Colonial Administration

The expansion of a colonial administrative apparatus and bureaucracy paralleled the economic reorganization. The viceroyalty was divided into audiences (audiencias), which were further subdivided into provinces or districts (corregimientos) and finally municipalities, which included a city or town, governed by town councils (cabildos), composed of the most prominent citizens, mostly encomenderos in the early years and later hacendados.

The most important royal official was the viceroy, who had a host of responsibilities ranging from general administration (particularly tax collection and construction of public works) and internal and external defense to support of the church and protection of the native population. He was surrounded by a number of other judicial, ecclesiastical, and treasury officials, who also reported to the Council of the Indies, the main governing body located in Spain. This configuration of royal officials, along with an official review of his tenure called the residencia, served as a check on viceregal power.

In the early years of the conquest, the crown was particularly concerned with preventing the conquistadors or encomenderos from establishing themselves as a feudal aristocracy capable of thwarting royal interests. Therefore, it moved quickly to quell the civil disturbances that had racked Peru immediately after the conquest and to decree the New Laws of 1542, which deprived the encomenderos and their heirs of their rights to native American goods and services.

The early administrative functions of the encomenderos over the indigenous population (protection and Christianization) were taken over by new state-appointed officials called corregidores de indios (governors of Indians). They were charged at the provincial level with the administration of justice, control of commercial relations between native Americans and Spaniards, and the collection of the tribute tax. The corregidores (Spanish magistrates) were assisted by curacas, members of the native elite, who had been used by the conquerors from the very beginning as mediators between the native population and the Europeans. Over time the corregidores used their office to accumulate wealth and power to dominate rural society, establishing mutual alliances with local and regional elites such as the curacas, native American functionaries, municipal officials, rural priests (doctrineros), landowners, merchants, miners, and others, as well as native and mestizo subordinates.

As the crown’s political authority was consolidated in the second half of the sixteenth century, so too was its ability to regulate and control the colonial economy. Operating according to the mercantilistic strictures of the times, the crown sought to maximize investment in valuable export production, such as silver and later other mineral and agricultural commodities, while supplying the new colonial market with manufactured imports, so as to create a favorable balance of trade for the metropolis. However, the tightly regulated trading monopoly, headquartered in Seville, was not always able to provision the colonies effectively. Assadorian shows that most urban and mining demand, particularly among the laboring population, was met by internal Andean production (rough-hewn clothing, foodstuffs, yerba mate tea, chicha beer, and the like) from
haciendas, indigenous communities, and textile factories (obrajes). According to him, the value of these Andean products amounted to fully 60 to 70 percent of the value of silver exports and elite imports linking Peru and Europe. In any case, the crown was successful in managing the colonial export economy through the development of a bureaucratic and interventionist state, characterized by a plethora of mercantilistic rules that regulated the conduct of business and commerce. In doing so, Spain left both a mercantilist and export-oriented pattern and legacy of "development" in the Andes that has survived up to the present day, and which remains a problem of contemporary underdevelopment.