned trading groups to exchange goods on distant trade centers. Most importantly, they administered the local market place. The second group, the *tlaltanis* were slave traders who, according to Sahugun (1982[1905]), were the richest merchants and were given special privileges by the rulers given the *tlaltanis*' participation in Huitzilopochtli's rituals of sacrifice. The *tencunenque* served as the personalized ruler's traders and tribute-collectors. The last group *naualoztomeca* were "disguised merchants" that pretended to be natives when entering enemy territories in search of exotic goods.

Even though each *altepetl*'s population could sustain itself independently; the *tianguis*' goods were both a specialty and/or a supplement. Home manufactured goods were offered at the distributional centers. With wood, fish, and reed producers coming from different regions, the *tianguis* was not only a point of local distribution; but also, as discussed previously, an important mechanism of *altepetls*' integration (Ibid.). The importance of a *tianguis* in people's daily life was evident. People from one *calpulli* were able to interact with other *calpullis*' members from nearby and distant regions. At the same time, people were able to find both imported luxury goods (feathers, dyed rabbit hair, fringes for cloaks and skirts) and local subsistence goods.

According to Carrasco (1983), the ancient Mexico *tianguis* resembled more a controlled market where compulsion and regulations are the norm than a free market where prices are set by the forces of supply and demand. From a political standpoint, once the *Triple Alliance* expanded, a place was needed for distant merchants to offer their production. On these specific locations, commerce was regulated. Distribution outside of a specific location was forbidden and severely punished. Furthermore, regulation restricted the availability of some products to specific *altepetls*. The *tianguis* lords formed a court with jurisdiction over the *tianguis* to rule on controversial cases regarding consumers' 'rights.'

Sahagún (1982[1905]) mentions twice that prices were set. Still, he gives no information as to precisely how or what method was employed to determine prices. Carrasco (1983) sees enough reasons to admit that price setting was carried out in pre-Spanish times since some stories constantly mention active interventions of *tlatoques* in the *tianguis*' operations. According to Ixtlixochitl (1952), Netzalhualcoyotl has personally supervised the *tianguis*. Whenever producers were unable to sell their goods; he would send his stewards to

buy everything they had at twice the price (322). This instance clearly reflects a price policy that speaks in favor of price support and disapproves of a free market. If we generalize from this case, we would say that producers ‘sell’ their goods at the *tianguis*. At times, the royal treasury purchases the unsold goods. Moreover, the *Triple Alliance* through the *pochtecas* orchestrates production by utilizing the cellular-type of political infrastructure. In order to ensure an adequate amount of supplies for the regional *altepetls*, *calpullis* are obligated by each *altepetl* to cultivate on stipulated areas of communal land in order to take the harvests to the *tianguis*, while allowing the earnings to be kept for the local treasuries.<sup>20</sup> More than commercial exchange, at the *tianguis*, goods and services are redistributed.

## Land Ownership

According to León-Portilla (1962), land represented an important factor in the Nahua agricultural society of Central Mexico. Similar to feudal Western Europe, land in Tenochtitlán was the most important form of social status. According to Katz (1969), two kinds of lands ‘ownership’ existed: hereditary lands held by *pillis* and other lands granted by the *tlatoani* to distinguish warriors—*tecuchtlis*. Generally, land was distributed among the rulers, the priests, and the *pillis*; leaving *macehuales* with communal lands or the option to work for *pillis*. The *macehuales*’ active participation on *Triple Alliance*’s political, military, and religion matters provided the notion of prosperous *macehuales* and poor *pillis*.

The right of usufruct was fundamental to the social structure on maintaining channels of distribution. Land became the principal determinant and attribute of wealth as well as the primary basis of obligations. Scholars have sustained that arable land was worked by

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<sup>20</sup> For instance, in Xochimilco, stone workers and carpenters were obliged to sell stone and timber in Tenochtitlán and utilize these earnings for Xochimilco’s public expenditures (Carrasco 1983).

*macehuales* and was held on a long-term basis (Davies 1982; Hassing 1985; Prescott 1964).

Nonetheless, corporate entities retained residual rights to all land and took a more active role in allocation and reallocation than their European counterparts. In the Basin of Mexico, corporate authorities selected the best lands in plots and distributed them according to social rank and subsistence needs. Succeeding inheritance and spontaneous division among the holders of the land was the principal mechanism of accumulation and redistribution, much as in Western Europe (Lockhart 1992).

A tendency exists to compare the *Triple Alliance's* land tenure system with that of the Iroquois (Morgan 1877). This notion perceives the Mexicas' landholding as mostly communal. However, the Nahua principles of land tenancy are more complicated. These norms are shaped by ideas of egalitarianism hosted within a ranking society. In other words, the Nahua social structure facilitates access to resources such as land way more than other hierarchical societies. Thus, the initial distribution of land is of communal form rooted in the notion of *in qualli, in yectli* (it is convenient, what it is right). This principle justifies, to some extent, the right to usufruct the land based upon a fundamental right of every lineage. *Pillis* or *macehuales* are inherently entitled to a piece of land for subsistence. The following is an extract from *Huehuetlatolli*, the Nahua ancient words, collected by Fray Andres de Olmos in 1547:

It is convenient; what is right,  
take care of the matters of the land,  
do something, cut the firewood, plow the land;  
sow nopales, sow agave,  
in this way, you will have [something] to drink, you will dress up,  
With this [land] you will stand up, with this [land] you will move on (Espinoza-Maldonado 1997).

Under this principle, it was mandatory for those who possessed land to work on it. Working was their primary obligation. Those who did not work the land could automatically

lose the right to usufruct it. Therefore, the uninterrupted exploitation of land was a requirement to maintain the right of subsistence; since labor activity established a relationship between the holder and the object. Under this conceptualization, land was somebody's temporal "property," if this person "found it linked to his/her face, if it is of its belonging for having been closed to it" (León-Portilla 2003).

The concept of linkage or closeness implied a dynamic, constant, and resetting relationship with objects through labor. This relationship could be resumed as soon as labor activity was interrupted. In this case, transfer of this land to somebody who was willing to work on it was convenient and right. The appearance of "the faces," as a symbol, showed that it was this linkage that refers to a human being in an intrinsic way. Initially, the relationship of objects with "human faces" existed in a collective way.

Nevertheless, given the hierarchical structure that has shaped Mesoamerica from immemorial times; in its daily functioning, the Nahua land tenure system appeared to share common traits with the medieval land tenure systems of Western Europe. The prevailing tendency was for the *pillis* to increase its proportion of landholding at the expense of the *macehuales*. The main difference was that even though some tolerance to an individual form of land 'ownership' existed; the community consensus on landholding counted way more than the ability of individuals to claim "private" ownership. According to Lockhart (1992), it might be possible that by the time of the Spaniards' arrival, the two kinds of ownership existed in ancient Mexico. Nonetheless, the *macehuales* possessed the land in a communal way. Every single family disposed of a parcel in usufruct. Likewise, the *tlatoque* had their own land where *macehuales* worked on it to pay tribute. The *Triple Alliance* also maintained the "land of the



temples;” the harvest of which was destined to sustain the priest and the community’s spiritual cults and festivities.

Even though the *pillis* could obtain greater extensions of land; their rights of “ownership” were extremely fickle. As soon as the *pipiltin* or any *Triple Alliance*’s representative failed to comply with the *Triple Alliance*’s norms, particularly the fulfillment of their tributary obligations, their lands were expropriated. The Nahua legal arrangement to usufruct the land was strictly link to its ability of expropriating the land from those who did not comply with the rules. Their laws enhanced land’s productivity and supported the community’s right for self- subsistence. Thus, the *pillis* and the *pochtecas* conceived ownership as volatile given that they had no means to accumulate wealth to become entities that operated independently of *the Triple Alliance*. Under the prevailing ideology of “it is convenient what is right,” how is it possible to conceive that the accumulation of wealth represented the ultimate interest of *pillis* and *pochtecas*?

In the process of transferring land, community agreements constituted the essential part of the procedure. The standard practice among the *altepetls*’ members was to request the opinion of the community and/or family members to take decisions on sharing the land with an outsider. Thus, the process of ‘selling’ a piece of land was a complicated endeavor. People belonged to the land; the land did not belong to people. The distribution of land was based on plots of relatively similar dimensions, which were allotted to the population at a single time in the past. Land allocations were the primary means of land redistribution, which involved exact measurement of the plots.

## Units of Measurement

Nahuas' land corporate management expanded beyond the original subdivisions to ongoing relocations through the maintenance of up-to-date records based on glyphic-pictorial methods. The registers contained all arable and tributary land in each district as well as the holders' names. A specialized vocabulary and procedures to classify and measure the land and maintain tenancy records were systematically implemented. Although the method through which land was acquired has not been clearly identified; it appears that the head of the household allotted a portion of his/her land to some member without breaking up the household unit (Ibid.).

Registration of the land involved exact measurement. Nonetheless, given the heterogeneity of each *altepetl* and *calpullis*, the system of measurement varied. Even though, it seems impossible to establish absolute and precise equivalents for units of measure; it was clear that each *altepetl* had its own version of a system of standard units that were capable of handling small and large dimensions. The primary unit of measurement often used was that equivalent to eight-to-ten feet. In some *altepetls*, this measurement was called the *quahuítl*, after the stick utilized for measuring distance. In other ethnic states, this unit was called the *matl*; which is equivalent to an "arm hand" referring to any various ways to indicate distance by arm extension. In Tezcoco and Coyoacan, *quahuítl* and *matl* appeared constantly as synonymous in land records. In other instances, the *matl* was presented as a fraction of a *quahuítl*. A vocabulary was created in reference to units of measurements based on the length of body parts, the techniques utilized to elaborate fractional units (See Appendix I).

In some *altepetls*, *quahuítl*s of locally customary size were employed for determining small dimensions; whereas *matls* used to measure large dimensions. The Nahuatl word for rope

“*mecatl*” represented an extended meaning for a land plot of a certain size. This term was found in the Cuernavaca regions when referring to a piece of land that measured 200 by 20 units or 4,000 squared units. In general, the *mecatl* represented the twenty unit square standard plot, called by Molina (1571) “an allotment of land.” Lockhart (Ibid.) writes the following in this regard:

[p]ossibly before the Nahuas had arrived on the Mesoamerican scene and adopted intensive agriculture, the twenty-unit-measurement was the primary one, delineating one side of a square plot thought to be sufficient to maintain a small family, and that quahuitl or matl was derived by dividing the larger unit by the even number (in the vigesimal system) of twenty. If the quahuitl was eight feet, the basic plot was 160 feet square; if it was ten feet, the plot was 200 square. Under optimal conditions of water and fertility, such area might have been enough to provide the primary support for a group of four to six people. (145-146)

I would like to underline that these units of measurement were established prior to the emergence of the *Triple Alliance*. The *Triple Alliance*’s operation did not require any homogenization of the prevalent institutional arrangements in each *altepetl* including a system of measurement. Individual *altepetls* were operating within their local institutional structure that utilized various units of measurement to distribute land. Still, tribute was submitted based on the predominant vigesimal system of land measurement. At this point, let us recall that the *Triple Alliance* was operating based on a regional hierarchical society that maintained notions of egalitarianism. These ideas were materialized in the distribution of land.

In this chapter, I discuss the institutional infrastructure encountered by the Spaniards. Settled upon a rich and diverse environment, the Nahua practices are characterized by a principle that linked resources (land) to labor. Under this context, everyone is entitled to a piece of land for self-subsistence. Likewise, Pre-Hispanic commerce is ruled by ceremonial norms and principles of distribution. *Pochtecas* do not resemble the capitalist entrepreneurs that pursued the maximization of their wealth or utility. Instead, they directly represent the

interests of the *Triple Alliance*. *Pochtecas* organize the centers of distributions where the *altepetls*' surpluses are distributed. They are not creating markets.

Finally, the ethnic state or the *altepetl* appears to have a degree of independence; consequently, its local institutions operate along the quest of tribute by the biggest *altepetl*. Related to this political entity is the development of various units of measurement. A single unit of measurement throughout the *Triple Alliance*'s dominion is not established. In this chapter, I have argued that not only a hierarchical social structure; but also the ideology of political entities determines the emergence of money. The *Triple Alliance*'s ultimate purpose has determined the degree of coercion and violence that it would exercise over the subjugated population. The ideological purpose is influenced by cultural notions such as religion or spiritual beliefs.

In the following chapter, I argue that the *Triple Alliance*'s ideology played an important role on transforming reciprocity into a system of credit-debt relationships denominated in a unit of account. In Pre-Hispanic Central Mexico, the creation of money involved replacing egalitarianism with notions of social inequality as well as generating a political institution interested in developing a monopoly of violence. Subsequently, I briefly discuss the misconceptions of the Mexica's institutionalized relationships. This study incorporates the *Triple Alliance*'s institutions and the analysis of the Mexicas' religious ideology as well as their tributary system to determine the nature of the social relationships that existed prior to *La Conquista*. This study stands away from the *Anthropology of Western Modernity* and accounts for the characteristics of the subaltern's practices that were utilized as the institutional framework from which the Spaniards would attempt to build a colonial economy and state.



## CHAPTER 4

### DID THE NAHUAS HAVE MONEY? THE CONSTRUCTION OF MYTHS

The ‘Discovery of America’ has been interpreted based on a hegemonic perspective and a one-sided vision of the world. This notion dismisses the natives’ well entrenched institutions and creates myths that assisted, not only the conquistadores to pursue and justify their agenda; but also, the insertion of the *Anthropology of Western Modernity* in the study of Pre-Hispanic societies. These myths have introduced neoclassical economics in the study of Pre-Hispanic history; a theoretical approach that is focused on proving the universality of capitalist institutions across regions and times.

If there is something that characterizes the mainstream historical and anthropological interpretation of Pre-Hispanic civilizations is its myopic vision. Conventional paradigms are centered on generating enough evidence to reiterate Nahuas’ inferiority and justify the impositions placed upon them by the *conquistadores*. The analysis of the pre-conquest and post-conquest periods of Central Mexico has generated abundant material. Unfortunately, most of these works have been influenced by the *Anthropology of Western Modernity* that underlines the homogenous nature of their institutions.

In this chapter, I attempt to reconstruct Nahuas’ historiography regarding the theme of money, a widely misinterpreted institution. I argue that the study of money requires a more comprehensive theoretical framework such as Chartalism to reinterpret it. In the first section, I provide what I consider necessary: a brief introduction of the current literature on commodity money or what constitutes the Metallist approach of Pre-Hispanic money. In the second section, to counter argue this paradigm, I analyze Nahua’s religion and its tributary system. In the last part, I determine, based on the analysis of religious and tributary institutions as well the

Nahua institutional structure revised in Chapter 3, the nature of the *Triple Alliance's* social relationships. I close this chapter by providing a conclusion of the kind of social interrelations that existed before the fall of Tenochtitlán. These conclusive remarks represent the starting point of chapter 5, which analyzes what occurred to these practices once they were confronted with those of the newcomers.

### **The Myth of the Two Worlds' Encounter**

In 1519, while resting on the coast of Vera Cruz, Hernán Cortes and his band of Spanish conquistadores were welcomed by ambassadors sent by emperor Moctezuma II.<sup>1</sup> In addition to offering technical assistance, the Mexicas presented to the crew objects of exquisite workmanship fashioned of prized materials by the Spaniards.<sup>2</sup> As if these gifts were not sufficient, Tendile, the regional governor, fulfilled a request made by Cortes: to present to him a rusted helmet filled with gold, valued at twenty thousand pesos. Embellished by the Mexicas' fine gestures and warm welcome, the *conquistadores* were not able to comprehend these signs of hospitality. Interpreted as signs of submission, the Mexicas' gestures signaled a great opportunity to fulfill the ambitions of the newcomers. During *La Conquista's* first years, the Spaniards' driven goal was centered on capturing the promised fountain of gold. Then, gold was interpreted to play the same role on Nahua society as it did in Spain.

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<sup>1</sup> Bernal Díaz-del Castillo describes the encounter, “[w]ithin half an hour of our anchoring two large canoes came out to us full of Mexican Indians. Seeing the large ship with its standards flying, they knew that it was there they must go speak to the Captain [...] They said that their lord, a servant of the great Moctezuma has sent them to find out what kind of men we were and what we were seeing, also said that if we required anything for ourselves or our ships, we were to tell them and they would supply it (1963[1576], 88).

<sup>2</sup> According to Díaz-del Castillo (Ibid.), the gifts included: “a disk in the shape of the sun, as big as a cartwheel and made of very fine gold. [...] worth more than ten thousand pesos[...]another larger disk of brightly shining silver in the shape of the moon...worth a great deal for it was very heavy [as well as] twenty golden ducks of fine workmanship and very realistic [...] crests of gold, plumes soft rich green feathers, silver crests, some fans...models of deer in hollow gold... [and] thirty loads of beautiful cotton cloth of various patterns, decorated with feather of many colors” (93).

The myth of the encounter of the two worlds helped religious practitioners and colonial chroniclers to construct a paradigm based on an ethnocentric rationality of Nahuas' behavior. This framework placed under the rug the characteristics of Nahua society. Even though Pre-Hispanic social relationships were to provide the fertile ground where colonial institutions nested; their practices seem to be bluntly ignored. Recorded in the Florentine Codex, fifty years after the conquest, and later propagated by the Franciscan order, the legend of *La Conquista* of the Aztec Empire propagated the notion that the Mexicas held a divine perception of the Spaniards' arrival. Accordingly, Moctezuma Xocoyotzin II identified the presence of Spaniards as related to Quetzalcoatl's return, the vengeful god, who has promised to rule over Tenochtitlán once again. Not surprisingly, Hernando Cortes was identified as the ultimate personification of Quetzalcoatl (Florescano 1995).

Despite the popularity of this story, Pagden (1986) argues that "there is no pre-conquest tradition which places Quetzalcoatl in this role, and it seems possible therefore that it was elaborated by Sahagún and Motolinía from informants who themselves had partially lost contact with their traditional tribal histories"(467). Restall (2003) states that even if the assumption of Moctezuma Xocoyotzin II's welcoming speech is accepted, the polite offer of his throne might have not represented a sign of immediate submission to Mr. Cortes. In Nahuas' culture, politeness is seen as a way of asserting dominance and show superiority. Under this context, Moctezuma Xocoyotzin II's 'submissive' practices are attempts to make sure that Cortes was under his control. How so? "the key term here [is] "reciprocity," the sense of equity, balance, fairness, and symmetry, embodied in [his] image of justice as a set of scales" (Graeber 2011, 91).



According to the Mexicas' war rules, the technique to *pacify* potential enemies was through offering gifts, which symbolized tokens of expressions of pay back gratitude. In other words, personal favors, courtesies, gifts, and expressions of kindness and servitude were methods to ensure that such expressions of human care and solidarity were constantly reiterated. In this kind of 'payment' system, debts were never consolidated since reciprocal practices tended to recreate endless circles of retributions. Based on this common Mexica practice, Moctezuma Xocoyotzin II made a wrong assumption. Under such circumstances, Cortes was not going to feel *obligated* to reciprocate his courtesies.

Most likely, Moctezuma Xocoyotzin II did not know that Cortes has already replaced a sense of social retribution with an accurate method of payment. Under the Pre-Hispanic institutional setting, this simple assumption of shared cultural rules proved that the political and cultural changes necessary to destroy circles of reciprocity embody delusion and treason. Thus, by completely dismissing the way Nahua institutions operated, the Eurocentric chroniclers turned bandits into heroic soul saviors and Nahuas into passive vanquished people. Moreover, it interpreted the nature of the Nahua institutions as following the patterns of evolution from the ones that existed in Western Europe. Under this context, anthropological and historical studies compared Nahuas with their Western counterparts who already had markets and money. These institutions were already operating under the ideological principles that led to the formation of capitalist institutions—monopolies of violence and a rampant system of social inequality. In the following section, I present these perspectives to subsequently criticize them by elaborating the Chartal interpretation of Nahua's monetary system.

## **The Myth of the Nahua Economy: Markets and Money**

Mainstream historians and anthropologists argue that the Nahuas have developed notions of private property, free markets, commodity money, and an entrepreneurial spirit driven by profit maximization (Berdan 1992; Davies 1982; 1987; Hassing 1985; León -Portilla 1990[1963]). Based upon the work of the chroniclers, such interpretation illustrate what religious practitioners believed to see and conveniently overlooked the Nahua institutional infrastructure described in the previous chapter. According to León-Portilla (Ibid.), Díaz-del Castillo (1963[1576])’s description of the Tlatelolco “market” represented an eloquent testimony of the level of magnitude of Pre-Hispanic commercial activity.<sup>3</sup>

Extracted from their social, political, and cultural contexts, Díaz-del Castillo’s perspectives handed out the raw material to build upon the pre-Columbian neoclassical vision of Central Mexico. Accordingly, markets were held—similar to those of Spain’s towns;—people specialized in production as individual producers brought their commodities to be commercialized. In the absence of commodity money, barter was taking place among different clans. Commodity money in the form of quills, cacao beans, and gold dust were utilized to

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<sup>3</sup>We were astounded at the great number of people and the quantities of merchandise, and at the orderliness and good arrangements that prevailed, for we had never seen such a thing before. The chieftains who accompanied us pointed out everything. Every kind of merchandise was kept separate and had its fixed place marked for it. Let us begin with the dealers in gold, silver, and precious stones, feathers, cloaks and embroidered goods, and male and female slaves, who are also sold there. They bring as many slaves to be sold in that market as the Portuguese bring blacks from Guinea. [...] Next there were those who sold coarser cloth and cotton goods and fabrics made of twisted thread, and there were chocolate merchants[...] In this way you could see every kind of merchandise to be found anywhere in New Spain, laid out in the same way as good are laid out in my own district in Medina del Campo, a center of fairs[...] in another part were skins of tigers and lions, otters, jackals, and deer, badges, mountain cats, and other wild animals [...] Then, there were the fruiterers, and the women who sold cooked food, flour and honey cake, and tripe [...] Then came pottery of all kinds, from big water jars to little jugs [...] We went to the great cue [temple], and as we approached its wide courts before leaving the marketplace itself, we saw many more merchants who, so[I was told], brought gold to sell in grains, just as they extract it from the mines. This gold is place in the thin quills of the large geese of that country... They used to reckon their account with one another by the length and thickness of these little quills, how much so many cloaks or so many gourds of chocolate or so many slaves were worth, or anything else they were bartering” (Díaz-del Castillo (1963[1576]), 429).

expedite exchange.<sup>4</sup>The people of the Mexican Basin, just like their counterparts in Western Europe, were inevitably swapping and comparing things. They were seized seeking the greatest profit of all out of purely transactions of exchange.

Nahua money appears to function as a medium of exchange that neatly and easily eliminates the double coincidence of wants. According to this perspective, barter comes first; commodity money afterwards; and, until commodity money appears, credit emerges in the late colonial period. Similar to other places around the world, Mexica's commodity money emerges from commercial transactions; their institutional infrastructure plays no role. Money is a creature of the market. Within this context, the *Triple Alliance* solely represents a tyrannical empire; mostly preoccupied with the economic exploitation of the subjugated regions and the orchestration of barbaric rituals of human sacrifice.

Many anthropologists and historians have coincided in two things: the Mexicas founded the Aztec empire and operated markets with commodity money. Along these lines, according to Lockhart (1992), even though Mesoamerica lacked metal coinages as mediums of exchange, currencies did exist. León-Portilla (1962) has argued that copper artifacts, beads, and quilts filled with gold dust served the purpose of precious metals as mediums of exchange.

Metallist opinions diverge on the most common form of currency. Nonetheless, cacao beans and capes figure as the most important. Millon (1955) discusses extensively the question of Aztec currency. He argues that capes are the most common items mentioned in the tributary lists and currency utilized in the markets. According to Luis de-Rojas (1987), the capes have a

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<sup>4</sup> For example, León-Portilla (1962) argued that the population of the Basin of México built their own individual shelters and house appliances. Nahua women manufactured clothes and were able to build their work instruments: fish nets, wooded articles to sow the land, pottery, and straw baskets. No need for social interaction existed among self-sufficient clans. However, once the subsistence level was surpassed, clans started to accumulate a surplus that was frequently bartered in exchange for other products. In this way, commerce is seen as spontaneously emerging in Central México.

superior value and are progressively substituted for metals during the colonial times.<sup>5</sup> Katz (1969) underlines the universal usage of cacao beans, which also survived until the colonial times. De- Rojas (1997) disagrees with Katz (1969) and states that the first kind of coins utilized in the markets are the cacao beans.<sup>6</sup> Along these lines, Clavijero (1976) affirms that the cocoa beans utilized in the markets were different from the ones used by the nobility to produce the cocoa drink.<sup>7</sup> Likewise, León-Portilla (1962) argues that Nahuas often employ defected beans that did not have any other utility but that of serving as symbols. He also identifies small packages of seeds that were equivalent to a certain type of commodity money known as *coachtli*.

Cacao beans appear again and again in Spanish and Nahua documents throughout the sixteenth century. Accordingly, in the Tlaxcala market, a 1545 price list has been established in terms of cacao beans. Still, historical evidence is not sufficient to clearly establish if the Nahuas have a single commodity that functioned as money or not. Also, a semantic term in the range of money is not found. Molina's dictionary has entered *tlacocohualoni* "that with which various things are bought;" a term that appears in early Cuernavaca census when describing the *coachtli* given in tribute. This term sheds light on the intrinsic connection that existed

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<sup>5</sup> Duran (1967) highlights the importance of capes "[w]hen Ahuitzotl raised a special levy for completing the Great Temple, he sent calpixquis to the provinces and order that they might provide capes and all else necessary that they had received as tribute" (Davies 1987,150). The ruler's transaction suggests that he treated the standard capes delivered in tribute simply like a form of payment. The phrase 'without taking a single cape' resembled the meaning of the English phrase 'without asking for a single cent.' In many towns, capes were submitted in tribute to the Spaniards up to the 1560s.

<sup>6</sup> De-Rojas recognizes that the existence of a general or restricted usage of exchange in an economic system reflects complex social relations; still, his analysis is based on a commodity approach to money. Still, he argues that the state is on charge of determining the production and value of money. For instance, he sees the conquest of distant Xoconochco as related to the Aztec Empire's need to control the production of cacao beans.

<sup>7</sup> Thus, the two main forms of currency might have served to complement each other. Regarding the utilization of cacao beans as currency, Garibay (1961) argues that "every *ten-coachtli* had for price 100 cacao beans... it followed other *ten-coachtli* equivalent to 80 cacao beans"(49). The series close with a *ten-coachtli* (smaller one) that was worth 75 cacao beans.

between the *Triple Alliance*'s tributary system and its political-social relationships. Still, the roles of commodity money are limited to the sphere of exchange.

According to Chartalist theory, the commodity per se does not matter; anything can function as a mean of payments as long as it is mandated by the state. A political entity establishes that such and such can function as money based on a unit of account. Therefore, the heterogeneity of the Nahua political structure, the absence of a unit of account, and the principles of "it is convenient what it is right" on Central Mexico determine the nature of Nahua money. The commodity utilized to symbolize the social nature of money is irrelevant. The commodity vision of Nahua money has been influenced by the *Anthropology of Western Modernity*, which ignores all together the social history of the Nahuas. Consequently, the history of commodity money is an incorrect starting point to study the evolution of monetary systems in Central Mexico. In order to rebuild the historiography of Mexicas' money, one must capture the complete institutional structure where their social practices took place. This analysis encompasses the following section.

### **Money as a Social Institution: Money as a Creature of the State**

According to the Chartalist approach, money appears to function not only as a mean of payments. Money is also a store of value, a standard of deferred payments, and a unit of account (Henry 2004; Hudson 2004; Forstater 2005; Polanyi et al. 1971; Wray 1990, 1998). In order to strip money from its social nature and political arrangements, neoclassical economists tend to emphasize the commercial functions of money. Stripping money from its institutional structure implies the imposition of a uniform notion of the world at the anthropological and historical level. Based on this vision, institutions are homogenous and tend to display

characteristics that resemble the nature of capitalism; which strengthens the argument of the universality of the market economy across regions and times. Thus, capitalism becomes an intrinsic trait of humankind. However, the institution of modern money—the one utilized in today’s capitalist economy—has a long historical trend; the roots of which are not grounded in the commercial sphere. Money is an institutionalized social relationship influenced by the prevalent cultural, social, and political practices. Many of these practices are not of a capitalist nature.<sup>8</sup>

Money is more than a commodity that has efficiently expedited barter among individuals, clans, tribes, or *altepetls*. In fact, a sense of social indebtedness and obligation, based on principles of reciprocity, predates money. In a specific historical period, money appears once social obligations are quantified and fully ‘paid’ or ‘pacified’. Graeber (2011) writes, “what we now call virtual money came first. Coins came much later, and their use spread only unevenly, never completely replacing credit systems. Barter, in turn, appears to be largely a kind of accidental by product of the use of coinage or paper money”(40).

On one side of the spectrum, money is social credit generated and expanded by the quantification of peoples’ obligations with each other and the state. At the moment a unit of account is created by a political unity, debts can be acquired with strangers because they can be settle down once an accepted mechanism to ‘balance the books’ is enforced. Money is able to create fleeting ends-to means relationships, ensure a social contract with a political unit and the market, and destroy a generalized sense of community. The community no longer finds a

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<sup>8</sup> According to Wray (2012), “[h]eterodoxy argues that economics has to do with a study of the institutionalized interactions among humans and between humans and nature. The economy is a component of culture; or, more specifically, of the material life process of society. As such, substantives economics cannot abstract from the institutions that help shape economic processes; and at the substantive problem is not the formal one of choice, but a problem concerning production and distribution”(1).

purpose of existence since social obligations are promises of temporal mollification that are transformed into measured social burdens, that is, into debts that can relieve someone from an eternal commitment to other human being. Politically, money creates a unified state as well as a unified group of people. It creates the notion of a nation; that is, a group of people who share a government and additional bounds such as cultural and spiritual practices. Money is a form of legitimizing the monopolization of violence given that it requires a contractual agreement between the state and its citizens. Once the sphere of commercial transaction appears, money functions as a mean of payment. The latter is the only section out of the whole spectrum of the money's functions that the Metallist story emphasizes.

On the other side of the spectrum, reciprocal relationships—often coined as “primitive” money—provide a higher degree of social cohesion among groups of people that work under the inalienable principles of egalitarianism. Thus, money destroys the reciprocal notion of equivalent retaliation and provides a sense of permanent justice since “[m]oney is a way of comparing things mathematically” (Ibid., 52). In this process, political institutions play an important role on transforming eternal obligations into quantified debts. Based on their ability to exercise coercion through the legal foundations of money—the social contract—the state recognizes debts among subjects and imposes debts on its subjects. In turn, the subjects recognize such debts with the state. The unit of account utilized to quantify this IOU is based upon the relationship between a private party and a sovereign state.

Likewise, money requires the recognition of ambivalent principles of justice and equality since it implies respect for a central authority. There is the recognition by two parties of standing at the same level ground in terms of bargaining power. A unit of account provides a sense that power is distributed equally between two individuals when engaging in social or

commercial transactions. At the same time, private parties acknowledge the existence of a hierarchical political structure. This authority operates either under democratic or authoritarian principles and enforces contractual obligations between a single political unit and the citizens through the payment of taxes. A monetization process or the systematic implementation of a unit of account dictates the replacement of social obligations, proper of egalitarian societies, by the need of cancelling one's debt with others and the state. Money destroys the principles of reciprocity and solidarity that drive communities.

A unit of account is the mathematical mechanism that relieves social obligations by providing a temporal feeling of justice; the political apparatus is the one that ensures the fulfillment of these transactions. Whereas money guarantees the payment of obligations between the state and its subjects; it also decreases the levels of social cohesion. "The value of the unit of currency is not the measure of the value of an object, but the measure of one's trust in other human being [...] A uniform system for measuring credit and debt, and that this system remains stable over time" (Ibid., 50). The social trust in money is measured against the only institution that under sovereign circumstances will not default in its debts: the government. As a result, the level of trust among individuals is downgraded. Individuals do not really need to trust each other; since a unit of account guarantees the fulfillment of all kinds of social commitments. The state guarantees this trust by accepting a unit of account in the payment of all private parties' debts to the state.

The simple interaction between Hernando Cortes and Moctezuma Xocoyotzin II sheds light on the differences between important cultural norms. These conventions make a big difference in the outcomes of the whole story of Pre-Hispanic money. It is interesting to wonder what could have happened if Moctezuma Xocoyotzin II had a different assumption:



Cortes, under such circumstances, had no obligation to reciprocate his hospitality since this sense of *obligation* has been replaced by a sense of *payment* or by a sense of deceiving. A simple habit of thought displays the underlying mechanisms that pertain to different institutional settings. Cortes' institutional structure did not belong to Moctezuma's world; an environment where trust and honor has not been encapsulated in a mathematical symbol. Following, I analyze the *Triple Alliance's* centripetal forces. First, I discuss Mexicas' spiritual beliefs as important mechanisms to internalize a philosophy of life. Second, I provide a brief study on the Nahuas' tributary system in order to present a panoramic picture of the institutions that shaped social interrelations in the Basin of Mexico.

### **The Nahuas' Religion: Humans' Sense of Indebtedness**

The Nahuas rested on a social structure that place heavy weight on ceremonial institutions. Their philosophical school of thought attempted to address a main question: how to gain stability and balance in an ephemeral world? (León-Portilla 1990[1963]) Their world vision was marked by a tendency to focus on things in the process of becoming another as the deities strove to find a magic formula to build a more stable world. Nahuas believed that the gods used a fire drill to insert the "hot" spiritual animating (*tonalli*) force into a child shortly before birth. "This component of *tonalli* is placed in a person, but is not itself personal—it can be shaken loose from the body in "soul loss" or transferred to someone else" (Ibid.,119). The Mexicas' paradigm stood remarkably against the Western religious concept of an original paradise; followed by the fall and expulsion of the first human beings. Change was the rule. The cosmos did not remain stable and underwent repeated creations and destructions. Independent worlds were marked by the domination of a different 'sun' and a key food.

Eventually, each world would be destroyed by a different element, ending the process of human transformation.

In a sequence of four suns, the Mexicas added a fifth sun with an entirely different myth; which constituted the charter myth of their ‘hegemony.’ This myth unfolded three themes. Each depicted the transition between divine forces wherein the trans-human forces bestow gifts upon humans; who were expected to requite the gifts. Quetzalcoatl has given people the gift of life through auto sacrifice. Therefore, humans were obliged to reciprocate.<sup>9</sup> The gift of substance must be repaid. Humankind was considered to be in a state of eternal indebtedness.<sup>10</sup> Nahuas myths were centered on the processes of birth, growth, maturity, and death followed by sacrifice to ensure rebirth and renewal.

The *tlatoani* was responsible for making offerings essential to bring out new life. A fear of death was present; and consequently, the belief on a non-guaranteed life process was embedded in the ideology of the ruling class. The only way of ensuring the continuity of life was through the “payment of this debt, which will never be settled on earth—because full reimbursement is out of reach—takes the form of sacrifices which, by replenishing the credit of the living, make it possible to prolong life and even in certain cases to achieve eternity by joining the Gods” (Ibid., 61). Accordingly, this sense of reciprocity could not be fulfilled with the human existence upon earth. It only found emancipation at the end of the life cycle; since death is in itself a symbolic price in exchange of life. Under these circumstances, not a single

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<sup>9</sup> In 1524, Nahua interlocutors’ accounts stated: “the gods gave us all that one drinks and eats, that which preserves life, corn, beans amaranth, chia. They are the ones we ask for water; rain, through which things growth in the earth” (León-Portilla 1990 [1963], 48).

<sup>10</sup> According to Theret (1999), “at the origin of money we have a representation of death as an invisible world, before and beyond life—a representation that is the product of the symbolic function proper to human species and which envisages birth as an original debt incurred by all men, a debt owing to the cosmic power from which humanity emerged”(60).

mathematical unit could pay off the enormous debt of consolidating the anxiety generated by the fear of losing the pleasure of being alive.

Based on the eternal sense of indebtedness to redeem life, myths have grounded Nahuas' prowess in war through "propaganda of sacrifice while masking material reasons of state, such as attempts to occupy land and to augment and secure the flow of tribute" (Ingham 1984; Marcus 1992). More than serving as an instrumental goal, the primary purpose of the tributary system was the fulfillment of a spiritual need. Consequently, although individually small, humankind was significant on ensuring the completion of a life cycle. In capturing a victim for human sacrifice, the captor transferred a portion of the impersonalized victim's *tonalli* force to himself. Ritual sacrifice, according to Klein (1987), was "a symbolic death substituted for the real thing and, as such, as a debt payment made in return for continued life" (297).

The Mexicas' set of beliefs played a key role on determining their political and economic institutions.<sup>11</sup> According to Wolf (1999),

The pragmatic business of obtaining food went hand in hand with a sense of [debt,] periodicity, rhythm and cyclic recurrence, and with the notion of belonging to the land. Under this cyclical perception, the more the things change the more they stay the same and the continuous search for ever-increasing sources of goods for flamboyant celebratory displays, as well as victims for sacrifice, to ensure reciprocity between the humankind and the gods. To the Nahuas, the interaction of humankind with nature was of profound significance, and was affirmed through a calendar of cyclic festivals performed at a network of sacred places in cities. (108)

The Mexicas brought the sacred into everyday life. Sacred beliefs were instrumental in seeking to requite the hungry forces on which human life was thought to depend on. If the divine forces make crops and people grow, they must be repaid through "transformative sacrifice" (Ibid.).

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<sup>11</sup> "Body and soul had to be kept in balance, equilibrium always likely to be upset. One's soul stuff, *tonalli*, was connected with the sun in the sky and thus was always in danger from supernatural forces emanating from the earth and from cold and water. One needed food to live, but food came from the "heavy" earth and was contaminated with death through the killing of plants and animals. People ate maize, but maize was thought to die every eight years and had to be rejuvenated at the Atacamalcualiztly festival" (Brundage 1985, 32).

In Nahuatl, *nextlahualiztli* is the act of sacrificing to divine powers; it is also the word for payment. The elements transferred in this transaction are *nextlahualtin*; that is payments (López-Austin 1980). Once this ceremonial notion is incorporated into the daily operation of Pre-Hispanic institutions, it is clear that the Nahuas were not driven to truck and barter between self-sufficient clans. Their goal is to ensure the creation of symbols, the production of food, and the establishment of social rules that ensured the continuity of their existence. The tributary system is the mechanism utilized to accomplish these goals. Hence, a pacification of the fears generated by the feeling of losing what constitutes the most appreciated gift—life—has provided a level of certainty that guarantee that human existence will continue for, at least, a brief period of time.

A ceremonial aspect is an important propeller of Nahua political expansion not the instrumental need of accumulating wealth, centralizing political power or monopolizing the means of violence in Elias' sense. This is not only a Nahua's philosophy, but a human philosophy as established by Ingham (2000), "the primordial debt [...] is that owed by the living to the continuity and durability of the society that secures their individual existence" (78). A question related to this ideology and money is how societies are able to replace this unquantifiable debt with one that is quantified? This transformation requires an organized set of beliefs and practices commanded by a powerful agency. A centralized institution guarantees that the human debt owed to the 'unknown' will be eternally paid off. In this way, people are no longer concern about reciprocating to one another; only to this institution. This institution is the state.

Similar to other societies around the world, the role of Nahua religious specialists was restricted to few "god- carriers," who had interaction with their particular god in trance and

visions. According to Katz (1969), as the Nahua polity became more centralized, the priesthood became much more highly specialized and hierarchical. Priests were on charge of organizing and officiating public rituals.<sup>12</sup> They also managed the wealth that accumulated in temple treasuries. The public rituals were coordinated with a calendar, which scheduled the sequence of seasons, the call-up and rotation of groups assigned to public works, the execution of horticultural tasks, and the coordination of *tianguis*. The priests and the rulers gave the appearance of controlling natural phenomena and producing them deliberately. By compiling information on the schedules of environmental cycles, for instance, priests coordinated annual public rituals and made natural phenomena appear to be a direct consequence of their performance.<sup>13</sup> However, these rituals involved the redistribution of the *altepetls*' surplus and tribute. The redistribution of the surplus appeased the level of uncertainty that brings an unknown future and people's inability to control the fate of human destiny (Bernal 1982). Thus, religious festivities expanded the political presence of the *Triple Alliance*. Nonetheless, such expansion involved the creation of a greater community concerned with controlling the gods' tempers as opposed to a conglomeration of people subjugated by the violence of a single ruler. In the case of the Valley of Mexico, the centrifugal forces—*altepetls*, *capullis*' pseudo-independence, and the ideological structure—surpassed in strength the centripetal forces—Pre-Hispanic commerce, the tributary system, and the spiritual practices. The process of state formation was not completed and with it the creation of a unit of account was not accomplished.

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<sup>12</sup> Women fulfilled priestly duties as well, particularly in connection with religious cults to mother earth their responsibilities included the instruction of young girls and women in the service and impersonation of these deities and maize goddesses. (Townsend 1992)

<sup>13</sup> Therefore, "[c]ontrol of time placed in the hands of the ruling elites a major instrument for social coordination and control, and supported religious specialists who could interpret these reckoning as cosmic directives for ordering human activities in space and time"(Berdan 1982,162).

## The Nahua Tributary and Monetary System

Rather than a religious, political, and cultural conquest, the most important tool of Nahua's method of subjugation was tribute. Tribute was submitted at Tenochtitlán, at *altepetls* and *calpullis* level. The thirty-eight *altepetls* that were listed in the Codex Mendoza are identified as locations of *calpixquis*. The *calpixquis* were warehouses utilized to store tribute that existed in each town or at least each province.<sup>14</sup> The submitted tribute depended on locations with respect to Tenochtitlán. The closer provinces provided foodstuffs, clothing, warrior customs, and raw materials for processing at Tenochtitlán's workshops. The remote provinces submitted similar goods in addition to luxury goods. These kinds of goods were needed to maintain a sense of social hierarchy. Distant provinces were requested a relatively small share of tribute whereas nearby provinces were required to submit bigger quantities. In general, the low-value-high-bulk items came from nearer provinces, while most distant provinces supplied high-value-low-bulk elite goods (Ibid., 109).

The *Triple Alliance's* requests for tribute increased not only because the population continued to grow but also as a result of the proliferation of political and religious offices, the expanding nobility, and a greater number of artisans. Even though the Nahua tributary system was not strictly uniform, some patterns are identified.<sup>15</sup> According to Broda (1978), textiles were the only universal item of tribute. The two forms of tribute that appear in the lists were cloaks and warriors' uniforms. The indumenta's production was extremely labor intensive and only performed by specialized artisans. Provided in various quantities, most of the warrior

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<sup>14</sup> "The wooden cribs, or *trojes*, in which grain was stored, held 4,000 and 5,000 bushel of maize [...] it is probable that they were imperial granaries. The royal granary, or *petlacalco*, of Tenochtitlán is recorded holding 2,000 measures of dried grain" (Hassing 1985,107).

<sup>15</sup> [w]arrior suits came from all but eight provinces (the most distant) and Tepeaca, which was unique in giving war captives. Similarly, major feather-paying provinces gave fewer suits. In addition of tribute commodities, assessments were also made for service, food, and public works, as well as for war service, particularly in border areas where such service exempted the towns from other tribute assessments. (Ibid., 108)

costumes were extracted in tribute from the provinces that were located not too far from Tenochtitlán.<sup>16</sup> Non-tropical inland provinces simply had to fend for themselves and obtain the ‘luxury goods’ to meet the tribute’s demands. According to Davies, “[i]n assessing the Aztec tributary system, modern attempts to distinguish between “luxury” and “necessary” items distort the whole picture by ignoring that “luxuries” tend to become indispensable for a military state” (1987, 85).

According to the *Essential Codex of Mendoza*, the distribution of tribute among the members of the *Triple Alliance* was firmly determined. Tenochtitlán and Tetzaco each acquired 40 percent of the spoils whereas Tlacopan received the remaining 20 percent. Variations to this basic pattern evolved as the three cities gradually developed a complex network of tribute connections inside and outside their areas of influence. Consequently, a constant traffic of long trains of carriers, tribute collectors, and administrative staff was constantly moving. Since most *altepetls* had multiple tribute obligations; a heavy load of tribute circulation was maintained at different times of the year (Berdan and Rieff-Anawalt 1997).

More than political subjugation, tribute networks provided a number of administrative, economic, and social ways of achieving social cohesion and political interconnectedness. The *Triple Alliance*’s tribute collection was based on a centrifugal system that granted a level of political autonomy to each *altepetl*. Sahagún (1982[1905]) provides a brief discussion regarding the method through which *pochtecas* purchased goods for *tlatoanis* in their foreign expeditions. In this text, Ahuitzotl gave *pochtecas* a number of small cloaks to

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<sup>16</sup> According to Broda’s Chart I, “Cotaxtla and Tuxpan each provided 2 costumes, Tuxtepec produced 1, and Soconusco none at all. On the other hand, Acolhuacan delivered the astonishing total of between 100 and 140 costumes; Cuauhnahuac nearly 100, according to the Matricula, Cuautitlan between 40 and 60; and even Toluca, the highest and coldest province of all, 22” (Davies 1987, 145).

acquire goods for him.<sup>17</sup> The cloaks given by Ahuitzotl were of different sizes. According to Garibay (1961), their intrinsic value was merely symbolic because it was determined by the supreme authority of the *Triple Alliance's tlatoani*.

In some documents, it is indicated that the price of some goods was determined by a certain number of cloaks or *coachtlis*.<sup>18</sup> The nature of this transaction is not of exchange but of payment and rescue, a symbolic value is evident in the *coachtli*. Its value is endorsed by Ahuitzotl; who chose the 'thing' to ameliorate social burdens. The *coachtli* was simply backed by the *Triple Alliance's* authority represented by Ahuitzotl. However, this form of 'payment' operated within a series of tributary networks that aimed and enhanced social cohesion in the Valley of Mexico. The tokens utilized to maintain prevalent reciprocal relationships that were operated at the regional level by the *Triple Alliance*. In the sixteenth century, according to Sahagún (1982[1905]), the *coachtli* or *cuechtli* was defined as a "cover." Molina (1571) states that this cover was "a big cloak made out of cotton." A place located in Tepeaca sheds light on Sahagún's information:

[Tepeaca] inhabitants never had weight or measurement, no way of government in this sense; instead, they pay one for the other whenever each one of them had a need. Except that what they have for currency what they use to purchase and sell were cotton cloaks of about a brace [six feet] of length and half a yard [1.5 feet] of width. Every cloak had three legs. This was not a command from the lord; rather, it was an ancient and common practice that in fact commonly passed and run as currency in these cities and provinces. These cloaks were called *patolcuachtli*. (Garibay 1961, 176)

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<sup>17</sup> The following is the integral text of this conversation: "When they have gone to the tlatoani Ahuitzotl; he gave them his goods: one thousand and seven hundred small cloaks. He gave the cloaks to them for commerce and when they have taken them; they brought the cloaks to Tlatelolco [...] Following, was the distribution [of these cloaks]: eight hundred were taken by the Tenochcas; eight hundred were also taken by the people from Tlatelolco. With these cloaks, they purchased their own prince cloaks with feathers added to the edges. This property belonged to Ahuitzotl [...] He called them [pochtecas] to the house and talked to them about what was that he wanted to do. He gave them one thousand seven hundred covers that they called "coachtli" to rescue. With all these covers they purchased rich cloaks for men as well as for women" (Garibay 1961, 176).

<sup>18</sup> The price given for a water canoe was of a *ten-coachtli*, that is a small cloak, approximately, the size of a handkerchief.



This cloak had specific measures and held a specific name. Nonetheless, this case could not be generalized to all *altepetls* given the way the *Triple Alliance*'s political structure functioned. The *Triple Alliance* maintained the institutional practices that were already in existence in each *altepetl*. Hence, the Nahuas' tokens of reciprocity restored the level of social cohesion required to ensure payments to the gods in religious ceremonies every year. According to Garibay (1961) the *patolcuachtli* was possibly the most socially valuable 'thing' given that it constituted the tribute of one year.<sup>19</sup> The term is mentioned by Ixtlixochitl in *La Historica Tolteca Chichimeca*, a sixteenth century Nahuatl-language manuscript that describes the history of Cuauhtinchan.<sup>20</sup>

By combining the analysis of the Nahuas infrastructure of Chapter 3 and the study of Nahuas religion and tributary system, the upcoming section analyzes the nature of the Nahuas' social relationships. Its nature is linked to the existence of a political alliance as opposed to an empire. The latter is related to a dominion that exercise full control over the institutions found within independent political units; this hegemony is related to money. Through the implementation of a taxation system, an empire exercises coercion over different regions. For Chartalists, money originated with the rulers of states. In some cases, this unit of account develops into a medium of exchange when rulers demand tax payment in a particular unit. In other cases, early units of account do not develop in the realm of exchange; examples include oxen in Homeric Greece (Semenova 2011) and the *deben* in Pharaonic Egypt (Henry 2004).

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<sup>19</sup> Once the Spaniards took over the role of the local *tlatoanis*, *patolcuachtli* was still accepted as tribute for a short period of time. Six thousands of them were found in today's Puebla. Ten years after the fall of Tenochtitlán, the *patolcuachtli* appeared to be valid in some communities.

<sup>20</sup> "Year 12-Cane. This year was when they gave us the appraisal, the way the distribution of tribute was to be made: four-thousands measures of corn and we have to sow sixteen bushels of wheat; eighty bushels of beans, eighty bushels of pepper, sixteen of chia seeds, sixteen of salt, twenty hens from the Indias, and submit thirty indigenous for their service. This was the time when the *patolcuachtli* disappeared." (86)

Hence, the questions to address in the following section are: Given its religious and tributary systems, did the *Triple Alliance* represent a consolidated political unit? What is the purpose of the *Triple Alliance's* violence over the rest of the Basin of Mexico?

### **The *Triple Alliance's* Political Institutions and Reciprocity**

The formation of a state is associated with the transformation of social obligations into quantified debts as well as the redeeming of tributes for the payment of taxes. The formal establishment of a state is also connected to the level of subjugation of a group of people; that is, the control over the means to exercise violence (Elias 2000). The enforced bondage between a consolidated political unit and a 'subject' or 'citizen' also depends on the state's ideological structure. Once money becomes the yardstick that measures social obligations among people and people with the state; the society's sense of human indebtedness appears to find a sense of relief. That is, the ideological structure experiences a radical change. The sense of relief is transmitted through the political unit that exercises a systematic and general form of coercion over a group of people by imposing a 'justified' penalty. The 'justified' penalty is a tax payment. At the ideological level, the notion of "paying off" a social transaction by establishing a contract with the state impacts a whole set of institutional practices including money. The social contract with the state can be accepted peacefully. In many instances, it is forcefully established through war and conquest.

The transformation of a mere social obligation into an actual debt is linked to the willingness of individuals to respect a set of ethical relationships denominated under the principles of the state. Despite a hierarchical social structure, this set of principles establishes that the engaged parties are persons "who are at least potential equals, who are equals in those

ways that are really important and who are not currently in a state of equality—but for whom there is some way to set matters straight” (Graeber 2011, 120). Under this framework, individuals are forced to accept a form of equality based upon ranked principles of justice. This social contract provides a legitimating source to the state. The distribution of justice and obligations is now unevenly shared. Hence, the emergence of a unit of account can be linked to several social and political phenomena that include the emergence of class societies (Henry 2004), the emergence of democracy (Semenova 2011, Hudson 1998) and/or the deteriorations of communal social relationships (Graeber 2011).

In the process of state formation, a centralized authority appears as the intermediary that resolves the generalized sense of human indebtedness with the unknown and in a way guarantees through its various institutions the continuity of the cycle of life. A taxation system might have had this function in some societies. The institution of democracy in a sense accepts an unequal distribution given the development of a class based society that implies following having those who rule on top of those who are ruled by. All these transformations imply the destruction of any principle of egalitarianism and community, which guarantees the equal distribution of the surplus to ensure the life cycle for all. In all these phenomena, the centralization of power has a lot to do with generating the instrument to consolidate such transformation. The final outcome is money. In this sense, ideological notions are instrumental in establishing a monetary system.

According to Smith (2001), city-states are described as groups of small polities centered on a single urban capital—such as Tenochtitlán—that is linked to a regional system by cultural bonds or weak centripetal mechanisms (spiritual festivities and ceremonies) and points of extensive interaction (*tianguis*). For Smith (2004), the Aztec ‘empire’ represents an

episode of a city-state-based empire, not a formed empire. Along with Lockhart (1992), Smith's political classification underlines the importance of the *altepetl* as the ultimate political unit. The city-state-based empire is characterized by the absence of strong ethnic and cultural bounds and a high degree of municipal independence, clear examples are the *altepetls* of Chalco, Teztzoco, and Cuauhtlincha described in Chapter 3.

Contrasting this type of centrifugal type of political organization highly bureaucratized states or centralized states need accounting standards to quantify the collected species.<sup>21</sup> It is the unit that establishes a hierarchical social relationship between the collector and the subject. It is the unit that symbolizes a higher level of control and violence. Such relationship is characterized by coercion and the unequal distribution of power. Still, in the everyday transactions among the different layers of the social structure, this sense of justice is respected due to the notion of giving to each party the portion it deserves. The distributed portions are measured mathematically (Semenova 2011). Thus, the unit of account relieves the sense of guilt and obligation; including the sense of duty felt by the people with the gods.

After analyzing the *Triple Alliance's* institutional structure, it becomes evident that the Nahuas were collecting tribute as opposed to taxes. They have not developed a unit of account. Moreover, the collected tribute is utilized to fulfill specific spiritual needs. The Nahua ideological purpose enhances the existence of a hierarchical society the purpose of which is fulfilling a greater social obligation: satisfying the gods to ensure that life will remain an ongoing process. Consequently, the Nahua hierarchical society maintains egalitarian notions of land distribution. Among the Mexicas, tokens of reciprocity in the form of cloaks and textiles

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<sup>21</sup> Smith suggests that the Incas surpassed all other Mesoamerican polities in terms of political consolidation. Incas' political cohesion involves the possible presence of a unit of account. Their organized agricultural terraces suggest the existence of a bureaucratized system of state-run economies that have developed mathematical units (kipus) to standardize tribute collection (Urton 1998).

represent the operative mechanisms to accomplish this goal. Hence, I must provide a deeper analysis on why the Nahuas' tributary obligations are not transformed into debts that could be paid. Smith's categorization is useful to analyze the absence of a unit of account among the Nahuas, who seem to have continued to feel an obligation to humanity as a whole, a generosity evident on Moctezuma Xocoyotzin II's behavior.

In the context of Mesoamerica, the development of money is strictly linked to the consolidation of a state formation. In the case of the Nahuas, such integration requires exercising full control over the heterogeneous communities of the Mexican Valley, an unbalanced distribution of power, and a complete destruction of egalitarian principles. Nahuas' *altepetls* are differentiated each other culturally and ethnically and maintained almost intact their internal systems of administration and political power.

According to Graeber (2011), it was during the decadent periods of violent social struggle and economic exploitation that credit-debt relationships are replaced with units of account in order to exercise more control over people.<sup>22</sup> During these periods, the mass production of coinage allowed for the anonymity of turbid transactions. He writes: “[w]hile credit systems tend to dominate in periods of relative social peace, or across networks of trust (whether created by states, or, in most periods, transnational institution like merchants guilds or communities of fair), in periods characterized by widespread war, they tend to be replaced by precious metals” (Ibid., 213-214). Did the *Triple Alliance's* dominion continue to operate networks of trust as opposed to turbid transactions that required to be hidden under the veil of a unit of account? The Nahuas were operating circles of reciprocity within and among *altepetls* to maintain a regional community. Even though wars, human sacrifice, and political control

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<sup>22</sup> For instance, slavery and debt peonage represent historical phenomena that emerged when “the pervasive climate of violence led to the systematic perversion of all the institutions of existing human economies which were transformed into a gigantic apparatus of dehumanization and destruction” (Graeber 2011, 152).

took place, the purpose of such coercion was not related to the other functions of money such as the accumulation of wealth or the hegemony of political and cultural institutions.<sup>23</sup>

Ultimately, the *Triple Alliance* itself was organized as an *altepetl* that was subjected to the Gods.

Human economies or so-called ‘primitive’ economies—economies without markets and money—are regulated by the principles of generosity and reciprocity. In this context, the central authority represents a mere channel of redistribution and/or a medium to accumulate riches and power, particularly when these economies are located in periods of social transition moving from egalitarian to hierarchical organizations. This is the case of the *Triple Alliance*’s economy. From the material analyzed in Chapter 3, it appears that the *Triple Alliance* functioned within a limbo; a hierarchical and unequal society that put heavy weight on the egalitarian principle of “it is convenient what it is right,” which resulted in the utilization of tokens of reciprocity and the absence of a unit of account.

The commercial transactions that took place in the *tianguis* were conduits to allocate the production of near and far distant provinces across *calpullis*. These items were at times collected in tribute. Other times, these products were brought by producers themselves to be ‘sold’ at the *tianguis*. Overall the submission of tribute and Pre-Hispanic commerce was heavily permeated by the Nahua myth that justified the territorial expansion of the *Triple*

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<sup>23</sup> For Gerard (1988), sacrifice is the root of religious rituals and the social contract. Sacrifice is a collective ritual that hides the origins of religious practices in actual murder and physical violence. Sacrifice can be interpreted as a collective celebration that ritually downplays the prohibition or taboo on murder. This celebration undermines and reverses the normal order of society to release charismatic powers that become available to the social group. According to Turner (2004), in so called ‘primitive societies’ “there is no clear institutional differentiation between violence and the sacred, but with the rise of Christianity these spheres are distinguished in Christian theology which had a clear understanding of ‘the world’ and religion. Augustinian theology established a categorical separation of the secular world of violence and the Christian world of *agape*. The City of God was characterized by justice and forgiveness, whereas the secular world of the pagans was violent and cruel (253).”

*Alliance*. Still, what could be normally seen as a political expansion was in reality a strategy to ensure the life cycle at a greater geographic area.

According to Smith and Montiel (2001), the *Triple Alliance* city-based state emerged out of specific elements.<sup>24</sup> The only difference between the *Triple Alliance* liaison and the ‘subjugated’ *altepetls* was the nature of its leadership. According to Calnek (1982), the tripartite coalition was organized as a subjected state, the interest of which was not the consolidation of its political, cultural, and economic control. Even though, adjacent polities were “conquered” and were requested to pay tribute, the *Triple Alliance* respected the local *tlatoanis* with their religious and cultural practices. Their tributary systems remained operating. If it was to emerge as the creature of the *Triple Alliance*, Nahuas’ money would have become the yardstick to ensure not only political subjugation in the region; but also a system of taxation. Taxes would possibly have destroyed the heterogeneity of institutions across the Mexican Basin.

Then, money guarantees the process of cultural homogenization because it requires the operation of a set of institutions that recognizes a single authority. Such authority includes an additional set of homogenous institutional practices. If developed in the Basin of Mexico, a unit of account would have replaced Nahuas’ reciprocal transactions with credit-debt relationships measured mathematically within *calpullis*, among *calpullis*, between a *calpulli* and an *altepetl*; among *altepetls*, and between *altepetls* and the *Triple Alliance*. Such replacement would have allowed an institutional process of standardization. In addition, it would facilitate the *altepetls*’ independent interactions at the instrumental level. For instance, units of account would have permitted turbid transactions among *pochtecas*, who most likely

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<sup>24</sup> 1) The evolution of state-level polities over large parts of Post-Classic Mesoamerica, 2) the development of powerful and interconnected groups of local elites, and 3) the Basin of Mexico’s political, demographic, and economic advantages.

would end up shaping the ideology of Pre-Hispanic trade. Contrasting this phenomenon, the only means of interaction between the different political units located in the Mexican Basin are the established ceremonial institutions—religious festivities—and mechanisms of distributions—*tianguis*.

According to Broda (1978), the operation of local tributary and economic systems led to structural political contradictions. Under the *Triple Alliance*'s, *altepetls*' rulers began to see their personal economic and political situation improved as long as they would redeem their tribute. Consequently, local *tlatoque* did not see the benefits of rebelling when the gains of a 'semi-autonomy' were more rewarding for the local nobility. In turn, the local nobility had the opportunity to relate to other *altepetls*' like-minded fellows during religious and social ceremonies. The political system permitted a further concentration of power and wealth in the nobility and the ruling class across the Valley of Mexico.<sup>25</sup> Within the *altepetl*, the rulers and ruled did not necessarily have kinship linkages; consequently, rulers' concerns to establish legitimate dynasties outside the *altepetl* evolved into a social structure of rigid stratification.

Prior to the arrival of the Spaniards, as the *Triple Alliance* expanded throughout Mesoamerica, the level of interaction among the rulers and the elite intensified. Marriage alliances among the elite, warfare, religious festivities, and the organization of *tianguis* increased during the XIV and XV centuries, which expanded the opportunities to establish networks of power throughout the valley. However, at the bottom of the Nahuatl social strata, religious festivals, *tianguis*, and ritual ceremonies functioned as practices that promoted social solidarity and reciprocity within the *calpullis*. Nahuatl ceremonies were not only instruments to display violence and military prowess but also opportunities to underline the importance of

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<sup>25</sup> In his study of the Cuauhnahuac nobility, Smith and Montiel (2001) note that the *Triple Alliance* supported the legitimacy and rule of *altepetls*' *tlatoanis* as long as they maintain a constant level of participation in the festivities held at Tenochtitlán or Chalco.



sumptuous feasting, gift giving, and royal distribution to both attendees: the nobility and the commoners. Consequently, the development of a centralized state was frustrated and social cohesion among the different levels of the social hierarchy was strengthened; together with their institutional practices, the circles of reciprocity remained.

### **Systems of Production and Distribution**

The *Triple Alliance*'s system of production was organized based upon its ceremonial needs which underlined the importance of redistribution to maintain social cohesion. The city-state of Tenochtitlán was surrounded by agriculturally productive *altepetls* and depended on other's agricultural land to meet its growing demand for food. In order to ensure a more efficient form of tribute extraction from distant provinces, the *Triple Alliance* devised, with the help of the *pochtecas*, an economic symbiosis that incorporated various regions into a centralized system of distribution. Such symbiosis encouraged production of primary goods throughout the Valley of Mexico and concentrated the production of secondary goods in Tenochtitlán (Hassing 1985).

The distributional pattern among rural and urban regions was based on the development of the city's manufacturing centers and a population that consumed primary goods and a rural population that consumed Tenochtitlán's manufactured goods. By the twelfth century, a regional economy was coordinated and operated. Craft specialization became increasingly centralized by the immigration of craftsmen from other regions into Tenochtitlán. These artisans produced for the city as well as the provinces. Manufacturing was more effective in the big metropolis than in outlying towns because artisans from surrounding *altepetls* found it difficult to produce locally given *pochtecas*' control over raw materials.

Thus, Tenochtitlán became the center of consumption of primary and manufactured goods. The *Triple Alliance's* focused on redistributing the goods produced in the core to the rest of the Mexican Basin through the *tianguis*. At the same time, it collected the needed raw materials in the form of tribute. *Pochtecas* provided Tenochtitlán's craftsmen direct access to imported raw materials to produce warriors' customs and textiles while supervising the operation of the *tianguis*. Through their commercial expeditions, they had access to exotic goods from distant regions.

The *Triple Alliance's* tribute demands played two major roles: 1) satisfying the needs of ceremonies, and 2) having Tenochtitlán as the center of production, distribution, and consumption while maintaining employed the population of subjugated provinces. Contrasting the argument put forward by Hassing (Ibid.) regarding the existence of Pre-Hispanic markets and commodity money,<sup>26</sup> I argue that the Mexicas operated within economic institutions that were based on circles of retribution. In each *altepetl*, the ultimate purpose of the valuable tokens utilized in commercial transactions—cloaks, textiles, cacao beans, seeds, etcetera—was fulfilling social obligations heavily based on the religious sanctity of paying back to the gods, a need that was constantly brought to people's attention at the *Triple Alliance's* numerous festivals.<sup>27</sup>

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<sup>26</sup>According to Hassing (Ibid.), "[h]ow goods passed from tribute to merchandise is not clear. Berdan maintains that tribute goods were redistributed through administrative channels to support royal households, to supplement commoner production, and to be placed in storage against famine or disaster. This was accomplished by merchants selling goods received from the king. Berdan suggests that tribute supplied support for the secondary producers of the Valley of Mexico, military expansions, and the growth of the nobility and specialized groups. Whatever the mechanism, tribute goods apparently did enter the market system." (131)

<sup>27</sup>Throughout a calendar's year, a series of festivities were organized. The greatest festival was the Xiuhmolpilli or New Fire ceremony. This important celebration was held every 52 years whenever the ritual and agricultural calendars coincided. The intersection of the two calendars marked a cycle. A new cycle generated a new beginning. The Atlacahualo Festival also called "Xilomanaliztli" was the ceremonial rising of a tree where children were sacrificed to Tlaloc. This festival was held from February 14 until March 5. The Festival of Tlacaxipehualiztli entailed the sacrifice and flaying of captives, mock battles, military ceremonies, and gladiatorial sacrifice. The priests used to wear the victims' skin for 20 days. This festival lasted from March 6 until March 25. The Festival of Tozoztontli entailed bloodletting, burial of the skins of the flayed captives,

The Nahua religion combined with Mesoamerican prevalent institutions created efficient mechanisms of tribute extraction that brought together Mesoamerican societies under organized networks that enhanced the *Triple Alliance's* ceremonial dominion. Tribute functioned as a mechanism to pacify social obligations not only to the *Triple Alliance* but to pacify gods' wrath. Tribute also had an important ceremonial component that drove the most important obligation; that is, placating the Mexicas' eternal fear to the 'end of the cycle'. The instrumental purpose of Nahuas' tribute had a strong religious content. Mexicas' ceremonies were transformed into political instruments of subjugation but also of accommodation. This accommodation permitted the survival of local institutional practices, including tributary and monetary systems and limited the development of a centralized state and consequently money.

Tributary networks and the direct control of commercial activity—merchants' and civilians' transactions—through careful supervision of the *tianguis* and the infrastructure

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offering of flowers and roasted snakes to the earth. The party of Tozoztontli was held from March 26 until April 14. The Festival of Huey Tozoztli offered feasts to Tlaloc and the maize gods, which entailed blessing of seed corn, and sacrifice of children at Mount Tlaloc. Huey Tozoztli took place from April 15 until May 4. The Festival of Toxcatl involved feasting, dancing, sacrificing small birds, and human sacrificing to "Tezcatiploca." Toxcatl was held from May 5 until May 22. The Festival of Etzalcualiztli involved sacrifice to Tlaloc and making new mats. It was held from May 23 until June 13. Festival of Tecuilhuitontli entailed feasts to goddess of grain and human sacrifices on behalf of Huixtocihuatl. It was held from June 14 until July 2. The Festival Huey Tecuilhuitl or Great Festival of Lord included feasts to Xilonen, sacrifices to Cihuacoatl and Xilonen. Lords fed the commoners and danced. It was held from July 4 until July 23. Festival of Tlaxochimaco, small feast for the dead, was also known as the feast of the 'merchants' and involved the making of the Xocotl pole. It was held from July 24 until August 12. The Festival of Xocotl Huetzi, the feasts of the Xocotl pole involved bloodletting and it was held from August 13 until September 1. The Festival of Ochpaniztli included the ritual of sweeping, bathing, and sacrifice of "Teteo Innan" from September 2 until September 21. The Festival of Teteo Eco, arrival of the gods, bloodletting, feast of Huitzilopochtli, the dance of the old men. The Festival of Tepeilhuitl, a mountain feasts, sacrifice of "Xochiquetzal," feasts of the Gods of different trades. It was held from October 21 until October 31. The Festival of Quecholli was held from November 1 until November 20. It involved ritual huts, sacrifice of slaves and captives, weapon-making. At this time armories were replenished. The Festival of Panquetzaliztli was the tribal festival of the Aztecs. It was considered to be the birth of Huitzilopochtli and banners were raised. At the Great Huitzilopochtli Festival, slaves and captives were sacrificed, rituals of battles were organized, people drank *pulque* and bloodletting took place. This great ceremony was held from November 21 until December 10. The Festival of Atemoztli was held from December 11 until December 30. It included water feasts and the sacrifice of Tlaloc's effigies made from maize dough. In The Festival of Tititl, feasts for the elders were organized. People performed the "cihuaheteo," a dance ritual related to land fertility. Merchants also sacrificed slaves. The Festival of Izcalli was held from January 20 until February 8. The Festival of Nenomtemi was held from February 9 until February 13. These days were considered the end of the year and the five unlucky days. No activities were held and people had to observe abstinence (Townsend 1992; Sahagun 1982[1905]).

shaped Mesoamerica regional economy. This economic system, from a positive vantage point, created employment in the region. Artisans, peasants, and merchants were working throughout the year to pay the continuous demand for tribute; since it had to be rendered every 80 days. According to Davies (1987), Tenochtitlán suffered from a shortage rather than a surplus of labor. The shortage was supplemented by utilizing the tributary provinces' manpower. Those who lived in Tenochtitlán only specialized in military training.

One must address the Nahuas tributes' request for wealth from various perspectives. Did the collected tribute—textiles, cloaks, cocoa beans, feathers, military indumenta, etcetera—represent in any way a form of wealth? Were the Nahuas concerned with the accumulation of surplus in the form of primitive accumulation and/or bankable riches to lure the expansion of Tenochtitlán's specialized manufacturing and military sectors? Whereas it has been valid to argue that those items were required to display a powerful and invincible state; their quest for wealth was based on a spiritual belief. The tribute's primary role was for exhibition and redistribution during festivals that were dedicated to the Gods.

Mexica's religious festivals strengthened the *Triple Alliance's* political presence but most importantly satisfied the spiritual quest for certainty. Along these lines, according to Townsend (1992) "through the expenditure of huge resources on state and ritual occasions, the Aztecs developed an important means of redistributing wealth [...] The circulation of gifts and the offering of food was an inherent aspect of Aztec culture that found another expression in the practice of making offerings of food and blood to the land and its deities in return for the bounty of nature" (209). Throughout the year, several public rituals were held to distribute the accumulated surplus. Such allocation would remark the *Triple Alliance* prowess not only to intimidate its vassals but also to reconnect *pillis* and *pochtecas* from distant regions.

Undoubtedly, capes and cacao beans represented means of ‘pacification.’ In the *tianguis*, the cacao beans circulated abundantly and the usage of capes to ‘pay’ for products was restricted and out of reach for the *macehuales*. If the commoners had a cape; it was used to settle important transactions given their high tributary value.<sup>28</sup> All those forms of ‘payments’ were accepted by the *Triple Alliance* in tribute; however, all of these tokens were not quantified. In the absence of a unit of account, tribute collection was determined by individual social transactions and *altepetls*’ peculiar practices. The utilization of valuable tokens to pacify social obligations was previously established given that it followed a similar ceremonial quest.

A standard of measurement has also developed in each *altepetl* to organize an egalitarian form of land redistribution. If something could have possibly evolved into a unit of account was the *matl* or *quahuatl* based on a vigesimal system;<sup>29</sup> whose uniformity suggests the need to measure the land to be distributed. In each *altepetl*, land distribution had to guarantee a degree of equality in order to ensure the commons, the place inhabited by the *macehuales*. The systems of measurement were not implemented evenly throughout the *Triple Alliance* dominion because they were not necessary. The *altepetl*’s native practices played a key role on determining tributary systems.

Unfortunately, many anthropologists and historians have considered as the single most important attribute of money that of medium of exchange. Based on the Metallist approach, two major misleading conclusions have embodied the *Anthropology of the Western Modernity* of the Nahuas’ world: the *Triple Alliance* constituted an empire that operated a market economy with commodity money. Historians and anthropologists, limited by their

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<sup>28</sup> For instance, capes were used to make bets in ball games. Capes were used as compensation to whom, in the midst of war, gave out information on the enemy’s positioning. Capes were employed by *macehuales* to ‘pay’ their way out of the *tepochnalli* whenever they were ready to marry.

<sup>29</sup> In the vigesimal system, twenty individual numerals (or digit symbols) are used, ten more than in the usual decimal system.

paradigms, have not specified what kind of money existed among the Nahuas. The Chartalist approach to study money indicates that the *Triple Alliance* did not develop a unit of account. It operated based on principles of “it is convenient what it right” with valuable tokens that symbolize social relationships of reciprocity. They did not have money.

In this chapter, the nature of the Mexica’s commodity money has been untangled in order to clearly identify the implications of the introduction of a Spanish monetary system as it replaces Nahuas reciprocal practices. “The question is not—as it is conventionally put- are shells, wood-pecker scalps, cattle, goats, dog teeth, [cloaks, cacao beans,] or *kula* really valuables “really” “money”? It is, rather, how are the similarities and the differences between such items and [for example] dollars are related to similarities and differences in socio-economic structure?”(Dalton 1965,45). That is, under what kind of socio-economic structure are the Nahuas operating? The *Triple Alliance* has orchestrated an economy that was concerned with the provision of land, the redistribution of tribute, and most importantly, the creation of enough resources to ensure the cycle of life. What are the implications of a Spanish monetary system as it attempts to replace the *Triple Alliance*’s form of money? In other words, the following task is to determine how “strong [an] indigenous base continued to provide the framework while Spanish items and modes quickly entered everywhere, not so much displacing as infiltrating, interpenetrating, and *being* assigned to niches already existing in the indigenous cultural scheme. [Since] several economic phenomena of the indigenous world appear to have persisted unchanged in the essentials” (Lockhart 1992, 202).

The study of the institutional structure of the Nahua tributary state indicates that Nahuas did not develop a unit of account mostly as a result of their socio-political structure and spiritual ideology. Cloaks and cacao beans are used “to create social relationship [...] prevent a

break in social relationship [...] or to keep or elevate one's social position [...] Their "money-ness" consists in their being required means of (reciprocal or distributive) payment" (Dalton 1965, 59). These kinds of relationships were well established among *tlatoque* and *pillis*, *priests*, *macehuals*, and *pochtecas* whose operating principle "*in qualli, in yectli*" guaranteed the functioning of a hierarchical society that heavily relied on egalitarian notions of property, laws, and commerce. During the *Triple Alliance* dominion, cloaks were utilized with "the solo purpose of the exchange [...] to draw relationships closer by strengthening the ties of reciprocity" (Polanyi 1971, 74). According to Heinsohn and Steiger (1983), exchanges of this kind were made to spread out wealth as opposed to achieve mutual and beneficial allocation of resources.

Under this framework, the expansion of a bureaucratized empire was not possible as ethnic states continued operating local tributary systems. The existence of *tianguis*, a stratified society, *pillis* networks, the *Triple Alliance*'s monopolization of short and long-distance trade, the control of infrastructure, and religious ceremonies played a key role on controlling the production of valuable tokens. All of these factors rested upon the power of the ethnic state to request tribute and the production of goods at the *Triple Alliance* level. Nonetheless, the *Triple Alliance* did determine what was going to be accepted in the payment of tribute; a 'thing' that varied according to the *altepetl*'s institutional characteristics.

Thus, Nahuas did not establish a general, coercive, and standardized system that transform the sense of reciprocity into a payment mechanism to fully account and dissolve social obligations. The Nahuas continued to believe that humanity was indebted for its existence to the invisible forces of nature. The fear of life and death remained given the absence of a standardized system to pay this debt or to bring under the control the human

emotions that emerge from trying to understand the mysteries of life. Nahuas were continuously indebted to one another and to life. In response, humanity had to reciprocate by offering generosity to strangers and maintaining a community; the institutions that made authentic social interaction possible. Such notion has contrasted the sense of a ‘modern’ social obligation that is quantified by the state. In the ideological sense, the institution of a centralized state managed to bring under its control the generalized and unrestrained feeling of human uncertainty by creating a system of accounting.

In the following chapter, I analyze the colonization process and the *altepetls*’ transformation upon the Spaniards’ arrival and settlement. The heterogeneous nature of this political institution appears to be one of the major obstacles for the implementation of a standardized system of measurement during the colonial times. It is the nature of the *altepetl*’s resistance and Nahua religious institutions that accommodated the newcomers’ interests and facilitated the Nahuas’ maneuvers to coexist in a changing institutional environment. This institutional resilience shapes the introduction of the Spanish monetary system in the Mesoamerican world. Was the violence brought by the Spanish ‘conquest’ strong enough to destroy the Nahuas’ reciprocal practices? This question is addressed in the following chapter.



## CHAPTER 5

### NEW SPAIN'S INSTITUTIONAL STRUCTURE: TRANSITION OR DISRUPTION?

#### **La Conquista: A Colonizing Process?**

A lot has been written about the fall of Tenochtitlán and the colonization of Central Mexico. The most popular historical accounts describe terrible episodes of human cruelty. The Indians of Mexico are mostly described based on the patronizing image of noble savages or the racist approach of barbarian cannibals. Both accounts have created the legend of *La Conquista*, which continues to nurture the sense of inferiority that prevails in most of the 'developing' world. However, the hasty generalization of the colonizing process has purposefully downplayed the resistance of the native's institutions at the ideological level. Thus, providing a snapshot of this history of resistance replaces the mistaken image of indigenous' inferior status for a description that considers indigenous peoples as active participants in building their own world.

The decimation of the native population and the plunder and abuse carried out by the Spanish colonizers and the religious practitioners is irrefutable. However, the theme of this chapter continues to be the Nahuas' institutions, centered on those that survived *La Conquista*'s institutional shock. This chapter sketches how the Nahua's entrenched institutions—the *altepetl* and reciprocal relationships—adapted to the changing conditions. Most importantly, it explains how the political and monetary practices merged with the imported ones to create a hybrid institutional structure. The emerging *mestizo* institutional framework incorporates the practices of both agents: 'conquistadores' and 'vanquished;' a hybrid system that shaped the colonial monetary system of Central Mexico.

*La Conquista* of Mesoamerica occurred geographically at different stages and levels of intensity.<sup>1</sup> The most dramatic episodes took place on the central valley. This region experienced widespread indigenous subjugation as well as resistance. A combination of factors—epidemic diseases, the population’s physical debilitation as a result of labor exploitation, and the destruction of productive chains<sup>2</sup>—has caused one of the most disastrous demographic declines in world history (J Stein and H. Stein 1979). However, I argue in this chapter that room must be given to discuss what occurred to the population left behind in order to analyze the degree of its resistance or adaptation through their institutional practices. In order to capture this grounded reality, I had to recollect the Mexica’s actual interpretation, reactions, and mechanisms utilized to deal with what appeared to be a set of radical changes at the aggregate level.

The *altepetls*’ non-uniform geographic location, social complexity, political ambiguity, and tributary systems shaped the degrees of subjugation, resistance, tolerance, and/or accommodation of the Spaniards’ institutions. This phenomenon was further complicated by Mesoamerica’s cultural and ethnic diversity among *altepetls*. Resembling the times of the *Triple Alliance*, the *altepetl*’s idiosyncratic characteristics—diverse ethnicity and culture—prevented the homogenization of social practices in colonial Central Mexico; including the relationship that emerged between the colonial state and its indigenous ‘subjects.’

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<sup>1</sup> According to Borah and Cook (1971), the indigenous population of the central region was reduced to 2.65 million from 25.2 million inhabitants in less than fifty years. By 1605, the population sunk to 1.075 million. In distant regions from Tenochtitlan, the actual conquest had to wait ten years from the Spanish occupation of Tenochtitlán. Moreover, the conquest constituted a pacific and gradual incorporation of the Spanish occupiers into the region through constant negotiations with the indigenous settled societies. The invaders’ territorial expansion was accomplished through the purchase of land and the further development of the means of production (Taylor 1974).

<sup>2</sup> In the highland areas malnutrition probably increased the virulence of new diseases. “Food supplies both in Mesoamerican and the Andes depended, in the first instance, on highly organized and intensive systems of land use. Any dislocation of these systems—through warfare, foreign encroachment, or death by illness of some part of the labor force—threatened the survival of the remaining population” (J Stein and H. Stein 1979, 134).

The relationships between the colonial state and the ‘Indian’ limited the systematic standardization and imposition of the colonial unit of account throughout the Mexican Basin.

Thus, it is in their institutional diversity that indigenous peoples found, in some cases, a malleable space to accommodate their corporate interests. In other cases, institutional diversity facilitates the introduction of external institutions. Hence, as established by Benton (2001), the structure of the authority and the creation of cultural hierarchies have been disheveled through mediators that continuously push for cultural inclusiveness. I argue that the native institutional practices as well as the Spanish practices shaped the characteristics of the colonial monetary system. Moreover, the colonial state through its racist and prejudicial attitude became ironically tolerant to indigenous’ institutional autonomy during the early colonial period.

Based on Charles Gibson’s (1964) seminal contribution, Wood (1984) showed that the process of getting the formal recognition of indigenous communities’ independence by the colonial authorities required a great deal of their initiative and perseverance. Indigenous’ legal actions led to territorial expansion and the recovery of indigenous communities’ land all the way until the eighteenth century. Woods’ findings complemented and challenged Gibson’s position regarding the gradual disappearance of the indigenous political structure after the eighteenth century. To defy his argument, she utilized a set of natives’ documents named the *titles*.<sup>3</sup>

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<sup>3</sup> The titles are a collection of useful documents to study the Mexica’s insights. According to Wood (1991), “in the titles there is: a drive to portray the increasing size and strength of the altepetl [...] Other equally important development that come to light include Pre-Hispanic migrations and multiple settlements; threats to the town from other Indian peoples, such as the Mexica imperialists; efforts by founding fathers and mothers to sustain the community; the construction of indigenous temples and, later, churches; the selection of patron saints; mass baptisms; epidemics; the reorganization of town centers on grid patterns; the designation of barrios (wards); the appointment of Spanish-style town councils, including a *juez gobernador* (town governor) or an *alcalde* (high-ranking town council officer); the organization of tribute payments, and so on” (179).

The *titles* were individuals or collective memories on land possessions, Pre-Hispanic migration's waves, Pre-Hispanic settlements, and experiences written by indigenous rulers during the XVI and XVII centuries.<sup>4</sup> Utilized as legal instruments for territorial claims, *the titles* provided the indigenous-elite's interpretations of the colonial political authorities, the Spanish religion, and the Spaniards. Until the end of the eighteenth century, the titles described the indigenous' memoirs that functioned as useful tools to voice indigenous concerns on the major sources of threats in their communities.<sup>5</sup> According to the indigenous elite from Santiago Capulhuan, San Martin Oyacacac, San Juan Bautista, Metepec (Ibid.), and Chalco (Lockhart 1991), a formal political conquest or a specific change in government or political customs was not clearly identified. In the Metepec's *titles*, for instance, the elite assisted the Spaniards in appeasing three local barbarian groups, identified as external intruders. In the Valley of Toluca *titles*, Hernando Cortes was not identified as a courageous warrior, hated overlord or unwelcome intruder. He simply appeared as the *Marques* or *Marques del Valle*.<sup>6</sup>

Likewise, the *Marques* was related to other prominent colonial officials such as the King Carlos V, the first two Mexican Viceroys—Don Antonio de Mendoza and Don Luis de Velasco—and the first archbishop, Don Juan de Zumarraga. All of the political and religious officials were acknowledged as powerful leaders who assisted indigenous' rulers on establishing and strengthening the Toluca community. In the Capulhuac *title*, only one

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<sup>4</sup> According to Lockhart (1992), having come out until the XVIII century, long time after the conquest, titles are documents that have been deliberately falsified. They were likely to be denounced as fraudulent, most likely misunderstood, given their precarious grammar structure, belittled or disregarded.

<sup>5</sup> The major purpose of their creation was supporting the rulers' efforts to maintain the *altepetl's* political structure through the reorganization of town centers and the construction of religious temples. As land tenure records, these titles were disputed by the Spaniards, who utilized them for evidence at the beginning of the XVIII century. According to Gibson (1975), a typical title is "an individual or collective memory of lands possessed [by indigenous] or once possessed and endangered." Lockhart (1982) argues that these documents were created for indigenous consumption not necessarily to deceive the colonial judicial system as it has been constantly argued.

<sup>6</sup> This is the title that Hernando Cortes used after establishing his vast personal domain around the city of Tepotztlan.

statement was related to *La Conquista* and the rulers' recognition of the Tenochtitlán's reestablishment, "Cortes came to win this new land"(Archivo General de la Nación, T, vol. 2860,file I, sec.2: 68r). Surprisingly enough, the Xochimilcan *titles* did not mention any of their military participations in the *Triple Alliance's* defensive battles. The Cuernavaca battles, glorified by Prescott (1964), were not described (Wood 1991). The 'glorious' temporal captivity of Hernando Cortes, outside of Xochimilco, was not discussed with any exciting details.

In Central Mexico's *titles*, colonial officials and high ecclesiastics were hardly thought as Spaniards. In Metepec, a little sense of the Spanish authoritative presence was acknowledged. In the Capulhuac titles, the supervision of the tribute's collection considered that, most of all, the retributions had to be made in the following order "first for the King in Castile then for the Indian governor-judge of the local community Don Bartolome Miguel" (Archivo General de la Nación, T,vol. 2860,file I, sec. 2:70r), as opposed to a centralized political entity. Possibly, the vague presence of a single political apparatus led by the Spaniards is related to the lack of a coordinated effort during the years of the conquest. The conquerors' expeditions were sponsored by the Spanish Crown and private investors alike. As a result, many expeditions were mere adventures that were hardly encompassed by soldiers that fought under the same flag. In fact, "[during] the foundational decades of Spanish expansion, from the first Caribbean settlements of the 1490s to the spread of the conquest expeditions throughout much of the American mainland in the 1530s, the military revolution was still in its genesis [...] Perhaps, most significantly, only in the seventeenth century were permanent, professional armies created of the kind that we associate with the term 'army today'" (Restall 2003, 32).

Hence, who were the conquistadores? Far from the glorious illustration of the religious chroniclers, the *conquistadores* were a diverse group of individuals. According to Restall (Ibid.), conquest records indicate that the Spanish *conquistadores* were mostly from the southern kingdoms of Andalusia, Extremadura, and the core kingdoms of Old and New Castile. In terms of education, some *conquistadores* were completely illiterate and others educated; nonetheless, on average their literacy rates were slightly higher than average rates in Spain. The majority of the conquerors was in their late twenties and trained in a particular trade or profession. The Spanish *conquistadores* were “free agents, emigrants, settlers, unsalaried and uninformed earners of encomiendas and shares of treasures” (Lockhart 1976, 3).

More interesting, the discovery expeditions were formed by the natives and African *conquistadores* who joined the Spanish ventures. These included the peoples of Central Mexico who opposed the rule of the *Triple Alliance* and some of the African slaves who arrived with the Spanish ships. Thus, Spaniards *conquistadores* tended to be outnumbered by their own native allies. According to Hassig (2001), the final siege and assault on Tenochtitlan was carried out with 200,000 native allies. For instance, the Huejotzincas, who have long resisted their incorporation into the *Triple Alliance* tributary network, assisted the Spaniards in *La Conquista* and pursued to promote their interests by allying with Hernando Cortes. Similarly, the existence of Africans as slaves and conquistadores cannot be dismissed. By the autumn of 1537, around 10,000 Africans were already residing in Mexico City. The well-documented story of Juan Valiente, a black conquistador who lived in Puebla, showed his active role in various expeditions. By no means were the Spaniards the only active agents in the conquest of Mexico (Restall 2003).

The religious changes set in motion are more prominent and relevant themes on the *titles*. The Catholic Church is the most widely discussed institution. The Central Mexico's titles mentions constantly 'the arrival of the faith' or *ohuالمohuicac yn tlanetoquiliztli*. The degree of coercion and religious' intrusion is discussed notably in the Valley of Toluca documents.<sup>7</sup> In many titles, the town founder and his relatives appear as intermediaries between the community and the ecclesiastics; a Christian 'victory' is recognized in many of these accounts.<sup>8</sup> Descriptions indicate the steady Spanish incursions and waning indigenous resistance; which ended with the intruder's 'victory' and the enthusiastic embracement of the new faith by the indigenous elites. Still, a religious 'conquest' must be analyzed with caution given the syncretism that characterizes Mexican Catholicism. The process of religious syncretism represents a smooth transition as opposed to a full implementation of Christianity. In many titles, the authors seem to be confused on identifying the 'before and after' the arrival of Catholicism; that is, clearly distinguishing the old and new religious customs.

The roots of Mexican syncretism are based upon the ability of the *altepetls*' to find symbolic expression within the Christian religious context. Vehicles of ethnic expression include the town's church edification and the selection of a representative saint. This sense of ethnic pride is expressed in the communal labor behind the construction of churches, the churches' maintenance, and the service paid to the church's patron. Full room is given to the indigenous communities on selecting their religious symbols such as the saints, after which, the

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<sup>7</sup> In Capulhuac, for instance, when the first priest visited the town to predicate the Catholic faith, the people ran to hide. Eventually, the town founder convinced people to listen to the Catholic priest and accept baptism. Still, people were incredulous of the priest's diatribes given that the majority did not speak Spanish. In some instances, the priest came to destroy the sacred stones—aided by the son of the town's founder—that people continued to worship (Archivo General de la Nación, vol. 2860, file I, sec.2: 68v).

<sup>8</sup> In the Metepec titles, similarly, the new faith is acknowledged to be installed through the same mechanism. The town founders or the elite constantly appeared assisting and supporting the newcomers and their spiritual agenda. This title, in particular, is related to a Fray Bartolome, who "is to go to conquer, and they will really not desire it" (Garibay 1949,10).

town was renamed. The saints' selection constitutes one of the most important practices of indigenous communities. In the Capulhuac *titles*, the first town saints are chosen before the presence of any Spaniard. These 'stone saints' have been the object of pilgrimages made by different ethnic groups through the Mexican Valley since immemorial times. Hence, a watershed between the earlier pre-Christian times and the Christian times has not been remarkably identified. "[Is] this a dawning awareness of Indianness (non-Christian Indians as opposed to Christian Spaniards) among people who also clung to a more immediate identification with their respective *altepetl*?" (Wood 1991) this question is of great relevancy to analyze the institutional structure where the systematic implementation of a unit of account has taken place. Does the *altepetl* continue to operate altogether with the colonial government? If so, how does a political hybrid institution impact the implementation of colonial money?

### **The Colonial Authorities**

In the *titles*, colonial authorities are never described and identified as Spanish; instead, they are referred as *tlatoque*. Their European medieval titles and legendary names are often confused and ignored. The Spanish *tlatoque* are treated with great respect and reverence.<sup>9</sup> It seems that a systematic political transition is not generated after *La Conquista*. Given the context where the *Triple Alliance* operated, coercion is not necessarily the engine behind the social relations established among the native tributaries, the local authorities, and the colonial representatives. Contrasting the Nahua perception of the colonial authorities, the Mexica elites appear to identify individual Spaniards as the actual source of threat in their communities.

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<sup>9</sup> The Capulhuac title describes the younger Viceroy Don Luis de Velasco as the 'truly honorable' *cancan ahuiztililoni* (Archivo General de la Nación T, vol. 3032, file3:213r-214r). In the Reyes Tlaxoyopanecan titles, the elder Velasco is affectionately named with Spanish loanwords as our king lord "Rey noestro senior" (Archivo General de la Nación T, vol. 3032, file3: 277r).



By the late seventeenth century, indigenous communities appeared to build a protective shield and advise their members to never sell land nor befriend Spaniards as they tended to be hypocrite and truculent. According to indigenous elders, Spaniards were capable of pretending kinship relationships in order to confiscate the communities' land. At the same time, the indigenous' nobilities were aware of their right to possess the land.<sup>10</sup> In the *titles* studied by Gibson (1964), a right of ownership granted by the colonial authorities is expressed "Spaniards come to seize what we have justly won" (Wood 1991, 271). Still, neither the presence nor the 'coercion' of the colonial authorities was identified as a source of threat by those who survived the conquest period. It was individual Spaniards the issue of concern up to the eighteenth century for the indigenous communities of Central Mexico.

As discussed by several social historians, (Lockhart 1972; 1982; 1993; Horn 1989; 1991; Taylor 1972; 1979; Haskett 1985; 1987; Wood 1984; 1991; Cline 1986) despite severe population decline and the shock therapy involved in 'remodeling' the Pre-Hispanic society, the decimation of the population of the Valley of Mexico did not necessarily lead to the rampant disappearance of their practices. Now converted into a marginalized population, the presence of the Indians is perceived throughout the colonial period up the 1810 Independence War. The *Triple Alliance's* institutions not only provided the structure upon which the "New World" was to be constructed; but, the framework was in constant metamorphosis and motion. The Indians' ability to survive has been due, in part, to its capacity to incorporate the Spaniards' political and cultural organizations in a form of a *Reciprocal Conquest*. According to Lockhart (1992),

at one time it was thought that the Spaniard destroyed and revolutionized Nahuatl political and religious life while leaving the fabric of ordinary economic life at the

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<sup>10</sup> The Ocoyacac titles sustain that Don Carlos V granted possession of the land to the townspeople not to the Spaniards.

local level nearly untouched [...] In the economic realm, as in others; a strong indigenous base continued to provide the framework while Spanish items and modes quickly entered everywhere, not so much displacing as infiltrating, interpenetrating, and being assigned to niches already existing in the indigenous cultural scheme[...] Several economic phenomena of the indigenous world appear to have persisted unchanged in the essentials. (202)

Lockhart (1991) closely studies the evolution of the Indian and the Spaniard's interaction through the main linkage between them: a common language. From his analysis of the impact of the Spanish language on Nahuatl, he identifies three stages in the process of linguistic modification.<sup>11</sup> In the second stage, urban cores grow in size and institutional networks—mostly economic and religious—brought Spaniards and Nahuas into regular contact. The Nahuas borrow Spanish words that enabled them to interact within colonial labor contexts. The first loan words include those utilized for the measurement of time, weight, and value. Since two of the most essential socio-economic relationships—taxes and wages—between the colonial authorities and the indigenous population are measured based on these units. The peso, the first colonial unit of account, and the word *tomin* “an eight of a peso” become two of the most important terms and definitions employed to communicate with Spaniards. The Indians have to immediately learn these words. Most importantly, they needed to comprehend their meaning. Nonetheless, the institutional context where these numerical notions operated does not differentiate significantly from the context provided by the *Triple Alliance*. Consequently, the social meaning behind units of account is not systematically internalized.

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<sup>11</sup> The first stage begins in 1519 and ends in 1550, the second stage starts in 1540-1550 and ends in 1640-1650; and the third stage begins in 1640-1650 and continues until the current times. During the first stage, the Nahuas and the Spaniards had minimum contact with each other. In this time, communication took place by the Nahuas utilizing tools from their own language —extension, circumlocutions, and neologisms—to modify new terms in order to express simultaneously their interpretations of, mostly, items that have never seen before. By the third stage, indigenous communities have already established networks with ranches, *haciendas* (farm estates) and enterprises linked with the growing urban market, which became the major source of employment. During this period, Nahuas were increasingly moving back and forth between the country and major urban conglomerates such as México City and Puebla (Ibid.).

## The Indigenous Settlement Policy

The colonial policy of indigenous resettlement limited the degree of intercultural connection that could have been generated by an incessant interaction between the Spaniards and the Nahuas. This policy was based upon the colonial political economy's contradictory purpose: the subjugation and self-subsistence of the indigenous people of Central Mexico. After the unfortunate phenomenon of the Caribbean islands,<sup>12</sup> it was in the best interests of the *conquistadores* to keep the native population alive and relatively healthy. First, indigenous were needed by the Spaniards to acquire goods for survival; and second, to supply the necessary labor force to extract precious metals.<sup>13</sup> Thus, colonial authorities concentrated their efforts on the provision of land to the indigenous population based upon a pattern of settlement that would maintain an adequate distance between the Spanish population and the natives. At the same time, the settlement policy had to address the economic needs of both communities: self-subsistence, on the one side; and the supply of labor and tribute, on the other.

Initially, the policy of indigenous resettlement emphasized the provisioning of corporate landholdings to Indian towns. Throughout the different stages of colonization, these measures—encompassed in the 1567, 1678, and 1695 Royal Decrees<sup>14</sup>—did not change

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<sup>12</sup> “The immediate aftermath of conquest and occupation of the more densely populated areas of Amerindian civilization was catastrophic[...] Between 1492 and 1550 what we may term the conquest complex literally annihilated the indigenous population of the first areas of west European and Amerindian culture-contact, the Caribbean. It decimated the population of Central Mexico where a population recently estimated at about 25 million in 1519 was down to something over one million in 1605. In the Central Andes, where studies of historical demography are few, the general pattern of demographic disaster following west European occupation seems to have been repeated. A population perhaps between 3.5 million and 6 million in 1525 is believed to have declined to 1.5 million by 1561 and to have continued to fall to a level of .6 million by 1754” (J. Stein and H. Stein 1979, 37-38).

<sup>13</sup> As established by Wood (1990), “the Spanish colonial ideal [...] became dependent upon the presence of both precious metals in abundance and sedentary Indians living in semi-independent municipalities, prepared to serve as a source of draft labor, and yet engaged meanwhile in agrarian pursuits that would not only support their communities but provide and exploitable surplus for the conquerors and the royal treasury” (117).

<sup>14</sup> According to the 1567 Royal Decree, a minimum distance of 1,000 yards between any Indian town and the nearest private estate was required. The town base was to be located at 500 yards in the four cardinal directions. The 1678 Royal Decree called for an increase of 100 yards to the nearest private state and the 1695's last house

dramatically. As discussed by Taylor (1972), in his study of Oaxaca; and later by Wood in the case of the Toluca Valley, up to the end of the colonial period the *Tierras por Razon del Pueblo* (legal allotment for indigenous communities) supported the independent status of indigenous communities, which allowed for the continuity of the *altepetl*.

Ever since the enactment of the Royal Decrees, one indigenous community after another began to appeal to the courts for its additional 600 yards. Communities' representatives pleaded for a larger extension of land arguing that the accommodation of each family's needs was as important to the colonial state as to the indigenous community itself. Land was necessary for self-subsistence but also to fulfill the tributary and parish obligations requested by the colonial and ecclesiastic authorities.<sup>15</sup> Depending on individual cases, land extensions were granted. Nonetheless, it had to be established if the grants were to be utilized for agricultural purposes; that is, for the indigenous peoples to produce and sell in the market. According to Mendieta y Nuñez (1966), the allotments were not even intended for cultivation. Colonial authorities considered that the sole purpose of this land was the Indians' self-subsistence. The *Tierras por Razon del Pueblo* policy limited the participation of indigenous peoples in the monetary economy as producers of commodities in the years to come.

*Las Tierras por Razon del Pueblo* functioned as a policy that would provide not only tribute; but also a self-sustained labor force. Thus, through the legal appeals of indigenous communities, the colonial interests were directly linked to communal land well into the eighteenth century<sup>16</sup> (Ibid.). The colonial government supported equally private cultivators and

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ruling—600 yards be measured from the church in each town—was maintained. Indigenous representatives calculated that a regular allotment would only provide for forty-eight households; each planting 1/32 bushels of maize seeds.

<sup>15</sup> In fertile land allotments that have farming potential, indigenous leaders divided the extension beyond the urban district into usufruct parcels in Teotihuacan, Queretaro, Cholula, Cuernavaca, and Celaya (Wood 1990).

<sup>16</sup> For instance, in Antequera a region of Oaxaca, a total of twenty-eight towns held their 600 yards and more towns were officially registered up to 1776 (Taylor 1972).

usufruct holders alike; nonetheless, it underlined the need to “attend very especially to the well-being and profit of the Indians” (Wood 1990, 119). This policy required indigenous peoples to prove that their communities belonged to the top layer of the Spanish system of town hierarchies. In the eighteenth century, disputes began to rise about what constituted a *pueblo* as opposed to a *barrio* (town) or a *sujeto* (subjected community). In order to sustain their case, the indigenous peoples as well as the recent Spanish immigrants relied on the *altepetl*’s structure to prove they were worth recognition as semi-independent political units. The *altepetl*’s strength as a recognized colonial-indigenous political entity was to determine the Indians’ full or partial incorporation into the colonial monetary system.

### **The Context of New Spain’s Political Economy**

#### **The *Cabildos***

Based on the *Tierras por Razon del Pueblo*, during the first and second stages of the colonial periods, a clear division developed between the minor clusters of the just arrived Hispanic population and the vast indigenous majority. Given the natives’ population decline, during the second stage, isolation from each other was maintained. In some instances, this marginalization intensified in places where the indigenous population was more dispersed than the Valley of Mexico.<sup>17</sup> Consequently, the *altepetl* continued to operate under a *tlatoani* during the early colonial period. In the second phase, the Spanish style of governorship and town council took shape; yet, autonomy of the local entity in both remained. Local entities, in some

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<sup>17</sup> Based on XVIII century historical material, Taylor (1972) has shown that Mixtecs kept their land for a much longer period of time than the Nahuas. Also, their dynastic rulers remained very much an active force until the very end of the colonial stages. In his second book, Taylor (1979) argues that Indian towns continued to assert their right through violent local protest and disturbances in México City. Likewise, they have slowly incorporated into the new economic conditions and assimilated the Spanish ways of using alcohol.

instances, stood in solidarity against outsiders. In others instances, Spaniards were seen as potential benevolent allies against external threats (Lockhart 1991).

After the fall of Tenochtitlán, the delineation of the Spanish ‘towns’ and the indigenous resettlement policy transformed Central Mexico into two ‘separate but equal’ countries. These countries were known as *la Republica de Indios* and *la Republica de Españoles*. By the seventeenth century, this situation changed. It became almost impossible to find an indigenous community without non-Indian residents; most of these immigrants were religious practitioners. In the last stage, there was a widespread fragmentation of large *altepetls* into *calpullis* types, which ultimately represented one of the ten entities inherent in the centrifugal political structure of the Pre-Hispanic times.

The nature of the colonial government influenced the operation of other institutions. The indigenous government became a political authority formed by a *governor* and an *alcalde*; who were joined by church stewards. All of these members encompassed a consortium that appealed to the greater colonial authorities settled in former Tenochtitlán, now Mexico City. This consortium proved to be indispensable to all sort of legitimating process. The ceremonial aspects of legal procedures permitted large indigenous communities to operate under the institutions that have been established during *Triple Alliance*’s times, such political influence stretched until the beginning of the nineteenth century in some regions. For Lockhart (Ibid.), the Spanish council *cabildo*—the municipal unit—became primarily a symbol of corporate identity manifested, as in Pre-Conquest times, with a specific territory, a patron saint or ethnic deity, a church, and a festivity. Furthermore, the formation of *cabeceras* (town halls) and *sujetos* (subjects) corresponded to previous *altepetls* and *calpullis*’ locations (See Appendix II).

During the colonial period, Spaniards performed under a partial delusion since the *altepetl* maintained its basic principles of organization. Gibson (1952) has showed that the Spanish principle of office holding opened the way to indigenous principles.<sup>18</sup> As in Pre-Hispanic times, each individual officeholder represented a constituted part of the whole. Each part was in theory separate and equal, operating through division and rotation. For the case of Tlaxcala, Gibson (Ibid.) showed the limited nature of Spanish local government, its dependence on native structures, the cooperative relations between the *corregidor* (municipal mayor) and the local authorities, and the long-term ineffectiveness of the mayors on enforcing important legislation in favor of Tlaxcalans.<sup>19</sup> According to Lockhart (1992),

Gibson[‘s] work shows his understanding that change and continuity in the Indian world, rather than starkly contrasting elements, were overlapping and even reciprocally supporting aspects of a joint process. The Tlaxcalans accepted change in order to stay the same, and their adaptations in fact had much of the intended effect. (166)

Along these lines, Wood (1990; 1991) argues that Indian corporations were almost unchanged once the colonial reorganizations and encroachments took place. Some kingdoms survive and become the basis of *encomiendas*, religious parishes, and ‘Hispanic’ style municipalities. Haskett (1985; 1987), in his study of the indigenous ruling class of the Cuauhnahuac region, argues that Spaniards molded their institutions to the *altepetl* as the establishment of *cabeceras* and *sujetos* were mapped based on previous settlements. By the second half of *La Conquista*, facing greater pressures, Indians become more aggressive and often lead successful campaigns to defend their corporate rights. Either way, their passivity or

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<sup>18</sup> Each holder represented a consortium: himself, family, friends, and a specific economic complex.

<sup>19</sup> The failure to prevent the massive entry of Spanish stock raisers and *obrajes*.

action is accommodated in the colonial system that allowed them to survive at the institutional level.<sup>20</sup> Haskett (1987) writes,

The jurisdiction's special status kept its *altepetl* from being distributed among a multiplicity of *encomenderos*, a factor that retarded the instruction of Spanish. Contact with non-Indians was also potentially reduced because the sugar estates which came to dominate the region agriculturally relied on black slave labor[...] The region's *altepetl* continued to be ruled by indigenous councils, and many were able to retain a good deal of agricultural land, especially those areas not suitable for sugar cane cultivation. (207)

The newcomers misinterpreted the significance of the *altepetl* and the outcomes of a violent conquest, by assuming that the *altepetl* had less autonomy than the actual case. Under the auspices of the colonial government, many *altepetls* were designated as *sujetos*; which reduced their ability to act on their own initiative. Such misunderstanding was induced by certain *altepetls* that, under current arrangements, were pursuing to expand their political presence in the region by exaggerating their own importance and offering themselves as intermediaries in exchange of benefits.

During the seventeenth century, when the native population declined and the *congregation* process took place, the process of political 'consolidation' reduced the number of independent political entities in Cuernavaca's jurisdiction. *Cabildos* were created and staffed by colonial officers holding positions of *gobernador*, *alcaldes*, *regidores*, and *escribanos*. Nonetheless, the position of chief administrative officer was purposefully created to fit the scheme of the Pre-Hispanic world. This scheme included an elite council and a system of noble

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<sup>20</sup> For instance, Cuauhnahuac, today Cuernavaca, entailed a total of six political units—Cuauhnahuac, Oaxtepec, Yautepec, Yecapixtlan, Totolapan, and Ocuituco—that made up a dominant *altepetl* to which a total of 69 other *altepetls* owed political and economic services. Located in the surrounding area, Tepoztlán represented the seventh significant power of the region. This region maintained a degree of political independence throughout the XI century until it was forced to submit tribute to the *Triple Alliance* in the XIV century. Upon the arrival of the Spaniards, the region was actively evangelized by the Franciscans followed by the Dominicans, Agustinians, and later Jesuits. In 1529, Cortes identified the region's rich agricultural land and granted to himself the *Marquesado del Valle*, a vast territory. Subsequently, a series of estate seclusions took place. However, the monopolization of this large terrain had little effect on indigenous peoples or their forms of government. Cortes and Catholic Church's land confiscations only split the territory nearly in two by a wedge-shaped section of royal territory.



functionaries.<sup>21</sup> In subjected towns, other high nobles began to attain official posts; which reasserted the Pre-Hispanic rotational system of government. “[A] system in which subordinate governor ruled each of the villa’s four major district suggests that multiple *tlatoani*-level lineages were still being accommodated for some time after the conquest” (Ibid., 210). This pattern was also found in colonial Tlaxcala (Lockhart, Berdan, and Anderson 1986).

The sixteenth century *cabildo*’s organization persisted until the beginning of the nineteenth century. Subjected communities developed their own hierarchies of town offices and were dependent to a greater extent to the *cabecera*’s council. The *cabildos* performed a variety of functions. According to Gibson (1964), the *cabildo*’s most important function was the collection of tribute. Haskett (1985) has argued that the *cabildo*’s functions expanded and influenced the government, the production system, the taxation system, and the religious institutions. Consequently, the *altepetl* transformed into a *cabildo* accommodated the colonial monetary system.

## **The Production System**

The survival of ancient institutions implied a process of accommodation and resistance to the newcomers’ interests that were determined, in turn, by the expansion of a world market. The interaction between these two external elements shaped New Spain’s political economy. Colonial economies were oriented to fulfill the requests of the Spanish Crown as well and to ensure the accumulation of wealth by the colonial agents who held the colonial economic power. During *La Conquista*’s aftermath, colonizers were mostly interested in the expropriation of raw materials by plundering indigenous labor. Once Spaniards envisioned

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<sup>21</sup> The elite council incorporated a large group of past officers, members of the native elite, and a variety of local officials as well as members of the native’s ruling group. In majority, these groups held the majority of the *regidores* and *alcades* offices, who represented geographic districts.

their permanent stay; they began to build ‘together but separate’ from indigenous communities an economic system focused on the extraction of precious metals, the development of agricultural and ranching areas, and the expansion of a commercial system designed to funnel silver and gold to Western Europe (Ibid.).

The nature of the colonial economy shaped the sphere of influence of the colonial monetary system. Mining was the epicenter of external and internal economic activity. The extraction of silver and copper helped the Spanish government to pay for their war expenses and trade deficit with Western Europe. Internally, mining contributed to wealth accumulation and created a series of productive chains to sustain the reproduction of immigrants and natives. Externally, colonial mining was connected to the capitalist circuits of the world economy; that is, it was connected to commercial transaction denominated in units of account. At the same time, mining was also linked to the Nahua communities that still operated under the principle of reciprocity.

In Castile, the Crown captured most of the wealth by its monopolies over the import of metals, slaves, spices, and ivory.<sup>22</sup> Moreover, “[i]n the late fifteenth century [,] Spain had scarcely begun to consolidate its political geography and internal structure as a nation-state. Further, the acquisition of empire in the sixteenth century resulted not only in the atrophy of the process of consolidation; but, in the proliferation of the Iberian patrimonial political structure. In this process, political and economic forces abetted each other” (J. Stein and H. Stein 1979, 14). Thus, *La Conquista* represented a Reconquista within the Iberian Peninsula

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<sup>22</sup> The development of a petit ownership class or bourgeoisie did not take place as it did in England and Holland. In late 1469, Castile and Aragon had a pattern of land ownership in which 2 or 3 percent of the population owned 97 percent of the land. This land served mostly for sheep pasturage that provided the wool for the manufacture of textiles in Netherlands (Wolf 1982).

itself. Spain lacked a coherent domestic economic policy of its own.<sup>23</sup> The Spanish Empire functioned merely as a conduit of wealth into Italian, South Germans, Dutch, as well as Chinese coffers (Greaber 2011). “The Spaniards owned the cow, but others drank the milk” (Galeano 1973, 34).

Silver, apart from honoring debts to foreigner money lenders, paid for the exports of non-Spanish merchandise to New Spain. Jean-Baptiste Colbert, French minister of marine under Louis XIV, writes, “[a] late-seventeenth-century French document tells us that Spain controlled only 5 percent of the trade with [‘]its[’] overseas colonial possessions, despite the juridical mirage of its monopoly: almost a third of the total was in Dutch and Flemish hands, a quarter belonged to the French, the Genoese controlled over one-fifth, the English one-tenth, and the Germans somewhat less. *Latin American was a European business*”(35). For the West, the mining industry represented the most important economic activity.<sup>24</sup> During the sixteenth and seventeenth centuries, Mexican mines grew at a higher rate and reached their maximum point in 1783. From 1690 until the 1730, the mines located in Zacatecas were the most important global source of silver. Between 1503 and 1660 more than seven million pounds of silver reached Seville from America, tripling the European supply of metals (Wolf 1982). “In the mid-seventeenth century [,] silver constituted more than 99 percent of mineral exports from Spanish America”(Galeano 1973, 33). Even though mining labor could be seen as determined

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<sup>23</sup> The ideology of the Spanish empire was rooted in medieval jurisprudence and the mythology of the Christian *reconquista* of the Iberian peninsula, in Judeo-Christian concepts of time as progressive and providential, and in recycled Roman notions of universal empire [...] The result was an ideology of empire that made the Discovery and Conquest not only noble and justified endeavors but also the duty of the faithful. This ideology consisted not just of abstract ideas concocted for the benefit of the crown; it was supported by official statements that came both from the papacy and the Spanish monarchy” (Restall 2003, 68).

<sup>24</sup> Most of the ores’ concentrations were discovered throughout the XVI century within a period of fifty years. Potosí (1545), Zacatecas (1549), Guanajuato (1550), Santa Barbara (1567), Pachuca (1552), Costrovirreina (1555) and Sombrerete (1580).

by social contracts denominated in monetary terms, New Spain's mining industry was sustained by a hybrid commodification of labor.

The commodification of indigenous labor emerged from the re-articulation of ancient productive chains and the slow transition of the Indian tributary system to the colonial authorities. Since capitalism was not implemented in Central Mexico, the autonomy of indigenous communities was not entirely jeopardized in the first decades after the conquest. Afterwards, the colonial economy changed its focus to the northern arid regions that were rich in precious metals. This strategy of 'economic development' contrasted the English enclosure movement. In New Spain, a profitable extraction of silver involved the following: the continuous operation of Pre-Hispanic tributary systems, the existence of non-capitalist forms of labor commodification —the *encomienda* and *repartimiento*—the re-articulation of ancient productive chains, and the indigenous economy of self-subsistence.

New Spain's political economy was connected to Pre-Hispanic political institutions, which included well-established tributary networks, common land, and an Indian hierarchical society. It also relied on the *altepetl* to establish colonial towns. In turn, these settlements maintained a policy that assisted the colonial authorities to pursue their economic interests. Under this context, the self-provision of indigenous communities was of paramount importance. The autonomy of indigenous communities hindered the implementation of a taxation system. By not hosting the coercive institutions of capitalism, the implementation of a monetary system based on a unit of account was not fully supported in Central Mexico up to the War of Independence.

In *The Wealth of Nations*, Adam Smith [1994(1776)] argued that the tax administration of the Spanish Crown in the Americas was a more efficient extractive

machinery than that of Great Britain. This efficiency could not have been accomplished without the system's reliance on the Pre-Hispanic institutional structure. In Central Mexico, these institutions were organized at the city-state level, heavily relied on communal land, and were regionally connected through tributary networks, distributional centers, and ceremonial rituals. In the following chapter, the taxation and monetary system that emerged out of this hybrid institutional context is studied. Money, as a creature of a colonial state, has created a nature of its own. In Central Mexico, the implementation of a unit of account did not necessarily follow a linear path and reach an ultimate point.

## CHAPTER 6

### NEW SPAIN'S TAXATION SYSTEM—DID COLONIAL MONEY REPLACE NAHUAS' SENSE OF RECIPROCITY?

#### **Encomienda and Taxes**

In 1521, Hernando Cortes took over the collection of tribute. He first attempted to estimate the size of the indigenous population; a challenging process given the complexity of the environmental and institutional structure of Central Mexico. As a result, Cortes relied on the relationships with *altepetls*' leaders. Ultimately, the indigenous nobility and the colonial authorities determined and enforced, following previous practices, the ones who were to be responsible for submitting tribute to the colonial authorities. *La Conquista*'s political machinery depended on the Pre-Hispanic institutional framework to 'subjugate' the indigenous population.

The relationships between the *conquistadores* and the indigenous nobility as well as the framework of the colonial political economy shape the nature of the *altepetls* with their tributary system and distributional center. This chapter provides a historical account of this evolution. The main question to address is: Did the colonial authorities transform the Pre-Hispanic sense of reciprocity into measured social obligations? That is, to what degree a colonial taxation system was implemented? As the following analysis shows, the interaction between the Pre-Hispanic political institutions and New Spain's political economy provides complex answers to this question.

*El Libro de Tasaciones de Pueblos de la Nueva España, Siglo XVI* presents detailed accounts on the tribute requested by the first colonial authorities—the *encomenderos*—on the Tenochtitlán's surrounding area. For instance, in August 25, 1553, Ms. Lorenzo Lebron de

Quiniones, Oidor and Major of the New Kingdom of Galicia, visited the towns of Titla and Acatlan located in the Province of Colima, he describes tribute operations in Acatlan,

Once the Indian have counted again, they found: seventy-nine married Indians, four female widows, three male widows, and other people. We appraised and adjusted them to establish that they must submit in tribute, every year, fifteen cotton cloaks measured by three legs of width; each legs with two fathoms of length, and every fathom must be two yards of measurement, the width of each leg of three quarts or a little more. Every four months, they are required to submit five of these cloaks. Every year, they are required to have a sow ground of corn from where they will harvest to give in tribute 250 bushels of corn. If there is a surplus from this harvest, they are allowed to keep it. If a lesser amount is harvested, they must fulfill our tribute's request. Every four months, they must give twenty-four chickens from Castilla, twenty-half pounds of honey, or two squashes of quarter. All these tribute requests are placed upon this town. Tributaries must not be obliged to take out the tribute from the town. Instead, they will submit this tribute inside the town. They must keep these mandates for a time of eight years, until other things are requested. (Gonzalez de Cossio 1952, 7)

Similarly, in 1559's Zitlaltomagua—a town located in the province of Zacatula, nearby Acapulco—Indians from the smaller town of Anaquilco were requested in tribute: twenty cloaks, twelve-thousand cacao beans, and one-thousand and six loads of bread <sup>1</sup>(647). The requests were made in multiples of twenty resembling the Pre-Hispanic vigesimal system. In the Cuernavaca region, tribute continued to be collected in the form of Pre-Hispanic goods some decades after the fall of Tenochtitlán.<sup>2</sup> However, by 1590, even though contributions in kind were still expected by the Spanish officers and the *tlatoanis*; payments in kind had mostly disappeared (Borah 1983). The payment of tribute now consisted of a cash payment figured at the rate of one *peso* and one-and-half bushel of maize per year. The tribute and the tax were

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<sup>1</sup> The tributaries were also required to have a sown field of corn, like they used to have. They also had to submit forty pairs of sandals, fifty loads of beans, and one load of pepper. A total of forty Indians had to work in the mines every year. Every day, a chicken and forty palm mats had to be submitted (Gonzalez de Cossio 1952, 649).

<sup>2</sup> Cuernavaca, Yautepec and Tepoztlan sent the *Marquesado del Valle* a certain amount of awning clothes, mantas, shirts, and quilted cotton material at two 80-days and two 100-days intervals per year, following the Pre-Hispanic vigesimal system. Also, every two weeks, in rotation, Cuernavaca, Yautepec, and Tepoztlan were compelled to send a certain amount of chickens. On meatless days, tributaries had to submit from 60 to 10 frogs, fishes, and eggs. The tribute in the form of loin cloths and warriors costumes was not desired by the Spaniards anymore.

both owed to the *Marquesado del Valle*. A partial transition from a tributary to a taxation system is observed in various instances.<sup>3</sup> The shift from tribute submission to tax payment slowly settled down as the unit of account was gradually implemented. Still, it took some time for a generalized recognition and acceptance of social and state obligations measured in mathematical terms. Furthermore, the need for an Indian self-sustained labor force to build Spanish America complicated this transition.

In some *calpullis*, the population kept providing Indian conscripts to Spaniards for service as well as tribute in kind. In other *calpullis*, the indigenous population began to pay taxes either in *pesos* and/or specific amounts of gold, three times a year. In Central Mexico, the transformation of the colonial government's liability was complicated by the nature of the relationship that was established between the colonial authorities and the *altepetls'* indigenous nobility. This relationship was shaped by the interests of the colonial government, which were directly influenced by the Spanish Crown. In turn, the Crown's interests were determined by a global capitalist economy. Consequently, the full implementation of a taxation system was not fully accomplished in Central Mexico throughout the colonial period.

At the beginning, for instance, the people from the town of Zultepeque<sup>4</sup> was required to submit in tribute one hundred cloaks every eight days. Fifty cloaks had to be made out of cotton and the rest made out of agave fiber. The cloaks had to be of the usual Pre-Hispanic quality and measurement. In addition, the tributaries must had five sow fields; each one of them with specific measurements. A total of six Indians had to work in the Spaniards' houses

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<sup>3</sup> In 1554, six towns entrusted to Mr. Flores were requested to pay taxes in the colonial unit of account. The town of Zoquitlan was requested to pay 240 *pesos* per year in place of the forty Indians they used to supply for service. In the town of Necotepeque, a payment of 180 *pesos* replaced the tribute's request of thirty Indians. The people from Ixpultepeque had to pay 180 *pesos*, an amount that repaled the thirty Indians that were provided for service. In Texitepeque, people had to pay 120 *pesos*.

<sup>4</sup> A region entrusted to Pedro Meneses located near La Venta de Capulapa that belong the Obispric of Tlaxcala.



and farms. In 1576, an appraisal stated that tributaries had to pay 1,003 *pesos* of gold, three times per year. They had to pay to the trustee 820 *pesos* and half of gold. The remainder of the trustee's payment, if any, was for the community to keep (Gonzalez de Cossio 1952, 652). The colonial government's liability was still fulfilled in both tribute and taxes.<sup>5</sup> The tribute in kind was determined by the needs of the colonizers. The goods and services that the Spaniards needed to reproduce themselves in an unknown environment ended up accommodating Pre-Hispanic practices. The difficult circumstance of the Spanish immigrants also opened the possibility to substitute paying taxes for submitting tribute. In other words, *pesos* were not really needed by the indigenous subjects to satisfy the demands imposed by the newcomers.

In the labor context, indigenous slavery was formally abolished in Central Mexico in 1590. The system was partially replaced by the tributary systems of *encomienda* and *repartimiento*. During the first colonial stage, the tribute quota also included the provision of indigenous servants for Spanish officers' use or indigenous workers for the particular needs of the *encomendero*. This tributary institution was replaced by the *repartimiento*, the rotary labor tribute system, which was further replaced by the systems of indentured servitude and peonage—which involved informal labor contracts denominated in the colonial unit of accounts. Nonetheless, the previous forms of tribute were maintained throughout the colonial period in Central Mexico. For instance, indigenous conscripts worked for the eighteenth century's *desagüe* construction in Mexico City. The most important form of *repartimiento*

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<sup>5</sup> The harvested corn had to be transported to México City. In addition, tributaries had to supply daily two hens, half a dozen of eggs, four loads of firewood, and one load of weed. Thirty-two bushels and three almonds of corn by the time of the harvest had to be provided as well. At the aggregate level, the jurisdiction councils were responsible for the collection of tribute and royal assessments such as the *medio real de ministros*—a tax that helped finance the General Indian Court and other courts in the *Marquesado del Valle*, and the *servicio real*, a tax promulgated in 1592 to pay for the Spanish army sent to fight against England in 1588 (Haskett 1987; Borah 1983). At the community level, *tequitillo* or *mayordomos*, low ranking colonial officers, collected tributes and taxes. They were responsible for submitting the stipulated amount of tribute in kind as well as the payment of taxes in *pesos* every three times a year in the months of April, August, and December.

consisted of weekly levies of indigenous workers to the mines of Taxco and Cuautla (Gibson 1964). According to Cuello (1988), the two systems of tribute in the form of labor coexisted with slavery as well as waged labor from the 1570s through the 1720s.

The Spanish *encomienda* followed the same mechanisms of coercion and extraction utilized by other colonial powers to compel the native population to work.<sup>6</sup> Trusteeship was granted to *encomenderos* over the indigenous people that they manage to recruit in the form of tribute through an established pipeline with the *pillis*. The receiver of the grant had two major responsibilities: the instruction of the Spanish language and the Catholic faith. Indigenous recruits were expected to work and pay tribute to both their *encomenderos* and the Royal Crown. Similar to other colonial institutions, the method through which the *encomienda* operated was based upon the *altepetls*' tributary networks and the top-hierarchy of Pre-Hispanic societies. The *coatequitl*, named *llamamiento* (the call) by the Spaniards, "implied in practice a division of task among the *calpulli* subdivisions, in a labor structure wherein each *calpulli* might be responsible for a different specialty and a given portion of the work" (Gibson 1964, 222). Hernando Cortes became the organizer of the *coatequitl* and utilized it to build the New Spain's infrastructure, agricultural sector, and mining industry (Berdan 1982).

Gibson's (1964) chapter on the *encomienda* explained, how with some variation, one *altepetl* with its *tlatoani* became one *encomienda*. These units were determined by pre-conquest precedent and not by the administrative decision of Hernando Cortes. Hence, the *corregimiento*—the attempt to conglomerate *altepetls* and *calpullis* into a single political

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<sup>6</sup> For instance, the Spanish *encomienda* is similar to the British system of proprietorship, the Dutch patroonship, and the Portuguese captaincy. In the first years of the conquest, the Spanish Crown granted a person, mostly conquistadores and soldiers, a specific number of indigenous people for whom they were responsible (Gibson 1966). "The *encomienda* came to be regarded as a reward for a generalized imperial service, whether or not rendered in a war of conquest, a number of the most powerful *encomenderos* were simultaneously civil officers or ecclesiastics in the royal service" (Ibid., 498). The duration of an *encomienda* was not clearly stated by the colonial authorities. The popular interpretation was that the *encomienda* could be inherited for a life period and/or generations.

unit—had a minimal institutional effect given that the ethnic state relied basically on Indian towns for its establishment.<sup>7</sup> Gibson (Ibid.) has provided descriptions on how New Spain's towns were established upon the Pre-Hispanic *altepetl*'s template. Thus, the *altepetl* and the Pre-Hispanic tributary system played an important role in the operation of the colonial taxation system by facilitating the labor supply needed to build Spanish America.

According to Gibson (1966), the *encomienda* represented a simple solution to a labor problem. The demand to build a new country required a large amount of workers. Hence, a method was required to force the native population to work for the new masters. But instead of devising a method denominated in units of accounts, as it occurred in Africa (Forstater 2005), the payment of tribute in the form of labor power was more convenient for the colonial authorities to maintain the existent pipelines of labor recruitment, organization, and management. Tributary networks exercised indirectly and passively the coercion needed. Indigenous labor did not become a commodity to be sold and acquired by Spanish *encomenderos* and merchants. Indigenous labor supply operated based on a social obligation established between the *encomenderos* and the indigenous rulers. At times, this obligation was based on networks of reciprocity that enforced the existence of the nobility status.<sup>8</sup> Other times, this obligation was denominated in the unit of account.

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<sup>7</sup> In the chapter entitled *Tribute and Town Finance*, Gibson (1964) argues that a congregation in central México was not as extensive. In some occasions, this attempt was a complete failure, leaving untouched the indigenous entities in place. When successful, this resettlement policy respected the *altepetl* structure. According to Lockhart (1991), the congregation simply collapsed at a given *altepetl* in upon itself, retaining its ethnic and cultural identity and the essence of its political institutions, including its tributary system (171).

<sup>8</sup> “The monarchy, notably inconsistent in many aspects of its imperial administration, never deviated from its position that the indigenous population was technically free. The *encomienda* regulations [...] paid strict, formal recognition to this freedom. Indians under the system were not to be chattels. They could not be bought or sold. They were to be assigned for stated purposes, and *encomenderos* were to treat them with humane respect and with regards for the principles of Christian social intercourse. The object of *encomienda* was to Christianize pagan peoples through the administration of the *encomenderos* and to civilize them by encouraging orderly habits of industry” (Lockhart 1992, 496).

In former Tenochtitlán where *encomiendas* were extensively implemented to recruit workers for the city's reconstruction; the colonial officers relied on administrative city councils to draft the working population. The native hierarchical structure efficiently accommodated the *encomienda*. Indigenous chiefs were the main point of contact between the Spanish authorities and the indigenous communities of Central Mexico. Many of them were engaged not only in recruitment efforts; but also, in the workforce's supervision and management:

Procedures of labor control and tribute exaction ordinarily followed the original Indian procedures themselves, now turned to the profit of the *encomendero*. Many circumstances, not the least of which was the huge number of Indians available, conduced to set *encomenderos* apart and to render them to distinct and intolerant rulings [...] Indian leaders were the accomplices and agents of white bosses in these practices and native society frequently found itself substituting one submission for another. (498)

In the mining areas, where cities began to develop, the recruitment of indigenous workers was directly connected to the institutions of indigenous communities, which entailed the *encomienda*'s primary foundation rather than its lateral support. For Cuello (1988), the *encomienda* system played a significant role in the exploitation of Mexico's mines located on the central-northern states—Zacatecas, Guanajuato, Queretaro, and San Luis Potosi—entities that had a direct link with the political economy of the Spanish Crown and global capitalist networks. However, the networks with the indigenous tributary system provided the economic reservoirs of labor, which were, most of all, a self-sustained not a waged-population at the service of the colonial mining, agricultural, and craft sectors. According to Wolf (1982), in Hispanic America—particularly Lima and Central Mexico—the role of “waged labor” was directly bounded to the indigenous class structure. Wages were not necessarily denominated in a unit of account. The colonial social institutions were based upon cycles of credit-debt relationships or full coercion, the case of Indian slavery.

Under the new framework, the *pillis* took advantage of their positions over the rest of the indigenous population. Up to the formal abolition of the *encomienda*, the Pre-Hispanic tributary system of Central Mexico was operating along a colonial taxation system. During this period, the *peso*, and later the *real*, was the unit of account utilized in monetary transactions among Spaniards and between Spaniards and the colonial authorities. Still, within indigenous communities, Pre-Hispanic networks were operating to supply the requested labor force to the *encomenderos*. In addition, the policy of *Tierras por Razon del Pueblo* guaranteed a level of independence and the self-subsistence status of indigenous communities. Thus, a colonial taxation system was eclipsed by the reminiscent of the Pre-Hispanic tributary system.

In 1720, the *encomienda* system was outlawed. *Encomenderos* were required to pay in pesos the former *encomienda*'s laborers for their work. Nonetheless, informally, the system was still extensively used and slowly replaced by the *repartimiento*.<sup>9</sup> The colonial officers had to account for the royal priorities and assigned labor under rotational basis, following the Pre-Hispanic tributary *calpulli*'s system. At the macro level, the *encomienda* was designed to ensure that the Spanish Crown controlled the resources that were actually possessed by the conquerors and the indigenous nobility. Furthermore, it helped the Crown to secure supplies to be sold at the local economy as well as the world market; and to avoid the rise of colonial tributary overlords (Ibid.). Basically, the *encomienda* system prevented the rise of the Spanish petit-ownership class and the development of a colonial private sector; and ultimately the implementation of a monetary production system within indigenous communities. The slow transition from a Pre-Hispanic system of reciprocity to a monetary colonial system was not

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<sup>9</sup> The difference between the *encomienda* and the *repartimiento* relied that if *encomenderos* wanted to have indigenous workers; they had to issue a formal petition to royal officials.

only determined by the absence of a coercive colonial state but also by New Spain's political economy. This topic is developed in the following section.

### **New Spain's Hybrid Monetary System**

According to Romano (2004), New Spain's monetary system, along its society and government, must be divided into two spheres. Given the resettlement patterns established by the *Tierras por Razon del Pueblo's* policy, one sphere of the colonial society was encompassed most of all by the Spanish immigrants, the *creoles* (native born Spaniards), and the growing group of *mestizos*. This society was known as the *Republica de Españoles*; the population of which operated within a monetary system mostly based upon credit-debt relationships—denominated in the colonial unit of account. At the end of the colonial period, the Catholic Church represented the most important financial institution.

The 'primitive' economy—the sphere of the colonial economy that belonged to the indigenous communities of the countryside and/or the colonial cities' outskirts—operated at the macro level within a colonial monetary system. At the micro level, however, relationships of reciprocity defined the social interaction among the members of the community. The indigenous sphere was known as the *Republica de Indios*. Its monetary system depended upon the type of social relationship established with the colonial monetary economy and the colonial authorities. Such relationships were—given the institutional context—either cooperative and avoidable or coercive and inevitable. In turn, social relationships between the two republics were shaped by a broader context: New Spain's changing institutional structure. Throughout the colonial years, the indigenous communities established relationships between colonial officers and indigenous rulers (through payment of taxes and/or tribute), the indigenous

population and the Spanish population (though labor contracts and purchase/sale of land), the religious officers and the indigenous population (through Catholic related religious ceremonies: baptism, marriages, confirmations, burials, etcetera), and among indigenous inhabitants (through networks of reciprocity).

Given the lack of interaction between Spaniards and Indians, two separate but interrelated economies were at work throughout the sixteenth century. Thus, money and reciprocity were in constant interaction. Overall, the colonial process of social provisioning was determined by both the indigenous and the market institutions. Gradually, indigenous peoples were incorporated in the monetary system through the *hacienda* and the *obrajes* in the last colonial period. Nonetheless, the indigenous inclusion into the monetary economy was disarticulated by the social conflicts that erupted at the beginning of the nineteenth century. Previously, the rural estates and the poor houses of New Spain forced many indigenous people to leave their communities behind to work either as peons in the large-agricultural land holdings or as waged-workers in urban cores.

The system of debt peonage, used in the *haciendas*, pushed indigenous peoples into the colonial monetary system. Nonetheless, it shaped the nature of labor contracts established by the *encomienda* and formed a new set of relationships between an *hacienda*'s owner and an Indian. The labor relationship was shaped by paternalism and credit indebtedness.<sup>10</sup> A lot of research has been done regarding the commodification process of the indigenous population in

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<sup>10</sup> Traven (2003) succinctly describes in his novel *La Carreta*, the state of indebtedness of hacienda workers (peons), "Eleven pesos, then; as you can't pay me the eleven pesos, that makes another eleven pesos—twenty-two in all: eleven for the separate and the petate and eleven because you can't pay. Is that right, Crisiero? [...] Crisiero had no knowledge of figures, so it was very natural that he said, "That is right, patron"... Don Armulfo was a decent, honorable man. Other landowners were a good deal less softhearted with their peons[...] This shirt is five pesos. Right? Very well. And as you can't pay for it, that's five pesos. And as you remain in my debt for the five pesos, that's five pesos. And as I shall never have the money from you, that's five pesos. So that makes five and five and five and five, That's twenty pesos. Agreed? Yes, patron, agreed [...] The peon can get the shirt nowhere else when he needs one. He can get credit nowhere but from his master, for whom he works and from whom he can never get away as long as he owes him a centavo" ( in Graeber 2010, 307).

Central Mexico (Van Young 1981; 1983; 2003; Chevalier 1963). Without disregarding their conclusions, I also consider important to analyze how this commodification process interacted with Pre-Hispanic institutions and the broader interests of the colonial authorities. That is, to see the indigenous commodification process from an institutional perspective as opposed to a micro perspective. A micro approach is narrowly concentrated on analyzing the relationship between *hacendados* and *peones* or factory owners and workers.

Given the strength of the Pre-Hispanic institutional framework, such paradigm does not capture the complexity of the institutional environment where those social relationships were developing. Furthermore, one should not downplay the role of those who continued to live in their communities and account for the way they interacted with the monetary economy. Within this context, the aim is to consider the institutional degrees of domination; that is, to study the practice of passive resistance as shaping hegemonic institutions such as money.

Self-sustained prevalent indigenous communities asserted their rights of existence through continuous negotiation with colonial authorities. Indigenous migrants were forced to acquire the unit of account whenever they had to interact with individual Spaniards, religious representatives, and colonial authorities. These interactions took place, most of all, in urban centers. For those who remained in rural communities, the usage of colonial money also assisted, ironically, to pay off the price of their corporate entities' independence. Hence, their interaction with money helped maintaining the Pre-Hispanic institutional setting. Indigenous peoples needed *reales* and *pesos*, not only to pay taxes to the colonial authorities; but most importantly, to assert their corporate rights in litigation procedures, particularly to ensure the extent of their territory and the survival of their culture (Kellogg 1995). Colonial money played a different role in the *Republica de Indios*. Just as the colonial unit of account incorporated the



indigenous population into the monetary economy; it also ensured indigenous' self-subsistence, communities' political independence, and the continuity of Pre-Hispanic institutions. As a result, the indigenous communities' exclusion from the colonial monetary system was, to a degree, facilitated all the way until the nineteenth century, through the institutional resistance of indigenous reciprocity.

### **The Creature of an Unstable State: Colonial Units of Account and the Currency “Issue”**

A common characteristic between the two economic spheres of New Spain is the absence of currency—gold and silver—as the operating ‘monetary’ mechanisms to ‘expedite’ local commercial exchange. Credit-debit relationships are the engine behind the functioning of the colonial economy as a whole. The creature of the colonial state—the unit of account as well as the colonial currency—goes along with the establishment of a colonial government, which took, as this dissertation shows, a complex development. The actual issuance and implementation of money in one sphere—the monetary economy—reflect the changing socio-economic objectives of the colonial authorities. New Spain’s unstable monetary policies help scholars to discern two points: 1) the lack of currency did not affect whatsoever the operation of the colonial economy given that credit-debt relationships were the operative mechanisms in both spheres; and 2) the unstable nature of a central authority resembled the nature of a society shaped by different kinds of social relationships and interests.

According to Garcia (1970), Hernando Cortes issued the first coins. He melted and distributed the sacked gold among his soldiers after deducting the one-fifth that belonged to the King. Having acknowledged his truculent techniques and assuming the ‘inherited’ value indigenous peoples gave to precious metals, Garcia’s Metallist story argues that the Nahuas

scornfully baptized this gold with the name of ‘Gold of Tepuzque,’ a nickname that became popular among Indians to identify gold of ‘low quality.’ Proving the Metallist story wrong, a historical revision of Pre-Hispanic institutions of Central Mexico has indicated that the ‘Gold of Tepuzque’ tale represents more of an assumption than an illustration of the Nahuas’ scale of values. As established in Chapter 3, the value given to precious metals was not based upon their inherent characteristics; but instead, on their ceremonial representation on military indumenta and crafts. If there was some valued things that Nahuas appreciated the most were feathers and jade as opposed to gold and silver; even more so, cloaks. Hence, why, all of the sudden, Nahuas were to adore gold?

These pieces of gold in paste were valued for their weight. The base of the colonial currency system was named the *castellano* and it was translated in Mexico to the *peso*. Each strong *peso* was twenty-seven grams and corresponded in weight to one piece of *castellano*. Soon, the *peso* was abandoned for the *real*; to be reintroduced once again in the eighteenth century. Contrasting the commodity notion of money and resembling the strict relationship that exists between the state and money, the Central Mexico’s case did not defer from the patterns found in the rest of the world. The very same building that hosted the *Triple Alliance* government was the place where the first colonial mint and the *Marquesado del Valle* government were located. Nonetheless, the colonial authorities did not enforce a formal monetary policy. Its limited interest stem from acknowledging the dangers it represented to the Spanish Crown having a monetary institution well established in a colony. The Crown’s interests were defined by European mercantilist practices, which required Spain to fully control the supply of silver and gold. More than commodity money with inherited value, silver and

gold were to provide the veil to obscure the commercial practices that were taking place at the time throughout the world.

Before the establishment of the colonial mint, different coins were in circulation. The ‘coins of necessity,’ how they were called, included the tokens utilized by Nahuas in their reciprocal transactions. In 1535, Viceroy Mendoza finally gained approval to establish the first mint in New Spain. Mendoza was only authorized to produce silver and copper currency. The unit of account of the copper currency was left to the Viceroy’s discretion.<sup>11</sup> The Crown seemed to be primarily concern with the introduction of the tokens to cancel out credit-debt relationships of big denomination. Transactions of small denomination were out of the scope of the Crown’s economic interests. Given the turmoil that reigned over the monetary colonial authorities, New Spain’s economic spheres were mostly operating without tokens. Commercial transactions were based on credit-debt relationships denominated in either *pesos* or *reales*. In the monetary sphere, a significant percentage of the money was simply a promise of future payment.

The ‘currency problem’ did not to find a solution for many years. Before the establishment of a conducive monetary policy, any capable individual could mint currency as long as she/he was authorized by the government to do it. This person was obligated to follow the monetary rules and the parameters established by the colonial government. During the period of private currency issuance, the colonial currency was still sustained and backed by the Monarch’s military power through legal enforcement.<sup>12</sup> During this unstable period, an

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<sup>11</sup> Even though the town councils did not really support his ideas, Mendoza minted quarters and eights or half-quarters of *reales*, equivalent in usual account currency to 4 and 2 *maravedis*. As a former treasurer of Sevilla’s mints, Mendoza’s experience allowed him to develop a policy of his own. He issued pieces of one *maravedi* that is, one- sixteenth of a real (Garcia 1970).

<sup>12</sup> Individuals who were found breaking the law—minting without permission, evading taxes, and creating their own stamps—were severely punished with death penalty. Following the king’s decree, the minter had to pay

important issue was brought to the attention of the colonial government. The colonial currency must be ruled by the same principles of the metropolis' mints, which in the case of Spain, were just enacted few years before *La Conquista*. Still, the privately issued coins had to be sealed by the mint as a guarantee that a tax payment was made to the *Real Hacienda*. Once the colonial currency was circulating, the authorities collected and cancelled all the privately issued currency. In New Spain, the appearance of the first *pesos* can be traced back to expenses made by the colonial government (Ibid.). At all times, the colonial state was the only entity that determined what was going to be accepted in the payment of taxes. Nonetheless, the unstable nature of colonial monetary policy affected the monetary and the 'primitive' economic spheres of New Spain. Behind the Metallist veil of colonial money, one can see the real nature of the monetary transactions in Central Mexico. This was a monetary system that permitted, to some extent, the continuity of some Pre-Hispanic institutions in order to ensure the concentration of wealth in few hands.

### **The Operation of the Monetary Economy**

New Spain suffered from an absence of 'tokens' since most of the metals were exported. The 'tokens' stock was concentrated in few hands and it was insufficient to cancel out all the credit-debt transactions in the colonial economy as a whole.<sup>13</sup> The monetary stock reflected the aristocratic social relations of the epoch; based on the mercantilist notions of accumulation of gold and silver. Most of the accumulated capital circulated among the Church, the Spanish, and the Creole-urban population. The rural indigenous population remained

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a seigniorage. This fee stated that the monarch had as part of its supreme privileges the one of issuing, endorsing, and stating what exactly could function as currency, the only one accepted throughout its kingdom.

pseudo-independent and self-sufficient, located far away from the monetary economy during the first colonial stages.

Given the scarcity of currency, ecclesiastic contractual agreements and bills of payment functioned as the operative mechanisms of the monetary economy. By far, the most important financial institution was the Catholic Church. Its functions were similar to a banking system. During the first stages of the colonial years, the Catholic Church was the propeller of agricultural development. However, in the last decades, the ecclesiastic institutions mostly sponsored the conspicuous consumption habits of the urban population. The Church contributed to the chronic indebtedness that characterized New Spain's society. By the end of the eighteenth century, the 'noble' and wealthy colonial classes of Central Mexico, the *hacendados*, the miners, and to a lesser degree the *mestizo* and indigenous population, had a form of debt with the Catholic Church (von Wobeser 2010). Overall, the colonial monetary economy was characterized by a vicious circle of indebtedness and a non-continuous tenancy of land and property.

At the end of the colonial period, New Spain had a population of a little more than six million people, the clergy alone represented .15 percent of the population, a big share considering the fact that only a fifth or a sixth of the population was economically active (Fernando Navarro y Noriega 1943; Lerner 1968). Similar to the phenomenon that took place in Medieval Europe, New Spain's Catholic Church relied on the financial generosity of faithful souls. In some instances, Indians offered to impoverished religious officials food and goods to survive in the rural areas. In other occasions, Indians donated tracts of land to wondering priests and monks. Thus, the foundation of the Catholic Church's wealth was religious faith. The trust and loyalty to God founded the financial institutions of ecclesiastic capital that

included: pious works, chaplainships, voluntary donations, salaries, tithes, tariffs, and foundations (nunneries, hospitals, colleges, orphanages, endowments, dowries, voluntary contributions, charities, nunneries, hospices, and hospitals).

Tithes represented one of the most important sources of income for the maintenance of the church's cult and clergy. Agricultural and manufacturer producers, the clergy, and the Indians who produced only Spanish products were obligated to pay tithes (Ibid.).<sup>14</sup> By far, pious works and chaplainships were the most important sources of income and capital for the ecclesiastic institutions. These financial instruments provided great sums of capital and were established through a social contract that specified the donations' purpose.

In New Spain's monetary sphere, people usually participated in these religious-financial institutions to satisfy conspicuous and ceremonial motives. The urban population was eager to attain the consumption patterns needed to generate the invidious distinction that prevailed in colonial society. For the Spanish immigrants of humble backgrounds, an opportunity opened in Central Mexico to be what they were not in their homeland. Conspicuous consumption, emulation, invidious distinction, but most importantly, the uncertainty for an unknown future after death became the propeller behind New Spain's Catholic Church's power and wealth.

Thus, the colonial institutions allowed the reconstruction of a society that put heavy weight on the ceremonial display that was already disappearing in Western Europe. However, in Central Mexico, this display was quite predominant in the Pre-Hispanic era. For the

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<sup>14</sup> However, only a small sector within the Catholic Church actually benefited from these resources. In Puebla, the tithes were divided in the following fashion: the bishop received 25 percent and the ecclesiastic town council 46.9 percent. This percentage, in turn, was shared among the dean of the cathedral, four dignitaries, ten canonries, six rations, and six half rations. The Crown obtained 11.4 percent, San Pedro Hospital received 8.3 percent and the rest was destined to the cathedral's maintenance.

indigenous population, New Spain's religious institutions also accommodated their previous concerns. As a profound Catholic religious society, New Spain's population shared the Nahuas' uncertainty after life. The major difference with their Nahua counterparts was that the Spanish born and Creole populations of Central Mexico have inherited a mathematical method to pay the gift of life to ensure an eternal place in heaven. Catholics tried to ensure that, after death, someone would be praying on behalf of their souls. Chaplainships and pious works promised the enactments of masses on behalf of those enrolled. These organizations operated under the principles of both reciprocity and monetary payments. The donors benefited a person or an institution; and, in return, the person or institution was committed to make suffrages for the person's soul, after her/his death (Ibid.).

Pious works stand out for the great amounts of funds they channeled to the edification and maintenance of the Catholic Church's infrastructure (churches, parishes, oratorios, chapels, nunneries, schools, and colleges). In rural communities, indigenous peasants donated small amounts of money or offered their services to the chaplainship's funds. Their donations claimed a spiritual benefit in recompense: a number of prayers or masses celebrated in the donor's memory. In return, the donor had to closely follow the contract's rules, all of them, specified in *pesos* or *reales*. The founder had to give in charity a specific amount of money for the chaplain's maintenance. To fulfill the contract, the mass' chaplain offered a number of yearly masses and was obligated to publicly honor the donor's memories. In return, he would receive the rent produced out of this investment. Chaplainships sustained the clergy for a long time; many priests financed their studies and ordained other priests thanks to these donations. Moreover, chaplainships and pious works stimulated the circulation of capital and productive

investment by creating funds for loans. Still, leverage was the major function of most of the ecclesiastic financial instruments (Ibid.).

Out of the scarcity of capital, mortgages on property were common in New Spain's monetary economy. A pious work could be established by property and cash donations as well as credit. Even the person who did not have the liquidity to institute a pious work was able to do it. She/he could apply for a loan to any of the other religious institutions, which would provide the needed bills of payment to establish a chaplainship. In return, the person had to mortgage their property/ies or acquire an irregular deposit; the latter constituted the base of the Church's financial economy.<sup>15</sup>

The chaplainship's donations financed by ecclesiastic credit were the main cause of indebtedness of the urban and rural properties' owners.<sup>16</sup> Under this system, debts were transferable, eternal circles of social indebtedness were ensured. A high percentage of the urban and rural property was actually owned by nunneries, monasteries, and various religious institutions. At the end of the colonial period, ecclesiastic institutions owned a high percentage of the real estate of urban areas. In Mexico City alone, the clergy owned 47 percent of the real estate, expensive buildings with the best locations constituted a big share of that percentage (Ibid., 55).

For the Spanish and Creole population, it represented a double advantage the fact that establishing a pious work did not require cash. In a colonial economy that was constantly

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<sup>15</sup> This name of deposit is given when the asset deposited need not be returned; as, where an individual deposits, in the usual way, money in a bank for safe keeping, for in its case the title to the identical money becomes vested in the bank, and she/he receives in its place other money.

<sup>16</sup> If someone stated that the property had a mortgage and it was going to be liquidated after death; this person also knew that a pious work could be founded over the mortgaged property. She/he would only have to worry about the payment of interests. The inheritors were not liable for the person's debt; but, those who were to purchase the mortgaged property had to pay off the debt.



unstable with no financial institutions,<sup>17</sup> the Catholic Church did not necessarily have to search for a safe place to invest its capital. Its capital was mostly invested in Ponzi financial schemes, real estate,<sup>18</sup> and to a lesser degree agriculture. Given that some financial instruments—consignative census—required a property owner as a co-signer; the agriculture did not receive ecclesiastic credit since most of the hacienda owners were filing bankruptcy by the eighteenth century. As a result, the rural sector did not provide stability because properties changed owners frequently. Almost all the private estates were indebted either through census or mortgages issued by ecclesiastic institutions. Hence, *hacendados* had to request credit from merchants; who also requested co-signers.

Overall, New Spain's monetary sphere was affected by a widespread economic instability. The agricultural crisis caused ruin among producers.<sup>19</sup> In the mining sectors, good years were succeeded by bad years given the ore's exhaustion coupled by the production inputs' high prices, which restrained technological development. The most stable sector was international trade. Still, it was severely affected by the smuggling activity and the unstable fluctuation of prices.

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<sup>17</sup> In 1585, a lot of the capital generated by pious works and chaplainships were non-productive because there were not enough opportunities for investment in the real estate market. In 1642, the times of the archbishop Juan de Palafox y Mendoza, the ecclesiastic institutions lend 200 000 pesos to the Spanish Crown at a 3 percent interest rate. Palafox obtained this amount from different religious institutions. The majority of the transactions were made through irregular deposits. To guarantee the financial operation, the Crown mortgaged its Department of Treasury.

<sup>18</sup> For instance, the nunneries favored investment in urban real estate; it represented 60 percent of their total investment. These properties were rented to an individual or civil institution, the rent fluctuated between four and five percent of the estate's value.

<sup>19</sup> According to Brading (1986), the regions of Leon and Rincon present these patterns. At the end of the eighteenth century, over the land value of 624 835 pesos, there were 249 870 pesos on ecclesiastic mortgages (39.9 percent). In Rincon, during the same period, over the value of 341 687 pesos there were 145 870 pesos in mortgages, 42.6 percent of the total. These mortgages not only included loans, they also embodied dowries, religious legacies or the chaplainships for *hacendados*' children. In other regions, the situation was similar. In Oaxaca, the weight of the ecclesiastic mortgages surpassed the value of the land by two times or more.

Nonetheless, within this troubled context, wealthy families were able to sustain their conspicuous consumption levels in order to fulfill class-based and religious notions that helped creating the rigid social structure that characterized New Spain. Church's income was spent without generating more capital. Instead, it created an indebted population that belonged to a specific ethnicity—most of them of Spanish origins—and occupations.<sup>20</sup> Their commercial transactions were mostly denominated by the colonial unit of account. This sort of indebtedness affected all the social classes of the *Republica de Españoles*. Debts were rarely paid. New Spain's monetary economy was immersed within a circle of indebtedness based upon ideological principles of invidious distinctions, emulation, and uncertainty. Even though, social obligations were measured and systematically implemented with the colonial authorities and among private entities; people could not cancel them out.

### **The Operation of the Natural Economy**

The Metallist or commodity approach to money provided by Garcia (1970) demonstrates a set of incorrect assumptions with regard to the way indigenous communities operated after *La Conquista*. Accordingly, since copper did not have any source of value for the Indians; they rejected this 'money.' In response, the colonial government attempted to impose it by force. In the "markets," the *tianguis* described in Chapter 3, Indians received the copper currency in exchange of products of small value. Indians threw the despised coins into the Texcoco Lake. According to Garcia's story, around 200,000 pesos worth of copper coinage

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<sup>20</sup> Given the lack of liquidity and the high levels of indebtedness, a loan was issued to issue another loan, 16.10 percent of the credit issued by ecclesiastic institutions was destined to pay debts and interest payments.

were thrown away.<sup>21</sup> Along the same lines, between 1542 and 1551, the colonial authorities' subsequent attempts to implement a commodity as money found no success. Eventually, the colonial government desisted to mint copper coins.

Based on this Metallist approach that over-emphasizes the medium of exchange function of money, Garcia Peña's account provides a fractured historical analysis of the natural economy by dismissing the importance of Pre-Hispanic institutions; moreover, the vested interests of the Spanish Crown and the colonial authorities. According to Romano (2004), a substantive amount of documents demonstrates that indigenous communities were completely at the margin of the monetary economy in Central Mexico. Even though the indigenous community coffers—collected through ecclesiastic institutions—have positive balances, these financial resources usually did not cover the communities' needs. Indigenous 'financial' resources are often lent to the Creoles and Spanish population rather than the indigenous population (356).

Furthermore, the limited participation of the indigenous population in the monetary economy was to be institutionalized given the colonial economy's broader interests. For instance, in March 6, 1550, a committee was formed by the *cabildo* of Mexico to request from Mendoza Viceroy the following:

The coinage that has been issued in this city, made out of silver and copper must be removed. It has been seen from experience that it causes a great deal of harm. In New Spain, it is the cause of all pride and greed held by the naturals. They stop giving themselves to work and commerce, in a way, they stop sowing the land and using the mechanic work they used to do and earn for living, which maintained this kingdom and republic prosperous. There is so much penury that there is no republic like this around the world. This republic lacks all the supplies of wheat and corn; and all the things necessary for service. If this is not resolved, it cannot be suffered any longer in this city and its neighbors. (Ibid., 356)

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<sup>21</sup> Just like the previous gold's story, these copper coins were called "Tepuzque." Given the low value given to copper, Indians preferred not to get pay at all than to 'feel badly paid,' that is receiving copper as opposed to gold.

The *cabildo*'s request indicates that in order to exercise control and extract what it was necessary from the Indians; it became necessary to exclude them from the monetary sphere. In reality, no pride and greed existed among Indians. Nor the silver or copper coins were playing a significant role on modifying their behavior. Indigenous were also not acting on 'their own self interest.' The fact was that, under a monetary economy, Indians could produce and sale on their own; copper currency denominated in the unit of account allowed them to access the monetary economy as independent producers. Within the colonial context, indigenous were more useful as self-sustained producers; that is, by submitting tribute in the form of labor as opposed to paying taxes.

In order to prevent a systematic monetization of indigenous communities to ensure that the Spanish Crown's interests were fulfilled, the colonial authorities allowed the usage of indigenous tokens known as *tlacos*.<sup>22</sup> These curiosities circulated unofficially and unconventionally and were found in existence all the way until the nineteenth century. Thus, by not minting small denomination currency, the colonial authorities permitted the maintenance of reciprocal relationships that were of vital importance for maintaining the indigenous communities' independence. Romano raises an interesting question: is the history of the *tlacos* the anti-thesis of the preponderance of the colonial state? At this point, I would like to raise the following related questions: Was the history of an alternative monetary system—shaped by indigenous institutional resistance—intertwined with the political economy of the Spanish Crown? Did the indigenous' tokens of reciprocity coexist with the monetized colonial sphere?

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<sup>22</sup> A currency made out of different shapes and materials with a seal or distinctive mark. The *tlacos* were made out of clay, cardboard, wood, leather, and glass.

Descriptions of the actual monetary transactions of the indigenous “primitive” economy are unfortunately limited.<sup>23</sup> Cline (1986), based primarily on Nahua’s documentation, studied the wills of some men and women who died and lived in Culhuacan. The wills provided the changes attitudes towards religion and death; which allowed her to rebuild a picture of the town and its people. Most importantly, these materials allowed her to study the social nature of monetary transactions. She writes,

In the Testaments of Culhuacan, we have one of the best sources from the people themselves. The insights we have into people’s lives give us the sense of dealing with real personalities [...] Ana Juana attempted to protect her son’s inheritance against her good-for-nothing third husband. Luis Tlahpotonqui made a futile effort to collect debts owed to his deceased, wheeler-dealer father. Doña Maria Juarez was worried about the sales of land to Spaniards. These are not merely interesting anecdotes. When placed in context, they illustrate dynamics of social relations and the process of cultural change. (169)

At the end of sixteenth century, land still appears to be both commonly and to a lesser degree privately own in Culhuacan. There were significant differences between the amounts of individual holdings of land; however, most people owed *chinampas*.<sup>24</sup> In Culhuacan, the majority of the inhabitants were able to provide for their own subsistence through the tilling of the soil. Even though land was legally inherited and ‘owned’ by a particular individual, the conception of property was kind of a skewed Westernized version that maintained a Nahua sense of possession through reciprocity. For instance, Juana Tiacapan of Atempan, who owned five chinampas, described “it is not my property nor my land, but that of my father. But I give the crop to my younger brother Diego, who is to reap it” (Ibid., 89).

Evidence indicates that some production was for the colonial market; still, native traders (*pochtecas*) remained important in the town’s economy. Merchant community was still

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<sup>23</sup> The situation of the impoverished community of Espinal in today’s Mexico sheds light on a contemporary opportunity to study alternative and indigenous monetary systems within the context of neoliberal capitalism.

<sup>24</sup> Each *chinampa* supported the foods’ needs of one person for a year.

tightly knit. “Spanish” types of partnerships were also established and were interpreted differently. Partnerships represented a shared responsibility with no sense of individual liability. One man, Miguel Hernandez went into a formal partnership with someone for a mule. The outcome was not positive, his partner, Agustin Yaochihualoc, killed his mule worth 16 pesos. Miguel assumed part of the responsibility for the loss. He argued “when [Agustin] killed it, we made a partnership, because it was the fault of both of us” (Ibid., 95). Instead of enforcing the mathematically denominated contract, out of reciprocity, Miguel forgave Agustin eight pesos from the total amount of the debt.

In Culhuacan, town dwellers pursued activities to bring in money, other supplemented work on their own land with a skilled waged-labor. Some dwellers work on other’s land for pay. Angelina Mocel, who identified herself as the ‘owner’ of houses and land, used her skills as a weaver to produce textiles for use and for sale in the *tianguis*. She also acknowledged hiring some people to work on her land for payment. Still, it was unclear how important and widespread was waged-labor in the community. If one has reflected on how current indigenous communities operate in retrospect, most likely, waged-labor did not represent a significant share of the labor force. As in the majority of indigenous towns, in Culhuacan, most of the commercial transactions were of small denomination; they often involved few *tlacos* or *tomines*. Nevertheless, those who were able to acquire some loans had contact with *pesos*. Owning a horse represented a sense of prestige, as an expensive item, its value was measured in *pesos*.

*Tlacos* and other tokens—horses, cloaks, and cocoa beans—were ultimately utilized together with *pesos* and *tomines* as means of payment and/or pacification depending on the magnitude of the social contract and with whom these contracts were held. *Pesos* were

employed to afford costly litigation procedures that, in some instances, help to assert the rights of indigenous communities themselves (Kellogg 1995). For instance, many of the Antonio de Santa Maria's loans were in the tens of pesos, these loans were issued to "one called Elias, whose home is Quauhtlapan still has not paid 20 pesos and a blanket together with it" (Cline 1986, 91). A Spanish blanket [frezada] was counted as part of the debt, reminiscent of the Pre-Hispanic reciprocal system. Another loan to Miguel Huelihuitl, "nine pesos are not yet paid," part of the debt was not paid. He simply pacified the social sense of unbalance without utilizing colonial money nor tokens of reciprocity. "[H]e just worked at our home to pay it" (Ibid., 95). Another loan functioned to bail out someone; 'with this money he got out of jail, because he broke the head of Juan de San Miguel when he was alguacil mayor" (Ibid., 136).

At the end of the sixteenth century, Indians were allowed to own horses. Joaquin de Luna gave one to her sister to pay for six masses; she was supposed to pay for the masses after his death in a sense of reciprocity. In the meantime, she could use the horse; but, when the time would come; she had to honor the word given to her brother. By the eighteenth century, cocoa beans were still utilized to pay dowries and were given from parents to children in inheritance. Cocoa beans were still utilized to acquire goods that were worth less than a *tomin*. Not surprisingly, most of the expensive debts were paid with colonial money. For instance, litigation procedures were denominated in *pesos*. The amounts of the fines were stipulated by the colonial authorities. These transactions involved Indians and Spaniards. Thus, the need of payment replaced the sense of obligation.

In her will, Angelina Mocal stipulated her wishes for the disposal of her earthly possessions. She wanted them to be sold to pay for all the necessary masses after her death. The cost of burial was inexpensive. Mateo Juarez, who knew something about his burial's cost,

declared “the hoe is also to be sold in order that I be buried the price to be given you in a full five *tomines*” (Ibid., 75). Similarly, Pablo Quechol stated that “there is cacao with which I was going to get married, the two thousand beans that my mother and father left me. And when I die, one part will be used there [for the burial]” (Ibid., 88). Two *tomines* was the church fee for a corpse to be removed from the church to a funeral mass. In some instances, native cloaks were utilized to acquire candles for funeral masses. Juana Tiacapac of Aticpan noted in her testament that “the cloak with which my late daughter was enshrouded when she died belonged to Martin Tlacochealcath Xochicuetzon” she wanted the debt to him repaid (Ibid., 68). Motolinia indicated that “when the lords died, they were clothed and buried in [their cloaks and mantles], some in many and others in few, each one in keeping with his station of life” (1951, 196). In Culhuacan, ‘property’ ultimately was utilized at the end of someone’s life to ensure eternity through salvation; which prevented altogether the development of private property through inheritance.

As the comprehensive analysis above shows it is clear that a standardized, coercive, and general system of taxation and money was hardly implemented in Central Mexico. On the one hand, the political strength of the *altepetl* represented an important hurdle to achieve such homogenization. On the other hand, the contradictory interests of New Spain’s political economy enhanced the pseudo-independence state of indigenous communities. Under this complex scenario, what kind of monetary system emerged from the interaction between the Nahua and the colonial institutional arrangements? The upcoming chapter is devoted to answer this question; a discussion that leads to a reflection on the ontology of money in colonial societies. Is a sense of reciprocity a stronger and a more effective institution in terms of



accommodating divergent interest when the need to quantify is established? This question is addressed in the upcoming chapter.

## CHAPTER 7

### THE NATURE OF THE COLONIAL STATE AND MONETARY SYSTEMS IN CENTRAL MEXICO

In this chapter, I provide the conclusive remarks of this dissertation. I begin by analyzing the type of monetary system of Pre-Hispanic Central Mexico. It clearly appears that reciprocal relationships are the foundations of the economic relationships of the Nahua. This analysis is followed by the conclusive remarks on the monetary system that emerged out of the interaction between the *Triple Alliance's* institutional framework and the colonial authorities. The participation of the three major entities of colonial political power—the colonial authorities, the Catholic Church, and the Spanish Crown—is acknowledged to identify the influence they had on transforming Pre-Hispanic reciprocal practices into money.

The monetized economy of the *Republica de Españoles* coexisted with the reciprocal arrangements of the *Republica de Indios* throughout the colonial period. The noncompulsory nature of the colonial authorities reflected the vested interests of the Spanish Crown's political economy. Vested interests represented hurdles to fully incorporate indigenous people in the world market. The last section of this chapter is centered on providing answers to the initial questions with regard to the relationship between the state and money. Based on Central Mexico's institutional infrastructure, what kind of state is necessary for money to be successfully and systematically implemented in colonial societies? The answer to this question sheds light on the ability of some to resist the institutional changes and the interest of others to successfully accommodate rather than subjugate the challengers.

## The Pre-Hispanic State and Monetary Systems

After analyzing the way the ethnic state operated—its class structure, tributary networks, and distributional centers—it is understood that each *altepetl*, including the *Triple Alliance*, preserved some degree of independence. The existence of an Aztec empire is questioned. The *altepetls*' connection with the *Triple Alliance* was primarily established through tributary networks and a series of festivities that facilitated and enhanced the interaction among the *altepetls*' elites. The characteristics of the tribute submitted were non-uniform. The amount and kind depended on the availability of goods in the region where each *altepetl* was located. Some tributes were considered luxury goods and were utilized in Tenochtitlán's workshop centers to manufacture military indumenta.

The conspicuous display of military power and ideological domination ensured to the *Triple Alliance* a constant flow of tribute from the regions that were partially subjugated. The pompous display of luxury goods on religious ceremonies enhanced the interaction among local elites; and, at the same time, the preservation of redistributive mechanisms throughout the Valley of Mexico. Contradictorily, these channels of redistribution strengthened both: the Basin of Mexico's rigid hierarchical structure and an ephemeral philosophy of egalitarianism and reciprocity. Merchant guilds (*pochtecas*) and the distributional centers (*tianguis*) were far from resembling capitalist markets and merchants. Their principles of operation were strongly rooted in the egalitarian notion of "*in qualli, in yectli*."

Within this framework, the development of money cannot take place. The creation of this social relationship requires a political and cultural environment—including an ideological apparatus—that destroys the egalitarian principles of reciprocity and community. At least, this is the case for the generation of money within the environmental and institutional conditions of

Central Mexico. Money is the mathematical measure employed to weigh principles of justice in social relationships. Money is a numerical mechanism to relieve the sense of eternal indebtedness that prevails in ancient societies. Money alleviates, at least for a short period of time, the uncertainty that surrounds human existence. This feeling is not destroyed in Nahuas ceremonial and instrumental practices. The "Aztecs" never reach a full transition from functioning as an egalitarian society to a fully hierarchical society, a process that did take place, for instance, in Egypt (Henry 2004). The Nahuas continue to oscillate between egalitarian principles and an 'ideology' of enjoying life. This institutional framework is driven by the fear of having to renew the cycle for things to remain the same. If one considers and compares the advantageous environmental conditions of the Valley of Mexico to other places in the world: why should conditions change? Otherwise, why so many different pockets of population develop through the Basin? These pockets are self-sustained societies that create an institutional structure of their own.

The *Triple Alliance* was able to institutionalize a mechanism to control the expected change, doomed prophecies were generated. These were the result of their tendency to believe more in the imperfect conditions of this world; but also, by discerning the need to exercise control over some sector of the population to guarantee the life cycle. Why do humans tend to believe that situations in life cannot run smoothly and instead embrace different amounts of uncertainty? I argue that money alleviates this form of uncertainty at least at the level of social interaction among human beings. On the other hand, reciprocity generates a network of security by enhancing human solidarity, which guarantees cooperation among people and ameliorates the potentiality of conflict and catastrophe. Hence, external forces such as Gods' unstable moods are the only sources of threat and concern for the Nahuas of Central Mexico.

The existence of several ethnic states is coupled with the *Triple Alliance*'s ceremonial need to ensure the life cycle; these religious and political factors hindered the development and systematic implementation of a unit of account in the years to come. As studied in Chapter 4, two instruments—the *matl* and the *quahuatl*—are utilized in various *altepetls* to measure extension of land. However, since each *altepetl* functions almost independently from one another, no need existed to utilize instrumental practices from elsewhere.

The *Triple Alliance*'s lack of interest to politically subjugate other *altepetls* delayed the creation of a coercive mechanism such as a taxation system that could generate a unit of account. Interactions among *altepetls* were solely determined by the collection of tribute and the religious ceremonies hosted in Tenochtitlán. Hence, cacao beans and cloaks—valuable tokens—only gave continuity to the relationships of reciprocity and cooperation established among *macehuales*, *pochtecas*, *pillis* within *altepetls*; and the other *altepetls*' social structures with the *Triple Alliance*. Cacao beans and cloaks were not utilized to pay off debts neither with the state nor with private individuals. A centralized authority did not exist in Pre-Hispanic Central Mexico. A sense of community was strongly encouraged in each *altepetl* and the region as a whole.

The actual existence of the Aztec empire is questioned. For instance, the *Triple Alliance*'s political organization stands in stark contrast with the Inca Empire.<sup>1</sup> The Inca's system of cohesion that brought together different regions was consciously developed by central authorities and consisted, mostly, on teaching the Inca administration system to the

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<sup>1</sup> The bureaucratic machinery that implemented a different system of conquest and control. The Incas used a variety of methods to incorporate a large portion of western South America—today Peru, parts of Ecuador, Bolivia, Argentina, Chile, and Colombia. Popularized as the Incas, the Kingdom of Cusco consisted of a federalist central state headed by the Inca and four provincial governments: Chinchay Suyu (northwest), Anti Suyu (northeast), Kuntur Suyu (southwest), and Qulla Suyu (southeast). All of these provinces met at the center, the city of Cusco. During its expansion, adjacent regions have been extorted by the 'economic' benefits of joining the Inca Empire; many of these regions accepted the Inca rule peacefully.

authorities of each province. Likewise, religious monotheism was encouraged by imposing Inti's sovereignty—the sun god—above other regional cults. A method of centralization and federalism was formally implemented across the Inca's territory. Unlike the situation that evolved in the Mexican Basin, the *Triple Alliance* framework discouraged the formation of pseudo-independent regions and the operation of their local institutions including tributary networks and monetary systems.

The Inca's military and religious institutions created a partial system of checks and balances of power and a formal system of taxation. The Kingdom of Cusco's agricultural and construction systems represented tangible evidences of the existence of a standardized system of measurement. A significant amount of evidence has indicated that the Incas utilized knotted strings' assemblages, known as *quipus*, to trace numerical information. *Quipus* recorded the Inca's history and literature.<sup>2</sup> These cords enclosed numeric values; instruments that played function as a centralizing mechanism for the Tahuantinsuyu's administration (Urton 1998; 2003).

In sharp contrast, the world of Central Mexico encountered by the Spaniards was organized by a series of semi-independent, scattered political ethnic units that functioned under the principles of “*in qualli, in yectli*” through mechanisms of redistribution in *tianguis* and religious festivities. The magnificent city of Tenochtitlán was the epicenter of the activities of redistribution, tribute collection, and conspicuous display. The *Triple Alliance* could possibly be transformed into a centralized empire once an effective mechanism of coercion—such as a uniform system of taxation—developed. At the same time, a centralized state implied the replacement of egalitarianism for other types of ideological frameworks that embraced a form of permanent and instrumental state of inequality such as meritocracy or democracy. The

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<sup>2</sup> The *quipus* or talking knots consist of colored, spun, and plied strings from llama or alpaca hairs.

monopoly over violence had also to be develop; most importantly, the interest to subjugate rather than accommodate people.

The form of inequality that prevailed in Pre-Hispanic Central Mexico was in a way ceremonial. With the absence of private property, everyone was entitled to a tract of land that guaranteed self-subsistence. The rights for the land usufructs were strongly linked to labor as opposed to ownership. The Nahuatl's sense of obligation was not related to the need of paying off or balancing the books, their obligation revolved around the sustainability of the life cycle, which involved the redistribution of surplus across the Mexican Basin. The required ideological shift did not take place. This ideological divergence opened the road for Hernán Cortes and his companions to take over Tenochtitlán by violating Moctezuma II's sense of reciprocity. Such violation influenced colonial institutional development in the years to come. As studied, the colonial monetary system was formed not only by a cumulative interaction with the native institutional structure but also by an external force: the Spanish Crown's participation in the world market, which accommodated more than conquered the Pre-Hispanic institutional structure of Central Mexico.

### **The Colonial State and Monetary System**

The gradual establishment of Spanish adventurers and immigrants permitted, to some degree, the strengthening of the remaining indigenous communities. The Indians began their interaction with the monetary economy when the social interplay between the two groups intensified. The appearance of the *hacienda* and *obrajes* caused the commodification of Indian labor in urban cores and rural communities. The strength of the *mestizaje* created a population that oscillated within a cultural limbo that ultimately embraced many Hispanized practices by

the end of the eighteenth century. This commodification and cultural ‘assimilation’ was experienced to a lesser degree by the cohesive indigenous communities located in the countryside. Indigenous communities found several ways to interact with the monetary economy. Their encounters with money depended on many factors that were not necessarily connected to a taxation system. Rural indigenous dwellers and the urban cores’ poor were able to accommodate, transform, and replace their reciprocal practices to adapt to the pseudo-monetized context. Furthermore, their passive resilience—an unintentional strategy after all—was fostered at the institutional level by the paternalistic policies of the three major colonial authorities: the Spanish Crown, the colonial state, and the Catholic Church. The creation of a ‘safety net’ at the end of the colonial era deterred the payment of taxes in cities, limited the coercion exercised by the colonial government, and facilitated the expansion of networks of reciprocity in the countryside.

In the expansive rural region of Central Mexico, the *altepetl* provided the political and geographic venue where colonial institutional practices were hosted. The strength of Pre-Hispanic spiritual practices became evident once the Catholic Church’s need of adapting to the Nahua religious practices was identified by religious practitioners. The Indians would easily adore and respect the Virgin Mary as long as it resembled, if not in an identical fashion, the ancient goddess Tonantzin. Catholic religious icons would be easily accepted as spiritual guides as long as the saints resembled Coatlicue, Coyolxauhqui, Huitzilopochtli, Mictlantecuhtli, Mixcoatl, and Quetzalcoatl. The creation of saints—the Catholic Church’s hallmark across Latin America—was an important vehicle of symbolic representation that masked a Christian ‘triumph’ over Pre-Hispanic religious practices. However, for understanding the comprehensive importance of the Pre-Hispanic political framework, it



became important to underline that the process of religious syncretization facilitated the instrumentality required by the *altepetl* to survive. Gibson (1964) writes, “[i]n the seventeenth and eighteenth, Indian governments were regularly spending three-quarters or more of their income on church and fiesta supplies: wine, flowers, gifts to the clergy, food, fireworks, feathers, costumes, and masks” (215).

Resembling Pre-Hispanic times, the selection of a unique religious patron was required for the recognition of an *altepetl* as a *cabildo* rather than as a subjected community. The selection of the patron was solely concentrated in the hands of the community elite. Thus, the *altepetl*'s structure barely changed its tributary networks as well as its mechanisms of distribution—now, in the form of town festivities and reciprocal social contracts—and the absence of private property. The Catholic Church played a significant role in this process. The accommodation of the Pre-Hispanic institutional structure affected the implementation of a colonial taxation system and the systematic utilization of the colonial unit of account in the countryside.

Thus, the *altepetl*—superficially transformed into a *cabildo*—barely disappeared before the 1810 War of Independence. Indian towns were entities fully formed in the pre-conquest period. Gibson (1985) describes, “[i]n the sixteenth century the *cabecera* had been the seat of Indian government, the residence of the highest Indian nobility, the center of tribute collection, and the concentration point for the recruitment of labor. In the late eighteenth century [...] the *cabecera* concept was not universally given up” (57). Along these lines, according to Lockhart (1991),

the *cabildo* in fact, in its post-1545 version, diverged substantially from the Spanish model, reflecting indigenous structures and modes of organization, and it vigorously defended the corporate interests [...] and its indigenous nobility[...]The essence of [Gibson's] insights was that the Indians, remaining themselves, took an active part in the

interaction of the two peoples, that their characteristics and decisions in large part determined by the Spaniards could and would do, and that arrangements concerning the Indians bore the Indians' stamp. (163-164)

In other words, political and religious changes in Central Mexico were complex and constantly negotiated. Some Pre-Hispanic institutions survived almost intact, other merged with the newcomers' changing interests. At the same time, Spaniards practices were slowly and partially introduced, such as the utilization of money in the urban areas of Central Mexico. Still, the angle of support to maintain the practice of quantifying social obligations was extremely weak given the malleability of Pre-Hispanic institutions. Thus, the institutionalization of money in Central Mexico was not fully accomplished.

If there is a single institution that can symbolically illustrate the complexity of the interaction between Spaniards and Nahuas is the *Virgin de Guadalupe*.<sup>3</sup> Ordinarily seen as a representation of Mexican irrational veneration to a religious Catholic icon, the Virgin incorporates the bounds that link two separate but not so divergent worlds. Like many institutions in Central Mexico—including the state and the monetary systems—the *Virgin of Guadalupe* is as Nahua as Spaniard; since her existence, image, and veneration predates *La Conquista*.<sup>4</sup> Nonetheless, the Virgin is portrayed as the imposition of Christianity over Nahua

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<sup>3</sup> *La Guadalupana* encompasses the complexity of a country founded upon the institutional interaction of Spaniards and Nahuas, as opposed to a conquest (Lafaye 1976).

<sup>4</sup> Sahagún (1982[1905]) describes, “[c]lose to the mountains there are three or four places where the natives used to make solemn sacrifices, and to which they came from distant lands. One of these is here in Mexico, where there is a hill called Tepeyacac[...] In this place they had a temple dedicated to the mother of the gods which they called Tonantzin which means Our Mother; there they offered sacrifice in honor of this goddess and they came from distant lands, from more than 20 leagues away, from all the regions of Mexico, and brought many offerings[...] the gathering of people in those days were great, and everyone said, “Let’s go to the festival of Tonatzin!” (Chauvet 1957, 65) According to Harrington (1998), “[t]he symbols of sun and moon that appear in the painting, and even the colors used, are universal elements of religious symbolism that had special significance for the Aztecs. For the Indians, it was natural to place a goddess above one of their primary symbols, the moon. If the Spaniards had destroyed the solar cult of Huitzilopochtli and human sacrifice, this new incarnation revealed that the lunar goddess had overshadowed the solar god for a time and ushered in a new age”(34). The blue-green mantle was the color reserved for the divine couple Ometecuhtli; her black belt interpreted as a sign of pregnancy, the cross shaped image symbolized the cosmos called Nahui-Ollin inscribed beneath the image’s sash. She has

religious practices.<sup>5</sup> Whereas the Spanish immigrants internalize this spiritual metaphor to rationalize their adventures and ambitions; the native population simply continued to visit the temple and pay tribute to Tonantzin to guarantee the life cycle in their communities. Thus, Tonantzin who is turned into Guadalupe provides a ceremonial vehicle for the spiritual ‘conquerors’ to gain Indian souls. At the same time, it allows the Nahuas to continue their practices and beliefs.<sup>6</sup> This example shows that the continuity of Nahua religious practices at the aggregate level implied the maintenance of *altepetls*’ ideological practices. The Mexican cult to the *Virgin of Guadalupe* illustrates adequately the institutional transition of the Nahuas’ world upon the arrival of the Spaniards and afterwards. It seems that continuity rather than disruption is the norm including the operation of political and monetary system, at least, on the *Republica de Indios* of Spanish America even when more powerful mechanisms of control were implemented.

### **The Bourbon State and Monetary Systems**

After the glory of *La Conquista*, the Spanish Crown was not able to exercise control over its population through its legal and taxation systems (Marichal and Marino 2001). Between 1650 and 1740, the Spanish Crown did not obtain the highest income or remittances from New Spain and adjacent territories. A new set of economic policies was developed by Jose del-Campillo in 1743. He recommended an economic transformation and a profound

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been called by indigenous communities the mother of maguey as the rays of light surrounding her portray resemble maguey spines and her skin color is the same as the people from the sun and earth.

<sup>5</sup> According to Miguel Sanchez and Luis Lazo de la Vega, *La Gudalupana* is the most perfect replica of the woman described in John’s prophecies in the XII chapter of the Bible’s Apocalypse. Lazo de Vega has argued that the ‘Conquest of Mexico’ has been ordained by God in order for the most divine image ever seen to appear in the world (Brading 2001).

<sup>6</sup> According to Harrington (1998), “the Aztecs... had an elaborate, coherent symbolic system for making sense of their lives. When this was [‘]destroyed[’] by the Spaniards, something new was needed to fill the void and make sense of New Spain...the image of Guadalupe served the purpose” (25).

reorganization of colonial society by stressing the importance of the development of its commercial sphere. Del-Campillo's most important proposal with regard to the indigenous population included the redistribution of communal land to ensure their assimilation in the market economy (Marino 2001). Out of his main proposals, a capitalist mode of production was intended to be generated in order to effectively destroy the monopolies that were at the time under the control of Sevilla and Cadiz.

Following the desires of the Bourbon dynasty, significant political changes were implemented from 1765 until 1818. Brading (1995), Burkholder, and Chandler (1976) defined this phase as the age of power of the Bourbon state. During this period, the authority of the colonial state was reestablished and expanded. Its goal was to increase tax revenue; all tax payments were to be denominated in the colonial unit of account. No more tribute submissions were to be accepted. In general, the Bourbon era was characterized by a higher degree of economic exploitation as well as an increase in the colonial state's efficiency and outreach; which successfully augmented the collection of taxes in the urban areas of Central Mexico (Brading 1995; Marichal 1992; Marichal and Marino 2001; Marino 2001)

According to Marichal (1995), the eighteenth century's fiscal increase was coupled with a raise in voluntary and mandatory collections. The fiscal changes affected all; from the wealthy miners and merchants to the rural indigenous population of the countryside. Nonetheless, they were affected at a different level.<sup>7</sup> The Catholic Church experienced the

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<sup>7</sup> During the eighteenth century, the average amount of collected taxes by decade was between 200 000 and 250 000 pesos. By the first decade of the eighteenth century, the average amount accounted for 286 000 pesos per year, this figure increased to more than 350 000 pesos by 1720. Tax revenue continued to increase significantly to reach an average amount of 841 000 pesos per year between 1780 and 1789 (de Fonseca and de Urrutia 1851). During this period, tax collection generally increased. If there was any decrease in tax revenue, it was due to factors unrelated to the ability of the *Real Hacienda* to collect payments. From 1768 to 1769 Mexico City experienced a severe drought, wheat sickness, scarcity of grains, and an outbreak of measles. From 1771 to 1773 an additional drought season took place and corn scarcity ensued. From 1772 to 1773, the *matlazahuatl* appeared—a typhus

greatest fiscal extraction by the policy of *La Consolidación de Vales Reales*.<sup>8</sup> The Bourbon ordinances highlighted the need of standardizing and increasing indigenous taxation (Galvez 1771). For the *castas*, the tax rate increased from 16 *reales* to 24 *reales*. The new laws established that all men between 18 and 50 years of age, disregarding their marital status—except *caciques*<sup>9</sup> and the first-born child of Indian nobles—had to pay taxes. Even though, the indigenous people were exempt from the payment of *alcabalas*;<sup>10</sup> these fees were included in the price of consumption goods.

The first strategies of the Bourbon state focused on generating a precise census of the indigenous population, which not surprisingly, was considered to have a sub-registration of tributaries. After the first Bourbon census, the amount of tax payers increased by 50 percent. The black and mulatto's—*las castas*—numbers of tax payers increased by 2000 percent (from 10 200 to 200,000 people). Tax collection increased throughout this period; annual cycles only

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outbreak. From 1779 to 1780, a measles and smallpox epidemic severely affected the population followed due to scarcity of corn from 1784 to 1787.

<sup>8</sup> *La Consolidación de los Vales Reales* or Real Vouchers' Consolidation encompassed a series of strict measures implemented by the Spanish Crown from 1804 to 1808. These policies weakened the Catholic Church's financial power as well as the influence exercised by several religious institutions. The consolidation encompassed the issuance of public debts titles named *Vales Reales* and also the alienation of pious works and the dismantling of ecclesiastic goods and religious foundations. The Spanish Empire's financial crisis was strictly linked to the *Vales Reales*. These regulations were considered the cause of New Spain's economic decline given that the *Vales Reales* were utilized as a measure to confront economic instability. *La Consolidación de los Vales Reales* has represented an important antecedent that set the ground for the 1810 War of Independence. It generated a series of social demonstration and mobilizations—from various social sectors—against the Bourbon regime (von Wobeser 2006).

<sup>9</sup> A *cacique* refers to a local political boss who exercises excessive political control. *Caciquismo* has been used to describe a democratic system subverted by the power of such local bosses, who successfully influence the electoral process in their favor. In Mexico, this institution developed extensively in the nineteenth and twentieth century.

<sup>10</sup> The *alcabalas* were actually a medieval fiscal instrument of Arabic origin, which was introduced into Spanish America. The entire population of New Spain normally paid the *alcabalas* at all local markets and fairs as well as in urban stores at a rate of 6 percent on the market value of most products. During war times, *alcabalas* rates were frequently jacked up. These *alcabalas*' payments constituted the major source of tax revenue. (Marichal 2007)

show that decreases were merely the result of ominous years.<sup>11</sup> The Bourbon authorities concentrated their efforts on the social sectors that benefited, directly or indirectly from the mining bonanza as well as the urban poor or ‘popular’ classes, *las castas*, and the indigenous population (Marino 2001).

However, the Spanish Crown’s political economy regenerated the ancient institutional practices to be once again accommodated even within a more coercive form of government. The indigenous population did not remain passive to the reformist movement. The Bourbon eagerness to exercise political and fiscal control over the Indians, the Spanish immigrants, the Creoles, and the *mestizos* basically set the ground for the social and political conflict that erupted in 1810. Out of all, the indigenous population offered the most resistance—or, at least, the most effective form of resistance. Their passive confrontation was more pronounced and materialized due to the distance they have maintained with the monetary economy. Consequently, the Bourbon state was not able to exercise power across the different spheres of economic activities and social institutions that existed in New Spain (Garcia-Peña 2001).

In response to the impact the first Bourbon policies had on New Spain’s poor, the *Real Tribunal and Audiencia de la Contaduria de Tributos* (The Real Audience and Tribunal of Tribute Accounts) argued that the further implementation of coercive fiscal policies would have a counterproductive effect. Intimidating policies would increase tax evasion and decrease revenue given an increase in poverty in both the country and the urban regions of Central Mexico. The argument of the counterproductive effect of taxation was coupled with the prevalent paternalistic ideology of the Catholic Church that considered the need of re-creating

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<sup>11</sup> 1768-1769: dry season, wheat sickness and scarcity of grains, measles pandemic in Mexico City, 1771-1773: dry seasons, cold fronts, and corn’s scarcity, 1772-1773: *matlazahuatl*s, 1779-1780: measles and smallpox, 1784-1787: corn’s scarcity and epidemics.

a ‘support net’ to the disadvantaged sectors of the colonial society. Coupled with the regional approach to fiscal policy, the New Spain’s poor were able to find an active method of resistance in the consumption sphere. This method is related to previous colonial policies on indigenous settlements and reciprocal practices.

Garcia-Peña (2001) questions the notion of a “passive tax payer spectator” when referring to the population of Mexico City. For her, whenever the marginalized are confronted with a greater fiscal burden, they found creative methods of resisting changes. Based on the theory of resistance and models of subsistence, she argues that a complex social resistance developed during the Bourbon fiscal reform. Even though, during this period, the Viceroyalty of New Spain send the biggest share of remittances out of all the Spanish colonies;<sup>12</sup> the existence of a communal society and reciprocal practices prevailed among the indigenous population due to the formation of a hybrid institutional context; that is, the *Reciprocal Conquest* metamorphosed into the obscure world of the popular classes of the late colonial Mexico. In other words, to any attempt of domination in the way of colonial taxation, a new form of resistance developed by simply maintaining a fair distance from the monetary economy.

In Mexico City, opportunities of passive forms of daily resistance developed at the bottom of the colonial society. Social opposition was demonstrated by fragmented and fugitive conducts. This social behavior did not seek direct confrontation. Instead, it pursued a more effective method of anonymously and fortuitously battling the power structure at the ideological and pragmatic levels. Old and new “illegal” mechanisms of production and commerce were created and reproduced among the marginalized. Orozco y Berra (1973)

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<sup>12</sup> New Spain’s remittances represented 50 percent of the total amount of remittances sent by all the Spanish colonies between 1773 and 1787. New Spain sent 75 percent of the total amount of remittances between 1788 and 1810.

noticed that the disparity on demographic information and the lack of interest from the Spanish Crown to have an additional census of the population; permitted the old successful strategy of hiding the tax payers' population.<sup>13</sup>

By analyzing work and unemployment's categories, one can observe these strategies of resistance during the period of Bourbon reforms in Mexico City. One can only imagine the methods that developed in the smaller urban cores of Central Mexico—such as Puebla, Oaxaca, and Cuernavaca—and rural areas given that Mexico City was the biggest conglomeration of people in Spanish America at the time. Between 1780 and 1820, the majority of Mexico City's residents have been living under the poverty line due to unstable salaries and the high rates of unemployment. Only 55.6 percent of the marginalized classes (between 37,000 and 40,000 people) has some form of stable occupation while 30 000 people lack a registered employment.

Nevertheless, Mexico City's economy was still in a pre-capitalist stage with many interests that surpassed monetary values. Many of the Mexico City's poor found a way of reproducing outside of the monetary economy through the domestic/informal economy and the patterns of auto-consumption. The creation of these economic spheres was nothing but the continuation of the 'natural' or 'primitive' economy of the earlier colonial period, which only found itself coping with a different political economy, New Spain's *laissez faire* capitalism. Hence, the availability of self-subsistence opportunities marked a great difference between the

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<sup>13</sup> The marginalized population identified that every census was followed by an increase in taxes. The 1772 census on the first decades of the nineteenth century published incomplete information on the population (See Marino 2001, 94). Along the same lines, the 1804 census, elaborated by Humboldt, and the 1805 census mandated by the Tribunal Council was based upon the 1772 census, which showed a slight increment of 464 inhabitants. In the same way, the 1811 census' figures created by the Police Court were superficially increased given the amount of people who immigrated to Mexico City fearing the raise of the insurgents in the countryside. Lastly, according to Orozco and Berra (1973), the 1813 census had a great problem. This census was collected after pandemics that caused a severe decline of the population; as a result more than 24,000 men were missing in the figures. The population's sub-registration was overrepresented in the categories of indigenous people and *mestizos* (García-Peña 2001).



‘official’ living standards reported by the colonial authorities and the actual decline of real wages. Multiple strategies and social practices allowed poor households to supply what they needed and not depend as much on monetary salaries. In the eighteenth century, for instance, the unemployed crafter had an annual salary below 100 pesos. But, since he was able to supply some of its basic products without the need to purchase them in the market;<sup>14</sup> his actual standards of living were slightly superior to the ones indicated by the rigid notion, within this hybrid economic context, of real wages (Ibid.). During this period, the domestic economy shifted from having an insignificant to a predominant role in the productive activities of Mexico City. At the end of the eighteenth and beginning of the nineteenth century, there was a total of 5 000 house workers and 1 489 crafters, who operated small workshops. The amount of unregistered workshops increased as well. These centers did not pay taxes and salaries. Their legal prosecution was never effective, which permitted the emergence of independent crafters who skipped, all together, the cost of establishing a ‘legal’ production unit, including the tax fees. For independent crafters, it was worth running the risk in the world of the illegality since their lower scale production was easily sold in the streets.

There was no sufficient political will to prosecute the debtors or those individuals breaking the law. In general, the ‘coercive’ authorities showed a tolerant attitude. In the same way, the Viceroy assumed the role of a patron of thousands of urban workers through its monopolies. The Bourbon state was far from representing a demanding, rigid or coercive form of authority. The “absolutist” government did increase tax collection. Nonetheless, it maintained the colonial tradition of negotiating and permitting the evasion of taxes and not

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<sup>14</sup> Evidence exists that during this period the urban poor population kept pork, hens, goats, and other domestic animals inside their houses. These animals were merely utilized for auto-consumption and were provided by relatives who live in the city’s outskirts or the countryside. Furthermore, the key role that *el comerciante* (the small merchant) played on destroying gremial production and sale linkages; stimulated the proliferation of domestic workshops.

enforcing commercial regulation. On the aggregate, such practices have generated a breeding ground for the institutionalization of corruption in Central Mexico.

At the end of the eighteenth and nineteenth century, the main characteristic of the economies operating in ‘popular’ sectors was ‘illegal’ employment or the constant search of informal options to earn a living. Moreover, the Catholic Church maintained the old tradition of Christian charity by assisting those who needed the most. The Church distributed pantries, at times, it provided a place to stay and work to the city’s poor. Van Young (2002) called this subsistence mechanism the religious “social safety network” that indirectly supported the growth of ‘formal’ and ‘informal’ commerce by supplying indirect subsidies to poor consumers. Consequently, before the 1810 War of Independence, methods of passive resistance—such as auto-consumption, illegal work, and commerce—were operating. For this reason, the governmental—lower taxes, tax evasion—and religious’—housing and pantries provision—‘social safety networks’ empowered the marginalized communities’ ability to confront the overwhelming changes of the Bourbon reform in Mexico City.

People's resistance, coupled with paternalist institutional policies, was practiced in the everyday within a permissive context. The lack of a collective protest was not a sign of the peoples' weakness or lack of consciousness or the manipulation of the superstructure. Once the context where individuals actually take decisions is considered, it sheds light on the capacity of these social sectors to exercise an invisible pressure on the colonial state. This context also showed how this form of rebellion evolves and gains force in an economy that is not fully monetized. That is, in a region that historically has maintained a hybrid monetary system—relationships of reciprocity and money. The social sphere that operated under relationships of reciprocity presented a continuity of Pre-Hispanic institutions including the *altepetl* and the

sense of community. In this sphere, social practices of reciprocity were maintained although slightly transformed under the umbrella of the Bourbon state. Reciprocity found a niche in the realm of the illegality given the more coercive nature of the colonial authorities. Other forms of reciprocity continued to be practiced. Otherwise, how to understand the unnumbered processions and popular parties across the year, with an impressive level of consumption of all kinds of goods among the ones who were considered unemployed? Many of those who were intentionally excluded from the monetary economy through the whole colonial era have developed diverse mechanisms of self-subsistence and reciprocal arraignments that allowed them to survive without the need of acquiring *reales* at the end of the eighteenth century.

## **Conclusions**

### **Central Mexico's Hybrid Monetary System**

Two main points drive the final discussion on the evolution of the monetary and state systems of Central Mexico. The first point is related to the analysis of the transformation of the state as it unfolded in this region. The second point has to do with the creature that evolved from these forms of state. That is, the transformation of reciprocal relationships into money in Central Mexico, a shift that was partially accomplished. Following the Chartalist tradition, a parallel discussion emerges with regard to the required characteristics of a state that nurtures the emergence of money in colonial societies. I am addressing this point in the final part of the conclusive remarks.

From the material presented in previous chapters, I argue that it was in the best interests of the colonial state to maintain— although somewhat altered—the nature of the ethnic state as well as the collection of tribute in the form of goods and labor. After the fall of

the *Triple Alliance*, goods for subsistence are required by the Spaniards, who found themselves unable to survive on their own in an unknown and 'hostile' territory. Thus, cooperative relationships are established with *altepetls*' leaders to ensure the conquistadores' survival. Once a policy of Spanish settlement emerged, workers are needed to build the *Republica de Españoles*. The indigenous labor force is required to propel the local economy and the international economy by extracting precious metals at extremely low cost. Many of those indigenous workers are a self-sustained labor force; a status provided by the colonial policies of *Tierras por Razon del Pueblo*. Indigenous institutions including the rulers and the nobility function as the connecting points between their communities and the Spaniards. The native agents supply the levies required by the *encomenderos*, who were fulfilling the vested interests of the colonial authorities and the Spanish Crown.

Utilizing the existing mechanisms of tribute extraction proved to be more efficient and convenient to the colonial state than establishing a new taxation system. According to data found in *El Libro de Tasaciones de Pueblos de la Nueva España, Siglo XVI*, levies were submitted, first in the form of agricultural goods; then, in the form of labor. Decades later, taxes were paid in the colonial unit of account. As expected, the substitution of tribute for taxes was not fully accomplished throughout the colonial period. Those involved collecting levies as well as the diversity of their interests complicated the collection of tribute, and most importantly, enhanced a permissive conduct and constant negotiation among different parties, which possibly led to the corrupted conducts of tax evasion by the Bourbon era. Increased levels of coercion were confronted with more effective forms of resistance. In turn, people's resistance was to be indirectly supported by the colonial authorities and the Catholic Church.

The main colonial units of account—the *peso* and the *real*—measured the credit-debt relationships in the monetary sphere of New Spain’s *Republica de Españoles*. Still, these relationships were driven by principles of reciprocity. The colonial state’s lack of interest on issuing currencies of small denomination indicated the need for self-sufficient indigenous communities, a demand that impeded the full implementation of money on the *Republica de Indios*. The existence of tokens of reciprocity —*tlacos*, *cacao beans*, and *cloaks*,— as discussed by Romano (2004), represents not only New Spain’s alternative monetary history; but also the history of how indigenous resistance is accommodated within a world system that utilized indigenous institutions for the extraction of wealth. An alternative monetary story unfolded by what Romero called the real monetized economy of New Spain. At the end of eighteenth century, this economy functioned primarily through social-credit debt relationships denominated in the colonial unit of account between the Catholic Church and the urban and rural Spanish population. Overall, New Spain’s real economy operated without ‘currency’ or ‘commodity money.’

The Catholic Church, the most important financial institution at that time, controls most of the monetary transactions. However, it is worth noticing that the nature of the ecclesiastic financial instruments is driven by an eternal sense of indebtedness, similar to the *Triple Alliance*’s ceremonial quest. Von Wobeser (2010) writes, “the usual roads for someone to ensure that after her/his death someone else would be praying for her/his soul were pious works and mass chaplainships. These operated under the principle of reciprocity: the donor benefited a person or institution through a monetary donation and in recompense, the person or institution committed to make votes for the person’s soul” (31).

The massive psychological and spiritual manipulation of ensuring a place in heaven guaranteed the concentration of wealth in the hands of the Catholic Church. The New Spain's population as well as the colonial government owed to the Catholic Church significant amounts of money, which affected economic development and laid the ground for New Spain's bankruptcy after the implementation of the Bourbon policies. Coupled with a global political economy, the fiscal policy's changes were the catalysts of the first war of independence throughout Spanish America (Ibid.). The trigger of the sociopolitical conflicts in New Spain shed light on the hybrid nature of a monetary system that supported an extractive and productive system for more than two centuries. Hence, was money implemented throughout Central Mexico? the answer is no; particularly, in the marginal economy of the *Republica de Indios*.

An important issue stems from the relationships of reciprocity that operated within indigenous communities—some of these communities later disintegrated and scattered throughout the urban cores and the *haciendas* of the countryside whose members are later represented by the Mexican popular classes and peasants—and their significance on nurturing resistance and alternative methods of provision. Alternative forms of making a living are first presented in the case of pre-independence Mexico City. Their major characteristic is the context where these activities took place; a framework that stands outside the limits of legal activity. Those who manage to materialize their resistance automatically become outlaws within the new political economy of the Bourbon state.

As established by Graeber (2011), credit-debt relationships—the origins of money—have developed in periods of peaceful stability. The appearance of coins—mere tokens that encompass the unit of account that mathematically measures all social debts—is strictly related

to a break in social trust. It is during periods of war, social and political disruption, and coercion that a principle of reciprocity is replaced by the need to ensure that payments will be made. Most importantly, during these times, the respect for a centralized authority must be maintained. Thus, what are the necessary conditions for the unit of account to emerge in the colonial society of Central Mexico? Are coercion, military force, and lack of social trust the mandatory requirements? Is it the unit of account a mere mathematical symbol of social honor and respect in troubled contexts?

If I take Graeber's points into the analysis of the monetary systems that developed in Central Mexico, the actual level of oppression and coercion exercised by the colonial authorities was insufficient to generate the required institutional transformation of the Pre-Hispanic world. Within this particular institutional framework, it becomes necessary to destroy the roots of the Nahuas' social practices. The absence of coercive mechanisms is due, in part, to the Spanish Crown's external and conflicting interests in both the *Republica de Indios* and the *Republica de Españoles*, which led to the creation of tolerant policies. The colonial policies create a peaceful environment of cooperation and corruption; more than social distrust and complete disorder.

Nevertheless, a socio-political disruption began to occur after the creoles found themselves with increasing taxation pressures from the Bourbon state and the increasing flows of Spanish immigrants—the *Peninsulares*—started to dominate New Spain's ruling society. In the monetary sphere, until the nature of the colonial authority was modified, a formal and tangible struggle of resistance developed, a rebellious call which constituted the first attempt to form a sovereign and 'homogenous' nation<sup>15</sup> (Brading 1993). Before this period, credit-debt

relationships with the Catholic Church denominated in the unit of account were the operative mechanisms of the colonial economy. No tokens or coins were utilized; a level of trust was still maintained in New Spain's monetary economy. However, general social indebtedness was consumed by the insurgent cry of the Creole priest Miguel Hidalgo y Costilla.<sup>16</sup> *El Grito de Dolores* represents a rebellious call to oppose the coercion exercised by the Bourbon reforms through the *Consolidacion de los Vales Reales*. Such levels of oppression did not exist previously throughout the colonial times.

What about the invisible forms of resistance that prevailed throughout the rural indigenous communities of Central Mexico? In these regions, the establishment of a system of quantified social debts required not only coercion, but also the destruction of the communal, cooperative, self-sustained social structure of the Pre-Hispanic era. The successful establishment of money in Central Mexico encompassed the destruction of practices of reciprocity at the pragmatic and ideological levels. It required those who identified themselves with ancient practices to transform their belief system. However, this 'ancient' institutional framework was, at the same time, necessary for Spanish America to function along the vested interests of the Spanish Crown. Thus, the 'colonization' of the Pre-Hispanic world and the further introduction of capitalism in colonial Mexico were themselves hurdles for the successful introduction of money. An institutional shift was necessary for money to be accepted and systematically utilized in social transactions. The development of societies based on quantified social relations required the acceptance of certain degrees of inequality, the acquisition of principles of private property, and the destruction of any ideologies of

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<sup>16</sup> "My children: a new dispensation comes to us today. Will you receive it? Will you free yourselves? Will you recover the lands stolen three hundred years ago from your forefathers by the hated Spaniards? We must act at once. Will you defend your religion and your rights as true patriots? Long live our Lady of Guadalupe! Death to bad government! Death to gapuchines!" (Meyer et al. 1979, 274).



egalitarianism in the *Republica de Indios*. This Cultural Revolution did not take place in Central Mexico, at least, before the 1810 War of Independence.

Given New Spain's political economy, indigenous institutions were accommodated, adapted, and absorbed, which impeded the full intrusion of money. The systematic quantification of social debts in the *Republica de Indios* did not work according to the broader interest of the Spanish Crown's as well. Furthermore, in the face of invasive institutions, the reciprocity symbolized in the utilization of valuable tokens fostered and nurtured indigenous practices. These practices found a degree of solace and were transformed into a silent resistance that passively opposed an authority that was never accepted nor successfully implemented. Passive acts of resistance found a channel of expression in the perpetual cycle, within this political economic context, of illegal activity once capitalist type of policies were implemented in New Spain at the end of the eighteenth century.

How this historical study shows the interaction between the global economy and traditional societies has been constantly recreated. This institutional communication has shaped the institutional structure of ancient civilizations that still exist at the ceremonial level in the 'developing' world. The situation in Central Mexico specifically calls for not only the study of such interconnection in more recent times, but also the thorough study of the traditional institutional structure. Ancient institutional structures have not only facilitated, resisted or accommodated invasive economic systems. They have reinvented and redefined the meaning of social institutions such as money. The processes of interpreting, enduring, and implementing institutions have interacted with monetized economies. Such interplay has determined the characteristics of monetary systems across the 'developing' world.

Monetary systems are idiosyncratic given their interaction with local social practices; particularly, the intrinsic relationship with centralized authorities is of unique characteristics. In colonial societies, the role of the state is of paramount importance given its intertwined interests with local and international economies. One of the historical failures of the colonial state has been its lack of interest on building a nation. In Central Mexico, the separation of a single country into two major spheres—*La Republica de Españoles* and *La Republica de Indios*—has affected the implementation of a unified monetary system and has hosted conveniently Pre-Hispanic practices.<sup>17</sup> Thus, the creation of citizens with similar rights and obligations constitutes a requirement for money to be successfully implemented in colonial societies.

The junction of different interests across time has engendered complex social, economic, and political phenomena that cannot be profoundly study with Western models that ignore local metaphors and native institutional practices. A social institution such as money takes a completely different meaning under a native practical context. In Central Mexico, the social infrastructure still holds practices that are not familiarized with the core institutions of

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<sup>17</sup> The 1910 revolutionary's goals aimed constructing a representative democratic government and a cultural discourse of a *mestizo* nation. Without the institutionalization of the Mexican nation, the separation between the *Republica de Indios* and the *Republica de Españoles*, with their natural and monetary economy respectively, was maintained. Such division would have negative implications on the establishment of a *civilized* country that required a process of industrialization and cultural 'modernization.' In order to make capitalism more appealing to the masses, intellectuals and politicians discerned that the construction of a democratic government required the discourse of nationalism based upon history, race, and culture. Vasconcelos' seminal discourse (1925) included in *The Cosmic Race* would serve this purpose. Nevertheless, a racial and political unification was difficult to accomplish at the ideological and pragmatic levels. First, the separation between the two republics was to be, once again, indirectly encouraged in the post- Independence era by the Classical Liberals. The Classical Liberals, best represented by Benito Juarez, despised a centralized form of government and favored modernization and "municipal liberty." The 1910 revolution corrected this fault and generated the subsequent dictatorship of the Institutional Revolutionary Party (PRI) that married revolutionary and liberal ideas. Still, autonomous municipalities were utilized to expand the party's influence and power which led to the formation of the political culture that would characterize México in the upcoming years. At the ideological level, Vasconcelos' messianic utopia, based upon a miscegenation concept that placed heavy weight on the intellectual, moral, and biological superiority of the 'white race,' did nothing but downplaying the role of indigenous culture and institutions in the future formation of *modern México*.

capitalism. Furthermore, the development of a colonial state does not follow a linear evolution that ends with the formation of Westernized models of the market economy. A specific historical path has shaped the nature of the current state in Mexico. As a creature of the state, then, the monetary system of Central Mexico has also followed a similar road.

In Latin America, according to Gudeman and Rivera (1990, 1993), there are two economies currently coexisting with one another. The livelihood economy still predominates through the economy of acquisition in the peasant world. For instance, they have found that peasants only keep account of those activities which are fully monetized (Taussig 1980). Others continue to operate under networks of reciprocity and community solidarity, examples of this kind are found in Mexico's impoverished countryside, for instance, the Espinal's community described in Chapter 1. Gudeman (1986) adopts an anthropological approach to examining the economic models in the so called 'exotic' materials. For him, a model is "a culturally constituted relationship between two entities or referents [...] By constituting one entity through another, a model offers a means of 'seeing' something, of knowing, interpreting, even doing something" (38). 'Exotic' models are subjected to local 'axiomatic' metaphors or discourses; "a local model usually is a rationalization, mystification or ideology; at most, it only represents the underlying reality of which the observer already has privileged access" (28-30). Thus, it is in the realm of ideology that one can detect institutional resistance and the reinterpretation of invasive institutions, money being one of them.<sup>18</sup>

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<sup>18</sup> Neale (1976) explores the dual model of the tin miners of the mountains of Bolivia; whose livelihood is entirely dominated by a market economy. Their metaphors provide the ontological framework to explain the invasive system of capitalist production. *Quechuas* and *Aymaras*' metaphors indicate that earth's fertility is associated with a traditional female figure called *la pachamama*; offerings are continuously made to this 'old woman' for the returns from crops and flocks; a sacrificed llama is the most important offering. The *pachamama* is invoked to ensure the miners' safety and health; a llama's blood is sprinkled on the mining equipment to enhance workers' productivity and safety. *El Tio*, a diabolic-like figure, is also venerated. Workers and their families believe that he is the owner of the mine's wealth and resources. *El Tio* has the power to reveal the ore's and rich veins' locations. Also, *El Tio* has the power of punishing those who have offended him. He is believed to

In this section, I provided a recapitulation and summary of the material revised in previous chapters. Overall, this chapter addressed the question regarding the incursion of money in Central Mexico at the end of the colonial period. This analysis highlights the non-linear path of the historical evolution of Nahua money. At the micro level, a full transformation of the ethnic state was not completely accomplished. Instead, the Spanish political institution adapted the *altepetl* structure in the making of the colonial state. This accommodating strategy represented an obstacle for the full implementation of a uniform system of taxation. Furthermore, the interaction between the indigenous rulers with the Spanish functionaries shaped the simple relationship of coercion that characterizes all powerful and sovereign states; the type of the states that generate money.

At the macro level, the Spanish Crown's political and economic interests on Spanish America were, most of all, shaped by a world system that demanded the extraction of precious metals by exploiting Indian labor. Hence, indigenous subsistence was needed. Through its settlement policies, the colonial government hosted practices of reciprocity within a greater monetary sphere. As this study shows, the Chartalist approach to study money unfolds a great opportunity to conglomerate modern issues and tie them to historical precedents; a comprehensive analysis that captures the complex reality of the developing world. Historical precedents are important to fully understand the cultural and economic context where current 'failed' states operate. These issues are related to the preponderance of a colonial, semi-independent state, the institutionalization of illegal practices, and, most importantly a monetary

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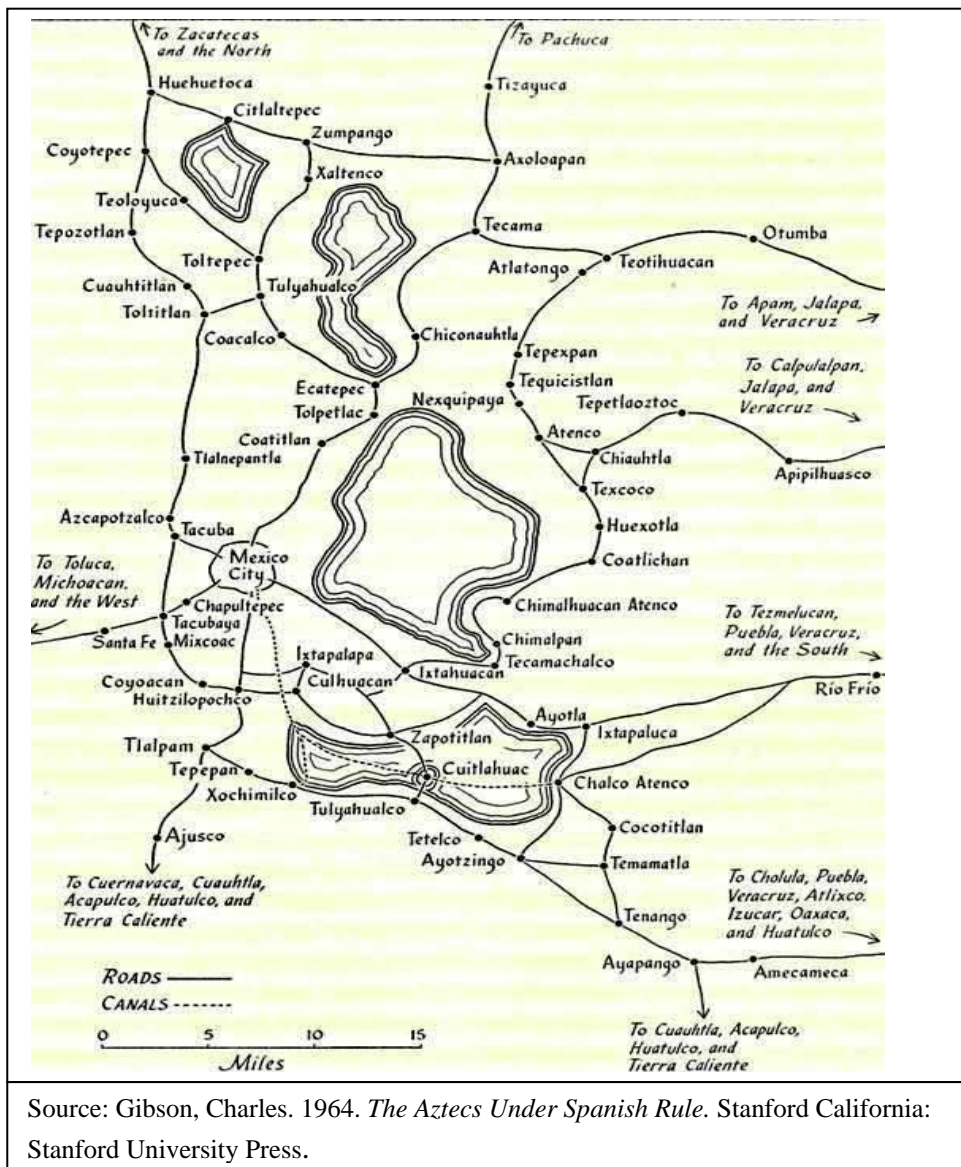
cause accidents across their work's path. Given the significant amount of dead throughout centuries of intensive mine exploitation, for the Bolivian indigenous miners, tin extraction is strictly related to the devil. Indigenous workers believe that their monetary earnings are the wages of the devil. This money must be rapidly spent in necessary goods for subsistence and communal rituals and feasts to satiate the *Tio*'s thirst to ensure the life cycle of the community. For the 'proletarized' Aymaras and Quechuas, securing a livelihood is seen as an unequal exchange between humans and unseen entities; entities that are distant and unfriendly to others (Nash 1979).

economy embedded in an institutional framework that have served various interests and incorporated, at some extent, reciprocal practices.

Within this context, monetary systems and the institution of resistance have mutated (Taussig 1978). Despite several attempts to “civilize” and “modernize” Mexico, this country is made out of several nations that continues to be “Indian” at the institutional level. Hence, features of ancient institutional structures have been strong enough to survive and influence incessant institutional renovation. Invasive political economies and cultural practices continue to shape the hegemony of systematic and universal institutions such as capitalism and money for the times to come. Meanwhile, the destructive discourse of economic development, most likely, creates labels to make sense of what seems outside of its scope disregarding completely the need to create a ‘Transitional Discourse’ (Escobar 1995). Such discourse must displace the agenda of modernization and account for those institutions that still remain alive in Central Mexico: the principle of community and “*in qualli, in yectli*.”

## APPENDIX I

## MAP OF CENTRAL MEXICO'S MAJOR ALTEPETLS

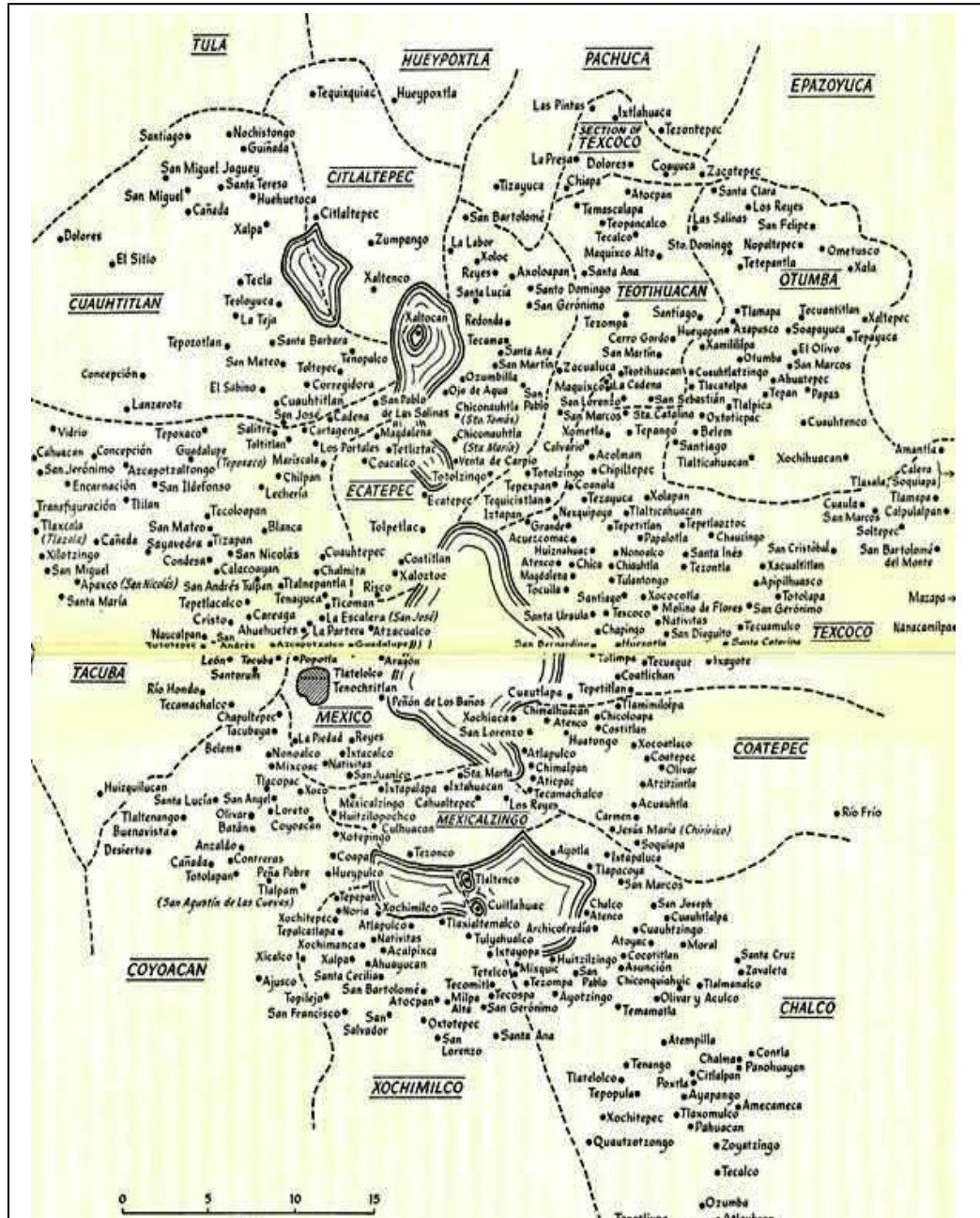


## APPENDIX II

### TERMS FOR FRACTIONS OF PRIMARY UNITS IN THE INDIGENOUS MEASURING SYSTEM

Term	English Translation	Counterpart
Matl	Arm, hand	Four-fifths of a unit? (distance between outstretched hand)
Mitl	Arrow	Half or three-fifths of a unit? (distance from one outstretched elbow to the far hand)
Yollotli	Heart	Two-fifths of a unit? Ca. 2.5-3 ft. (distance between heart and outstretched hand)
Acolli	Shoulder	Arm's length, from the shoulder to the fingertips
Ciyacatl	Armpit	Arm's length
Matzotzopaztli	Flat part of the arm from elbow to wrist	Cubit, from elbow to fingertips
Molicpitl	Elbow	Cubit
Omitl	Bone	Cubit
Tlaxitl	Foot	10-12 inches
Iztetl, iztitl	Nail (of fingers or toes)	Ca. 6 inches (distance from tip of thumb to outstretched forefinger)
Source: Lockhart, James (1992). <i>The Nahuas After the Conquest: A Social and Cultural History of the Indians of Central Mexico, Sixteenth Through Eighteenth Centuries</i> .		

## CABILDOS IN CENTRAL MEXICO BY THE EIGHTEENTH CENTURY



Source: Gibson, Charles. 1964. *The Aztecs Under Spanish Rule*. Stanford California: Stanford University Press.



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## VITA

Karol Gil-Vásquez was born on March 29, 1979 in México City, México. She received her secondary and post-secondary education in the Public School for Workers No. 53 and the Open Preparatory System (SEP). In 1999, she entered the Economics Program at the Monterrey Institute of Technology and Higher Education (ITESM). She began to receive formal English education in 2001. In the same year, Gil-Vásquez enrolled in the ITESM's exchange students program and transferred in 2002 to the University of Central Missouri (UCM) where she earned her Bachelor of Science in Economics with minor in Political Science in May 2004. After being offered a graduate teaching assistantship at the UCM-Department of Academic Enrichment, she began her graduate studies in sociology. In 2006, Gil-Vásquez earned her Master of Arts degree in sociology with honors. Her master thesis, "*El Otro Lado: Immigration, Social Networks, and the Labor Market of Mexican Migrants*," was published in a monograph in 2007.

In August 2006, Gil-Vásquez entered the I.Ph.D program in Economics at the University of Missouri-Kansas City. In 2007, Gil-Vásquez was awarded the International Student Ambassador Scholarship. Subsequently, she was offered a scholarship at the UMKC-School of Law to work along Debbie Brooks, Assistant of the Dean, to establish the Social Justice and Law Scholars Program. She was further offered a research assistant position at the UMKC-Institute for Human Development to work in the development of qualitative research projects.

While working towards her Ph.D., collaborating in research projects, and writing her dissertation, Gil-Vásquez has maintained an active teaching involvement. She has been teaching at the UMKC-Department of Economics various courses including: Principles of Economics II, Intermediate Microeconomics, and Labor and the Global Political Economy.