

THE KINGDOM OF QUITO, 1690–1830
THE STATE AND REGIONAL DEVELOPMENT

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Introduction

This book examines the impact of public policy on long-term socio-economic development in the Kingdom, or *Audiencia*, of Quito from 1690 to 1830.¹ It is an extension of the inquiry that resulted in my *Crisis and Decline: The Viceroyalty of Peru in the Seventeenth Century*. In that work I traced the political and economic causes for the fiscal decline of the Spanish colonial state in South America, which allowed provinces like Quito to gain greater regional autonomy. During this period the Kingdom of Quito became linked to an integrated network of secondary regional markets whose prosperity began to evolve independently of the more visible colonial export sector. By the eighteenth century global economic patterns, imperial reform policies, and a series of complex regional and local socioeconomic changes converged to reverse this trend towards greater autonomy and transformed development patterns in Quito. This study focuses primarily on how state policy contributed to these profound socioeconomic changes in the kingdom, from the onset of the demographic and economic crises of the 1690s to the culmination of the independence movements by 1830. Such a longitudinal examination of Quito can help to answer a fundamental but often ignored historical question: how did the colonial and early republican states contribute to shaping the political economy of Spanish America?

The major study of political economy in the Kingdom of Quito remains *La economía política del Ecuador durante la colonia* by José María Var-

1. The kingdom was also called the *Audiencia* or Presidency of Quito after the crown founded a high court in 1563 to head the imperial bureaucracy. The *audiencia* exercised jurisdiction over the provinces from Popayán in the north to Loja in the south, including the frontier regions of Atacames (in the northwest) and Quijos, Macas, Mainas, and Yaguarsongo or Jaén de Bracamoros (east of the Andes). After independence, the national government of Ecuador eventually lost control over Popayán and Pasto in the north and broad stretches of the Amazon frontier, so the core region of the *audiencia*, from Ibarra to Loja, formed the nucleus of the new nation. For a map picturing the provinces under the control of the modern nation of Ecuador and the colonial *audiencia*, see Suzanne Austin Alchon, *Native Society and Disease in Colonial Ecuador* (Cambridge, 1991), 1.

gas.² In recent years, however, a number of detailed regional studies have examined the variegated process of socioeconomic change throughout the Andean region, including the Kingdom of Quito.³ Utilizing methods pioneered in social history, anthropology, demography, and economic history, this work has prompted a thoroughgoing reexamination of regional patterns of demographic change, land tenure, labor practices, market exchanges, manufacturing, social class formation, clerical activities, and resistance to the colonial order. Although a few of these studies are works of synthesis, many more are based on solid empirical evidence, drawn from extensive archival research.⁴ My own book builds on these recent

2. José María Vargas, *La economía política del Ecuador durante la colonia* (Quito, 1957). Other classic works are: Federico González Suárez, *Historia general de la República del Ecuador* (Quito, 1970 edn.); and Juan de Velásco, *Historia del reino de Quito*, 2 vols. (Quito, 1971 edn.). See also Alberto Landázuri Soto, *El régimen laboral indígena en la Real Audiencia de Quito* (Madrid, 1959); Alquiles Pérez, *Las mitas en la Real Audiencia de Quito* (Quito, 1948); Darío Guevara, *Las mingas en el Ecuador* (Quito, 1957); and P. Peñaherrera de Costales and Alfredo Costales, *Historia social del Ecuador*, 4 vols. (Quito, 1964–65).
3. Three important recent reviews of contributions to Andean historiography dealing specifically with Ecuador are: Christiana Borchart de Moreno and Segundo E. Moreno Yáñez, "La historia socioeconómica ecuatoriana (siglo XVIII): análisis y tendencias," *Revista de Indias*, 186 (1989): 379–409; Carlos Contreras, "Balance de la historia económica del Ecuador," *HISLA*, 5 (1985): 127–34; and Manuel Miño Grijalva, comp. *La economía colonial: relaciones socio-económicas de la Real Audiencia de Quito* (Quito, 1984), 9–85.
4. The only full study of Amerindian rebellions remains that by Segundo E. Moreno Yáñez, *Sublevaciones indígenas en la Audiencia de Quito, desde comienzos del siglo XVIII hasta finales de la colonia* (Quito, 1985 edn.); an important new study of disease and population patterns is Alchon, *Native Society and Disease*; and a significant unpublished study of Amerindian migration is Karen Powers, "Indian Migration and Socio-Political Change in the Audiencia of Quito" (Ph.D. diss., New York University, 1990). The best recent study of the formation of colonial elites is Javier Ortiz de la Tabla Ducasse, *Los encomenderos de Quito, 1534–1660: origen y evolución de una élite colonial* (Seville, 1993). A selected list of recent major articles on landholding patterns, the transfer of land from Andeans to Spaniards, and the early *obrajes* is: Christiana Borchart de Moreno, "La transferencia de la propiedad agraria indígena en el corregimiento de Quito, hasta finales del siglo XVII," *Caravelle*, 34 (1980): 1–19; idem, "Composiciones de tierras en la Audiencia de Quito: el valle de Tumbaco a finales del siglo XVII," *Jahrbuch für Geschichte von Staat, Wirtschaft und Gesellschaft Lateinamerikas*, 17 (1980): 121–55; idem, "Composiciones de tierras en el Valle de los Chillos a finales del siglo XVII: Una contribución a la historia agraria de la Audiencia de Quito," *Cultura*, 5 (1980): 139–78; idem, "La tenencia de la tierra en el Valle de Machachi a finales del siglo XVII," *Antropología Ecuatoriana*, 2–3 (1983–84): 143–68; idem, "Capital comercial y producción agrícola: Nueva España y Quito en el siglo XVIII," *Anuario de Estudios Americanos*, 46 (1989): 131–72; idem, "La crisis del obraje de San Ildefonso a finales del siglo XVIII," *Cultura*, 24 (1986): 655–71; idem, "Las tierras de comunidad de Licto, Punín, y Macaxí: factores para su disminución e intentos de restauración," *Revista Andina*, 6:2 (diciembre 1988): 503–24; Carlos Marchán Romero, "El sistema hacendario serrano, movilidad y cambio agrario," *Cultura*, 19 (1984): 63–106; Hernán Ibarra, "Haciendas y concertaje al fin de la época colonial en Ecuador (Un análisis introductorio)," *Revista Andina*, 4 (1988): 175–200; Javier Ortiz de la Tabla, "Panorama económico y social del corregimiento de Quito (1768–1775)," *Revista de Indias*, 145–47 (1976): 83–98; and idem, "El obraje colonial ecuatoriano: aproximación a su estudio," *Revista de*

contributions by analyzing the impact of state policies and market forces on regional socioeconomic changes in the Kingdom of Quito during the crucial transitional period between the advent of the Bourbon Reforms and the independence era.

Indias, 149–50 (1977): 469–541; idem, “Las ordenanzas de obrajes de Matías de Peralta para la Audiencia de Quito: régimen laboral de los centros textiles coloniales ecuatorianos,” *Anuario de Estudios Americanos*, 33 (1976): 471–541; and idem, “Obrajes y obrajeros del Quito colonial,” *Anuario de Estudios Americanos*, 39 (1982): 341–65. The best survey of the textile economy remains Robson Brines Tyrer’s unrevised doctoral dissertation, “The Demographic and Economic History of the Audiencia of Quito: Indian Population and the Textile Industry, 1600–1800” (Ph.D. diss., University of California at Berkeley, 1976). Other significant and more recent contributions are: Jaime Costales, “Los ordenanzas de obrajes,” *Boletín de Informaciones Científicas Nacionales*, 119 (1986): 17–62; Manuel Miño Grijalva, “Capital comercial y trabajo textil: tendencias generales de la protoindustria colonial latinoamericana,” *HISLA*, 9 (1987): 59–79; Alexandra Kennedy Troya and Carme Fauria Roma, “Obrajes en la Audiencia de Quito. Un caso de estudio: Tilipulo,” *Boletín Americanista*, 32 (1987): 143–202. Segundo E. Moreno Yáñez, “Formulario de las Ordenanzas de Indios: una regulación de las relaciones laborales en las haciendas y obrajes del Quito colonial y republicano,” *Ibero-Amerikanisches Archiv*, 5:3 (1979): 227–41; Ricardo Muratorio, “La transición del obraje a la industria textil y el papel de la producción textil en la economía de la Sierra en el siglo XIX,” *Cultura*, 24 (1986): 531–43; Jorge Villalba, “Los obrajes de Quito en el siglo XVII y la legislación obrera,” *Revista del Instituto de Historia Eclesiástica Ecuatoriana*, 8 (1986): 43–212. Other studies of key industries are: Lawrence A. Clayton, *Caulkers and Carpenters in a New World: The Shipyards of Colonial Guayaquil* (Athens, OH, 1980); Frédérique Langue, “Minas ecuatorianas de principios del siglo XIX,” *Revista del Archivo Nacional de Historia: Sección de Azuay*, 6 (1986): 101–24; and María Luisa Laviana Cuetos, “La Maestranza del astillero de Guayaquil en el siglo XVIII,” *Temas Americanistas*, 4 (1983): 26–32. The commerce in agropastoral and manufactured goods from the south highlands has received attention in: Silvia Palomeque, “Loja en el mercado interno colonial,” *HISLA*, 2 (1983): 33–45; and Martine Petitjean y Ives Saint-Geours, “La economía de cascarilla en el corregimiento de Loja,” *Cultura*, 15 (1983): 171–207. An important study of the economic enterprises of the clergy is: Nicholas Cushner, *Farm and Factory: The Jesuits and the Development of Agrarian Capitalism in Quito, 1600–1767* (Albany, NY, 1982), and more recently, Jorge Villalba, “Las haciendas de los Jesuitas en Pimampiro en el siglo XVIII,” *Revista del Instituto de Historia Eclesiástica Ecuatoriana*, 7 (1983): 15–60. Several key books exist dealing with the export boom along the Ecuadorian coast. See Michael T. Hamerly, *Historia social y económica de la antigua provincia de Guayaquil, 1763–1842* (Guayaquil, 1973); idem, *El comercio de cacao de Guayaquil durante el período colonial: un estudio cuantitativo* (Guayaquil, 1976); María Luisa Laviana Cuetos, *Guayaquil en el siglo XVIII: recursos naturales y desarrollo económico* (Seville, 1987); Julio Estrada Ycaza, *El puerto de Guayaquil*, 2 vols. (Guayaquil, 1973); and Manuel Chiriboga, *Jornaleros y gran propietarios en 135 años de exportación cacaotera (1790–1925)* (Guayaquil, 1980). Two thorough analyses of the urban development of colonial Ecuador are: Martin Minchom, *The People of Quito, 1690–1810: Change and Unrest in the Underclass* (Boulder, CO, 1994); and Rosemary D. F. Bromley, “Urban Growth and Decline in the Central Sierra of Ecuador (Ph.D. diss., University of Wales, 1977). Important demographic studies are: Martin Minchom, “Historia demográfica de Loja y su provincia desde 1700 hasta fines de la colonia,” *Cultura*, 15 (1983): 149–69; idem, “The Making of a White Province: Demographic Movement and Ethnic Transformation in the South of the Audiencia of Quito (1670–1830),” *Bulletin de l’Institut Français d’Études Andines*, 12 (1983): 23–39; idem, “La evolución demográfica del Ecuador en el siglo XVIII,” *Cultura*, 24 (1986): 459–80; Javier Ortiz de la Tabla, “La población ecuatoriana en la época colonial: cuestiones y cálculos,” *Anuario de Estudios Americanos*, 37 (1980): 235–77; idem,

Political economy and dependency perspectives

Over the last thirty years much of the scholarly output dealing with the political economy of Spanish America has been influenced to some degree by the dependency paradigm.⁵ Dependency perspectives provide a compelling theoretical approach linking the local, regional, and international dimensions of socioeconomic change.⁶ Although no coherent “theory” of dependency exists, its advocates postulate that the expansion of international capitalism led to the economic subordination of Spanish America, resulting in widespread domestic inequalities and a legacy of structural

- “La población tributaria del Ecuador colonial,” *Cultura*, 24 (1986): 447–58. The best studies of politics and political economy are: Linda Alexander Rodríguez, *The Search for Public Policy: Regional Politics and Government Finances in Ecuador, 1830–1940* (Berkeley, CA, 1985); and Douglas Alan Washburn, “The Bourbon Reforms: A Social and Economic History of the Audiencia of Quito, 1760–1810” (Ph.D. diss., University of Texas at Austin, 1984); Rosmarie Terán Najas, *Los proyectos del Imperio Borbónico en la Real Audiencia de Quito* (Quito, 1988); María Luisa Laviana Cueros, “Organización y funcionamiento de las Cajas Reales de Guayaquil en la segunda mitad del siglo XVIII,” *Anuario de Estudios Americanos*, 37 (1980): 313–46, Leonardo Espinosa, “Política fiscal de la provincia de Cuenca: reseña histórico – presupuestaria – 1779–1861,” in *Segundo encuentro de historia y realidad económica y social del Ecuador*, 3 vols. (Cuenca, 1978), 1:77–128; David J. Cubitt, “Economic Nationalism in Post-Independence Ecuador: The Guayaquil Commercial Code of 1821–1825,” *Ibero-Amerikanisches Archiv*, 11:1 (1985): 65–82; idem, “La composición social de una élite hispanoamericana a la Independencia: Guayaquil en 1820,” *Revista de Historia de América*, 94 (1982): 7–31; idem, “The Government, the Criollo Elite, and the Revolution of 1820 in Guayaquil,” *Ibero-Amerikanisches Archiv*, 8:2 (1982): 257–81; and Kenneth J. Andrien, “The State and Dependency in Late Colonial and Early Republican Ecuador,” in Kenneth J. Andrien and Lyman L. Johnson, eds., *The Political Economy of Spanish America in the Age of Revolution, 1750–1850* (Albuquerque, NM, 1994), 169–95. Two studies of the Quito Insurrection of 1765 are: Anthony MacFarlane, “The Rebellion of the Barrios: Urban Insurrection in Bourbon Quito,” *Hispanic American Historical Review* 49 (May 1989): 283–330; and Kenneth J. Andrien, “Economic Crisis, Taxes and the Quito Insurrection of 1765,” *Past and Present*, 129 (November 1990): 104–31. The treasury accounts for colonial Ecuador have been published; see Alvaro Jara and John J. TePaske, *The Royal Treasuries of the Spanish Empire in America: Vol. 4, Eighteenth-Century Ecuador* (Durham, NC, 1990). Several excellent master’s theses completed at the Facultad Latinoamericana de Ciencias Sociales (FLACSO) in Quito are: Silvia Palomeque, *Cuenca en el siglo XIX: La articulación de una región* (Quito, 1990); Carlos C. Contreras, *El sector exportador de una economía colonial: la costa del Ecuador entre 1760 y 1830* (Quito, 1990); Galo Ramón Velazco, *La resistencia andina: Cayambe, 1500–1800* (Quito, 1987); Rosario Coronel Feijóo, *El valle Sangriento: de los indígenas de la coca y el algodón a la hacienda cañera Jesuita: 1580–1700* (Quito, 1991); and Loreto Rebolledo, *Tierras y indios en la sierra ecuatoriana: el caso de Lumbisí colonial* (Quito, 1991).
5. For a discussion of the influence of the dependency literature on historians of colonial Latin America, see Lyle N. McAlister, *Spain and Portugal in the New World, 1492–1700* (Minneapolis, MN, 1984), 387–90.
 6. Two path-breaking contributions to the dependency literature are: Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America* (New York, 1970), and Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (Berkeley, CA, 1971 edn.). For a discussion of the different variants of the dependency paradigm, see Ian Roxborough, *Theories of Underdevelopment* (New York, 1979), 44–53.

underdevelopment. Although most of the early dependency literature focuses on the nineteenth or the twentieth century, in their influential study Stanley and Barbara Stein trace the roots of dependency in Spanish America to the late fifteenth century.⁷ In recent years Immanuel Wallerstein and Fernand Braudel have extended the dependency paradigm by taking as their unit of analysis a single world system, which links the expansion of European capitalism in the fifteenth century with the exploitation of Spanish America and other peripheral zones across the globe.⁸ Regardless of their approach, however, most *dependentistas* tie the expansion of capitalism from the metropolitan or core nations in Europe (and later North America) to the historical underdevelopment of Spanish America.⁹

7. The Steins also argued that the renewal of royal authority during the Bourbon Reform period in the eighteenth century reinforced this dependency by "shoring up the gothic edifice" of Spanish colonialism. See Stanley J. Stein and Barbara H. Stein, *The Colonial Heritage of Latin America: Essays on Economic Dependence in Perspective* (New York, 1970), 104.
8. Immanuel Wallerstein has published voluminously, but his major works outlining the historical formation and evolution of the world system to date are the following: Immanuel Wallerstein, *The Modern World-System: Vol. 1, Capitalist Agriculture and the Origins of the World-Economy in the Sixteenth Century* (New York, 1974); Vol. 2, *Mercantilism and the Consolidation of the European World-Economy, 1600–1750* (New York, 1980); Vol. 3, *The Second Era of Great Expansion of the Capitalist World-Economy, 1730–1840s* (New York, 1989). More specific elaborations of Wallerstein's principal arguments may also be found in Terence K. Hopkins and Immanuel Wallerstein, eds., *World-Systems Analysis: Theory and Methodology* (New York, 1982), 41–82. In addition, two critical but concise descriptions of the main points covered in world-system theory are: Daniel Chirot and Thomas D. Hall, "World-System Theory," *Annual Review of Sociology*, 8 (1982): 81–106; and Charles Ragin and Daniel Chirot, "The World System of Immanuel Wallerstein: Sociology and Politics as History," in Theda Skocpol, ed., *Vision and Method in Historical Sociology* (Cambridge, 1979), 276–312.
9. Fernand Braudel is one of the few historians to integrate many basic principles of the dependency paradigm with empirical research, in his magisterial three-volume history of the world: *Civilization and Capitalism, 15th–18th Century*, Vol. 1, *The Structures of Everyday Life: The Limits of the Possible*, trans. Sian Reynolds (New York, 1981 edn.); Vol. 2, *The Wheels of Commerce*, trans. Sian Reynolds (New York, 1982 edn.); Vol. 3, *The Perspective of the World*, trans. Sian Reynolds (New York, 1984 edn.). Braudel also summarizes his arguments in the following study: Fernand Braudel, *Afterthoughts on Material Civilization and Capitalism*, trans. Patricia Ranum (Baltimore, MD, 1977). An excellent discussion of how economic theory can be utilized in the sort of historical studies covering long- or medium-range time periods advocated by Braudel is Luca Meldolesi, "Critical Economics and Long-Term History: An Introduction," *Review*, 9 (Summer 1985): 3–55. Another historian, Carlos Sempat Assadourian, has contributed substantially to integrating central portions of the dependency argument into his studies on the evolution of Andean regional markets during the colonial period. His most important works on this topic are: Carlos Sempat Assadourian, *El sistema de la economía colonial: mercado interno, regiones y espacio económico* (Lima, 1982); idem, "Modos de producción, capitalismo, y subdesarrollo en América Latina," in Carlos Sempat Assadourian et al., eds., *Modos de producción en América Latina* (Mexico City, 1973), 47–81; and idem, "La producción de mercancía dinero en la formación del mercado interno colonial: el caso del espacio peruano, siglo XVI," in Enrique Florescano, ed., *Ensayos sobre el desarrollo económico de México y América Latina (1500–1975)* (Mexico City, 1979), 223–92.

Despite its seductive heuristic power, most historians of colonial Spanish America now ignore the dependency paradigm or dismiss it as an ineffective tool for analyzing the past. Some critics fault *dependencia* for overemphasizing the importance of the international market or for failing to provide an adequate statistical substructure.¹⁰ Other scholars, however, focus on a central paradox of *dependencia*: it is not a theory to be proven, but a paradigm, which cannot be verified through empirical research, and thus the various dependency perspectives require complete substantive and epistemological acceptance from adherents. Some of the most rigid *dependentistas* even question the legitimacy of criticism from those who do not accept the validity of the paradigm – a solipsism that the majority of empiricists find antithetical to the basic tenets of modern historical research.¹¹ In many cases dependency advocates view the work of social, economic, and ethnohistorians of colonial Spanish America as little more than raw data, used to illustrate and validate their ideological vision.¹² Research in primary sources and attempts to assess their meaning are, at best, secondary to explaining this dependency process.¹³ As a result, historians unwilling to embrace the basic methodological and theoretical

10. Marxist scholars have been particularly critical of the paradigm's alleged overemphasis on the market instead of class structures or modes of production. David Brenner, for example, has argued that while bourgeois economists display a blind faith in the market to promote development, *dependentistas* display equal myopia in blaming underdevelopment solely on the evolution of the capitalist market economy. The net result is to promote a vision of "semiautarkic socialist development" instead of international solidarity in fighting for a world socialist revolution. See David Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism," *New Left Review*, 104 (1977): 27, 92. Other critics, such as Steve J. Stern, have argued that dependency provides no convincing explanation for the socioeconomic development of Spanish America. Using the examples (critical tests) of silver mining and sugar production, Stern concludes that Wallerstein's approach fails to fit the empirical data. See Steve J. Stern, "Feudalism, Capitalism, and the World-System in the Perspective of Latin America and the Caribbean," *American Historical Review*, 93 (October 1988): 829–72; Wallerstein's reply may be found in: "Comments on Stern's Critical Tests," *ibid.*, 873–85; and Stern's rejoinder in: "Reply: Ever More Solitary," *ibid.*, 886–97. Two scholars criticizing the various dependency perspectives for lacking an adequate empirical or statistical substructure are: D. C. M. Platt, "Dependency in Nineteenth-Century Latin America: A Historian Objects," *Latin American Research Review*, 16 (1981): 113–29; 147–49; and Patrick O'Brien, "European Economic Development: The Contribution of the Periphery," *Economic History Review*, 2nd ser., 35 (February 1982): 1–18. Other criticisms vary, but a common theme is the rigidity, determinism, and lack of emphasis on culture or ethnicity. See, for example, Chirot and Hall, "World-System Theory," 97–103; and Ragin and Chirot, "The World System of Immanuel Wallerstein," 301–06.
11. Three excellent reviews and commentaries on this literature are: Robert Packenham, "Holistic Dependency," *New World: A Journal of Latin American Studies*, 2 (1987): 12–48; and Tulio Halperín Donghi, "Dependency Theory and Latin American Historiography," *Latin American Research Review*, 17 (1982): 115–30; and Roxborough, *Theories of Underdevelopment*, 44–53.
12. Ragin and Chirot, "The World System of Immanuel Wallerstein," 299–301; and Chirot and Hall, "World-System Theory," 99–101.
13. Ragin and Chirot, "The World System of Immanuel Wallerstein," 284–90.

parameters of the paradigm have downplayed or ignored its importance as an organizing framework in their scholarly work.¹⁴

Political economy in the post-dependency era

As the intellectual influence of the dependency paradigm has waned, many scholars have turned from studying political economy to examining an array of other important topics, particularly in ethnohistory and social history. Despite this trend, the need to understand regional socioeconomic patterns in Spanish America remains important, particularly for the period of political and economic transition (or even turmoil) between the onset of the Bourbon Reforms and the independence era. This necessitates the development of fresh approaches to studying the political economy of Spanish America that transcend the inherent limitations of the various dependency perspectives. In my opinion, the inspiration for such research can come from studies utilizing the broad socioeconomic perspectives employed by the *dependentistas* and also from the theoretical and empirical work dealing with the role of the state as an economic actor.¹⁵

Although too often plagued by a rigid ideological determinism, dependency perspectives have focused attention on the development of colonial market economies in Spanish America within a global framework. This is particularly true of the work of Fernand Braudel, who argues that much of economic history can be "boiled down to the market econ-

14. A number of authors have clearly been influenced by the *dependencia*, but they do not even list references to this literature in their notes. The following works appear to manifest this influence: John Lynch, *Spain under the Habsburgs, 1589-1700*, vol. 2 (Oxford, 1969 edn.), 160-228; idem, *The Spanish American Revolutions, 1808-1826* (London, 1973 edn.), 1-36; P. J. Bakewell, *Silver Mining and Society in Colonial Mexico: Zacatecas, 1546-1700* (Cambridge, 1971), 221-36; and John Coatsworth, "The Limits of Colonial Absolutism: The State in Eighteenth-Century Mexico," in Karen Spalding, ed., *Essays in the Political, Economic, and Social History of Colonial Latin America* (Newark, DE, 1982), 25-51; and idem, "Obstacles to Growth in Nineteenth-Century Mexico," *American Historical Review*, 83 (February 1978): 80-100.

15. Douglass C. North has made the most original theoretical contributions on the role of state institutions in shaping economic performance. In particular, see Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge, 1990). The pioneering empirical work on the role of state institutions and economic development in colonial Spanish America has been done by John J. TePaske and Herbert S. Klein. For a review of their contributions and the empirical work of other scholars dealing with this topic, see: Herbert S. Klein and Jacques A. Barbier, "Recent Trends in the Study of Spanish American Colonial Public Finance," *Latin American Research Review*, 23 (1988): 35-62; and William B. Taylor, "Between Global Process and Local Knowledge: An Inquiry into Early Latin American Social History," in Olivier Zunz, ed., *Reliving the Past* (Chapel Hill, NC), 115-90. An interesting recent study is Peter Guardino and Charles Walker, "The State, Society, and Politics in Peru and Mexico in the Late Colonial and Early Republican Periods," *Latin American Perspectives*, 73 (Spring 1992): 10-43.

omy.”¹⁶ Although preindustrial markets remained small and “an imperfect link between production and consumption,” they still served as the principal “motor” driving economic development in the Spanish Indies by the late colonial period.¹⁷ Moreover, examining regional socioeconomic structures within the context of imperial and international market forces can provide the essential context for understanding historical processes of “subordination, production, and distribution” in peripheral societies such as Spanish America.¹⁸

To move beyond the sweeping generalizations of the *dependentistas*, however, historians must collect and analyze empirical data on socioeconomic patterns in Spanish America. According to economic historian Donald McCloskey: “mute facts unarranged by human theories tell nothing; human theories unenlivened by facts tell less than nothing.”¹⁹ Empirical data, gleaned from painstaking archival research, can provide vital information on the evolution of the diverse patchwork of regional markets in colonial and early republican Spanish America. This approach is particularly promising for studying an outlying province such as Quito, with its diverse economy based on agriculture, textile production, and extensive overland and sea commerce. Some of these economic activities, such as the production of foodstuffs or textiles, met local or regional needs, while the export of cacao satisfied imperial and international markets. In short, the regional socioeconomic evolution of Quito was intimately connected to colonial and international market forces and cannot be understood adequately in isolation.

Networks of production and exchange throughout Spanish America were also influenced by the institutions and policies of the colonial state.²⁰ Most dependency approaches, however, underestimate the historical role of the state in Spanish America’s economic development. Immanuel Wallerstein, for example, argues that strong states evolved solely in the more developed European core regions, while peripheral zones (such as Spanish America) developed only small-scale, weak state structures.²¹ Such an assertion cannot be sustained, however, once the theoretical assumptions of *dependencia* come into dialogue with the evidence.²²

16. Braudel, *Afetherthoughts on Material Civilization*, 17.

17. *Ibid.*, 44.

18. For a theoretical discussion of the need to study macrohistorical topics within a particular world system, see Charles Tilly, *Big Structures, Large Processes, and Huge Comparisons* (New York, 1984), 62–65.

19. Donald N. McCloskey, *Econometric History* (London, 1987), 21.

20. For a theoretical discussion of this concept, see Tilly, *Big Structures, Large Processes*, 63.

21. Hopkins and Wallerstein, *World-Systems Analysis*, 23–29.

22. Two recent anthologies that present a comparative array of essays on these themes are: Karen Spalding, ed., *Essays in the Political, Social, and Economic History*, and Andrien and Johnson, eds., *The Political Economy of Spanish America*.

Although small in scale, the institutions of the colonial state and its agents played a major role in determining the context for economic growth by allocating labor, providing access to essential raw materials, forcing consumption, and subsidizing many productive enterprises. By the late eighteenth century, the rejuvenated colonial state also expanded its interventions in the market economy, seeking to encourage some favored sectors, particularly export agriculture and mining, while discouraging others, such as most types of manufacturing. A principal goal of the Bourbon monarchs in this period was to use the public sector to control colonial market economies. This symbiosis between the state and the market economy would continue into the early republican era.

The role of the public sector in organizing and sustaining the connections among local, regional, and international markets is central to understanding socioeconomic development in the Kingdom of Quito. As the economic historian and Nobel Laureate Douglass C. North has argued, state institutions can define the range of economic choices and opportunities available to individuals and groups in any polity.²³ To understand the influence of the state on economic performance in Quito, I examine more than specific tax, monetary, or commercial policies in this study; I also analyze the cumulative impact of all pertinent government interventions in the market economy. Such an investigation of the kingdom's political economy can help to isolate the "internal" and the "external" dynamics of socioeconomic change during the period from the 1690s to 1830. This study also evaluates colonial political conflicts, examining how powerful individuals and partisan groups attempted to grapple with the broad socioeconomic changes that helped to shape their lives. This approach to political economy, dealing primarily with long-term structures and medium-range socioeconomic cycles, is not the only viable way to examine the transition from colonialism to independence. It will undoubtedly leave numerous important issues untouched, particularly in intellectual and cultural history. But in a field such as colonial Spanish American history, where much basic research remains to be done, I hope it will serve as a useful historiographical point of departure.

Sources and organizational framework

Given the paucity of empirical studies on colonial and early republican Quito, the foundations of this book rest primarily on materials found in extensive research conducted at the Ecuadorian and Spanish archives. The most important sources on the link between state power and socioeconomic development in the Kingdom of Quito are the various fiscal re-

23. North, *Institutions and Economic Performance*, 4.

cords dealing with the three major economic regions of the realm – Quito, Guayaquil, and Cuenca. Precisely because these data were generated by the colonial administration, they reveal the fiscal parameters of the state and provide a wealth of information on the outcome of government policies. Along with other more qualitative materials (such as government reports, notary records, diaries, business papers, legislation, official and private correspondence, and judicial records), this fiscal data can supply a wealth of information on the political economy of the Kingdom of Quito from 1690 to 1830. I will also evaluate these findings in conjunction with recently published secondary works on Ecuador, to place my study in the broadest possible historical context.

I use these rich sources to trace the impact of public policy on economic development in the key regional markets of Quito, Guayaquil, and Cuenca. The work itself is divided into two interrelated parts that survey both the evolution of socioeconomic changes in the kingdom and the link between state policies and economic development. The first chapter begins a section of the study that places state policies and regional socioeconomic developments (between 1690 and 1830) within the context of imperial and international market forces. Chapter 1 explains that natural disasters, epidemics, and Spanish trade policy prompted a long decline in traditional textile manufacturing sectors from the 1690s. Chapter 2 examines how the eclipse of the urban market of Quito and the overall economic stagnation of the entire north-central highlands prompted large-scale out-migrations from that region, contributing to the rise of formerly peripheral regions around Cuenca, and later Guayaquil. The third chapter provides more detail on this process by discussing how an archaic organizational structure, unfavorable crown policies, and international competition led to the decline of highland manufactures, while cottage textile production in the south highlands prospered and coastal shipbuilding followed the rhythms of the local export economy. Chapter 4 discusses the role of imperial trade policies and international market forces in the gradual decline of highland textile- and food-producing regions and in the corresponding prosperity of the coastal cacao export economy from the 1790s. Chapter 5 traces how ties to the decaying highland market economy forced many marginal Amerindian groups to migrate, first to the south sierra and later to the coast. High taxes and diminished economic opportunities also incited some of those who remained to rebel against Spanish authority by the late colonial period. The sixth chapter examines the influence of both crown policies and the vicissitudes of the internal economy in altering commercial patterns in the Kingdom of Quito between 1690 and 1830.

The seventh chapter begins the final section of the study, dealing with the link between structural socioeconomic changes and the bitter political

struggles over the formation of public policy. Chapter 7 examines the failure of *Quiteño* elites to control the weakened judicial state during the first half of the century, culminating in the unsuccessful Quito Insurrection of 1765. The eighth chapter demonstrates how the legacy of social divisions after the insurrection of 1765 allowed the crown to impose a centralized bureaucracy, capable of intervening in the economy and enhancing the economic subordination of the kingdom. Even after the collapse of Spanish authority, the new republican governments failed to enact more enlightened policies that would have promoted investment, rewarded enterprise, and sustained autonomous development. Finally, Chapter 9, the conclusion, surveys the role of state policies and changing market forces in obstructing economic development in the Kingdom of Quito throughout the long period from the 1690s to 1830.