Latin American economic history plays out like a murder mystery. Despite extensive natural resources, Latin America remains relatively poor. Who killed the economy? One theory argues that the exploitative mining industry restricted Spanish America to feudal development. However, labor institutions in seventeenth century Upper Peruvian silver mining contributed to proto-industrial development by employing free labor, shifting the workforce to the modern urban sector, and subsidizing investment in mining. Although mining is a cyclical industry, the initial growth of mining centers like Potosí in the late sixteenth century parallels the structural changes in the English economy during the industrial revolution. Bolivia, or present-day Upper Peru, is underdeveloped not because of colonial mining but, rather in spite of colonial mining.

Mineral wealth was the largest factor driving the Spanish conquest of the Americas, and Peru was no exception. Only six years after the conquest began in 1532, Hernando and Gonzalo Pizarro established a mining camp at Porco.\(^1\) Indigenous miners from Porco discovered silver in Potosí in 1545,\(^2\) and oversaw both mining and refining using their own techniques until the 1570s, when production declined. The Spanish introduced mercury refining and the *mita*, or labor draft, and boosted production at Potosí to its 1592 peak of 444,000 pounds.\(^3\) Despite the discovery of new mines like San Antonio del Nuevo Mundo, production slowly declined

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\(^1\) Klein 31-32  
\(^2\) Ibid. 32  
\(^3\) Bakewell *Miners* 26, Bakewell *Silver* 16.
throughout the seventeenth century as both the *mita* and the supply of good ore at Potosí shrank.\(^4\) Production began to rise in the 1730s with lower taxes, a mercury subsidy, and the introduction of the *Banco de San Carlos*,\(^5\) but fell again with the wars of independence.\(^6\) Although production varied considerably over the centuries, the initial rapid growth of the mining industry re-shaped Upper Peru’s economy.

Potosí’s boom in the late sixteenth century moved an unprecedented number of workers out of the agricultural sector and into mining and mining-related industries. Two centuries later, the industrial revolution in England followed a similar pattern. In the United Kingdom, agricultural collapse in Ireland and higher wages in English cities helped recruit a labor force for nascent industries.\(^7\) Industrialists integrated the new urban wage laborers with capital in the form of machines and factories and optimized production processes according to the rational pursuit of maximum profit. Instead of stagnating in labor-intensive subsistence agriculture, workers now contributed to further capital accumulation.

Sir Arthur Lewis described his view of this urbanization process in his “dual-sector model:”

> “The size of the agricultural, or primary, sector tends to shrink with economic growth, as rural workers move into the industrial, or secondary, and services, or tertiary, sectors. … This transformation entails the internal migration of labour from the rural countryside to burgeoning urban areas, so that workers are available to run the machinery of industry and to work in all the supporting firms and institutions....” \(^8\)

Before a country develops, most workers produce just enough for survival in the “traditional” labor-intensive agricultural sector. As the country develops, workers migrate to the more efficient urban capital-intensive sector which pays wages earns a profit, allowing for further

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4 Bakewell *Silver* 16-20  
5 Klein 70-71  
6 Ibid. 103  
7 Mokyr 32  
8 Cypher 270
capital investment. Mining in Upper Peru in the seventeenth century follows the same general
trend: labor shifted away from communal subsistence agriculture to the capital-intensive wage
labor mining sector, modernizing the agricultural sector in the process.

In addition to shifting workers into the modern sector, the mita also provided a subsidy to
mining and helped to make up for the lack of capital. In much the same way that Stalin’s first
five-year plan pillaged the agricultural sector in order to industrialize the Soviet Union, the mita
forced members of traditional agricultural communities to subsidize mining production by
working for below market wages in the mines. The mita and other seventeenth-century Peruvian
labor institutions gave Upper Peru the pre-requisites of industrialization.

In contrast, Immanuel Wallerstein’s World Systems Analysis and other economic
narratives condemn mining labor institutions as part of a system that retards development.
World-Systems Analysis would explain Bolivia’s underdevelopment as the result of a global
division of labor in which the periphery, including Upper Peru, used involuntary labor in a feudal
system to produce raw materials while Western European nations with strong governments used
wage labor to produce manufactured goods and siphon capital away from the periphery.\textsuperscript{9}
Wallerstein’s approach correctly explains the political dynamics of colonialism: in the mid-
sixteenth century, Spain decided to obtain the maximum sustainable profit from its American
colonies.\textsuperscript{10} They created a political and economic system structured to benefit the metropolis:
Spain took a 20 percent royalty on all mineral extraction, and prevented Americans from
competing in ironworking or high-quality textiles. However, as historian Steve J. Stern points
out, World Systems Analysis is wrong about the details.\textsuperscript{11} The mining industry in Upper Peru
made extensive use of free labor, urbanizing the workforce in the process. Labor institutions and

\begin{footnotes}
\item[\textsuperscript{9}] Stern “Feudalismo” 3
\item[\textsuperscript{10}] Assadourian 56
\item[\textsuperscript{11}] Stern “Feudalismo”
\end{footnotes}
urban migration in seventeenth century Upper Peru more closely resembled the industrial organization of the center than the feudal organization characteristic of Wallerstein’s periphery.

By the seventeenth century, Upper Peru’s mining labor institutions were a chaotic mix of slavery, serfdom, and wage labor, but wage labor dominated. The mita, Peru’s version of New Spain’s repartimiento system, required traditional indigenous communities to pay tribute in the form of labor for below-market wages. Since the mine and ingenio (refining mills) owners who received this tribute controlled the mitayo’s (mita worker’s) labor, but nothing else, the mita is analogous to serfdom. The Viceroy required mitayos to spend one out of every seven years in Potosí or another post and work every third week during that year as serfs. He allowed them to hire themselves out for market wages during the other two. Mine and ingenio owners with claims to mitayos faced legal restrictions on the tasks and conditions they could impose, but they often slighted the restrictions, treating their mitayos more like slaves than serfs. On the other hand, mitayos became wage labor mingados on their weeks off, and numerous other Indians and non-Indians worked for wages in Potosí and other mining towns.

Upper Peru also employed some slaves, particularly in agriculture and in the mint. Inge Wolff estimates that there were 5,000 blacks in Potosí around 1600, some of whom were free artisans. Bills of sale indicate that Africans slaves cost about 500 pesos in Potosí, and that potosinos purchased Indian slaves from Chile as well on at least one occasion. However, slaves did not work in mining. While Bakewell and Inge Wolff postulate that Africans were not fit for work in the mines, Alberto Crespo argues that African slaves were capable of working well in

12 Brading 559
13 Brockington 138
14 Bakewell Miners 192
15 Brockington 131-132
16 Bakewell Miners 192
17 Ibid. 192
the mines, but were too expensive given the risks involved.\textsuperscript{18} Instead, they took the place of displaced Indian agricultural laborers in towns like Mizque, 200 kilometers north of Potosí,\textsuperscript{19} or worked imprisoned in the crowded mint.\textsuperscript{20} Al-Musli’s travelogue reports only 40 slaves in the mint, though,\textsuperscript{21} so most slaves in Potosí were probably domestic.\textsuperscript{22}

De Espinosa records 80,000 male adult Indians living in Potosí in the early seventeenth century, most of whom had moved there to find work.\textsuperscript{23} By comparison, the \textit{mita} provided about 4500 mitayos in Potosí during any one week of 1600, or about six percent of the indigenous labor force.\textsuperscript{24} Since \textit{mitayos} worked almost exclusively in the mines, this percentage rises when we consider only mining. The anonymous author of \textit{Relaciones geográficas de las Indias} counts 19,000 indigenous workers in the 1603 Potosí silver industry, 24 percent of whom are mitayos;\textsuperscript{25} Bakewell counts only 10,000 or so workers directly engaged in mining and refining and estimates that only 45 percent were coerced.\textsuperscript{26} Capoche and a 1603 manuscript suggest that bosses required an additional 1500 mitayos to work during weeks they should have had off, bringing the total to 6,000 coerced workers at any one time.\textsuperscript{27} We should keep in mind, though, that many Indians distributed through the \textit{mita} never showed up in Potosí;\textsuperscript{28} the actual number of coerced workers was small compared to the number of free workers.

Migration and plagues continuously shrunk the rural population subject to the \textit{mita} and, despite increases in the intensity and frequency of \textit{mita} shifts, the number of \textit{mitayos} serving in

\begin{thebibliography}{9}
\bibitem{Brockington} Brockington 137
\bibitem{Ibid} Ibid. 138
\bibitem{Brockington2} Brockington 137-138
\bibitem{Al-Musli} Al-Musli 59
\bibitem{Bakewell1} Bakewell \textit{Miners} 192
\bibitem{De Espinosa} De Espinosa 418. Alonso Mesías more conservatively estimates 50-80,000 (Bakewell \textit{Miners} 111-112). In 1658, Du Biscay estimated only 10,000 Indians in residence, 2,200-2,300 of whom worked in the mines. (Du Biscay 137)
\bibitem{Bakewell2} Bakewell \textit{Silver} 189
\bibitem{Cole} Cole 29
\bibitem{Bakewell} Bakewell \textit{Miners} 127-8, 134.
\bibitem{Ibid2} Ibid. 98
\bibitem{Ibid3} Ibid. 106, Cole 80
\end{thebibliography}
Potosí in 1622 had fallen to fewer than one thousand. The ratio of mitayos to free laborers was even lower in Upper Peru’s other mining centers. De Espinosa notes that the mining town of San Felipe de Austria had no access to mitayos; even when the Viceroy tried to assign mitayos to the town, Potosí was able to block the assignment to protect their own subsidized labor. Oruro had 4,000-10,000 wage laborers in the 1610s, but no mitayos.

Some workers registered as mitayos bribed their managers for the privilege of not showing up in Potosí. This practice, called the mita de faltriquera, allowed azogueros (refiners) and mine owners to use the money to hire skilled free labor (although some just lived off the rents). In 1608, the president of the Audiencia de La Plata calculated that 20 percent of the mita was satisfied through direct payments. By 1615, the faltriquera system may have replaced half of the mitayos. In 1668, the Corregidor of Potosí reported 700 cases of mita de faltriquera compared to 1,424 mitayos arriving in person; the following year, 374 cases compared to 1,777 mitayos. The shrinking mita, the use of mita de faltriquera, the huge free indigenous population residing in mining towns, and the presence of other wage laborers made mitayos a relatively minor part of Upper Peru’s silver industry. While mitayos played a disproportionately large role in the mines themselves, their role in the Potosí’s silver industry as a whole was much smaller.

Part of the reason for the mita’s shrinking role in Peruvian mining was the harshness of mitayo work. Indians took measures to avoid working as mitayos, sometimes permanently relocating to Potosí where they could work as wage laborers without being subject to the mita.
Mitayos received inferior wages, only 20 reales for a five-day week cutting ore in 1600 compared to 56-63 reales for a mingado[^35]—although employers probably did not pay mitayos when production was low. According to 1608 calculations by Felipe de Godoy, mitayo wages covered only 1/3 of a mineworker’s expenses during his weeks as a mitayo, not including housing or supporting a family.[^36] Law required bosses to pay mitayos two reales for every five of the up to 150 leagues they travelled to reach Potosí,[^37] but bosses sometimes disobeyed.[^38] While mitayo wages were better than agricultural wages,[^39] they were still below market given the dangerous and demanding work they performed in the mines.

Mitayos often worked the most difficult jobs in Potosí as barreteros (pickmen) and apiris (ore carriers). Apiris made up to 25 trips a day carrying 25 kilograms of ore in cloth knapsacks on up to 300 meters of rawhide ladders in the cold, damp, and dark, sometimes working in knee-deep water. Viceroyos regulated mitayo working conditions, but reports indicate bosses did not comply.[^40] Mitayos broke limbs in falls, died in cave-ins, and suffered respiratory diseases.[^41] Luis Capoche relates towards the end of the sixteenth century that 50 mitayos died per year from deaths associated with the dust (“polvo de mortero”) from the ingenios.[^42]

Bosses sometimes forced mitayos to work involuntarily, both day and night and on holidays; they attempted to link wages to ore extracted; they did not pay journey money, and they forced mitayos to perform dangerous work.[^43] They withheld wages.[^44] Capoche notes that,

[^35]: Bakewell Silver 189. De Espinosa reports the same mitayo wage, but a broader range for mingados of 12-24 reales a day (De Espinosa 413).
[^36]: Bakewell Miners 104-5
[^37]: Purser 38-41
[^38]: Ibid. 38-39
[^39]: Ibid. 40
[^40]: Cole 24
[^41]: Ibid. 23-24
[^42]: Capoche 159
[^43]: Purser 38-39, Fisher 10
[^44]: Cole 28
“...Y así les suceden cada día mil muertes y desastres...” but his exaggerated attitude should be taken with a grain of salt: opposition to the mita was a political position held for both religious and economic reasons, as some landowners wished more Indians would be available for their use. Nonetheless, bosses failed in a number of legal duties to mitayos: they failed to pay them half wages while they were recuperating from injuries and instead required them to hire replacements. Violations were common enough for the government to get involved: the Real Audiencia made an overseer pay 8,000 pesos for the death of 28 Indians, and Luis Capoche reports over 70 criminal trials for the deaths of Indians in 1585. It should not surprise us that villages played funeral music as they sent their men off as mitayos.

In exchange for the brutalities of the mita, bosses informally allowed mitayos several extra privileges. Owners did not stop their mitayos from stealing ore, nor did they prevent Indians from working the mines for their own ore on the weekends (a process known as kapcheo). Indians sold the ore thus gathered in the plaza in Potosí, and by some calculations, this accounted for up to 25 percent of production.

Nonetheless, Indians increasingly migrated out of the traditional rural sector subject to the mita and into the modern sector of free labor occupied by the yanaconas. The yanaconas were a pre-Colombian group of Incas not tied to any ayllu or rural area. Instead, they served Incan lords, and may have held an intermediate social status. Under the Spanish, the yanacona

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45 “…Every day a thousand deaths and disasters occur to them…” (Capoche 158)
46 Cole vii
47 Ibid. 31
48 Capoche 158
49 Ibid. 159
50 Hanke Bartolomé 30
51 Stern Feudalismo 35
52 Ibid. 33
53 Bakewell Miners 35
were exempt from tribute and, in theory, served Spanish masters without coercion. They were the first to work the mines in Potosí, which they did for their own profit after paying a fee.\footnote{Bakewell Miners 36}

When mitayos migrated to Potosí, they were no longer subject to the mita and could work as free wage laborers like the yanacona. Although some maintained ayllu connections,\footnote{Mangan 7} evidence suggests that they were genuinely free and rarely debt peons.\footnote{According to J.R. Fisher, bosses may have forced some to stay to work off their debts (Fisher 10). Brown and Craig describe debt peonage in Huantajaya in the 1760s (Brown 312).} Capoche tells us that ingenio owners sought out mingados and sometimes offered coca in addition to the wage of 4.25 reales to make the mingados more eager to work. Refiners paid mingados up front for shifts of 6 hours. Mingados sometimes left their shift early, and frustrated workers could easily find a new boss.\footnote{Capoche 173} Capoche writes that mine owners paid mingados four reales and a share of the ore per day, and that if they did not find the pay reasonable given the hard work and danger, they could opt to work in a kitchen for four reales and food.\footnote{Ibid. 174} Potosí bosses also competed for workers with other mining centers such as Oruro and with the agricultural sector.\footnote{Cole 46-47, 125} Mingado ore cutting wages varied from 12-24 reales a day, meaning that skilled mingados could earn extra.\footnote{De Espinosa 413} As a whole, the azogueros (refinery owners) of Potosí did not see extensive profits in the seventeenth century, suggesting that the mingados who worked in refining had enough bargaining power to capture most of their labor surplus.\footnote{Cole 47} Although these wages might go unpaid in bad times, mingados generally worked in a free and competitive labor market, and as a result could make a
good living: Du Biscay, a 1658 visitor, remarked that money was “very plenty” and “easy to be
got by them that are willing to work.”

The mita and other mining labor institutions brought Peru two steps closer to industrial
development: they brought indigenous workers from the rural traditional sector into the cities
and into the modern sector, and they created a wage-labor class within the cities. Much like in
the industrial revolution in England, harsh agricultural policies and new competition made life in
traditional communities more difficult at the same time that urban employers increased their
demand for both skilled and unskilled laborers. The mita also played a direct role, forcing
Indians to visit mining centers and spend time there as wage laborers as well as serfs. For all its
injustices, the mita effectively ended any concerns about labor shortages, like those in the
1560s, which could have limited economic development.

The original Potosí mita included 80,000 potential adult male workers and, in theory,
each of these worked in Potosí for one of the first seven years. In 1614, viceroy Montesclaros
lists Pasco, Vilcabamba, Castrovirreyna, and Nuevo Potosí as other mining centers with their
own (albeit smaller) mitas. Upper Peru’s mita covered a vast area stretching as far away as
Cuzco, six hundred miles from Potosí. Through this system, a huge number of Indian laborers
were acquainted with Potosí and paid (or forced) to make the journey there. This guaranteed
mining towns some wage labor as Indians worked as mingados during their weeks off from the
mita. In 1600, there were 5500 mingados in Potosí, although this number decreased as the mita
fell and as bosses allowed less free time. More importantly, after subsidizing or coercing the

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62 Du Biscay 136
63 Cole 4
64 Purser 38, although J.R. Fisher says 95,000 (Fisher 10).
65 Purser 42
66 Brading 558
67 Bakewell Silver 189
initial expenditure, these workers were in a position to stay in Potosí and take advantage of the available employment.

Just as enclosure laws in England eliminated common fields and made farming more difficult for peasants, the *mita* system and other tax laws required traditional indigenous communities in Peru to pay tribute in the form of labor.\(^6\) Indians in Potosí and other mining towns were exempt from *mita* recruitment, so the *mita* placed an asymmetrical burden on the indigenous population,\(^6\) encouraging work in the untaxed mining sector rather than the heavily taxed agricultural sector. Cole summarizes other burdens on the Indians:

> “They were forced to work for their kurakas, corregidores, and priests in transport, agricultural activities, animal husbandry, and small industry. They had to buy goods that they did not need and pay tribute to boot. And they faced the prospect of future service in the mines in Potosí.”\(^7\)

Although Indians had several options for avoiding the *mita*: leaving the colonized zone entirely, working on someone else’s agricultural estate, or moving to a mining town. The latter two effectively moved labor from the traditional to the modern sector, and De Espinosa’s estimate of 80,000 adult male Indians in Potosí in the early seventeenth century shows the extent to which the *mita* succeeded in creating a wage labor sector far greater than the involuntary sector it mandated.\(^7\) Upper Peruvian labor and tax policy created a large urban wage labor class in mining towns.

The Spanish system of labor also had a modernizing effect on the agricultural sector. Indians often left their *ayllus*, or traditional communities where they owned land, in favor of

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\(^6\) The Spanish law of *Composición de Tierras*, analogous to the enclosure laws, likely played the same role (Bakewell *Miners* 187-8)

\(^6\) Cole 26

\(^7\) Ibid. 27

\(^7\) De Espinosa 418
other towns where they had no land or kinship ties and were not subject to the mita. Spaniards or upwardly mobile Hispanicized Indians then bought the unused land from the state, enabling them to pursue large-scale agricultural enterprises. They employed newly landless migrant Indians from other towns and lobbied to exempt their employees from the mita. Steve Stern, who examined this dynamic in Huamanga, found that the most powerful Indians assimilated to “an exploitative class of aristocrat-entrepreneurs” who eschewed the profit-sharing spirit of their traditional communities. While the resultant system may not have provided the same freedom and high wages available to mingados in Potosí, it likely allowed for the rapid spread of European agricultural technology and re-organized production according to rational individualistic precepts, increasing production. It may not have improved life for the average peasant, but it did produce profits which could be re-invested.

Mining also brought peasants into the cash economy in other ways. The mita de faltriquera replaced labor tribute with cash tribute, forcing rural peasants to sell either their labor or agricultural products for cash. Miners’ demand for goods and services that they did not produce themselves allowed for the creation of subsidiary sectors, such as selling bread, coca, chica (corn beer), clothes, and groceries in Potosí. Peasants traditionally produced these goods in the family or obtained them through barter, but the presence of wage earning mineworkers created a cash economy where traders produced or retailed these goods for money. Capoche reports that four or five hundred Indians gathered Thursday, Friday, and Saturday in the plaza del metal to sell ore, and that the same plaza had “many stores, where they sell a great quantity

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72 Cole 32  
73 Ibid. 78-79  
74 Ibid. 77  
75 Bakewell Miners 116-117  
76 Stern Peru’s 181  
77 Ibid. 155-6  
78 Fisher 10, Purser 42  
79 Mangan 134
of coca.”⁸⁰ Jane Mangan explores in Trading Roles how Spanish men ran grocery stores and bakeries while indigenous and African women dominated the sale of clothing, chicha, and street food.⁸¹ Mining created cash demand for these goods, inspiring small-scale entrepreneurs to enter the cash economy.

The mita played a second key role in the development of Upper Peru’s mining industry. In addition to providing labor, the mita essentially provided capital as well by subsidizing the mining sector, reducing risk, and encouraging investment. In the 1560s, high-grade ore began to run out and mine overseers could not afford to pay laborers the prevailing wage. The mining industry required investment in the form of mills to refine silver ore through amalgamation. In 1572, the Viceroy visited Potosí and struck a deal with the azogueros or refiners: the azogueros would build the new mills at their own expense, and the Viceroy would provide them with subsidized labor and mercury (which, in turn, was the product of the Huancavelica mita).⁸² In this manner, the mita provided a subsidy to encourage investment in the mining industry, meaning that the mitayos essentially provided both labor and capital (in the form of the withheld wages they would have received if employed as wage laborers). Bakewell calculates that the value transferred from Indians who bought mita replacements to their employers adds up to around 20 percent of Potosí’s output.⁸³

Thanks to the mita and the mining sector’s wage-labor institutions, Upper Peru underwent a series of structural changes reminiscent of the Industrial Revolution in England. By levying tribute on the agricultural sector, the colonial regime pushed workers to the cities where they incorporated them as wage laborers in the proto-industrial mining sector. By expropriating

⁸⁰ Capoche 160-161 ⁸¹ Mangan 134 ⁸² Cole 4-8 ⁸³ Bakewell Miners 129
community land, they modernized the agricultural sector. The mining sector’s supply of cash and demand for goods created subsidiary industries and a small merchant class. These sectors in turn created profits that could be reinvested, leading to economic development.

These structural changes created a proto-capitalist system of production involving free labor and a high level of capital. Potosí housed 124 active mills in 1624, in addition to a series of dams and aqueducts holding at least 7 million cubic meters in the sixteenth century. We can estimate the value of each mill at least 4,000 pesos, given that Antonio Lopez de Qüiroga spent 7,000 pesos to acquire an old mill with two heads and at least 1,000 to repair it, identifying a total of 496,000 pesos. Investment in mines themselves was also considerable: Potosí’s Cerro Rico contained at least 102 mines in the early seventeenth century, and in 1689, Antonio Lopez de Qüiroga alone was digging five adits with a total length of 2,890 yards. If we assume the costs per yard were similar to those of the socavón grande in San Antonio del Nuevo Mundo of 218,000 pesos for 753 yards, Lopez’s Potosí adits alone represent an investment of 837,000 pesos.

These impressive capital investments made for a large and wealthy city. Potosí’s 1610 census recorded 160,000 residents, much smaller than Beijing, Istanbul, Delhi, or Agra, comparable to London or Paris. It was larger than Madrid, which contained only about 130,000 at the time. This population and capital were not employed simply in removing material from the ground: according to a 1603 estimate of Indian workers in the Potosí silver industry, 4,600 of

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84 Cole 47. This refers to the number of “cabezas de molino.”
85 Purser 47
86 Bakewell Silver 55-57
87 De Espinosa 412
88 Bakewell Silver 137
89 Ibid. 90, 93
90 A peso is 25.561 grams of silver
91 Hanke Bartolomé 36. Acarete du Biscay estimates 10,000 Indians and 3-4,000 each Spaniards and Mestizos in 1658 (du Biscay 134-5)
92 Moch 25
more than 19,000 worked in the mines, more than 9,320 worked in processing and refining ore outside of the mines, 1,200 manufactured charcoal and candles, and 3,880 worked in bringing salt, firewood, and llama dung. In addition, other workers outside of the silver industry provided services and worked in other manufacturing to support the mines. Potosí in the seventeenth century was a large, proto-industrial city.

Given its economic heritage, why are so many Bolivians poor today? Even with the eventual decline of the mining industry, Upper Peru had the capital, the wage labor, and the urban concentrations necessary to become an industrial producer. Following independence, Bolivia successfully transitioned into tin mining, and Bolivians owned mining companies with international reach.93 Today, however, is the second poorest country in the Western Hemisphere with over half of its people in poverty.94 There are a variety of factors: the colonial discouragement of industry, continued conflict, including the wars of independence, War of the Pacific, War of the Chaco, and numerous coups, poor economic policy, and lack of a port following the War of the Pacific. The answer may also be as simple as Wallerstein’s original premise: the colonial metropolis siphoned off capital, preventing further capital accumulation and investment in productive industries. Peru remitted a total of 36.9 million pesos between 1651 and 1739.95 Given the success of seventeenth century mining labor institutions in creating an urban wage labor class, subsidizing mining, and modernizing other sectors, however, Bolivia certainly had the capacity to industrialize early.

93 Klein 159
94 As of 2007, Bolivia is the second poorest after Haiti in terms of per-capita gross domestic product at current market prices (ECLAC 90). 54 percent of have “incomes amounting to less than twice the cost of a basic food basket” (ECLAC 74).
95 Fisher 4
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