

Lecture 10 Hacienda System

In South America, the modern plantation developed after the collapse of the colonial empire in the 1800s in some places.

In countries such as Haiti and Dominica the large holdings reverted to small holdings.

In many Spanish-controlled areas, where the colonial plantation had never been highly developed, an institution called the hacienda developed.

The Hacienda has Unique Social & Economic Implications

Large land holdings but only small amount of production.

Production is small scale, only best land is used.

The motive is primarily status oriented, rather than economic oriented.

The hacienda system began with minor nobles getting large land grants from the Spanish crown.

Stock raising had been practiced with no great emphasis on plant agriculture.

Large land holdings were required to be profitable but the emphasis was not on efficient economic development but a cultural and status system.

Hacienda is still a drag on development.

It is based on the economics of scarcity: low production and high prices, instead of our economy of abundance high production and low prices.

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The owner is called the *Patròn*, the peasant is called *peòn* or *campesino*.
Pé is the word for foot in Spanish indicating the peasant worked on foot not on a horse (*cavallo*); hence *cavallero* or *cavalier* which is equivalent to the English word knight.
Campo is the word for field, hence *campesino* refers to field hand.
The *campesino* is in debt to the *patròn* for their entire lives; children inherit parent's debt.
The *peòn* lives on land of the *patròn* but owe their labor.

When they need funds (weddings, funerals, etc.) they borrow from the *patròn*, fall into debt and typically remain in debt.
By comparison to the *peòn* who owns nothing, the *patròn* is enormously wealthy yet usually has little cash.
Under this system agricultural technology is always antiquated.
In Venezuela 400-year old plows were still in use in the 20th century.

A dual economy operated in many South American countries such as Venezuela.
Highly capitalized modern oil industry developed and people associated with it had high incomes.
Alongside this was an antiquated, debt ridden impoverished agriculture (particularly in the mountainous areas).
Incomes are very unevenly distributed as the wealth of oil (and land) is concentrated in a few hands, and much of this money returns to North America in the form of apartments and investments.

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Under a hacienda system with its associated stagnation there is a feeling of fatalism and hopelessness.

The most common phrase in Brazil, *Se Deus quiser* (if God wishes), is uttered after almost any sentence.

The *peòn* has no long range goals.

***Peòn* assumes that wealth is a condition of nature, not something to be gained.**

There is no thought that things could be different or better and *patròn* does not encourage these thoughts.

Any capital obtained is expended immediately—on fiestas for example.

We view this as profligacy, *peòn* views this as the only reasonable course of action.

***Peòns*, typically of Indian heritage, are very devout and the church is an important part of their lives.**

The Catholic church with its emphasis on things spiritual rather than temporal had served to sustain the hacienda system.

In the latter half of the twentieth century, there was a movement in the Church to support peasant rights but under John Paul II the Church has moved away from political action.

At the present time Protestant evangelicals are making large inroads in a population that was almost exclusively Roman Catholic.
