

"'Unknown World' Globalization: The Aztec *Pochteca* and Long Distance Trade"[1]

Michael J. Pisani

Associate Professor of
International Business
Central Michigan University
pisan1mj@cmich.edu



Jana S. Pisani
Assistant Professor
of World History
Ferris State University
janapisani@ferris.edu

In volume 5, issue 1 (2005) of *AIB Insights*, Professor Karl Moore reminded us with his article on the Roman Empire that globalization has a long and rich tradition in the "Old World." This Old World business history most IB scholars are familiar with; however, the trading empires of Mali (Timbuktu) and Great Zimbabwe in Africa and the Amer-Indian empires of the Inca and the Aztecs are equally impressive if not as familiar. One group of ancient international businessmen within the Aztec Empire (1428-1521 A.D.), the *pochteca* (or merchants), deserve special mention.

A primary function the Aztec *pochteca* played within the Aztec Empire was the role of international traders.[2] The ancient Aztec Empire, located in the hearth of Mesoamerica, stretched from modern-day Central Mexico to Central America and was a nexus for inter- and intra-regional trade connecting the Americas. The *pochteca* specialized in the long-distance (international) trade of high-value, low-bulk luxury goods and functioned effectively as the wholesaler in the distribution channel for luxury goods in intra-regional trade as well as international trade. Since there were no beasts of burden in Mesoamerica, all of this trade was carried on human backs, notably those of the *pochteca*. The Aztec *pochteca* combined an effective product mix with a distribution network designed to augment their "global" presence in the empire. And as new areas and peoples were incorporated into the empire, trade expanded. The *pochteca* followed the "flag" as new territorial gains by the Aztec Empire meant further inroads into new markets on a permanent basis.

The majority of the Aztec merchant trade was in competitive advantage products such as feathers, precious stones, dyes, animal skins, and human slaves. Thus, the *pochteca* facilitated the market exchange process between distant city-states and the Aztec Empire, sometimes at the behest of the Aztec rulers and other times on their own, but always with the intent of a profitable return on their high-risk efforts.

The exchange transmitted manufactured goods from the center of the Aztec Empire to the outlying provinces in return for raw materials. During the Aztec period, the merchants had control over price and distribution, permitting a terms of trade skewed towards the Aztec *pochteca*. The geography and local production traditions of ancient Mexico allowed for the development of specialized goods production centers—economic clusters— that in turn facilitated a network of raw materials for manufactured product exchanges. For example, Tenochtitlan (present-day Mexico City) was known for craftsmanship of jewelry, stones, obsidian, and copper bells whereas the Gulf Coast region of Tochtepec (in present-day Veracruz state, Mexico) produced rubber balls, feathers and cacao (the currency of the region, which did indeed grow on trees!).

The *pochteca* were able to capitalize on this comparative advantage of regional goods to fulfill market and consumer needs through a sophisticated transport network. The *pochteca* employed this transport network as domestic and international traders of goods. In particular, the *pochteca* had a very close business relationship with the craftsmen, especially the feather workers, in the Aztec core. The *pochteca* engaging in this relational exchange process brought feather and other skilled craftsmen the raw materials they needed and, in turn, often funneled artisanal elite goods back into the domestic and foreign luxury markets.

The forte of the *pochteca* was long-distance trade in low-bulk, high-value products with foreign lands. The *pochteca* developed several strategic approaches to global trade in order to facilitate the exchange of goods between peoples and city-states. The value-added that the *pochteca* provided was as intermediary of products— getting the right products to the right places at the right times.

Direct import and export of products relied on the *pochteca* traveling beyond the bounds of the empire—such as the nearby independent city-states of Tlaxcalla (Cholula, in particular) and the distant lands of present-day Yucatan, Chiapas, the Petén (Guatemala), Belize, and Honduras inhabited mostly by the Maya. This was an arduous endeavor as the *pochteca* faced stiff resistance to their presence in border zones fraught with intrigue and confrontation. The threat of attack on *pochteca* trading caravans was a constant concern. As such, the *pochteca* were trained in the art of war and a class of warrior-*pochteca* assisted the trading mission. Thus a state-sponsored trade mission offered a valued opportunity to gain access to lands normally "off-limits" as the state provided military escort or negotiated the peaceful right to trade with the foreign entity.

One such documented state-sponsored trading mission occurred under the Aztec King Ahuizotl (ruled 1486-1502 A.D.) whereby the *pochteca* were entrusted with 1600 large white cotton blankets to trade with the city-state of Anahuac. Before the *pochteca* left on this particular trip, they traded the 1600 blankets in the marketplace of Tlateloco for lower bulk and presumably higher value finished luxury goods in order to trade with the Anahuac nobility. This trip was made possible by the "good offices" of both city-states and the *pochteca* did not miss an opportunity to also load the trade caravan with their own luxury goods as a joint venture in order to make additional exchanges in Anahuac while doing the bidding of the king.

Since the *pochteca* as an institution predates the Aztec Empire, many long-standing trade relationships existed along geopolitical cross-roads. Many times these critical geographical junctures were populated by *Nahuatl* (Aztec) speaking *pochteca* who maintained a full-time *calpulli* (or barrio) within the centers or trade outposts. The establishment of these trading entrepots pushed out the limits of *pochteca* travel and trade, enabling a further ability to access precious luxury items such as quetzal feathers, green stones, precious metals, animal skins and cacao in return for finished products from the Aztec core.

Although not laid out as a specific strategy of the *pochteca*, the small-scale import and export of goods across political boundaries did occur on a regular basis. The *pochteca* were not chiefly involved in this activity, however, as they tended to operate in large-scale trade caravans which would have attracted too much attention on the frontier to cross in an ad-hoc fashion. This small-scale trade was undertaken by local producers and regional traders trading in low to medium value goods (subsistence and craft products as well as some middle range utility goods), which caused little alarm for local rulers. On the other hand, unsolicited cross-border *pochteca* trade could have been interpreted as an "invasion" and a *causus belli*.

Spanish conquistadors led by Hernán Cortés ended the Aztec reign early in the sixteenth century. With the Spanish victory came the spoils: Spanish entrepreneurs usurped the profitable *pochteca* trade routes. However, the Aztec merchants also contributed to their own quick demise. They "refused" to trade in goods which the Spanish demanded. The Aztec merchants did not sense a seriousness to fulfill the needs of this "temporary" new market. The *pochteca* had seen empires come and go, yet they had retained their privileged socioeconomic position regardless of the central power brokers. The *pochteca* did not believe that the Spanish conquest might threaten their long held tradition of trade in very profitable elite indigenous products. Those who survive in changing global economies, ancient or modern, are those who are able to adapt (learn), innovate and compete… timeless lessons for international businessmen.

continued on page 12

About the Authors

Michael J. Pisani is an Associate Professor of International Business in the Department of Management at Central Michigan University. His research interests focus on Latin American business and economic phenomena, including: labor informality; entrepreneurship, microfinance and microenterprise development; regional integration; cross-border business interactions, international business (e.g., culture and MNCs, *maquiladoras*, radical regimes and MNCs); and management history (Aztecs).

Jana S. Pisani is an Assistant Professor of World History in the Department of Humanities at Ferris State University. Her research interests focus on sixteenth century British social and religious history as well as the developments in the Atlantic world created by European exploration and colonization.

Reference:

Pisani, Michael J. and Jane LeMaster (2000), "Commerce, International Trade and Management Before the >Discovery= of Europe: A Modern Management Reappraisal of Aztec Merchant Activity," *Latin American Business Review*, 1(4), 101-123.

Footnotes

[1] This essay draws primarily from Michael J. Pisani and Jane LeMaster (2000), "Commerce, International Trade and Management Before the >Discovery= of Europe: A Modern Management Reappraisal of Aztec Merchant Activity," *Latin American Business Review*. Please see the entire article for a more complete picture of the *pochteca* contribution the Aztec economy as well as additional insights in the *pochteca* organization, managerial functions, and business practices, culture and rituals.

[2] Beyond their role as international traders, the *pochteca* also were charged with the oversight marketplaces in the Aztec Empire and served the Empire as foreign service agents either clandestinely as spies or overtly as tax collectors and front line foot soldiers.