THE WORLD CAPITALIST SYSTEM AND LOCAL CHANGE IN COLONIAL MEXICO

MEXICAN AGRICULTURE 1521–1630: TRANSFORMATION OF THE MODE OF PRODUCTION. By ANDRE GUNDER FRANK. (Cambridge: Cambridge University Press, 1979. Pp. 91. $13.95.)

The Latin American colonialist who considers ordering Frank's slim book *Mexican Agriculture 1521–1630* should be forewarned: it is a ten-year-old draft of a larger, unfinished study on Mexican agrarian society that the author has not updated. One might well ponder whether publishing such an incomplete and outdated piece of work is the privilege bestowed by international fame on members of our profession. Indeed, Frank, himself, feels that the reader is owed an explanation for his decision to exhume this work.

In the Preface, he writes of the renewed interest in the history of colonial times from the perspective of "dependence" and the world capitalist system. In fact, the book is published in a new Cambridge series on Studies in Modern Capitalism, which reflects the growing interest in world-system analysis that Frank, Immanuel Wallerstein, Samir Amin, and others have developed in the past several years (Frank 1967 and most recently 1978, Wallerstein 1974, and Amin 1974). For those interested in global patterns of production and trade over long sweeps of time, this book will serve to locate early colonial Mexico on the world map of mercantile capitalism.

But the author's intentions go beyond his wish to bring this piece of the world-system into sharp focus or merely to respond to the rising popularity of colonial studies. Frank hopes to contribute to the current "reinterpretation of dependence through an analysis of the mode of production" (pp. xi–xii). Furthermore, by publishing the book more than a decade after he wrote it, Frank wants "to make available to [his] critics and other readers an analysis of some aspects of agriculture which, though written long ago, perhaps dedicates relatively more attention to the relations of production . . ." (p. xii). In a way, the book represents Frank's efforts to set the record straight for those Marxists critical of his "circulationist" bent. As the book's subtitle indicates, Frank's primary analytical focus is on the structure and relations of production in the Mexican countryside rather than on mineral exports or international trade imbalances. But while the very subject of the study requires Frank to place more weight on "internal" relations of production rather than on "external" currents of trade, he certainly has not turned dependency theory upside down, or rather inside out, and inverted the direction of historical determination or change. On the contrary, Frank still looks *hacia afuera* to the "developmental needs and capacities" of the world mercantilist system which, he argues, has shaped and "perhaps determined" the economic organization and social relations of Mexican agriculture since the time of Conquest.

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Frank's central aim is to explain why control over agricultural production in Mexico slipped away from the native peasant community to Spanish profit seekers, who captured direct control over land and labor and organized production according to their own economic principles. He argues that this "transformation" of agricultural productive relations was the result of the progressive, inexorable commercialization of local economic activity. However, the Conquest did not immediately usher in the age of the hacienda and debt servitude. Between the end of military conquest in 1521 and the rise of a seigneurial regime, agrarian society passed through two transitional phases, each characterized by a dominant labor institution. In the first phase (1521–48), Spaniards exploited the Indians through the mechanism of *encomienda* tribute. Commercial penetration was limited to the surplus product extracted by encomenderos from peasant communities under their authority. Encomenderos converted the product of peasant labor into commodities on the local market. In the second transitional phase (1548–75), Spaniards resorted to the *repartimiento*, an agricultural labor draft, to transfer peasant energy on a seasonal or rotational basis to agricultural enterprises outside the peasant village economy. This institution served the interests of the earliest Spanish landowners who began to compete with the peasantry for land and access to local markets.

Frank explains the passage from one phase of commercialization to the next in terms of the principle of opportunity cost. Opportunities and constraints on mercantile accumulation changed radically over the first century of colonial rule, and in order to maximize their profits, Spaniards had to alter and improve their machinery of exploitation in response to changing market conditions. In particular, the depopulation of the Mexican countryside and the shift in the land/labor ratio opened up new possibilities for agricultural entrepreneurs. Following the first terrible epidemic of 1545–48, colonizers began moving onto center stage as landowners and coordinators of agricultural production, though they continued to depend upon peasant villages for seasonal and day laborers. After the second wave of epidemics around 1575, however, market conditions were increasingly propitious for full-scale investment in agricultural production.

The core of the book is a discussion of the hacienda as an inherently commercial, profit-oriented enterprise that grew rapidly following the sharp demographic downturn in the 1570s. It is a theme familiar to all those who have read Frank's earlier works. In this study, the author is again interested in disproving what he anachronistically maintains is "the most commonly accepted thesis about the . . . hacienda [which posits] that it began as a feudal institution and has remained one since . . ." (p. 78). Frank attacks this premise from two different directions. In the first place, he relies heavily upon the classic works of Chevalier (1952), Borah (1951), and Wolf (1959) to argue that the Mexican hacienda was an "indigenous development" that arose in response to the changing social needs of the economy after the encomienda and repartimiento were no longer capable of meeting them. Those needs were simply the growing urban demand for foodcrops and the constant "need" of colonizers to accumulate capital. Thus, Frank categorically rejects the old hypothesis that the Mexican hacienda was a "feudal institution imported to Latin America by feudal Span-

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iards from feudal sixteenth-century Spain" (p. 46). Frank's premise is, of course, that neither Spain nor Spaniards was feudal in the sixteenth century. The very fact that Spanish colonists in Mexico wanted to get rich and engaged in trade relations meant that they were already "participants in the world capitalist system."

But if most historians agree that the latifundium indeed originated in Mexico and acquired its own peculiar characteristics, Chevalier and Borah long ago postulated that the *consolidation* of hacienda agriculture occurred during the seventeenth-century depression when profits from mining and overseas commerce declined, commercial demand for foodstuffs weakened, and otherwise enterprising Spaniards put their capital into discrete, autarchic estates to wait out the slump. From this perspective, the Mexican hacienda was no artifact of feudal Europe. But it was flexible enough to transform itself into a closed, self-sufficient estate during periods of protracted decline, such as in the early seventeenth century. Although Frank admits that neither Chevalier nor Borah describes the hacienda as "feudal," he insists that their interpretations rest on the implicit assumption that the hacienda was fundamentally noncommercial in character. Frank's own interpretation of the hacienda's origins is little more than a refutation of Chevalier's and Borah's early work. As an economist, Frank claims to subject their own evidence to "economic analysis" to show that the latifundium became more profitable and more thoroughly commercial when profits from mining and overseas trade fell and Indian labor was relatively scarce. In fact, Frank goes further to question whether there ever was a generalized depression in the early seventeenth century, as Borah postulated.

To press his point about the capitalist (i.e., commercial) origins of the Mexican hacienda, Frank develops his argument along two lines of analysis: the world-system and the local relations of production. The world-system is a given, and its very presence provides the motivating force behind local change and transformation. Accumulation is the principle dynamic of the system, and colonizers seeking to increase their returns shape colonial institutions in response to both global and local forces of supply and demand. But ultimately everything may be explained as responses to the needs and capacities of the mercantile capitalist system. "The structure and development of this system demanded a type of colonization unlike that history had previously known," Frank argues (p. 5). Mexican colonialism was qualitatively different from earlier colonial societies because colonists actually intervened in the productive process. On the micro level, then, Frank studies Mexico's "incorporation into the world-system" by analyzing the transition from a primitive form of exploitation (encomienda) based on surplus extraction through the exercise of political force to a more advanced form of exploitation (latifundium) through monopoly control over the means of production. Accumulation, the driving force of the world-system, set in motion the transformation of local patterns of production in the Mexican countryside.

The polemical style and theoretical bent of the author may alienate some historians. But those familiar with the ongoing debates about the so-called seventeenth-century depression in Mexico will appreciate Frank's early influ-

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ence on the current revisionist interpretation of economic change in that colony.[1] It is generally agreed now that the decline in mineral exports and trans-Atlantic trade occurred after 1630, much later than Borah suggested. Moreover, many historians argue that the decline in commerce and mining was due in part to the weakened demand in Mexico for Spanish exports (Bakewell 1971, pp. 226–27). By 1630 Mexico had become largely self-sufficient in food and other commodities, despite the sharp decline in native population. In fact, Frank himself argues that this elimination of peasant producers stimulated the growth of hacienda agriculture, stock raising, and plantations in Mexico. What historians once interpreted as an involuted economy retrogressing to subsistence agriculture, they now consider to be a colonial economy undergoing structural change as it began to achieve its economic emancipation from Spain (Bakewell 1971, Lynch 1969). In many ways, the Mexican economy seemed to be more vigorous, autonomous, and diversified, as more and more surplus remained in this "periphery." Frank's early hypothesis about Mexico's transformation is echoed in Boyer's (1977) recent article on Mexico's "transition" to a market economy.

But was the transition in rural productive structures and forms of exploitation in early colonial Mexico really as unilateral as Frank postulates? While I agree with the outlines of his argument, I think Frank overemphasizes the extent to which colonizers intervened in agricultural production and monopolized land and water resources. Regional studies of colonial Mexico have revealed the surprising resiliency of peasant communities in many areas (Taylor 1972, Tutino 1975, Lockhart 1976, Grieshaber 1979). Although strained and fragmented, always on the defensive, and beset by demands for tribute, labor, and land, many native communities endured the colonial period. Obviously, the "communal mode of production" did not survive in tact. From the beginning of colonial rule, *comunidad* peasants participated in the commodity and labor markets. But the very survival of those villages and their continued control over land and labor power is important to recognize. From the perspective of the hacendado, those native communities both impinged upon the decisions of landlords and served as reservoirs of agricultural laborers, who still provided their own subsistence. To conceptualize early agrarian change in terms of the "transformation of the mode of production," as Frank does, is to collapse into one two distinct, though closely related processes: the destructuration of Indian society (which had an internal dynamic of its own) and the articulation between the communal peasant economy and the seigneurial regime.[2]

This raises perhaps the most serious shortcoming of Frank's "theoretical scope." His interpretation of the monopolistic nature of commercial capitalism leads him to ignore the complex inner workings of colonialism as a total system of exploitation. In both Mexico and Peru the mechanics of domination were based as much upon direct political force and fiscal demands as upon the relationship of an elite to the means of production. To subordinate political power and parasitic forms of exploitation to economic power based on monopoly implies that the colonial state was not an autonomous force in Mexican society. Frank's ruling elite is a monolithic one whose interests are almost exclusively

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tied up with agriculture. But the colonial state was clearly not the creature of the hacendado class after 1580, as Frank suggests. Its alliances shifted among competing interest groups at different points in time. Furthermore, the colonial government, individuals in the civil and religious bureaucracies, and (to some degree) ethnic chieftains all depended upon direct political control over part of the surviving peasantry. These exploiters usually did not reorganize production at the village level. As Gibson documented long ago, they drained off surplus in the form of tribute, forced labor for the mines, compulsory commodity exchange, etc., but that transfer of surplus labor did not inevitably destroy the peasant community (Gibson 1964, Barbosa-Ramírez 1971).

Because Frank seems to lose sight of the political dimension of exploitation, he does not look inward towards the contradictions inherent in the colonial system. In his grand design, the investment decisions of colonizers responding to shifts in supply and demand is a far more powerful force of historical change than contradictions and conflicts between social groups. Yet one of the basic contradictions of this system of exploitation, of course, was the increasingly acute competition among sectors of the elite for access to peasant labor. Social conflict was by no means confined to the elite, however. Until recently, historians often assumed that Indians were absolutely crushed under the weight of colonial rule, or if they were not, it was because they were social climbers who found a niche for themselves in the world of the colonizers, or they were brokers who collaborated with colonial authorities. Fortunately, recent ethnohistorical work has begun to break down our stereotypes of Indians as passive victims or corrupt opportunists (Carmagnani 1979, Wachtel 1977, Schwartz 1978, Spalding 1972). Even within the colonial context, natives in both Mexico and Peru had space to maneuver, and some found ways to preserve community lands, precolonial traditions, and their cultural identity well into the colonial period (Murra 1978, Rivera 1978). Native resistance to colonial rule took other forms (both active and passive, material and religious), which we are only beginning to study in detail (Wachtel 1977). Without necessarily abandoning the structuralist approaches to agrarian change that dependency theory offers, we need to move beyond the notions of "capitalist penetration" and "incorporation" to study the actions and consciousness of different, often conflicting, social groups in colonial society and particularly the ways native people resisted and altered the structures of colonial domination.

BROOKE LARSON
New School for Social Research
and Columbia University

NOTES

1. Frank sketched the outlines of the argument he develops fully in this book in two earlier publications (1967, 1969, especially his chapter on "The Development of Underdevelopment").
2. I have borrowed the term "destructuration" from Nathan Wachtel, who defines it as "the survival of ancient structures, or parts of them, no longer contained within the relatively coherent context in which they had previously existed" (1977, p. 85). Colonial domination distorted and disintegrated many indigenous social relations in local

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Indian society, but it did not doom native villages to total extinction. On the relations between peasant village economy and haciendas in both Mexico and Peru, see Tutino 1975, Spalding 1975, and Grieshaber 1979.

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