CHAPTER 2
APPROACHES TO MARKET ECONOMY AND POLITICAL ECONOMY IN THE VALLEY OF MEXICO

To understand the role of economic development under empires, we must look at two issues of particular importance. These are (1) the form of dominance-dependence relationships found between conqueror and conquered, and (2) the force(s) giving rise to, supporting, and perpetuating that particular relationship (Cohen 1973:229). The current debate in Aztec studies indicates that both the structure of imperial economic organization, as well as the different administrative, social, historical, and commercial forces generating that structure, remain in doubt.

Market Economy vs. Political Economy: Current Views

Current views on Aztec imperial economy generally reflect one of three theoretical positions, each of which focuses on a different set of factors and driving forces responsible for economic development under the Aztec empire. As outlined by Brumfiel and Earle (1987), these positions are (1) the commercial development models that focus on specialization and exchange as factors integrating a regional market economy, (2) the adaptationist models centering on the role of political elites in creating and sustaining regional economic integration, and (3) the political models that concentrate on the role of imperial rulers in manipulating the economy to meet their own ends. Each of these perspectives has provided insights into, but only partial resolution of, the question of Aztec imperial economy and regional market system development. A brief overview of their significant contributions and weaknesses follows.
**Commercial Development Models**

Commercial development models focus on the role of microeconomic forces in creating a regional market economy from the bottom up. Increases in specialization and exchange are seen as an integral part of economic growth generated by the pursuit of individual advantage and the greater economic efficiency accrued by division of labor (Brumfiel and Earle 1987:1). Commercial systems have several definitive characteristics, including: (1) a series of full-time specialists of both utilitarian and elite goods, who do not produce their own food staples; (2) a corresponding body of producers who supply food staples and other necessities; (3) a market network to bring these complementary elements together effectively and continuously; and (4) a state power capable of maintaining order and stability for production and exchange, but with minimal interference in the actual functioning of either economic sphere (Brumfiel and Earle 1987; Hicks 1987). Because the market plays an essential role in integrating or bringing together different specialist producers within a commercial economy, the resulting configuration is often termed a “market-integrated economy.”

The documentary evidence suggests that within the Aztec capital of Tenochtitlan, the essential elements of a commercial economy (specialized producers, integrative markets, and a minimum of administrative controls) were in place at the time of European contact (Hicks 1987). A large number of skilled craftsmen, organized into wards (*calpulli*) composed of others of the same profession, lived within the capital where they worked at their professions full time (Hicks 1987:96). Although most of these craftsmen were skilled in the luxury trades, utilitarian craft specialists are also mentioned. Many of the Tenochtitlan specialist producers of luxury items worked primarily for royal or elite patrons (Brumfiel 1987b); however, some specialists produced for the market place as well (Sahagún 1959-1982, Book 9:80).
Complementing the presence of full-time specialists was the level of market activity within the capital. The Spaniards' awed descriptions of the great Tlatelolco market attest to the great volume and variety of items exchanged at this central market. An estimated 60,000 buyers and sellers congregated in the Tlatelolco market on a daily basis (Cortés 1928:87) to exchange goods covering the entire spectrum of subsistence goods, utilitarian commodities, and luxury items (Cortés 1963:72-73; Díaz 1956:215-17; Las Casas 1967, Vol. I:367; Sahagún 1950-1982, Book 8:67-69). This market activity was well-regulated and overseen by market judges commissioned with maintaining peace and fair trade, but the free flow of exchange does not appear to have suffered from strong governmental controls (Sahagún 1950-1982, Book 8:67, 69; Diaz 1956:216).²

The coexistence of these complementary elements (specialized producers and an integrative market) within the imperial capital has led Hicks (1987) to conclude that the imperial core was verging on a market-integrated economy. The extension of this model to the imperial hinterland, however, is more problematical. Documentary descriptions of markets outside of Tenochtitlan-Tlatelolco are scarce, but similar levels of exchange activity are sometimes assumed. M. Smith (1979:111), for example, quotes Torquemada (1969:555) to the effect that Tenochtitlan was typical of markets throughout central Mexico, and that documentary accounts are scarce because the Spaniards had little interest in describing them: “in order not to lengthen this chapter with innumerable matters, I will reduce all [the markets] to those of the city of Mexico [Tenochtitlan]: because you will see that through these it is possible to understand the markets of all the other parts of the land.” Although it is probable that most cities and towns had regular periodic markets (Blanton 1994), the key question is whether the existence of these markets can be interpreted as evidence of a market-integrated economy.³

The Aztec market system on the eve of the Spanish conquest has been characterized as a complex interlocking system consisting of a hierarchy of periodic
market centers serviced by both local producers and itinerant merchants that provided a high degree of economic integration for regional and community-level specialization in production (Gibson 1964; Berdan 1975, 1985; M. Smith 1979; Hicks 1987; cf. Evans 1980; Kaplan 1965; Kurtz 1974). One primary line of evidence to infer that markets formed an integrative network linking specialist producers is the use of central place theory (CPT) to infer that market principles were the dominant forces generating a hierarchy of settlements. Briefly, CPT holds that if the market principle is dominant then microeconomic forces will generate a predictable spatial patterning in the distribution and hierarchical arrangement of economic central places; conversely, if this predictable pattern is observed to be present, then the underlying market principle is assumed to have been operative.

Two separate central place analyses of the Valley of Mexico have concluded that Late Aztec settlement locations generally conformed to predicted central place models, and have argued on this basis for the operation of commercial factors and hence the foundations of a market-integrated economy under the Aztec empire. However, these analyses identify different structural patterns and hence different commercial principles to be operative. M. Smith (1979) found that Aztec settlements along the eastern side of the Valley most closely conformed to the K=3 or market principle pattern. In contrast, Blanton (1994) found the settlement hierarchies in this same area to conform to a solar system within the Texcocan domain (suggesting the suppression of competing market centers around the major market at Texcoco), but with the K=4 (or transport principle) pattern operative to the north and south (Blanton 1994 [ms.:49]). However, Blanton identified only very partial hierarchies in those areas demonstrating either arrangement, suggesting that market network development was incomplete at best.

In spite of the recurrent use of this approach, the appropriateness of central place theory in a locational analysis of the Valley of Mexico has been strongly criticized
(Evans 1980). The successful application of central place theory to infer that market principles were the dominant forces generating a hierarchy of settlements rests on several behavioral, geographical, and temporal assumptions. Where these underlying assumptions cannot be verified, the results of the analysis may be questionable, at best. As Evans (1980:870) argues, “if the actual pattern resembles the ideal pattern in spite of such a violation to its theoretical assumptions, then the resemblance is quite possibly accidental, and other factors are responsible for the distribution of settlements.”

In the Aztec case, the most questionable assumptions are (1) that market exchange was integrated and part of a single region-wide system and (2) that consumers had a choice as to which market they patronized such that there was competition for retailers (C. Smith 1974:168-169). Given this competition, markets would be situated to maximize access to consumers. In particular, both the K=3 and the alternative K=4 locations assume that rural market participants are free to choose market destinations.

Although these conditions may have been met following the rise of the Triple Alliance empire, most of the settlements that came to function as primary market centers under the Triple Alliance empire were established during the Early Aztec period, under very different political and economic conditions. At that time, almost continual conflict between polities severely restricted exchange between hostile territories (Mine et al. 1994) and may have been a significant factor in determining the maximal spacing of Early Aztec political centers. In the Late Aztec period, these local centers were incorporated into an expanding unitary structure, but were not in the process vastly restructured or eliminated (Blanton et al. 1981). As a result, the regular spacing of primary “market” centers may more accurately reflect historical attempts to maximize distance and minimize conflict between potentially hostile polities, than competition for free-ranging market-goers.

Settlement systems are determined by multiple factors, including ecological, economic, geographic, political, religious, and historical circumstances. Since the
relative contribution of these different factors is precisely what we wish to determine, the conclusive use of central place theory may be premature in the Valley of Mexico, a factor underscored by the substantially different hierarchical patterns identified by independent central place analyses.\textsuperscript{6} Seen in the light of these qualifications, the conclusions reached through central place analyses require further substantiation with more direct measures of exchange interactions.

Unfortunately, direct measures of market exchange activities remain limited. Some support is provided by archaeological studies that report the increased availability of non-local utilitarian goods, indicating the functioning of a regional exchange network (Brumfiel 1976:198, 1980), and the presence of exotic goods in both commoner and elite households, suggesting the widespread use of market networks (Hodge and Smith 1991). However, recent and on-going studies of utilitarian decorated ceramics suggest that commodity flows were not articulated into a single, regional system; rather, the spatial patterning of ceramic design elements indicate the operation of sub-regional market spheres and different levels of market integration within the Valley (Hodge 1989, 1990, 1992; Hodge and Minc 1990; Hodge et al. 1993).

The evidence for specialized production in the hinterlands similarly does not provide unqualified support for the commercial development model. Specialized commodity production clearly existed in the hinterlands, and much of this was apparently organization at the community level. Certain communities were famous for specific types of goods. Most of this community-level specialization appears to have been based on the spatial distribution of natural resources (Blanton 1994). Common specializations include wood products in communities situated in the lower piedmont, maguey and nopal production in the upper piedmont zone (J. Parsons 1971:221; Parsons and Parsons 1990), and the exploitation of lacustrine zone for food resources and salt production (J. Parsons 1971:226, 1994; Blanton 1972:176). Other community specialties, however, were not apparently linked to the distribution of resources. For
example, six communities were famous for their ceramics at the time of European contact, although good ceramic clays were widely available along the lake margin (Hodge et al. 1993).

In contradiction of the expectations for full-time specialization, however, craft production in the hinterlands may well have been a part-time occupation. Brumfiel's (1987b) analysis of the *Matrícula de Huexotzingo* (Prem 1974), an early colonial census for the Huexotzingo province, argues strongly that much commodity production was carried out by part-time specialists. According to Brumfiel, the census reports that only 20% of the adult male population were engaged in specialized production or service occupations. Of these, 24% worked at their professions full-time and held no land, while an additional 24% were professional merchants. The remaining 52% of these specialists presumably combined their specialties with subsistence agriculture (Dyckerhoff and Prem 1976:165).

Although it is not clear to what extent the *Matrícula* represents continuity with prehispanic patterns, Brumfiel (1987b) argues that the early colonial period model is consistent with archaeological data for the Aztec period. Systematic surface surveys of Huexotla (Brumfiel 1976, 1980) and Xico (Brumfiel 1985, 1986) revealed that tools and waste products associated with craft production were either ubiquitous (indicating non-specialized production) or they occurred in very light concentrations (indicative of part-time specialization) (Brumfiel 1987b). Such remains were never found in the large, dense concentrations that would suggest full-time specialization. A similar pattern is reported for obsidian production at Late Postclassic Teotihuacan (Spence 1985). Here, obsidian tool manufacture was apparently the work of part-time specialists, with the production unit consisting of one or a few closely related households. Under the Triple Alliance, the level of obsidian production increased, but this increase resulted not from a change in the scale of production, but from an increase in the number of part-time producers.
Recent work at Otumba, however, suggests a more complicated picture. An amazing variety of craft activities is reported for this site, all of it apparently taking place within households either as single units or organized into barrios (C. Charlton 1991, 1994; T. Charlton, Nichols, and C. Charlton 1991, 1993). Yet certain utilitarian goods (such as groundstone and ceramic figurines) appear to have been produced on a full-time basis, while others (including cotton, maguey, obsidian bifaces, ceramic censers, and spindle whorls) were a part-time industry (T. Charlton, Nichols, and C. Charlton 1991, 1993). C. Charlton (1991) suggests that the full-time industries represent high-demand commodities; every household, for example, was a consumer of ceramic figurines and groundstone *metates*. It is interesting to note, however, that the full-time industries are relatively few in number in contrast to the more general pattern of part-time specialization. Overall, the greater concentration of craft production found at Otumba relative to other provincial centers may well relate to its greater distance from Tenochtitlan and its position outside the market sphere of that imperial center (Nichols 1991, 1994; Nichols and Charlton 1988).

Two arguments have been advanced to account for the deviation from the expected commercial pattern of full-time specialization. Critics of the commercial development model would argue that full-time specialization of either agricultural produce or commodities cannot develop if the market does not function to bring these complementary elements together continuously and effectively (C. Smith 1974; Plattner 1989). In this case, part-time specialization is seen as a function of market imperfections that undermined the role of the market system as a reliable source of necessary goods. Other investigators, in contrast, conclude that an unreliable subsistence base in many parts of the Valley precluded complete reliance on agriculture (Brumfiel 1987b, following Hicks 1987). Thus, part-time craft production is seen as a strategy for buffering variable agricultural production. These two interpretations are strongly linked, since an integrative market network also serves to buffer local variability in agricultural output.
In sum, data marshaled in support of the commercial development model suggest that commercial development was uneven or incomplete at best. In place of the expectation of full-time specialized production, craft and commodity production appears to have been carried out in two different contexts (Brumfiel 1987b). Urban artisans producing luxury items for consumption by the elite (such as metal workers, lapidaries, and featherworkers) were full-time specialists who worked directly for elite patrons and were attached to their patrons' households, while producers of utilitarian items appear to have been part-time, independent specialists dispersed in rural areas. Overall, the evidence for market integration is greatest within the imperial capital. Within the surrounding Valley, the data generally suggest an increase in extra-local exchange, but relatively little is securely known about the organization and integration of the market networks. Thus, although aspects of the commercial development model are strongly supported, the argument is more appropriate for the capital than to the hinterlands. Major gaps still exist in our knowledge of commercial market development outside the capital.

**Adaptationist Models**

Adaptationist models assign an active role to political elite in creating and sustaining regional economic integration. In this view, political elites intervene to organize a more effective subsistence economy; as a result, powerful, centralized leadership develops in contexts where effective management is either necessary or beneficial to the larger society (Brumfiel and Earle 1987:2).

Two management problems have been identified as requiring political intervention within the Valley of Mexico. These are (1) high environmental diversity and (2) urban supply. Sanders (1956; Sanders and Price 1968:188-93) initially proposed that centralized leadership developed to facilitate market exchange in regions of high resource diversity by maintaining peace within the market region and adjudicating disputes. This model is supported by evidence of intensified regional exchange in the
Valley of Mexico following its unification under the Aztec state, although factors other than resource diversity may have triggered this intensification (Brumfiel and Earle 1987:2; Brumfiel 1980).

More recent theories of Aztec imperial organization have focused on the problems of supplying the burgeoning urban population in Tenochtitlan as the driving force structuring the imperial economy. In general, these models focus on the development of an urban-rural or core-periphery symbiosis that stimulated both agricultural production and the development of a market system centered on the urban capital. Key attributes of this model are more intensive food production in rural areas and more intensive craft production in the urban sector, coupled with the exchange of complementary goods within a market setting.

The most popular argument reasons that the urban center created an artificial symbiosis by concentrating craft production in the imperial center as complementary to rural agricultural production (Calnek 1978a; Hassig 1985; Santley 1986, 1991). Hassig (1985), for example, has argued that due to advantages of central location and economies of scale, urban craft producers were able to out-compete rural producers. In turn, the lower prices for mass-produced craft goods stimulated greater rural production of foodstuffs that flowed into urban center in exchange for craft goods. The resulting market system is generally envisioned as a dendritic structure that channeled agricultural surpluses directly into the urban market of Tenochtitlan, and network analyses of the Aztec road system give some support to this view (Santley 1986, 1991).

In a somewhat related model, Hicks (1987) argues that the rulers of Tenochtitlan sought to strengthen the metropolitan market through the production and sale of luxury goods so important for display and competitive gift-giving. This strategy was actively supported by the concentration of artisans specializing in elite goods (lapidaries, feather-workers, et al.) as well as the centralization of pochteca trade in luxury raw materials within that city. The Tlatelolco market thus came to have the largest and best assortment
of luxury goods, and its regular patronage by nobles and others seeking such goods would have created opportunities for the suppliers of more mundane goods as well (Hicks 1987:98). Since the nobility were also the largest land-owners, they commanded the flows of large volumes of tribute foodstuffs that could be used to underwrite expensive purchases in luxury goods.

Obviously craft specialization existed in Tenochtitlan as well as in other urban centers as noted above; there are, however, a number of problems with this model. First, the type of goods involved in generating the rural-urban symbiosis remains unclear; both elite and utilitarian goods are mentioned at various times (cf. Hassig 1985:137 vs. 1985:133; Hicks 1987). On the one hand, it is doubtful that elite goods would have the desired effect on the decision-making of local agriculturalists (Brumfiel 1980:475) since these goods circulated outside the sphere of commoner consumption. On the other, it is also doubtful that the urban center could adequately supply all utilitarian commodities for the entire Valley or even a substantial portion of them (Sanders 1980:474, reply to Brumfiel 1980) given the primitive technology and the energetics of certain crafts (Arnold 1985:203-210; Sanders and Santley 1983; Sanders and Webster 1988). Furthermore, it would be difficult to control or concentrate goods from multiple sources (such as most utilitarian goods); such concentration was likely not a cost-effective strategy of the part of the imperial elite.

In contrast, Brumfiel (1976, 1980; see also Blanton 1985) has argued that the influx of tribute goods depressed prices for commodities received in tribute and thus depressed rural production of these goods, leading to a rural-urban symbiosis in primary-secondary production:

“The passage of non-perishable tribute goods into the market system seems to have had a noticeable impact on rural production. By lowering the value of most nonfood commodities in relation to foodstuffs, it induced a reallocation of effort in favor of the production of food; by improving the ability of the market to provide a steady supply of nonfood items to rural households at reasonable prices, it created conditions in which peasants would sacrifice their economic autonomy for greater dependence upon commercial activity” (Brumfiel 1980:466).
Brumfiel's model is supported by her work at two major sites, Huexotla and Xico, where an apparent decline in craft production was accompanied by evidence of more intensive agricultural production. However, as Brumfiel admits, there is no indication of where craft production was taken up. In addition, there are several causal links that remain unspecified in this model. First, what volume and what types of nonfood commodities were received as imperial tribute? The current data on tribute assessments do not indicate that utilitarian commodities were received as tribute in sufficient quantities to have had the proposed effect. Secondly, it is not clear how these tribute goods entered into the market to affect production strategies elsewhere.

In summary, the adaptationist models hold that highly integrated political units owe their existence to their ability to bring about and sustain complex, efficient economies (Brumfiel and Earle 1987:2) that resolve economic problems resulting from regional resource diversity or a concentrated urban population. Thus, the efficiency in the production and distribution of basic necessities is considered more consequential than efficiency in the production and distribution of sumptuary goods (Brumfiel 1987b:102). Overall, however, the evidence seems to indicate growth of elite goods production, not utilitarian crafts in the major cities (Monzón 1949; Brumfiel 1987b). Further, secondary production was not situated primarily in Tenochtitlan-Tlatelolco, nor was it an urban monopoly in any sense. Rather, ecologically based community specialization in utilitarian commodities was found throughout the Valley (Blanton 1994).

**Political Models**

Political models assign primary emphasis to the goals of political leaders, but in contrast to the adaptationist models, the political elite (rather than the general populace) are the beneficiaries of these economic activities. This view holds that political elites consciously and strategically manipulate aspects of the economy to create and maintain social inequality, to strengthen political coalitions, and to support new institutions of
control (Brumfiel and Earle 1987:3). Mobilization, the transfer of goods from producers to political elites as either taxes or tribute, is fundamental to political development, supporting the elites and enabling them to fund new institutions and activities calculated to extend their power. However, control and manipulation of the flows of other goods and economic activities (including foreign commerce, certain food crops, weaponry, and wealth items) are also key factors in building political power.

A major proponent of the political economy approach for the Valley of Mexico is Pedro Carrasco (1978, 1980, 1983). By combining insights from both the Polanyi school of economists and Marxist models for the Asiatic mode of production, Carrasco argues that a free or commercial market economy cannot develop in a class structured society where the basic means of production (land and labor) are controlled by the elite stratum. Rather, utilizing documentary sources, he characterizes Aztec Mexico as having a command economy based on a system of production that relied on political control of land and labor, and on a tribute system and state-controlled long distance exchange in prestige goods for accumulating surpluses and perpetuating social relations (Carrasco 1980:79). In this view, the Aztec market system, although regulated by the state, is considered of little interest to the imperial elite and basically disarticulated from other, politically more important sectors of the command economy (i.e. the tribute system and long-distance exchange).

Other proponents of political models have focused on the role of prestige items in structuring regional political interactions. Within Aztec society, elite craft products acquired importance as a type of “political capital” (Brumfiel 1987b), displayed and distributed by rulers to define their own social status and the statuses of others, with all the rights and obligations adhering thereto (Brumfiel and Earle 1987:4). Thus gifts of exotic prestige goods were used to reward clients, attract allies, and solicit favors.

Under Aztec imperial rule, royal largesse in the form of prestige goods served to restructure political relations in two important ways. First, royal patronage of local elites
increasingly took the form of remuneration in valuable craft items rather than rewards in tribute-producing lands, a strategy that placed local rulers in a situation of dependency on Tenochtitlan as the basis of their wealth, prestige, and local authority. This elite incentive plan ensured compliance with Tenochtitlan, while generating competition for imperial favor among local elites and preventing the emergence of organized opposition to the state.

Secondly, luxury craft goods were instrumental in linking prestige to achievement in warfare and hence to the interests of the state. Success and valor on the battlefield were marked by the bestowal of elaborate warrior costumes and the right to wear specific types of dress, adornment, and precious goods. Since imperial conquest simultaneously increased the supply of precious raw materials and provided the opportunity for their attainment, individual interest coincided with state goals. As a result, both Aztec rulers and the traditional ruling elite subject to them were linked by common interests (Calnek 1978b; Rounds 1979).

Models focusing on the political manipulation of prestige goods in the Aztec economy point to the emergence of Tenochtitlan as a center of elite craft production and argue that this emergence is not a consequence of Aztec imperialism but structurally related to the process of political integration. The impact of this political restructuring on other aspects of the economy, such as subsistence agriculture or utilitarian craft production, are not generally explored. Many analysts conclude that the production and consumption of elite craft goods and tribute items represent a circuit relatively disarticulated from the more mundane aspects of domestic economy.

Brumfiel (1987b), however, identifies some key links between political process and the market system that deserve further exploration. She suggests that tribute flows were a potent stimulus in the development of regional exchange:
“Some tribute goods collected by the Aztec ruler and distributed to members of his court were used by the elite to purchase subsistence goods in the marketplace (Calnek 1978a:101-2). This was particularly true of cloth and cacao which served as media of exchange. Hinterland commoners selling subsistence goods in the marketplace in exchange for cloth and cacao were able to acquire the quantities they needed for tribute payment. Cloth and cacao would be paid in to the capital as tribute and flow out again in payment for food” (Brumfiel 1987b:109).

Brumfiel suggests that although this flow led to an increased volume of regional exchange, it did not necessarily promote a regional division of labor and hence the efficiency of the regional exchange system.

**Mixed or Compromise Models**

Relatively few scholars have proposed bridging the approaches presented above. Some, however, argue for a compromise model in which specific aspects of the economy were strongly state-controlled while other aspects excited little administrative interest or intervention (Hicks 1982a; Berdan 1983; Davies 1987:150; Smith and Hodge 1994).

In general, these authors suggest that different types of commodities circulated through different systems, and were thus differentially affected by market and administrative forces. The primary distinction generally made is between utilitarian items and luxury items. Hicks (1982a), for example, suggests that trade in mundane subsistence goods fell outside the sphere of elite interests and thus operated with minimal administrative intervention, probably through an interlocking market network system. In contrast, the trade in luxury goods most likely moved along lines of political authority.

**Theoretical Orientation of this Study**

It is clear from the preceding presentation that these three perspectives (the commercial development, adaptationist, and political intervention) have contributed significantly to our understanding of Aztec economy; all three have elucidated the functioning of specific aspects of Aztec economic organization. It is also clear that none of these models provide a complete nor completely accepted picture of market system organization under Aztec rule. The problem lies in singling out any one factor as
representing the primary or dominant economic force, in spite of the growing body of empirical and theoretical studies that strongly suggest that market systems respond to multiple factors (Claessen and van de Velde 1991:19; C. Smith 1977; Brumfiel 1987b; Evers and Schiel 1987). The challenge, therefore, is to develop a model for the Aztec market system that elucidates the links between commercial, adaptive, and political forces within the context of imperial expansion and consolidation.

The present study attempts to develop that integrated stance. It seeks to move beyond the general models of market economy that characterize market systems as either wholly dominated by, or wholly outside, the sphere of imperial interests, and instead, to focus on the interaction between political interests and market forces under Aztec rule. Briefly, the goals here are to (1) identify key points of articulation between political actions and economic conditions within the Valley of Mexico, and (2) predict how those ramify through the larger market economy, comprising the interaction of systems of commodity production and exchange.

At the outset, the approach taken here follows the lead of Carol Smith in assuming that all economies reflect a mixture of political, ecological, and commercial factors. Reduced to its essentials, Smith's argument is that all economies are instituted, that is, all economic activities are embedded in a cultural-historical matrix (C. Smith 1977). She further argues (1977:119) that economies may be instituted in different ways and that the way in which the economy is instituted strongly affects the opportunities for production and exchange.

In essence, Smith's argument is that we cannot in reality dichotomize economies into purely commercial or purely political:

“To say that the economy is instituted is not to deny that peasants are for the most part ‘economic men’. It is only to observe that there are no pure economies -- there are only historical or political economies which provide institutional constraints on economic behavior. If we ignore the constraints, we may use the universal, invariant, market principle to analyze economic behavior. But if we ignore the constraints, we can do little to explain the organization of any real economy, the actual response of any real economic men” (C. Smith 1977:144).
The central aim of this study, then, is to examine the ways in which the Aztec market system was instituted under imperial rule, by elucidating institutional constraints on economic behavior within the sphere of commodity production and market exchange. Further, this study attempts to assess the degree to which the institutional constraints resulted from the process of imperial conquest and consolidation, and conversely, the degree to which the resulting economic structure contributed to imperial integration. To this end, the study examines the ways in which imperial political processes affected production and exchange systems by identifying key facets of imperial political economy and assessing how these directly and indirectly affected the economic decisions of producers participating within the market system.

The assumptions underlying this approach are, at the most general level, that political and economic processes are driven by the actions of self-interested social groups within the context of environmental and societal constraints and possibilities. It is therefore necessary to identify the participants (imperial elite, local elite, and commoners), their respective goals, their strategies for meeting those goals, existing constraints on meeting those goals (due either to conflicting goals or external factors), and finally, implications for production, exchange, and control of goods, since material culture provides the means for monitoring these developments.

In stratified or state societies, the inherent uneven balance of power between elite and commoners places greater control in elite hands; this necessarily gives precedence or causal priority to the imperial elite as the dominant social stratum. In the aggregate, political decisions pursued by the imperial elite potentially affect society as a whole. As a starting point, then, the task is to determine how imperial goals, strategies, and policies affect goals and options of other participants. This is not, however, to deny the significant role of environmental factors, since responses to imperial dicta are worked out within the context of the social and natural environments.
This study begins by examining the political problems endemic to empires as a model for understanding the political problems facing the Aztec imperial elite. The study then assesses how the central political concerns shaped the goals, strategies, and policies of imperial rulers and develops expectations for the ways in which these imperial goals in turn affect the control of goods, based on the ways in which different goods function or are used to achieve political and economic ends of both local and imperial rulers. It is suggested here that imperial concerns for political security and stability generated the over-arching structure of imperial economy, both directly through manipulation or control over the flows of material goods, and indirectly, by creating economic stresses and opportunities, by limiting certain economic responses and favoring others.

**Methodological Approaches**

The methodological approaches for investigating Aztec imperial economy and market economy are threefold. First, this study places economic development in a diachronic perspective. Much of the debate concerning Aztec imperial development stems from a very partial knowledge of pre-imperial systems. We therefore need to determine the baseline or starting configuration of market structure in order to examine changes due to imperial integration. However, to merely attribute observed economic changes to empire formation becomes an exercise in circular reasoning; it is necessary to specify ways in which political processes affected aspects of economic organization.

Accordingly, the second methodological tool utilized here parallels the regional analysis approach advocated by economic anthropologists (Barlett 1980:549-500; Roseberry 1989; Gladwin 1989) that structures the inquiry around the impact of macrolevel processes on microlevel behavior. In keeping with this perspective, I suggest that forces giving rise to specific forms of economic integration can be monitored through the interactions between two levels of activity: the macrolevel forces, consisting of the political and economic goals, strategies, and policies of the dominant imperial elite that affect society as a whole, and microlevel forces, consisting of the responses of individual
or corporate producers to the economic stresses and opportunities engendered by imperial rule.

In brief, this approach holds that macrolevel changes in political organization (in this case brought on through the processes of imperial expansion and consolidation), directly and indirectly altered the context of production and exchange within the imperial core. These macrolevel changes in turn affected the individual, decision-making producer, who was not just a passive bystander, but a reactive actor. By making plans and decisions in response to these macrolevel forces, microlevel producers in the aggregate generated structural changes in economic organization, observable again at the macrolevel (Barlett 1980:549-550; Gladwin 1989:415). In this study, I attempt to integrate both macrolevel and microlevel processes, by assessing microlevel responses in production and exchange strategies to macrolevel changes engendered by empire formation.

Third, the methodology employed here utilizes and balances both historic and archaeological sources of information. Macrolevel forces, reflecting the actions of the imperial and upper level elite, are best recorded in documentary sources. Microlevel forces, corresponding to the reactions of individual commoner producers, are generally visible only through archaeological investigations.

The result is a melding of macroeconomic and microeconomic theory. That is, following the lead of Brumfiel (1980:475), I assume that “once the institutional context of an economy is defined and once the goals of participants are understood we can probably expect to find participants pursuing their goals according to some sort of least-cost/maximum-return principle.” It is hoped that this approach will prove complementary to existing studies of Aztec market organization and provide additional insights into the complex problem of imperial economic integration.
Notes to Chapter 2

1 Although active market exchange may also take place in societies with poor commercial development, the market is not a reliable source of everyday necessities in these situations. Rather, the markets are patronized by producers who trade in the market when they happen to have a surplus to exchange or need some item they do not produce. Such market activity is seen as “peripheral” to the economy, rather than serving as a primary integrative force (Bohannon and Dalton 1965).

2 For the famous Tlatelolco market, the presence of market judges and supervisors to regulate prices and adjudicate disputes (Berdan 1975:205-206), the imposition of market taxes (Berdan 1975:208-209; Cortés 1928:93; Durán 1967, Vol. I:180), and regulations prohibiting exchange outside the marketplace (Berdan 1975:206; Durán 1971:276) all represent administrative controls over market exchange. What is not clear is the degree to which this intervention inhibited the functioning of a market-integrated economy within the capital.

3 Although most researchers assume that all major cities and most towns were serviced by a marketplace, in only a few cases can the presence of a market be clearly documented (see Blanton 1994:Appendix).

4 The K=3 pattern is the most efficient system for predominantly rural landscapes and is especially effective in facilitating rural-urban exchange (C. Smith 1976a:20), while the K=4 or transport principle minimizes transport costs and is the most efficient for servicing agglomerated settlements with bulked goods (C. Smith 1974:174-175).

5 The behavioral, geographic, and temporal assumptions underlying the successful application of central place theory are as follows:

1. **behavioral assumptions**
   a. consumers have a choice as to which market they will patronize such that markets compete to attract consumers;

   b. market exchange is integrated and part of a single region-wide system;

   c. market centers exist for the express purpose of facilitating market exchange and are located so as to minimize the frictional effects of distance;

   d. market suppliers are knowledgeable and rational in seeking to maximize profits while market consumers are equally knowledgeable and rational in seeking to minimize costs (C. Smith 1974:168-169).

2. **geographic assumptions**
   a. the landscape is featureless and has equal transport facility in all directions;

   b. population and purchasing power are evenly distributed in the marketing region (C. Smith 1974:168-169).
3. **temporal assumptions**

   a. the forces that generated the settlement patterns are those that are still operational in economic interactions (CPT has no time depth, thus the model fails to account for historical inertia, i.e. those cases in which it might be more economical to travel further to carry out economic transactions than to move or re-establish a central place with a long-standing history and investment in public places);

   b. market locations represent a steady-state or static situation.

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6 Both central place analyses acknowledge that discrepancies from the predicted pattern indicate that economic factors alone cannot fully explain the size and location of market centers in the Valley; political and other factors must also be taken into account (M. Smith 1979:120). In fact, Blanton's (1994) detailed analysis of spatial discrepancies argues that imperial rulers were actively manipulating market location and market access to achieve political goals.

7 The *Matrícula de Huexotzingo* (Prem 1974), written in 1560, postdates the first major epidemics that decimated indigenous populations. A factor that must be considered in applying these data to the prehispanic period is whether the drastic decline in population necessitated a return to part-time craft production supplemented by part-time agricultural work as a response to decreased availability of foodstuffs, declining demand for craft goods, and strong pressure from the Spaniards to increase agricultural production.

8 My perspective follows that of Rounds (1979:74), in that I treat political economy as “a social process of interaction between the human and the material in which the humans involved have complex individual motivations and complex relationships with one another. Within the limitations imposed by their material environments, these interpersonal relations are seen as the primary driving forces of social history.” Thus, I do not disagree with the ecological perspective concerning the importance of environmental constraints on the operation of social and economic systems. The difference is that where ecologists are primarily concerned with elucidating the nature of those environmental constraints, my concern is more with the “analysis of how humans deal with those constraints and manipulate them in the service of goals that are only partially (or not at all) economic” (Rounds 1979:74).