

# 1

## Colonial Legacy and the Post-Independence Period

**M**ost Latin American countries became independent in the first decades of the 19th century, after three hundred years of colonialism. Politics in the newly independent nations were significantly influenced by their colonial past. Likewise, the types of societies that characterized these nations in their early years were shaped by the colonial societies that had developed over the prior centuries. Political conflict and institutional development during the decades following independence had a lasting effect on Latin America. This chapter reviews the main traits of the colonial period, the political turmoil that followed independence, and the arrival of political order and economic growth in the second part of the 19th century. More specifically, it discusses the institutions and policies that shaped colonial Latin America, the independence movement, the causes of the widespread conflict that followed independence, and the characteristics surrounding the emergence of political stability and **export-led growth**. This chapter should enhance your understanding of the early politics, institutions, and economy of Latin America and provide you with a background that will lead to a better understanding of the politics of the region in subsequent eras.

### Colonial Latin America

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European countries began the colonization of the New World soon after the arrival of Christopher Columbus at the Caribbean islands of Bahama, Cuba, and Hispaniola in 1492. The kingdom of Spain, which had funded Columbus's voyage, colonized the largest area, including most of Latin America. Portugal, another leading European power, colonized much of the eastern part of South America. These two kingdoms signed the **Treaty of Tordesillas** in 1494, resolving controversies over land in the Americas by establishing a line of demarcation along a meridian 370 leagues west of

the Cape Verde islands, a Portuguese possession on the west coast of Africa. Territories to the west of the line would be ruled by Spain and those to the east by Portugal. This treaty gave Spain control over most of the New World and Portugal control over the eastern area of what would become Brazil. Although other European countries ignored it, the treaty was mostly respected by Spain and Portugal. England, France, and the Netherlands established permanent colonies in the New World during the 17th century.

Spain and Portugal used soldiers and explorers, called **conquistadores**, to take control of new territories. Most of the early conquests were organized and financed by these individuals and their backers. Conquistadores were motivated primarily by personal wealth as well as, to some extent, by their contribution to the spread of the Catholic faith. They were also driven by the prestige and potential noble rank associated with military distinction and service to the crown. Conquistadores led the fight against the most numerous and advanced indigenous civilizations of the New World: the Aztecs and the Incas.

Hernán Cortés commanded the campaign against the Aztecs, who inhabited central Mexico. The Aztecs had brought several other indigenous tribes under their control and had developed a complex civilization. Ruled by Emperor Montezuma II, they had their capital and political center in Tenochtitlan, where about 300,000 people lived. Cortés began his campaign against the Aztecs in 1519 with around 600 men. He eventually allied with the Tlaxcalans, an indigenous tribe that had resisted Aztec domination and provided Cortés with thousands of warriors. Following a series of bloody confrontations and a 75-day siege of Tenochtitlan, the Spaniards finally defeated the Aztecs in August of 1521.

Francisco Pizarro led the campaign against the Incas, who ruled the largest empire in the pre-Columbian era. The Incas' territory extended across what is now Peru, Ecuador, and Chile. Its political and military capital was Cusco, located in the Andes mountains. In 1532, Pizarro arrived at what is today Peru. Atahualpa, the last Inca emperor, was captured and later killed by the Spaniards in August of 1533. After the arrival of reinforcements, Pizarro proceeded to take over Cusco, which fell in November of 1533. Following the defeat of the Incas, a violent dispute among the conquistadores ensued, which led to the assassination of Pizarro in 1541.

Spain ruled most of the region until the wars of independence in the 1810s and 1820s and remained in control of Cuba until 1898. Portugal ruled Brazil until 1822, when the independent empire of Brazil was founded. Colonial powers established institutions, implemented policies, and shaped societies in ways that would have a lasting impact on the countries of Latin America.

## Colonial Institutions

The Spanish colonies were ruled by an elaborate bureaucracy. At the top of the administration was the **Council of the Indies**, which was created in 1524. The council, residing in Spain, acted as the king's advisory committee on colonial policy, drafting and issuing laws as well as appointing and supervising colonial authorities.

In Spanish America, the most senior officials were the **viceroy**s. For most of the colonization period, there were two viceroalties: New Spain (which extended from New Mexico to Panama) and Peru (which covered most of the Spanish territories in South America). The boundaries are shown in Map 1.1.

**MAP 1.1 • Colonial Latin America in the 16th and 17th Centuries with Boundaries of Viceroalties and Audiencias**



In the 18th century, two additional viceroyalties were created: New Granada (which encompassed the areas that are now Colombia, Ecuador, Panama, and Venezuela) and Río de la Plata (which encompassed the areas that are now Argentina, Bolivia, Paraguay, and Uruguay, as well as a portion of the north of Chile). Governors and captain generals were appointed by the Spanish crown to rule over frontier territories and those at a considerable distance from the capital of the viceroyalty. They typically had special military functions, and their specific powers were delineated in the decrees that established their posts.

The crown also created **audiencias**, which served as a type of appellate court that, in some instances, also had legislative and administrative functions. Audiencias addressed complaints against colonial authorities and were supposed to protect the rights of indigenous people. Difficulties in enforcing the excessive number of laws, regulations, and decrees in place encouraged litigation. In addition to ordinary courts, the crown also established a series of special courts for military officers, priests, aristocrats, indigenous people, and, later in the colonial period, miners and merchants involved in foreign trade. This fostered disputes in cases where individuals had access to more than one tribunal, which reinforced the power of appellate courts.

At a lower level, administrative and judicial functions were delegated to government officials called *corregidores* and *alcaldes mayores*. There were also *corregidores de indios*, who controlled the sale of merchandise in the indigenous communities, collected native tribute, and organized their labor obligations. They were also in charge of protecting indigenous people from the abuses of settlers. In the 18th century, the Spanish crown came under the control of the Bourbons, who undertook some significant administrative reforms. One such reform, the Ordinance of Intendants of 1782, abolished local governors, *corregidores*, and *alcaldes*, and replaced them with intendants. The appointment of these new provincial administrators, more powerful and better trained than the former ones, sought to increase the revenue sent from the colonies to Spain.

At the lowest level in the administrative hierarchy were the **cabildos** (town councils), which were composed of magistrates and councilors. Cabildos had judicial duties, controlled town lands, and had the power to impose local taxes, issue building permits, and coordinate the formation of self-defense forces. Low budgets weakened their already limited financial authority, and their subordination to the viceroy and provincial administrators (e.g., governors and *corregidores*) constricted their policymaking authority.<sup>1</sup> In the late 18th century, the appointment of the new intendants further reduced the cabildos' power, particularly over public works and judicial matters.

Political independence on the part of the cabildos was rare. The local elite could elect some members of the cabildo but, in practice, the nominations were subject to the veto of higher authorities. The viceroy or governor regularly appointed members of the cabildo (sometimes for life), frequently

left elective offices unfilled, and, on occasion, would punish cabildo members for their behavior (e.g., with fines).<sup>2</sup>

In short, the institutions of Spanish America centralized power in an appointed bureaucracy. Most of the top positions in the bureaucracy were staffed with individuals born in Spain. Local elites were restricted in terms of their ability to exercise power within the colonial bureaucracy. Some of them took advantage of the crown's decision to sell appointments in the audiencias beginning in 1687, but this practice began to be curtailed in mid-18th century and their participation in the colonial bureaucracy was subsequently reduced.

Portugal had a less structured bureaucracy in Brazil than Spain in its colonies. It relied on appointed governors and only in the 18th century sent a viceroy to the region. The royal government was established in San Salvador da Bahia, where it remained until 1763, when it was moved to Rio de Janeiro. First the governor general and later the viceroy held significant powers, including executive, judicial, economic, and military authority. In practice, however, the Portuguese colony was rather decentralized because of its large territory and difficulties in transportation.<sup>3</sup> The provincial-level bureaucracy was less developed than the one in Spanish America. At the municipal level, governmental authority was in the hands of a town council called *senado da câmara*. The town councils were composed of members appointed by the royal authorities, with some elected from the local elites. During the first part of the colonial period, the town councils in Brazil enjoyed significant administrative, judicial, and fiscal powers, but during the 18th century, administrative reforms began to erode their authority.

In the New World colonies, there was a close association between civil and religious authorities. The affiliation between the Catholic Church and the Spanish crown during the colonial period came to be known as the **royal patronage** (*patronato real*). Under this arrangement, the Pope gave the Spanish monarchs control over the church in the colonial territories. The monarch was responsible for organizing and financing the evangelization of the new colonial territories. In return, the clergy became responsible to the crown, which had the power to appoint bishops, archbishops, and parish priests, subject to papal approval. The monarch also had the right to establish dioceses, modify their boundaries, and collect the ecclesiastical tax (tithe). Members of the clergy were exempted from most taxes, and the special court system spared them from prosecution in common criminal courts. Communication between the Pope and the clergy in the colonies was under the control of the monarch (*regium exequatur*), who had to approve the publication of papal resolutions and who could screen bishops' petitions.<sup>4</sup> These powers isolated the Holy See from the clergy in the colonies, weakened the authority of bishops, and subjected the church to the power of the Spanish crown.

The Pope also ceded to the Portuguese crown a royal patronage (*patronato real*) for their colonial territories.<sup>5</sup> The Portuguese king was

responsible for safeguarding the clergy, promoting evangelization, and collecting the ecclesiastical tax (tithe). Appointments to all ecclesiastical offices were made by the Board of Conscience and Orders (*Mesa de Consciência e Ordens*). As in Spanish America, the Portuguese colony had special ecclesiastical courts for the clergy, which, in comparison to the common criminal courts, were considered to be rather lenient.

In colonial Latin America, the Catholic Church was typically responsible for birth, death, and marriage certificates and running hospitals and schools. Catholic missions spread throughout the region, particularly in frontier areas, where they concentrated on the religious conversion of natives.<sup>6</sup> Catholic orders—Franciscans, Dominicans, Augustinians, and Jesuits—undertook most of the missionary work.

The Spanish and Portuguese crowns banned the immigration of non-Catholics to the colonies. Religious persecution was carried out by the Holy Office of the Inquisition, which dealt with matters of faith and morals. Church edicts informed colonists about the practices of Jews, Moors, and Protestants so they could identify and expose them to the Inquisition. Those suspected of homosexuality or advancing scientific ideas opposed by the Catholic Church were also persecuted. While persecution of the indigenous peoples was not actively pursued, many other groups were tortured, sentenced to be lashed, and killed as a result of the Inquisition's recommendations. In colonial Brazil, the influence of the Inquisition was much more limited than in the Spanish colonies.

## Colonial Policies

The economic policies of Spain and Portugal were heavily influenced by the economic theory of **mercantilism**, which linked affluence with the accumulation of capital.<sup>7</sup> Both countries sought prosperity by accumulating gold and silver through external trade. This demanded a favorable trade balance, meaning a situation in which the value of exports exceeded the value of imports. To this end, both colonial powers required their colonies to buy all commodity imports from them and to sell all commodity exports to them. The resulting trade deficit was financed by the transfer of mineral resources to the colonial powers.<sup>8</sup> A trade monopoly assured both Spain and Portugal that their colonies could not reduce this deficit by trading with other countries. In addition, taxes on mining and other local taxes flowing to the colonial powers further increased that deficit. As a result of this economic strategy, colonial powers paid particular attention to mineral-rich areas.

The Spanish crown established the *Casa de Contratación de Indias* to control commerce with the New World. This institution, based in Seville, was in charge of inspecting and regulating the flow of trade. The city's merchant guild was authorized to manage trade transactions and royal monopolies for the crown. Only members of the guild could purchase commodities

for distribution and sale across Europe. During the 17th century, the port of Cadiz was occasionally authorized to be used for trade with the Spanish colonies. In the early 18th century, Seville permanently lost its monopoly to Cadiz. In the New World, the ports of Veracruz (Mexico), Cartagena (New Granada), and Portobello (Panama) were those authorized to receive the commodities arriving from Spain and where exports were loaded to be sent back.

The Spanish colonial economy focused on the extraction of mineral resources, particularly gold and silver from the viceroyalties of Peru and New Spain. At first, there was the gold that had been previously accumulated by the indigenous civilizations, which was plundered by the conquistadores. Gold deposits decreased rapidly in Peru and New Spain but became important in regions such as New Granada and Chile.<sup>9</sup> Instead, silver production increased in importance and, by the 1540s, surpassed gold in terms of value. The most important silver mines were in Potosí (Bolivia), Zacatecas (Mexico), and Guanajuato (Mexico). Silver mining increased significantly during the 16th century, experienced a decline during the 17th century, and then recovered after the early 18th century.<sup>10</sup> Mercury, which was used for processing silver, also became economically significant. Most of the mercury used in the colonies came from deposits in Huancavelica (Peru) and the south of Spain. Mineral wealth did not become relevant in Brazil until the 1690s, when gold was discovered.

Labor from indigenous people was crucial for the mining industry. Originally, labor came from **encomienda**, which involved the granting of labor or tribute from indigenous people to the conquistadores, and from enslaved natives. Most of the latter had been captured in the wars of conquests or bought from indigenous chiefs and Spaniards.<sup>11</sup> The enforcement of laws limiting indigenous slavery and the wane of conflict after the conquest sharply decreased the number of enslaved indigenous workers by the mid-16th century.

Widespread abuses under the encomienda system led to its gradual replacement by crown-managed draft labor starting in the 1550s. In New Spain, draft labor was called **repartimiento**; in Peru, it was called *mita*. It required indigenous communities to supply a portion of their population to work for a prescribed time. For example, indigenous communities were forced to send one-seventh of their adult male population to work for one year in the silver mines of Potosí.<sup>12</sup>

From the late 16th century onward, wage labor also became significant and, by the 18th century, it was the predominant form of labor in the mines. Labor from blacks brought from Africa and their descendants (slaves and free men) represented a small portion of the labor in silver mines but served as a predominant portion of the labor in tropical lowland gold mining.

Revenue from mining represented a substantial source of income for the Spanish crown. Not only did the crown receive a royalty on mining

production but it also set the price of mercury and monopolized its distribution. In addition, mining stimulated trade, which provided revenues in the form of sales taxes and customs duties. In short, the Spanish had a vital interest in colonial mining and greatly influenced it through its control of draft labor, the supply of mercury, and the imposition of royalties.

Mining promoted roadbuilding, commerce, and intra-colonial trade. However, not much capital obtained from mining was reinvested locally to help colonial economies become self-sustaining.<sup>13</sup> Nonetheless, the economy diversified during the 17th century, and local agriculture became more important. During this period, elites extended their control over land through purchases and usurpation.

Agriculture in the colonies can be divided into two types. The first was oriented toward internal demand, including the supply of provisions to the mining centers and subsistence farming. The second focused on the demands of the international market and centered on plantation agriculture.

Extensive land grants from the crown were allocated early on as rewards for military endeavors during the conquest. The first large estates were close to the emerging markets created around mining areas and colonial administrative centers. There were many small farms, called *ranchos*; the large ones, called *haciendas*, grew in importance during the 18th century. Ecclesiastical land holdings also increased significantly over time, often as a result of donations from devout Catholics. Jesuits, for example, owned a great deal of land, including plantations and vineyards, which were ultimately confiscated by the Spanish crown when it expelled them from its colonies in 1767.

Towns first relied on provisions from indigenous farming. Indigenous communal lands, which included a sizeable share of the land in the highlands and even some of the best arable land, lasted throughout the colonial period.<sup>14</sup> Indigenous people and **mestizos** (people of mixed native and European blood) provided most of the labor in the Andean and Mexican regions, whereas African slave labor was crucial in the tropical lowlands. The *encomienda*, *mita*, and *repartimiento* were also used to supply agricultural workers. For the most part, the working conditions of indigenous people in the haciendas were less abusive than those of mine workers and, over time, the share of free labor in agriculture increased markedly.

In the colonial centers and around mining towns, legal private holdings were common, but in general, there was widespread insecurity over legal titles in cultivated lands. Some areas with dubious titles included occupied public lands and abandoned indigenous lands. The insecurity of most land titles prevented individuals from securing loans, led to competing ownership claims, and had a negative impact on land productivity in the colonies.<sup>15</sup>

Plantation agriculture took place in tropical climates, focusing on crops such as sugar, cotton, coffee, and tobacco that offered particular economic



advantages when produced on large-scale plantations. The preeminent plantation colony was Brazil. After land was first granted by the Portuguese crown to a set of twelve proprietary captains, most sought to establish sugar plantations, but the majority failed when confronted with the difficulties of attracting settlers, raising capital, and dealing with the natives. However, sugar plantations took hold in the northeast. During the second part of the 16th century, the captaincy of Pernambuco established dozens of sugar plantations and mills and became the economic engine of the colony. By the early 17th century, a successful sugar industry had developed in north-east Brazil, providing the Portuguese crown with substantial export taxes.

Initially, Portuguese settlers used enslaved natives for plantation labor, but the indigenous population declined due to disease, and many of the survivors fled inland. The availability of indigenous people for plantation work was further limited after the Portuguese king issued decrees in 1570 and 1573 restricting their enslavement. Settlers then turned to the importation of slaves. African slaves represented a small share of plantation labor in the 16th century, but soon after, they became the main source of labor. From the beginning of the colonization period until 1820, the number of African slaves brought to Brazil has been calculated to be close to 3.6 million; an additional 1,269,400 would arrive between 1821 and 1867.<sup>16</sup>

Sugar plantations spread from Brazil to the Caribbean and lowland regions of tropical Spanish America. This fostered an increase in the slave trade during the second half of the 18th century. Most of those brought to the Spanish colonies after the mid-18th century ended up in Cuba and Puerto Rico. The northern coast of South America also had a significant proportion of African slaves, many of them working at cacao plantations on the coast of Venezuela.

Policies in the Spanish colonies began to change after the House of Bourbons replaced the Hapsburgs in the Spanish throne. Most of the policy changes, known as the **Bourbon Reforms**, took place during the second half of the 18th century. They included institutional changes, such as the creation of the viceroyalties of New Granada and Río de la Plata and the autonomous captaincies of Venezuela and Chile, and the recentralization of administrative power under the intendency system. The establishment of special courts for miners and export–import merchants was part of these reforms. Also, the sale of offices to creoles (persons born in the Americas of European ancestry), which had become common in the first part of the 18th century and had allowed many of them to join the colonial bureaucracy, was ended.

The Bourbon reforms extended the reach of royal monopolies to cover tobacco, gunpowder, salt, and some alcoholic beverages, among other goods.<sup>17</sup> The crown assumed direct administration of tax collection, increased sales taxes, and improved their enforcement. Some mining costs were reduced, and mining infrastructure improved. In addition, a royal decree issued in 1778 lessened restrictions on intra-colonial trade and

opened additional Spanish ports to transatlantic trade. Military defenses were also strengthened, partly to prevent further losses, such as those that took place in the Caribbean to the British, French, Dutch, and Danes during the 17th century. In Brazil, a set of similar reforms, known as *the Pombaline Reforms*, was implemented during the second half of the 18th century.

The reforms reasserted the crown's authority over the colonies, which creoles resented. Overall, the economy became more diversified and grew, but at the end of the colonial period, Latin American colonies lagged behind the United States. Latin American colonies were comparatively far from the principal world markets, and the region's geography posed many obstacles to accessing and transporting goods. More importantly, the Spanish and Portuguese crowns failed to establish institutions that would clearly define, protect, and enforce property rights, which discouraged investment, entrepreneurship, and inventive activity.<sup>18</sup> Furthermore, colonial powers invested little in education and physical infrastructure and prevented settlers from developing advantageous trade links with other world markets.<sup>19</sup>

## Colonial Societies

Latin America experienced tremendous demographic changes during the colonial period. Indigenous populations were devastated; millions of Africans were brought in as slaves; and the proportion of mestizos grew significantly. In addition, creoles and Spaniards had an uneasy coexistence in a social system that privileged both of them over other groups

One of the most terrible legacies of the colonization period in Latin America is the collapse of indigenous populations after 1492. The estimates of the number of indigenous people in the eve of the conquest vary extensively, and there is an ongoing debate among scholars regarding the correct numbers. Estimates provided by geographer William M. Denevan put the number of indigenous people in 1492 at 53.9 million. The population breakdown per region appears in Table 1.1.

After the conquest, the number of indigenous people experienced an enormous decline, the most abrupt of which occurred in the Caribbean and the Brazilian coast, where natives came close to extinction. Researchers have estimated that the population of Central Mexico declined from 16.9 million in 1532 to 1.1 million in 1608.<sup>20</sup> In the Andes and Central America, there was also a very significant reduction in the indigenous population. In general, the indigenous people living in the highlands had a greater rate of survival than those living in the lowlands. The decline of the indigenous population in New Spain and New Granada continued until the middle of the 17th century, when it reached its lowest point. In Central America, the lowest point was in the late 16th century, while in the Andes, it was in the early 18th century. Afterward, the numbers began to grow again, albeit rather moderately.

Several factors explain the drastic decline in the number of indigenous people after 1492. The violence inflicted by the conquerors, including killings in military confrontations, enslavement, and overworking, was one factor. Malnutrition resulting from changes in diet, confiscation of food,

and alterations in food production also had an effect. Another cause was a sharp decline in fertility rates. This has been associated with pervasive hopelessness among indigenous communities, which negatively impacted the tendency to have children.<sup>21</sup> However, the most significant cause of population decline was disease. The Europeans brought with them diseases for which indigenous people had no immunity. Epidemics of smallpox, malaria, measles, typhus, and influenza had a devastating effect. The arrival of yellow fever with the slave ships coming from Africa also led to a high number of deaths.

While the proportion of indigenous people experienced a profound decline from the days before the conquest, the number of Africans brought involuntarily to the colonies increased markedly. First, they went to the Caribbean and Mexico, and later to Peru and Brazil. The estimated numbers for the period prior to 1641 are 265,500 arriving in Brazil and 529,800 arriving in Spanish America.<sup>22</sup> The numbers increased drastically between 1641 and 1820, with the propagation of the plantation economy. During this period, around 3.3 million African slaves arrived in Brazil, 417,400 in Spanish America, and 3.5 million went to the British and French Caribbean and the Dutch West Indies.<sup>23</sup> For the most part, the birth rate of the black population living in these colonies was low, and their growth in terms of the share of the population was the result of forced migration.

**TABLE 1.1 • Indigenous Population in the Americas, 1492**

Region	Estimated Population
North America	3,790,000
Mexico	17,174,000
Central America	5,625,000
Caribbean	3,000,000
Andes <sup>1</sup>	15,696,000
Amazonia <sup>2</sup>	5,664,000
Chile and Argentina	1,900,000
Paraguay, Uruguay, and southern Brazil	1,055,000
Total	53,904,000

<sup>1</sup>It includes the highlands and coast of Peru, Bolivia, Ecuador, Venezuela, and Colombia.

<sup>2</sup>It includes the eastern lowlands beside the eastern and southern flank of the Andes.

Source: William M. Denevan (ed.) 1992. *The Native Population of the Americas in 1492*. 2nd ed. Madison: University of Wisconsin Press.

The pattern of migration from Europe to the Americas changed over time. Between 1500 and 1760, the number of Europeans immigrating to the colonies in the New World was approximately 2 million.<sup>24</sup> Of these, 33 percent went to Spanish America, 26 percent to Portuguese America, and 37 percent to British America. After the mid-1600s, the British colonies became the main destination of European immigration to the New World.

The composition of the population in Spanish America, Brazil, and the United States and Canada during the period 1570–1825 appears in Table 1.2. It shows how the indigenous portion dropped drastically in the three types of colonies. In 1825, it only remained a majority in the Spanish colonial territories. The proportion of black population grew in all three regions but only became a majority in Brazil. In contrast, white population grew to become the largest group only in the United States and Canada, where they amounted to four out of five inhabitants in 1825.

The social structure of colonial society was greatly influenced by race and birthplace. A specific legal structure, the **castas**, developed to detail the relations between indigenous people and the Spaniards and creoles. This caste system, which entailed a set of rights and responsibilities based on ethnicity, was put in place after the abolishment of indigenous slavery in the Spanish colonies. Geographic mobility and occupational opportunities were regulated. Indigenous people (and, in most cases, mestizos as well) were excluded from holding public office and could not undertake several activities, such as law, medicine, and wholesale business. They could not bear arms or own horses and needed special permission to reside outside

**TABLE 1.2 • Composition of the Population in the Americas, 1570–1825**

Region	Year	Indigenous (%)	Black (%)	White (%)
Spanish America	1570	96.3	2.5	1.3
	1650	84.4	9.3	6.3
	1825	59.5	22.5	18.0
Brazil	1570	94.1	3.5	2.4
	1650	78.9	13.7	7.4
	1825	21.0	55.6	23.4
United States and Canada	1570	99.6	0.2	0.2
	1650	85.8	2.2	12.0
	1825	3.7	16.7	79.6

Source: Stanley L. Engerman and Kenneth L. Sokoloff. 2012. *Economic Development in the Americas since 1500: Endowments and Institutions*. New York: Cambridge University Press.

indigenous villages. As previously noted, indigenous people were also subject to draft labor, although during the 17th century, free private labor became the norm in most places.

Starting in the late 16th century, mestizos of legitimate descent could buy from the crown a certificate classifying them as Spaniards, which gave their descendants greater opportunities, including the chance of higher education.<sup>25</sup> In 1783, King Charles III of Spain put in place a process called *cédulas de gracias al sacar* by which free blacks and **mulattos** (individuals of mixed white and black ancestry) could receive a royal certificate to alter their racial status. In 1795, a new law established that these individuals could purchase such a license, which gave them the right to apply for permission to be educated, marry a white person, have a government job, or become a priest. These legal processes establishing racial and ethnic flexibility were primarily the result of the crown's perpetual shortage of funds.<sup>26</sup> They met with strong opposition from the white population in the colonies, which sought to defend their privileges.

The Portuguese also established a caste system in Brazil, although less elaborate than in Spanish America. Indigenous slavery was in place for a longer period of time than in Spanish America despite legal limits, and the enslavement of black people continued until after Brazil's independence. Blacks were not allowed to hold public office, become priests, bear arms, own horses, or wear certain clothes.<sup>27</sup> Black slaves could buy their freedom or become free as a result of a decision from their master (considered a gift or charity). In the latter case, a slave's freedom could be revoked for acts of ingratitude toward their former master.<sup>28</sup>

Following the fall of Spanish rule, slavery collapsed in places such as Mexico, Central America, Chile, Bolivia, and Argentina. In Venezuela, Peru, Ecuador, and Colombia, where there was greater resistance, this took place in the 1850s. In Cuba and Puerto Rico (where Spain retained control) as well as in Brazil, slavery was abolished in the 1880s.

In the Spanish and Portuguese colonies, the white population had significant legal advantages and much greater educational and commercial opportunities than others. But even among themselves, there were important inequalities in terms of political power. Only individuals born in Spain (called *peninsulares*) and creoles could hold public office and positions in the Church, but the former group occupied the most prominent positions. The renowned Prussian scholar Alexander von Humboldt, who traveled throughout the colonies, remarked on how the government, suspicious of creoles, reserved the best offices for native Spaniards. He noted the mutual dislike between peninsulares and creoles and wrote that "the most miserable European, without education, and without intellectual cultivation, thinks himself superior to whites born in the continent."<sup>29</sup>

Although traditionally depicted as dominant, there were significant constraints placed on the settlers by the colonial system. Settlers did not

control policymaking; the crown limited their economic opportunities with the imposition of high taxes, royal monopolies, trade restrictions, and forced monetary donations. Moreover, the property rights of settlers were less than secure, and in some instances, they had to endure economic losses resulting from Spain's debt defaults, wealth expropriation, and compulsory loans.<sup>30</sup> This limited settlers' political influence and investment incentives.

Settlers also depended on the crown for security. Concerns about indigenous and slave rebellions were common, and they frequently occurred during the 18th century, even if most were small in scale. While local militias consisting of settlers (and often mulattos and mestizos) dealt with most rebellions and riots in the colonies, they ultimately depended on the forces of the crown to suppress the most serious uprisings. External threats were also relevant, as shown by the occupation of many Spanish settlements in the Caribbean, frequent attacks on trading routes, and the temporary control of parts of northeastern Brazil by the Dutch. The complicated relationship between the settlers and the Spaniards regarding security and social privileges, as well as the frequent conflicts over economic matters and political influence, would eventually play important roles in the events leading to independence.

## Independence and the Struggle for Political Order

The events leading to the independence of Latin American countries originated with the **Peninsular War** in Europe, a conflict involving France versus Portugal, Spain, and Great Britain. It started after Portugal, a long-time ally of England, refused to join Napoleon Bonaparte's continental system, which sought to blockade British products from continental Europe. Then, France occupied Portugal at the end of 1807. Before the French troops arrived in Lisbon, the Portuguese royal family, the administration, and the court sailed to Brazil protected by warships and accompanied by several merchant ships. Spain originally allied with France, but in early 1808, Napoleon Bonaparte turned against Spain and seized much of its territory.

The political turmoil generated by the invasion of Spain together with growing animosity toward King Charles IV led to his abdication in favor of his son Ferdinand VII. Napoleon Bonaparte did not recognize Ferdinand VII as the King of Spain, kept him captive in France, and instead named his brother Joseph Bonaparte as ruler. Although Spanish administrative bodies acquiesced, rebellions against Napoleonic rule spread across the country.

The Peninsular War would last until 1814. During that period, the governing structure of the Spanish kingdom was in disarray. The Cádiz Cortes (an elected assembly composed of nobles, clergymen, and the common people) emerged as a governing body in 1810 but was severely constrained and had to operate surrounded by French troops. Some representatives from the Spanish colonies also participated in the Cádiz Cortes.

Regulations passed by the Cádiz Cortes had a profound impact on the kingdom and the colonies. For example, the Cádiz Cortes abolished the viceroalties and the Inquisition and declared equality for subjects in the colonies. It also abolished indigenous tribute and draft labor and ordered the breakup of indigenous communal land and its distribution among adult indigenous individuals. A liberal constitution was then passed in 1812, ending the absolute monarchy and establishing a constitutional one, which allowed the national parliament to pass legislation despite the king's opposition.

The Spanish constitution was nullified by King Ferdinand upon his return to the throne in 1814. An absolute monarchy was restored and the Cádiz Cortes dissolved, and supporters of the liberal constitution began to be persecuted and sometimes killed. An era of instability followed, exacerbated by Ferdinand's change of the rules of royal succession in favor of his daughter Isabella II. It was during this time of occupation, resistance, restoration, and internal conflict that the Latin American colonies began the self-rule that would eventually lead them to independence.

## Independence

The immediate cause of the emergence of the first autonomous local governments in the colonies, called **juntas**, was the political vacuum left by the French occupation of Spain. But the underlying tensions that facilitated the move toward self-government and independence can be traced back to earlier events. These included conflicts stemming from the economic grievances of settlers, the centralization of political power in Spanish administrators, a long-standing animosity between creoles and peninsulares, and the concerns of settlers about the ability of the crown to provide security.

Tax pressures, which increased with the Bourbon reforms, generated substantial opposition in the colonies. Rebellions against fiscal policies took place in New Granada in 1765 (Quito) and 1781 (Socorro). Forced donations and loans to pay for Spain's military expenses and debts became common. One particularly controversial measure was the consolidation decree of 1804, which led to the confiscation of charitable church funds in the colonies. In New Spain, where the church had put its capital to work becoming one of the most crucial lending institutions, this decree had a tremendous effect, leading to property seizures and farmers having to sell their properties on unfavorable terms to pay their debts.<sup>31</sup> This royal decree, which angered the propertied classes, was finally suspended when France invaded Spain.

Opportunities for trade remained limited by colonial policies, which was particularly upsetting to agricultural producers. During the British blockade of Spanish ports that took place during the Anglo-Spanish War (1796–1802), many colonists experienced the advantages of freer trade and resented the reimposition of colonial controls that followed. Demands for free trade, for example, were common among the representatives from the

colonies in the Cádiz Cortes during the French occupation of Spain.<sup>32</sup> Also upsetting to colonists was legislation issued at the beginning of the 19th century that sought to restrict the establishment of manufacturing to protect competing industries in Spain.

Another grievance had to do with governmental actions that weakened the political power of settler elites. The recentralization of power that shifted administrative authority to the intendants weakened the influence of settler elites. After the mid-18th century, the participation of creoles in public office was reduced significantly. Historian John Lynch observed that the proportion of creoles among audiencia appointees dropped from 44 percent during the period 1687–1750 to 23 percent in the period 1751–1808.<sup>33</sup> There were also fewer creoles in top Church and military positions.

Security concerns also played a role in the events leading to self-government. As noted before, local militias dealt with most internal security matters and settlers relied on royal military power for suppressing major rebellions and external threats, but this arrangement was shaken in the early 19th century. For example, when the British invaded the viceroyalty of the Río de la Plata in 1806 and 1807, it was the locals that drove them out, with little help from Spain.

Settlers also feared a potential conflict with the indigenous masses and slaves. In the words of historian J. H. Elliott, “Spaniards and the upper ranks of the creoles lived in fear of an explosion among the ethnically mixed populations that crowded the streets of New Spain and Peru.”<sup>34</sup> A violent indigenous uprising began in Peru in late 1780 and led to a major confrontation pitting creoles and Spaniards against the forces led by Tupac Amaru. After thousands of deaths, the rebellion was suppressed in early 1782 and the indigenous leaders were killed. Also influential was the violent slave revolt that took place in the French colony of Saint-Domingue in 1791, which eventually led to the newly independent state of Haiti in 1804. This event was particularly worrisome for plantation owners in the Spanish Caribbean, Venezuela, and Brazil. After France occupied Spain in 1808, many settlers doubted whether the royal forces defeated in Europe could fulfill their commitment to protecting their lives and property.

The last decades of colonial rule also saw the beginnings of nationalist ideas that underlined an identity different than that of the colonial power. The ideas of the Enlightenment also reached intellectual circles and generated concern among an ecclesiastical hierarchy troubled by the principles of equality and liberty and challenges to tradition and authority. In addition, the independence of the United States proved that a revolt against a powerful European country could actually succeed.

After France invaded Spain, locally run juntas began to emerge across the colonies. The first were established in Mexico and Uruguay in 1808. The one in Mexico was short-lived; loyalist groups regained control and devolved power to a new viceroy. The one in Uruguay was a loyalist junta



formed in opposition to the provisional viceroy of the Río de la Plata, whom some perceived as having an ambivalent position regarding the conflict in Spain.

However, the juntas formed in 1809 in La Paz (upper Peru) and Quito (New Granada) sought greater autonomy and were not fully committed to the Spanish central junta that had emerged to fill the vacuum after Ferdinand's captivity. The Quito junta collapsed that same year as royalist troops were closing on the city. The next year, forces sent by the viceroy of Peru captured and punished the leaders of the La Paz junta who had sought to establish new self-government institutions.

In 1810, a creole-led rebellion in Caracas deposed the captain general of Venezuela and established a junta to govern autonomously from Spanish institutions. Soon after, juntas emerged in Bogota, Buenos Aires, Santiago, and again in Quito. After appointing the viceroy as its president, the Bogota junta deposed him. In Buenos Aires, the viceroy was removed by rebel creoles after a failed attempt by loyalists to place him as the head of the newly established junta. A few months later, a new governing junta formed in Santiago. In all these cases, the autonomous juntas claimed to govern in the name of Ferdinand, who remained captive in France.

Venezuela saw the most intense conflict during the wars of independence, mainly as a result of its proximity to the Spanish Caribbean and Europe. The junta in Caracas called for an election to a congress, which declared independence in 1811. The following year, the city was captured by royalist forces helped by reinforcements sent from Puerto Rico but was lost again to independent forces in 1813. Royalist forces retook Caracas in 1814 and remained in the city until it was finally liberated in 1821 by independence hero, Simón Bolívar.

In neighboring New Granada, the junta of Cartagena declared independence in 1811. Forces coming from Venezuela restored New Granada to royalists' hands in 1816 but were defeated three years later by Bolívar. Royalists were then expelled from Guayaquil in 1820 and Quito in 1822.

The Buenos Aires junta had refused to recognize the authority set in Spain in the absence of Ferdinand and moved to take areas of the viceroyalty of the Río de la Plata in upper Peru (Bolivia) that remained in control of royalists. The forces sent north temporarily experienced success but were ultimately defeated. The Buenos Aires junta also sent forces to Paraguay, which were also unsuccessful. Paraguay established its own junta in 1811 and became *de facto* independent in 1813 when an elected congress established the Republic of Paraguay without any mention of Ferdinand.

The junta that had been set up in 1808 in Montevideo (Uruguay) maintained its allegiance to the provisional government in Spain and did not join the autonomous-minded junta in Buenos Aires. Political and military turmoil followed. Portuguese forces occupied the Uruguayan territory in 1811 at the request of Spanish loyalists. Subsequent confrontations between royalists, local independent forces led by José Gervasio Artigas, and forces

loyal to the Buenos Aires junta continued until Artigas took the city of Montevideo in early 1815. The next year, Portuguese forces invaded Uruguay and remained there until 1825, when the country declared independence.

The United Provinces of the Río de la Plata, as Argentina was then called, formally declared independence in 1816. The following year, military leader and then-governor of Cuyo, José de San Martín, crossed the Andes with a sizeable army to liberate Chile from royalist control. After recurrent conflict, Chile's junta had collapsed and loyalist forces sent from Peru in 1813 had regained control. Following the defeat of the royalist by San Martín's forces, Chile declared independence in 1818.

San Martín arrived at the outskirts of Lima, still controlled by royalist forces, in 1820. Northern coastal cities had already switched sides, but Lima remained loyal to Spain. At that time, Spain was undergoing significant political developments, which had brought **liberals** back to power and the reestablishment of the 1812 Constitution. This made **conservatives** in Lima uneasy about restoring ties with the motherland. Meanwhile, the new Spanish government seemed ready to reach some type of settlement with the revolutionaries. In 1821, faced with uncertainty and eroding support, the Spanish authorities and the bulk of the royalist army left Lima for the highlands. A few days later, San Martín proceeded to enter Lima and declare the independence of Peru.

After meeting Bolívar in Guayaquil in 1822, San Martín withdrew from the region. Bolívar's army then took the offensive against the remaining royalist forces. Bolívar's lieutenant, General Antonio José de Sucre, led the independent forces in the Battle of Ayacucho, which took place in December of 1824 and resulted in the defeat of the remaining royalist forces in Peru. Not long after, General Sucre marched into upper Peru. Royalist forces surrendered in April of 1825, and a newly formed congress proceeded to declare the independence of upper Peru, which took the name of Bolivia in honor of the liberator.

In New Spain, loyalists had taken control of the government after the 1808 junta in Mexico City had been quickly dissolved. But in 1810, they faced a massive uprising led by Manuel Hidalgo, a charismatic priest who appealed for profound social reforms and racial equality. Hidalgo's sizeable forces, which were primarily composed of mestizos and indigenous people, marched into the city of Guanajuato, where they killed hundreds of Spaniards and creoles. They then moved toward Mexico City. Despite having the upper hand and winning some confrontations in the outskirts of the city, Hidalgo decided to retreat. The royalist forces then pursued the rebels, eventually defeating them and killing Hidalgo and other leaders of the insurgency. José María Morelos, another priest, took over the leadership of the movement and scored some victories, but in 1815, he was finally captured and sentenced to death.

The independence movement in Mexico lost its impetus after 1815. Smaller forces, such as those led by Vicente Guerrero in Oaxaca, continued

to fight but were not close to achieving a military victory. When the Spanish revolution of 1820 brought the liberal movement back to power, royalist forces led by creole Agustín de Iturbide were poised to defeat Guerrero's uprising. The political change in Spain led conservatives in Mexico to reassess their options, with Iturbide then changing positions and negotiating with Guerrero. In early 1821, he proposed a path to independence that would recognize the equality of all citizens, solidify the primacy of Catholicism, and establish a monarchical system. Ferdinand would be invited to assume the throne, and if that could not be worked out, his brothers would be offered the position. Property was to be protected, clergy privileges upheld, and administrative and military positions would be preserved for those who accepted the independence plan. On August, Iturbide met with an envoy of the Cádiz Cortes, who recognized the independence of Mexico and agreed to persuade the remaining royal troops to surrender.

In Central America, there was no major uprising as in Mexico, but there were smaller rebellions. Two of these took place in San Salvador, with Manuel José de Arce as a key player. He would later become the first president of the Federal Republic of Central America. As in Mexico and Peru, the move toward independence accelerated after the 1820 liberal takeover of government in Spain. Central American elites did not look favorably on the changes Spain was undergoing. Many became particularly displeased after the Spanish Cádiz Cortes suppressed the Bethlehemite Brothers' religious order, which had been founded in Guatemala in 1653. After Iturbide's independence plan became known, Chiapas joined Mexico's path. Soon after, Guatemala and the other provinces of Central America declared independence.

To summarize, the events that triggered the move toward autonomous governments across the colonies originated in Europe. However, many of the underlying tensions between settlers and Spaniards that facilitated the move toward independence had originated with the Bourbon Reforms in the second part of the 18th century, before France occupied Spain. The capture of Ferdinand in France, hostility toward the Cádiz Cortes, and the experience of autonomy gained after 1808 accelerated the cause of independence. The more peripheral areas of Latin America made the transition prior to the conservative centers of colonial rule, such as Peru and Mexico. The latter regions were finally swayed to support independence after liberals in Spain retook control of the government.

In Brazil, the move toward independence came after the 1820 Liberal Revolution in Portugal. The Portuguese Cortes summoned King João VI who, together with the Portuguese royal court, had been living in Rio de Janeiro since 1808. Before departing, the king named his son, Dom Pedro, as regent in charge of governing Brazil in his place. The Portuguese Cortes then revoked the status of Brazil, which, in 1815, had been elevated to a kingdom equal to Portugal. This move generated strong opposition throughout Brazil. Afterward, the Portuguese Cortes demanded the return of Dom Pedro, but he refused to comply. In the midst of the impasse, Dom

Pedro supported the election of a Brazilian constituent assembly and, soon after, openly called for independence. The separation from Portugal was formalized in September of 1822, and by November of the following year, the last Portuguese troops in Brazil surrendered.

## Turmoil after Independence

The wars for independence caused significant hardships in Latin America. Between 1810 and 1829, war and civil conflict led to approximately 780,000 deaths.<sup>35</sup> Political power fragmented, and weak states without clearly delineated borders emerged. After a decrease in the 1830s, the number of deaths increased markedly. The region faced recurring civil conflict, economic instability, and intense disagreements over how to organize the new countries. Wars between bordering countries also added to the political instability of the region. It was only after 1870 that the intensity of these conflicts declined. Table 1.3 presents data on the number of deaths in war and civil conflict between 1810 and 1879.

Disputes emerged over the type of government that should be established. Some advocated for a monarchical structure; early on, it was promoted in Argentina and Chile, but soon dismissed. In Mexico, after failing to convince Ferdinand and his brothers to assume the throne, Iturbide was crowned Emperor Agustín I in July 1822. Less than a year later, he was forced to abdicate, and Mexico became a republic. After a few decades, Mexican conservatives again attempted to establish a monarchy, conspiring with Napoleon III to enthrone a foreign noble, Archduke Maximilian of Austria, as emperor of Mexico. Backed by the French army, he was crowned Emperor Maximilian I in June 1864. His supporters would eventually be

**TABLE 1.3 • Deaths in War and Civil Conflict, 1810–1879**

Decade	Number of Deaths	Deaths per 1,000 People
1810–1819	474,360	32.0
1820–1829	307,439	18.3
1830–1839	8,565	0.4
1840–1849	147,680	6.8
1850–1859	220,688	9.0
1860–1869	357,141	12.8
1870–1879	18,500	0.6

Source: Robert H. Bates, John H. Coatsworth, and Jeffrey G. Williamson. 2007. "Lost Decades: Post Independence Performance in Latin American and Africa." *Journal of Economic History*, 67(4): 917–943.

militarily defeated in 1867. Maximilian I was captured and executed three years after assuming power. The monarchy proved more stable in Brazil. Emperor Pedro I reigned from 1822 to 1831, when he was replaced by his son, Pedro II, who reigned from 1831 until 1889. The latter's rule was ended by a military coup that abolished the monarchical system of government.

Most countries sought to establish republican governments, with separation of powers and some embracement of individual liberties. Inspiration came from the Spanish constitution of 1812, the constitution of the United States and the British system, as well as the strong Napoleonic state. Early constitutions reflected these various influences. The first constitutions were more likely to establish powerful presidents than constrained executives, but most were short-lived and, most importantly, not embraced as legitimate by the people they were supposed to restrain. Those in power did not respect the rights of outgroups and used the resources of the state to perpetuate themselves in government. Those out of power did not believe the in-groups would agree to give up power as constitutionally prescribed.

Conflicts between advocates of a federal structure and those seeking a centralized form of government were common. There were major differences between the two political groups formed after independence: liberals and conservatives. Those coalescing around the conservative pole tended to support a strong central government and a powerful executive. They also sought to preserve a central role for the Catholic Church and a stratified social system. The emerging liberals tended to support a more decentralized federal structure and sought to curtail the influence of the Catholic Church and eliminate its privileges. Liberals, unlike conservatives, advocated for free trade.

Violent disputes between liberals and conservatives became commonplace. In New Granada, which became Gran Colombia after independence, advocates of a strong central government fought those seeking decentralized federal arrangements. Gran Colombia was originally composed of Venezuela, Ecuador, Colombia, and Panama, but internal struggle led to its formal break-up in 1831. Colombia continued to face recurrent civil war throughout the 19th century. A particularly bloody conflict between liberals and conservatives was the Thousand Days War (1899–1902), after which Panama seceded from Colombia.

Central America was also engulfed in severe conflict between liberals and conservatives. The United Provinces of Central America was formed in 1823, after about one and a half years as part of the empire of Mexico. The new political entity included Guatemala, Nicaragua, Honduras, El Salvador, and Costa Rica, but the union faced internal conflicts from the start. Liberals controlled the federation's government and passed a series of anticlerical and trade policies, which were vehemently opposed by conservatives and the clergy. A civil war began in 1838, when former military officer Rafael Carrera, supported by the Catholic Church, rose up and captured Guatemala City. The war would last until 1840, when the federation dissolved.

Similar conflicts erupted in other countries as well. In post-independent Chile, liberals and conservatives quarreled over whether a unitary or federal arrangement should organize the nation. The promulgation of a liberal constitution in 1828, the anti-clerical tendency of the liberal government, and a dispute over the appointment of a vice president prompted a conservative uprising. The ensuing civil war of 1829–1830 would end with the establishment of a centralized conservative government, which was able to maintain relative stability for a much longer period than most others in the region. In Venezuela, a major civil war between liberals and conservatives took place between 1859 and 1863, following conflicts over the federal character of the constitution and the forced exile of several politicians associated with the federal cause. In Bolivia, which had established a centralized unitary government after independence, uprisings in favor of federal arrangements ensued in Santa Cruz on several occasions. Finally, a civil war took place in 1898–1899, ending with the triumph of the federal forces.

Conflict between the center and the periphery of the country was recurrent in post-independence Argentina. A series of civil wars were fought between defenders of a strong central government with Buenos Aires at its head and those seeking confederal arrangements with extensive provincial autonomy. Unlike what was common in most of the other Latin American countries, the unitary faction tended to embrace liberal values in matters of the economy and the role of the Catholic Church, while the federalists were more conservative. A short-lived unitary constitution was passed in 1826, but the country was soon again subsumed in a civil war. A federal constitution was finally enacted in 1853, when Buenos Aires had temporarily split from the Argentine confederacy. In 1861, following the defeat of a federalist force, Buenos Aires joined the rest of the country as part of the Argentine Republic. Subsequent conflict over the status of the city continued until 1880, but Argentina maintained its federal structure and embraced several of the liberal policies advocated by the unitary faction.

International conflicts were also common throughout the 19th century. The Mexican–American War of 1846–1848 was one of the first major international conflicts following independence. Tension between both countries had been exacerbated by the annexation of Texas by the United States in 1845 as well as the unresolved dispute over Texas's western border. President James Polk decided to send a special envoy to Mexico to resolve the dispute and to purchase additional land, but this strategy failed. Subsequently, a scuffle between Mexican and American troops at the disputed border provided Polk with the excuse to declare war on Mexico. The conflict ended with Mexico's occupation and defeat in 1848. As a result of the war, Mexico lost a vast territory in the north of the country, including California and New Mexico.

One of the first major international conflicts in South America was the War of the Triple Alliance, which involved Paraguay against Argentina,

Brazil, and Uruguay. It began in 1864 after Paraguayan President Francisco Solano Lopez attacked Brazilian troops because of his objection to Brazil's involvement in the civil war in Uruguay. Next, he declared war on Argentina for refusing to allow Paraguayan troops to cross its territory. Paraguay, which suffered tremendous losses, was finally defeated in 1870. Brazil and Argentina then proceeded to annex significant portions of Paraguayan territory.

Another major conflict was the War of the Pacific, which confronted Chile with Bolivia and Peru. It originated with a dispute over policies affecting Bolivia's mineral-rich Atacama Desert, where Chilean companies and settlers had become very influential. In 1878, Bolivia imposed a new tax on nitrates exported by Chilean firms in violation of a prior international treaty, which led to the companies' refusal to pay and the government confiscating their holdings. After protests from the Chilean government, Bolivia declared war on Chile in 1879. Peru, which had signed an alliance treaty with Bolivia, was drawn into the war. Chile ultimately defeated both countries, signing a truce with Peru in 1883 and one with Bolivia in 1884. The war led to the annexation of a sizeable territory by Chile, including a slice of southern Peru and the western part of Bolivia, which thereafter was left landlocked.

War and political instability had negative economic consequences for Latin America. Military expenses grew as well as law enforcement costs. Recurrent conflicts damaged property and productive assets, and there were numerous challenges to the normal development of commerce.<sup>36</sup> Fiscal deficits became common after independence, which further weakened the new governments.

Other economic costs were associated with the breakup of the colonial union into several smaller states, such as the burdens of establishing new administrations, fiscal and monetary institutions, and financial markets. New barriers to intra-regional trade were put in place, and transaction costs increased. Moreover, political turmoil made it more difficult for governments to stabilize their economies and build effective institutions. In Mexico and Peru, mining declined; there was a deterioration in the physical capital of the mines, a rise in the price of mercury, and a decrease in silver production. This exacerbated budget deficits.

Independence also brought some economic benefits, particularly free trade and access to capital. Soon after independence, trade imbalances were common, but over time, this unfavorable context began to change. Latin American exports grew modestly during the first half of the 19th century and strongly during the second half. Most exports came from the primary sector of the economy—agriculture, livestock, and mining.

The opening of the economies to trade benefited coastal regions more than others. In Chile, new silver deposits were found, and international demand for copper expanded rapidly. In Argentina and Uruguay, exports of

livestock products significantly increased. In Cuba, still under the control of Spain, sugar exports thrived. Exports also grew in Costa Rica—first gold and then coffee. These five countries had the highest per capita exports in 1850 and 1870.<sup>37</sup>

Table 1.4 presents data on income per capita for ten countries for the 19th century.<sup>38</sup> This sample is limited because exact figures are not available for all countries. Nonetheless, it shows salient differences across countries and over time. Income per capita surged during the last decades of the century in several countries, such as Argentina, Chile, and Cuba. These countries benefited greatly from export-led growth. Mexico underperformed for most of the 19th century, but its economy grew strongly by the end of it. In contrast, per capita income in Peru shrunk considerably at the end of the century. Brazil's dismal economic performance is made evident by these figures: The country's per capita income in 1900 was almost identical to the one it had 100 years earlier.

The richest countries at the start and the end of the 19th century were Argentina and Uruguay. Chile, which experienced an impressive period of economic growth in the second part of the century, ended up as the third richest country in Latin America, with a per capita income slightly higher than that of Cuba. Peru and Mexico, the centers of colonial rule in Spanish America, lagged behind considerably.

**TABLE 1.4 • Gross Domestic Product per Capita, 1800–1900**

Country	1800	1820	1850	1860	1870	1880	1890	1900
Argentina	1,594	1,710	2,144	2,321	2,514	2,748	4,139	4,925
Brazil	600	600	600	687	751	734	751	606
Chile		616	1,011	1,187	1,397	1,808	2,174	2,533
Colombia	819	739	681	794	937	985	995	946
Cuba <sup>1</sup>	844		1,294			1,846	2,531	2,448
Ecuador					624	624	734	903
Mexico	985	760	795	695	789		1,184	1,374
Peru				731	933	479	471	604
Uruguay	1,643	1,773	2,205	2,681	3,286	3,070	3,243	3,027
Venezuela	514	464	903	949	848	1,032	1,281	885

<sup>1</sup>Data for Cuba are for 1792, 1850, 1881, 1892, and 1902.

Source: Maddison Project Database, version 2018.



To sum up, the post-independence era was characterized by high levels of political instability. Civil wars broke out in most countries, and many of them were engulfed in international wars. The lack of agreement over the type of government to be established in the new nations fueled recurrent conflict. In many nations, such as Peru, Venezuela, and Guatemala, military rulers established dictatorial regimes. Others, such as Argentina and Uruguay, experienced prolonged periods of internal disunity. These conflicts generated a high number of casualties and were economically costly. The burdens of independence slowed economic growth during the first decades after independence, but as the intensity of conflict declined, the economy picked up steam and export-led growth became the norm. By the 1870s, political order began to take hold and, in many countries, elites established agreed-upon political institutions to resolve disputes. This signaled the transition between turmoil and political order.

### The Sources of Post-Independence Instability

The chaos that followed independence was costly. Most of the region lacked sufficiently strong institutions to prevent recurrent aggression by one group against others. It took decades until governments could exercise effective and stable authority. Why was Latin America unable to find stability after independence?

One important reason was the lack of self-governing institutions during the colonial period. Under Spanish rule, political power was vested in a centralized absolute monarchy that prevented violent conflicts among groups. When independence came about and ended the authoritarian colonial order, the inhabitants of the new nations could not resort to some pre-existing political institutions. They had no experience with autonomous government, aside from the limited role played by *cabildos*, nor were they familiar with the workings of republican institutions. This exacerbated the difficulties of state building and contributed to political disorder. According to economist and Nobel Prize winner Douglass C. North and his coauthors, "In the absence of any institutions from the colonial era that would either dampen that uncertainty about the intentions of competing groups or constrain the attempts of groups that might aggress against others, open warfare became the norm."<sup>39</sup>

Many of the leaders that emerged after independence, often from the military, sought to reconstruct political order along the lines of the personalist Spanish tradition. However, they lacked the legitimacy and strength of the colonial power. Important social groups did not coalesce around these emerging leaders, who could not muster enough power to impose political order. Liberalism kept winning new followers, who challenged the hierarchical societal structure and economic order sought by traditional conservatives.

In addition, economic problems eroded the authority of those governments that emerged after independence. Fiscal problems made it

difficult to coopt elites and to sustain the loyalty of militias, which further complicated government stability. Budgetary problems also made it difficult to pay members of the public administration. Under such conditions, governments were hard-pressed to defend themselves from insurgent groups.

The lack of consensus among elites was not only the result of the lack of a common belief system but also of the apparent absence of shared economic interests. For instance, historian Frank Safford notes that in many countries, the regions most likely to initiate rebellions against the central government were those located where it was difficult or impossible to play a part in the export trade.<sup>40</sup> He argued that the lack of economic opportunities encouraged elites to engage in politico-military enterprises.

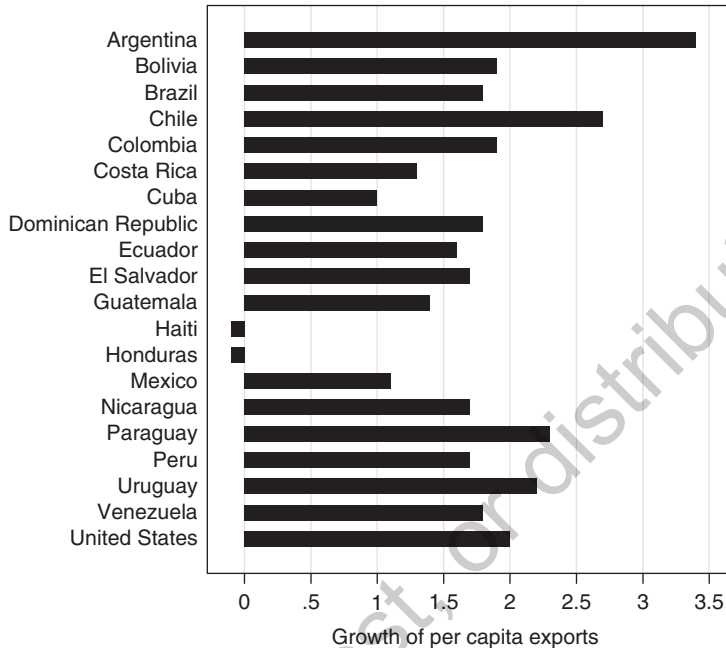
During the chaotic first decades following independence, only Chile and Brazil managed to maintain some degree of political stability. In Chile, early prosperity strengthened the state. During the conservative hegemony that emerged after 1830, governments had the resources and determination to suppress dissent. In Brazil, most of the elite considered the monarchy a useful institution to foster national unity and maintain social stability.<sup>41</sup> Political stability was also facilitated by growth in the production and export of coffee.

## The Emergence of Political Order and Economic Growth

The end of violence and political turmoil came to Latin America around the 1870s. Internal war and recurrent rebellions gave way to the centralization of government power, which facilitated the resolution of intra-elite disputes through nonviolent mechanisms.<sup>42</sup> Secular modernizing governments began to emerge across the region. Some of the institutional reforms implemented during the second part of the 19th century included the establishment of new civil and commercial codes and new financial institutions, such as public and private banks and insurance firms. Governments also lessened the political and economic role of the Catholic Church.

Peace and the consolidation of political power strengthened the security of property. Countries began to improve their tax revenues and consolidated their burdensome public debts. Several countries saw a significant improvement in infrastructure, such as the modernization of ports and the development of railways. Given the high costs of transportation inside the region, the expansion of railway infrastructure was heralded as a major advancement. Some of these projects were partly financed with foreign capital. British capital spending in the region grew markedly after 1865.

In the second part of the 19th century, there was an emerging agreement across Latin American countries that the best path to development rested on further integration with world markets. Increasing exports was seen to be the engine of economic growth. The development of railways facilitated access to natural resources, and more modern ports and reductions in

**FIGURE 1.1** ● Annual Growth of Exports per Capita, 1850–1912

Source: Victor Bulmer-Thomas. 2014. *The Economic History of Latin America since Independence*. New York: Cambridge University Press.

international transport costs benefited international trade. Industrialization in Western Europe and the United States increased demands for primary products. Some of the major exports from Latin America were maize, wheat, wool, and meat from temperate climates; coffee, sugar, cacao, and bananas from tropical climates; and silver, tin, copper, and nitrates from mineral-producing regions.

The growth of exports strengthened the links between Latin American countries and the world economy. Their main trading partners were the United States, United Kingdom, Germany, and France.<sup>43</sup> The success of the export-growth model was most evident in the Southern Cone: Argentina, Chile, and Uruguay. Figure 1.1 presents data on the annual growth of per capita exports for nineteen Latin American countries and the United States.

Across Latin America, governments promoted agrarian development. As commercial agriculture progressed, significant reforms in land tenure were put in place. In countries where communal land systems had remained, those systems were eliminated in favor of individual private property. This led to the abolishment of indigenous communal property. While indigenous people had the option of registering their land as private property,

comparatively few were able to undertake the process of doing so. In many cases, land that had belonged to indigenous communities was appropriated by others.

Public land controlled by municipalities or national governments was also privatized.<sup>44</sup> Many of the lands held by municipalities had been previously rented out to peasants. In El Salvador, for example, the privatization of communal land during the 1880s affected around half of all arable land.<sup>45</sup> With the push of commercial agriculture, many peasants lost their lands, which passed to the hands of large landowners, land companies, and plantations.

In short, economic growth during the second part of the 19th century was facilitated by political stability, investments in infrastructure, and a favorable international context for Latin American exports. But export-led growth also had the effect of increasing income inequality. As previously noted, land ownership among peasants and indigenous people decreased. In addition, arable land and mineral resources became concentrated in the hands of the elites. Because land and mineral rents grew in relation to wages, income inequality increased.<sup>46</sup>

At this point, Latin America had already fallen behind the United States in terms of economic development. In 1700, both European colonies had similar levels of wealth, but by 1820, Latin America's income per capita was calculated to be around half that of the United States.<sup>47</sup> More recent calculations show that in 1870, after the end of colonial rule and 50 years of political turmoil, the per capita income of Latin American countries represented 25 percent of the per capita income of the United States.<sup>48</sup> The substantial gap in development between both regions was already there. During the following decades, however, this gap remained relatively unchanged: The ratio of per capita income went from 25 percent in 1870 to 23 percent in 1930. After the arrival of political order in 1870, Latin America's annual rate of growth of per capita income was not too different from that experienced by the United States.

The modernizing governments that brought order to the region came to power as a result of a series of military and political victories by liberal-minded forces. These governments put in place reforms that fortified the power of the central government, limited the power of the Catholic Church, secured the property of elites, and strengthened law and order. They differed, however, in their level of political competition and the constraints they placed on executives.

In Mexico, many liberal reforms, such as the prohibition of corporate (i.e., church and civil institutions) ownership of real estate and the abolition of special courts for clergy and the military, were passed in the 1850s, before the emergence of political order. It was after Porfirio Díaz seized the presidency in 1876 that Mexico achieved a sustained period of political stability. During the last decades of the 19th century, Mexico saw

a significant modernization of infrastructure, the establishment of financial institutions, a significant increase in mining exports, and economic growth. The country also experienced an erosion of republican principles and the rise of authoritarianism. After one term in office, Díaz was succeeded in the presidency by Manuel González, his handpicked candidate. Díaz then returned to power in 1884, when he established a personalist dictatorship that would last until 1911.

In Central America, liberal reforms and some modicum of political stability came in the 1870s. The wave of modernizing liberal presidents included Tomás Guardia (1870–1882) in Costa Rica, Justo Rufino Barrios (1873–1885) in Guatemala, Rafael Zaldívar (1876–1883) in El Salvador, and Marco Aurelio Soto (1876–1883) in Honduras.<sup>49</sup> Liberalism arrived later in Nicaragua with the presidency of José Santos Zelaya (1893–1909). These modernizing presidents promoted agricultural development, particularly the expansion of coffee and banana production for export. The privatization of communal lands was most extensive in El Salvador and Nicaragua. In these countries and Guatemala, government policies favored the creation of large commercial estates and the implementation of coercive labor regulations in rural areas.<sup>50</sup> Unlike its neighboring countries, Costa Rica developed an oligarchic republic by the late 19th century, with elites competing in electoral contests, alternation of the presidency, and limits on executive power.

South American countries also found order under various types of liberal regimes. For instance, in Argentina, an oligarchic republic emerged in the 1860s and became stabilized by 1880. Liberal factions competed against each other in elite-dominated elections, and presidents governed under strict term limits that prevented them from running for reelection. During this period of time, Argentina's economy grew and the country became one of the richest in the world. In addition, literacy rates increased markedly, new European immigrants arrived, and a comparatively large middle class began to play a more prominent social role.

Peru initiated an era of modernization and economic growth under relative political stability after José Nicolás de Piérola, a former president, seized power in 1895. This change signaled a transfer of influence from military leaders to the oligarchy. Presidential turnover after the end of the stipulated term would become the norm. Under this oligarchic republic, Peru embarked on a period of reconstruction following the defeat in the War of the Pacific, strengthening the links of the country with international markets, promoting commercial agriculture, and delivering economic growth.

Political order and an oligarchic republic had emerged in Chile before any other country in Latin America. The period known as the "Liberal Republic" began in 1861 and brought about reforms that limited the power of the executive, prohibited the immediate reelection of the president, strengthened the role of congress, and reduced the influence of the Catholic

Church. A brief and violent conflict between the president and congress in 1891 was resolved in favor of the latter and gave way to a new era of congressional predominance known as the “Parliamentary Republic.”

Political order and liberal reforms arrived in Venezuela after Antonio Guzmán Blanco, a liberal politician and former vice president, seized the government in 1870. During his personalist dictatorship, the government promoted international trade, expanded railway and road construction, and improved the country’s ports. He also lessened the influence of the Catholic Church and established religious freedom. Guzmán Blanco would govern directly or indirectly until 1887, when he left for Europe after hand-picking his successor.

Political order and economic growth became the norm in most countries after 1870. However, Latin America continued to be characterized by regimes that limited the political participation of most of its citizens. Even in those republics in which elections took place regularly, the franchise tended to be limited to a small minority of men. Formal restrictions such as wealth and literacy requirements were in place in many countries, and the lack of secret ballot was the norm. These governments would lead the region into the dawn of the 20th century.

## Conclusions

This chapter focused on the colonial period and its aftermath. It described the institutional structure put in place by the colonial powers, including its hierarchical and centralized organization as well as its administrative and judicial functions. It highlighted the limited independence of local town councils and the dominant role given to Spanish bureaucrats. The close association between civil and religious authorities and the control of the monarchy over the clergy were also explained.

Policies established during this period influenced the region’s development. As noted in the chapter, the practice of mercantilism and a strict trade monopoly were characteristic of this era. The obsession of the colonial powers with the extraction of mineral resources, mainly gold and silver, impacted the colonial economy and its administrative development. Agriculture eventually grew in importance, particularly the plantation economy geared toward the export market. Plantation agriculture became central to the economies of Brazil, the Caribbean, and other coastal regions of tropical Latin America. The economic strategies of the colonial powers influenced labor and immigration policies. The chapter reviewed the coercive labor mechanisms used to

draft indigenous labor for mining and agriculture as well as highlighted how labor shortages spurred a massive slave trade.

Colonial societies evolved in ways that would have a profound impact on the region. Indigenous populations were devastated, and millions of Africans were brought forcefully to the region as slaves. The chapter described the composition of the population over time and the characteristics of the caste system put in place by the colonizers. The inequalities in terms of political power that divided Spanish-born peninsulares from the local creoles were also reviewed.

The immediate events leading to independence had their origin in Europe, but long-standing political and economic grievances in the colonies also played an important part. Some of these were the result of the Bourbon reforms, which Spain undertook to modernize its colonial policies. Political instability in Europe and local reaction to the impact of liberalism in Spain and Portugal also influenced the movement toward independence. The chapter examined these factors and described the emergence of autonomous governments in Latin America.

Independence was followed by widespread turmoil. Civil wars, political violence, and international conflict characterized the region in the decades after independence. The chapter described these events, including the confrontation between liberals and conservatives, and examined the possible sources of such conflict and instability. It then moved on to address the arrival of political order and economic growth in the latter part of the 19th century. It highlighted the impact of export-led growth and noted the income gap that had already developed between Latin America and the United States. The chapter concluded by reviewing the various types of governments that emerged in Latin America by the late 19th century and how they differed with regards to political competition and the constraints placed on executives.

Knowledge of the political, economic, and social institutions that characterized the colonial period; the process leading to independence; the chaotic aftermath; and the emergence of political order and growth at the end of the 19th century not only illuminates a crucial aspect of the region's history but also helps us understand the political and institutional developments of the subsequent eras. The next chapter continues our examination of Latin American politics with a look at the emergence and stability of different regime types throughout the 20th century.

## Key Terms

Bourbon Reforms 11	Liberals 20
Cabildos 6	Mercantilism 8
Conservatives 20	Peninsular War 16
Council of the Indies 4	Royal patronage
Export-led growth 3	(patronato real) 7
Junta 17	Viceroy 5

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