

# Central America: A Quest for the Progression of Economic Value Season II.

## Episode 9.

Philip III, Philip IV and Charles II.

Brash for the Spanish Succession War Cliff

[www.eleonoraescalantestrategy.com](http://www.eleonoraescalantestrategy.com)



Diego Velasquez painting. A portion of Las Meninas. Oil on Canvas. 1656.

<https://www.museodelprado.es/en/the-collection/art-work/las-meninas/9fdc7800-9ade-48b0-ab8b-edee94ea877f?>

# Central America: A Quest for the Progression of Economic Value. Season II

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



Updated Outline Calendar.

Season II goes from January 24<sup>th</sup> to May 2<sup>nd</sup> , 2025.

<p>24-January-25</p> <p>» Episode 1</p> <p>Ouverture</p>	<p>31-January-25</p> <p>Episode 2</p> <p>Spanish America with a Medieval allure: Conquest &amp; colonization Part 1</p>	<p>07-February-25</p> <p>Episode 3</p> <p>Spanish America with a Medieval allure: Conquest &amp; colonization Part 2</p>	<p>14-February-25</p> <p>Episode 4</p> <p>Spanish America with a Medieval allure: Conquest &amp; colonization Part 3</p>	<p>21-February-25</p> <p>Episode 5</p> <p>Spanish America with a Medieval allure: Conquest &amp; colonization Part 4</p>
<p>28-February-25</p> <p>Episode 6</p> <p>Spanish America with a Medieval allure: Conquest &amp; colonization Part 5</p>	<p>07-March-25</p> <p>Episode 7</p> <p><b>Moved for next week</b></p>	<p>14-March-25</p> <p>Episode 7</p> <p>Philip II: Carrying Heritage Duty</p>	<p>21-March-25</p> <p>Episode 8</p> <p>Philip II: Spanish Golden Age in Warfare .</p>	<p>28-March-25</p> <p>Episode 9</p> <p>Philip III: The Race for America. Philip IV and Charles II: Brash for the Spanish Succession War Cliff</p>
<p>» 04-April-25</p> <p>» Episode 10</p> <p>Central America hidden strategy: A Feudal Society</p>	<p>» 11-April-25</p> <p>» Episode 11</p> <p>Central America hidden strategy: Walloping a secret beyond gold.</p>	<p>» 25-April-25</p> <p>» Episode 12</p> <p>Central America hidden strategy: A shelter or refuge for whom?</p>	<p>2-May-25</p> <p>» Episode 13</p> <p>Central America Commodities Fundamentals &amp; School of Salamanca</p>	<p><b>Next Season III (Spring Summer Saga of 2025) will begin on May 23<sup>rd</sup>. It will cover the period from 1700 to 2024</b></p> <p>Central America: A Quest for the Progression of Economic Value. Season III: Bourbon Bells without Industrial Development?</p>

Holy week

28/3/2025



*This outline is subject to change if the author considers it appropriate for your learning experience.*

**Eleonora Escalante Strategy**

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# Central America: A Quest for the Progression of Economic Value. Season II

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



Big Picture of our Content.

Season II goes from January 24<sup>th</sup> to April 25<sup>th</sup>, 2025.

Season	Start Date	Finish Date	Number of episodes	Historical Timeline to Analyze	Main General themes
One (I) Autumn -Winter 2024	October 4 <sup>th</sup> , 2024	December 27 <sup>th</sup> , 2024	13 episodes	1492-1558	<ul style="list-style-type: none"> <li>Historical foundations</li> <li>Castile &amp; Aragon: Discovery of Spanish America, the Holy Roman Empire</li> <li>Charles V-Holy Roman Emperor: his local, personal, regional, religious, and international agenda</li> <li>The Spanish Inquisition</li> </ul>
Two (II) Winter-Spring 2025	January 24 <sup>th</sup> , 2025	April 25 <sup>th</sup> , 2025	13 episodes	1492-1700	<ul style="list-style-type: none"> <li>Spanish America with a Medieval Allure: Conquest and Colonization</li> <li>Understanding the economics philosophy of the Habsburgs Rulers in Central America: Philip II, Philip III, Philip IV, and Charles II.</li> <li>Commodities: Mining extraction of precious metal reserves</li> </ul>
Three (III) Spring-Summer 2025	May 23 <sup>rd</sup> , 2025	October 10 <sup>th</sup> , 2025.	20 episodes	1700-2025	<ul style="list-style-type: none"> <li>Bourbon Era</li> <li>Bells of Independence</li> <li>Mining + Agricultural Commodities</li> <li>Chartered Urban vs Forgotten Rural</li> <li>Derailment of violence and inner conflicts</li> <li>Agricultural Commodities + Products + Services</li> <li>Where is our industrial development? The transformational experience?</li> <li>Agricultural Commodities + Products + Services + The Tech Palatine</li> </ul>

Past saga: done

This saga

Next saga

# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



Main framework of Analysis

### Progression of Economic Value

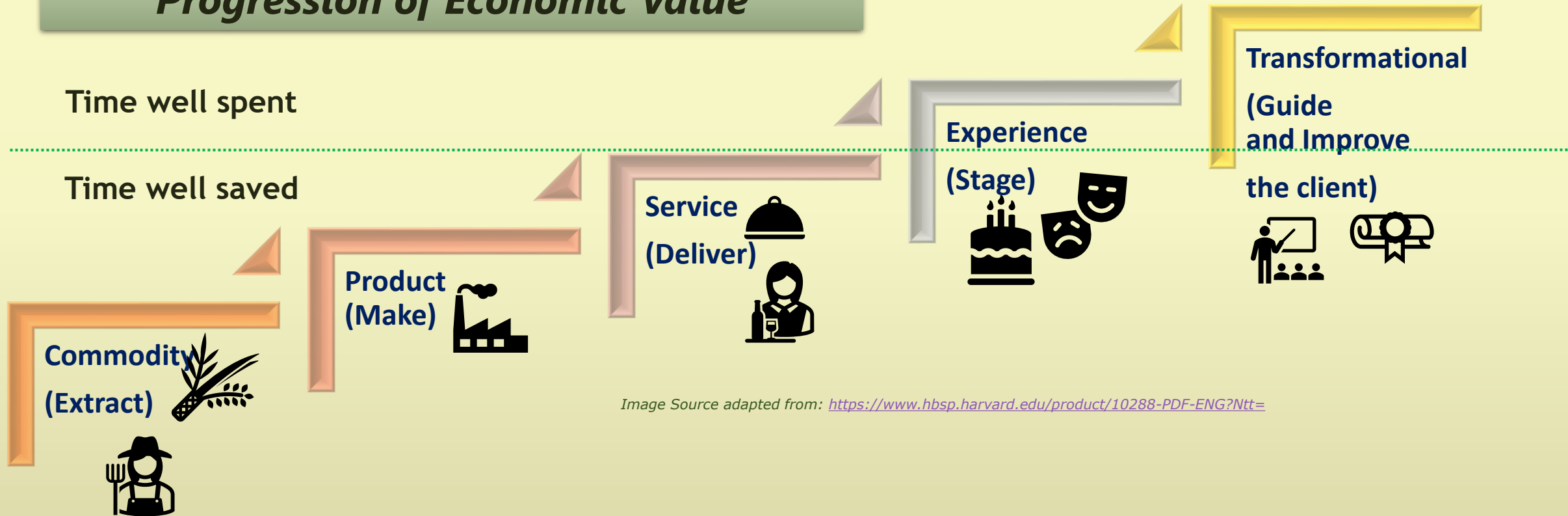


Image Source adapted from: <https://www.hbsp.harvard.edu/product/10288-PDF-ENG?Ntt=>



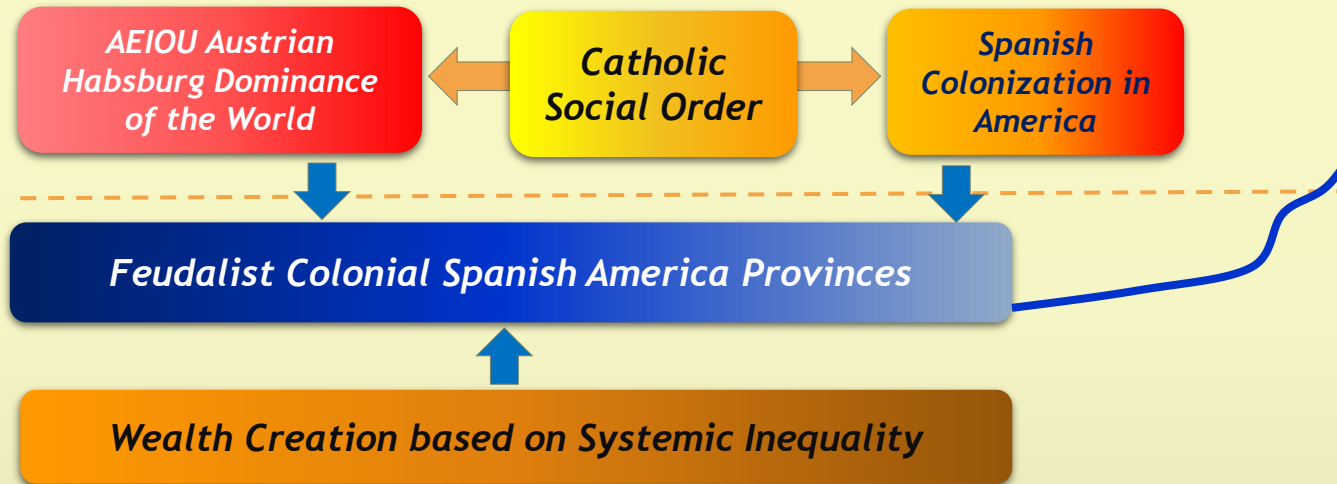
# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### Spanish America with a Medieval Allure

- Our mode to explain Spanish America Economic Formation and Development



**Upper-Class is defined as the New Lords of Spanish America Provinces.** They were former military knights, Middle class-Serfs fortune hunters, Catholic Priests, conquistadors, and the European blue-blood Princes, Dukes, Marquess, Earls, Counts, Viscounts, and Barons who originally settled in Spanish America provinces.

**AEIOU Austrian Habsburg Dominance of the World:**



**Deep Inequalities measured in** racial/ethnic terms, income, male-female roles, education, quality of public services and lack of prosperity opportunities for the indigenous and non-elite populations.

### Feudalist Colonial Spanish America Provinces main aspects

#### Give and Take Strategy

Local Upper-Class Leading Autonomy in Interchange for Subordination and Vassalage to the Royal Crown



# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### The Spanish Monarchy in the 17<sup>th</sup> century

#### Our agenda for today: Philip III, Philip IV and Charles V

Philip III (1578-1621). The Race for America began  
Philip IV (1605-1665). A disastrous Foreign Policy Leader with a Peace of Westphalia.  
Charles II (1661-1700). Not the last of the Spanish Habsburgs.



Philip II Habsburg Avis  
(1527-1598)



Philip III  
(1578-1621)



Philip IV  
(1605-1665)



Charles II  
(1661-1700)

NOTE: Please remember that the term Corporate Strategy in times of the Conquest and Colonization of America is equivalent to military strategy to gain competitive advantage under the terms of the Early Modern Europe 16th-18th centuries (previous to the first Industrial revolution which started in England and Germany).

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# Central America: A Quest for the Progression of Economic Value. Season II.

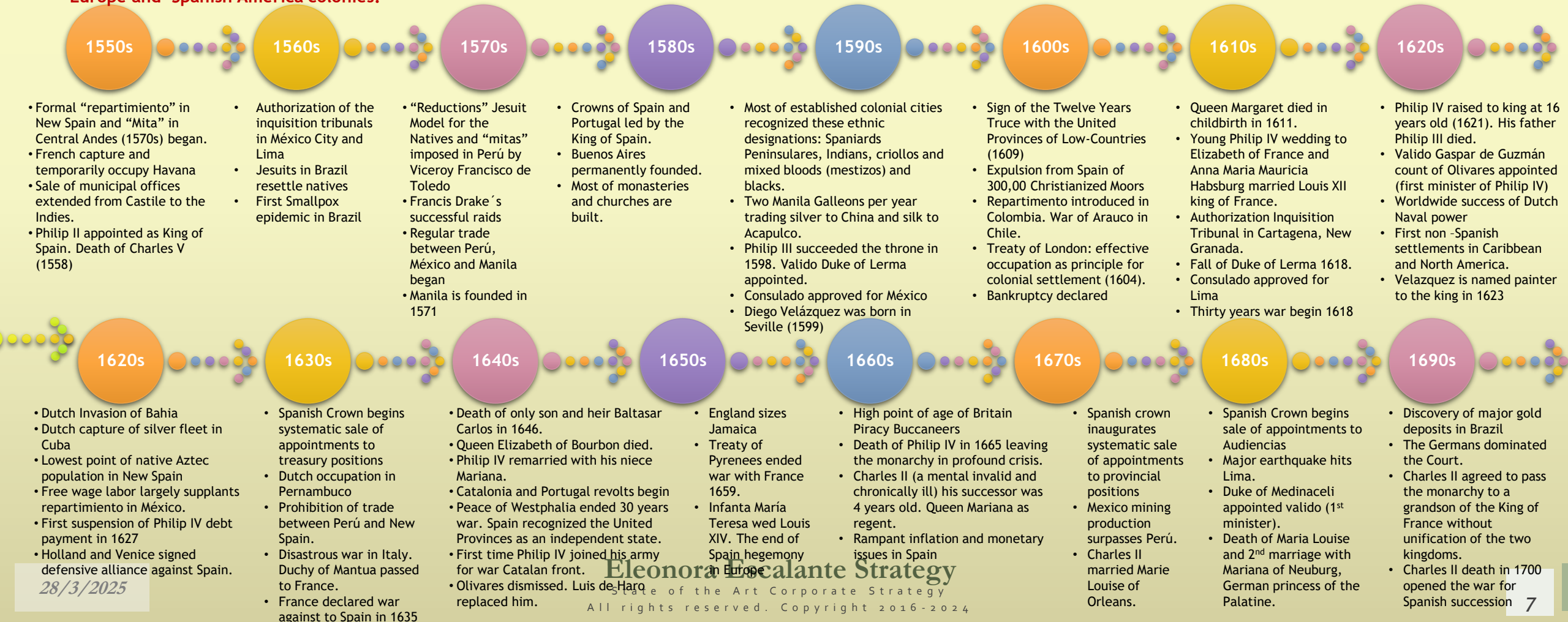
## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### The Spanish Monarchy in the 17<sup>th</sup> century

*Philip III, Philip IV, and Charles II Chronology of main events*

These three kings were facing the following chronology of events in Europe and Spanish America colonies.





# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



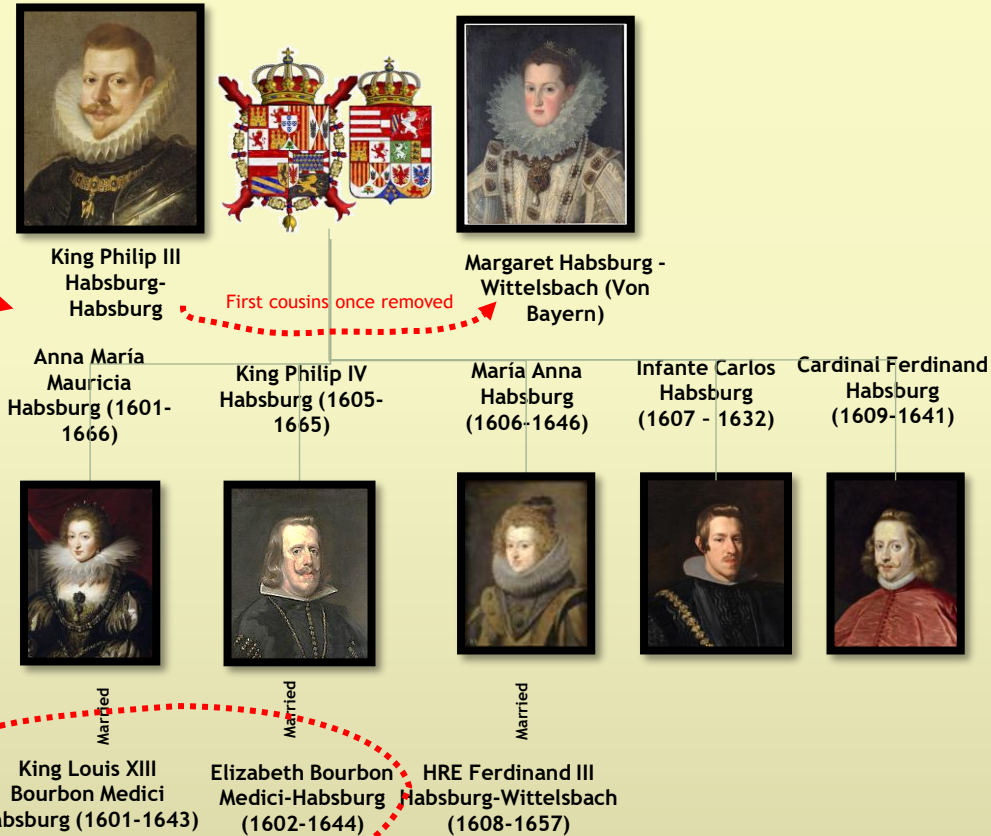
### The Spanish Monarchy in the 17<sup>th</sup> century

*Philip III. Not a King to rule for Iberia's interests.*

Philip III (1578-1621) was the product of a non-expected appointment.

- The limited fertility of Philip II with his 4 wives, generated a repetitive intermarriage inbreeding problem that caused complex mental issues, physical disposition to health weaknesses, madness personalities and volatile temperaments in the children of the King.
- Philip III was the only male child alive at the time of Philip's death, and by luck or not, he wasn't prepared to become king.

Wives	Pregnancies	Miscarriages	Died Aged 0-2	Died Aged 3-10	Survived Childhood	Survived Philip II
Maria Manuela Aviz	1	0	0	0	1	0
Mary Tudor Trastámara	2?	2?	0	0	0	0
Elizabeth Valois-Medici	5	2	1	0	2	1
Anne Habsburg	7	1	2	2	1	1
Total	15	5	3	2	4	2



*The Spanish Habsburg line metamorphosed with the Bourbons first with Elizabeth Valois Medici, but it was here, in this generational change that they shifted to continue reigning in France.*

The period of Philip III (from 1598 to 1621) is characterized by:

- An absence of King Philip III from decision making. Contrary to his Father administration, Philip III delegated all the responsibility of leading the Spanish Empire to Francisco Gómez de Sandoval y Rojas, Duke of Lerma.
- The Duke of Lerma was Philip III "valido" or first minister controlled all access to the king and decision making to major public offices and councils.
- It was during this period that Spain lived under a split between the court and government.
- The king travelled for leisure every year to escape from his responsibilities: The King and Lerma only attended 22 out of 739 meetings of the council of state during his reign. Power rested with the councils. The operational costs of the councils doubled.
- The king's absences allowed him to spend 8 months in the royal palaces of Valsain, Toledo, Aranjuez and the Escorial. And four months of summer in Old Castile and Valladolid. He even moved the Court from Madrid to Valladolid for a few years.
- Queen Margaret died in childbirth at the age of 26 in 1611. Of her 8 children, only 5 reached maturity



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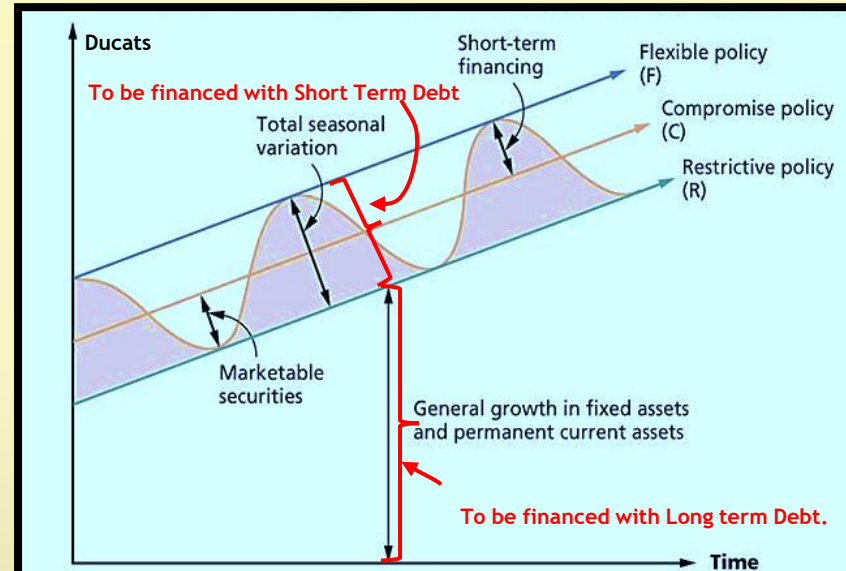


### The Spanish Monarchy in the 17<sup>th</sup> century

**Philip III (1578-1621) received an exhausted real of Castile and a non-solved problem with short-term debt management.**

- The silver from the Indies arrived at Seville in massive amounts, the Crown's finances were in a complicated capital structure: The crown was financing long-term capital with short-term debt.
- In theory, any combat conflict as a revolt of months, or warfare event that lasted less than a year was supposed to be financed with short-term debt (asientos). Any major long-term war above one year duration as the eighty-years war, or the thirty years war could be financed with Tax Collection juros (long-term debt).
- In real terms, the crown was financing its long-term conflicts with short-term debt. And that was the problem of financing of the Spanish crown.
- The cumulative capital requirements for major wars were supposed to be paid with the income that was cashed out of the silver coming from Spanish America, but that income was not regular, but fluctuating. Also, some of these revenues were sent to Manila-Philippines, not to Sevilla.
- There was no match maturities between the instruments of financial debt and the warfare assets or army salaries to be paid: the cash balance was insufficient to cover day-to day operations (warfare working capital) or provide a buffer against contingencies in the short-term; and it is possible that borrowing against silver fluctuating receivables and lack of good capital budgeting was the real cause of financial defaults. Our acumen has observed that the flow of silver was enough to pay it all.
- On top of that, the kings delegated financial decision making in the council of finance without direct supervision. These 3 Kings were not involved at all in the control and financing of their sources of funds.

### Philip III. His grand financial problem



With a compromise policy, the firm keeps a reserve of liquidity, which it uses to initially finance seasonal variations in current asset needs. Short-term borrowing is used when the reserve is exhausted.

Strategy for cumulative capital requirement	Description
Strategy F. Flexible Policy	A permanent cash surplus. Here the Kingdom would have never needed short-term financing, there is always extra-cash to invest.
Strategy C. Compromise	Short-term lender for part of year and borrower for remainder. The kingdom needs for short term financing is seasonal.
Strategy R. Restrictive Policy	A permanent short-term borrower. This was the strategy pursued by the Kingdom of Spain Council of Finance since Philip III mandate



King Philip III Habsburg-Habsburg. Painted by D. Velasquez 1635 Museo del Prado

Ross, Westerfield, Jaffe.  
Corporate Finance 10<sup>th</sup> Edition  
[https://students.aiu.edu/submissions/profiles/resources/onlineBook/a4T9b5\\_corporate%20finance%2010%20ed.pdf](https://students.aiu.edu/submissions/profiles/resources/onlineBook/a4T9b5_corporate%20finance%2010%20ed.pdf) Pages 817-820.

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### The Spanish Monarchy in the 17<sup>th</sup> century

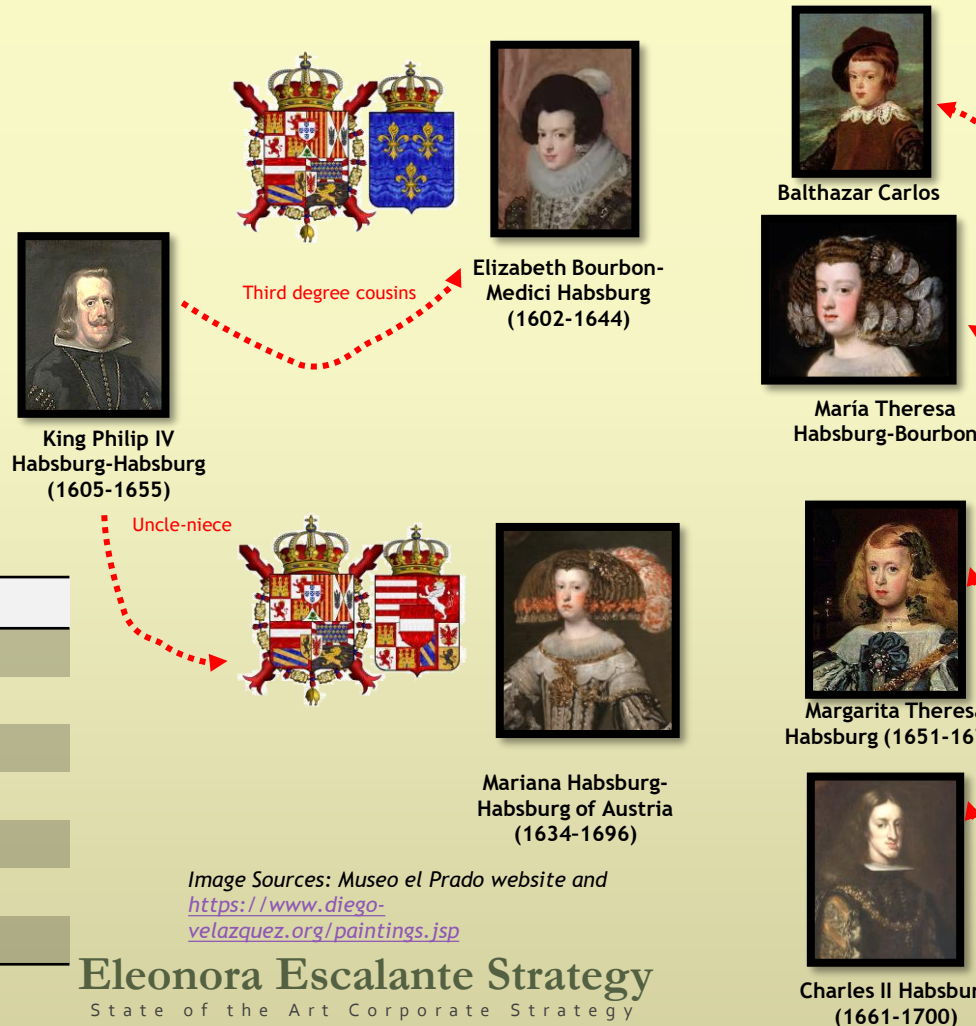
*Philip IV. A disastrous Foreign Policy Leader with a Peace of Westphalia.*

**Philip IV (1605-1655), was king of Spain, Naples and Sicily from 1621 to 1665, King of Portugal from 1621 to 1640.**

The period of Philip IV is characterized by:

1. A devout Catholic, raised from childhood to sustain Spain's divinely appointed Imperial mission and the Catholic Faith.
2. He was an absent king: He avoided to interact with the people, with exception of an annual theatrical imitation of Jesus of Nazareth, when he washed the feet of 30 poor men every year.
3. He is well known for finally agreed to recognize the independence of the Low-Countries in the Peace of Westphalia (1648).
4. He took a life-time patronage of the greatest artists of the Spanish Painting School, particularly Diego Velazquez.
5. The main warfare events of Philip IV were:

Conflict	Years
Another war with France	1635-1659
War of the Mantuan Succession	1627-1631
Eighty Years' War	1568-1648
Thirty Years' War	1618-1648
Revolt of Catalonia and guerra dels segadors	1640-1652
Portugal independence	1640
Naples and Palermo revolt	1647-1648



#### CHILDREN OF ELIZABETH BOURBON

1. Maria Margaret Habsburg-Bourbon (1621-21)
2. Margaret Maria Catherine Habsburg-Bourbon (1623-23) died in infancy
3. Maria Eugenia Habsburg-Bourbon (1625 -1627), died in infancy
4. Isabella Maria Theresa Habsburg-Bourbon (1627-27) died in infancy
5. **Balthasar Charles of Austria, Infante of Spain (1629 - 1646), Prince of Asturias.**
6. Maria Anna Antonia Dominica Jacinta (1636-36), died in infancy
7. **Maria Theresa Habsburg-Bourbon, Infanta of Spain (1638 - 1683), married Louis XIV of France, the only one who survived to adulthood and had issue.**
8. Elisabeth also suffered at least three additional miscarriages: A miscarried daughter (1626), a miscarried daughter (1640), a miscarried son (1644)

#### CHILDREN OF MARIANA HABSBURG

1. **Margarita Theresa Habsburg (1651 - 1673), married Leopold I, Holy Roman Emperor**
2. Maria Ambrosia de la Concepción Enrichetta Theresa Habsburg (1655 - 1655)
3. Philip Prospero Habsburg, Prince of Asturias (1657-1661)
4. Ferdinand Thomas Charles Habsburg (1658-1659)
5. **Charles II of Spain (1661-1700) married Marie Louise Bourbon Stuart d'Orléans, no issue. Second wife: Maria Anna Wittelsbach Hessen-Darmstadt of Neuburg, no issue. His lack of heir provoked the War of Spanish Succession (1701-1714)**
6. A little daughter born death in 1662.

Image Sources: Museo el Prado website and <https://www.diego-velazquez.org/paintings.jsp>



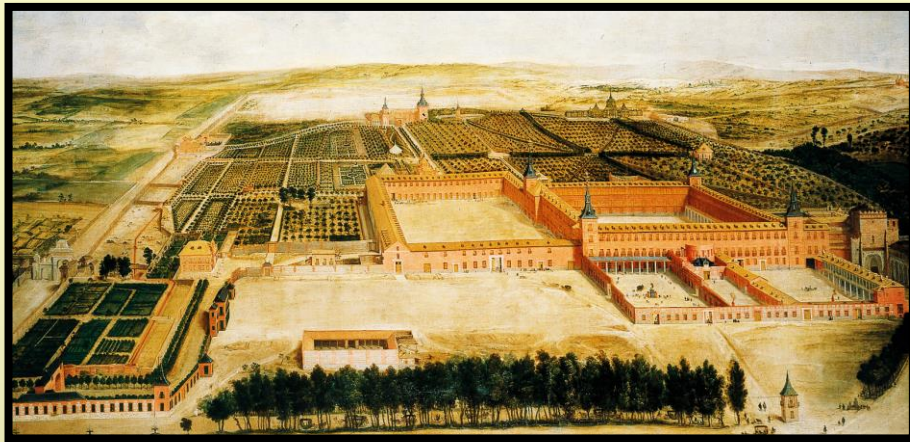
# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### The Spanish Monarchy in the 17<sup>th</sup> century

Philip IV El grande or “Rey Planeta” (1605-1665) was a strong supporter of the arts. His patronage to the greatest Spanish Painting, Music and Theater Artists of the 17<sup>th</sup> century was his main legacy for Spain. His palace El Buen Retiro was the proof of evidence of his priorities.



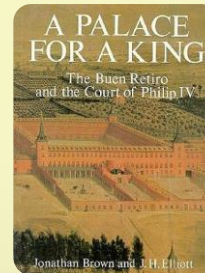
Leonardo, Jusepe « View of the Buen Retiro Palace », painted in 1637.

<https://www.ngv.vic.gov.au/italianmasterpieces/utilities/faux-lightbox-image-and-caption26f5.html?imageID=EXHI023730>

- The Palace El Buen Retiro was built and decorated between 1630 to 1635. Unfortunately, most of the palace was destroyed during the Peninsular War (1808-12).
- Its purpose was a retreat for rest and recreation for the king and his family: a center for the court's cultural and leisure activities: musical, theatrical and visual painting showcase.
- It is estimated with a cost of 2.5 to 3 Million Ducats of 1635 plus the luxurious interior: it was decorated with more than 800 paintings acquired by the king during his lifetime.
- If you wish to learn about this infrastructure read “A palace for a King”, written by Jonathan Brown and John Elliott in 1980.

*Philip IV. His priorities and his family.*

Read



For Eleonora Escalante Strategy, this painting from Diego Velazquez shows us who was the real family of Philip IV and what were the priorities for Philip IV as a king.



A piece of the painting *Las Meninas* (first called: *The family of Felipe IV*), by Diego Velazquez. 1656. <https://www.diego-velazquez.org/las-meninas.jsp>

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# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### The Spanish Monarchy in the 17<sup>th</sup> century

#### Philip IV. A patron of Arts

Philip IV El grande or “Rey Planeta” (1605-1665) was the uppermost king of Europe to gather the best collection of artwork available during his time. To study Diego Velázquez life is like a mirror for understanding Philip IV.



Diego Rodríguez de Silva Velasquez born in Sevilla 1599. The <https://www.diego-velazquez.org/diego-velazquez-facts.jsp>



Philip IV of Spain, born in Royal Palace of Valladolid, 1605. <https://gulbenkian.pt/museu/en/agenda/visiting-artwork-diego-velazquez-king-philip-iv/>



The Hall of Realms (Salón de Reinos) built by Crescenzi and Carbonel in the 1630's is being rebuilt at the moment by Forster + Partners. PhotoSource: <https://www.fosterandpartners.com/projects/salon-de-reinos-prado-museum> For more information about the Hall of Realms at Museo el Prado, you can read <https://www.museodelprado.es/aprende/enciclopedia/voz/buen-retiro-el/631e6051-1f25-4723-850e-43ef35a980b3>

#### The personal life of Philip IV:

- Felipe IV is considered as the Spanish Monarch with the greatest number of sons and daughters documented by law: 16 legitimate and between 15 to 30 bastards or illegitimate.
- His core business was the construction of El Buen Retiro Palace.
- The Palace was fashioned for showcase of portraits of the royal family, warfare propaganda and landscapes through the artworks of Diego Velasquez, Rubens, Juan Bautista Maino, José de Ribera, Jusepe Leonardo, Gargiulo, Codazzi, Francazano, Stanzione, Finoglia, Vicente Carducho, Félix Castelo, Zurbaran, Lanfranco, Domenichino, Andrea Di Leoni, Falcone, etc. Emerging young artists as Claude, Nicolas Poussin, Dughet. Herman Van Swanevelt, Jean Lemaire, and Jan Both were also included.



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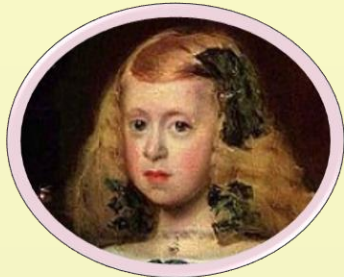
## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### The Spanish Monarchy in the 17<sup>th</sup> century

Philip IV El grande or “Rey Planeta” (1605-1665)

Something wrong was happening with the kids of Philip IV Habsburg. All of them died during infancy. For Philip IV, extramarital affaires were rationally explained as his way to find heirs with a better genetical DNA.



Infanta Margarita Teresa



Infante Felipe Próspero



Infante Charles II



Infante Balthasar Carlos with a dwarf



Infante Balthasar Carlos

*Philip IV. The life of Diego Velásquez as aposentador mayor del palacio*



Diego Rodríguez de Silva Velázquez  
born in Sevilla 1599. A piece of  
« Las Meninas » painting.

#### ANALYZING OFFICIAL HISTORY:

Philip IV has been analyzed under our detailed observations using “Corporate Strategy as an Art” framework.

- Our pursuit for the truth took us to detect the complicated results of the Habsburg’s inbreeding.
- Since Philip III, it is evident to us that the Spanish King was completely absent in terms of leadership. It was like a boat without a captain, following the example of Maximilian I who used propaganda as a foundation of the monarchy.
- During the 17<sup>th</sup> century, it seems to us that the inbreeding created troubles with the kings ruling Spain in Iberia. The decision making was taken by the validos or “first ministers”, or even by a Spanish Painter as Velásquez.
- The period of Philip IV seems to have been ruled by Diego Velásquez, indirectly. His legacy was left in the Palace of Buen Retiro.
- All the Habsburgs paintings show us something common: this family was experiencing disabilities that are perceived in their portraits.
- Charles II (the last Spanish Habsburg?) was the most inbreed of all. Sadly, the marriages of the female Habsburgs from Spain with the Austrian Habsburgs Holy Roman Emperors, the Bourbons, the Valois, the Stuarts, and the rest of Dynastic groups propagated the complexity of the Inbreeding symptoms, particularly in terms of mental disabilities.
- Before the French Revolution, Europe and Spanish America was inundated of legitimate and bastard Habsburg members with cerebral intellectual and/or physical disabilities.
- Artist Diego de Velásquez captured the problem in each and all of his paintings. Particularly with “the Meninas”, an oeuvre initially named “The family of Philip IV”.

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## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure

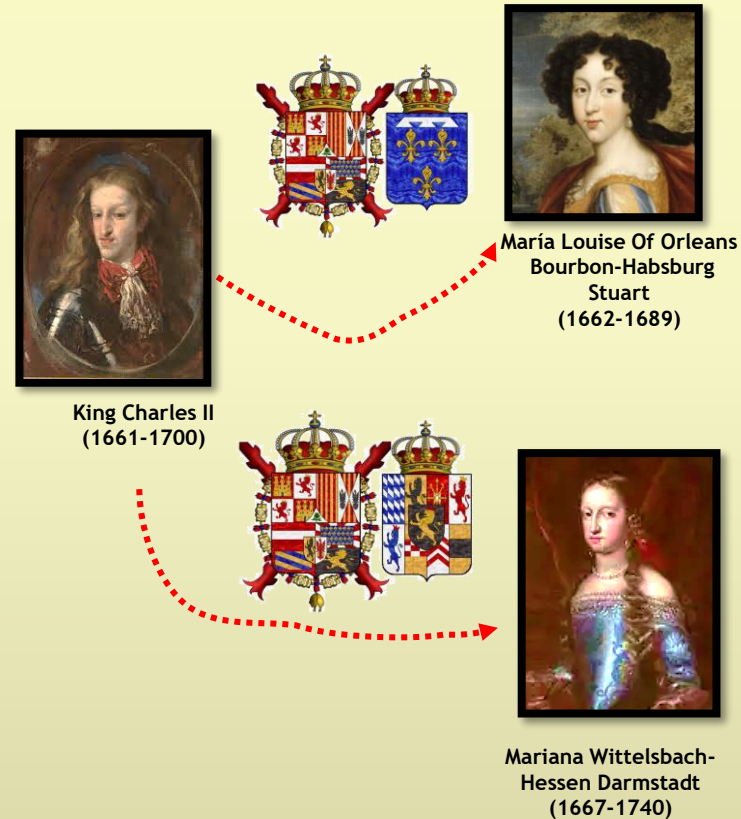


### The Spanish Monarchy in the 17<sup>th</sup> century

*Charles II. Not the last Spanish Habsburg.*

Charles II (1665-1700) life is inevitably the symbol of more than 200 years of Habsburgs inbreeding.

- Charles II was only four years old, when his father Philip IV died.
- The succession of a child as king obliged to choose a regent who was Queen Mariana Habsburg, who had no experience in ruling. She was required to appoint García de Avellaneda y Haro, II conde de Castriello; among other 4 inflation and members of the committee of government. The widow struggled in power against Don Juan José (1629-79), Philip IV illegitimate son by the Actress María Calderón.
- Don Juan was considered a royal prince and had already served in the Netherlands, Italy, Catalonia and against the Portuguese rebels. Initially Queen Mariana appointed Juan Nithard as her “valido”, and Don Juan had to departure as “vicar general of Aragon” in Saragossa (from 1669-1675). In the meantime, Nithard was dismissed, and she chose Fernando Valenzuela for a few years.
- Don Juan returned to Madrid in 1677 and took the position of prime minister to Charles II (already recognized as king).
- Don Juan began to administer the government to cure the rampant inflation and created a committee for trade. Sadly in 1679, Don Juan died, and all his reforms (internal and foreign) were interrupted.
- From 1680 to 1685, the Duke of Medinaceli (Juan Francisco Tomás de la Cerda) was appointed as Valido. Then the Count of Oropesa (Manuel Joaquín Álvarez de Toledo) from 1685-1691, but with the marriage of Charles II to his second bride Mariana of Neuburg, a group of Germans (advisors to the queen) took the spotlight of governing.



Charles II was unable to procreate kids with any of his wives. The reason is found in his illnesses and multiple medical issues.

- Mental development delay
- Intellectual disability
- Dysarthria
- Skeletal deformity
- Recurrent genito-urinary infections
- Epilepsy
- Infertility
- Pituitary disorders
- Respiratory troubles
- Others.



*Charles II health problems took his life in 1700. But he wasn't the last Spanish Habsburg. The family was already intertwined with the Austrian Habsburg branch, the Bourbons of France and many other monarchies who participated in the War of Succession from 1700 to 1714.*



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## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



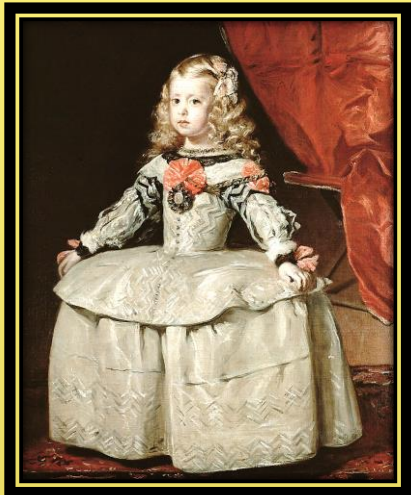
The destiny of Empress Margarita Teresa Habsburg of Austria in 1666 was of grief and mourning.

1660



Source:  
<https://www.museodelprado.es/en/the-collection/art-work/the-infanta-margarita-of-austria/88462bf7-a4f2-4238-901e-8541105293d5>

1656



Source:  
<https://www.khm.at/en/objectdb/detail/2026/?offset=7&lv=list>

1666



Detail

Her mother  
Queen  
Mariana  
In mourning

Maybe one  
of her  
meninas  
(maid-of-  
honor)

Her brother  
Charles II  
(with golden  
fleece chain)

Mari Barbola  
Her  
entourage  
Court Dwarf

Juan Martinez del Mazo. « Margarita Theresa Habsburg-Habsburg » 1666 Museo del Prado.



# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



The level of inbreeding in the royal couple of Margarita Theresa Habsburg of Spain and Leopold I HRE and King of Hungary, Croatia, Bohemia and Austria is insane.

It affected the Spanish and the Austrian branches in the same way. It resulted in an onslaught of physical illnesses and mental ailments and disorders for the Habsburgs because their gene pool was subject to very limited diversity. Visit the genealogical tress of this royal couple next. You will be surprised of how much inbreeding held the daughter of Leopold I HRE and Margarita Teresa of Spain: 0.3053, which is higher than the inbreeding coefficient of a parent-offspring or brother-sister.



Archduchess Maria Antonia Daughter of Leopold I of Habsburg Austria and Margarita Teresa Habsburg of Spain  
<https://www.khm.at/objektdb/detail/2407/>



Infanta Margarita Teresa (1651-1673), Empress, in a theatrical costume.  
<https://www.khm.at/en/objectdb/detail/2324/?offset=6&lv=list>

**Eleonora Escalante Strategy**

State of the Art Corporate Strategy  
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1666



Kaiser Leopold I Habsburg-Habsburg. In theatrical costume (1640 - 1705) <https://www.schlossambras-innsbruck.at/object/2399?>



# Central America: A Quest for the Progression of Economic Value. Season II.

## From 1516 to 1700: Habsburg Spanish America Bases with a Medieval Allure



### The Spanish and Austrian Monarchies in the 17<sup>th</sup> centuries

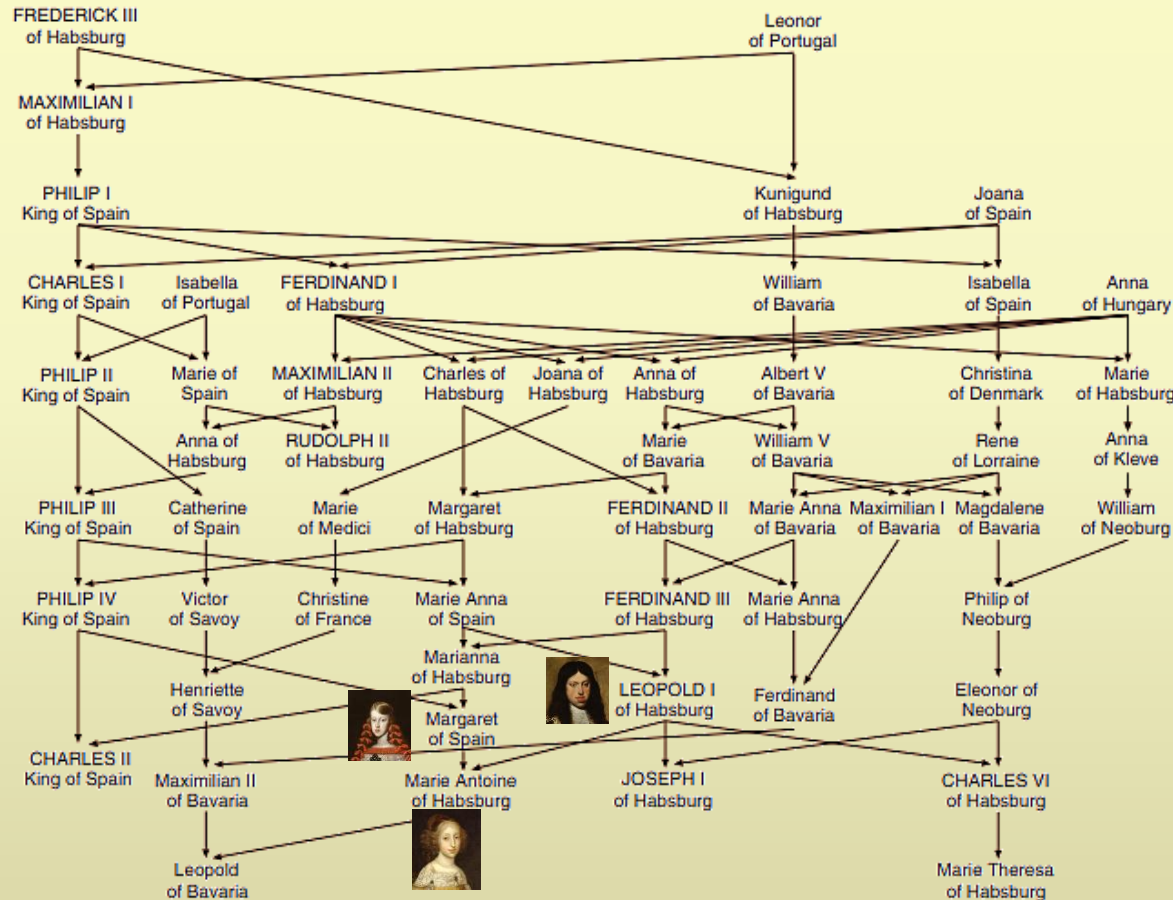


Figure 1 Partial pedigree of the Habsburg dynasty represented by chains of descent. Holy Roman Emperors and Spanish Habsburg kings are shown in capital letters.

**The Coefficient of Inbreeding (F) definition:**  
It measures the degree of genetic relatedness between two individuals based on shared ancestry and DNA. Ranges from 0 (no inbreeding) to 1 (complete inbreeding).

Examples:

- Mating of parents and children:  $F \approx 0.25$  (25%).
- Mating of uncle-niece:  $F = 0.125$
- Mating of first cousins:  $F \approx 0.0625$  (6.25%).

40% of the Habsburg marriages between 1450 to 1800 had a coefficient higher than 0.0625. Maria Antonia Habsburg (1669-1692), Electress of Bavaria, as daughter of Margarita Teresa Habsburg of Spain and Leopold I Habsburg HRE detained the highest of all coefficients of this dynasty.

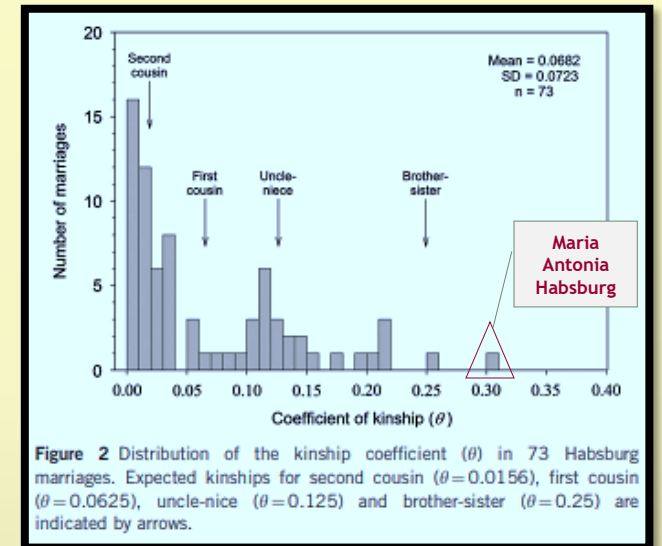


Figure 2 Distribution of the kinship coefficient ( $\theta$ ) in 73 Habsburg marriages. Expected kinships for second cousin ( $\theta=0.0156$ ), first cousin ( $\theta=0.0625$ ), uncle-niece ( $\theta=0.125$ ) and brother-sister ( $\theta=0.25$ ) are indicated by arrows.

Habsburg Member	Coefficient Inbreeding F
Leopold I	0.1568
Ferdinand II	0.1390
Philip III	0.2177
Charles II	0.2538
Maria Antonia	0.3053

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Margarita Teresa  
Habsburg Habsburg



Wife of Leopold Ignaz  
Joseph Balthasar  
Felician Habsburg-  
Habsburg

Mother of Maria Antonia  
Theresia Josepha  
Habsburg

Parents

Philip IV  
Felipe Domingo Victor de la  
Cruz Habsburg-Habsburg  
1605-1665  
Born Palacio Real Valladolid,  
Spain  
King of Imperial Spain

- Marianna Habsburg-  
Habsburg  
1634-1696  
Born Wiener Neustadt,  
Austria

Grand-Parents

- Philip III  
Felipe Habsburg-Habsburg  
1578-1621.  
El Escorial, Madrid  
King of Imperial Spain.
- Margaret Habsburg-Wittelsbach  
1584-1611. Graz, Styria, Germany

- Ferdinand III Habsburg-  
Wittelsbach HRE. 1608-1657  
Graz, Styria, Germany  
King of Hungary and Croatia, Bohemia and  
Archduke of Austria

- Maria Anna Habsburg-Habsburg  
(1606-1646) El Escorial, Madrid

Great Grand-Parents

- Philip II King of Imperial Spain 1527-1598. Felipe Habsburg Aviz  
Valladolid, Spain
- Anna Habsburg-Habsburg 1549-1580  
Cigales, Spain

- Karl Franz Habsburg-Jagiellonka  
1540-1590  
Vienna, Austria

- Maria Anna Wittelsbach-Habsburg  
1551-1608. Munich, Germany

- Ferdinand II HRE  
Habsburg-Wittelsbach 1578-1637.  
Graz, Styria. Germany

- Maria Anna Wittelsbach Lorraine von  
Bayern. 1574-1616. Munich,  
Germany

- Philip III Habsburg-Habsburg King of  
Imperial Spain. 1578-1621. El  
Escorial, Madrid

- Margaret Habsburg-Wittelsbach  
1584-1611. Graz, Styria Germany

2<sup>nd</sup> Great Grand-parents

- Charles V HRE Habsburg-  
Aragón/Castile 1500-1558
- Isabel Aviz Aragón 1503-1539
- Maximilian II HRE Habsburg-  
Jagiellonka 1527-1576
- Maria Habsburg-Aviz 1528-1603

- Ferdinand I HRE Habsburg-  
Aragon/Castile 1503-1564
- Anna Jagiellonka Foix of Hungary  
1503-1547

- Albrecht Wittelsbach-Habsburg  
Von Bayern 1528-1579
- Anna Habsburg-Jagiellonka 1528-1590

- Karl Franz Habsburg Jagiellonka  
1540-1590
- Maria Anna Wittelsbach-Habsburg  
1551-1608

- Wilhelm Wittelsbach Habsburg Von  
Bayern 1548-1626
- Renée Lorraine-Oldenberg-  
Habsburg 1544-1602

- Philip II Habsburg-Aviz King of  
Imperial Spain 1527-1598
- Anna Habsburg-Habsburg 1549-1580

- Karl Franz Habsburg Jagiellonka  
1540-1590
- Maria Anna Wittelsbach-Habsburg  
1551-1608

Look at the inbreeding for 5 generations

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LEOPOLD I HRE  
Habsburg Habsburg

Parents

Grand-Parents

Great Grand-Parents

2<sup>nd</sup> Great Grand-parents



Leopold Ignaz Joseph  
Balthasar Felician  
Habsburg Habsburg

Husband of Margarita  
Theresa Habsburg-  
Habsburg

Father of Maria Antonia  
Theresia Josepha  
Habsburg

- Ferdinand III Habsburg-Wittelsbach HRE. 1608-1657  
Graz, Styria, Germany  
King of Hungary and Croatia,  
Bohemia and Archduke of Austria

- Maria Anna Habsburg-Habsburg  
(1606-1646)  
El Escorial, Madrid

- Ferdinand II HRE  
Habsburg-Wittelsbach 1578-1637.  
Graz, Styria. Germany

- Maria Anna Wittelsbach Lorraine  
von Bayern. 1574-1616. Munich,  
Germany

- Philip III Habsburg-Habsburg King  
of Imperial Spain. 1578-1621. El  
Escorial, Madrid

- Margaret Habsburg-Wittelsbach  
1584-1611. Graz, Styria Germany

- Karl Franz Habsburg-Jagiellonka  
1540-1590  
Vienna, Austria

- Maria Anna Wittelsbach-Habsburg  
1551-1608. Munich, Germany

- Wilhelm Wittelsbach Habsburg Von  
Bayern 1548-1626

- Renée Lorraine-Oldenberg-Habsburg  
1544-1602

- Philip II Habsburg-Aviz King of  
Imperial Spain 1527-1598

- Anna Habsburg-Habsburg 1549-1580

- Karl Franz Habsburg Jagiellonka  
1540-1590

- Maria Anna Wittelsbach-Habsburg  
1551-1608

- Ferdinand I HRE Habsburg  
Aragon/Castile 1503-1564
- Anna Jagiellonka Foix of Hungary  
1503-1547

- Albrecht Wittelsbach-Habsburg Von  
Bayern 1528-1579
- Anna Habsburg-Jagiellonka 1528-  
1590

- Albrecht Wittelsbach-Habsburg Von  
Bayern 1528-1579
- Anna Habsburg-Jagiellonka 1528-1590

- Francois Lorraine Bourbon-  
Montpensier 1517-1545
- Christine Oldenberg Habsburg 1521-  
1590

- Charles V HRE Habsburg-  
Aragón/Castile 1500-1558
- Isabel Aviz Aragón 1503-1539

- Maximilian II HRE Habsburg-  
Jagiellonka 1527-1576
- Maria Habsburg-Aviz 1528-1603

- Ferdinand I HRE Habsburg  
Aragon/Castile 1503-1564
- Anna Jagiellonka Foix Hungary 1503-  
1547

- Albrecht Wittelsbach-Habsburg Von  
Bayern 1528-1579
- Anna Habsburg-Jagiellonka 1528-1590



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Velázquez, Diego: Portrait of Philip IV, oil on canvas by Diego Velázquez, 1628; in the Prado Museum, Madrid. 210 × 102 cm.

Next week we will proceed to land into our economic-historical matters of Central America between 1558 to 1700. Stay tuned!

*Things do not pass for what they are  
but for what they seem; few look within  
and many are satisfied with the  
appearances.*

*Baltazar Gracian. The Oracle, 1647*

*Thank you.*

Eleonora Escalante MBA-MEng.

[www.eleonoraescalantestrategy.com](http://www.eleonoraescalantestrategy.com)



A piece of the artwork: Isabel Queen of Spain (Elizabeth De Bourbon-Medici Habsburg)  
Source: <https://www.museodelprado.es/coleccion/obra-de-arte/isabel-de-borbon-reina-de-espaa-primera-esposa-de/88fa4d66-3089-40b2-a9f8-d7f97587d266>