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The Marvelous and the Abominable The Intersection of Formal and Informal Economies in Eighteenth-Century Mexico City

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Eighteenth-century chroniclers of Mexico City often marveled at the sheer scale and variety of its commerce, most notable in the bustling plaza mayor. Yet these activities testified to what elites saw as the troubling intersection of the city's formal and informal economies. Petty vendors, in particular, occupied a liminal position that blurred social and racial boundaries and challenged the state's policing powers. They could not readily be monitored or fixed in place. Illicit behaviors regularly challenged, undermined, and invaded the formal economy, but also provided its indispensable counterpart, frustrating government attempts at regulation.

Mexico City's *plaza mayor* expressed and magnified the tensions in colonial society. Since the sixteenth century, its classical lines, vast sweep, and geometrical regularity had symbolized the Spaniards' triumph over the Indians, their imposition of Western order on alien space. The victors erected their most representative structures – the cathedral and the viceregal palace – on top of the Aztecs' chief ceremonial site. Church and crown reinforced their claim to this space through solemn processions, public celebrations, and the daily rituals of authority¹. The public crier proclaimed and posted legal decrees

¹ For the route of the Corpus Christi procession, see Archivo Histórico del Distrito Federal (hereafter AHDF), Procesiones, vol. 3712, exp. 3, fol. 3r. For royal festivals, see CURCIO-NAGY,

(*bandos*) in the plaza, and violators of Spanish justice met their end on its gibbet². Finally, the plaza's busy markets testified to the crucial economic impact of colonization: the widening circuits of exchange that made New Spain and its capital a crossroads of global commerce.

Yet this economic vitality posed challenges for colonial officials. They feared that commerce would prove socially corrosive, eating away at the boundaries that marked an orderly polity. The volume and diversity of goods that converged here – from the countryside, Spanish America, Europe, and Asia – fomented a seemingly promiscuous mingling of people and activities. One might easily find a peninsular merchant selling oriental silks within a few yards of an Indian woman hawking shoes and a mobile vendor peddling illegally obtained cloth. The solid and spacious stores of international traders contrasted with the «confused labyrinth» of smaller market stalls. The nearby custom house could not accommodate the constant stream of muleteers and their beasts of burden – up to 2,500 «laden mules» a day by the 1780s, «together with innumerable Indians who also come with them or with burros, bringing along their wives and children». They spilled over into the plaza mayor, flocking to the numerous food stands that (most irregularly) served meals at all hours of the day [*no en horas precisas*]. The paving stones were slippery with mud and strewn with garbage; and the poor relieved themselves in public view at a dung heap close to the Cathedral³. This jarring juxtaposition of ceremonial elegance and noisome squalor underlined the deep social and ethnic divisions that marked colonial society. But it also reflected the uneasy coexistence – and interpenetration – of two methods for satisfying the material needs of society: 1) the formal economy, where goods circulated in a highly regulated market; 2) the informal or underground economy (terms I will use interchangeably) «defined as all economic activities that are performed outside the law and beyond regulation»⁴. Together they sustained the continent's largest urban population – but the results provoked deep ambivalence among Mexico City elites. In particular, they found petty

Linda A., *The Great Festivals of Colonial Mexico City: Performing Power and Identity*, Albuquerque, University of New Mexico Press, 2004.

² AHDF, *Rastros y Mercados*, vol. 3728, exp. 4, fols. 120v, 122r.

³ Archivo General de la Nación, Mexico City (hereafter AGN), Archivo Histórico de Hacienda, Consulado, vol. 550, exp. 35, fols. 1r-2v; *Discurso sobre la Policía de México* in LOMBARDO DE RUIZ, Sonia, *Antología de textos sobre la ciudad de México en el periodo de la Ilustración*, Mexico City, Instituto Nacional de Antropología e Historia. No. 113, 1982, p. 52.

⁴ MAMALAKIS, Marcos J., «Informal Economy» in TENENBAUM, Barbara (ed.), *Encyclopedia of Latin American History and Culture*, vol. 3, New York, Charles Scribner's Sons, 1996, p. 276. I realize that applying a concept developed for capitalist economies to the colonial era raises some theoretical difficulties, yet I have the literature on modern informal economies quite useful in thinking about petty commerce in the eighteenth century.

commerce, which straddled the formal and informal sectors, both remarkable and dismaying.

For three eighteenth-century chroniclers – Juan Manuel de San Vicente, a playwright and impresario, Juan de Viera, a creole bureaucrat, and Fray Ilarione de Bergamo, an Italian capuchin, the plaza seemed a «theater of marvels»⁵. They all eulogized the central marketplace, and stood in wonder at the sheer abundance of the goods on offer: «the immense variety of things sold here – for food clothing, and every other human use – and the mechanic arts are a sight to behold [...] any kind of item for whatever use a person might deem necessary can be found here»⁶. Their descriptions constantly threatened to turn into catalogues. At one point, San Vicente provided an alphabetical list of forty-nine different fruits for sale. Viera took the reader on a tour of the plaza's specialized markets, emphasizing their spatial organization, with «streets» (*calles*) devoted to particular products. For example:

There is also a street for the tamaleras who sell their tamales, which are made of ground and cooked maize, with salt and fat, and some filled with pork and ground pepper, others with sweets, and others with shrimp and fish, and these same women sell atole, which is [...] the regular breakfast of the poor and destitute⁷.

Significantly, all three authors saw petty commerce as integral to the plaza's *raison d'être*. The vendors, including «many women, who occupy themselves solely in selling bits of cloth of every kind, size and color for patches» compelled «admiration» for their contribution to the city's commerce, which reached such heights that, in the 1760s, the *alcabalas* (taxes collected on sales) amounted to «more than seven hundred thousand pesos annually». San Vicente ends his discussion by praising the Indian carriers and canoe men who supplied «this incessant, opulent, and diverting trade», crossing urban waterways in «so many boats of varying sizes, full of such diversity of things» to be retailed in «infinite stands» in both the plazas and the streets – more than a thousand in his reckoning⁸.

⁵ De VETANCURT, Agustín, De SAN VICENTE, Juan Manuel, De VIERA, Juan, RUBIAL GARCÍA, Antonio, *La ciudad de México en el siglo XVIII (1690-1780): tres crónicas*, Mexico City, Dirección General de Publicaciones del Consejo Nacional para la Cultura y las Artes, 1990, p. 211.

⁶ ILARIONE DE BERGAMO, *Daily Life in Colonial Mexico: The Journey of Friar Ilarione de Bergamo, 1761-1768*, Norman, University of Oklahoma Press, 2000, pp. 88-89.

⁷ De VETANCURT, Agustín, De SAN VICENTE, Juan Manuel, De VIERA, Juan, RUBIAL GARCÍA, Antonio, *op. cit.*, p. 212.

⁸ *Ibidem.*, pp. 174, 176-177.

On the whole, these accounts see small-scale commerce as a purposeful and laudable activity. The consulado (the merchant guild that held a monopoly on transatlantic trade) agreed: petty vendors were necessary and useful members of the «lineage of merchants». If anything, they deserved solicitation and compassion⁹. After all, they performed the critical task of providing sustenance for the working poor, and paid their tithes and taxes, while barely eking out a living for their families. Nevertheless, an atmosphere of suspicion always clung to such dealers. Favorable assessments were shadowed by doubts about their morality and competence – doubts enhanced by ethnic and gender stereotypes. The sixteenth-century friar, Diego de Durán, felt that Indian women had a natural proclivity for trade, but regarded this as a «vice» that distracted them from Christian devotions. The real reason they flocked to markets was to carve out a space for frivolous and impudent socializing outside the purview of church and state¹⁰. This view continued to resonate in the eighteenth century. Ilarione de Bergamo found some Indian traders «industrious», but he also condemned the entire Mexican populace as «sluggards, drunkards, thieves, swindlers, and lechers – and that is also true of the women». If the masses were impoverished, they could blame their own idleness and imprudence: «In the end, the thrifty person has the opportunity to succeed and in time will become wealthy. On the other hand, people who never let themselves profit from the stream of wealth grow poor in body and spirit, becoming the fount of every vice»¹¹.

Petty traders, then, became caught up in a larger critique of the urban poor. Subaltern behavior, even when it seemed positive, merited close scrutiny for malicious motives and their unfortunate consequences. Thus, the conde de Revillagigedo (viceroy, 1789-1794) looked upon the plaza's markets as a site of dangerous and disgusting behavior. Crowded market stalls, with their milling crowds, provided hiding places for evildoers who «committed the more horrible crimes» and destroyed any prospect of maintaining decent public hygiene: «The entire plaza could be called a common latrine», he complained. «All this made the plaza [...] of such abominable aspect, that no decent person would enter it without a very strong motive»¹².

Such conflicting and inconsistent opinions within elite discourse point to a central dilemma facing city authorities: they believed that petty trade both sustained and

⁹ For a particularly strong expression of this view, see YUSTE, Carmen (ed.), *Comerciantes mexicanos en el siglo XVIII*, Mexico City, Universidad Nacional Autónoma de México, 1991, document 11, pp. 117-119. The quotation is from p. 117.

¹⁰ DURÁN, Diego, *Book of the Gods and the Ancient Calendar*, Norman, University of Oklahoma Press, 1971, p. 275.

¹¹ ILARIONE DE BERGAMO, *op. cit.*, pp. 115, 153.

¹² AGN, Archivo Histórico de Hacienda, Consulado, vol. 550, exp. 35, fols. 1r-2v.

corrupted the social fabric. This view mirrored, in intensified form, long-standing concern about commerce in general. The highest responsibility of the king and his ministers was to ensure the «public good»¹³. For economic policy-makers, this translated into patriarchal protection of consumers. As *procurador general* (city attorney) Antonio de Areche put it in 1770:

Mexico City like all cities is composed of two estates, Noble and Plebeian, and two kinds of people, rich and poor; and in all, the plebeian and poor abound; but attention must be given to the feeding of all, for all are members of the Republic¹⁴.

Areche's statement mixes compassion with condescension, since it clearly implies that the poor cannot be expected to care for themselves. Rather, they required protection from life's vicissitudes, and more specifically from producers and merchants. Government officials found the profit motive morally dubious, since it could so easily slide into greed, that great enemy of public welfare. For instance, in 1772 Mexico City's *corregidor* excoriated bakers and bread sellers because of their fondness for «excessive profits», which led to «innumerable sins». The bakers, in their mania for gaining a larger share of the market, placed unwonted burdens on their «workers and servants, depriving them not only of the appropriate pay, but even of the necessary rest, making them work day and night»¹⁵. Other observers claimed that the same motives led them to produce inferior bread and underweight loaves. But merchants, even more than manufacturers, emerged as the villains in official discourse. Every sale offered an occasion for sin, a temptation for a crafty trader, «forgetting God and his soul»¹⁶, to dupe a befuddled customer. Ideally, then, trade should consist of a direct interchange between producer and consumer. Since distance often precluded this ideal, the merchant stepped in to perform essential task of moving goods from where they were available to where they were needed. Only this public service justified a middleman role. If the transportation component was missing, then the merchant could have but one motive: buying cheap to sell dear, thereby inflating prices. Reselling (*regatonería*),

¹³ For a concise discussion, see HOBBERMAN, Louisa S., «Hispanic American Political Theory as a Distinct Tradition», in *Journal of the History of Ideas*, 41, 2/1980, pp. 199-218.

¹⁴ Archivo General de las Indias, Seville (hereafter AGI), México, leg. 2779, 28 November 1770.

¹⁵ AGI, México, leg. 2779, 7 July 1772.

¹⁶ MERCADO, Fray Tomas de, *Tratos y contratos de mercaderes y trantantes descididos y determinados*, Salamanca, 1569, Medina Microfilm Collection (hereafter MC), Rockefeller Library, Brown University, FHA 65:2, fol. 8r.

particularly when it involved basic commodities such as maize and bread, undermined the common good and represented the epitome of social irresponsibility¹⁷.

Such dangerous practices could not go unchallenged. Government bureaucrats consistently sought a remedy through two strategies. First, visibility: transactions should take place in open venues. Potential customers could watch artisans as they worked in their shops; vendors merited similar scrutiny. In 1791, viceroy Revillagigedo ordered that all foodstuffs be sold in public markets where it would be possible to carefully watch over their quality and price, to check the accuracy of weights and measures, and to «avoid regatonería»¹⁸. Second, centralization: when faced by commercial «excesses», the authorities' almost instinctual response was to limit trade to a smaller number of locations, to reduce economic networks to their nodal points. They sought to limit the power of middleman and achieve the closest possible approximation to a direct transfer of goods from producers to consumers. Was leather becoming scarce and expensive? The fault lay with the greedy merchants who held back the hides to extort higher prices. Establishing a monopoly to set reasonable prices, thereby restoring the proper equilibrium among cattlemen, tanners, and shoemakers, would solve this problem¹⁹.

Colonial authorities therefore sought to maintain the «public good» through extensive intervention in the economy. From their point of view commerce appeared as a mighty river – natural, powerful, fructifying – provided that it stayed within its appointed boundaries. The danger was that it might overflow its banks and sweep away the orderly landscape. Regulation provided the crucial dams that kept the flood at bay. They defined a formal, legal sphere of mercantile activity, separating legitimate from illegitimate transactions.

In practice, however, making such distinctions proved very difficult. Government imposed rules could not easily deal with the complexities of the urban economy. The city council drafted ordinances for each artisan guild (*gremio*), but these bodies covered a vast spectrum of unequal occupations, ranging from goldsmiths who carried the honorific «don» to shoemakers whose Indian wives peddled their wares in the plaza mayor. Even a single *gremio*, such as the tailors, embraced both illiterates without enough to eat and masters like Francisco de Pedraza, who received nearly five thousand

¹⁷ For one viceroy's attack on price gouging, see *Instrucciones que los virreyes dejaron a sus sucesores, añadense algunos que los mismos trajeron de la Corte y otros documentos semejantes a los instrucciones*, México City, Imprenta Imperial, 1867, p. 306.

¹⁸ «Reglamento para los mercados de México formado de orden del exmo. Señor virrey conde de Revillagigedo, especialmente para el principal establecido en la Plaza del Volador, 1791», MC, FHA 55, 61, p. 2.

¹⁹ AHDF, Fiel Ejecutoría – Veedores de Gremios, vol. 3834, exp. 85, fols. 1r-3v.

pesos for his contribution to the Count of Regla's 1756 wedding²⁰. The difficulty of fixing boundaries emerges in a somewhat amusing dispute among Mexico City innkeepers. In 1760, Francisco de Burguñon (as his name indicates, he had been born in France, but lived in Spain for thirty years before moving to Mexico), faced the prospect of losing his restaurant. He had contravened the city ordinance (yet another attempt to temper competition) that prohibited new eating places (*figones*) within two blocks of existing ones. Burguñon, however, protested that his establishment was not a *figón* but a *hostelería*. He explained the difference:

figones are open to the street [*están puerta a la calle*], established especially to provision poor people, and the needy, and they cannot maintain a cook, and so they sell [food] at retail, not just for half-reales, but for quarters; the purpose of hostelerías, in contrast, is to accommodate [*variación*] the taste of people of quality, [giving them] the tasty morsels they fancy [...] it is necessary to present the meal with decency, which consists in using plates, spoons, and other silverware [as found in] decent residences, and not at street level, but in the upper story of a house, corresponding to their [dignity], like the one I possess.

Guild officials countered that Burguñon was hardly so finicky about his clientele. The «majority of his sales» came from retailing to «gente miserable». How many of them, they mockingly asked, could afford his «exquisite» – and presumably high-priced – victuals? Burguñon admitted that yes, some passersby did come in to his establishment, but only those with discerning palates. Catering to plebeians required rough, common fare, whereas he only served Spanish or French cuisine. His opponents insisted that Burguñon did indeed produce customary dishes; and since he disdained low denomination coins, he must be overcharging his customers, outrageously demanding two reales for a plate of frijoles²¹! One does suspect Burguñon of protesting too much; in all likelihood he did accept poor diners, even if this left his business on the very margins of the monetary economy.

Like Burguñon, entrepreneurs of every stripe were quick to complain of government initiatives that might portend the «ruin of commerce».²² A group of stand owners in the plaza of Santa Catalina Mártir, protesting plans to reorganize their market, proudly

²⁰ AGN, Archivo Histórico de Hacienda, vol. 259, exp. 6; COUTURIER BOORSTEIN, Edith, *The Silver King: The Remarkable Life of the Count of Regla in Colonial Mexico*, Albuquerque, University of New Mexico Press, 2003, p. 99.

²¹ AHDF, Fiel Ejecutoria – Veedores Gremios, vol. 3833, exp. 74, fols. 19, 13, 14v, 19r. Eight reales constituted one peso.

²² AGN, Archivo Histórico de Hacienda, vol. 550, cuaderno no. 2, 30 April 1755.

described themselves as the «founders of this commerce which (although small) is worthy of attention, because through our example [others] have come, are coming, and will come, with every kind of product and necessity, to supply not only the neighborhood [*barrio*] but its surroundings»²³. Any change might cause the vendors (especially the less established ones) to move elsewhere. The message is clear, if implicit: meddling officials are interfering with the livelihood of honest tradesmen who serve the common good.

Not all traders bothered with formal protests or requests; they simply broke the rules, openly flouting or secretly contravening laws that threatened their profits. For example, only the silk weavers' guild had the legal right to retail its product, yet «the contrary is practiced, and there is not a store in this court where one cannot find silk, prohibition or no prohibition»²⁴. Shopkeepers might also refuse to take responsibility for receiving stolen goods. One explained the mercantile facts of life to his interrogators: in a crowded store, with customers constantly coming and going, and his countermen working furiously, he could hardly take the time to examine the bona fides of his suppliers. The alleged thief had offered him goods at the «usual current prices» – nothing suspicious there. True, he had eventually purchased the items in question at a somewhat lower price, but this simply reflected the haggling that always took place²⁵. In short, he had followed the logic of the market, and it would be unfair to ask more of him. Along the same lines, bakers accused of selling underweight loaves in 1770 confessed that they had succumbed to inescapable market pressures: given the high price and scarcity of wheat, it was «impossible to give eighteen ounces of good bread [at the government-mandated price]»²⁶. Some bakers solved this problem by mixing «bad grain and flour» and other foreign substance into their dough²⁷. They then disposed of the substandard bread through various intermediaries. By selling at multiple sites, they hoped to disguise their own culpability and to make their dealings harder to monitor. Certainly these transactions did not bear close scrutiny. For instance, bakers often dispatched bread to general stores (*pulperías*) where it would be sold in small quantities to the poor. In and of itself, this did not seem objectionable. *Pulperías* offered plebeian customers benefits that bakeries did not. They sold on credit and accepted pawned goods, and also provided change in the form of *tlacos*, fabric or wooden tokens redeemable at a later date. But how did bakers get shopkeepers

²³ AHDF, *Rastos y Mercados*, vol. 3728, exp. 10.

²⁴ AHDF, *Fiel Ejecutoria – Veedores de Gremios*, vol. 3832, exp. 82.

²⁵ *Ibidem*, fol. 11.

²⁶ AGI, México, leg. 2779, 15 June 1770.

²⁷ AHDF, *Panaderías y Pulperías*, vol. 3452, exp. 1, fol. 4v.

(*tenderos*) to sell debased bread for them? They provided a opportunity for illicit earnings. By law, *tenderos* could claim only one real of profit for every peso (eight reales) of bread sold. Cheaply made, underweight loaves created a gaping hole in this system of price controls. Bakers sold them at an illegally low cost to *tenderos* who then retailed them at the sanctioned price, and pocketed the difference. In this manner, some witnesses maintained, they could increase their profits to «two, two-and-a-half, and perhaps four reales» per peso²⁸. Bakers found other willing allies besides shopkeepers. They supplied bread to plaza stand owners and to ambulatory vendors who often ignored the official price altogether, charging whatever they could.

This conspiratorial black market in bread spanned a considerable stretch of the social spectrum, from respectable bakery owners, typically «Spaniards of moderate wealth»²⁹, to street peddlers, probably *casta* (racially mixed) or Indian, who operated in a shadowy world outside official purview. Indeed, as we shall see, they would have largely evaded regulation and taxation because many of their dealings did not involve cash. Did any of them have moral scruples, or did they see government restrictions as unreasonable and unrealistic? Those who were caught usually argued that they had little choice, that they were simply trying to survive in difficult times. They could not make a living in the formal sector, and this drove them into the underground economy.

This may not have seemed a momentous step. The boundary between the formal and informal economy was not distinct but fluid – easily, even casually crossed. Consider *tlacos*: no bureaucrat had planned for their existence; they emerged from the exigencies of everyday business. In fact, they responded to a key flaw in the formal sector: the smallest minted coin, the half real, was still too large for many kinds of purchases, so shopkeepers invented *tlacos* as a way to make change. The tokens functioned as a kind of substitute currency: that is, those issued at one store were normally accepted at others. Perhaps more important, however, they also circulated (at a discount) in plaza markets, where they could be converted into yet another medium of exchange: cacao. As one observer noted, this allowed «a poor man» to obtain «eighty or a hundred beans with which he can buy so many other things: atole, fruit, confections [...] There are things (and many of them) that can be purchased for one bean»³⁰. *Tlacos* became part of – and helped to enable – an unofficial market, something akin to a barter system. Yet they played such a vital role in Mexico City

²⁸ AGI, México, leg. 2779, 22 September 1770.

²⁹ GARNER, Richard L., STEFANO, Spiro E., *Economic Growth and Change in Bourbon Mexico*, Gainesville, University of Florida Press, 1993, p. 106.

³⁰ AHDF, Moneda de Cobre, vol. 3284, exp. 3, fols. 42r-51r. The quotations are from fols. 49r and 51r.

shops that the government stepped in to regulate their use in the 1757 «Ordenanzas para el común de los tenderos de Pulpería» (which among other things guaranteed the tokens' mutual convertibility)³¹. Tlacos did not belong exclusively to either economy, but mediated between them.

The limitations of the formal sector ultimately demanded such interpenetration. As the consulado frequently pointed out, the world of commerce linked the wealthy and the impoverished in complicated ways. A flourishing economy provided jobs for «workers, artisans, and other poor people»³². When plebeians found steady employment, they could provide for their families, and pay their taxes; even more important, having tasted the «sweetness» of responsible labor, they would «repair their nudity, and abandon their laziness and licentious lives»³³. However, such linkages could prove treacherous. Crises at the upper level of the economy often set off chain reactions – a downward spiral into a general recession where «the shippers do not sell, the merchants do not retail, and the householders do not purchase».

The plebeians who subsequently lost their jobs often gave in to their worst tendencies – including criminality – reversing (at least temporarily) the process of their redemption. Other observers saw unemployment less as a recurring problem and more as a permanent condition. One visiting Spaniard remarked in 1768 that:

There are three times more poor people in [this] Kingdom than in Spain [...] but this results from a lack of employment [*de no tener en que ocuparse*] and not a lack of diligence [...] all the arts and exercises of whatever size, quality, and condition, have the operators, servants, and officials they need, and many times more. [...] The reserve army, that is, those who are waiting for openings and vacancies, is more numerous than those employed³⁴.

Even those, like artisans, whose status seemed secure, too often found themselves «perishing, without labor, nor any goods, not even a peso»³⁵. The guild system could not guarantee the welfare of its members. Dissatisfied artisans thus had incentive to breach gremio boundaries. Freed from special costs and charges, and from guild quality controls, they could expand their markets by underselling official tradesmen. Indeed, the guilds in eighteenth-century Mexico faced increased competition from both insiders

³¹ KINSBRUNER, Jay, *Petty Capitalism in Spanish America: The Pulperos of Puebla, Mexico City, Caracas, and Buenos Aires*, Boulder, Westview Press, 1987, pp. 79-80.

³² AGN, Archivo Histórico de Hacienda, col. 550, exp. 54, 26 November 1753.

³³ *Ibidem.*, exp. 53, 3 November 1756.

³⁴ AHDF, Moneda de Cobre, vol. 3284, exp. 3, fol. 59r.

³⁵ AGN, Archivo Histórico de Hacienda, vol. 259, exp. 6.

and outsiders. Indian craftsmen (and women) set up independent shops;³⁶ artisans trained in one trade supplemented their income by dabbling in or switching to others; master tailors struggled against the ranks of journeymen working out of their homes instead of proper stores³⁷. In 1767, the blacksmiths lamented that «many people» had taken up their profession «without being masters [...] others trade in stores, and plazas, and [still] others [...] in the streets»³⁸. In contrast to the highly regulated guild arena, the nether land of petty commerce offered the classic advantages of informality, notably «ease of entry, reliance on indigenous resources [...] [and] small scale of operation»³⁹. Artisans who sold their goods on street corners, through Indian women in the plaza, or via ambulatory vendors, had little overhead: they did not need to maintain a store or keep large stocks of goods on hand; a few salable items would suffice, at least for a start. They did not even need to be fully trained. As suggested above, they could combine several different enterprises (and varying degrees of expertise). Finally, they had the flexibility to react quickly to changing markets. For instance, on the eve of important holidays, such as Todos Santos, market stalls would spring up like mushrooms in the capital's plazas⁴⁰.

Arguably, by acting as a refuge for the un- and underemployed, the informal sector helped to diffuse social tensions and prop up the colonial order. But from the official viewpoint, this sort of leakage implied a loss of control. The regulated economy that the king's ministers had built to prevent «excesses» and promote the public good could not, in the end, contain the city's commercial activities. Ironically, the very people they were supposed to defend – the urban poor – frustrated their project. Worst yet, the formal sector itself was vulnerable to disruption from the bottom up, to infection from the instability and disorder of the underground economy.

Let us return to the plaza mayor. On the surface, the shops there constituted a clearly demarcated hierarchy, as indicated by their relative size, solidity, and rents. Elite merchants operated from the *alcaicería*, which in the eighteenth century became better known as the

Parián for its presumed resemblance to a commercial district in Manila. Their large stores (*cajones*) sometimes doubled as homes, and generally rented for 200 to 250

³⁶ From the colony's early years, royal authorities had guaranteed «that Indians might use their skilled trades with full freedom» and although there was a general trend toward «the incorporation of native labor within Spanish guilds» many indigenous artisans remained independent. GIBSON, Charles, *The Aztecs under Spanish Rule: A History of the Indians in the Valley of Mexico, 1519-1810*, Stanford, Stanford University Press, 1964, pp. 399-400.

³⁷ AHDF, Fiel Ejecutoría – Veedores de Gremios, vol. 3382, exp. 3, vol. 3833, exp. 53.

³⁸ AHDF, Artesanos-Grenios, vol. 381, exp. 5.

³⁹ MAMALAKIS, Marcos J., *op. cit.*, p. 277.

⁴⁰ AHDF, Rastros y Mercados, vol. 3728, exp. 7, fol. 1r.

pesos per year. In the vestibules of these shops stood smaller, wooden *cajonsillas*, whose owners paid 40 to 60 pesos annually⁴¹. The next, partly overlapping category consisted of *puestos*, or semi-permanent open-air stands. A 1770 census shows that while rents on a few *puestos* reached as high as 200 pesos a year, the majority paid five reales a week or less. The plaza also contained a multitude of portable stands (*mesillas*), renting for one-half to one-and-a-half reales per week. Finally, there were ambulatory vendors, who often managed to avoid payment altogether⁴². Every type of merchant had a place, and together they served every kind of consumer. But this structure had serious implications for Spanish social control. As one proceeded downward, each category of merchant had a smaller investment, a lesser stake in permanence, and greater potential mobility. Itinerant vendors divided their time between the plaza mayor, smaller markets, and the streets; and even stand owners could change location at a few hours' notice. This of course made them less «visible» and more suspect. The city's corregidor warned that such practices, if not restrained, would lead to «notable injuries, the worst being the opportunity created to carry out a multitude of sins» that would «offend both Majesties of the republic [i.e., the crown and the Church] and its citizens»⁴³.

Why did the authorities see this marketeering as excessive and offensive, instead of enterprising⁴⁴? For most government administrators, the legitimate «lineage of merchants» did not extend all the way to, say, street hawkers. At this level, the negative aspects of trade clearly overwhelmed the positive. Mesilleros and poor artisans occupied a liminal position: theoretically, they belonged to the formal sector and submitted to the state's authority. Yet in practice they often slipped out of regulatory nets, carving out irregular circuits that allowed them to hide in plain sight. The *puesteros*, though somewhat more stable, took their official obligations rather casually, shrugging off rent payments or settling accounts at their own convenience: «for some pay on Saturday morning, and others on Monday [...] there appears to be no fixed rule; many *puestos* are found vacant [and all] are without order or numbering»⁴⁵. Petty traders could not readily be monitored, controlled, fixed in place; for that very reason, they came to represent – even more than profiteering merchants or wayward bakers – the dark, disruptive powers of commerce.

⁴¹ AHDF, *Alcaicería*, vol. 343, exp. 1, fols. 140v and following.

⁴² AHDF, *Plaza Mayor*, vol. 3618, exp. 5, fol. 6r.

⁴³ AHDF, *Rastros y Mercados*, vol. 3728, exp. 7, fol. 1r.

⁴⁴ This is certainly how some neoliberal commentators view similar activities in modern Latin America – most famously, SOTO, Hernando de, *The Other Path: The Invisible Revolution in the Third World*, New York, Harper & Row/Perennial Library, 1990.

⁴⁵ AHDF, *Plaza Mayor*, vol. 3618, exp. 18, fol. 7.

Vendors transgressed on multiple fronts. To begin with, they offended elite sensibilities. The city's inhabitants, in pursuit of their economic goals, seemed intent on marring its grandeur – the beautiful vistas provided by its symmetrical plan and wide, straight avenues. Shopkeepers artificially extended their tiny storefronts by setting up benches and counters outside, impeding street traffic⁴⁶. Indian shoe sellers moved into the Parián, where they built up platforms of earth and rubble to elevate their shops – until forced to dismantle them by government decree⁴⁷. Flimsily built stalls crouched in convent archways, becoming a public eyesore. Indeed, puestos sprawled in every direction, contravening longstanding hopes to organize them in neat rows and files, with «wide streets so that there can be no confusion of one with another»⁴⁸. Oversize, low-hanging straw roofs compounded this mazelike effect. Puesteros also set up their stands to intercept passersby headed for the cajones. Still more aggravating, the stand owners erected gaming tables to lure additional customers, and «the concourse this entails» lamented the consulado, «is pernicious». During festivals, they lined procession routes, crying out their wares and creating an undignified spectacle. Peddlers infiltrated the Alameda, the city park where the wealthy liked to parade their coaches⁴⁹. Small wonder that «the elite [...] did not feel comfortable in the capital's streets»⁵⁰. Too often, as they traversed *their* city, they felt compelled to avert their eyes or hold their noses.

This was not just a matter of appearance: many Spanish observers believed that aesthetic deficiencies signaled more profound problems. Thus, construction materials and techniques said something important about a people's character and degree of civility. In Spain, the *moriscos* and Moors (like the Goths they had defeated) «fabricated ugly, grossly thick walls», a practice they persisted in after their expulsion from Spain. Mexico City's populace showed equal barbarity along with greater indolence and weakness. The same traits – ignorance, backwardness, and inebriety – that led to disheveled, disorderly market stalls prevented urban work crews from properly paving the streets and kept artisans from effectively coordinating their activities on building projects⁵¹.

⁴⁶ MC, FHA 40:5; AHDF, Rastros y Mercados, vol. 3728, exp. 7.

⁴⁷ AHDF, Rastros y Mercados, vol. 3728, exps. 6, 10; Portales, vol. 3692, exp. 7, fols. 1r-2r.

⁴⁸ AHDF, Rastros y Mercados, vol. 3728, exp. 4, fol. 85.

⁴⁹ AHDF, Plaza Mayor, vol. 3618, exp. 14, fol. 3v; Rastros y Mercados, vol. 3728, exp. 7, fol. 3r; MC, FHA 55:8, fol. 1r; FHA 55:41.

⁵⁰ VIQUEIRA ALBÁN, Juan Pedro, *Propriety and Permissiveness in Bourbon Mexico*, Wilmington, Del., Scholarly Resources, 1999, p. 102.

⁵¹ *Discurso sobre la Política en México*, pp. 33, 47, 51. The quotation is from p. 33.

If anarchy lurked in the lower depths of the commercial world, then, elites blamed this largely on the people involved, especially the castas and Indians. Nor was this problem limited to puestos and mesillas. Non-Spaniards acted as the human link between the formal and informal sectors: they poured beverages in taverns, waited on customers in shops and bakeries (where to be without employees was to be «sin indios»), plied the less prestigious artisan trades, and measured out maize at the grain market. They moved in on trades even when regulatory decrees banned their presence. For instance, the law mandated that every butcher shop meat cutter «had to be a competent Spaniard», but by the early eighteenth century Indians had come to dominate this role. Indeed, while «Native American workers slaughterhouse workers occupied the lowest level of the social and economic hierarchy», they «nevertheless preserved a corporate identity» by forming an unofficial butchers' guild⁵².

Thus even government sanctioned stores brought together different ethnicities, becoming venues where social boundaries blurred. Fundamental relationship might be unsettled: what if a Spaniard had to wait upon a mulatto? As Cheryl English Martin has pointed out, eighteenth-century Mexico still had not developed a satisfactory «etiquette» for retail transactions: «the prescribed roles of the participants remained unclear»⁵³. Petty vending, which took place in a less manageable environment, intensified this discomfort. A «great concourse of men and women from all spheres» frequented the plaza mayor day and night⁵⁴. Nowhere else was the city's racial diversity so obtrusive, nowhere else were social barriers so egregiously violated. The buyers and sellers included Spaniards, castas, Indians and – most problematic of all – women, who dominated the lower reaches of the marketplace. John Kicza has pointed out that «the more modest the store, the more common the presence of women as owners and operators»⁵⁵. This pattern existed even within a single category of shops: the 1770 census showed that women constituted well over one-third of all *puesteros*, but they predominated by a margin of more than three-to-one in shops renting for fewer than four reales. This survey contains no information on what kinds of goods they sold, but judging by other sources, they probably emphasized the preparation and sale of

⁵² HOROWITZ, Roger, PILCHER, Jeffrey M., and WATTS, Sydney, «Meat for the Multitudes: Market Culture in Paris, New York City and Mexico City over the Long Nineteenth Century» in *American Historical Review*, 109, 4/2004, p. 1064. On the equivalence of “Indians” and “workers” see AGI, México, leg. 2779, second cuaderno, fols. 78v-79r.

⁵³ MARTIN, Cheryl English, *Governance and Society in Colonial Mexico: Chihuahua in the Eighteenth Century*, Stanford, Stanford University Press, 1996, p. 135.

⁵⁴ AGN, Bienes nacionales, vol. 546, exp. 3.

⁵⁵ KICZA, John E., *Colonial Entrepreneurs, Families and Business in Bourbon Mexico City*, Albuquerque, University of New Mexico Press, 1983, pp. 129-130.

foodstuffs, notably fruit, tortillas, bread, and *atole*⁵⁶. Indeed, one of the *puesteras* is listed as María la Panbazera (a reference to a type of low quality bread), while another is called Felipa la Limonera⁵⁷.

These women provided a vital service to the urban poor, and did so while remaining within a traditional feminine role. Still, officials viewed them with grave doubt. What kind of women, after all, would so expose themselves to the public gaze? Unsurprisingly, Spaniards perceived a link between petty commerce and sexual license. They certainly feared midnight debauchery. In 1760, plaza regulations required puesto owners to leave their stands vacant at the end of the day; in particular, they could not rent them to «those women who during the night sell comestibles such as tortillas, atole, tamales [...] or others of this type»⁵⁸. Revillagigedo made the meaning of such legislation explicit when he complained that after dark, market stands were used «by all those who wished to sin in them»⁵⁹. Even in broad daylight, an enclosed puesto with a large awning could – and sometimes did – serve as a trysting place⁶⁰. It is not clear if officials regarded the female vendors primarily as sexual predators or prey, but in any case, their behavior was deemed unsupportable. Thrust into a public arena, in unsupervised contact with men, women in the plaza were out of place as they pursued «the uncontrolled pathways of female livelihood, initiative, and sociability»⁶¹.

In this morally dubious environment, authorities said, crime flourished. Fugitives hid themselves in the rabbit warren of stalls. They received aid and protection from the *puesteros* and *mesilleros*, whose «hatred of justice» gave them «unbridled audacity». Petty markets also witnessed daily acts of thievery and swindling. The *Parián* had been constructed, in part, to attract a better grade of customer and thus «restrain the excesses» of the racially-mixed plebe. Nonetheless, «all the vagabonds congregated» in the plaza mayor, where they took advantage of the crowded conditions to become pickpockets and cape-snatchers. To make matters worse, many vendors themselves participated in the black market. For some, this meant little more than illegally reselling foodstuffs purchased from Indians⁶², but others dealt in stolen goods, including weapons. According to a 1777 report, a number of *mesilleros* specializing in ironware received stolen house keys from grooms, coachmen, and domestic servants.

⁵⁶ AHDF, Rastros y Mercados, vol. 3728, exp. 10, fols. 24r-25r.

⁵⁷ AHDF, Plaza Mayor, vol. 3618, exp. 18, fol. 5r.

⁵⁸ *Ibidem*, exp. 12, fol. 20v.

⁵⁹ AGN, AHH, vol. 550, exp. 35, fol. 2r.

⁶⁰ Archivo de Notarías del Distrito Federal, Mexico City, vol. 1422, Manuel de Esquivel (219), 28 April 1703, fol. 86.

⁶¹ STERN, Steve J., *The Secret History of Gender: Women, Men, and Power in Late Colonial Mexico*, Chapel Hill, University of North Carolina Press, 1995, p. 262.

⁶² AHDF, Rastros y Mercados, vol. 3728, exp. 8, fol. 1r.

They then delivered these key, along with inside information, to housebreakers – and thus upstanding citizens had been robbed «of their temporal goods, or of the honor of their women»⁶³.

Elites, therefore, could not simply retreat to their well appointed residences and cede control of the streets to the lower classes. They might distance themselves from plebeians by riding in coaches and living in upper-storey apartments, but isolation proved impossible. As Juan Pedro Viqueira Albán explains: «The street invaded other social spaces: the shops, wineries, workshops of artisans, government buildings, and even homes. Privacy, as we conceive of it today, did not exist. [...] urban space was not divided according to specialized activities. The most diverse endeavors coexisted side by side and often intermingled»⁶⁴. Moreover, not everyone recoiled in horror at this «invasion». The open, uninhibited quality of street life held a lurid fascination. Gambling, for example, exercised a universal appeal, and while most elites played discretely in private houses, others drifted into more disreputable locales: popular gambling dens, those «infernal caverns» that (one clergyman claimed) provided «the reason of all sorrows»⁶⁵. This shadowy, illicit environment promoted the kind of dissolute and debased behavior that could lead to ruin. Indeed, the Marquis de Croix lamented in 1770 that gambling had brought many from «opulence» to «the greatest poverty» and had «reduced a considerable number of illustrious families to the harmful state of beggary [...] their current nudity can only make them an object of general sorrow». Some had forced their daughters into inappropriate marriages or even prostitution⁶⁶. The street both seduced and contaminated, dragging elites down to plebeian precincts, and causing «the corrosion of social order and hierarchy»⁶⁷.

For the elite author of *Discurso sobre la Policía en México*, the most dangerous intermingling of classes took place in the city's wine shops, which he regarded as worse than the taverns (*pulquerías*). He considered the latter's plebeian customers beyond redemption, incapable of sinking further. How could gross behavior and vicious language harm them, when they had seen and heard such things since childhood? The «rabble» that lived and worked nearby were similarly insensible, so pulquería «drunkenness and immoderation. [...] did not deprave their customs». Wine shops, however, exerted a more widespread and deleterious influence precisely because they

⁶³ *Ibidem*, exp. 11, fols. 1r-2r.

⁶⁴ VIQUEIRA ALBÁN, Juan Pedro, *op. cit.*, pp. 98-99.

⁶⁵ Quoted in VILLA-FLORES, Javier, *Dangerous Speech: A Social History of Blasphemy in Colonial Mexico*, Tucson, The University of Arizona Press, 2006, p. 100.

⁶⁶ MC, FHA 40:11, pp. 3-4.

⁶⁷ VILLA-FLORES, Javier, *op. cit.*, p. 101.

attracted better – «not so badly dressed» – elements of society. They «remain[ed] open until nine o'clock at night, and admit[ed] both sexes openly and without distinction». With their relatively respectable reputation, they lured in «decent people» looking for refreshment and then served them exotic foods and «ready-made» drinks («adulterated with various strong ingredients») that damaged their health and stimulated their passions. Ladies of the evening, gathered in the «doorways and corners nearby», took full advantage of the situation. So the wine shops became centers of indiscriminate pleasure, perversion, and at times, deadly violence – proving every bit as vice-ridden as pulquerías, but with more disturbing results. This enlightened commentator, like the Marquis de Croix, stressed the decent people's vulnerability to moral collapse when presented with temptation⁶⁸.

Danger emanated from the plaza and its surrounding streets because they constituted an unstable borderland between the formal and informal sectors, and more broadly, licit and illicit activities. Economic behavior had moral consequences; one type of «excess» could lead to many others, becoming a miasma that poisoned the entire social body. Market stalls and taverns provided the elites with unmistakable proof that commerce really could undermine the public good. But if the plaza's racial diversity, female vendors, «pernicious» crowds and criminal clientele so offended them, why did they not take more effective countermeasures? Admittedly, the Bourbon government did not wholly ignore the problem, issuing new regulations for the plaza mayor in 1760 and making a larger attempt to reform marketplaces throughout Mexico City in the 1770s⁶⁹. Yet if Revillagigedo's 1789 portrait of the plaza has any validity, these efforts achieved relatively little. No matter how much the authorities disdained petty commerce, they could not do away with it. In the end, informal markets survived for the same reason they do today – because they played an indispensable role in the city's economic life. The underground economy was an «open» environment in which anyone could participate: Indians, castas and women excluded from other occupations found an outlet there for their skill and ambition. Husbands and wives, parents and children could work together; eighteenth-century puestos (like their modern counterparts) were family enterprises that 1) made effective use of part-time labor inputs; and 2) allowed mercantile expertise gained through hard experience to be passed from generation to generation⁷⁰.

⁶⁸ *Discurso sobre la Policía de México*, cit., pp. 65-68.

⁶⁹ AHDF, Plaza Mayor, vol. 3618, exp. 12; Rastros y Mercados, exp. 10.

⁷⁰ AHDF, Plaza Mayor, vol. 3618, exp. 18, fols. 5r-6v; Artesanos-Gremios, vo. 381, exp. 6, fols. 72r-76v.

Moreover, plebeian vendors served markets disdained by more elite merchants, notably (as we have seen) the daily traffic in foodstuffs. John Kicza explains that:

most agricultural commodities were not attractive to merchants, who only concerned themselves with commodities of high specific value which were in demand among urban residents with disposable income and which, at least periodically, could be sold for a substantial profit [...] [and were not] sold by so many agents that the profit margin was minimal⁷¹.

Nevertheless, petty dealers also sold some of the same merchandise circulating in the formal sector. Leaving aside stolen items, these goods must have come from the original producers or from other, better stocked merchants. The consulado in fact claimed that anything puesteros sold could be found «in greater abundance and even more convenience» in the plaza's cajones⁷². How then could informal vendors compete? When officials apprehended one Diego Antonio in 1711 for regatonería – he was buying clothing from master artisans and then reselling it – they rightly pointed out that he had to «buy low and sell high» [*lo que compra por menos lo vende por más*] to make his activities worthwhile⁷³. Similarly, some marginal bakeries eked out a profit, even when they stopped producing bread, by buying and selling stock from their competitors⁷⁴. Why would consumers obtain merchandise from these retailers at inflated prices, when they could get the same goods at lower prices from more reputable dealers?

To begin with, they could not necessarily obtain the «same goods» in the formal sector. As noted above, bakers and artisans sometimes deliberately produced substandard goods. These wares may not have met legal prescriptions, but poorer consumers still found them acceptable, since even with a markup, they were still cheaper than goods produced in accordance with official regulations. In 1766, for example, the tanners' guild complained of some illegal shops that had been established «at the entrance to the *barrio de curtidores*». Since they were conveniently located, people flocked there, willingly accepting poorly cured and flat out «bad» hides because they gravitated toward «cheap items» [*lo barato*]⁷⁵. In other cases, the goods that puesteros or mesilleros purveyed may not have differed much from «legitimate» merchandise. Modern street sellers buy much of their stock from established stores, but

⁷¹ KICZA, John, *op. cit.*, p. 91.

⁷² AHDF, Portales, vol. 3692, exp. 7, fol. 4v.

⁷³ AHDF, Fiel Ejecutoría – Veedores de Gremios, vol. 3832, exp. 12.

⁷⁴ AGI, México, leg. 2779, second cuaderno, fols. 78r-83r.

⁷⁵ AHDF, Fiel Ejecutoría – Veedores de Gremios, vol. 3834, exp. 85.

they retain one advantage: they are «able to cater to the needs of poor customers to shop frequently for small quantities [...].[W]hile it would make no sense for a supermarket to sell individual eggs or cigarettes, since it relies on the rapid turnover of large quantities of goods [...] the small shop [is] willing to sell this way»⁷⁶. Eighteenth-century plebeians also needed to make frequent small-scale purchases, and pulperías, and less formal vendors, accommodated them by extending credit, accepting pawned goods, and trading in tlacos. Despite their inveterate suspicion of middle men, government officials grudgingly acknowledged the importance of such shopkeepers: where else could ordinary people buy small amounts of basic necessities: bread, «lard, cheese, coal, etc. »⁷⁷? No Mexico City marketplace came under more scrutiny than the *baratillo*, or «thieves' market», situated just off the main plaza. Viceroyalty had railed against it and tried to shut it down since the 1690s. Yet even the *baratillo* found its bureaucratic champions, who argued that as a purveyor of second-hand clothing (whatever its origin), the market served the public good: «the poor supply themselves [there] for much less than they could if they had to [buy from] tailors»⁷⁸.

However disorderly it appeared, the world of petty commerce obeyed its own logic. Vendors came from all races – and included a large number of women – because so many poor families made retailing part of their survival strategy. The «confused labyrinth» of shops and stalls resulted from intense competition, as seller sought out the best places for attracting customers and avoiding rent collectors. Crowds gathered to buy and barter, socialize, gossip, and while away the empty hours created by un- and underemployment. Illicit activities compensated for the lack of legitimate opportunities. In sum, the very qualities of petty markets that threatened elites – their messy vitality, their fly-by-night, hole-in-the corner existence, and their ability to function in the interstices of formal economic structures – made them essential to the urban poor. Government authorities seem to recognize this, and hesitated to intervene decisively, perhaps fearful that they could not separate the markets' «marvelous» and «abominable» aspects; they could not stop the disorder without de-energizing the trade. The underground economy formed a necessary counterpart to the formal sector, and helped to remedy some of its deficiencies. In the process, informal actions and attitudes insinuated themselves into official arenas. Formality and informality were two sides of the same coin – or the same tlaco.

⁷⁶ THOMAS, Jim J., *Surviving in the City: The Urban Informal Sector in Latin America*, London, Pluto Press, 1995, p. 56.

⁷⁷ AGI, Mexico, leg. 2779, 3 Nov. 1770

⁷⁸ AHDF, Fiel Ejecutoría – Veedores de Gremios, vol. 3382, exp. 3, fol. 5r.

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