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Montevideo in the late 18th century

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# Wealth inequality in colonial Hispanic-America: Montevideo in the late 18th century

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## Resumen

Recientemente, ha habido un renovado interés entre los historiadores económicos en la desigualdad preindustrial, aunque aún son pocos los estudios de caso sobre la desigualdad en la América Latina preindustrial. Son particularmente pocos los estudios sobre la distribución de la riqueza en la América colonial española antes de 1820. Este documento presenta un estudio de la desigualdad de la riqueza en Montevideo, una zona del Virreinato del Río de la Plata, en el período colonial tardío; se aborda el nivel de desigualdad de la riqueza, la composición de la riqueza y su relación con la estructura social en Montevideo a fines del siglo XVIII. Utilizando un conjunto de datos de inventarios sucesorios y registros de población como fuentes principales, se estima un índice de Gini y se presenta una imagen estilizada de la estructura social, analizando las diferencias de riqueza entre grupos sociales en 1772-1773. El hallazgo principal es que la desigualdad de la riqueza en Montevideo era similar a la de las colonias inglesas de América del Norte en 1774 y, al mismo tiempo, a las economías preindustriales menos desiguales de Europa. Aunque la mayor parte de la sociedad montevideana pertenecía a una clase media relativamente rica, algunos activos importantes se encontraban fuertemente concentrados en la cima de la sociedad.

Palabras clave: desigualdad preindustrial; distribución de la riqueza; Latinoamérica colonial

Códigos JEL: N36

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## **Abstract**

There has recently been renewed interest in pre-industrial inequality among economic historians, but there are still few case studies about wealth inequality in pre-industrial Latin America, particularly involving colonial Spanish America before 1820. This paper presents a study of wealth inequality in Montevideo, an area of the Viceroyalty of the Río de la Plata, in the late colonial period. The work addresses the level of wealth inequality, the composition of wealth, and its relationship with social structure in Montevideo in the late 18th century. It uses a dataset of probate inventories and population records as the main sources, estimates a Gini index, and presents a stylized picture of the social structure, analyzing the differences in wealth between social groups in 1772-1773. The main finding is that wealth inequality in Montevideo was similar to that of the English colonies of North America in 1774, and to the less unequal pre-industrial economies in Europe at the same time. Although most of society formed a relatively wealthy middle class, however, some important assets were strongly concentrated at the top of society.

Keywords: pre-industrial inequality, wealth distribution, colonial Latin-America  
JEL code: N36

## 1. Introduction

This paper presents a study of wealth inequality in Montevideo, an area of the Viceroyalty of the Río de la Plata, in the late colonial period. Pre-industrial inequality has recently acquired renewed attention as part of a wider interest in long term-inequality, triggered by the financial crisis of 2008 (Alfani & Ammannati, 2017), and concern about the concentration of wealth in today's world (Piketty, 2014). Studies of pre-industrial inequality focus on two basic questions: whether pre-modern societies were more (in)egalitarian than modern ones, and whether pre-industrial inequality presented specific patterns, different from industrial economies, in relation to economic growth and demographic change (Milanovic et al., 2011) (Milanovic, 2016) (Alfani, 2021). Reviews of the field's recent achievements support the thesis that preindustrial inequality was presumably higher than it is today in developed countries (Van Bavel, 2020), but point out there are still more uncertainties than certainties about the ultimate causes (Malanima, 2020). The reviews highlight the quantity and quality of the case studies that are increasingly adding new evidence about the historical contexts that shaped preindustrial inequality in different parts of the globe (Van Bavel, 2020). Many of these case studies focus on wealth inequality instead of income inequality, due to source availability. For many reasons, not least the tax needs of royalty and states, there is more abundant and reliable data on personal or family wealth than on incomes in premodern times. Additionally, it was pointed out that 'in preindustrial societies in which most of the product was agrarian, the property and use of land was a crucial aspect of defining how the total product was generated and distributed. Therefore, it is highly implausible that income and wealth could move on different trajectories in the medium and long term.' (García-Montero, 2020).

Although the history of long-term Latin American inequality has been the subject of important recent debates (Acemoglu et al., 2002) (Engerman & Sokoloff, 2002) (Prados De La Escosura, 2005) (Coatsworth, 2008) (Williamson, 2015), case studies about wealth inequality in pre-industrial Latin America are still scarce. They mostly focus on regions of Brazil and Argentina from the early 19th century onwards (Frank, 2004) (Frank, 2005) (Johnson & Frank, 2006) (Gelman & Santilli, 2003) (Gelman & Santilli, 2006) (Gelman, 2011). Additionally, there are very few case studies about wealth distribution before 1820, and particularly about colonial Spanish America.

Johnson (2013) studied the level and composition of wealth among the skilled workers and artisans of the city of Buenos Aires in the late colonial period, based upon a dataset of 89 probate inventories and more than one hundred wills. He found that most of the wealth left by the deceased was real estate, followed at good distance by capital goods, where slaves accounted for most of the value.

Although the family house accounted for the total value of the real estate in most of the cases, he pointed out that within this social group, the richer a family became, the more it invested in real estate and slaves. In average, real estate represented 60% of the total wealth, a similar pattern to that of the artisans and skilled workers of the British colonies of North America in 1774. In contrast, consumer goods were a tiny fraction, and most of the deceased left barely any furniture or homewares, which Johnson saw as an indicator of the material poverty suffered by this social group. Despite being involved in narrow networks of small credits, the artisans and skilled workers of Buenos Aires held very few financial assets (Johnson, 2013). Gelman and Santilli (2018) studied the tenure of land and livestock among the rural population of the Buenos Aires countryside, based on a 1789 census of *hacendados* (landowners). They noted that both land and cattle were highly concentrated, with Gini indexes ranging from 0.8 to 0.9. However, since access to these assets was open to the majority of the rural families, they concluded that there was relatively little inequality, and the expanding frontier after 1820 meant that this remained true in the decades following independence (Gelman & Santilli, 2018). Vicario (2015) studied wealth tenure among owners in Montevideo in the mid-eighteenth century, through a 1751 list of 165 taxpayers. She found medium and low concentrations of wealth among the owners, with Gini indexes ranging from 0.4 for slaveholding to 0.6 for livestock, which was the most unequally distributed asset. The Gini index for the total wealth of listed taxpayers in Montevideo was 0.52 (Vicario, 2015).

This paper follows the steps of these former studies. The work addresses the level of wealth inequality, the composition of wealth and its relationship to social structure in Montevideo, a prosperous, newly-settled, and colonial premodern economy. Taking a dataset of probate inventories as the main source, it presents quantitative and qualitative results, proposing a stylized picture of the social structure, and analyzing differences in wealth between social groups in the years 1772-1773.

This paper does not address the relationship between economic growth and inequality, due to a lack of data. Instead, it brings evidence about wealth differences across social groups within a society. Wealth inequality is strongly linked to social issues such as class structure and the shaping of social status in each society. According to (Shammas, 1993), wealth distribution, in contrast to income, is an indicator of who does and does not have economic power in a society, rather than a measure of material wellbeing.

The paper is structured as follows. In Section 2 we introduce Montevideo in the late colonial period, in Section 3 we present the probate inventories and the population records of Montevideo, as well as the steps followed to extract representative information on wealth tenancy and the social structure; in Section 4 we present the main obtained indicators, and in Section 5 we offer some concluding remarks.

## 2. Montevideo in the late colonial period

Montevideo, on the northern shore of the Río de la Plata, was settled by the Hispanic authorities in the 1720s as a military point to protect the Castilian domain from their expanding Portuguese neighbours. In order to attract a larger population, the Crown gifted founding families with a piece of land in the town, plus a farm of 80-200 hectares, and a cattle ranch of some 2000 hectares in the countryside. The town was laid out on the natural harbour and surrounded by a wall. The city had legal control over a territory of 18,800 km<sup>2</sup> (Pollero & Sagaseta, 2016), set in an area of grasslands and coast sparsely populated by wandering native communities and wild cattle. After 1760 the natives were chased away by the new settlers, but the wild cattle stayed and multiplied. After 1760 the population grew, the agrarian frontier within the territory starting to expand, and overseas trade (legal and illegal) received a boost from the new trade policies introduced by Charles III. In 1810 a riot in Buenos Aires deposed the Viceroy of the Río de la Plata, starting the long cycle of wars that would end Hispanic rule. From 1810 to 1814 the city of Montevideo was on the loyalist side, enduring hard sieges in 1811 and in 1812, to finally fall to its enemies in 1814.

Figure 1. Location of Montevideo city



In the period 1760-1815 the economy and the society of Montevideo had the following salient characteristics. First, the population grew considerably, from around 3,000 inhabitants in 1760 to some 30,000-35,000 in 1815 (Pollero

Beheregaray, 2015). The agricultural frontier did not expand uniformly across the territory. Population density was extremely high in the walled city, whose total area was about one km<sup>2</sup>, but much lower outside. In the closer agricultural hinterland that supplied food and fuel to the city there were one to ten inhabitants per km<sup>2</sup>, depending on the district, and less than one inhabitant per km<sup>2</sup> in the far peripheral areas of the Montevidean territory (Pollero & Sagasetta, 2016).

The main economic activities were overseas trade, agriculture, and the military defence of the territory. Although we do not have estimations of how Montevideo's port trade grew, according to Bentancur (1996), it became increasingly important during the last forty years of Spanish rule, mainly due to its geographical location. After 1760 it became the terminal for mail ships, the Royal Navy base in the South Atlantic, the seat of specific administrative offices, and the hub of regional communications and business such as the slave traffic (Bentancur, 1996). A commercial centre grew, encouraged by different opportunities, most of which opened with the Spanish-British war that began in 1796. Agricultural output almost doubled between 1767 and 1800, based on expanding factors, and some productivity improvements. The price of cattle was stable and slightly decreasing until 1810, and although the price of wheat varied greatly, it did not begin to trend upwards until the beginning of the 19<sup>th</sup> century. The price of rural land also did not increase (Moraes, 2014).

According to the demographic records of the period, the population of Montevideo mostly fit into the following categories: Europeans and their descendants born in America ('Spaniards'), the native population (*indios*), enslaved Africans (*negros*), and ex-slaves (*pardos libres*). Although the proportions underwent slight changes throughout the period, the category of Europeans and their descendants was usually no less than 70% of the total population, slaves comprised between 10% and 25%, and *indios* and ex-slaves formed very modest minorities<sup>1</sup>. From a demographic point of view Montevideo was basically an enclave of 'Spaniards', this category being a legal and social qualification that went beyond the purely political dimension.

Despite its homogeneity, the society of Montevideo was an Old Regime society pervaded by race and caste differences and, therefore, it was strongly stratified. Local historians have different opinions about this. Real de Azúa (1961) emphasized that colonial Montevideo was a kind of open-frontier society, without the big contrasts found in other American cities under Spanish or Portuguese rule at the time. In contrast to Lima and Mexico, colonial Montevideo lacked a titled nobility, had no high prelacy nor major slave owners, and its elite was a narrow group of families who grew wealthy from overseas trade, their contracts with the Crown, and the *latifundia*. They were rich and powerful inside the borders of their district, but minor figures compared to their peers in Buenos Aires, not to

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<sup>1</sup> Population records of 1769, 1772-1773, 1778, 1783 and 1805.



mention Rio de Janeiro. The scarcity of labour and open frontier also attracted free workers, offering opportunities for the lower classes that did not exist in other parts of the viceroyalty, and therefore shaping a society tinged with egalitarian tones, notwithstanding the privileges of the elite (Real de Azúa, 1961). Sala, Rodríguez and de la Torre (1967) instead, explained that after 1795 the merchants, manufacturers and landowners who were at the top of the social structure formed an oligarchy. They attempted to take control of the agrarian land, overseas trade, and the government of the city council, while *'the dispossessed make up the vast majority of the population'* (169). Despite their different highlights, Real de Azúa and Sala et al. agree that poor farmers, small cattle-breeders, rural and urban workers, slaves, and ex-slaves were at the bottom of the social structure, and they identified a middle social stratum made up of well-off farmers, artisans, and skilled workers. They did not quantify the weight of each stratum in the total population.

### **3. Methods and sources**

Although probate inventories are often the only way to identify the composition and distribution of wealth in pre-statistical times, many leading scholars have noted that the probate inventories usually over-represent wealthier and the older people, under-represent the younger and the poorer, and do not represent people who do not have any wealth at all (Jones, 1972) (Shammas, 1978) (Lindert, 1981) (Clark, 2010). There is a vast literature demonstrating that probate inventories require additional work with additional sources about the population of interest in order to adequately represent wealth distribution (Keibek, 2017). In this paper we follow a strategy based on Jones (1972) and Lindert (1981) which involves converting the information gathered from the probate inventories in a stratified sample of the living population of interest. Generally this strategy has three steps: (1) to identify the main socio-demographic attributes of the probate population related to wealth tenure (such as age, sex, occupation, and eventually residence) (2) to stratify the dataset of inventories according to those attributes, and (3) to re-weight the information extracted from the stratified dataset of inventories to make it representative of the total population. Not only the probate inventories, but additional sources are needed for these three steps, to determine the socio-demographic structure of both populations, the deceased and the living.

We adapted the Jones-Lindert guidelines for the case of Montevideo in the late 18<sup>th</sup> century. As we will explain in the next section, we undertook intensive data mining in the archives, since we did not have a digitized dataset of complete inventories prior to this work. We built two datasets: one based on probate inventories and the other on population sources. The inventories dataset contains all the probate inventories for the 1760-1815 period, and registers the personal and wealth data of each of the deceased. The population dataset contains data on

the size and the socio-demographic profile of Montevideo's total population in 1772-1773.

We used the first dataset to identify the key attributes of wealth tenancy (Step One). We assessed the links between the amount of wealth belonging to the deceased, and their sex, age, occupation, and residence. We found that the people who lived inside the city walls were wealthier than the rural inhabitants, that older people were richer than younger adults, and that women were less wealthy than men. The relationship between occupation and wealth was not clear, however. We codified the occupations of one hundred and forty-three deceased people, whose occupations were clearly stated in the files, and we calculated their positions in the richest quintile and the poorest one, finding that some occupations, such as 'merchants', comprised the same proportions (about 20%) at the opposite tails of the distribution, and others (such as farmers, carpenters, and masons) were distributed throughout, showing a marked differentiation within trades of similar skills. As expected in an agrarian economy with an open frontier, many of the men who arrived in Montevideo as carpenters, masons or even soldiers, soon became farmers or cattle-ranchers, without necessarily giving up their original trade. However, family wealth was not just outcome result of the varied trades and skills of the family-heads, but of their placement in the social structure. As a result, we decided to divide the inventory dataset by two key attributes: age and what we are going to call *social structure*, a notion that captures not only occupation, but ownership and a person's social status.

We built the second dataset to determine the size and the social structure of the total population of Montevideo around 1772-1773. A set of sources around those years made it possible to quite accurately reconstruct a stylized picture of the social structure of colonial Montevideo. Although we are aware that the population grew at a high rate during this period, there were no dramatic changes to the established social order for most of the period, until the outbreak of the revolutionary wars in 1810. We built a picture of the social structure for 1772-1773 following a reconstruction of the social structure of Antwerp in the early 19<sup>th</sup> century (Van Bavel et al., 2011). The reconstruction assumed that a person's placement in the social structure is a result of their occupation (the skill level and the hierarchy of the job), their status as an owner (if they have property or not), and something called 'pure' status: special features –such as being born to certain families– that bring privileges by birth. The combination of these attributes (occupation, ownership, and status) place someone in one of these three main social groups or strata: the elite, the middle group, or the lower group. We adapted this scheme for Montevideo, proposing the following social classes or groups. At the top of the social structure, is an elite formed of the people who occupy the more skilled and hierarchical jobs, have easy and guaranteed access to land and capital, and enjoy some privileges by birth. In contrast, at the bottom are the people who have less skilled jobs, lack access to land/capital and were born into non-favoured castes (such as slaves, the *indios* or the racially mixed).

In the middle group is an array of intermediate situations concerning occupation, access to land and capital, and status. We coded 2,848 individuals from the population record for 1772-1773 according to their occupation, ownership and 'pure status' to obtain a complete picture. Section 4 and the appendix give a more detailed explanation of the coding.

Having stratified the inventory datasets by age and social structure (Step 2), we calculated the weights to make the dataset statistically representative of the living population of interest (Step 3). Following Jones (1972), we extrapolated the information from the inventory's stratified dataset not to the total population of Montevideo, but to the population of 'potential wealth-holders', a subset comprising all the individuals who, according to the legal and social practices of the time, were potential holders of goods and properties. We defined the population of 'potential wealth-holders' as all the free adult men of any caste and marital status, and all the free widows. We excluded slaves of any sex, age, or marital status, as well as the children of any race and caste, because they could not legally hold wealth<sup>2</sup>. We also excluded most of the free women as the potential wealth-holders, because if they were single adults, they were under their father's rule (*patria potestas*), and if they were married, they had to bestow their property on their husbands (Crespo-Fernández, 2016: 284-312).

Finally, we calculated indicators of wealth composition and distribution. These are useful for identifying the composition and distribution of wealth in Montevideo c. 1772-1773, but not the level of wealth, which figures are affected by the fact that the inventories dataset comprises the fortunes accumulated over fifty-five years.

#### **a. Probate inventories**

The main sources for this work were the probate inventories kept in Montevideo's *Archivo Judicial* from 1760 to 1815<sup>3</sup>. Leaving aside the people who died suddenly in Montevideo but did not live there, as well as the probate files without a complete and legible inventory, we collected 196 inventories from the archive. We were not able to measure how many probate files may have been lost, destroyed, or hidden in other archives. The average number of inventories by year (four) was extremely low; according to our estimations, the yearly number of inventories was on average less than the 2% yearly total deaths (see Table 1 of the appendix). The small size of the total population and the high infant mortality rates are the main causes of this scarcity, however, except in the first decade of the period, when the settlement of the territory was yet an early process, and in the last five years marked by the revolutionary wars, the fluctuations of the annual number of

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<sup>2</sup> The population records of the Spanish Empire in America used the Latin-rooted word '*párvulo*' to refer to young family-dependent children. The precise age when a child leaves the *párvulo* category varied across places and times, but was rarely above 15 years old. Montevideo's population records used to state how many *párvulos* and non-*párvulos* (usually called '*mayores*') were in each household.

<sup>3</sup> *Archivo General de la Nación* (Uruguay), Archivos Judiciales, Juzgado Civil 1º, probate files in boxes #10 to #179.

inventories virtually matched the fluctuations of the annual number of deaths, suggesting that there were no structural changes in the relationship between mortality rates and the number of inventories (see Figure 1 in the appendix).

The inheritance law that was passed from Castille to America established the compulsory fair distribution of the deceased's wealth among their offspring and spouse. Probate inventories in Spanish America were therefore carried out as part of the legal process of pricing the goods of someone deceased to divide them among the heirs. This law applied to European-born or European descendants, and also native people formally under Spanish rule, but not the African enslaved people, who could not legally own more than the goods necessary to survive (Tau Anzoátegui, 1982) (Zorraquín Becú, 1996). Any heir could easily initiate a probate proceeding in an ordinary court (Ferrés, 1944), and probate files were therefore an accepted and regular practice in Montevideo.

Table 1. Wealth in the inventories (in silver pesos)

Number of probate inventories	Wealth			
	mean	Std. dev.	min	max
196	7,865	13,382	51	98,724

Source: Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179

A Montevideo probate inventory is a complete and priced list of possessions of the deceased. It is part of a probate file that opens with the will of the deceased and closes with the final division of the inheritance among the heirs. The will contains valuable socio-demographic information about the deceased, such as the place where they were born, their occupation, family, and residence. Unfortunately, age is not stated in many cases. When a file lacked information about age or another relevant personal data, we searched for the deceased by name in the population records of Montevideo (see next section), and if they were not there, we searched the christening and marriage records to extract the missing information<sup>4</sup>.

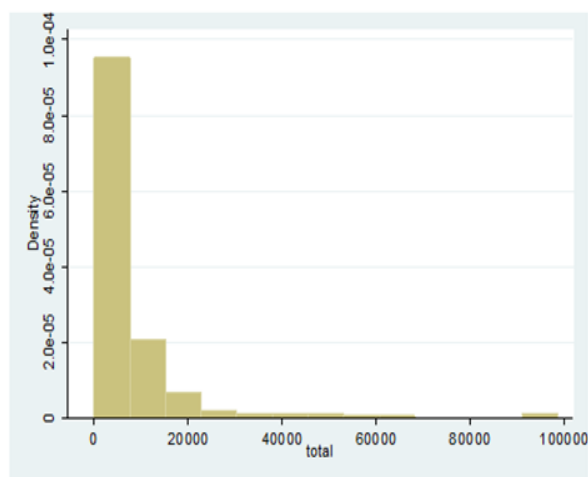
The inventories include not only personal but also the household's wealth. They usually included urban and rural real estate, warehouses and mills, cattle, working tools, consumer goods such as furniture, and personal goods such as clothes, jewellery, and books. Slaves were counted, valued and included in the inventory.

Custom dictated that masons, carpenters, and smiths should be called to value houses and furniture; tailors and silversmiths to set the price of luxury goods such as clothes and jewels; and farmers to value land, cattle, and dwellings in rural

<sup>4</sup> Original records of christen and marriage of Montevideo published in (Apolant, 1975a) (Apolant, 1975b) (Apolant, 1975c) and in the Family Search website: <https://www.familysearch.org>.

areas. The heirs and creditors of the deceased watched the pricing closely; we found several probate files that show more than one inventory due to heir's claims.

Figure 2. Wealth in the probate inventories: histogram



Source: Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179.

The value of each property, as well as the total value of an inventory were set in the silver currency of the Spanish Empire in America, the silver *peso* comprising eight *reales*. The silver content of the peso was relatively stable during the period covered by this study: 24,908 grams in 1760 and 24,245 grams in 1815, recording a modest loss of 2.7% over 55 years<sup>5</sup>.

Table 1 shows some statistics of the probate inventories. They cover a wide range of people: the average wealth was around 8,000 pesos, but the less-wealthy had 51 pesos whereas the wealthiest had almost 100,000 pesos. The high standard deviation confirms this. Figure 1 shows that the set of probate inventories are skewed to the lowest levels of wealth. We will see later that this 'less wealthy' population in the inventories does not exactly mirror the less wealthy of society overall, but only a tiny fraction of them.

### **b. Sources about the population of potential wealth-holders**

Montevideo's population was counted several times from 1760 to 1815. The archives included population records from 1769, 1772-73, 1778, 1779, 1780, 1783, 1803 and 1811. The quality of the counting varied greatly: in some cases, entire districts were not recorded, in others just survived the total figures but no the detailed list of families (Pollero Beheregaray, 2016: 156-179). One of the most detailed records was taken in 1772-73. According to the literature, this record also

<sup>5</sup> Burzio, Humberto (1958), 'El peso plata hispanoamericano.' *Historia*, n°3, Buenos Aires, pp. 9-24, in <https://gpih.ucdavis.edu/>

has the most complete coverage (Apolant, 1975c: 1837-1924) (Pollero Beheregaray, 2016). The count was performed in order to determine the number of men available to form a local militia. The collectors registered the location of every household in the rural and urban areas of Montevideo, as well as the name, age, occupation, ownership, and origin of the family head. They also recorded the wife and children in each household, as well as other persons (relatives or workers) living in the house. In some cases, the collectors annotated the ethnicity (i.e.: *indio* or *pardo*) of the recorded person. As soldiers were already on duty, they were not recorded, and nor were so the slaves, who could not legally join the militia.

After a detailed study of the coverage and characteristics of all the population records, we took the 1772-1773 record as the main source with which to grasp the socio-demographic profile of the population of potential wealth-holders in Montevideo from 1760 to 1815. We used the records for 1769, 1778, 1783, 1803 and 1811 to check and amend the data gathered from the 1772-1773 record, mainly, but not only, concerning the number of slaves and soldiers<sup>6</sup>.

We gathered information from additional sources to consider the ‘pure’ status of the probate population and the potential wealth holders, in addition to the population records, such as a list of the members of the city council, a list of the tithe collectors of Montevideo from 1760 to 1815, and a detailed genealogical study of the colonial families of Montevideo<sup>7</sup>.

## 4. Results

### a. Age, social structure, and wealth in the probate population

Table 2 gives an overview of the total population, the population of potential wealth-holders, and the probate population. Adding the missing soldiers and slaves to the population recorded in 1772-1773 resulted in a figure of 6,472 inhabitants, a feasible result according to available estimations<sup>8</sup>. As we have said before, the potential wealth-holders are a subset of the total population, formed

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<sup>6</sup> Population records of 1769, 1772-73 and 1778 in Base de datos de Pueblos y Números del Río de la Plata, in: <https://pueblosynumeros.cienciassociales.edu.uy/base-de-datos/>. Population record of 1783 in *Archivo General Militar de Madrid* (AGMM), General collection, 5-1-1-14. Population of 1803 in *Archivo General de la Nación* (AGN-Uruguay), Archivo General Administrativo, Box #5: ‘*Padrón de los habitantes y estantes en los extramuros de esta ciudad de San Felipe y Santiago de Montevideo*’, and ‘*Extracto del padrón formado en Montevideo en el mes y año de la fecha por lo respectivo a solo el casco de la ciudad*’, in *Revista del Instituto Histórico y Geográfico del Uruguay*, VI (1), 43.

Population record of 1811 in *Archivo General de la Nación* (AGN-Uruguay), Archivo General Administrativo, books #249, #250 and #251: ‘*Padrones de población de Montevideo c. 1811*’.

<sup>7</sup> The list of the city council members in Ferrés (1944), the list of the tithe collectors in Moraes (2011), the study of colonial families in Apolant (1975a), (1975b), (1975c).

<sup>8</sup> The population of Montevideo city and its closest rural area (not all Montevideo’s territory) in 1773 amounted to 4,831 inhabitants (Pollero Beheregaray, 2016).

of all the free adult men, and the widows. We assess how age and social structure are differently represented among the potential wealth-holders (Column 2) and in the probate population (Column 3).

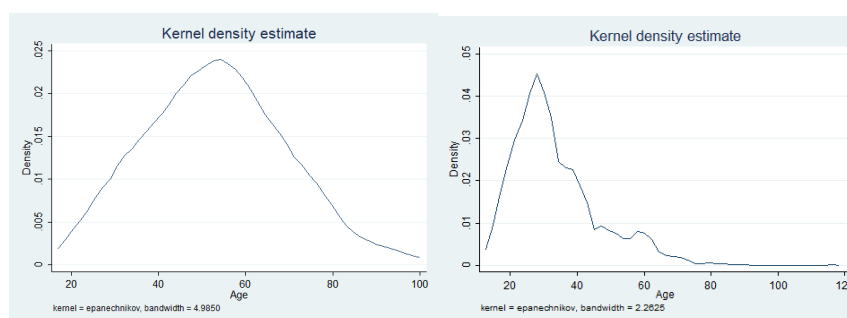
Table 2. Total population and potential wealth-holders,  
Montevideo c. 1772-73

1	2	3
Total population (free and unfree, all ages)	Free adult men (single and married) and widows = Potential wealth-holders	Probate inventories
6,472	2,848	196

Sources: (1) (2): see table 2 in the appendix. (3) *Archivo General de la Nación* (Uruguay), Archivos Judiciales, Juzgado Civil 1º, probate files in boxes #10 to #179.

Figure 3 shows how age is differently distributed in both populations. The most common age among the probate population was about 60 years old, while among the potential wealth-holders it was 30. In other words, given the natural differences in mortality rates by age, the population represented in the inventories is older than the population of potential wealth holders.

Figure 3. Age distribution in the population of the probate inventories (above) and in the potential wealth holders (below)



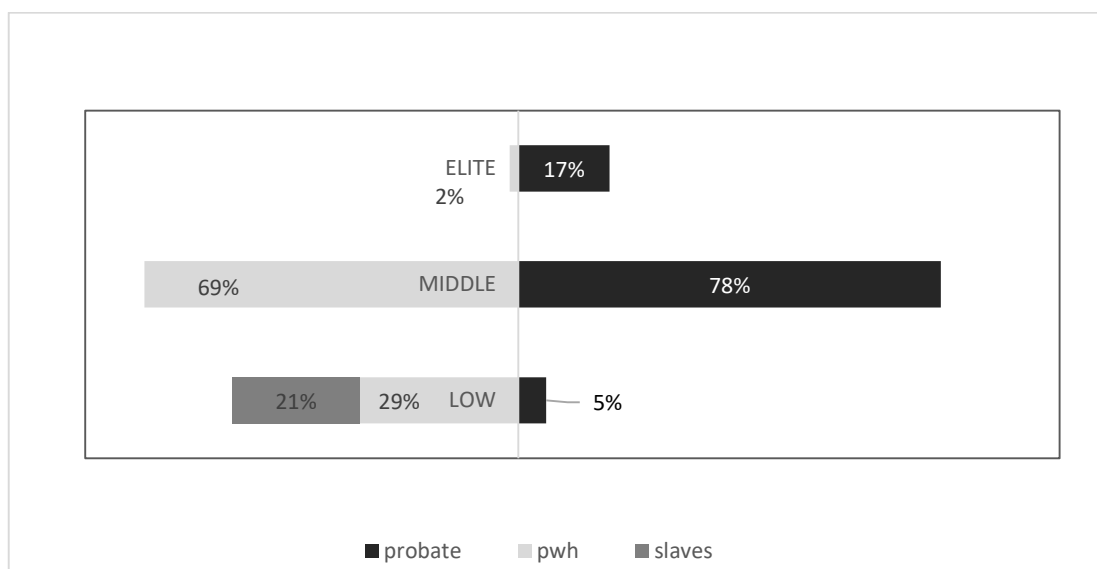
Source: *Archivo General de la Nación* (Uruguay), Archivos Judiciales, Juzgado Civil 1º, probate files in boxes #10 to #179.

Figure 4 shows the social structure of both populations. As noted before, we defined three social strata: the elite, the middle stratum, and the lower stratum. We coded the ownership, occupation, and status of the 196 persons from the

inventories, and the 2,848 persons who were potential wealth-holders, according to the following criteria<sup>9</sup>.

Individuals who had highly skilled non-manual occupations and were principals at their job, the owners of large urban and/or rural properties, and those who had favourable status, formed the elite. Broadly speaking, all the colonial bureaucracy, including the civil and military authorities of the city, the priests of the city, overseas merchants, owners of rental houses and the largest landlords (*hacendados*), the owners of mills and meat manufacturers, lawyers, notaries, and combinations formed of more than one of these figures, comprised the elite. Many are called ‘Don’ in the population records. They were mostly male Spaniard-descendants, if not born in Spain, and they were somehow renowned within society.

Figure 4. Social structure in the inventories (black) and among the potential wealth-holders (grey)



Sources: Probate population: Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179. Potential wealth-holders: same sources as Table 2; Adult male slaves as a proportion of the total population in 1772-1773. The number of slaves is from the same source as Table 2.

Individuals who were skilled and semi-skilled workers (either principals or subordinate), the owners of urban and/or rural properties who were not landowners, a few *agregados* and *arrimados* who were landless but had their own households (provided that they were not registered as ‘*indios*’, ‘*pardos*’, or ‘*mestizos*’), formed the middle stratum<sup>10</sup>.

<sup>9</sup> More details of the coding are in the Table 3 of the appendix.

<sup>10</sup> The *agregados* or *arrimados* were usually foremen who rear their own small herds and farmed a plot on the owner’s land.



All the urban and rural non-skilled labourers, and the lower-ranked soldiers formed the low stratum. Many of the people in the lower stratum were listed in the sources as mestizos, and some were registered as ‘*pardos libres*’ (ex-slaves). The small number of persons listed as ‘*indios*’ were also placed in this group. Although we are not considering the slaves as wealth-holders, it is worth noting that socially speaking they also belonged to this group.

We are aware that this picture does not adequately grasp the subtleties and complexities of society, and particularly, that the creation of each stratum makes room for discussion, however, it offers a stylized picture of the social structure and the relative weight of each stratum that is according to the purpose of this work.

In Figure 4 the difference between the grey (potential wealth-holders) and the black (probated) is striking at the extremes of the social structure, but not in the middle. The elite is a small proportion of the potential wealth-holders, but in the probate population it is a figure close to 20%. Only 5% of the probate population belongs to the lower stratum, although this group is almost the 30% of the potential wealth-holders.

Although the slaves were not potential wealth-holders, we have added them to the lower stratum in the graph, to show that the under-representation would be even worse if they were included. The inventories of Montevideo therefore do not represent the socially lowest groups of the potential wealth holders, and over-represent the elite.

Table 3. Wealth by social groups in probate inventories

		<b>Social structure</b>			<b>Total</b>
		<b><i>Elite</i></b>	<b><i>Middle group</i></b>	<b><i>Lower group</i></b>	
1	Average wealth in silver pesos	19,610	5,813	503	7,865
2	N	33	153	10	196
3	Probate population (%)	17	78	5	100
4	Potential wealth holders (%)	2	52	46	100

Sources: (1) (2) (3): Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179; (3): same as Table 2.

Finally, Table 3 shows the amount of wealth belonging to the different social groups, according to the inventories.

The table clearly shows that the amount of wealth varies along the social structure, from lower values in the lower group to the highest value in the elite. It also shows that the dataset of probate inventories over-represents the elite and does not represent the population that could have some wealth but belongs to the lowest social classes.

### **b. Distribution of wealth among the potential wealth-holders**

As noted earlier, to make the probate inventories useful for grasping wealth tenure among the potential wealth-holders, we must first convert the inventory datasets in a stratified sample of the population of potential wealth-holders, and then re-weight it. In Table 4 we have split the inventory dataset and the potential-wealth holder dataset, according to age and social structure. We have ignored the attributes of sex and residence to divide both datasets, because we have an extremely low number of probate inventories of women (widows) in the less populated rural areas

Table 4. People by age structure and social structure in both datasets

	15-39	59	60+	All ages
<b>6. a. Probate population by age and social structure</b>				
Elite	4	11	18	33
Middle	30	73	50	153
Low	5	4	1	10
All strata	39	88	69	<b>196</b>
<b>6. b. Potential wealth-holders by age and social structure</b>				
	15-39	40-59	60+	All ages
Elite	15	17	9	41
Middle	953	308	225	1,485
Low	981	271	71	1,322
All strata	1,948	595	305	<b>2,848</b>

Sources. (a) Dataset of probate inventories, based on Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179. (b) Dataset of potential wealth holders in 1772-1773, same sources as Table 2.

Having segmented both datasets, we can calculate the coefficients that we will use as weights. The goal is that the group of cases in each cell of the probate population ('a' segment in the table) can represent the number of cases in the corresponding cell of potential wealth-holders (Segment 'b' in the table). To do so, we will use the ratio (a)/(b) from each cell as weights. As an example: the table shows that we have four inventories of people in the first age group (15-39), which belongs to the elite, and we have 15 cases in the same age and social group in the potential wealth-holders. In order to make the four inventories of this specific age and social group representative of the fifteen potential wealth-holders from the

elite, we will weight each mentioned inventory by a coefficient of 3.75, since  $4/15=3.75$ . After re-weighting all the cells of the probate dataset with their respective (a)/(b) ratio, we obtain a new larger and unbiased (by age and social structure) dataset of inventories, which we can use as a stochastic sample of the potential-wealth holders. But two cautions must be noted. First, this method does not remove the biases within the segments: differences between the population with and without inventory within each cell persist. Secondly, this method does not resolve the issue that people with zero wealth are not included in the dataset. With these caveats, we use this corrected and enlarged dataset of inventories in what follows to analyse the wealth distribution in colonial Montevideo.

Table 5 depicts the age, gender, and social differences in the average wealth among the potential wealth holders.

Table 5. Wealth by age, sex, and social group among the potential wealth-holders c. 1772-1773

	Average wealth by age		
	1	2	3
Age	15-39	40-59	60+
Silver pesos	2,084	3,547	6,906
Ratio to column (3)	0.30	0.51	
	Average wealth by sex (family head)		
	1	2	
Sex	Women	Men	
Silver pesos	2,644	3,161	
Ratio to column (2)	0.84		
	Average wealth by social stratum		
	1	2	3
Stratum	low	middle	elite
Silver pesos	485	4,651	17,785
Ratio to column (3)	0.03	0.26	1

Sources: Stratified sample of 196 inventories (see text).

There were wide gaps between people of opposite ages and social conditions. People aged above sixty years were three times wealthier than people under thirty-nine, and the elite was more than thirty times wealthier than people at the bottom of the social structure. There was also a gender gap between widows (the only women included as potential wealth-holders) and free adult men.

Table 6 shows the wealth distribution by deciles. Although the amount of average wealth is almost 3,000 silver pesos, the distribution ranges from 84 in the poorest families to 15,500 in the richest. As 84 pesos does not seem a large sum as the total wealth of a household, we think that the new dataset has caught most of the potential wealth-holders with any wealth.

The table shows a slow rate of accumulation of wealth until Decile 7, a jump in Decile 8, and a new spike at the highest deciles (9 and 10).

Table 6. Wealth by deciles c. 1772-1773, in silver pesos

Decile	Average	Accumulated	Accumulated by decile
	(silver pesos)	(silver pesos)	
1	85	26,230	0.3%
2	175	46,856	0.6%
3	289	135,516	1.6%
4	404	43,569	0.5%
5	763	225,433	2.7%
6	1,419	484,743	5.9%
7	1,844	380,273	4.6%
8	3,557	1,008,212	12.2%
9	5,774	1,708,139	20.6%
10	15,467	4,218,110	51.0%
All potential wealth-holders	2,906	8,277,082	100%

Sources: Stratified sample of 196 inventories (see text).

The ratio top decile/bottom decile is huge: 182. Wealth is thus highly concentrated at the top: the top 10 households hold 51% of the total wealth, while the bottom 50% holds only 5%. This distribution pattern is similar to the share of the total wealth held by the richest 10% of free households in the British North American colonies in 1774 (Williamson & Lindert, 1980), and it is significantly lower than the percentage retained in the same period by the richest decile in some regions of Europe, such as Northern Italy (Alfani, 2021).

Table 7 shows the Gini index estimated for a subset of assets, and the Gini index of the total wealth.

The Gini index for the total wealth is 0,69, the same figure obtained by Lindert and Williamson (1980) for the free households of the thirteen British colonies of North America in 1774 (Williamson & Lindert, 1980: 37). If we take it for granted that Gini indexes ranged from 0.6 to 0.9 in modern preindustrial Europe wealth (van Bavel, 2020: 435), (Alfani, 2021) we can place Montevideo in the lower bounds of preindustrial European wealth inequality, and on par with the British settlements of North America.

Table 7. Gini index of main assets, Montevideo c. 1772-1773

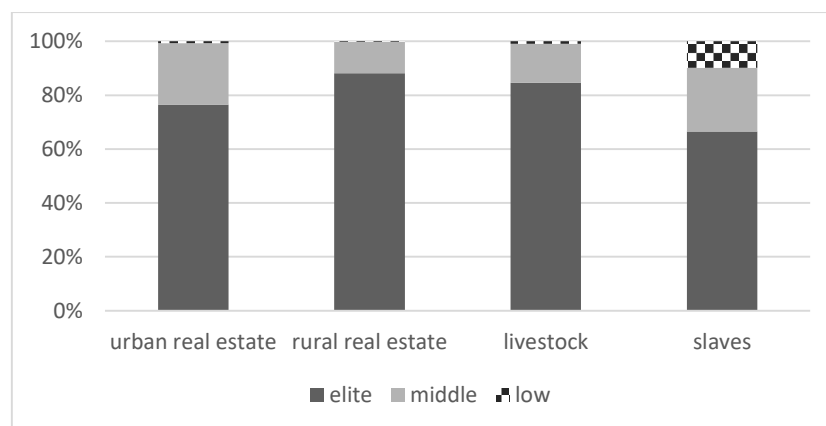
	Potential wealth-holders
Livestock	0.94
Rural property	0.92
Urban property	0.85
Slaves	0.69
Total wealth	0.69

Sources: Stratified sample of 196 inventories (see text).

Concerning the indexes by assets, all of them are higher than the obtained by Vicario (2015) from a population of taxpayers in Montevideo in 1751. She got a Gini index of 0.61 for cattle, and 0.43 for slaveholding (Vicario, 2015:174). As we have included not only a set of taxpayers but all potential wealth-holders in Montevideo, it is not a surprise that we obtained higher Gini indexes. Table 7 shows that three assets were more unequally distributed than the total wealth (urban property, rural property and livestock), while the fourth (slaveholding) was as unequal as the total wealth.

Figure 5 shows who held most of these assets. The elite held more than 60% in total, but more than 80% of rural holdings and livestock.

Figure 5. Share of each social stratum in the main assets, Montevideo c. 1772-1773



Sources: Stratified sample of 196 inventories (see text).

This pattern of high concentration of rural resources that are not scarce (like land and cattle) in the hands of a small elite might be regional. It is worth remembering that in the countryside of Buenos Aires the Gini index for land holdings was 0.95, and for livestock was 0.82 in 1789 (Gelman & Santilli, 2018). Like in Buenos Aires, the high Gini indexes of land and livestock in Montevideo do not mean that no family from the middle or the low social strata could access

those resources. We know that raising cattle extended across the rural population of Montevideo, a setting where the price of animals was so low that every rural worker rode his own horse, and the foremen of the rural holdings were allowed to raise their own herd. What these high Gini indexes show is that the ownership of land and cattle was highly concentrated in the top of the society. In a nutshell, in the agrarian landscape of Montevideo the access to land and cattle was open to many people from different social strata, but the ownership of these resources was retained mostly by the elite

The elite also concentrated urban property, a much scarcer and more expensive asset. To build a house in the city was expensive due to the high cost of timber and other inputs, transport, and labour. Due to the scarcity of skilled workers, the building sector in colonial Montevideo paid high skill-premiums to carpenters and masons (Moraes and Thul, 2018). Investment in the real estate market had to be highly profitable. According to some chroniclers, in colonial times ‘an iron balcony in the city valued as much as a ranch at the countryside’ (Real de Azúa, 1961: 44) . Figure 5 shows that not only the elite, but the middle stratum owned urban real estate. The inventories show that many families of the middle class owned their family home, and in some cases, additional dwellings (usually, rooms) for rental, a strategy of accumulation also found among the well-off members of the middle class in Buenos Aires at the same time (Johnson, 2013: 272-273).

In contrast, as noted by Vicario (2015), slaveholding was more evenly distributed. Figure 5 shows that the middle stratum held about 20% of this type of wealth, but the lower social group –whose wealth in real estate and livestock was negligible– managed to own about 10% of the total value of slaves. We know that families and the market provided most of the labour employed in the urban and rural activities in the economy of colonial Montevideo (Thul, 2016) (Moraes & Thul, 2018). It is therefore not surprising that the inventory datasets did not include major slaveholders: the largest number was owned by the wealthy Juan Ignacio Martínez, at 21 slaves. It is useful to note that, according to the inventory’s dataset, the price of an adult slave ranged from 200 to 400 pesos, depending on their age and sex. Thus, it is remarkable that even families at the bottom of society were able to make such an investment. The inventories show how widespread slave holding was across the social structure of Montevideo. The most striking example we found in the probate files is the case of María Ignacia Barrales, a former slave who was freed, and died in 1799. Her total wealth was about 1,500 silver pesos: she was far from the bottom of the wealth distribution, but she was clearly below average wealth, and foremost, she held the stigma of being a *parda libre* in the eyes of her contemporaries. In addition to owning a house in the city, however, María Ignacia had two slaves: a woman valued at 380 silver pesos and her child, valued at 80 silver pesos<sup>11</sup>.

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<sup>11</sup> Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, box #136.

Before closing this section, it is worth remembering that, although the stratified sample has included some quite poor families, the results do not include families who, although legally able to hold wealth, owned nothing. The historical literature about the poor in colonial Rio de la Plata demonstrates that poverty was a fuzzy concept, and does not offer any quantification (Rebagliatti, 2013) (Rebagliatti, 2016). A study of the inmates of the Charity Hospital of Montevideo showed that a yearly mean of one hundred and twenty-five men attended from 1787 to 1797, all of them considered poor by the hospital authorities<sup>12</sup>. A few were slaves, but most were freemen from other regions of the viceroyalty, whose occupation was not registered (Bianchi, 2001). Unfortunately, we do not have enough evidence to assess the size of the destitute population. Table 8 shows some exercises we did to determine how much inequality would worsen among the potential wealth holders if we could add the zero-wealth holders to the dataset.

Table 8. Inequality with and without zero-wealth holders

	Estimations not including zero-wealth holders	Estimations including zero-wealth holders		
		Hypothesis (a) 5% of the population has zero wealth	Hypothesis (b) 10% of the population has zero wealth	Hypothesis (c), 15% of the population has zero wealth
Gini index	0.69	0.70	0.71	0.72
Share of the top 10% in the total wealth	51.0%	51.4%	51.8%	52.3%
Share of the poorest 20% in the total wealth	0.9%	0.8%	0.4%	0.2%

Source: Stratified sample of 196 inventories (see text).

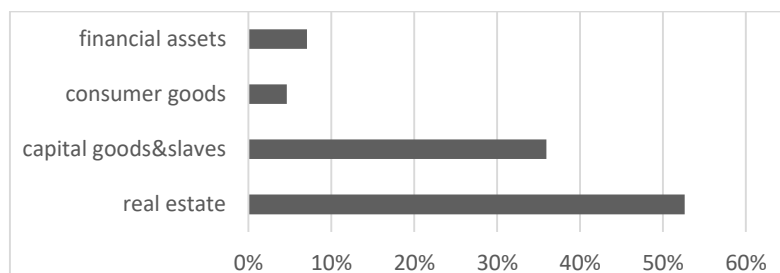
We re-calculated the Gini index under a different hypothesis about the size of the zero-wealth population among the potential wealth-holders. We assumed as reasonable a share of zero-wealth-holders ranging from 5% to 15%, since we were not including slaves, children or most women. The test shows that the Gini index would increase to a maximum of 0.72, and accordingly, the share of the top 10% would increase a maximum of two points, while would decrease the share of the poorest quintile. In summary, inequality would be somewhat higher, but the overall picture of wealth distribution would not radically change.

<sup>12</sup> In 1772-1773 this would be 2% of the total population, or 4.5% of the potential wealth-holders.

### c. Composition of wealth by deciles and by social stratum

Four main assets contributed to the wealth of all the potential wealth-holders: real estate, capital goods, consumer goods, and financial assets. As shown in Figure 6, they contributed differently.

Figure 6. Composition of the total wealth by main type of assets, Montevideo c. 1772-1773



Source: Column 1 in Table 4 in the appendix.

Real estate and capital goods (including slaves) were the main assets: together, they shared 86% of the total wealth, while consumer goods and financial assets comprised, together, the other 14%. It is notable that, according to Table 4 in the appendix, urban property was astonishingly dominant over rural property in the real estate category (40% vs 10% of the total wealth). This is in line to the importance of the urban housing market as a source of profit that we outlined above. It is also remarkable the low level of investment in rural property (10% of total wealth), the same as investments in the slave workforce. According to the Table 4 in the appendix, most of the capital goods were cattle, followed by slaves, other stock (mostly retailing goods, and eventually grain and hides), and fruit trees (planted not only as food, but as fuel).

This means that agrarian activity, if represented by the rural properties (10% of the total wealth), livestock (13%), and fruit trees (3%), was little more than a quarter of the total wealth. However, this figure is probably higher since some of the slaves worked on ranches and farms. Under the extreme assumption that half of the total value of the slave workforce would be on cattle ranches and farms, we could conclude that investment in agrarian activities was about a third of the total wealth.

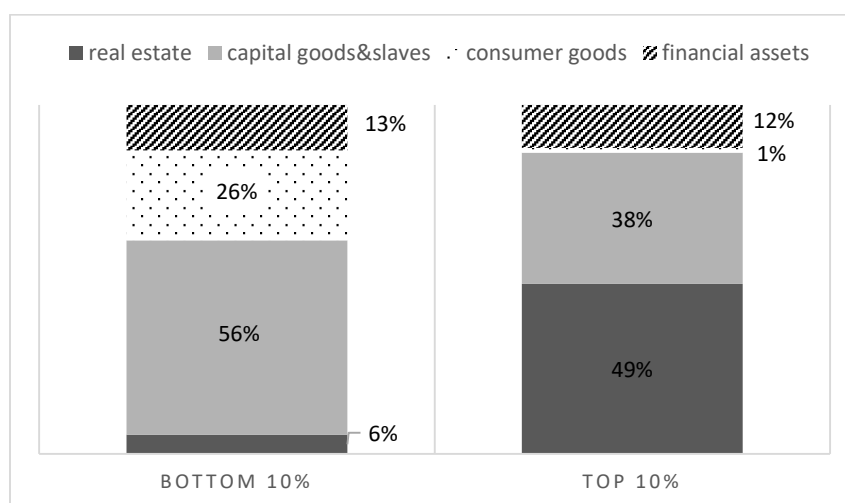
The next section shows how these main assets were distributed differently across the population.

Figure 7 shows the wealth structure at the poorest and the richest deciles. We highlight two big differences in the respective portfolios. The first concerns the owning of real estate. While the families in the top 10% had almost 60% of their wealth in real estate, at the bottom 10% this asset did not amount to more than 6% of their total wealth. Additionally, according to Table 4 in the appendix, the families in the top decile held more wealth in urban than in rural properties (34% of their total wealth in urban properties vs. 14% in rural ones), while at the bottom



10% when they had any property, it was not in the city but on rural sites. The second big difference is about consumer goods, which understandably, represented a quite larger amount in the poorest decile than in the richest one. Besides these big differences, it is worth to know that there existed also some differences in the structure of the capital goods. The main assets that formed the capital goods category were the same in both tails of the distribution: cattle and slaves. While the owning of cattle in the bottom decile is not unexpected, the owning of slaves highlights the widespread use of slave labour in the economy.

Figure 7. Wealth in the top and the bottom deciles, Montevideo c. 1772-1773

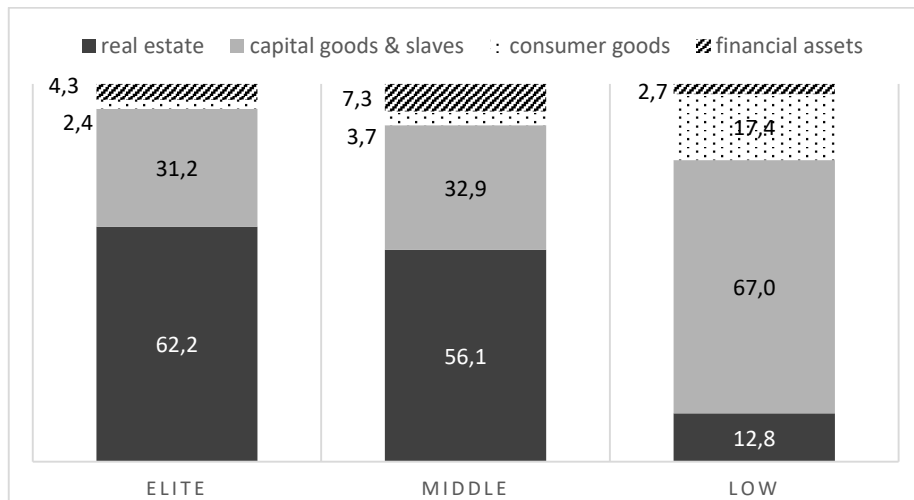


Sources: Table 4 in appendix.

The contrasting portfolios of the richest and the poorest are remarkable for the wealth composition of the social strata, as shown in Figure 8. It is worth remembering that, according to Table 7, the elite had an average wealth greater than the average of the richest decile. Figure 8 shows that the elite's portfolio has the same pattern as the top decile, but in an exaggerated version: more than 90% of their wealth was in real estate and capital goods, and financial assets and consumer goods were very small proportions. As in the top decile, most of their wealth in real estate was urban (39% urban vs. 20% rural) according to Table 4 in the appendix, and their main capital goods were cattle (20% of their total wealth) and slaves (6%).

Their financial assets were less than 5% of their total wealth; almost half was currency, and the rest was expected payments from debtors. In summary, according to this data, the elite was the richest segment of the top decile, formed mainly of the major owners of urban dwellings, rural properties, animals, and slaves.

Figure 8. Wealth composition by social strata, Montevideo c. 1772-1773



Source: Stratified sample of 196 inventories (see text)

The merchant, landowner, and manufacturer Juan Ignacio Martínez helps us to envision who belonged to the elite. He was born in the Bishopric of Santiago de Compostela probably in the early 1750s, and although we do not know when he moved to Montevideo, he may have spent some years at Buenos Aires before his arrival, since his wife and at least one of their children were born in the Viceroyalty's capital. Mr Martínez and his wife settled in Montevideo city from the early 1780s. They christened three children there, from 1784 to 1789, and he was a member of the city hall in 1783, 1796 and 1800<sup>13</sup>. When he died around 1810, he left a huge fortune of 98,724 silver pesos<sup>14</sup>. He owned six houses in one of the main streets of Montevideo city, five rooms for rental in the same downtown blocks, and storage close to the port of the city. Beyond the city walls, he owned a salted-meat manufacture in the '*extramuros*', three cattle ranches in the near countryside, a farm in one of the most fertile areas 20 km away from the city, and three additional ranches on the border of the Montevideo district. He owned 21 slaves. In addition to this property, he left 2,759 silver pesos in cash<sup>15</sup>.

The middle stratum had a mean wealth of 4,651 pesos, three times lower than the elite, but ten times higher than the lower stratum. In general terms their portfolio was similar to that of the elite: they mainly owned real estate, capital goods and slaves, and financial assets and consumer goods were a very modest share of their total wealth. Several details in Table 4 of the appendix suggest that the middle stratum had a different pattern of investment. Work tools, fruit trees and slaves comprised a larger share of their total wealth than for the elite. They had a smaller share of animal stocks than the elite, and almost no capital in stores,

<sup>13</sup> (Apolant, 1975c), pp. 1757.

<sup>14</sup> Although this is the larger estate in the inventories' dataset, this sum pales in comparison to the more than 395.000 silver pesos that left a merchant of Buenos Aires when dying in 1790. (Socolow, 1980).

<sup>15</sup> Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, box # 166.

workshops, or meat processing. Although the level and the composition of the middle stratum's wealth is very similar to that of the skilled workers and artisans in Buenos Aires in the late colonial period (Johnson, 2013: 266-267), the families in the middle stratum of the Montevideo district probably formed quite a heterogeneous group. Many families in this stratum were devoted to agrarian activities, skilled trades, and middle-seized commerce. The farmer and rancher Andrés Iraola is an example. He was born in the Bishopric of Pamplona in 1734. It is not clear when he moved to Montevideo, but he was living there by 1769, when he married the young daughter of a founding family of the city. He and his wife settled in a rural area about 25 km north-west of the city, where they raised six children (Apolant, 1975a). When he died in 1793, he left an estate of 5,416 silver pesos. His probate inventory shows that he did not own any urban property. Instead, he owned two rural properties, one of about 2000 hectares and the other of about 400 hectares. The family apparently lived on the larger estate, where in addition to having a house, he had wheat, a millstone, heavy horses, oxen, corrals, many work tools, many carts and many mares (which he probably used to trample his own and his neighbours' grain during threshing). The animal husbandry was completed by the breeding of one hundred calves and one thousand sheep. Mr Iraola also had three slaves there. On the smaller estate he had pear, apple, and peach trees, in addition to a crop field, work tools, and twenty oxen. He did not leave any cash<sup>16</sup>.

At the bottom of the social structure were the families of the lower stratum, with an average wealth of 485 silver pesos. Figure 6 suggests that they were somehow a slightly better-off version of the poorest 10%: most of their wealth was in capital goods, they eventually had a slave, and consumer goods. When they had real estate, it was almost always urban. They also had fewer cattle and more slaves than the poorest 10%. In sum, according to this data, the wealth profile of the lower stratum was characterized by the almost complete lack of access to rural land, the eventual ownership of the family home and one slave, and ownership of work tools, and some consumer goods (mostly non-durables). The sources suggest that there were many ways to live and die in the lower stratum. Catalina Murcia, for instance, was a land-less peasant, who apparently married a carpenter who later left the home. She died in 1791 at an uncertain but young age, as she left three non-adult children. She was the head of the family when she died: since her husband was absent, the judge in charge of the poor's cases had to dispose of her goods, as well as her children. According to her probate file Catalina Murcia had lived at Carreta Quemada, a scarcely populated rural site about 80 km away from Montevideo city, in '*a thatched hut with no doors nor windows*'. There were many work tools in the hut, mostly for carpentry and for farming, including a handsaw, several chisels, a compass, two ploughs, several sickles and three carts. Although she did not own any rural or urban land, she managed to own three

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<sup>16</sup> Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, box 106).

hundred and eight cattle, thirty oxen, eleven horses and seven sheep. The value of her goods totalled 556 silver pesos<sup>17</sup>.

## 5. Concluding remarks

Case studies are the only way to add new data to the study of pre-industrial wealth inequality, but we have not enough case studies to Latin America prior to 1820. We studied Montevideo in the late colonial period as a newly-settled, land abundant-labor scarce colonial economy, inserted in a dynamic process of regional economic growth. We narrow our study to the population of potential wealth-holders, and to households having a mean fortune above of 85 silver pesos. The findings of this work provide information about how unequal that population was, and how wealth inequality featured throughout the social structure.

The evidence showed that there were age, gender, and social differences in the average wealth among the potential wealth holders. The wealth distribution by deciles showed that wealth was highly concentrated at the top, with a huge ratio between the top and the bottom deciles, a 50% of the total wealth held by the richest 10%, and a 5% of the total wealth held by the bottom 50% of the potential wealth-holders. This level of inequality was not unusual in preindustrial economies, however. The Montevideo's Gini index for total wealth in 1772-1773 was the same as the thirteen British colonies of North America in 1774, and according to the available information until now, we can place Montevideo in the lower bounds of preindustrial European wealth inequality. Income inequality would be probably lower. Unfortunately, the absence of similar studies for pre-industrial Latin American economies before 1820 does not allow us to compare these results with other regions of Spanish America.

The wealth composition is also in line with the evidence from other pre-industrial economies. More than half the wealth was comprised of real estate, a typical pattern in agrarian-based economies. What is remarkable is the fact that in Montevideo the real estate wealth was mainly urban. Although this is clearly a result of to the relative prices of land and labour, as well as of the relative prices of urban and rural land, it highlights something that was not sufficiently studied by the literature on colonial Montevideo: the importance of the housing market as a source of profit.

So far, since the evidence does not posit a level of inequality higher than the regular, it seems that the colonial status of the economy of Montevideo was not causing an unusually high inequality. However, the colonial situation shaped the way inequality traversed the social groups. There were remarkable differences in

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<sup>17</sup> Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, box Juzgado Civil 1º, 1791 / 102

the possession of wealth throughout the social structure, even without considering the most disadvantaged sector of society (the slaves).

The elite was a tiny group which had a higher average wealth than the richest 10%. Their members were the richest and the most socially empowered. They enjoyed non-tangible assets as being 'Spaniards', and held positions of political, military, and ecclesiastical power. The evidence showed that they concentrate the ownership of three main assets: urban property (almost 80%), rural property and cattle (around 90%). Furthermore, the elite had almost three times more entrepreneurial assets than the middle stratum (such as mills, large warehouses, and salt meat manufacturing).

Around 70% of the potential wealth holders belonged to the middle stratum. This large social group held an average wealth three times lower than the wealth of the elite, a gap that does not seem very wide considering the high level of wealth of the richest social stratum. Members of the middle stratum were not considered mestizo or suspected of having African or native-American ancestors. They formed a sort of early middle class composed of different urban and rural occupational profiles, such as the owners of farms and ranches, the skilled artisans, and the owners of shops. Many were owners of real estate and slaves, belonging to the 'respectable' segment of Montevideo's society, while others were not proprietors but tenants, or occupants linked by labour or family ties to the owners of the rural land. This group did not have the social power and wealth of the elite, but they were far from being dispossessed.

At the bottom was approximately 30% of the population of potential wealth-holders. Their average wealth was approximately ten times lower than that of the middle stratum, a considerable gap. Indeed, members of the poorest group were engaged in the lowest skilled occupations and held fewer productive factors: their wealth consisted of their residences, their furniture, their work tools, and some slaves. They were mostly *mestizos*, former slaves, and *indios*. Although some of them owned slaves, this sector of potential wealth holders were themselves closer to the slave population than to the 'respectable' middle stratum. If we put aside the criterion of excluding the slaves and count them all in the lower social group, half the total population of Montevideo in 1772-1773 would belong to the lowest stratum of society.

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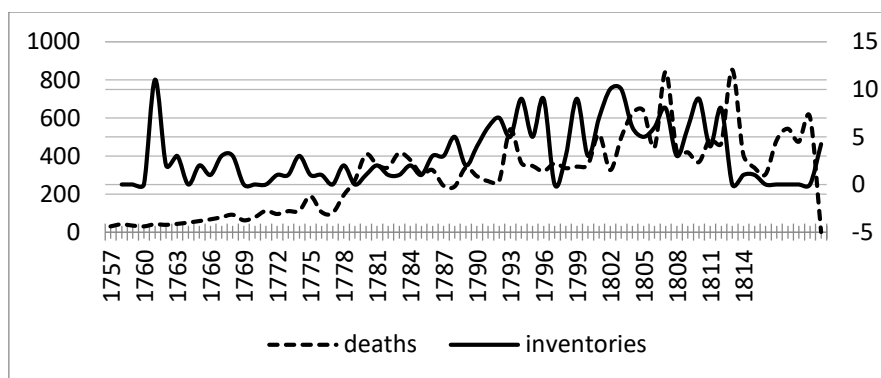
## 7. Appendix

Table A1. Probate inventories and deaths in Montevideo, 1760-1815

	1	2
	Probate inventories	% Total deaths
1761-1769	25	5.12
1770-1779	9	0.71
1780-1789	21	0.70
1790-1799	57	1.74
1800-1809	61	1.35
1810-1815	23	0.62
	196	1.17

Sources: (1) Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179. (2) Own estimations with mortality figures from (Pollero, 2013), pp. 473-478.

Figure A1. Probate inventories (right axis) and deaths (left axis) in Montevideo, 1760-1815



Sources: (1) Archivo General de la Nación (Uruguay), Archivos Judiciales, Juzgado Civil 1º, boxes #10 to #179. (2) Own estimations with mortality figures from Pollero (2013), pp. 473-478.

Table A2. Total population in Montevideo c. 1772-1773

		n	%
1	Population recorded in 1772-1773	3,644	56
2	Troopers	962	15
3	Estimated troopers' families	481	7
4	Enslaved people	1,385	21
	Total	6,472	100

Sources and comments: (1) Population records of 1772-73 in Base de datos de Pueblos y Números del Río de la Plata, in: (<https://pueblosynumeros.cienciassociales.edu.uy/base-de-datos/>). (2) Soldiers and troopers seated at Montevideo in 1781, according to (Fradkin, 2009: 92). The figure is equivalent to nearly 15% of the total population, which we considered the more appropriate assumption for those years, since after 1796 the number of troopers would increase because of the France-British war. (3) Estimation based on the hypothesis that 50% of the men were married. (4) Number of slaves (men and women of all ages) in the population record of 1778, which is equivalent to 21% of the total population in 1772-1773. According to all the population records the number of slaves ranged from 17% in 1769 to 26% in 1803. See: Base de datos de Pueblos y Números del Río de la Plata, in: <https://pueblosynumeros.cienciassociales.edu.uy/base-de-datos/>.