AN INSTITUTIONAL APPROACH TO ECONOMIC AND SOCIAL PATTERNS
OF EMULATION IN COLOMBIA, SOUTH AMERICA

THESIS

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This study is concerned with the historical development and perpetuation of the leisure class in the Colombian society. The study is based on Thorstein Veblen's *Theory of the Leisure Class*. The main purpose of this study is to analyze in terms of the evolution of social institutions the problems that the Colombian society faces today.

Spanish values and traditions are analyzed, as well as more recent values and modes of behavior adopted by the leisure class. Institutions such as the church, the educational, employment and political apparatus are analyzed in terms of how they contribute to the perpetuation of elites.

This study concludes that as long as there is economic surplus in society, a leisure class will exist. The elites forming the leisure class may be displaced by counter-elites, which in turn will conform a new leisure class.
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CHAPTER I

INTRODUCTION

Definition of the Problem

Bogota, Colombia.--Heavily armed leftist guerrillas shot their way into a diplomatic reception, seized the U.S. Ambassador, forty-four other hostages and threatened to start the "painful task of executing them." . . . The leftists demanded the release of more than three hundred political prisoners (2, p. 1).

In recent years, Colombia has gone through one of its most turbulent economic and social periods since its political independence from Spain in 1819. Strikes in the industrial, agricultural and educational sectors have been brutally repressed by the government. The inefficiency and lack of innovation of the ruling class have created a situation of economic and social stagnation. Thus, the appearance of terrorism is not surprising, and the takeover of embassies appears to some as the only effective means to call international attention to the social and economic problems of the country. The decadence and corruption of the judicial system as well as other branches of government have served to increase the terrorist activities of counter-elites in their attempt to overthrow the system and implant a new social order.

The institution of private property has been present in Colombia since Pre-columbian times. The native inhabitants
of the country before the Spanish conquest had the institution of individual ownership and the implications of it, though in a different manner than what exists today (9). According to Thorstein Veblen,

Wherever the institution of private property is found, even in a slightly developed form, the economic process bears the character of a struggle between men for the possession of goods (12, p. 35).

Today, this struggle for the possession of goods takes form in state repression, lack of social and economic opportunities for the common man and a general social discrimination not so much on the basis of race or social background, but on the basis of wealth, capacity for accumulation and occupation. Through history, the state often has been on the side of the wealthy because those having economic power can manipulate the state in pursuit of their vested interests (5).

As one observer has noted:

When a visitor contemplates the differences between the standard of living of our peasants and the standard of living in the big cities, or when he observes the urbanistic conformation of the latter and the contrast between poor neighborhoods and rich mansions he can realize without looking for statistical evidence that in Colombia there is a serious problem of concentration of opportunities. The wealth and power in the hands of a minority are far away from the rest of citizens (10, p. 4).

For decades, politicians and many intellectuals have engaged in debates and discussions about the need for radical economic and social change in Colombia. This has
been the main issue in every political campaign that has taken place in the country. However, this need for change has been manipulated and exploited in such a manner by the controllers of economic power, that the masses still give all their support to establishment candidates when the time for presidential election comes (7; 1).

So far, no social change of any considerable magnitude is still observable in Colombia. People with aptitudes for effective opposition are either coopted into the leisure class or removed from any strategic or vital position opposed to the interests of the leisure class. The overall result of this has been a continuous social and economic stagnation. Thus, a gap is found between those who have accumulated some kind of property and those who have not been able to do so. Further, the social conflict is increased where those who have acquired some ownership want to increase their power and position through what Veblen refers to as pecuniary means (12, pp. 33-40). Individuals who have been deprived of ownership and status will emulate their rulers with the hope that some day they will participate in the privileges of the leisure class. According to Veblen (12) this differentiation of individuals on the basis of ownership is what leads to emulation which in turn produces invidious distinctions between individuals, social groups and even countries.
Veblen's Theory of Pecuniary Emulation

Thorstein Veblen defines emulation as "the most powerful economic motive, with the exception of the instinct of self-preservation" (4, p. 177). Further, Veblen argues that "in the modern industrial community emulation expresses itself in pecuniary emulation" (4, p. 177) as opposed to what could be named as industrial emulation. According to Veblen, the main motivation for the acquisition of ownership is emulation (12, p. 35). This motive, then, continues active "in all those features of the social structure which the institution of ownership touches (12, p. 35). Thus, for those members of the community left aside from the privilege of ownership it becomes indispensable to somehow accumulate and acquire property in order to obtain, and later on retain one's good name (12, p. 37). To summarize,

Emulation occurs when an individual economic unit utilizes the means of subsistence for conspicuous purposes such as the acquisition of reputability and social acceptance (3, p. 156).

Veblen relates the concept of emulation to the institution of ownership in the sense that they both interact together for the purpose of creating invidious distinctions. The leisure class according to Veblen is defined in terms of occupations. According to Veblen "these occupations are government, war, sports, and devout observances" (12, p. 44). Vilfredo Pareto defined elites as those "who score highest on scales measuring any social value or commodity such as
power, riches, knowledge" (8, p. 8). Furthermore, Harold Lasawell identified elites as those who possess power, deference and income sufficient to set themselves apart from the remainder of society. To maintain their superior social positions they manipulate symbols which convince the remainder of society that the existing stratification is legitimate and even beneficial (6). Therefore, the leisure class is the consolidation of elites especially those involved in government, war and religion. Consequently, the terms elite, upperclass or leisure class will be used interchangeably referring to those members of society who perform the functions of accumulation and control of power and wealth in society.

The leisure class, according to Veblen, coincides with the beginning of ownership. It is indispensable for a leisure class to accumulate some kind of surplus. During times of savagery there was no accumulation of surplus and therefore this was a period of human history in which the leisure class never existed (12, pp. 21-40). It is not until the age of barbarism that the accumulation process begins. Parallel to this phenomenon, a predatory mode of behavior begins to prevail (12, pp. 21-32). Essentially, it is a mode of behavior by which an individual tries to take advantage of the rest of society. The leisure class is considered to be a predatory class in the sense that one of its main functions is to absorb the surplus so that there
is still the feeling of privation. This feeling of privation is what holds modern society together and is the main motivation for an increase in growth (11; 12).

It is important to mention that the expenditures of the leisure class are directed toward commodities that possess display value. According to Veblen the exchange or use value of commodities becomes relatively unimportant. What is really important is the display value that the commodity has, so that invidious distinctions among the members of the community will be perpetuated (12, pp. 60-70). Through this mode of behavior the leisure class begins to set up a pattern of living for the remainder of the community. Veblen mentions that

The leisure class stands at the head of the social structure in point of reputability; and its manner of life and its standards of worth therefore afford the norm of reputability for the community. The result is that the members of each stratum accept as their ideal of decency the scheme of life in vogue in the next higher stratum, and bend their energies to live up to that ideal (12, p. 70).

The type of religion, government, education and values that a society develops are, thus, determined by the leisure class. Emulation then, becomes the model for right conduct in what Veblen refers to as a pecuniary civilization. Emulation emerges as the only possible way for the members outside the leisure class to reach some kind of reputability and social respect. As the leisure class develops, a simultaneous development of imbecile institutions begins to
appear in the social scene. Veblen (12) refers to habits such as ceremonial adequacy, devout observances, and pecuniary canons of taste as imbecile institutions in a society led by the leisure class. Veblen concludes that the problem with capitalism is that it is based on the leisure class. It is not so much a problem of exploitation as it is a problem of emulation. The majority of the proletariat are, according to Veblen, too ignorant and stupid to be conscious of their occupational role and their social situation of exploitation. Emulation, then, becomes the valve of escape for their frustrations.

Before going further into this study, it is important to mention the existence of emulation at different levels in society. There is emulation from the lower classes toward the leisure class as well as emulation within the members of the leisure class. The reason for the latter is that individuals are continuously struggling for higher positions within their elites as a means to increase prestige and reputability. In relation to individuals outside the leisure class, some of them are co-opted into the leisure class while others continue emulating with the hope of being admitted into the leisure class. The only threat to the leisure class lies in the formation of counter-elites by those individuals that are not co-opted into the leisure class (8, pp. 9-10).

Therefore, according to Vilfredo Pareto, the perpetuation of elites relies on the recruitment of innovators.
Pareto has two classifications of elite types: the innovators and the consolidators. Pareto states that

An imbalance between innovation and consolidation can most easily be avoided by open recruitment into the elite. It is particularly important that an elite predominantly composed of consolidators admit intelligent innovators in its stratum (8, p. 10).

This is to say that if elites fail to coopt the innovators required for their permanence, the result will be the formation of counter-elites that will eventually try to mobilize the masses in their support to overthrow the system. In short, co-optation through emulation is the most effective way to control subversion. However, the Colombian leisure class has failed to co-opt innovators for the elites and thus, has begun to utilize military repression as the only means to deal with the threat of counter-elites.

Methodology

This study is primarily based on the theory of pecuniary emulation developed by Thorstein Veblen in his book, The Leisure Class. This is an associational type of research in which social processes, rather than individual situations, are considered. This study aims to be holistic in its approach to the development of the leisure class in Colombia. This is to say, that history is considered a fundamental factor in explaining the formation and evolution of the leisure class. Thus, special emphasis will be given
to the development of social institutions or what Veblen refers to as habits of thought.

Frame of Reference

In the eyes of the world, Colombia is only one of many underdeveloped countries in the Third World. It has been under the sphere of influence of Great Britain and the United States after political independence from Spain was obtained in the early nineteenth century. In this study, the following hypotheses will be examined:

1. The leisure class has utilized and manipulated the natural as well as the human resources of the country to consolidate and increase its vested interests. After political independence from Spain, these vested interests had to find support in Great Britain and later on in the modern international capitalism headed by the United States. Therefore, in order for the leisure class to maintain its privileges a blending of the most predatory values occurred after the fall of the Spanish empire in Latin America.

2. The ignorance, lack of opportunities and consciousness toward a rational and human way of life of the majority have produced very strong patterns of emulation toward the predatory values and modes of behavior of the leisure class. This in turn has contributed to the stagnation and exploitation of the Colombian masses. Therefore, for the lower classes the only possible way to survive in this predatory
community is through pecuniary emulation of those who control the economic and political life of the country.

3. Thorstein Veblen maintains that emulation replaces revolution (3). If the exploited are not organized and mobilized by counter-elites, they will not want to revolt; instead they will want to become like their exploiters. Thus, unless people become conscious of their emulatory role, there cannot be any hope for a structural change that could replace the traditional habits of domination and exploitation. If innovators are not recruited into the ranks of the existing leisure class, they will eventually consolidate counter-elites which will threaten the existing order, and thus might be repressed or exterminated by the military apparatus of the leisure class. If the leisure class fails to prevent the formation of counter-elites, then subversion will replace emulation and the existing elites of the leisure class will be replaced by those new elites.

Sources and Data

This study relies on a large body of historical, economic and sociological works written mainly by contemporary Colombian authors and American social scientists. The main source for statistical data is the Departamento Administrativo Nacional de Estadistica [DANE] which handles all the official and primary data of the country concerning economic and other related factors.
Objectives and Significance of the Study

It is the purpose of this study to analyze and develop the hypotheses that have been presented. In doing so, it is essential to analyze from a historical perspective the evolution of the leisure class in Colombia and the institutions that have developed and supported it. The author considers three main institutions as being the reason for the existence of a leisure class in Colombia. These are private property, the heritage of Spanish colonialism, and American imperialism. It is also the objective of this study to analyze the actual roles of these institutions and the specific ways in which they have helped to sustain a leisure class.

The Colombian society is a society of contradictions. It is a society with conflicts of interests, inequalities and social injustice. Many people want some kind of change in the social order, particularly lower groups who really are suffering from the present economic and social conditions. Peasants, unskilled workers and illiterates are people who could be better off if there were a social change in the fossilized structures of the Colombian society. But, what kind of change? This study does not have a precise answer to this question, but it is intended to provide some elements and views that have been neglected in the framework of analysis of those concerned with the Colombian political, economic and social situation.
CHAPTER BIBLIOGRAPHY


CHAPTER II

HISTORICAL PERSPECTIVE

For this study to have any validity, it is necessary to approach the problem in a holistic perspective. Therefore, a historical consideration of the main economic, political and sociological processes that have occurred in Colombia in the last four centuries will be analyzed.

Prehispanic Social Environment

Several different explanations concerning the population origin in Latin America have been developed in recent years. The most accepted view is that "the initial population of Latin America was carried out by groups of Asians who came from Siberia" (15, p. 36). According to Reichel-Dolmatoff (15) these groups migrated from Asia to South America through Canada and the Western United States. The flows of these migratory movements were determined mainly by climatic factors as well as the need for food (15, p. 36). By the time the Spaniards began to invade what today is Colombia, there were more than forty-five Indian tribes in the western part of the country (3, pp. 23-26).
Basic Patterns of Economic and Social Organization

Colombia has been characterized by its heterogeneous culture. Diversity and lack of social cohesion have been present since precolombian times. Climatic, geographic and genetic factors grouped the population in certain areas and helped to develop a tremendous variety of social and political patterns. However, by the time of the Spanish invasion [1500-1550], there was a single dominant social and political culture (2; 5). This culture was known as the Chibcha or Mwiska culture (7; 16), and was settled in the interior of the country (18, pp. 7-26). Advancement among the Chibchas was particularly observed in the utilization of natural resources (7; 15, p. 67; 18). Although the Chibchas never reached the level of development of the Aztecs in Mexico nor of the Incas, there are scholars who argue that the Chibchas "had reached the stage which the Incas occupied previous to the Chanca War" (13, p. 20). This took place several centuries before the Spanish conquered the Peruvian territory in the 1500s.

Reichel-Dolmatoff observes that "the increase in social complexity is expressed in a social hierarchy which is characterized by inequality among individuals as well as entire groups" (15, p. 67). Such was a characteristic of the Chibcha's social and political organization (2; 5, pp. 101-149; 20). Authoritarian hierarchies were based on
divine rights and no one would ever question their legitimacy (18, p. 109).

The Chibchas participated in active economic trade between their own highland economy and the nearby valley economies (7; 16). In terms of economic relations "there was a ceaseless flow of commerce. Cotton, gold, tropical fruits, cocoa and wood for lances came from the low plains and valleys, while the products of the Chibcha pottery factories and cloth industries went down in exchange (13, p. 126). Apparently, there was a free trade operation between the Chibchas and surrounding tribes. However, it is not known to what extent the government controlled the economic activities of production and trade.

The Chibcha territory was divided into two main kingdoms and their sovereigns were known as the Zipa and Zaque. Studies have found that "the Zipa and Zaque were despotic in ordaining laws, administering justice, presiding at festivals, and leading their armies" (8, p. 37, 13, p. 40). Each one controlled about half of the territory as well as the population (2; 13, p. 40; 20). In addition, these two sovereigns "were surrounded by usaques, or chiefs of provinces" (13, p. 40), who formed a special elite of privileged families. It is argued that the Chibchas did not "reach a level of civilization where there could be a true structure of state" (15, p. 104). Further, "their social organization
stagnated in a phase of development where a system of differential ranks predominated but not a system of social classes clearly stratified" (15, pp. 104-105).

The Institution of Private Property Among the Chibchas

The Chibchas were not exactly an egalitarian society. In Veblen's terminology (19, pp. 33-40), there was a leisure class that by controlling the surplus also acquired complete control of the political and religious apparatus.

The senorio was institutionalized as well as a system of lineages and prerogatives which were generally inherited. Around the cacique, the appearance of a group of families with a high rank was clearly observable (15, p. 67).

Private property was present among the Chibchas mainly as a consequence of accumulation of surplus in their society (2; 5; 7). The caciques controlled the most fertile land which allowed them to produce more (13, pp. 126-127; 16; 18; 20). Through the divine right they legitimized the accumulation of goods and the distinction of individuals (15, p. 67). This, in turn, led to the development of cacicazgos and the differentiation and specialization of social groups.

In the year 1500 "the Chibcha Indians numbered approximately 500,000 and were settled in the highlands and slopes of the Colombian Andes" (15, p. 36). The Chibcha's economic and social environment was characterized by private ownership and certain patterns of emulation were developed when
reaching for social acceptance and prestige (13, pp. 40-48). With the Spanish conquest some of these social structures were destroyed and others were accommodated to the invader's vested interest as in the case of the "mita" (3, pp. 113-122, 132-136; 6). The Chibchas as well as other cultures in Latin America were going through a process of social development that was truncated by the discovery, domination and exploitation of their territories in the 1500s.

Spanish Colonization

The Spanish conquest of most of Latin America took place during the early and mid-sixteenth century. After the first trips to America, the Spaniards realized the opportunities that the new world offered for a rapid accumulation of wealth. This was the main reason for conquering the Latin American territories (17). The motivation that brought the Spanish to the New World could be stated as the extraction and accumulation of all types of values that could be transferred to Spain for the purpose of increasing personal wealth, acceptance and respectability among the Spanish leisure class. If a person had not had the chance to participate in the leisure and privileges that only a few possessed in Spain, he then would come to America to accumulate the wealth that would allow him to become a member of the leisure class (1, p. 17; 10, pp. 28, 37). When gold became scarce, Spaniards took over the land and used
it as an alternative source for wealth and power (1, pp. 42-52).

Spanish Traditions

The Spanish push for domination in the New World was both militaristic and spiritualistic (10, p. 179). The political and religious traditions of the Spaniards were transmitted and perpetuated in Latin America through the Catholic Church (10, pp. 179-208). Authoritarianism based on the idea that power is directly derived from God constituted one of the most important values in Spanish America. This is clearly observable in the forms of government that countries in Latin America have had since the sixteenth century (3; 10). Also, the family structure has been strongly influenced by the ideals of authority and power. Domination through authoritarianism has spread all over Latin America, and the Catholic ethic has provided the necessary rationalization for this type of action. As Nieto Arieta observes,

The Spanish came to America with the purpose of domination and becoming rich either through political appointments or exactions. They used their force, their ability and their character to acquire an enormous predominance over the Indians (14, p. 300).

To illustrate authoritarianism Friede (4) mentions the instructions given by a Spanish Governor to the explorers in Santa Marta:
The instructions of governor Fernandez de Lugo in Santa Marta were to inform the Indians that all those who voluntarily decide to obey the Spaniards would be treated well. However, those who would not accept the Spanish authority will be considered enemies. They will be declared slaves and their possessions will become part of the booty. Further, it was demanded of all Indians to give away their possessions to help the conquerors pay for the costs of their expeditions (4, p. 147).

Private Property After the Spanish Conquest

In most regions of Colombia before the conquest, Indians had been able to work the land and accumulate a surplus which was traded for products needed that were produced by other tribes. The institution of private property was a reality especially among the Chibchas. The Chibchas had worked the land for centuries and the land was their most prized possession. The Spanish expeditions that climbed the highlands of Colombia did not settle on the uncultivated or free lands of the region. Instead, they took over the most fertile and cultivatable land that had belonged to the Indians for centuries (1, pp. 42-43; 3, pp. 139-140). As Arango points out (1), this process of expropriation was not a peaceful one involving mutual agreement between Spaniards and Indians. Indians were firm in defending their personal possessions, and especially their land. However, the Spanish not only took over their lands, but also the Indians themselves. This is the beginning of the institution of private property in Colombia after the Spanish conquest.
Once the Spaniards dominated the Indians and took possession of their property, the productive land was distributed among the Spaniards. The first pattern of land distribution was known as the encomienda. This institution was originally designed for distributing land and for the purpose of protecting the Indians. Nieto (14) mentions that,

At first the encomienda was an institution established for defending and protecting the suffered Indians. However, the imperative of the economic reality transformed inevitably the encomendero into a permanent exploitator of the Indian (14, p. 293).

In reality, the encomienda can be described as a colonial institution with three principle objectives. First, to provide for land and wealth to those Spaniards that did not have the opportunity to obtain gold. As Friede (4) points out, the majority of the encomenderos were new people that did not participate in the conquest (4, pp. 182-183). Second, the encomienda not only offered economic power by having a free labor force, but also, political power. Being an encomendero, the owner of huge extensions of land had the power to impose taxes over the Indians. Nieto (14) argues that "the encomienda mixes the political power and the property of land" (14, p. 293). Therefore, according to him, the encomienda should be considered as a feudalistic institution in a context of colonial expansion. Finally, after the first generation of conquerors, the encomienda provided status and prestige to those Spanish descendants that had
been born in Latin America. This new generation did not have any reason for going back to Spain since Latin America was now their homeland.

The Indians' Situation

During the period of Spanish exploration and conquest [1500-1550], the Indian groups of Colombia concentrated their efforts in defending what they had worked and owned for centuries. After this period of resistance, the Indians began to retreat and were virtually dominated toward the end of the sixteenth century. By the seventeenth century the Indian population had been drastically reduced (3, pp. 60-65). Two main reasons account for this reduction in population among the Indians. First, the Spanish did not hesitate to torture or murder whatsoever amount of Indians necessary in their conquest for gold. Further, as it was mentioned earlier, all Indians who opposed the Spanish rule were treated like enemies and henceforth killed. Secondly, the heavy works imposed on the Indians in both mining and agricultural activities combined with the disregard of the encomenderos for their well-being, resulted in an increase in the death rate. The decrease in the Indian population progressed to such a point that the Spaniards realized the growing importance of black slavery. Heavy mining and agricultural activities presented a problem for the Spaniards and their solution to this dilemma was the importation of black slaves.
The lack of Indians along the coastal areas as well as in the interior of the country is an inducement for the colonos to ask for permission to import African Blacks. Pretty soon Cartagena becomes the principal port for the distribution of black slaves (4, p. 180).

Blacks, unlike Indians, were not considered to have soul. Therefore, the Church imposed no limits to their exploitation.

Throughout the colonial period [1550-1810], the Indians were organized under three main institutions. The first was the encomienda in which Indians had to work the land for free in exchange for food and a Christian faith. In cases where the Indians were paid for their work, taxes imposed by the encomendero would prevent them from any accumulation of money or values. The Mita (6) constituted the second type of institution utilized for the exploitation of Indians. Although in some cases they were free to work their land, at the same time Indians had to work the encomendero's land for a definite period of time every year (6). The lands that belonged to the Spaniards were productive because of the work the Indians were forced to put into it. Finally, some Indian tribes were allowed by the Spanish crown to maintain their unity and mode of life by retreating into what was known as resguardos. For a while, the creation of resguardos or reservations seemed to be the solution for the suffered Indians [isolated towns inhabited by the Indians]. However, this did not last very long because the encomenderos
wanted more labor force and therefore, direct jurisdiction over those Indian communities (3, pp. 164-174; 6).

The Beginning of the Actual Class Distinctions

The institution of the encomienda appears as one of the first foundation stones in the historical development of the leisure class in Colombia. The institution of encomienda and the tradition of authoritarianism supported by the Catholic Church, provided the necessary basis for the emergence of an elite that would eventually control the social, economic and political destiny of the country. Hernandez de Alba notes that:

The old Spanish institutions with their latent liberal sense were transplanted to America for the benefit of the Spanish descendants, a selected economic and social minority which will originate the oligarchic type of the Hispanoamerican peoples (11, pp. 6-7).

Moreover, the encomienda and, later on, the latifundia or hacienda found legitimacy under the idea of private property promulgated by the Catholic Church. The Catholic Church defined the principle of private property:

... as something essentially moral and any threat to this principle is considered as something immoral. The Catholic church proposes private property as something that is normal in mankind. It is rational, desirable and should be perpetuated (12, p. 23).

For this reason, the elite has always been aware of the importance of having the support of the Catholic Church. Furthermore, the Catholic Church itself provides the best
example of hierarchical structures and supreme authority. This organic and hierarchical structure of the church has had a decisive impact when considering the development of the different social strata that today exists in Colombia.

In terms of the emergence of the leisure class, Friede observes that in "the process of consolidation of the colonial economy, the complaining about the monopolization of the encomiendas by family groups and friends of governors was not absent" (4, p. 179).

When a predatory minority begins to take over the means of production, they are aided by the authoritarian structures of the particular society. This enables them to consolidate the social patterns of behavior in their most beneficial way. This is to say that, the type of society that would better protect the interests and exigencies of a predatory minority is a hierarchical society based on a strong and rigid central authority.

Throughout the Spanish conquest under this rule of the divine authority the Indians were forced to relinquish their possessions. By the seventeenth and eighteenth centuries, this rule had evolved into exploitation through slavery, unpaid work and heavy taxes on the Indian population.

**Mercantilistic Mode of Production**

Among other things, Spaniards brought the Christian faith to the uncivilized Indians and also the technique for
accentuating predation and parasitism. The Spanish came with the objective of exploiting and extracting as much as they could from the Indians (10; 13).

The economic activities were since the beginning directed mainly toward the foreign market. Stein and Stein (17) commenting on the export activities developed during the colonial period, mention that

The export orientation of the Latin American economy--still its dominant characteristic and one of its principal heritages--was a product of the first two hundred years of Spanish colonialism . . . (17, p. 32).

Agricultural production within the encomienda system was directed mainly to support the mining activities and the well being of those living in the villages and cities. Towns and cities began to be populated mainly by individuals engaged in the service sector. These were mainly government officials, militarists, individuals with extensive land holdings and religious communities. Years later, merchants will constitute the bulk of the population in the urban areas. In short, the concentration of the most parasitic members of society produces the development and growth of colonial centers such as Cartagena, Popayan and Bogota. Haring (10) compares the Spanish and English colonial centers by stating that

The Spanish colonies always had been richer and wealthier than the English America and showed all the exterior signs of opulence: sophisticated public buildings, universities, churches, . . . (10, p. 352).
The mode of production in the early decades of coloniza-
tion was oriented toward the fulfillment of the needs of a parasitic class. This elite, composed mainly of migrants and former encomenderos, started to monopolize the export sector of the economy. Friede (4) explains how the encomienda loses importance when the elite realizes other forms of acquiring wealth and prestige.

Through time the encomienda either disappears or its importance diminishes as a factor for economic wealth among the upper class migrants. The encomienda is left rather as a sign of social distinction and as a possession for those in the elite (4, p. 179).

Thus, it became clear that the source of wealth was not so much in the land as in other types of activities. The elite realized that it is easier to accumulate surplus by playing with Adam Smith's natural forces of the market rather than producing real output for the economy (5; 8, pp. 53-54). In the course of social events, land tenure is left aside, and the role of the comprador begins to shape the Colombian economy of the eighteenth and nineteenth centuries.

In short, it was easier and more profitable to purchase agricultural products and sell them later at higher prices in the market than to be directly involved in the production process.

The import sector was also a target for the comprador. The importation of luxury goods rapidly became one of the most lucrative activities. The reason for this is the local
elites were willing to pay extraordinary prices for foreign-made goods with the purpose of creating invidious distinctions, status, and prestige (1, pp. 30-39).

Mercantilism created new opportunities for those who claimed descent from the civilized and prestigious families of Spain. This shift of the aristocracy from the land toward the urban centers clearly illustrates Veblen's theory of pecuniary versus industrial employments (19, pp. 33-40).

Summary

The Spanish conquest of Latin America marked a decisive step toward the development of its leisure class (8, pp. 56-59). The native population was forced to accept different cultural patterns. The Spaniards never doubted their superiority over the Indians (8, p. 58). They firmly believed that it was their duty to colonize and integrate the lands of Latin America into their culture. In the process, however, the Spanish took advantage of their position by subjugating the Indians to their own vested interests.

The nobility and magnanimity of the Spanish character did not migrate to America. The criollos, descendants of the Spanish migrants, continued exhibiting the same arrogance by exploiting the Indians under their proudness (14, p. 300).

The native traditions and customs were brutally disrupted and new canons and values were paternalistically
imposed (8, pp. 59-61; 9). Simultaneously, a blending of races characterized this preliminary period in the history of Colombia. The Spaniards mixed their blood with the Indian blood. This mixture however did not occur under the institution of marriage. The type of relationship that produced the mixture between Spanish and Indians was illegitimate. This produced a generation of mestizoes that did not have an identity. A mestizoo was the result of the integration between Spanish, Indians and later on, negroes. However, mestizoes never accepted their Indian blood. The values and traditions that prevailed at that time forced the mestizoes to emulate the Spanish culture. They wanted to be like the Spaniards in terms of occupation and other privileges that had been denied to the Indians. This was the main reason that forced them to unite and struggle to obtain their political independence from Spain in the early nineteenth century.
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CHAPTER III

A BLENDING OF THE MOST PREDATORY VALUES

The sixteenth, seventeenth and eighteenth centuries marked an era of Spanish colonialism in Latin America. During these centuries the Spanish traditions and values that were explained in the earlier chapter were disseminated throughout the region. The nineteenth century was characterized by wars of independence, the mixture of traditional and new values [liberalism] and the development of a creole class. First, it is the purpose of this chapter to explain the reasons why the Spaniards were displaced by the creoles. Secondly, in order to understand the behavior of the modern leisure class in Colombia, it becomes necessary to analyze the role of the creole in the economic, social and political life of Colombia during the nineteenth century.

Political Independence but the Same Old Traditional Institutions

For almost three centuries, the Spanish Crown had maintained strict economic, social and political control over its colonies. The Spaniards had monopolized the political apparatus as well as the channels for production and distribution of goods. However, by the end of the eighteenth century, the economic ideas of Adam Smith (33) about free trade and
the ideology of the American and French revolutions (18, p. 185) began to have an impact on the minds of educated creoles (13, p. 72). As one writer observes,

The creoles began to hold that "sovereignty resides essentially in the people of the nation," a thesis that denied the divine right of kings. This counter ideology served to support the position of the creole elite against the interests of the peninsular group, the chapetones (23, p. 352).

It has been argued that revolutions in Spanish America were the product of a very few intellectual leaders who, in most cases, represented the ambitious interests of the creoles (23, p. 352). The creoles had been limited in their access to trade and to public offices. Therefore, they were looking for an ideology that would allow them to gain control over both the government and the economy (13, p. 72; 23, p. 352). This new ideology was liberalism and was effectively used by the creole elite to gain the support of the ignorant classes (23, p. 352). In short, the liberal ideology served as an instrument for the creoles to displace the Spaniards and to take control over the institutions that the Spaniards had developed throughout the American colonization (34, pp. 87-119).

The political independence from Spain did not bring equality of opportunities to the Colombian population. As Fals Borda (13) points out, "the Spanish governing group was replaced by the local elite of distinguished creoles" (13, p. 72). Many of the institutions and habits developed by
the Spanish, in particular, education, religion and patterns of social esteem, remained the same even after their independence. Furthermore, Arrubla (7) mentions that "national liberation and political freedom in Hispanoamerica resulted in the rise of a class conformed by mercantilists" (7, p. 80).

Great Britain was particularly interested in the independence of the Spanish colonies. Throughout the years of the revolution [1810-1820], the British gave special support and developed close commercial links with the creole elite (6, p. 81). The result of this was a convergence of ideological and commercial interests toward Britain that, in turn, precipitated the outcome of the Revolution.

By 1810, the interests of Great Britain and the creoles were inseparable. In a half century from this time, the same creoles will be the most radical defenders of "free trade" and of an economy based on the industrial and commercial predominance of the British (20, p. 258).

Therefore, after the independence, a period of capitalism mercantilism emerged as the dominant characteristic of the nascent republic (7, pp. 80-81; 8, pp. 7-8).

Religion

The Catholic Church lost the support of the Spanish Crown after Latin American Independence and was forced to face the attack of liberalism during the ensuing Republican era. Nevertheless, it retained its powerful position in terms of land ownership and monopoly over education (12, p. 306). The Catholic Church was one of the most important
institutions inherited from the Spanish Colonial System and its role was always important in the development and support of the leisure class. As one writer mentions,

> The church in Colombia has historically been a principal support of the traditional social system and of traditional values. It has been a major bulwark of the traditional Colombian political system and of elite rule (12, pp. 311-313).

Veblen (36) defines the occupations of the members of the leisure class as those related to government, religion and war. The Colombian leisure class is no exception to Veblen's description. "Throughout most of Colombian history, it was customary for at least one son of aristocratic families to enter the clergy" (12, p. 311).

Although theoretically the Catholic Church has maintained a position of non-intervention in politics, history has proven the contrary (12, p. 307; 18; 19).

Prelates occupied important administrative positions in the early years of the republic and the clergy constituted from one quarter to one third of the early Republican Congress (12, p. 306).

In summary, from colonial times and to the most recent years of Colombian history, the Catholic Church has served as an instrument for social control by those in power (25, pp. 53-58).

**Education**

By the time Colombia obtained its independence, several centuries had passed since the foundation of the first universities. However, the social scheme and the educational
system remained unchanged. As Guzman and Lloreda (22) mention, only one variation of importance occurred during that time: "the Spaniards were displaced by their own sons born in American lands" (22, p. 8).

The right to education remained a privilege only for those creoles that were now occupying the Spanish positions (22, p. 8). Further, college education was considered as something dangerous for the tranquility and stability of the new government. The reasons for this view were obvious. The revolution for independence was led mainly by intellectuals such as Bolivar, Santander, Narino and others. After power was consolidated, authoritarian regimes such as Bolivar's dictatorship [1820-1828] could be undermined by the dissemination of knowledge among students. Bolivar clearly expressed his position in relation to higher learning:

> The political science that has been taught to students at the University contains many maxims that are detrimental to the tranquility of nations (29, p. 82).

This implies, therefore, that only those subjects that do not question the behavior of the regime in power should be taught. This policy is still the policy that the government has maintained toward institutions of higher learning in the last decades (2, p. 4).

In relation to elementary and secondary education, the Church has always kept strict control over the content of education (12, p. 311). The independence from Spain did not
produce any major change in the educational system, although the government passed legislation supporting public education (13, p. 76).

In short, Dix (12) summarizes the role of the church in education by saying that

The church maintains an educational system of its own, and in practice, is accorded substantial control over the content of public education. Texts are subject to its approval and all schools must give Catholic religious instruction (12, p. 311).

The educational apparatus constituted a second major institution inherited from the Spanish. This institution has been manipulated by the leisure class with two main objectives to recruit members and to pursue their own predatory interests (22, pp. 42-43).

Social Esteem

The patterns for social esteem that had been established throughout the colonial period remained basically unchanged after the independence from Spain. These patterns were set by the institution of "hacienda". The hacienda evolved as a form of land tenure from the encomienda back in the seventeenth century. "The hacienda was an estate of large dimensions raising grains or cattle" (34, p. 40). The hacienda was the source of power and prestige. The model of the hacienda according to Guillen (20) implied certain norms that were essential for the development of attitudes and forms of conduct among individuals in order to obtain
prestige, power and wealth (20, p. 250). These norms can be summarized as, first, the practice of paternalistic authority of the "patron" over his subordinates. Secondly, the utilization of emulation as the only effective tool for social mobility (20, p. 251). According to Guillen (20), such norms spread and subordinated the attitudes and expectations of all groups and establishments. Throughout the nineteenth century, these norms were adopted and legitimized by the bureaucracy, the military forces, the mercantilists, and later on, the industrialists.

In the last decades of the eighteenth century, a group of merchants composed mainly of recent European emigrants began to grow alongside the hacendados. Through intermarriage and political concessions, these two groups began to share the same vested interests in prestige, wealth and power. It is through the institution of the hacienda that the formation of the leisure class is understood. The hacienda, according to many scholars (18; 20; 34, p. 139) provided the surplus that Veblen (36) considered as the fundamental reason for invidious distinctions. These invidious distinctions caused by the accumulation of surplus, according to Veblen (36) generate inequality among individuals and, thus, the formation of a predatory minority.

To summarize, Colombia acquired its political independence from Spain but its institutions such as religion, education, and social esteem remained virtually as they had
been before the emancipation. The creoles used the support of Indians and peasants to consolidate their strength. The leisure class was, thus, composed by those individuals participating in government, religion, commerce and the military. The educational system was used to recruit members for the leisure class that would support their predatory interests. Finally, prestige and social reputability appeared as the ultimate goal to be reached by all those in the leisure class. For all those who could not be considered as members of the leisure class, pecuniary emulation began to develop as one of the most appropriate forms of behavior.

Mercantilism After the Independence

According to Fluharthy (15) it was only after the industrial revolutions of the mid-nineteenth century in Europe that the Colombian economy began to emerge from the vestigial colonialism of preindependence. Glade (18) points out that "both Indian collectivism and Spanish interventionsim were repudiated in favor of policies associated with economic liberalism" (18, p. 186). European liberalism was utilized as a means to increase the foreign trade that the Spanish had monopolized during the earlier centuries. However, it is observed that

the effort to install, almost overnight, a regime of economic and political liberalism was predestined to flounder; it did not take into account either the heirarchic historical condition of the area's culture or the realities of the inherited power structure (18, p. 186).
Therefore, liberalism was adopted by certain interest groups in the country with the purpose of strengthening their commercial position. This is to say that the liberal ideas of free trade without any government regulations were particularly defended by an emerging merchant elite. The commercial interests of Great Britain, and the profit interests of an emerging merchant elite in Colombia put the country through a period of export-import activities that had never occurred before.

During the colonial period, the Spanish had monopolized all channels of distribution for commodities. The extraction of surplus labor and natural resources from the colonies was directed to support a decadent European empire.

The Industrial Revolution which occurred almost simultaneously with the independence struggles in Latin America toward the end of the eighteenth century, was essentially an English phenomenon (16, p. 42). The evolution of the English economy is, therefore, fundamental in understanding the economic situation of the Independent Republics of Spanish America. As Furtado (16) has explained,

It was in England's interests to become a vast factory, opening its doors to primary products from all over the world (16, p. 42).

This opening of international markets for primary products and the possibility of importing manufactured goods facilitated the emergence of a merchant elite in Colombia (15, p. 15).
Direct lines with the liberal "leading nations" nurtured a group of upper class Colombians engaged in exporting primary goods and importing foreign manufactures (8, p. 7).

Initially, this merchant elite appeared as a dynamic element in a society where the predatory values of a landed aristocracy predominated. However, the merchant elite never presented any threat to the landed aristocracy. Members of the merchant elite and the landed aristocracy shared similar interests in protecting their prestige and wealth. They were solidifying their positions as the vested interests. Guillen (20) states that

The divergencies between the merchant class and the landed aristocracy did not appear because in many instances they were composed by the same individuals or by individuals from the same families (20, p. 258).

Those members of the merchant elite who did not belong to the landed aristocracy were coopted to consolidate only one elite through intermarriage and manipulation of the political apparatus by the hacendados. Through special trade concessions granted by the government which was usually controlled by hacendados, the merchant elite was coopted into the hacendado leisure class. However, this does not deny the existence of personal rivalries and "caudillismo" throughout the nineteenth century in Colombia. Caudillismo is defined by Andreski (5) as the process originated by an individual who raises his own army and eventually takes control over the government (5, p. 127). Those individuals who were not satisfied with their position within the leisure
class or those who were not coopted usually utilized caudillismo as a means to obtain wealth, prestige and power. Nineteenth century Latin American history is full of examples of caudillismo (5, pp. 127-132).

The merchant elite did not use production as a means to reach their pecuniary goals of wealth and prestige. Profits were made primarily through the exchange of commodities. This was a major characteristic of the post independence period. Tobacco was one of the first commodities exported by the merchant elite to accumulate foreign exchange. This foreign exchange was, in turn, used to purchase luxury articles to satisfy the conspicuous consumption of the leisure class. Profits were made in the exportation of natural resources and raw materials as well as in the importation of foreign manufactured commodities. An observer states that

The political significance of the tobacco industry stemmed from the fact that it began to produce large amounts of foreign exchange for the first time since independence and spawned a powerful class of merchants engaged in importing European goods. As these goods moved through the custom houses, they provided government revenues on an unprecedented scale (8, p. 10).

After the saturation of the international market for tobacco, the merchant elite turned to the coffee industry by the end of the nineteenth century and utilized it as an alternative in providing wealth and prestige (8, pp. 21-36; 12, p. 24; 15, pp. 14-15).
The increased economic power of the merchant or export-import elite was associated with an increase in their political power. As Bergquist (8) points out,

Increased economic power led to growing real political power for certain groups and demands for government policies favorable to their interests and consonant with their values and aspirations (8, p.18).

Therefore, the government granted special concessions to the export-import elite such as the monopolization of coffee exports through the Coffee Growers Federation (12, p. 24; 27, p. 250). Dix (12) states that much of the coffee in Colombia is produced by the small, independent farmer. However, he argues that

It is also true that most of the international trade in coffee is controlled by the Coffee Growers Federation, which is in turn dominated by large growers and merchants (12, p. 24).

It has been said that the export-import elite throughout the last two centuries has held a liberal ideology of free trade and free enterprise. However, a contradiction is observed when comparing this type of ideology with the monopolistic mechanisms that the elite has utilized to consolidate its position. Therefore liberalism was incongruent with the monopolistic activities of the merchant elite and was primarily used to manipulate the masses for political support (8, p. 161).

In summary, the monopolistic privileges of colonial times given to the Spaniards by the Crown have been transferred to the creole elite of merchants through the state.
Thus the liberal ideas of British economists such as Smith (33) and Ricardo (30) served the interests of the British empire in terms of their commercial expansion to the new republics of Latin America. The merchant elite, then, acquired a high level of economic and political preponderance by adopting a liberal ideology and at the same time monopolizing the market sector through state sponsorship. After political independence from Spain and with the emergence of a merchant elite, the government sector offered opportunities for enrichment through favors and contracts with those engaged in export-import activities. This is to say that high bureaucratic positions within the government became another way to acquire wealth and prestige for ambitious individuals (8, p. 3; 28, pp. 52, 244).

Dependency and Underdevelopment

It is essential to develop a holistic conception of capitalism in order to better understand the role of the leisure class in Colombia since its independence. Most scholars concerned with Latin America agree that societies in Latin America have been built as a consequence of the expansion of European and American capitalism (9, p. XV; 10; 11). Scholars such as Cardoso (9), Chilcote (10), and Gunder Frank (11) view the world today as composed of countries which are known as developed and those which by standards of productivity, per capita income and industrial
expansion, do not fit into that category and therefore are underdeveloped.

The underdeveloped world is composed mainly of African, Asian, and Latin American countries. It is argued that cities are the product of capital accumulation brought from towns, villages and the countryside. Cities were founded by the Spanish conquerors in Latin America as a means for sucking capital or economic surplus from the satellites in the hinterland, thus promoting the enrichment of the ruling class (11, p. 9). In terms of economic relations, the village becomes a satellite of the town, the town a satellite of the city and in turn, the city becomes a satellite of the international metropolis.

The world economic system is composed by centers and peripheries (3; 4; 9; 10; 11; 24). In the centers, capital is accumulated and this accumulation is the source for a major contradiction. The tendency for the rate of profit to fall in competitive economy or for surplus to rise in a monopolistic economy creates disharmony (24). This fall of profits creates the dynamics of capital and its tendency to grow (24). These internal contradictions within the center are resolved through the growth of monopolies and through the international expansion of the system. The expansion of exchange was promoted by capitalist countries such as Great Britain that were interested in allocating their products and capital surplus in the underdeveloped countries. As
Fernandez (14) notes, during most of the nineteenth century, Great Britain was the leading representative of the imperialist countries in Colombia (14, p. 42). Contrary to the center, the periphery is composed of disarticulated economies of two kinds: Export-enclave economies, and Import-substitution industrialization economies (10; 11; 24).

Cardoso (9) observes that

The very existence of an economic periphery cannot be understood without reference to the economic drive of advanced capitalist economics (9, p. xvii).

Furthermore, according to Chilcote (10) dependency is defined as

A situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected (10, p. 26).

Cardoso (9) describes two basic situations of dependency. First, "dependency in enclave situations where foreign invested capital originates in the exterior" (9, p. xvii). The situation of dependency has been experienced by Colombia throughout the nineteenth and the twentieth centuries (31, pp. 152-155). By the turn of the twentieth century, "the United States became a dominant force after displacing England as the primary source of foreign capital" (14, p. 42). According to Cardoso (9), the value of foreign invested capital is increased by local cheap labor through the productive process. This in turn produces an increase in the profit margin for products sold in external markets.
Such was the case of foreign investment in Colombia in the oil and fruit industries during the first decades of the twentieth century (8, p. 236; 15; 31, pp. 130-142). The second situation of dependency described by Cardoso (9) occurs when

the productive system is nationally controlled. These are economies controlled by local bourgeois and mainly import-substitution economies. Accumulation is produced through the appropriation of natural resources by local entrepreneurs and the exploitation of the labor force. Internal capital accumulation is produced and international markets are required to close the capital circuit (9, p. xvii).

This also has been the case of Colombia. After the Independence from Spain the creole elite acquired virtually complete control over the economy by controlling the agricultural sector [haciendas] as well as domestic markets and the export-import sectors of the economy. It is argued that in order to solve the problem of the rate of profit falling and the surplus accumulation, the center uses three mechanisms in relation to the periphery. These mechanisms are: industrial and financial imperialism, unequal exchange [unequal surplus values], and unequal trade [price manipulations]. Through these three main mechanisms dependency theorists argue that the center and periphery are articulated as a world economic system (9; 10; 11; 16; 24).

Moreover, peripheral economics are characterized by having a weak financial capacity, limited market size, and stagnation in food production (24). Therefore, in industrial and
financial imperialism, multinational corporations invest in the periphery with high rates of return on investment (1, p. 20). In unequal exchange, imports of cheap raw materials from the periphery increase the rate of profit in the center. In turn, the periphery must participate in exports in order to obtain the capacity to import. It is argued that unequal exchange from the center to the periphery or vice versa is produced by a transfer of value through the exchange of commodities which are characterized by unequal rates of surplus value (4; 24). In unequal trade, the center uses its power to impose price distortions on the world market through quotas and tariffs on imports from the periphery. The result is that the periphery is forced to increase exports and the center then will capture the increasing volume of exports at lower prices (4). In summary, foreign penetration as Rostow (32) assumes, rather than being a force for development, has created more underdevelopment. Andre Gunder Frank (11) refers to this phenomenon as "the development of underdevelopment." Andre Gunder Frank (11) argues that regions that are the most underdeveloped and feudal-seeming today, are the ones which had the closest ties to the metropolis in the past (11, p. 6).

Colombia has empirical evidence that supports Gunder Frank's argument in towns such as Santa Fe de Antioquia, Turbo, and Fundacion. These towns were once very prosperous
because of export activities, but are now virtually abandoned because business fell off.

The term "periphery" has been used primarily to describe Third World countries. Alternatively, the term "center" makes reference to the developed countries in the world. However, it is important to point out that these terms of center and periphery are also used to describe economic situations within the national boundaries of a country. In Colombia, for instance, the periphery is constituted by the rural areas and the small villages of peasants and Indians whereas the center is composed by cities such as Bogota, Medillin, Cali and Barranquilla. The leisure class has control over the national center and uses the periphery to perpetuate its control. At the international level, however, the leisure class is considered within the periphery but with special privileges developed by the class structure of the contemporary imperialist system (3).

The government which by definition is part of the leisure class has utilized foreign investment and the presence of multinational corporations to strengthen the economic interests of the leisure class (1, pp. 71-78; 14, p. 58; 31).

The latifundia sector, which encompasses close to 80 percent of the cultivable land in the country (17, p. 72), has been incorporated into the export sector. The reason for this has been the rapid accumulation of profits encountered in the exportation of tobacco, coffee, and bananas.
On the other hand, the production of agricultural goods for domestic consumption has never satisfied the internal demand. This, in turn, provides an incentive for traders to import agricultural goods with a high rate of profit. Importers of wheat, rice, and livestock have had virtually complete control over the market due to the low levels of domestic productivity and the special concessions granted to them by the government.

Business Attitudes

It has been observed that the exchange of commodities throughout Colombia's history has been a major factor in determining the formation of the leisure class. According to Veblen (35), "the motive of business is pecuniary gain, the method is essentially purchase and sale. The aim and usual outcome is an accumulation of wealth" (35, p. 20). The Colombian history of the leisure class, thus, supports these assertions made by Veblen about business. It has been explained how the merchant elite interacted with the landed aristocracy and the government to constitute the modern leisure class that today exists in Colombia. One of the major characteristics of the leisure class in Colombia has been its involvement in pecuniary rather than industrial activities (36, p. 155). By this, it is meant that the leisure class has always avoided any type of activity involving manual or productive labor. It is then
understandable why members of the leisure class have taken positions in government, business and in other institutions such as the Church, the military and the educational system. Lipman (26) argues that the values of the entrepreneur in Colombia are those of a traditional and religious society. The entrepreneur, in most instances, has not been interested in efficiency and in increasing industrial output. Rather, the entrepreneur in Colombia has utilized business as a means for increasing status and respectability among the members of society (26, p. 38; 28).

The Leisure Class

The modern leisure class emerges from nineteenth century mercantilism as a predatory and parasitic institution. Throughout the twentieth century, imperialism has contributed to the increasing decadence of the leisure class. In terms of social values and imperialist penetration, Guillen (21) provides several examples concerning the behavior of the leisure class. Guillen (21) observes that

Speaking only Spanish without the inclusion of a few words in a foreign language is considered to be a lack of culture. On the other hand, the study of different languages and particularly English is a clear aspiration and an easy way to increase one's prestige and wealth (21, p. 192).

Furthermore, it is observed that the English language has displaced French in the hierarchy of preferences for those in the leisure class because the nucleus of the
economic and political power of the world has been transferred to the U.S. (21, p. 192). This use of the English language as a means to participate in the pecuniary luxuries of the leisure class created strong patterns of emulation among those outside the leisure class. Guillen (21) states that:

The proliferation of academies of commerce and languages is clearly seen in all cities with some importance. These curious establishments have the mission of teaching their students how to type, and at the same time raising their social position through the acquisition of some rudimentary elements of the English language (21, p. 192).

Personal savings among those in the leisure class are frequently spent on tourism for prestige reasons. This provides another clear example of the decadence of the leisure class. Prestige and social esteem are easily obtained by traveling to a foreign country, particularly to the U.S. or Europe (21, pp. 191-192). Finally, a major part of the earning derived from exchange activities are used in the acquisition of imported luxury articles with high levels of display value, or deposited in European or American banks. In short, Colombians are very concerned about status. According to Payne (28) "they worry constantly about being above or below the next man. This characteristic does not only apply to members in the leisure class. Blue collar workers and peasants, although involved in industrial activities, are also very concerned with their possibilities for improvement" (28, p. 44). Payne states that
The image of a blue-collar group content with manual labor is mistaken. These individuals are constantly struggling to avoid an "obrero" classification, or at least to see that their sons may avoid it. The peasant dreams that his son may be a "doctor" (28, p. 44).

Therefore, even for blue-collar workers and peasants, industrial employment is seen as something detrimental and valueless in terms of reputability and social acceptance. This pattern of emulation toward the acquisition of pecuniary rather than industrial employment has been mainly responsible for the low level of productivity and the increase of parasitism in Colombian society.

Summary

The main purpose of this chapter has been to analyze the development and consolidation of the leisure class in Colombia after its political independence. A leisure class composed primarily by merchants, bureaucrats, hacendados, militarists, and clergymen, has resulted from a blending of Spanish colonialism and capital imperialism. The leisure class in Colombia, therefore, constitutes a blending of the most predatory values of the Spanish and American culture. Values such as authoritarianism, despotism, predation and disdain for work were inherited from the Spanish colonialists (5; 28; 34). Profit-oriented activities based on exchange rather than production, and monopolization of markets constituted the major capitalistic contribution to the consolidation and perpetuation of the leisure class. The
term business, according to Veblen (35; 36) implies pecuniary gain rather than industrial efficiency. In this sense, history has demonstrated (14; 17; 31) that in Colombia, businesses have conditioned all types of industrial activities in the predatory interests of a parasitic minority. The result of this blending between Spanish Colonialism and modern capital imperialism has been a situation of neo-colonialism.
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CHAPTER IV

THE PERPETUATION OF THE LEISURE CLASS

Fals-Borda, a leading Colombian social scientist argues that:

Ideological counter-elites spring from generational ones in certain critical historical periods. This occurs when members of the counter-elite--usually the younger and the intellectual--are capable of articulating an ideology based on newly observed incongruities and inconsistencies in their society or on the felt need of redistributing power and prestige symbols and advantages to deprived and marginal groups (12, p. 198).

Thus, it is the purpose of this chapter to analyze the main institutions through which the leisure class prevents the formation and consolidation of counter-elites (12; 19, pp. 196-200). Throughout the last two centuries, the leisure class has remained at the top of the social pyramid by manipulating what could be named as institutions for recruitment. These are: the educational system, the job market and the political apparatus. By controlling the educational system, the leisure class acquires control over a major source for status (21, p. 29). According to Payne (21), "Colombians apparently are greatly concerned about status. They worry constantly about being above or below the next man" (21, p. 28). Most students who have the opportunity for a higher education, enter college with the only purpose of receiving
a credential that would allow them to participate in the predatory benefits of the leisure class. Therefore, it has been maintained by several scholars (4; 9; 17; 21; 26) that the educational system has been utilized as a means to provide status rather than to disseminate at least a minimum level of knowledge among the population. This is to say that the acquisition of knowledge and productive skills is considered relatively unimportant and only desirable as a means of reward in terms of social status and prestige.

Thus, it is understandable why a large number of high school graduates prefer enrolling in a university to pursue careers in medicine or law than to enroll in a technical school and learn skills that would be much more beneficial to the actual needs of the country. For an individual to acquire skills in a field that requires manual labor, is to associate himself with industrial employment, which according to the standards set by the leisure class, has no level of prestige. This phenomenon of concentration of activities in the non-productive sector of the economy for the only purpose of acquiring status has created a structural imbalance in the job market. According to many economists (11; 14; 20; 25), this structural disequilibrium has been identified as one of the major reasons for the high level of unemployment that exists today in Colombia. It has been observed that in Colombia, middle and low income groups for reasons of status tend to engage more in the
non-productive or service sector of the economy (21). It is more desirable for an individual to wear a white shirt and tie and acquire some kind of social respect than it is to work in the industrial sector. Although possibilities for income might be higher in the industrial sector (25), there are no rewards in terms of status and prestige. It is important to note that some individuals, especially those with peasant background, work in the industrial sector not because it is desirable but because it is their only possible means of subsistence.

The excess supply of labor in the tertiary sector of the economy has created a situation of scarcity of jobs, which the leisure class has utilized to coopt and maintain a group of emulators for its own perpetuation. This is to say that in Colombia, in order to obtain a white collar position regardless of the level in government or business, a sponsor from the upper class is a necessity. It is virtually impossible for an individual to aspire to such positions on the basis of merit and effort (21, pp. 25-95). This social relation, usually known as clientelismo, is referred to in Colombia as palanca, and is widely utilized by those seeking employment, particularly in the tertiary sector. The leisure class in turn makes use of these kinds of favors, especially during election times to gather votes and support for its preferred candidates (5; 9; 18; 21).
Thus, the last part of this chapter is focused on politics as a system of recruitment. Social institutions such as personalism, paternalism, clientelism and entre­guismo will be analyzed in terms of how the upper class manipulates the masses.

Education for Status

In theory, counter-elites may be potential elements for Revolution when they are not coopted (12, p. 200).

Since the early nineteenth century, the elite in Colombia has tried to expand the educational system as a means to prevent the formation of counter-elites and also as a very effective mechanism to propagate the pecuniary values of the leisure class (7, pp. 127-131; 21, pp. 42-55). After the Second World War, the leisure class realized the importance of modernizing the universities because other countries were developing technologically at a faster pace and the overall development of capitalism was increasing. However, with all of their foresight, the leisure class did not pursue a policy of developing popular institutions to produce highly qualified technicians. The Universidad de los Andes and the Universidad Industrial de Santander were founded after 1945 with the purpose of incorporating the leisure class into the technological era by educating its members. Throughout the years these two institutions have been recognized as highly elitist in terms of enrollment, policies, and objectives.
In order to maintain the old traditional order, it became necessary for the leisure class to participate in the industry-business process of North American capitalism. It was important to increase the level of technological knowledge in the country in order to be able to cope with the modern exigencies of capitalism. This was a thesis held by many liberal politicians such as Laserna, Lopez and Lleras, who viewed industrial expansion as the solution to the problems of underdevelopment. From the beginning, the upper class supervised and directly controlled all institutions for technical development [Universidad de los Andes, Universidad Industrial de Santander, Universidad Javeriana] to prevent the potential formation of a counter-elite of technocrats that could threaten the existing social order and start a revolution. Further, "this was not a breakthrough with the humanistic values of the past. Instead it was the perpetuation of the liberal bourgeoisie" (7, pp. 135-136).

Since the Second World War, education has not become more democratic. Studies show that the educational system is highly elitist (1; 7; 9; 17). Historically, members of the upper class have had a greater possibility to reach the top of the educational pyramid. Depending on the level of income and other variables as palancas, an individual might have the possibility to complete a college education that would place him into the leisure class.
Aldana (1), based on data from the National Department of Statistics [DANE], asserts that out of 770 children enrolled in elementary school, only 216 are able to finish. Further, from the 216 children that finish elementary school, 119 enroll for junior high school and only 37 receive a high school diploma. Finally, only 25 students out of the 37 who graduated from high school enter college and after five years, only 11 complete a University degree (1, p. 114). This situation of high social stratification in the educational system implies that an individual who is able to reach the top of the educational pyramid is rewarded with high status and will be immediately coopted into the elite group. Those who reject to be recruited will tend to form counter-elites as their only means for protection and expression and will have to face the persecution of the repressive apparatus. The leisure class is based on emulation rather than subversion. Therefore the leisure class cannot allow the existence of counter-elites that would threaten the system. Traditionally, the military has been the institution of the leisure class in charge of defending the constitutional order (6). If the individual cannot be socialized through the educational system, then it is the duty of the military to utilize whatever means necessary to prevent the spread of subversion in society (8; 10). Nevertheless, in most cases,
Education is an instrument of reproduction of the economic social and ideological conditions of the country. It serves as an instrument to select the labor force and it is a mechanism of social differentiation as well as a transmitter of the predominant culture (7, p. 107).

Education becomes a source for status. It provides a minority with status by depriving the majority of an adequate level of literacy. Referring to education in terms of status and professions, Dix (9) notes that

Intellectual and professional pursuits have always been honored in Colombia. Doctors, lawyers and writers have been among the preferred occupations in a society which has looked down on commerce and manual labor. The sons of the landed elite have generally been educated to one of the professions (9, pp. 46-47).

About eighty-five percent of those who started elementary school are not allowed into the leisure class because of their truncated education [lack of Financial Resources] or their social position and occupation does not suit the standards of the leisure class (16). However, a large number do receive an elementary and secondary education. Through the educational system, they are socialized in such a manner that their class identity begins to disappear and the values and pecuniary behavioristic patterns [conspicuous consumption, pecuniary canons of taste, etc.] of the leisure class are incorporated into their mentality. Although they were denied membership into the leisure class, nevertheless, they want to behave and think in a way similar to the leisure class. Therefore, these individuals and groups
strongly emulate and defend the leisure class in the hope that eventually they will be accepted into its ranks. These types of individuals are found especially in the middle levels of the bureaucratic apparatus, the business sector, as well as in the military and academic institutions. These individuals have only one interest in common and that is to emulate the upper class. Beyond this, there is no cohesion or class interest that would possibly mobilize these social groups. By nature they are parasitic, inefficient, and proud of emulating their rulers because it provides them with a certain status (21, pp. 51-52).

It has been observed that in Colombia, as in many other countries, status can be easily obtained through credentials and titles (21; 23). The educational system in Colombia has been utilized as a means for obtaining credentials and titles. This is to say, in Colombia any individual with a minimal amount of education has the potential to become a doctor. An observer mentions that

In Colombia anyone who wears spectacles and speaks with emphasis is a "doctor". A doctor can be the chief of a government office, or the person who handles checks in a bank, or a departmental deputy or a celebrity. This custom has reached its extreme in Bogota where there seems to exist only two classes of people: doctors and those who want to become doctors (23, p. 4).

Furthermore, Guillen (16) notes that concerning education, the parents, as well as the students, are more interested in the status provided by studying at a certain institution than by what is actually learned (16, p. 151).
This attitude clearly describes the function of education in Colombia; it is an educational system for status. Therefore, when the country is faced with serious technological problems, particularly in the precarious industrial sector, the only solution is to send students abroad where they can receive adequate training. For this reason, the government created the Institute for Technical Education Abroad [ICETEX] to provide incentives and funds for an elite group of qualified students that would like to receive intensive training abroad. When students return from their training [usually from highly industrialized countries] they realize that their knowledge and experience does not coincide with the idiosyncrasies of their own culture. This situation of incompatibility with the social arrangements of their society motivates many of them to return abroad (15). Also, given the low salaries of engineers and scientists in Colombia as compared to those in other industrial countries, many of them prefer to remain abroad after their training has been completed. This accentuates the economic and technological underdevelopment of the country since individuals with talent and intelligence are easily recruited to serve the interests of other countries, with an increase in their standard of living as a remuneration.
The Job Market

The upper classes are by custom exempt or excluded from industrial occupations, and are reserved for certain employments to which a degree of honor attaches. . . . Entrance to the leisure class lies through the pecuniary employments (27, pp. 21, 155).

Scholars maintain that the level of education individuals acquire determines in a high degree the type of occupation that they are more likely to fulfill (4; 21, p. 55; 26). Although this is not necessarily the case for all members in a society [sometimes there are individuals under or over employed in relation to their educational level], education serves as an indicator to place white and blue collar workers. Payne notes that:

Probably the most important mechanism affecting mobility from blue-collar or peasant groups to the white-collar level is education, particularly secondary education (21, p. 55).

In an earlier chapter it was explained how the Colombian economy since colonial times has been based on exchange and service occupations rather than productive activities. According to the most recent statistics released by a government agency (22), the Gross Internal Product for 1978 was composed by 30.7 percent from the primary sector, 24.5 percent from the secondary sector and 44.8 percent from the tertiary sector. Therefore, the tertiary or service sector is the one that best defines the nature of the Colombian economy. The imbalance between people working productively and those working in the tertiary sector is one of the major
anomalies that the leisure class has produced. First, most people with a certain level of education have been socialized to climb the social pyramid by trying to acquire a white-collar position in order to obtain status. Secondly, rural migrants and individuals who are unable to find work in the industrial sector [illiteracy, excess supply of manual labor] once they transfer into the urban environment, are forced to find a means of subsistence in the service sector. It is not unusual to find in all Colombian cities a large number of individuals working as ambulant street vendors, shoe shiners, lottery dealers, security guards, elevator operators and many other activities unrelated to the production of physical output. This is considered to be one of the major structural deficiencies affecting the level of employment in the economy (20, pp. 40-46).

The excessive demand for white-collar positions or, what Veblen refers to as pecuniary employment, has been utilized by the leisure class to coopt and allow individuals to occupy those positions only when the individual can demonstrate his loyalty to the values and traditions of the leisure class. This is usually accomplished through clientelist relations in which a member of the upper class sponsors those interested in such positions and in return he assures himself the necessary amount of votes for the next election in Congress and things of that nature.
In short, the Colombian society suffers from a scarcity of employment not only in the white-collar, but also among the blue-collar sector. Politicians, as the vanguard of the leisure class, have made use of these structural deficiencies in the employment sector for the benefit of their own vested interests. In relation to blue-collar workers, Payne mentions that

It is inaccurate to ignore completely the participation of blue-collar workers in Colombian politics. There are about 30,000 blue-collar jobs in government and it appears that many of these positions are held through political participation (21, p. 65).

Therefore, the final part of this chapter will be focused on how the leisure class has controlled the political apparatus and through what types of social-relations the upper class has allowed the lower class to participate in the political life of the country.

The Political Apparatus

In nearly 160 years of political independence, the leisure class has utilized the political apparatus to manipulate and coopt some of the outstanding members of the lower classes. Particularly, throughout the nineteenth century there were times of internal conflicts within the members of different elites in the leisure class that resulted in consecutive violent uprisings. "The country has been racked by ten national civil wars and the covert guerrilla war of 1949-1953" (21, p. 4). In most of the nineteenth and early
twentieth centuries, the political apparatus and the government were controlled mainly through caudillismo (3, pp. 127-132). The reason for this was the lack of institutionalization of the political parties and the personalistic interests of those in charge of stabilizing the political climate. Through history, one of the major sources for the acquisition of wealth has been vested in the control of government. Today, the control of government has been legitimized through the election process that the two traditional parties [Liberals, Conservatives] hold every four years. However, before the oligarchy was able to control the electoral machine, it was through caudillismo that the government was conducted. Andreski states that:

The structure of this type of government is very simple: the chief of the victorious faction installs his henchmen as generals, ministers and officials; and the functions of the government are limited to enforcement of obedience and exaction of wealth (3, p. 127).

In more recent times, the political parties, the Conservative and the Liberals, have rewarded their active followers with bureaucratic and parasitic positions either at the national or local government level depending mainly on the contacts and influences of each particular individual (5, pp. 64-65; 18; 21, pp. 66-67). By doing so, the so-called democratic regime established by a coalition of the traditional parties [National Front] in 1957 has been able to remain relatively stable for more than twenty-two years.
This agreement of sharing the presidency and governmental positions, every four years by candidates from each party [Liberals and Conservatives] legally ended in 1974, yet political appointments and other government positions continue to be allocated among members of both parties. The only possible explanation of this phenomenon is the clientelismo sponsored by the oligarchy as a mechanism to remain in power. Through clientelismo the oligarchy absorbs a large number of the population who need work and at the same time neutralizes the creation of counter-elites that would oppose the normative social order (5; 12; 18; 19).

Finally, the leisure class, in order to protect its vested interests, has turned toward international capitalism to solve the internal contradictions created by its parasitic and predatory mode of behavior. In order to alleviate the problem of unemployment and lack of production, the leisure class has made special concessions to the multinational corporations (2; 13). This phenomenon is known as entreguismo. By allowing foreign interests to control the exploitation of natural resources as well as a great portion of the manufacturing and banking sectors (2; 13), the leisure class perpetuates its existence. This is to say that in order to protect its vested interests, the leisure class must emulate the values of the contemporary imperialist system in the same way that those outside the leisure class emulate the existing pecuniary values.
Summary

The purpose of this chapter has been to explain the most important institutions that the leisure class utilizes to perpetuate its vested interests. By controlling the educational system the leisure class pretends to socialize the individual according to its pecuniary values. It is through the educational system and the direct control over the job market that the leisure class coopts the most capable individuals to protect its own interests. Thus, it has been demonstrated that employment depends largely on the level of education (4; 21; 26) and also on the type of links or connections the individual develops with the upper classes. The closer the individual identifies with the values and patterns of behavior of the leisure class, the more likely it is that he will obtain a white-collar or empleado position. The price for this, of course, is emulation and eternal loyalty to the upper class.

After Great Britain was supplanted by the United States as the most capitalistically advanced country in the world, the leisure class in Colombia has become increasingly subservient of the vested interests of imperialism. Fernandez (13) observes that

In terms of industry, first a great deal of the contemporary presence of U.S. monopoly banks and industrial corporations has been obtained through a process of denationalization of enterprises that were originally Colombian. Secondly, a large amount of industrial production is for export, primarily among giant, U.S.-dominated concerns; much of the
remaining industrial production serves to satisfy the sumptuary consumption of a few. Third, the need for foreign inputs is so great that if the economic ties with imperialist countries [especially the United States] were broken, industrial production would come to a virtual standstill (13, pp. 60-61).

This view is supported by many other scholars who have done studies concerning Colombian dependency and U.S. imperialism (2; 20; 24).

Veblen (27) maintains that for the leisure class to ensure its perpetuation, economic surplus must be accumulated in order to create a feeling of privation and invidious distinctions. This necessity for the accumulation of economic surplus has developed a situation of dependency between the leisure class in Colombia and U.S. imperialism. In short, the leisure class in Colombia emulates the values and behavior of imperialism as a means to remain at the top of a dependent economy.


6. Constitucion de la Republica de Colombia, Bogota, 1886.


CHAPTER V

CONCLUSION

The leisure class in Colombia, composed by elites in the government, military, business and church sectors, has resulted from a blending of Spanish traditions and the values of the United States imperialism. The Spanish conquered and ruled the country for over three centuries. Throughout this time of Spanish domination, virtually all the large Indian communities were either exterminated or subjugated in accordance to the Spanish traditions of authoritarianism, obedience and christianity.

After political independence from Spain in 1819, creole elites displaced the Spaniards from the top positions in the government and the economy, and began to consolidate the leisure class that still exists today in Colombia. The nineteenth and twentieth centuries introduced the leisure class into imperialist capitalism [Britain and the United States]. This alliance with imperialist capitalism has helped the leisure class to secure its power and privileged position within the country's boundaries.

Business has developed in Colombia with pecuniary gains as its primary objective. This is to say, businesses and more importantly, multinational corporations have been
attracted to the country with the objective of stimulating and developing the precarious economy. However, over the long run, the result has been an increasing concentration of economic power in the hands of a selective minority with the continuous impoverishment of the masses. Industrialization, rather than creating employment for the unskilled and an overall increase in the standard of living of the people, has stimulated rural migration, misallocating the labor force and other economic resources in the bigger cities. Rather than utilizing the unskilled labor force into labor intensive activities, industrialists prefer to import machines and sophisticated technology to avoid labor problems. Today, the urban centers are surrounded by slums inhabited mainly by rural and former rural migrants. A large number of these migrants are unemployed or subemployed in the service sector of the economy as shoe-shiners, street vendors and so on. In short, the economic conditions of the majority may be summarized in stating that the masses of the Colombian society maintain a minimal standard of existence.

Through exchange activities [exports-imports] and by associating with the interests of the imperialist world the leisure class accumulates the necessary surplus which ensures its permanence. This surplus is, in turn, wasted in conspicuous consumption by the leisure class while the lower classes barely accumulate a subsistence income.
The elites composing the leisure class cannot be classified as a system without certain social mobility. Individuals from the lower classes might eventually become members of the leisure class—the method, of course, is by emulation. It has been observed that in order for the leisure class to remain at the top of the social pyramid, it must recruit members from the lower classes. According to Pareto, innovators emerge from the lower classes while the elites are composed mainly of consolidators or individuals unconcerned with change. Thus, if innovators are not coopted into the elites, the formation of counter-elites by these innovators appears as the logical outcome. The leisure class in Colombia has faced this situation of counter-elites formation in the past. However, this situation has reached an extreme in the last three decades.

Although the leisure class needs to coopt members from the lower classes for its own safety and permanence, not everyone can be recruited. Therefore, in order to prevent the mobilization of the masses by counter-elites, repression is used whenever it is necessary. Repression on peasants, students, blue and white collar workers and even public employees has been a common note in Colombia, especially in the last decade. In recent months, the government manipulated by the upper elites, has legitimized military repression by sanctioning a special statute of security. Through
this statute of security the constitutional guarantees of the citizens have been restricted and frequently violated in the name of public order.

If we accept Veblen's theory of the leisure class, then as long as there is private property, a leisure class will continue to exist. The elites composing the leisure class may be overthrown or displaced by counter-elites, but the leisure class, as an institution, will remain. In the last fifty years, counter-elites have been formed mainly by individuals with Marxist ideas and other postmarxist revolutionary ideologies. The ultimate goal has been to overthrow the existing system in the name of justice and equality. These counter-elites, however, have not found the support of the people in the pursuit of their goals and therefore, have been unsuccessful in their aspirations. The reason for this has been the strong patterns of emulation that the leisure class over the decades has imposed over the masses. After a period of time, these counter-elites lose contact with the people and its members are either recruited or exterminated by the repressive apparatus [the Military] of the leisure class.

Colombia, according to Western standards, is a democratic country. Presidential elections are held every four years. Members for the Camera [House] and the Senate are elected every two years. However, the political base is consulted only during election times. This is the only type
of political participation in which the masses are considered. The rest of the time the administration and the local political activities are conducted by elites. Abstentionism has reached seventy percent in the last two elections. This is an indicator of the skepticism and frustration that exists among the people. In the minds of the people exist the conviction that the social and economic conditions will not improve with the election of the same individuals that have been present in the political arena for decades. Yet revolution has not occurred in Colombia. First, because the leisure class has effectively repressed the masses and the counter-elites that have attempted to mobilize them, and secondly, individualism and emulation have been deeply instilled within the masses. For many individuals it is still more desirable to attempt to improve their own social and economic situation through the actual system than to actively oppose it. It is still too idealistic to consider that isolated counter-elites could eventually overthrow the existing social order.

This study demonstrates that in Colombia as in many other countries, a leisure class has existed because there has been an accumulation of surplus utilized by a minority to create what Veblen refers to as invidious distinctions. It has also demonstrated, that the leisure class has been composed by predatory elites which have always controlled the economic and political structures. The leisure class
has remained in power by coopting individuals through the educational system, the job market, and the political apparatus [liberal and conservative parties]. The only possibility for change in social standards among the masses has been to emulate the rulers.

Until the people realize their role in the actual social and economic system and counter-elites leave aside their own pecuniary interests and fully integrate with the real interests of the people, there will be no real change in the structures of Colombia as it exists today. According to Veblen, however, this change will never occur because the lower classes are too stupid to realize their role and will continue emulating. Thus, emulation replaces revolution. Furthermore, whether this change will truly be beneficial for the people, only the future will decide. Revolution as evidenced in history does not always guarantee a final victory for the people. It may end up in the overthrow of the existing traditional predatory elites by counter-elites who in turn, eventually betray the interests of the people in pursuit of their own pecuniary interests.

The vicious cycle remains endless and the injustice to the masses, eternal. Through education of the people and recognition and analysis of the problems that encompass Colombia, as in this study, maybe change will become more than a faint glimmer of light in the black distance.
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