



*Central America:  
A Quest for the Progression of  
Economic Value.  
Bonus-Season V.*

The origin of Central America political-economy.

**Episode 17**

From 1700-1900: The origin of Central  
America Political-Economy

**Summary and Conclusions**  
**Season 4**

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

## A piece of the economic puzzle of Spanish Central America in Four Seasons + Bonus



### Big Picture of our Content.

Season V as of January 9<sup>th</sup>, 2026.

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	May 2 <sup>nd</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 economic 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	August 29 <sup>th</sup> , 2025	14 episodes	1650-1900	<ul style="list-style-type: none"> <li>School of Salamanca</li> <li>The Bourbon era begins. From Philip V (1683-1746) to Alfonso XIII (1886-1941)</li> <li>The War of Spanish Succession</li> <li>The Jesuit Suppression and Restoration (1773-1814)</li> <li>The meaning of the French Revolution in Spanish America</li> <li>The Why of Napoleon Bonaparte</li> </ul>
Four (IV) Autumn-Winter 2025	September 19 <sup>th</sup> , 2025	December 31 <sup>st</sup> , 2025	15 episodes	1700-1900	<ul style="list-style-type: none"> <li>Independence Bells of Central America (1800-23)</li> <li>United Provinces of Central America (1823-40)</li> <li>Derailment of violence and inner conflicts</li> <li>Charted Urban vs Forgotten Rural</li> <li>Mining + Agricultural Commodities. Never an Industrial Factory Development.</li> <li>Main agriculture production industries: Cacao, Indigo, coffee, Sugar-Introduction</li> </ul>
Five (V) BONUS Winter Spring 2026	January 9 <sup>th</sup> , 2026	May 1 <sup>st</sup> , 2026	19 episodes	1700-1900	<ul style="list-style-type: none"> <li>Analysis of Main Agriculture plantations. Sugar-Sugar America, Bananas, Cattle and Livestock, Foodstuff</li> <li>Summary and Conclusions</li> <li>Research Agenda for the future.</li> </ul>

Past saga: done

Past saga: done

Past saga: Done

Past saga: Done

Done

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

## From 1700-1900: The origin of Central America political-economy.



### 📅 Outline Calendar

### Season V From January 9<sup>th</sup> to May 1<sup>st</sup>, 2026

<p>9-jan-2026 Episode 1 ✓</p> <p>Sugar-Sugar America Part I Brazil</p> 	<p>16-jan-2026 Episode 2 ✓</p> <p>Sugar-Sugar America Part II Dutch islands</p> 	<p>23-jan-2026 Episode 3 ✓</p> <p>Sugar-Sugar America Part III British West Indies - Production</p> 	<p>30-jan-2026 Episode 4 ✓</p> <p>Sugar-Sugar America Part IV British West Indies - Barbados</p> 	<p>06-Feb-2026 Episode 5 ✓</p> <p>Sugar-Sugar America Part V British West Indies - Barbados and Jamaica</p> 												
<p>13-feb-2026 Episode 6 ✓</p> <p>Sugar-Sugar America Part VI French Context (St Domingue)</p> 	<p>20-feb-2026 Episode 7 ✓</p> <p>Sugar-Sugar America Part VII French Business Model Sugar St Domingue Analysis</p> 	<p>27-feb-2026 Episode 8 ✓</p> <p>Sugar-Sugar America Part VIII La Señorita Cuba Context</p> 	<p>06-March-2026 Episode 9 ✓</p> <p>Sugar-Sugar America Part IX Cuban Sugar Machine</p> 	<p>13-March-2026 Episode 10 ✓</p> <p>Sugar-Sugar America Part Cuban Sugar Tycoons</p> 												
<p>20-March-2026 Episode 11 ✓</p> <p>Cattle and Livestock - Haciendas Central America</p> 	<p style="text-align: center;">   <b>Holy Week Vacations</b>                  27 Mar to Apr 6             </p>		<p>03-Apr-2026 Episode 12 ✓</p> <p>Banana Republics Central America part I</p> 	<p>10-Apr-2026 Episode 13 ✓</p> <p>Banana Republics Central America Part II</p> 	<p style="text-align: center;"><b>Summary and Conclusions</b></p> <table border="1"> <tr> <td> <p>17-Apr-26 Episode 14 ✓</p> <p>Summary and Conclusions Season I</p>  </td> <td> <p>20-Apr-26 Episode 15 ✓</p> <p>Summary and Conclusions Season II</p>  </td> <td> <p>23-Apr-26 Episode 16 ✓</p> <p>Summary and Conclusions Season III</p>  </td> <td> <p>27-Apr-26 Episode 17 ✓</p> <p>Summary and Conclusions Season IV</p>  </td> <td> <p>29-Apr-26 Episode 18</p> <p>Summary and Conclusions Season V</p>  </td> <td> <p>01-May-26 Episode 19</p> <p>Final Wrap-up and Research Agenda for the Future</p>  </td> </tr> </table>						<p>17-Apr-26 Episode 14 ✓</p> <p>Summary and Conclusions Season I</p> 	<p>20-Apr-26 Episode 15 ✓</p> <p>Summary and Conclusions Season II</p> 	<p>23-Apr-26 Episode 16 ✓</p> <p>Summary and Conclusions Season III</p> 	<p>27-Apr-26 Episode 17 ✓</p> <p>Summary and Conclusions Season IV</p> 	<p>29-Apr-26 Episode 18</p> <p>Summary and Conclusions Season V</p> 	<p>01-May-26 Episode 19</p> <p>Final Wrap-up and Research Agenda for the Future</p> 
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*This outline is subject to change if the author considers it appropriate for your learning experience.*



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

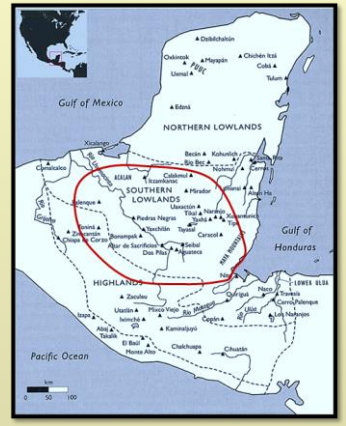
## From 1700-1900: The Origin of Central America Political Economy

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### Summary and Conclusions Season IV

What was happening in the Kingdom of Guatemala between 1700 to 1900

SEASON IV	From 1700-1900	Summary of published strategic reflections
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 1. Mexican Influence in the Kingdom of Guatemala</b></p>	<ul style="list-style-type: none"> <li><b>Definition of basic terms:</b> We began season IV with a glossary, defining Audiencia, the Spanish Colonial System, the Casa de contratación, the council of the indies, the letrado or togado, the oidor or ministro togado, the alcalde mayor, the Corregidor, alcalde ordinario, oficiales reales, auditor, type of audiencias and the powers of the colonial audiencias.</li> <li>By the end of the 17<sup>th</sup> century, before the arrival of the Bourbons, the Audiencia de Guatemala held 4 governorships, 9 alcaldes mayores, and 11 corregimientos (other authors remark 16 corregimientos).</li> <li>The Capital of the Audiencia de Guatemala was Santiago de Guatemala (Antigua). Spain organized the Kingdom of Guatemala as a region subordinated to the Viceroy of México (but that was just on paper).</li> <li>The governance of the Spanish Monarchy established in the Kingdom of Guatemala:             <ol style="list-style-type: none"> <li>The autonomy of the kingdom of Guatemala from México was real. The governors/personnel for the kingdom was minimum and ignored MX orders.</li> <li>Highly protected by the Caballeros de Santiago.</li> <li>Philip II created a unique Castilian configuration of is court that supervised Guatemala</li> <li>Feudal personal relationships, not institutions</li> <li>Kingdom of Guatemala Multi courts family formula.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>According to official history, the Mayan civilization declined around 900 CE. This was the exact moment in time in which Charlemagne expanded the Frankish kingdom all over Europe.</li> <li>The Mayan civilization did not perish or disappeared as it was taught to us. It continued dispersed and immersed in the different communities of the Guatemalans. When most of the Mayans disappeared, there was a migration of the survivors from the Yucatan to the area that starts with Peten to lowland tropical forests (mid-south of Guatemala). This area is called the Southern lowlands.</li> <li>When Cortés and Alvarado conquered the region, they found the core territory of the Native Mayan Populations, and they decided to not take control of it until late 17<sup>th</sup> century, with the conquest of Itza in 1697. Currently this area still holds the most extraordinary virgin natural reserves on earth. This area is called The Montaña. This area partially includes the place that the Itzas protected with all their soul against the Europeans.</li> <li>Did a royal Habsburg tie the knot with a Mayan princess to keep this area out of the Spaniards sight between 1524-1697? What type of arrangement was done then? Was this man the concealed Charles V-Hernán Cortés?</li> <li>We suggest that this is the area (Southern Lowlands) that was untouchable for Spain until 1700.</li> <li>The magnificence of this zone is so precious, that the golden green nature changed the paradigms of the Spanish Habsburgs so much that Bartolomé de las Casas was able to defend it during the 16<sup>th</sup> century. When Philip V took the baton of Imperial Spain in 1714, the Kingdom of Guatemala was still untouchable, and the Bourbon Reforms were</li> </ul>





# Central America: A Quest for the Progression of Economic Value. Season I From 1700-1900: The Origin of Central America Political Economy

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## Summary and Conclusions Season IV

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### Episode 1. Mexican Influence in the Kingdom of Guatemala

- We researched that the Audiencia of Guatemala was composed of a President (who was a governor and captain general), 5 oidores (judges), a Fiscal or prosecutor, an Alguacil Mayor, a Lieutenant Grand Chancellor and over time the crown was adding new ministers. The epicenter of the kingdom was Antigua-Santiago de los Caballeros.
- The catholic orders organized a medieval society organization with a feudal backbone: The audiencia acted as a justice tribunal as an office of social control, as an office of commercial affaires, as a manager of military knights, as a supervisor of the law of the Council of Indies, as a monitor of the royal officers abuse towards the Indies, as a controller of taxes-tributes to the king, and as an agent of royal prerogative.
- The political territorial jurisdiction under the Bourbon regime (1732-1785) was an organization that privileged the Bourbonic peninsular employees over the local criollos. Can you see the trouble? If some criollos were used to rule by themselves, because they were the royals of the Spanish Habsburg lineage.
- The kingdom of Guatemala was organized as a territory of a concealed king that arranged a tacit-social contract with the Indigenous. This contract lasted from 1524 to 1697, when Itza was conquered. The Native-Indian leaders of each of the communities felt safe under the Habsburg-policies. Once the Bourbons arrived they were left in the limbo. Despite some abuses, in general the religious leaders protected the Natives for some time after Charles II died.



- We applied the concept of the Chinese Wall to the separation between the Mayan-Montaña region (southern Lowlands) and the Spaniard-Creole new urban settlements. In the kingdom of Guatemala, the Mayan-Native territories were separated by a Chinese wall to the Spaniard zones. Only the Catholic missionaries were able to enter and settle. A Chinese wall means an ethical wall of protection. It is a term used as a "strong barrier". It denotes a virtual barrier established within a territory to prevent the exchange of sensitive information from outside, to avoid conflicts of interest and maintain confidentiality.
- What was the secret of the political rulers of "La Montaña" in the context of the Audiencia-Kingdom of Guatemala?
- How did the structure of the Habsburg-Castile Burgundy household melt with the Mayan royal house? Why did the Bourbon royal household model was not accepted by the Mayan tribes as of 1714? Why do we detect a "Chinese wall" that protected a possible Habsburg-Mayan dynasty territories from the Spaniards, and particularly from the Bourbon new administration in the 18th century?
- Our strategy house suggest that without a Habsburg-Mayan dynasty protection of "La Montaña region in Guatemala", no Mayan community would have been alive in our days.



• <https://eleonoraescalantestrategy.com/2025/09/19/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode1-introduction-mexican-influence-in-the-kingdom-of-guatemala/>

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

## From 1700-1900: The Origin of Central America Political Economy



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### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	
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<p><b>Episode 2.</b> <b>Derailment of Violence and Inner Conflicts between Spaniards and Indians</b></p>	<ul style="list-style-type: none"> <li>• Our first-class topic was to introduce the map of the Mayan communities per dialect. We also show you the Chinese wall between the Mayan resistance zone and the Spanish area taken by invasion. Right before the conquest (between 900 to 1521 CE) there were more than 22 Mayan city states with different dialects. The Spanish colonized the Highlands (tropical pacific), while the Southern Lowlands were kept isolated from the Spanish.</li> <li>• We explained how the colonization of the highlands occurred, using the example of Sierra de los Cuchumatanes based in information gathered by G. Lowell.</li> <li>• If there was a tacit arrangement to keep the Mayan zones separated from the Spanish zones, the conflicts occurred mainly in the areas where the Spanish expanded (The Highlands) and because of another factor: labor. The cause of conflicts was the imposition of a new land tenure and administration structure with a new labor system, completely different to what the Mayans were used to.</li> <li>• The encomienda, repartimiento and later the composición de tierras decree (1591) explained in the diagram below was the cause of the conflicts.</li> </ul> <div data-bbox="433 1006 1274 1349" data-label="Diagram"> <p><b>KEY</b> → Land Tenure and Land Administration Structure</p> </div>	<ul style="list-style-type: none"> <li>• The conquistadores subjugated the highlands, but not the southern lowlands. There was a pattern of consistent indigenous resistance in those regions where the military Spanish could not enter (only the Catholic church missionaries could).</li> <li>• We analyzed that the encomienda was a factual entity, imported from the Iberian peninsula, used as a solution of the Castile-Leon kings during the Reconquista to subjugate the Muslims. So, the Spanish model was replicated by the military orders of the king once they conquered the Native-Indigenous lands in Guatemala. Do not forget: the conquistadors were SWAT mercenary fellows from the military orders of the kings involved in the takeover of Spanish America.</li> <li>• We highlighted the importance of understanding the encomienda system and how it evolved to repartimiento, corregimiento and finally arrived at the municipality scheme.</li> <li>• The encomienda was a concealed slave labor without any legal rights. The encomenderos basically “enslaved” the natives under their possessions, including the land. The repartimiento-indentured serfdom was the next solution, but since the Indians contracted debt, they worked without salary or wages retribution for a specific number of years stipulated by law by the Spanish Crown representatives in the Audiencia.</li> <li>• Later, the system changed to corregimiento, under a permanent debt peonage.</li> <li>• After the independence movements, the land was no longer in possession of the king of Spain, and the hacienda model took place, expropriating ejidos, communal lands, religious properties that were linked to the native-Indians, etc.</li> </ul>



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

## From 1700-1900: The Origin of Central America Political Economy

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<p><b>Episode 2.</b> <b>Deraiment of Violence and Inner Conflicts between Spaniards and Indians</b></p>	<ul style="list-style-type: none"> <li>We explained the encomienda system vs the repartimiento vs corregimiento:</li> <li><b>An encomienda</b> consisted of a grant by the Spanish crown to a Spaniard colonizer of a specified number of “Indios” living in a particular area.</li> <li>The receiver of the grant, the encomendero, could exact tribute from the “Indios” in precious metals, in kind, in agriculture products or in labor.</li> <li>The encomendero was required to protect and instruct them in the Christian faith.</li> <li>The encomienda did not include a grant of the Indian land, but in practice the encomenderos gained control of lands inhabited by “Indios”.</li> <li>The Encomienda was permanent often leading to hereditary, unchecked exploitation,</li> <li><b>A corregimiento</b> was imposed by corregidores. The corregimiento was essentially a new type of encomienda, one which was controlled by appointed officials rather than settlers.</li> <li><b>A repartimiento</b> was a system by which the crown allowed certain colonists to recruit indigenous peoples for forced labor.</li> <li>The repartimiento was called mita in Perú, or cuatequil in Nahuatl.</li> <li>Five percent of the indigenous peoples were subject to labor in mines and about 10 percent more for seasonal agricultural work.</li> <li>A colonist who wanted a repartimiento had to apply to the viceroy or the audiencia (provincial appeals court).</li> <li>Legally, after 1600s, 25% of the Indigenous were subject to a specific work period per year: not to exceed between two to five weeks, three or four times annually, and wages were to be paid. However, the abuse happened, because wages were not really paid because the Indians were highly indebted with the patron.</li> <li>The repartimiento was a state-run, temporary, and rotational labor draft scheme.</li> </ul>	<div data-bbox="1439 471 2051 956"> </div> <ul style="list-style-type: none"> <li>All the encomiendas of the Highlands of Guatemala were the foundation and the direct cause of land inequality on the region. The land tenure of the encomiendas never passed to the Indigenous, because the repartimiento system didn't fix the land tenure issue.</li> <li>By law, until 1820s, all the land of the kingdom of Guatemala was ultimately in the king's will. He granted titles of property to his vassals, but a grant is not a property right.</li> <li>The Native Indians were never considered citizens of the kingdom of Spain</li> <li>For 300 years, the native peoples didn't have a legal ID, they were nothing facing the Spanish law.</li> <li>The encomienda (later repartimiento-corregimiento) has caused that the Northern Triangle of Central America holds an inequality Gini Coefficient for land distribution of 0.81. This means that 19% of the population is owner of all the land of Guatemala, El Salvador and Honduras, while the remaining 81% of the population are not landowners.</li> <li>Explaining the concept of Prestanombre: We discussed the figure of “testaferro” or “prestanombre” used by the Spanish Crown with the vassals who were granted land. A prestanombre or testaferro is the “front man”, “straw-man” or “dummy stockholder” or someone who acted as a nominal head or representative for the Spanish Crown, often to conceal the true owner or beneficiary of a business or property. (Collins dictionary)</li> </ul>


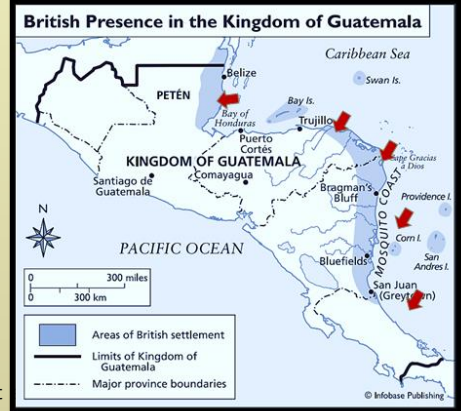


# Central America: A Quest for the Progression of Economic Value. Season I From 1700-1900: The Origin of Central America Political Economy

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## Summary and Conclusions Season IV

What was happening in the Kingdom of Guatemala between 1700 to 1900

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 2. Derailment of Violence and Inner Conflicts between Spaniards and Indians</b></p>	<ul style="list-style-type: none"> <li>We discussed the Indian defenders in detail. These were of different nature: God's grace, geographic elements, natural disasters, the catholic church (despite some abusive situations), and the priority of the Spanish crown to keep the Indians alive for the exploitation of the mines.</li> <li>We listed the 9 main records of natural disasters in Central America during our time of study (1541-1902).</li> <li>The Catholic Church mission of evangelization and its system of cofradias-encomiendas, kept the Indians alive, despite several reports of abuse. Our verdict today, is that the Catholic institution maintained the Native-Mayans with huge degree of protection, given their gigantic power in the region before the liberal's arrival into power.</li> </ul>  <p>Doctrinas y conventos en la provincia de San Vicente en la segunda mitad del siglo XVIII</p> <ul style="list-style-type: none"> <li>We prepared a chronology of main events in the Kingdom of Guatemala (1540-1860). We encourage our readers to re-visit the slides of this publication to remember all the main events.</li> <li>Take-aways of this episode:             <ol style="list-style-type: none"> <li>Britian provocations against Spain in all the Atlantic coast of Central America.</li> <li>Bourbon Reforms in Action as of Charles III (1759 forward)</li> <li>Constant Mayan Uprisings in Guatemala between 1679 to 1820: More than 30 in different villages.</li> </ol> </li> <li>The role of the Catholic Church: they were agents of evangelization and builders of a separated economic system for the Indians. Regardless the reports of certain cases of labor abuse, in general, the missionaries were the pivot stone that kept the Natives alive.</li> </ul>	<ul style="list-style-type: none"> <li><b>Indian defenders:</b> In this section we explained the causes and different features of the Indian defenders. The region "La Montaña-Southern Lowlands of Guatemala" saved thousands of native men from perishing under the violence of the first wave of conquistadores (military orders) and their descendants. Natural disasters also kept the Indians alive. The tremor of 1773, destroyed Antigua Guatemala, and we suggest that this earthquake changed the strategy of the Habsburgs settlements for the long term.</li> <li>The concealed pro-Charles V Habsburg criollos were the third defender of the Natives of the Kingdom of Guatemala. They were acting like spies to know the moves of the Bourbon Administration when these came to America.</li> <li>The Catholic Church also played a defensive role to keep the native-communities alive. Despite some reports of abuse, the Catholic leaders protected the assets of the Indians under the communal distribution, a structure that was seen by the bourbons as "tierras inutiles that required to be expropriated" (also called tierras baldías).</li> </ul>  <p><b>British Presence in the Kingdom of Guatemala</b></p> <p><a href="https://eleonoraescalantestrategy.com/2025/09/26/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-2-derailment-of-violence-and-inner-conflicts-between-spaniards-and-central-american-indians/">https://eleonoraescalantestrategy.com/2025/09/26/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-2-derailment-of-violence-and-inner-conflicts-between-spaniards-and-central-american-indians/</a></p>



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

## From 1700-1900: The Origin of Central America Political Economy

### Summary and Conclusions Season IV

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	
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<p><b>Episode 3. Independence Bells Part 1 (1800-23)</b></p>	<ul style="list-style-type: none"> <li>• <b>Contextual Patterns in Latin America:</b> The Predecessors of the Independence in Central America. According to our research, after several decades of the Bourbon reforms and the expropriation of the Catholic lands by Bourbon Spain, the independence of Central America could have been a pro-Habsburg, going back to the Habsburg system, but now leaving the political-economic power with the White-creole elites (Habsburg descendants concealed under criollos identities).</li> <li>• The precursors of the Independence in Central America were other criollos from other parts of Spanish America: Francisco de Miranda, Antonio Nariño, Manuel Belgrano, Mariano Moreno; Father Miguel Hidalgo, Father Jose María Morelos and Simón Bolívar.</li> <li>• The common characteristics of the latter precursors were: All criollos caste belonging; all favored independence as a separation from Spain; all of them strongly catholic; all grounded in the 18<sup>th</sup> century moderate enlightenment education of Europe; all favored Rousseau philosophy; and all had a huge fear of post-independence anarchy and revolts. Similar events as the French Revolution or the Haitian Revolt were examples that the precursors of the Independence of Central America craved to avoid.</li> <li>• <b>The independence movements of Central America:</b> All were conservative, white-landholding criollo elite movement. These men were called próceres. The intention of the próceres was to stop the Bourbon Reforms, and the contagion of the French Revolution in America. The last days of the Bourbons in Spain impacted Central America directly: when the intendencies system was imposed, the revolts of the Indians increased. During the exile of Ferdinand VII (1811-20s), the Spanish officers found opposition and uprisings. Analyzing the próceres mentality, we perceive all of them were antiliberal, antidemocratic (not a pro-republic design), all anti-Bourbons, and pro-Habsburg old agenda. They searched for a strong centralized executive authority, and kept a tacit agreement between the military, church and the criollo elite.</li> <li>• <b>The Bourbons disrupted the sovereignty of the Pueblos Indigenas.</b> This was the top sin of the Bourbon authorities. They disrupted the sovereignty and independence of the native pueblos who kept their land in exchange for tributes. None of the Indian leaders thought that the aftermath of the Independence was coming with a liberal agenda that dispossessed them worst.</li> <li>• We compared a comparison between the time of the Habsburgs and the time of the Bourbons (after Charles III).</li> <li>• The natives indigenas perceived that the change of the Bourbons was going to end bad for them. That is why they supported Carrera. None of them imagined that with the Liberals of the end of the 19<sup>th</sup> century, the situation got worst.</li> </ul>	<ul style="list-style-type: none"> <li>• During this week we did not publish strategic reflections. We ensembled them with Episode 4.</li> <li>• <a href="https://eleonoraescalantestrategy.com/2025/10/03/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-3-independence-bells-1800-23-part-i/">https://eleonoraescalantestrategy.com/2025/10/03/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-3-independence-bells-1800-23-part-i/</a></li> </ul>






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

## From 1700-1900: The Origin of Central America Political Economy

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### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 4. Independence Bells Part 2 (1800-23)</b></p>	<ul style="list-style-type: none"> <li> <p><b>Three economic systems in the Kingdom of Guatemala:</b> The economic structure of the kingdom of Guatemala was based on 3 parallel economic systems hanging on the main one: The Catholic church System. The other two were: The Indian-Natives subsistence-tribute system, and the Colonial Spaniard-Criollo commerce mercantilist system.</p>  </li> <li> <p><b>The Catholic Church System:</b> It was a philanthropic donation system that worked under the contributions of the King of Spain, and the offerings of the Native families who had to cover the operating and maintenance expenses of the church.</p> </li> <li> <p>Most of the Indian Rural community parishes sustained the church expenses: food-shelter of the friar or priest and provided workers for all the Church activities. Each church charged for every ritual: marriages, special masses, etc. The cofradias (sodality) were the fiestas of the village saints (10 to 12 events per year). The cofradia funds became the financing cushion and savings of the village who invested in lands, cattle, lending, etc. Apart, there was a tribute community caja, that was used to pay the tribute to the Spanish Authorities, or to provision any additional financial burden requirement from the Spaniards. In exchange it was responsibility of the Church friar to gather dispersed Indian tribes and establish a village, educating them for the salvation of the souls.</p> </li> <li> <p><b>Difference between secular and missionary church:</b> the secular clergy (diocesans) was comprised of priests who served under their bishops and urban bishoprics. The secular clergy worked with the civil Spaniard-Criollo authorities. The missionary orders, were self-governing bodies under the separate authority as decreed by Pope Leon X in 1521.</p> </li> </ul> <p style="text-align: center;"><b>Eleonora Escalante Strategy</b></p> <p>The missionaries were laboring in rural zones, independently, and influenced the natives the most.</p>	<ul style="list-style-type: none"> <li> <p>The world of Charles V in the Kingdom of Guatemala was prompt to be scattered by Bourbon Spain. And all the investments (in time and resources) spent between 1521 to 1800 was going imminently to the drain.</p> </li> <li> <p>The reaction of the Criollos, natives and the Church against the Bourbon avalanche was to defend themselves with all they could: Unity for an independence in Latin America. But it wasn't an independence from Spain, but an independence from Bourbon Spain (the new regime installed as of the French Philip V Bourbon-Wittelsbach).</p> </li> <li> <p>The French Revolution was the beginning of that independence (1789). It was carefully planned to hit the core of the Bourbons: Versailles. Napoleón Bonaparte was the solution of the royal dynasties to control the situation.</p> </li> <li> <p>Habsburg Spanish America defended the main poles of silver production development, and then the Royal kingdom of Guatemala.</p> </li> <li> <p>The top economists of the world have always identified the core of Imperial Spain in the Peninsula. We believe it has never been like that. The core of the Spanish Habsburg was in the Kingdom of Guatemala, their home was here, not in Spain.</p> </li> <li> <p>Once you shift that perspective, then everything unfolds easily and it is straightforward to understand the independence of the region.</p> </li> </ul>



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

## From 1700-1900: The Origin of Central America Political Economy

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### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900							
Episode-Name	Summary of Reference Material	Summary of published strategic reflections						
<p><b>Episode 4.</b> <b>Independence Bells Part 2</b> <b>(1800-23)</b></p> <p>Missionary Productive haciendas</p>	<ul style="list-style-type: none"> <li>• <b>The Patronato Real:</b> The King of Spain provided certain support (tithes, yearly financing, grants of land) to the missionary Church. The King appointed all the missionary orders with its respective friars, priests, etc. And the Council of The Indies received the ecclesiastical reports. The Patronato real was free of taxation. The goal of Charles V HRE was to convert Indians to Christianity through the Patronato Real.</li> <li>• When the Bourbons arrived, they did not care anymore for the Catholic Church evangelization project "at all", neither for the Patronato Real.</li> <li>• Where the Catholic Church was stronger, the Indian villages had higher chances to survive. The Missions productive haciendas were the product of the "lack of support from Spain". The missionaries were obliged to invest and produce for their survival. Example: The Dominican Hacienda of San Jerónimo in baja Verapaz. The income for the missionary survival was coming from lending, land production, rented property, doctrinal fees, donations and Spain Government support.</li> </ul> <div data-bbox="229 921 675 1099"> <table border="1"> <tr> <td>Loans-Mortgages (15%)</td> <td>Land Production (30%)</td> <td>Rented Property (2%)</td> </tr> <tr> <td>Doctrinal Fees (15%)</td> <td>Donations (6%)</td> <td>Government Support (32%)</td> </tr> </table> </div> <ul style="list-style-type: none"> <li>• The nunneries and convents were also a source of income in which the dowry help to upkeep the expenses. Wealthy families hid daughters to put them out of sight (and conflicts), many orphans with noble blood were strategically positioned under the convents, and pregnant royal nuns also secreted illicit affairs.</li> <li>• The colegios (secondary schools) and universities were in the hands of the Jesuits.</li> <li>• In summary, the Catholic Church in the Kingdom of Guatemala had their own economic system to serve Indians and Criollos. The financing-banking power of the Church (with 5% interest rate lending) was more powerful than the Spanish Government Audiencia finances.</li> <li>• <b>The Indian Native Economic System:</b> The natives were not free. They were Indian tributaries. Each Indian male family head was obliged to tribute first to the encomendero, then to the regidor, and later to the alcalde.</li> <li>• <b>The Colonial Spaniard-Criollo System:</b> The Criollos wanted to make money by doing the State of the Art Corporate Strategy (stores) or productive new fincas that could sell their agriculture commodities internationally.</li> </ul>	Loans-Mortgages (15%)	Land Production (30%)	Rented Property (2%)	Doctrinal Fees (15%)	Donations (6%)	Government Support (32%)	<ul style="list-style-type: none"> <li>• After describing the three economic systems operating in the kingdom of Guatemala, our strategy house has a new comprehension of the situation before the independence. The Catholic church was hurt directly by the order of suppression of the Jesuits, and wherever they were expelled, none of the other orders was able to defend the natives anymore. In the kingdom of Guatemala, the expropriations of the assets of the Catholic Church and the Native-Indigenous was beyond anything seen before.</li> <li>• The Bourbon reforms disrupted the sovereignty of the pueblos mayas of the kingdom of Guatemala (all the highlands' towns and the southern lowlands), and they touched the land structure that was organized by Charles V in the hands of the Catholic mendicant missionaries. The Catholic-Habsburg organization was broken into pieces.</li> <li>• Despite that it wasn't a perfect order, as subjects to the Spanish Habsburgs, the natives believed that they held the tacit right of the land of their houses, milpas and sustenance. Please remember, the natives, in their ideology thought the property right was not needed, because they have defenders who would never permit the transgression of expropriation). However, when the Catholic Church was smashed by the Bourbons, the Independence movements were just a matter of time. This is the reason why several of the proceres were priests.</li> </ul>
Loans-Mortgages (15%)	Land Production (30%)	Rented Property (2%)						
Doctrinal Fees (15%)	Donations (6%)	Government Support (32%)						



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### Summary and Conclusions Season IV.

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SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 4. Independence Bells Part 2 (1800-23)</b></p>	<ul style="list-style-type: none"> <li>• <b>The Central American intendencies were collapsing...</b> There was an economic recession in the Kingdom of Guatemala. The Indigo exports were in crisis because of the increment of competition and the reduction of international prices. The Catholic church economy was smashed by the Bourbon reforms, the Jesuits were gone, the confiscation of the church assets and consolidation of Church Funds (Vales Reales/Act of 1804), plus the Bonaparte influence on the Criollos, created enormous fear with the Indian community, who thought their native economy was also on the verge of expropriation.</li> <li>• <b>After understanding the context in which the Independence movements occurred... it is easy to comprehend how the independence proclamation of 1821 followed.</b> We conceive that there was a direct influence of the Bonapartes from Spain in the Plan de Iguala of Iturbide in México (1821)</li> <li>• Finally, we prepared a timeline of what happened between the 15<sup>th</sup> of September of 1821 and the 1<sup>st</sup> of July of 1823.</li> </ul> <div data-bbox="318 863 1681 1042" data-label="Diagram"> </div> <ul style="list-style-type: none"> <li>• <b>The main takeaway of this class is:</b> <ol style="list-style-type: none"> <li>1. The understanding of three economic systems that were operating in Central America before the Independence: The Rural Indian, the Urban Criollo-Spaniard, and the Catholic one.</li> <li>2. The discontent of the criollos with the Bourbon new policies</li> <li>3. The influence of the French Revolution ideas and the Bonaparte's in the process of independence from Bourbon Spain.</li> <li>4. Lastly: The comprehension that Europe and America were entangled. Nothing that happened in Europe was separated from what was happening in America. Particularly in the Kingdom of Guatemala.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• There is a question mark that we have tried to resolve for quite a while: how were the Bourbons playing their cards with the British Germans of Saxon origin in the context of the end of the 18<sup>th</sup> century? As of Charles III, the Bourbons believed they were part of the same family, and we perceive they were aligned with Britain-German interests in America. During the whole 19<sup>th</sup> century, the Bourbons continued with their Habsburg inbreeding, but then Alfonso XIII married the grand-daughter of Queen Victoria.</li> <li>• However, the presence of Britain against Bourbon-Cuba was remarkable.</li> <li>• <a href="https://eleonoraescalantestrategy.com/2025/10/10/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-3-independence-bells-1800-23-part-2/">https://eleonoraescalantestrategy.com/2025/10/10/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-3-independence-bells-1800-23-part-2/</a></li> </ul>



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

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### Summary and Conclusions Season IV.

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SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 5.</b> <b>United Provinces of Central America UPCA (1823-40)</b></p>	<ul style="list-style-type: none"> <li>After the failure of the monarchical model with the French Revolution, and despite that the royal families were trying to return to constitutional monarchies (the British model), once the United States of America build their democratic model, the question for Central American leaders, was to choose their own model? The United Provinces of Central America model also called the Federal Republic of Central America was never accepted by some of the Criollos of Central America who were pro-Spain old Habsburg model. Some of them approved the Federal Republic model, while others do not.</li> <li>The USA took a mix of Britain, the old United Provinces of the Netherlands model and the French republic system. The USA system required a President, and three separated branches of power: legislative, executive, judicial. The voting rights varied from state to state, until the 15<sup>th</sup> amendment of 1870. The Central Americans followed the same role model right after the independence event. But it did not work. Why? Lack of will, and lack of funds.</li> <li>From 1823 to 1840, the federal republic couldn't be accepted by all the leaders, and it was finally aborted by the pro-monarchists.</li> </ul> <ul style="list-style-type: none"> <li>There was a relevant migration of pro royal Bourbons to Guatemala right before the Independence, under the apogee period of Juan Fermin de Aycinena, a producer of indigo and exports, very well connected with the Royal Family of Spain (the royal Bourbons Charles III Bourbon-Farnese Wittelsbach and Charles IV Bourbon-Wettin Saxony).</li> <li>The Aycinena's group is an example of the connections between the criollos and the Bourbon royals, and how their influence also blocked the UPCA project in the region. The UPCA failed because it was designed to fail from the start by the interests of the new Bourbon Criollos who were pro-conservative.</li> <li>The liberal order was rejected, not just by the criollos but also by the Native Indians then.</li> </ul>	<ul style="list-style-type: none"> <li>The UPCA was baptized as the Federal Republic of Central America with the Constitution of 1824. However, from the start, UPCA was designed to fail. The region began to receive Spaniards pro monarchical Bourbons (Carlists), who antagonized with the Old-Habsburg Criollos, and the conflict was doomed from the start. On top, after the Independence from Spain, this was the time in which Britain held a strong presence in the Atlantic coast of the region.</li> <li>Between 1824 to 1840, there were several factors that doomed the UPCA:             <ol style="list-style-type: none"> <li>The indecision on choosing a political model for Central America was colossal: The Dutch old model of United Provinces? The USA model recently inaugurated? The French Republic? Each nation on its own? How to handle the new migration of Bourbons in Central America? How to cope with the Britain-German interests in the region?</li> <li>The UPCA was chosen as a copy-paste of the USA model, to look alike a new power that could control Central America. The local leader adopted to look like what was happening in North America. The UPCA did not have money to operate, and the peoples were not ready to accept or tolerate a liberal model yet.</li> <li>The power of the Aycinena Family, he came from a Bourbonic Spain Region (Ziga-Baztan-Navarra). Aycinena supported the Carlist V Bourbon proposition, and the British-German/American sphere of influence who were interested in the Canal of Nicaragua.                 <p><a href="https://eleonoraescalantestrategy.com/2025/10/17/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-5- united-provinces-of-central-america-1824-40/">https://eleonoraescalantestrategy.com/2025/10/17/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-5- united-provinces-of-central-america-1824-40/</a></p> </li> </ol> </li> </ul>





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### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 6. A voyage to the Republics Separation (1840-70)</b></p> <div data-bbox="38 906 76 1056" style="writing-mode: vertical-rl; transform: rotate(180deg);">Conservatives</div>  <div data-bbox="38 1128 76 1278" style="writing-mode: vertical-rl; transform: rotate(180deg);">Liberals</div> 	<ul style="list-style-type: none"> <li>• <b>Conservatives vs. liberals during the 19<sup>th</sup> century:</b> The UPCA was a model that did not have any sense for the criollo families in Central America. It only added more troubles, because it triggered an ideological division between conservatives and liberals. The old "thought" was conservative-pro royal authority, and the new proposition was liberal, pro-making money through agricultural exports.</li> <li>• <b>What was the role of Great Britain in Central America?</b> The Criollos perceived the presence of Britain as a future takeover, full of political intrigue and British imperialism exercised by their offerings of debt from British Banks for the UPCA and other projects (as their commercial infrastructure interests). The largest Central American Merchants knew how the contraband routes of the British operated in the Atlantic. There were no more than 25 British families in the region then (1850).</li> <li>• <b>What did Britain pursue in Central America?</b> Logwood, mahogany, exotic woods, dyes. Infrastructure projects: railways, roads, the interoceanic canal. Example: Francisco Morazan and Marshall Bennett established a commercial partnership to exploit mahogany in the mid 1830s.</li> <li>• <b>The Carrera and Morazan warfare.</b> Rafael Carrera (1814-65) was a Guatemalan mestizo (illiterate) who became the most powerful figure as a conservative caudillo of Guatemala &amp; Central America. He had the support of the clergy and the upper class of Guatemala, as much as the backing of the Indians of Guatemala. Francisco Morazan (1792-1842) from Honduras who established himself in El Salvador. He was the president of the UPCA for 11 years. Morazán was the champion of the liberal agenda for Central America, who had an economic for-profit reason that affected the Indian villages, and the Criollos interests. The Montaña Altense community in Guatemala is an example of this conflict. Morazon provoked at least 120 rebellions and conflicts.</li> <li>• <b>Morazan was opposed because:</b> (1) liberal trade policies against artisans and hand-made productivity, (2) head tax rise to 2 pesos per capita, (3) Forced Labor: Native Indians were subject of persecution, (4) Private takeover of communal lands and public communal lands, (5) British Commercial Activity-Grand Canal of Nicaragua, (6) Popular resentment-revolts and uprisings against taxation and land expropriation, (7) Liberal attacks to the Clergy (confiscations, lending seized), (8) a new judicial system.</li> <li>• <b>Chronology of events of the separation of the republics of Central America (1824-42).</b> We prepared a comparative analyses per year by local, state and federal conflicts based on researcher Tarracena Arriola.</li> <li>• <b>The Process of nation building (1840-70).</b> Please revisit <b>Eleonora Escalante Strategy</b> the aftermath of the termination of UPCA after 1840. State of the Art Corporate Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• We discussed the agenda of agricultural essence that was kept after Charles II Habsburg died in 1699. The Bourbons wanted agriculture for exports, and industrial development of mining. And that was it. After the Independence, the Criollos (old Habsburg descendants, and new Bourbon migrants from Spain) had no idea on how to handle two political views (liberal and conservative) while in North America, the USA was expanding their land.</li> <li>• Facing that powerful USA, we suggest that the UPCA was a defensive strategy to keep Central America as independent from the USA as possible.</li> <li>• The Central American Caudillos of Carrera vs Morazán organized an uncertain period of wars, resistance and native conflicts, to keep Britain out of the region.</li> <li>• Keeping the UPCA was unaffordable, and then William Walker appeared coming to Nicaragua, while the California Gold Rush was being used by Cornelius Vanderbilt to open the Nicaragua Interoceanic Canal. Who was defending whom then?</li> <li>• Vanderbilt business was operating as of 1851, and Walker came directly to stop it. William Walker was not a filibuster as official history describes him. Walker was a descendant of Irish migrants, champion of the Manifest Destiny from Tennessee, and he was HIRED by the conservative caudillos of Central America to block Vanderbilt, and the result: the canal was moved to Panamá.</li> <li>• The presence of Walker exemplifies how the local leaders created alliances to handle the intromission of American transport companies and British developers. Most of these projects affected the Indian reserves or local native communities.</li> <li>• <a href="https://eleonoraescalantestrategy.com/2025/10/24/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-6-a-voyage-to-the-republics-separation-1840-70/">https://eleonoraescalantestrategy.com/2025/10/24/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-6-a-voyage-to-the-republics-separation-1840-70/</a></li> </ul>

27/4/2026



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### Summary and Conclusions Season IV.

What was happening in the Kingdom of Guatemala between 1700 to 1900

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 7. Philosophical Foundations of Agricultural Liberalism (1870-1900)</b></p>	<ul style="list-style-type: none"> <li>This master class is about the thought of the Criollos and Spaniards in Central America when the liberal reforms were being implemented by the end of the 19<sup>th</sup> century.</li> <li>Concepts: We defined what is interest group, landownership, elites, political decisions from interest groups and finally what was a political decision, in the context of liberalism (1870-1900). This glossary is important for our students to revisit, please.</li> <li>The conservative control of the kingdom of Guatemala resisted until Rafael Carrera passed away (1865). The liberals became organized by interest groups and territorial landownership, and they wanted to arrive to power. The political parties were the medium to gain votes and arrive to the presidency to control all the benefits of governing: jobs, treasure, diplomatic relations, economic opportunities, etc.</li> <li>The liberals were supported by the USA agenda, and they wanted land, because land was the source of economic power. All the presidents of the republics shifted to liberals. Their motto was: Peace, Education, Material prosperity and progress. The crop for progress selected was Coffee.</li> <li>There were at least 5 main liberal philosophies adopted by the Central American Caudillos: (1) Positivism, (2) Nationalism, (3) New Hispanismo, (4) Early Marxism, and (5) the combo of Positivism-Nationalism-Hispanism-Racism.</li> </ul> <p><b>The triumph of positivism</b></p> <div style="display: flex; justify-content: space-around; text-align: center;"> <div style="border: 1px solid black; padding: 2px;">Replaced Thomism</div> <div style="border: 1px solid black; padding: 2px;">French a la mode</div> <div style="border: 1px solid black; padding: 2px;">Fit Latin America</div> <div style="border: 1px solid black; padding: 2px;">Optimistic &amp; Progressive</div> <div style="border: 1px solid black; padding: 2px;">Clear recipe formula</div> <div style="border: 1px solid black; padding: 2px;">Promised change</div> <div style="border: 1px solid black; padding: 2px;">Implied controlled development</div> </div> <ul style="list-style-type: none"> <li>Each of the nations was obliged to introduce a supply of raw-exports in the international marketplace. The recognition of their destiny depended on it. Comte positivism was accepted by the conservative and liberal elites, while Marxism was rejected. Nationalism was used to limit the US Hegemony in Central America. Hispanismo was embraced by the Conservatives (discipline, order, authority, family first, and Catholicism). Racism was also adopted in terms of social and cultural criteria, with eugenics to mate.</li> <li>It is interesting to see how the Bourbonic reforms continued with the Liberal agenda: cut the power of the church, expropriation-confiscation of lands for coffee plantations, free-market policies, monetary supply and central bank creation, political consensus, <b>Eleonora Escalante Strategy</b> education without catholic control, elections for all males.</li> </ul>	<ul style="list-style-type: none"> <li>We discussed how economic systems are supported by philosophical ideas about labor, land tenure, utilization of resources, financing, etc. The philosophy of slavery is historical and has been outstanding in multiple presentations: slavery as vassalage in the feudal system, tribute servitude, debt peonage, urban serfdom, capitalist and socialist low-wage employee, and nowadays, as digital serf (social-media beggar). Modern slavery still exist.</li> <li>The liberal mentality of the Central American leaders of the end of the 19<sup>th</sup> century was focused on progress, order and material prosperity. Prosperity was not to raise the low-class to become middle-class. The Catholic charity model was a palliative to extreme poverty.</li> <li>The philosophical foundations of Central American leaders were pivotal to the land ownership. The wealthy the criollos, they held more land (territorial for producing income). The landowners selected their representatives to rule the political party to win elections and arrive to power.</li> <li>The liberalism assumed the control of Central America as of 1870 and there were several goals attached to this value proposition (see next slide).</li> <li><a href="https://eleonoraescalantestrategy.com/2025/10/31/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-7-philosophical-foundations-of-agricultural-liberalism-1870-1900/">https://eleonoraescalantestrategy.com/2025/10/31/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-7-philosophical-foundations-of-agricultural-liberalism-1870-1900/</a></li> </ul>



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

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SEASON IV	From 1700-1900					Summary of published strategic reflections
Episode-Name	Summary of Reference Material					Summary of published strategic reflections
<p><b>Episode 7.</b> <b>Philosophical Foundations of Agricultural Liberalism (1870-1900)</b></p>	<ul style="list-style-type: none"> <li>All the presidents of the liberalist period (1870-1900) had in common the following factors:</li> </ul>					<ul style="list-style-type: none"> <li>After the UPCA (United Provinces of Central America) failed, between 1870 to 1900, the agricultural liberalism was sustained by a philosophical mix of principles based on               <ol style="list-style-type: none"> <li>Positivism</li> <li>Nationalism</li> <li>New Hispanism</li> <li>Racism</li> </ol> </li> <li>This combo of philosophical roots motivated the leaders of each nation because PROGRESS was framed to produce from the land. And this mentality of the criollos-descendants of Spaniards was not aligned with the mentality and interests of the Indian-Natives, who had another philosophical mindset (by the end of 19<sup>th</sup> century).</li> <li>The Indian-Native philosophy was a syncretic cosmology for resilience and survival after years of uncertainty, while trying to take care of their ancestors' lands. There was a mix of catholic values ingrained in their Mayan-Nahua values, all related to the land protection and safeguarding of the natural resource of their ancestors.</li> <li>The clash of both mentalities created innumerable conflicts that were crushed by the new military liberals, and the Natives had no other choice than to become landless workers, working for the fincas or as serfs for the urban class.</li> <li>The conflicts were against any new system that disrespected the previous agreements with the Spaniards.</li> <li><a href="https://eleonoraescalantestrategy.com/2025/10/31/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-7-philosophical-foundations-of-agricultural-liberalism-1870-1900/">https://eleonoraescalantestrategy.com/2025/10/31/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-7-philosophical-foundations-of-agricultural-liberalism-1870-1900/</a></li> </ul>
	Dictatorship model	Strong Military strategy	Continuous definition of borderlines between each country	Church and educational reforms	Foreign Investments	
	Racism towards Indians (considered inferior)	Creation of each country national identity	Committed to modernization in terms of infrastructure & tech improvement	Retake the agenda of the UPCA Federation	Liberal free market Policies	
Local Banks establishment	Land reforms and redistribution of landownership	Formation of new political elites	Foundation of landless class of rural workers	Focus to agro-export of coffee		
<ul style="list-style-type: none"> <li>The indigenous natives comprehended that there was a need to produce from the land, but keeping the balance of nature and without the pursuit of one-sided ambitions. Since they also kept a tacit contract with the Charles V Habsburg Administration, to do not touch their refuge lands of the Southern lowlands (La Montaña, the Lacandona and Peten-Itza), and do not touch the area of the Altos or Highlands, were their communities were residing. Of course, the new model of coffee plantations disrupted everything.</li> <li>The Maya and Nahua peoples felt betrayed by the Bourbon Spaniards, particularly when they began to experience violence, repression, or when they saw expropriations and became landless or did not have money to pay for their foodstuff and basic needs. The "subject-vassal" condition continued under "indebted peonage". The Indians love for the land was so extraordinary, that they preferred to stay and work the land as "peones de finca" for the new coffee planters, with a seasonal collection, <b>Eleonora Escalante Strategy</b> than to leave.</li> </ul>						



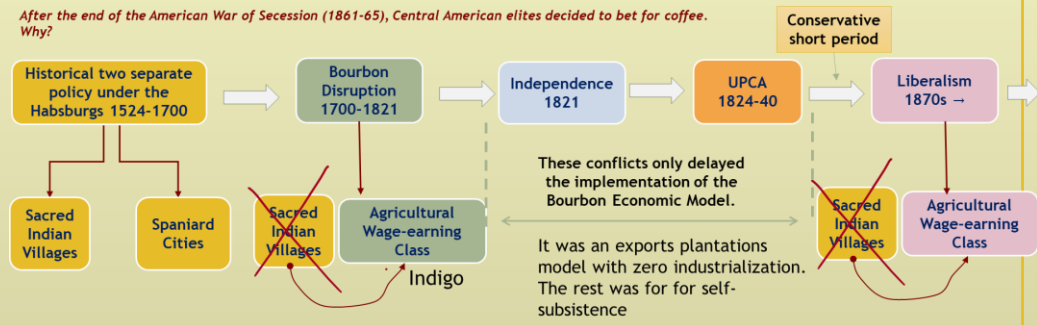
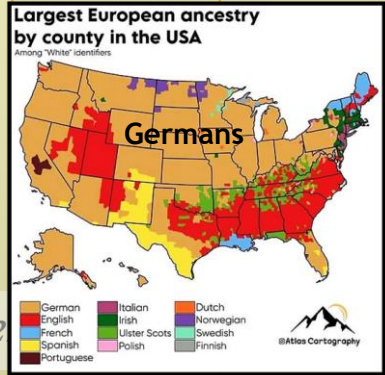
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*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	Summary of published strategic reflections
Episode-Name	Summary of Reference Material	
<p><b>Episode 8.</b> <b>Where there is no precious metals.</b> <b>Agricultural commodities in Central America</b></p>	<ul style="list-style-type: none"> <li>• <b>What was happening in the USA while Central America was defining its identity and its economic model?</b> <ol style="list-style-type: none"> <li>1. Great Britain territories and the German Nation individuals were migrating to the USA. After the Independence from Britain (1776), the USA population augmented from 4 million (1790) to 9.6 million (1820), to 17 million (1840), to 50 million (1880), to 76 million (1900). The greatest wave of immigrants from German nations and Britain happened between 1840 to 1890.</li> <li>2. The original foundation (solid ground) of the American economy was agriculture: In 1790, 90% of 4 million inhabitants were farmers. Only 10% were dedicated to industrial wage-workers (iron and construction). The core of industrialization occurred right after 1850 (when the USA conquered all the land of North America), and its epicenter was the Northeast.</li> <li>3. The transcontinental railway was finished in 1869, and the USA became divided in the formula of economic development: The south was based on plantations based on slavery. The north was based on industrial factories and construction of infrastructure and other services, using wage paid workers.</li> <li>4. However, the core of the industrialization in the Northeast was the construction of connectivity railways (tons of railroads were built between 1870-90). These railways and trains were required for expansion of people and transport economic production of the land to the cities.</li> <li>5. The American war of secession (1861-65) was the conflict between those who supported the south model, and those who supported the north model.</li> <li>6. In this context of the USA expansion and German migration, Central America was trying to define what to do.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Precious metals were found by the Spaniards in Honduras and in other locations of Central America. However, these mining centers were not a priority since the region was under the old-Habsburg model of not using the land for commerce-trading of metals.</li> <li>• The Central American caudillos and landowners were watching what was occurring in the USA. And they were afraid of becoming a colony for that new emerging society, that was guided by the new rules of endearment of the Prussia-British Empires.</li> <li>• If the USA was farming and building railways, then Central Americans decided to do the same, according to their climate conditions, and they chose coffee which was mainly imported to Germany, the USA and Britain (the same clients in different zones!!!?)</li> <li>• Why did Central America's liberals choose coffee? They had no choice.</li> </ul>





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

## From 1700-1900: The Origin of Central America Political Economy

### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 9.</b> <b>The consolidation of the Hacienda Model in Central America.</b></p>	<ul style="list-style-type: none"> <li><b>What was the economic structure of the kingdom of Guatemala 1700 vs 1900?</b> It wasn't agricultural capitalism. It was a feudalist in transition to mercantilist monoculture economy. Please remember that the kingdom of Guatemala was 300 years behind Europe.</li> <li>Remember there were three separate economies: the Indian Native-tributaries, the Catholic Church economy and the Colonial Criollos commercial-mercantilist economy.</li> </ul> <div data-bbox="420 656 1006 921" data-label="Diagram"> </div> <ul style="list-style-type: none"> <li>At the opening of the 19<sup>th</sup> century, the kingdom of Guatemala held certain feudalist characteristics (particularly within the Indian and Catholic Church Economies, while the Criollos-Spaniards were not producing yet a relevant product, despite the Indigo challenge.</li> </ul> <ul style="list-style-type: none"> <li>In Central America, the land was not yet developed for exports (with exception of Indigo and cochineal) and the Bourbon Reforms wanted to change that. More than 900 haciendas were in the hands of the Catholic Church before the Independence. These haciendas were part of the Indian communities, like congregation of Indians, altogether with the lands of cofradias and tierras comunales, ejidos). The liberal agenda of the 19<sup>th</sup> century expropriated all that property, suppressed the catholic economic system, and all that land passed to new landlords, and the Indian sacred village was dismantled.</li> <li>The hacienda in Central America was called "finca", and it was a rural property under a dominant owner, worked with dependent labor, employing little capital and producing for a small-scale market.</li> <li><b>What was the hacienda economic model at the end of the 19<sup>th</sup> century?</b> Most of the haciendas for coffee exports were the result of marriages of the daughter of the local new landlords with Europeans or Americans (German origin) who changed the state of the Art Corporate Strategy of finca señorial feudal to an export farming model.</li> </ul>	<ul style="list-style-type: none"> <li>Our analysis identified the Central American society structure as a Mazinger Z: It was able to separate its different parts of the body, but their strong family colonial ties kept the body united after every crisis, under a head that was in Antigua Guatemala.</li> <li>Each nation had a specific typology based on a monoculture crop, climate conditions for low-lands different than high-lands, landownership was new (after the confiscation of the lands of the Catholic Haciendas), all fincas of great proportion were tied to European origin patrones, and the native indigenous kept offering their labor to the fincas, many of them residing in the hacienda.</li> <li>The Indians who resided in tiny lots of lands inside the Catholic Church complex haciendas, passed to the new landlords' property, in a feudalist contract of labor. If lucky, the new patron gave them a piece of land for a house, and a "parcela for domestic animals and milpas", and in exchange, the head of the Indian family became a loyal for life indebted labor peon. If the patron was a good one, there was water and a nearest school. The land was not transferred to him. For us this new model of finca was a feudalist one with capitalist international clients.</li> <li>The nations of Central America were not structurally developed to become agrarian capitalists until after WWII.</li> <li>The new haciendas required transportation railways to send the coffee to the nearest ports in the Atlantic.</li> <li><a href="https://eleonoraescalantestrategy.com/2025/11/14/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-9-the-consolidation-of-the-hacienda-model/">https://eleonoraescalantestrategy.com/2025/11/14/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-9-the-consolidation-of-the-hacienda-model/</a></li> </ul>

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

## From 1700-1900: The Origin of Central America Political Economy

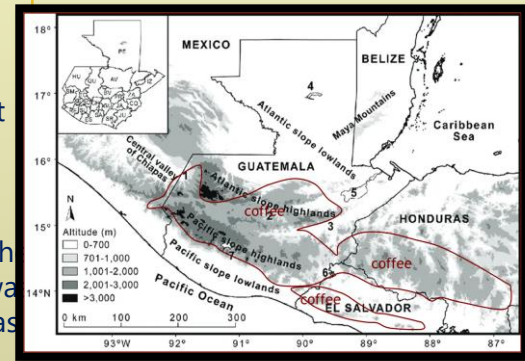


Slide 1 of 2

### Summary and Conclusions Season IV

What was happening in the Kingdom of Guatemala between 1700 to 1900

SEASON IV	From 1700-1900		
Episode-Name	Summary of Reference Material		Summary of published strategic reflections
<p><b>Episode 10.</b> <b>The Golden Bean of Coffee in Central America</b></p> <p>Guatemala South-western part under General Carrera, conservative 1865</p>	<ul style="list-style-type: none"> <li><b>Irreconciliation of traditional landholding vs. Plantation exports for profits:</b> Our introduction to coffee plantations in Central America is manifested in how to reconcile the interest groups of three economic systems: The Native-Americans who didn't want to lose their lands, the Catholic Church who was confiscated, and the new landlords who wanted to produce from the land. The three groups had different interests, and the first two (the Indians and the catholic Church) lost the track with the liberals.</li> <li>The Catholic Church was somehow providing certain refuge to the Indian communities, despite some of the reported mishandlings, but when the land was confiscated, the Native-Indians entered in panic. And that dreadful anxiety is observed in the rebellions, uprisings, and different conflicts. Just put yourself in the Indian-Mayan-Nahuat descendants... please.</li> <li>The Native Peoples, apparently free from the Spanish Crown, and as new citizens of the liberal nations had three choices.             <ol style="list-style-type: none"> <li>Remain as permanent tenant (fief-vassal figure) in the land or near the land of their ancestors, serving the new landlord. If unlucky, migrate to the "tierras en desuso" or "tierras baldías" - "lands without owners".</li> <li>Migrate to urban centers to serve the wealthy families or find an urban low-wage job</li> <li>Keep their artisan small ateliers (different family businesses related to artisan hand-made artcrafts) and trade the objects in the markets of the new villages.</li> </ol> </li> <li><b>Coffee was beautiful.</b> Coffee represented a product that kept the highlands almost intact in comparison to the bananas planted in the Atlantic. The Natives didn't like the model of the banana plantations. Coffee required certain shade and certain temperature to shine in international markets.</li> <li><b>The Natives-Indian descendants as seasonal workers:</b> By heavenly coincidence or not, the coffee model was less prone to rejection to the Mayans and Nahuas. Additionally, coffee was a seasonal crop, and the natives migrated from their homes for a few months to harvest (las cortas de café) the landlord plantations.</li> </ul>		<ul style="list-style-type: none"> <li>Coffee plantations were the commercial endeavor that was imposed by the liberals, in their quest to make the Central American nations productive. After the Independence, and after the failed UPCA, the hacienda of coffee was the best "model" for the region against the advancement of North American's plans (banana plantations was the card used by German-Brit-Americans with their cultivation in the Atlantic).</li> <li>Coffee was a commodity much appreciated by the liberal economies of Europe and North America, this crop was used as an armor to stop the advancement of the USA, as the criollos of this epoch thought. When the liberal governments-imposed coffee (secured by cashflows from its exports), the Indian economic system was sacrificed, particularly for those lands suitable for best coffee: ( between 1,200-2,200 meters above sea level). Look all the land that was required for coffee!</li> <li>All the region of the North of los Altos in Guatemala, Alta &amp; Baja Verapaz, Jutiapa, Jalapa, parts of Chiquimula, Sacatepéquez, Chimaltenango, Sololá, Totonacapan, San Marcos, North of Retalhuleu and Suchitepéquez, and Quetzaltenango. In El Salvador, the middle-strip of El Salvador, near the settlements of Izalco-Nahuizalco.</li> </ul>



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

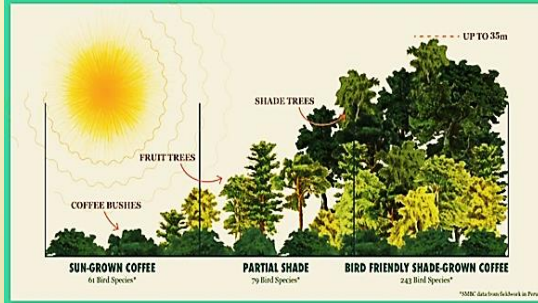
## From 1700-1900: The Origin of Central America Political Economy



Slide 2 of 2

### Summary and Conclusions Season IV.

What was happening in the Kingdom of Guatemala between 1700 to 1900

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 10.</b> <b>The Golden Bean of Coffee in Central America</b></p>	<ul style="list-style-type: none"> <li>Regardless all the critiques of coffee plantations, coffee was an environmental blessing, in comparison to bananas, indigo or cacao. The problems of coffee were ingrained in the "labor" and "ownership of the value chain" which did not allow the Natives to participate on it as shareholders of the business. The Indians were pleased to not continue being "Indians tributaries", but the new landlords continued with feudalist practices, using the State or municipal coercion to extract benefits from the peasants, paying</li> <li>hyper low-wages, without fixing the landless status of them.</li> </ul>  <ul style="list-style-type: none"> <li>Finally, we did a comparison situational analysis (1870-1930), between Costa Rica, Guatemala and El Salvador Coffee fincas using the following variables:             <ol style="list-style-type: none"> <li>1. Year cultivation began</li> <li>2. Situation of Rural Landless Workers</li> <li>3. Differentiation factor of the operating model</li> <li>4. Proletarianization</li> <li>5. Indian Population</li> <li>6. Price of land vs. Labor</li> <li>7. Who exercised the power and control of Value Chain</li> <li>8. Financing available for farmers</li> </ol> </li> <li>9. Distinctiveness of the agrarian pre-capitalism</li> <li>10. Other plantations in the country</li> <li>11. Socio cultural aspects</li> </ul> <ul style="list-style-type: none"> <li><b>A beneficio</b> is the place where the coffee cherries are processed, removed from the mucilage, fermented, washed, classified and dried to become the coffee bean that will be roasted. It is called a wet processing plant, but there are also dry processing beneficios too.</li> </ul>	<ul style="list-style-type: none"> <li><b>Costa Rica:</b> The land distribution was kept between 41 to 600 hectares as of 1830. The model of the small farm working together. Indian population was absent, so the wages raised up. The "beneficios" exercised the power in the local value chain (many times they were also the exporters). Railway available. British credit and then local banking existed.</li> <li><b>Guatemala:</b> In Guatemala, the coffee plantations arrived with Justo Rufino Barrios as president from 1873. The Guatemalans emulated the model coming from Costa Rica, but the trouble was the "agrarian take-over of the land by force". Barrios policies disintegrated the Indian communal economy after the Catholic lands were confiscated (more than 970,522 acres or 400,000 hectares). Most of the land was given to foreigners (Germans of Alta Verapaz or Criollos intermixed with Germans). The most affected areas were San Marcos, Sololá; Quetzaltenango, Suchitepéquez, Alta Verapaz (the Altos area of General Carrera). The fincas del mozo were opened feudal structure to let peasants for a rent paid in harvest labor (Feudalist system). The Germans owned 170 fincas of 1657 owned by Guatemalans. Banking was available, and the UFCO built the railway, receiving concessions of land.</li> <li><b>El Salvador:</b> Coffee planting began with the ousting of conservative President Dueñas in 1871. Indigo crops felt afterward. In El Salvador, 1207 hectares of ecclesiastic land cofradias was minimum, in comparison to the 257,523 hectares of ejidos and communal lands of the Indians. President Zaldivar confiscated the lands of the Indians between 1879 to 1882. The Indians moved to work under colonato (feudalist labor rent) or sharecropping, seasonal living in the fincas owned villages; and tenantry. The Rural police force, national agrarian police and the National guard enforced the vagrancy law to control the peasants. The new Salvadoran landlords were intertwined with national politicians, and foreign European producers produced intensively in their farms.</li> </ul>

27/4/2026

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<https://eleonoraescalantestrategy.com/2025/11/21/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-10-the-golden-bean-of-coffee/>



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

## From 1700-1900: The Origin of Central America Political Economy

### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	Summary of published strategic reflections
Episode-Name	Summary of Reference Material	Summary of published strategic reflections
<p><b>Episode 11.</b> <b>The indigo courage in Central America</b></p>	<ul style="list-style-type: none"> <li>• <b>Indigo crops in the Kingdom of Guatemala preceded Coffee:</b> if the royal household of Central America shouldn't touch the community lands of the Indian-Natives, it was indigo that disrupted the landscape of the Indians.</li> <li>• We explained the process evolution of the land: From Invasion (agropastoralism) to Transformation (fincas), to formation of an agriculture capitalism. This process began as of the year 1700.</li> <li>• Indigo cultivation altered the natural land use of the kingdom of Guatemala for the first time in history. Despite that it was used by the Natives, it was a high-end royal blue-dye only reserved for the upper-class textiles</li> <li>• Indigo plantations and processing occurred only between 1770 to 1830, and more than 24,000 slaves were introduced to produce the "high quality" flower, which was focused into the upper premium superiority segment. Britain developed massive indigo planting in Bengal through the EIC business in Asia, nullifying the competitive markets of the Central Americans. The demand was driven by the British-German first industrial revolution of the textiles.</li> <li>• We described the value chain of the indigo production: inbound raw materials, operational process, outbound final product, marketing-sales and distribution.</li> <li>• Indigo was supposed to be the top star product of the region, but there was a huge risk: the operational production process was highly toxic, and it killed the workers (Indians and African slaves).</li> <li>• We explained all the negative factors of producing indigo: environmental concerns, caused cardiovascular and respiratory bad effects, skin irritation, neurotoxicity, carcinogenic, and death after a couple of years or months of working on it.</li> <li>• Researcher Wortman gave us the data of exports of flor quality Indigo between 1779-1810, the duties charged to indigo in Great Britain</li> </ul>	<ul style="list-style-type: none"> <li>• Indigo plantations evolution and globalization from Central America to India were considered one of the most successful businesses of the end of the 19<sup>th</sup> century, however it was one of the most disastrous human choices, it expanded based on zero wage but slavery.</li> <li>• The planting of indigo in Central America occurred in two waves, when indigo was scarce (1620s), and when indigo transitioned to a commodity (1780s).</li> <li>• From the numeric data of Miles Wortman (see the slides on the episode please), let's augment it by 33%, because 1/ of production of indigo was going to British smugglers. Central America exported at a rate of 1 million pounds of indigo per year (1787-1801). In Bengal, India, that rate of exports was reached in 1794, and it was tripled by 1796. Britain textiles decided to produce themselves in India their own dyes, leaving the Kingdom of Guatemala out.</li> <li>• The foundation of the indigo production industry was slavery, human drudgery in the middle of unhealthy protocols.</li> <li>• Inter-imperial competition cannibalized the indigo expansion in Central America. The EIC and its associated partners in India built their own vertical integration there, reducing the costs the greater.</li> <li>• The Indigo Revolt in Bengal Region (1859-60) was a peasant uprising of Indigo workers against the British. By this time Bengal and Bihar were producing 19,000 tons of indigo (42.57 million pounds).</li> </ul> <div data-bbox="1439 942 1847 1178" data-label="Image"> </div> <p><a href="https://salvadorexplora.com/tradicion-anil-el-salvador/">https://salvadorexplora.com/tradicion-anil-el-salvador/</a></p> <ul style="list-style-type: none"> <li>• Baeyer, in 1901, the German chemist synthesized the Indigo, and the production of Indigo i India collapsed forever.</li> </ul>

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

## From 1700-1900: The Origin of Central America Political Economy

### Summary and Conclusions Season IV.

*What was happening in the Kingdom of Guatemala between 1700 to 1900*

SEASON IV	From 1700-1900	
Episode-Name	Summary of Reference Material	Summary of published strategic reflections

**Episode 12.**  
**The cacao pilot scoop of Central America**  
*Original recipe of Chocolate liked by Europeans Aristocrats (1691)*

Ingredients
100 cocoa beans
2 chilis
A handful of anise
1 stick of vanilla Campeche
2 native flowers Meca-Xóchilt
2 pinches cinnamon
12 almonds or hazelnuts
½ pound sugar
1 pinch of achiote

- What is the cacao plant?** We explained the cacao plant, and its cacao worldwide belt geographic zones for its planting.
- Origins of Cacao:** The Theobroma cacao plant has at least between 10 to 13 variations, and the original distribution of the plantations was Central America, Colombia, Ecuador and the Northern coast of South America. Hernando Cortés and Pedro de Alvarado discovered "chocolatl" and got in love with the properties of the beverage. The cacao was precious for the native peoples, and they used it as a tribute to the Spaniards.
- The appreciation of the cacao by the Spaniards grew enormously** (given its curative properties) once sugar joined the recipe. The demand in New Spain and Europe augmented, and the supply required methods of exhaustion against the indigenous who were decimated.
- According to McLeod, the cacao plantation model of Central America was the desperate intent to create wealth at the encomenderos level. We suggest, the first encomenderos were the military knights who probably required income, and cacao was the nearest low-hanging fruit to sell in New Spain.
- We discussed the historical trajectory of Cocoa plants.
- Demand:** the Europeans finally after 150 years (1650) were tamed by the cacao taste with added sugar. The chocolate beverage of the recipe at your left was liked by Europeans massively then. The consumption of cacao per person grew from 40 grams/year (1885) to 550 grams/year in 1905 in the German nations.
- The difficulties of labor to cultivate Cacao (the Indigenous crashed the industry) forced the supply to go to Africa, Indonesia and other regions in South America.

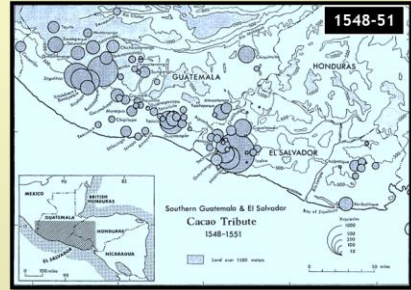


Image Source: Bergmann, John F. "The Distribution of Cacao Cultivation in Pre-Columbian America." *Annals of the Association of American Geographers* 59, no. 1 (1969): 85-96. <http://www.jstor.org/stable/2566524>

- The region called Cacao Global Belt is the global zone where cacao orchards thrive. Central America was positioned in that area, and the chocolate was a royal beverage for the Aztecs and Mayans.
- The Spanish Conquistadores found the cacao plantations in the Soconusco and the pacific lowlands of México-Guatemala-El Salvador, and some in Honduras. Because the Soconusco natives were tributaries to the Aztecs, these peoples were used to tribute to México. The mortality of the Natives was so high during the 16<sup>th</sup> century, that cacao was not exploited given the lack of labor. There were 109 native pueblos from the cacao district paying tribute of 314,180 pounds (157 tons) representing 5% of the average yearly production: 6 million pounds of cacao (3,140 tons). The production was for the encomenderos, who sold it to New Spain and from there to Spain.
- Consumption patterns drove the demand of cacao over time:** Before the introduction of sugar to chocolate the demand took centuries to grow it was only used by an elite who knew about its properties. It wasn't until the boom of sugar production in Central America and Caribbean, that the Germans (Dutch and the rest of empires) adopted to consume it. The industrialization and wage-earning also influenced in the possibility to buy chocolate. By the end of the 19<sup>th</sup> century, chocolate-sugar products became a game changer.
- The Dutchs, British and Germans helped to rise the consumption patterns of cacao, and they moved plantations of cacao to Africa and Asia, while the two main centers of production in America are still Brazil and Ecuador.

We encourage you to visit the episode: <https://eleonoraescalantestrategy.com/2025/12/05/central-america-a-quest-for-the-progression-of-economic-value-season-iv-episode-12-the-cacao-pilot-scoop-of-central-america/>

Figure 2.1 World production of cacao beans (1900-2012), by region in 1000 metric tons

Country	1900 (1901)	1960	2012	
	Tons	%	Tons	
Ivory Coast	0.00	0.00	94,000	8
Indonesia	0.00	0.00	1,523,440	54
China	0.00	0.00	1,212,000	43
Ghana	0.00	0.00	490,000	19
Equatorial Guinea	0.00	0.00	180,000	7
Cameroon	0.00	0.00	170,000	7
Brazil	0.14	0.01	163,000	14
Ecuador	19,000	12.00	40,000	4
Dominican Republic	0.00	0.00	40,000	4
Colombia	0.11	0.00	10,000	1
Trinidad and Tobago	14,000	12.00	27,000	2
Vanuatu and PNG	17,000	12.00	10,000	1
Malaysia	0.00	0.00	10,000	1
World	32,700	24.00	1,330,000	100



*Thank you*

**The origin of Central America political-economy.**

**Summary Season 4**

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