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Mexico: What Everyone Needs to Know

*What is the most important heritage of Spain's economic system in Mexico?*

The economic system characterizing New Spain during the three hundred years of colonial rule produced numerous economic and social consequences that influenced the political

conflicts of the nineteenth century and Mexico's economic and social development through the beginning of the twentieth century. Perhaps the broadest single characteristic that can be traced back to the colonial economic heritage is the large role of the state and a weak private sector. The Crown, through the Council of the Indies and its succession of Viceroy, affected the economic and social development of hundreds of thousands of indigenous Mexicans. In assigning lands to individuals, typically from Spain, it established the preeminent role of governmental institutions in influencing the direction of economic development and favoring certain groups over others in the distribution of economic resources and favors. Similar concessions were repeated by President Porfirio Díaz during his 1884–1911 administration. These economic decisions also reinforced the significant social distinctions between indigenous residents and the vast majority of mestizo Mexicans on one hand and, on the other, those Mexicans solely of Spanish descent.

After independence, in the 1830s, the *peninsulares*, or Mexicans from Spain, and creoles, Mexicans of Spanish descent born in Mexico, controlled most of the landed wealth that was not owned by the Catholic Church, which is estimated to have owned half of the real estate in Mexico in that era. The limited ownership of most land among a small number of Mexicans and one corporate entity, the Church, limited the economic growth and expansion of the private sector. Most businesses employed family members in management positions, making it difficult for other Mexicans to achieve upward economic mobility through meritorious credentials and entrepreneurial ability. Those limiting characteristics impact Mexico's economic vitality and growth today, reflected in the fact that many of the most influential corporations remain controlled by small, extended families, limiting the expansion of public ownership. The slow growth of stock ownership among large numbers of Mexicans can be attributed in part to the weak role of the private sector after

the Mexican Revolution and the traditions found in the pre-independence era.

*How were social class relations determined by colonial experiences?*

During the initial phase of Spanish colonization of New Spain, few Spanish women accompanied the expeditions. Later, the Crown actually encouraged wives and single women to go to the colonies, believing they were important to spreading Spanish culture in New Spain. During the actual conquest of the indigenous Mexicans, native leaders also gave their daughters as prospective wives to the Spanish leaders. These two conditions led to common-law unions throughout Mexico and altered the demographic composition of the Spanish New World. These unions set in motion the blending of the Spanish, indigenous, and Africans brought from the Caribbean into a mixed race known as mestizos. The mestizo population expanded rapidly and by the time of independence, accounted for more than half of the population. The Spaniards devised a complex description of the mixture (*castas*) among European, indigenous, and African, depending on the percentage (parts) of an individual's ancestry according to race. They eventually created dozens of racial categories ranked by social order, from lowest to highest.

As one might imagine, the Spaniards gave top preference to those Mexicans who came directly from Spain—that is, were born in Spain. These residents of New Spain were popularly known as peninsulares. The next highest social category were Mexicans of pure Spanish descent, but born in the New World. These individuals became known as creoles, that is Mexicans of European descent. The peninsulares were quite small in number given the fact that many of them represented one or two generations. The pure-blood creoles were more numerous, but in percentage terms also were quite small in numbers. The mestizos, originally consisting of Spaniards

and Indians, eventually evolved into multiple mixtures of Creole, indigenous, and African. Finally, the indigenous and African groups ranked at the very bottom. These sharp social divisions, so strongly emphasized during the colonial era, shaped social class relations in the nineteenth and twentieth centuries.

When Mexico achieved independence, the Spaniards and the Creoles controlled most economic resources. Mexicans were strongly divided over the strategy they should pursue for their political and economic development, but the two leading parties, the Liberals and the Conservatives, were largely led and controlled by Creoles. It was not until the mid-nineteenth century that the mestizo class dominated the political and military leadership. Despite their influence in political matters, descendants of important Creole families, owners of large landed estates and businesses, often controlled or strongly influenced political leadership at the local and state level. The 1910 Revolution was fought in part by mestizos who wanted increased upward mobility not just in public life but also in the private sector. While indigenous Mexicans participated heavily in the revolution, and their culture received symbolic recognition after 1920, for the most part their lives did not improve materially or socially, and cultural racism continued unabated.