Oil conflict and compromises in the Ecuadorian Amazon: the relationships between oil and indigenous people in historical perspective

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Abstract. This paper retraces the history of the relationships between indigenous people and the oil industry in Ecuador, in three chronological stages: 1) unregulated and uncompensated oil development (and conflict) between the 1970s and the 1990s, 2) social compensation, material needs and compromises at the local level starting in the 1990s, and 3) the decade of Correa’s presidency (2007–2017), marked by a new extractive compromise which emphasises the need for oil extraction to provide people with health and education, and the institutionalization of an unfair local dilemma between environmental protection and socio-economic benefits, recorded through sometimes dubious processes of prior consultation. This account sheds light on some of the mechanisms through which open conflicts can turn (and have turned, in the Ecuadorian case) into compromises and acceptance; as the supply of powerful actors such as large oil companies and States meet the demands of marginal populations for necessary basic services and other socio-economic benefits which are otherwise lacking. It is a reminder that acceptance (by the local people) does not mean the situation is acceptable. Instead it may hide cases of environmental injustice – which we more often associate with open conflict – and result in indigenous communities being left out of the analysis. This account points to the urgency of finding post-extractive development alternatives, both at the local and national level. This is particularly important in a national context marked by the aggressive intensification of extractivism coupled with a fast decline of the oil reserves, the last of which are situated in biodiverse places such as the ITT fields of the Yasuní National Park (which will be questioned by popular consultation in August); in a global context of unprecedented ecological crisis.

Keywords. oil extraction, oil conflicts, compromises, social compensation, Ecuadorian Amazon, President Correa, prior consultation, indigenous movement

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**Resumen.** En este artículo repaso la historia de las relaciones entre los pueblos indígenas y la industria petrolera en el Ecuador, en tres etapas cronológicas: 1) desarrollo (y conflicto) petrolero no regulado y no compensado entre las décadas de 1970 y 1990, 2) compensación social, necesidades materiales y compromisos a nivel local a partir de la década de 1990, y 3) la década de la presidencia de Correa (2007–2017), marcada por un nuevo compromiso extractivo que enfatiza la necesidad de la extracción petrolera para brindar salud y educación a las personas, y la institucionalización de un injusto dilema local entre la protección ambiental y los beneficios socioeconómicos, registrado a través de procesos de consulta previa a veces dudosos. Este relato arroja luz sobre algunos de los mecanismos a través de los cuales los conflictos abiertos pueden convertirse (y se han convertido, en el caso ecuatoriano) en compromisos y aceptación; ya que la oferta de actores poderosos, como las grandes compañías petroleras y los Estados, satisface las demandas de las poblaciones marginales de los servicios básicos necesarios y otros beneficios socioeconómicos que de otro modo carecerían. Es un recordatorio de que la aceptación (por parte de la población local) no significa que la situación sea aceptable. En cambio, puede ocultar casos de injusticia ambiental, que asociamos más a menudo con un conflicto abierto, y dar como resultado que las comunidades indígenas queden fuera del análisis. Este relato apunta a la urgencia de encontrar alternativas de desarrollo post extractivo, tanto a nivel local como nacional. Esto es particularmente importante en un contexto nacional marcado por la agresiva intensificación del extractivismo aunado a un rápido declive de las reservas petroleras, las últimas de las cuales se encuentran en lugares biodiversos como los campos ITT del Parque Nacional Yasuní (que serán cuestionados por consulta popular en agosto); en un contexto global de crisis ecológica sin precedentes.

**Palabras clave.** extracción petrolera, conflictos petroleros, compromisos, compensación social, Amazonía ecuatoriana, presidente Correa, consulta previa, movimiento indígena

“Oil is clearly at the center of current industrial development and economic activities. However, oil is also at the heart of some of the most troubling environmental, health, and social problems we face” (O’Rourke and Connolly 2003).
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Introduction

Oil was discovered in the Ecuadorian Amazon in 1967 by a Texaco-Gulf consortium (Hurtig and San Sebastian 2002: 1021) and was extracted from 1972. This marked the beginning of the oil development era, soon replacing cacao and banana as the first product for primary export (Juteau 2012). Ecuador in 2020 was the fifth-largest oil producer in South America, after Brazil, Colombia, Argentina, and Venezuela. As of December 2019, the country had 1.338 million barrels of proved crude oil reserves and an estimated 2.257 million of total reserves, most of which are located in the Amazon, according to Ecuador’s Secretariat of Hydrocarbons (2020). It was one of the smallest producers of the Organization of the Petroleum Exporting Countries (OPEC) – until it left the organisation for the second time in 2020. Ecuador is also one of the countries with the densest biodiversity in the world (Dangles et al. 2009) and counts with fourteen indigenous nationalities, which represent 8-9 per cent of the population according to official estimates. In the Ecuadorian Amazon, oil extraction overlaps the territories of ten indigenous groups (Finer et al. 2008). As in many countries of high biodiversity and large indigenous populations, oil development in Ecuador illustrates the widely commented contradictions arising between development and the preservation of the environment – although whether oil extraction has brought development to the country can be questioned: according to Larrea (2022), half a century of extractivism has resulted in little diversification and huge debt, while the population is still affected by poverty, social exclusion and low employment rates despite improvements in the domains of health, education and infrastructure.

The first oil companies arrived in the Ecuadorian Amazon, known in the country as the Oriente, without any legal frame for their activities and relations with the communities (Becerra et al. 2013). Indigenous local communities “expelled seismic crews, harassed construction workers, and sequestered government officials” (Sabin 1998: 144), in order to protest the oil projects. And the environmental and cultural negative impacts of oil development gave rise in the 1990s to “one of the strongest indigenous movements of the continent” (Yashar 2006), organised politically against multinational oil companies operating in their territories. But “the

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2 Oil exploration in the Amazon actually started with Shell in 1937, which discovered oil chose not to drill it because of the difficulty and high costs of extracting in the Amazon. Oil had also been discovered and produced in other parts of the country from 1917 and exported (in relatively small quantities) from the 1930s (see Schodt 1987).

3 These official statistics (based on self-identification) are disputed. For instance, according to Fernandez-Martí (2012), indigenous people represent 25 to 45 per cent of the population depending on the estimates.
history of Amazonian oil development is not a simple tale of capitalist penetration and pristine native resistance” (Sabin 1998: 144), as it was often presented.

In the 1990s, large oil companies started offering schemes of social compensation to the local communities they were affecting. Due to the high levels of poverty and the absence of the State, especially in the Amazon, oil extraction occasionally resulted in compromises rather than conflict, and the needs of these communities were sometimes accommodated through oil extraction in their territories (Guzman-Gallegos 2012; Orta-Martínez and Finer 2010; Rival 1997; Rival 2017; Sabin 1998). This has led some authors to argue that the Ecuadorian oil conflict was better interpreted as the search for a ‘middle ground’ (Sabin 1998). For these authors, although such compromises were often characterised by unfair trade-offs and power imbalances, institutional arrangements could be found to change this relationship.

After years of largely unregulated oil development, the election of Correa in 2006 brought an unprecedented attention to the claims of the national indigenous movement (Lalander and Peralta 2012: 22). While the now famous 2008 Constitution is particularly innovative and radical (it is one of the first constitutions in the world to recognise the rights of nature, and it is centred around the Quichua concept of sumak kawsay), in practice the government built a new extractive compromise, presenting oil extraction as the promise of decreasing poverty in the Amazon, through the implementation of a complex scheme of economic and social redistribution for local indigenous communities. Importantly, it also significantly increased the role of national firms in oil activities – including the creation of state-owned oil company Petroamazonas in 2007. And while the Constitution gave a new voice to local indigenous communities through processes of prior consultation conducted from 2011 in the country, many local communities were reported to have voted in favour of oil extraction (Vallejo 2014).

In this paper I retrace the history of the relationships between indigenous people and the oil industry in Ecuador, in the three chronological stages outlined above: 1) unregulated and uncompensated oil development (and conflict) between the 1970s and the 1990s, 2) social compensation, material needs and compromises

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4 Those results should be interpreted carefully; indeed Urteaga-Crovetto has highlighted the flaws of processes of prior consultation in Ecuador but also Peru, Bolivia and Colombia. She shows notably how the legislation “has reduced the substance of the right to consultation and overrode the right to consent” (2018: 21) while processes of prior consultation in practice have not respected international standards, have internalized power imbalances and have lacked good faith – ultimately harming indigenous communities’ self-determination (2018).
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at the local level starting in the 1990s, and 3) the decade of Correa’s presidency (2007-2017), marked by a new extractive compromise which emphasises the need for oil extraction to provide people with health and education, and the institutionalisation of an unfair local dilemma between environmental protection and socio-economic benefits, recorded through sometimes dubious processes of prior consultation. This account sheds light on some of the mechanisms through which open conflicts can turn (and have turned, in the Ecuadorian case) into compromises and acceptance; as the supply of powerful actors such as large oil companies and States meets the demands of marginal populations for socio-economic benefits which are otherwise lacking, including basic services. It is a reminder that acceptance (by the local people) does not mean the situation is acceptable. This seems important, in a context where the literature on extractivism largely focuses on conflict and conflict is seen as both the symptom of environmental injustice and a driver of sustainability. This view tends to marginalise indigenous communities which may have compromised with the oil industry or accepted an environmentally destructive project in their territories.

At times of deep polarization of the Ecuadorian society – where Correa’s legacy could be seen as a successful ‘middle ground’ by some, in a context where his successor Lasso promised to double the country’s oil production (Romo 2022) under the same extractive logic as his predecessor; while a new popular consultation opens once again the possibility of leaving the oil permanently underground in the ITT fields of the Yasuní National Park (YNP), 10 years after the end of the Yasuní-ITT initiative – it seems worth taking a step back to look at the historical complexity of the relations between indigenous people and large companies operating in their territories, between destruction, conflict, social benefits, compromises and dependency. While such complexity is ultimately due to the pervasive dilemma the communities are facing, between environmental protection and socio-economic benefits – a dilemma which is also visible at the national level – it points to the need to design development alternatives beyond such dilemma. The search for post-extractive development alternatives is made particularly urgent in Ecuador, in a context of fast decline of the last known oil reserves, most of which are situated in sensitive places such as the YNP – a hotspot of biodiversity which is also home to indigenous people among which the Tagaeri and Taromenane (Finer et al. 2008) who live in voluntary isolation. The ITT oil project is the subject of the popular consultation to come5.

5 In August Ecuadorians will answer the following question: ‘¿Está usted de acuerdo en que el Gobierno ecuatoriano mantenga el crudo del Yasuní ITT, conocido como Bloque 43, indefinidamente en el subsuelo?’ [Do you agree for the Ecuadorian government to keep the Yasuní ITT crude, known as block 43, indefinitely underground?] (Prensa Latina 2023).
The paper is structured as follows. In a second section, I describe the history of the Ecuadorian oil conflict starting in the 1970s, from unregulated and uncompensated oil development to the rise of the indigenous movement in the early 1990s. In a third section I show how the social compensation brought by large oil companies in indigenous people’s territories helped turn conflicts into compromises, starting in the 1990s, notably because of the poverty and material needs at the local level. In a fourth section I analyse the new extractive strategy built by the Correa administration, centred around poverty, social compensation and consulta previa. I also explain why the Ecuadorian society became polarised around the ITT oil extraction project after the failure of the Yasuní-ITT initiative in 2013. I conclude in a fifth section by arguing that the search for local and national alternatives to oil extraction beyond the pervasive dilemma between development and the protection of the environment can hardly be avoided any longer.

Oil extraction in the Ecuadorian Amazon: from unregulated oil development to the rise of the indigenous movement

According to Finer et al., the history of oil development in the western Amazon is “one of massive ecological and social disruption” (2008: 178). Since the 1970s, 65 per cent of the Ecuadorian Amazon has been ‘zoned’ for oil activities (see Figure 1), and the blocks overlap the territories of ten indigenous groups (Finer et al. 2008).

Erosion of land and dispersion of wildlife followed hundreds of seismic detonations, and the two billion barrels extracted between 1972 and 2004 provoked ecosystem destruction and deforestation - thousands of miles of trail-clearing, according to Hurtig and San Sebastian (2002: 201). These were also indirect impacts related to the colonization allowed by oil roads (Kimerling 1990: 855; Sabin 1998), which provoked the migration of mestizos in the Amazon during land reforms in the 1970s (Juteau-Martineau, Becerra, Maurice 2014). In particular, according to Hurtig and San Sebastian (2004), extractive technologies in the 1970s resulted in large contamination, and more than 30 billion gallons of toxic wastes and crude oil were released into the Ecuadorian Amazon between 1972 and 1993. Texaco, the primary foreign company to produce oil in Ecuador (Sawyer 2004) between 1964 and 1992, is said to have spilled more than the Exxon Valdez spill in Alaska in 1989, as the comparison has become famous in Ecuador. Texaco “did not dismantle many old wells and did not rehabilitate areas surrounding production sites” (Sabin 1998: 150), and used highly contaminating technologies which had long been illegal in the US (see Feichtner for Texaco’s externalisation practices between the 1970s and the
1990s, notably a mechanism called *toxic ghost acres* which ‘turned the Ecuadorian Amazon into a cheap hazardous waste sink of the oil industry’ (2020: 25).

Contamination had impacts on indigenous people’s livelihoods (Kimerling 1990), through decrease in land productivity, high mortality of the animals, and severe impacts on health (Hurtig and San Sebastian 2002; Orta-Martínez and Finer 2010; Larrea 2022). The health problems identified included higher cancer, morbidity and abortion rates, higher malnutrition, anaemia and skin problems, and diseases due to the impact of contamination on animals (Paichard 2012). Health impacts were particularly damaging among non-contacted indigenous populations, with increased mortality and morbidity due to contact (Finer et al. 2008). Oil extraction was finally denounced in the country for its cultural and social impacts on indigenous people, such as the violation of indigenous rights and ancestral territories (Kimerling 1990), the loss of social cohesion in the communities, sexual abuses and prostitution (Becerra et al. 2013; Beristain, Páez Rovira, Fernández 2009; Jochnick et al. 1994).
In the early stages of oil development in the Amazon, indigenous territories were declared zones of ‘national security’ (Little 1992: 48). The relations between indigenous communities and oil companies were merely marked by the presence of militaries and the dispossession of ancestral territories (Juteau-Martineau, Becerra, Maurice 2014), in a region that had historically been neglected by the Ecuadorian State (Andy Díaz 2005). According to Sabin (1998: 150), the first small environmental agency was established by the national government in 1984, and the state oil company did not have an environmental unit until 1986. Oil extraction was unregulated and so were its impacts. The pollution damages to the health, water sources and means of subsistence (crops and animals) of local people remained unmitigated and uncompensated, and local communities did not participate in the planning of exploration and development either (Sabin 1998: 150). In 1990, Kimerling would conclude that oil extraction meant “destruction rather than progress” (1990: 415) for the local indigenous people living in the Amazon rainforests who suffered the costs of oil development without sharing its benefits and without participating in the decisions.

In the late 1980s indigenous people started organizing politically against the oil companies, in a context of neoliberal reforms which increased the reliance on and the importance of oil extraction for the Ecuadorian State (Gerlach 2003), but also of better recognition of environmental matters at the international level (Rival 1997), and improvements in both international and national laws regarding the rights of indigenous people (Martí i Puig 2010).

Indeed, the 1990s saw the emergence of new indigenous organizations, such as the Confederación de Nacionalidades Indígenas del Ecuador (Confederation of Indigenous Nationalities of Ecuador – CONAIE), the indigenous national representative organization (Finer et al. 2008; Jameson 2011), the Confederación De Nacionalidades Indígenas De La Amazonia Ecuatoriana (Confederation of Indigenous Nationalities of the Ecuadorian Amazon – CONFENIAE) at the level of the Amazon (Reider and Wasserstrom 2013), and local federations. The Organización de los Pueblos Indígenas del Pastaza (Organization of Indigenous People of Pastaza – OPIP), created in 1978 to confront colonization and stop oil development, was described as “the most radical and best-organized of the provincial organizations” of Ecuador (Sabin 1998: 160). The fight of OPIP against ARCO, an Italian firm operating in block 10, revolved around “territorial, cultural and environmental control and protection” (Sawyer 2004: 76). In the early 1990s, its members “vociferously challenged petroleum exploitation in their lands – condemning what they considered to be ARCO’s insidious instrumentality and manipulative method” (Sawyer 2004:
In a letter to ARCO’s chief executive in Los Angeles, OPIP wrote: “we are not willing to succumb to the same fate as those to the North who have suffered profound ills… in the name of ‘progress’, ‘development’ and ‘modernization’” (Sawyer 2004: 71).

Indigenous organizations increasingly built alliances with environmental NGOs, and together, indigenous people and environmentalists denounced the environmental and human impacts of oil extraction through the languages of ecology, ethnicity and indigenous rights allowed by these alliances (Fontaine 2009). The anti-oil campaign Amazonia por la vida (the ‘Amazon campaign for life’), launched in 1989 in reaction to the plans for oil extraction in the YNP by the oil firm Conoco, is probably the first illustration of such alliance in Ecuador. The campaign was led by US environmental groups such as Rainforest Action Network, Natural Resources Defence Council, the Sierra Club and the Sierra Club Legal Defence Fund (Reider and Wasserstrom 2013), but also Acción Ecológica, an Ecuadorian NGO created in 1987 which arguably marked the passage from institutional environmentalism to ecological activism in Ecuador (Fontaine 2009; Juteau-Martineau, Becerra, Maurice 2014). It was joined by indigenous organizations and notably the Huaorani peoples. The fight of the Huaorani against oil firm Conoco in block 16, whose leaders told the then President Durán Ballén that “they did not want to exchange their way of life for his, even for schools and airplanes” (Gerlach 2003: 75) would be described as an ‘environmentalism of the poor’ by Martinez-Alier (2002), which he defines as “the activism of poor women and men threatened by the loss of the environmental resources and services they need for livelihood” (2002: 119). Through these movements, Martinez-Alier argues, indigenous people defend their livelihoods but more broadly their human rights, “since it is impossible to separate Nature from human livelihood, and livelihood from human rights” (2002: 108)⁶.

The same discourse would be used over the next fifteen years against international oil companies such as Conoco, Maxus, and Texaco (Reider and Wasserstrom 2013). It would contribute to some legal and institutional improvement, such as the creation of a Ministry of the Environment in 1997 and stronger legislation over oil extraction in environmental and social terms in the Constitution of 1998, which recognised the collective rights of indigenous and black populations (Perreault 2003), the protection of the environment and the rights to prior consultation of indigenous and local communities – though the law would be weakly applied (Juteau-Martineau, Becerra, Maurice 2014). The movement would allow the legalization of indigenous territories, notably though the “legendary 1989

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⁶ I explain in another paper (Dayot 2023, in press) how theories of ecological and cultural distribution conflict have been used in the Ecuadorian case, and why at the same time they miss part of the story – as I explain below.
Sarayaku Agreements” (Vasquez 2014: 80) and the 1992 march of OPIP from Puyo to Quito, and it would manage to delay oil extraction projects in some sites (Finer et al. 2008), such as blocks 23 and 24 where oil extraction was stopped for over seven years through protest campaigns and protest events (Jameson 2011). It would be particularly successful in raising awareness and attracting the media (Fontaine 2009; Juteau-Martineau, Becerra, Maurice 2014), notably in 1993 through the class-action suit taken against Texaco, presented in the US by thirty thousand Ecuadorians for the pollution caused locally (Martínez-Alier 2002).

From ecological to ontological struggles

In the 1990s the movement would gain increased political space (Jameson 2011: 63), and the creation of Pachakutik in 1996, defined as the party of indigenous people, would mark “the Indian movement’s entrance into Ecuador’s traditional electoral process” (Gerlach 2003: 76). The two central demands of the movement were the recognition of Ecuador as a plurinational State, and the control of indigenous groups over territory (Jameson 2011). But the claims of the movement increasingly went beyond the rights of indigenous people. The indigenous movement, critical of the reliance of the State on resource extraction, defended a development path toward an economy of services based on bio-knowledge and tourism (Lalander and Peralta 2012). For Viteri, leader Sarayaku, “the fight, in political terms, is about resistance to neoliberalism” (2004: 3), and Escobar would characterise the Ecuadorian indigenous movement as ‘ontological struggles’ (2011), referring to “a different way of imagining life” (2011: xvii).

Social compensation and poverty at the local level: a counter-narrative

Against this background, some scholars denounced from the 1990s what they saw as an erroneous ‘standard narrative’ (Reider and Wasserstrom 2013), built on a certain ‘strategic essentialism’ (Engle 2010: 10). According to them, the strong anti-extractivist discourse of the indigenous movement partly helped indigenous people putting their claims, mainly territorial, in the national and even the global agendas, through alliances with environmental and human rights NGOs (Ramos 1994; Rogers 1996; Valdivia 2005). In the OPIP case, Sawyer argues, although “no one wanted their rivers contaminated or their territorial rights undermined” (Sawyer 2004: 81), the use of a certain environmental discourse was also key to obtain international political and economic support: “whether addressing the media, state officials, fellow citizens, or international greens, indigenous rhetoric was laced with images of Indians
as the crusaders of the rain forest” (Sawyer 2004: 53). If it was key to the success of the national indigenous movement, this ‘ethnic frame’ using the language of ecology (see Altmann 2020) often hided more nuanced claims (Fontaine 2009) and notably the material preoccupations of local federations and local indigenous communities (Perreault 2001; 2003).

Corporate responsibility and poverty at the local level

Indeed, given the poverty of indigenous people in the Amazon and the relative absence of the State in the region (Bustamante 2007; Juteau 2012; Muratorio 1991), the interests of the oil companies and of indigenous people could and did converge in some circumstances (Reider and Wasserstrom 2013). And the 1990s also witnessed the emergence of the ‘social corporate responsibility’ of large oil companies, which increasingly displayed a “moral obligation to help the social development of the communities they [were] affecting” (Rival 1997: 4). As a result, the claims of indigenous local communities were sometimes accommodated through oil extraction in their territories (Guzman-Gallegos 2012; Orta-Martínez and Finer 2010; Rival 1997; Rival 2017; Sabin 1998). Indigenous people learnt how to negotiate and take advantage of the oil companies (Haley 2004), and different arrangements helped solve social conflicts punctually (Fontaine 2009). The oil firms bought ‘social peace’ through social compensation (Maldonado 2013; Juteau-Martineau, Becerra, Maurice 2014; Rival 2017; Sabin 1998), which took the form of material goods (Vallejo 2014), schools and coliseums (Becerra et al. 2013), health centers and other ‘public services’ (Guzman-Gallegos 2012; Orta-Martínez and Finer 2010; Rival 1997; Rival 2017; Sabin 1998), and finally jobs and cash (Orta-Martínez and Finer 2010; Rival 2017). They also financed the headquarters of some federations (Sabin 1998). Although such compensation was insignificant for the oil companies (Sawyer 2004), the benefits were arguably substantial at the local level, and oil firms increasingly became the provider of basic services that the communities could not obtain otherwise. O’Connor (1994), for instance, shows that although indigenous leaders were clearly against oil extraction in block 16, some Huaorani people were not. Instead, they wanted their lands to be recognised in order to share the benefits of oil development. As a result, conflicts arose between environmentalists and the Huaorani people who “did not want to be ‘preserved’” (2013: 41). An agreement of ‘friendship, respect and mutual support’ was finally signed in 1993, between Maxus7 and the Organizacion de la Nacionalidad Huaorani del Ecuador (Organization of the Huaorani Nationality of the Ecuadorian Amazon – ONHAE), over the social development of the community during twenty years – notably through investments

7 Maxus was bought by Spanish company Repsol in 1995 (Reider and Wasserstrom 2013).
in education and health (Rival 1997). In the OPIP’s case against ARCO in block 10, Sawyer (2004) puts in perspective the fight of the OPIP organization with the acceptance of some near Quichua communities. Moreover, according to Fontaine (2009), while OPIP had managed to prevent the construction of a road to access block 10, the decision was reversed in 2002 by local Quichua communities who saw it as an opportunity for market integration.

*Making sense of compromises*

The growing importance of the social compensation created a renewed attention to the arrangements at the local level, shedding light on the lack of information and understanding of the impacts by the communities, the poverty at the local level, and a certain manipulation from the oil companies, notably through the structures and relations of dependency created with the communities (Martínez Sastre 2016; Vallejo 2014). Vallejo for instance shows that the local people have been told (during the *consulta previa*) that there would not be pollution and what they could do in case it happens (2014: 125). Sawyer, in her account of the OPIP struggle, describes the indigenous people in favour of oil extraction as “the most materially poor and politically marginalized people in Pastaza” (2004: 8), defending oil extraction out of the “illusions of betterment that ARCO’s omnipotent and benevolent hand promised” (2004: 8). Becerra et al. (2013) similarly show that the poverty and lack of economic alternatives of the inhabitants of Dayuma – due to their geographic isolation from any other activity – prevents them from claiming their environmental rights. And in some cases, they argue, the same dependency influences perceptions and people simply do not see the environmental and health impacts, or do not attribute them to oil extraction. On the other hand, this renewed attention to compromises also highlighted the “multiple and often coexisting motivations” (Bebbington 2011: 223) of local indigenous communities, which according to Fontaine are political, economic, social and ethic. For him, their demands go from jobs and productive activities and the support in integration to the regional and national market to the right to consultation and participation (2004b), and their struggles are about trying to “control the modalities of their economic and social development” (Fontaine 2004a: 10). Valdivia (2005) suggests that the acceptance of oil extraction does not only reflect the lack of economic resources in the communities but the idea of a more profound change, related to the value assigned to ‘modernization’. For Sabin, finally, the choice of oil extraction results from a rational decision-making process: the Siona-Secoya living in Cuyabeno National Park, and the Cofán of Siabalo firmly opposed oil extraction because they had an alternative
source of revenues through ecotourism, while the Quichua people described by Whitten (1976) started working for the oil companies as soon as they arrived in the Puyo Runa because the opportunities provided by oil extraction were seen as better than the opportunities previously available – “slave-like debt peonage on haciendas along the Napo River” (Sabin 1998: 152).

Power imbalances and unregulated compromises

Those accounts have in common the recognition that the ‘compensation’ brought by large oil companies did not tackle in any way the problem of contamination (Becerra et al. 2013) and notably, “investments in public health were not significant enough to reduce the vulnerability of the most exposed populations” (Becerra et al. 2013: 113). The social compensation was unregulated, but also paternalistic (Becerra et al. 2013), “if not coercive” (Rival 2017: 263); and created tensions between the communities (Guzman-Gallegos 2012). And while in the 1960s and 1970s, the EcuadorianAmazon was one of the poorest and less inhabited regions of Ecuador despite its large surface – 2 per cent in the population in 1962 (Schodt 1987) for 45 per cent of the country – oil extraction did not help improving the social conditions, nor decreasing poverty, in the region (Larrea 2017; Rival 2012; Larrea 2022). In 1998, Sabin concludes that “In Ecuador, as elsewhere, the conditions of extraction have typically forced native groups to choose between no economic development and a form of industrial activity that would undermine the foundations of native cultural and economic life” (Sabin 1998: 145).

But for some of its authors, although oil extraction had been an agent of destruction of the environment and cultural disruption, and although compromises were often characterised by unfair trade-offs and power imbalances, institutional arrangements could be found to change this relationship, in an extractive context (Reider and Wasserstrom 2013). In Sabin’s words, rather than “absolute battles between romanticized subsistence cultures and demonized market cultures” (Sabin 1998: 162), the Ecuadorian oil conflict is better described as the search for a ‘middle ground’ (Sabin 1998). Behind the possibility of such ‘middle ground’ lies the fundamental (and increasingly untenable, as I argue in the discussion) assumption that the State cannot afford to stop oil extraction (Juteau-Martineau, Becerra, Maurice 2014: 135).

While the counter-narrative points to the historical failure of the State to build compromises in Ecuador (Reider and Wasserstrom 2013), the Correa

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8 According to Larrea (2022), not only the Amazon is still the poorest region in the country; but the places where oil is extracted are poorer than the ones where there is no extraction.
administration (2007-2017) undeniably marked a rupture with forty years of unregulated oil development in the Amazon by responding to the claims of indigenous people in two different and opposite directions.

**Correa between rupture and compromise**

The election of Correa, in 2006, brought an unprecedented attention to the claims of the national indigenous movement (Lalander and Peralta 2012: 22). Correa and the CONAIE shared an emphasis on the search for alternatives to the neoliberal policies in Ecuador. Correa provided the indigenous movement with a figure (Lalander and Peralta 2012), and although there was no formal alliance between Correa’s *Alianza País* and the indigenous party, *Pachakutik*, the latter supported Correa in the 2006 elections. During Correa’s first mandate, the presence of indigenous people in the government multiplied (Lalander and Peralta 2012: 22).

*The Yasuní-ITT initiative (2007-2013) and the 2008 Constitution*

The early years of the Presidency were marked by an innovative approach towards strong environmental legislation. The Yasuní-ITT initiative in particular, represented a solution for Ecuador to develop while protecting the biodiversity of the YNP and respecting the rights of indigenous people living in the Park (Finer, Moncel, Jenkins 2010), as it proposed to leave 20 per cent of the country’s remaining reserves underground permanently in exchange for monetary compensation from the international community. Those reserves were situated in the in the Ishpingo-Tambococha-Tiputini (ITT) fields of the YNP. With the stated goal of mitigating climate change (Rival 2012), the initiative would avoid the emission of 407 million tons of CO2 (Larrea 2017) and protect the biodiversity of “one of the most biologically diverse areas on the planet” (Acosta et al. 2009: 4). The YNP of 982,000 hectares is arguably a symbol of the contradictions of the Ecuadorian State. Created in 1979, it was immediately penetrated by the Auca and Yuca roads (Fontaine, 2009) for oil extraction. A spot of biodiversity in the Amazon (see Figure 2), it would be declared “Man and Biosphere Reserve” of the UNESCO in 1989 (Bass et al., 2010). Overall, through the initiative the government made a step towards the recognition of the “classic dilemma” (Pellegrini et al. 2013: 3) arising in extractivist States between development and the protection of ecological and cultural diversity.

The new constitution, accepted in 2008 by more than sixty-four per cent of the Ecuadorian electorate (Lalander and Peralta 2012), made a step further: while
institutionalizing the incommensurable value of Nature and indigenous culture, it was said to represent “significant and dramatic gains for indigenous aspirations” (Becker 2011: 57). The Constitution was considered as the most radical constitutional text in the world in relation to the provision of legal protection of nature, with the one of Bolivia, adopted in 2009 (Lalander and Peralta 2012). Indeed, it did not only prohibit extractive activities in protected areas (Finer et al. 2009) but gave rights to Nature and institutionalised the notion of lexicographic structure of preferences: “no amount of any other good or service can compensate for the loss of the Rights of Nature” (Rodríguez-Labajos and Martínez-Alier 2013: 339). The Constitution also went further in the recognition of indigenous rights, notably the rights of “embracing an ethnic identity, being free of racial discrimination, holding communal territories, and protecting natural resources” (Becker 2011: 57). Quichua and Shuar became official languages, together with Spanish (Lalander and Peralta 2012). Moreover, built around the Quichua concept of ‘sumak kawsay’, “an ancestral lifestyle and indigenous spiritual idea where the human being is in complete equilibrium and harmony with its environment and universe as a whole” (Fernandez-Martí 2012: 20) – although imprecisely translated as buen vivir (Cuestas-Caza 2018) [the good life in English] and merged with Western liberal ideas by the Ecuadorian government to become9 – it was the first one in Latin America to define its State as plurinational, which for Becker (2011: 60) marked “the culmination of two centuries of struggle for sumac kawsay. For Escobar (2011: xxviii), rights to nature and the concept of buen vivir are based on ideas that do not fit the “environmental political correctness” and “the philosophical structure of modern constitution, within which nature is seen as an inert object for humans to appropriate”.

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9 After “a 'Buen Vivir boom' of publications” (Waldmüller 2014: 18) starting in 2008, a large literature developed on the three different interpretations of buen vivir in Ecuador – Cuestas-Caza speaks of three ‘epistemic communities’ (2018); Hidalgo-Capitan and Cubillo-Guevara call them indigenist, socialist and ecologist/post-developmentalist (2018) – and there is now ample evidence that buen vivir as used by the government is much closer to the Sustainable Development paradigm than to the original concept and philosophy of sumak kawsay (see Beling and Vanhulst, 2014).
‘Beggars sitting on a bag of gold’: a new extractive compromise

Paradoxically, and as it is now well known, the Yasuní-ITT initiative coexisted with increased reliance of the State on extractivism as the main driver of economic growth (Bebbington 2011; Vallejo 2014). New gold and copper mining were opened in the Amazon (Bebbington et al. 2008), and despite great institutional improvements, the application of many of Correa’s progressive commitments remained “subordinated to strategic interests of development” (Vallejo 2014: 118). As Waldmüller argues, while “the overall goal of such state-led ‘economic, political and social conduct toward good living’ is defined as Buen Vivir (…) its actual content, the way to bring it about, and also its often portrayed ‘indigenous origin’, remain (…) debatable.” (2014: 22). Buen vivir in its socialist interpretation was ultimately used by the State to legitimise further extractivism (Guardiola and García-Quero 2014). All in all, for Becker, the constitution would finally provide “little possibility of fundamental society change” (2011: 52).

Beyond its rhetoric, the idea of the government was arguably more to change extraction (Acosta and Martínez 2009) than to embrace what the Constitution stated as a fundamental contradiction between oil extraction, environmental protection and cultural rights. In Correa’s words “for Ecuador to say no to natural resource-led
development would be tantamount to ‘beggars sitting on a bag of gold’, and (...) extractive processes need not be destructive” (Pellegrini et al. 2013: 10). Correa’s discourse shifted towards a new compromise, based on the assumption that poverty-alleviation, particularly in the Amazon region, as well as the rights of Nature and the rights of citizens to live in a healthy environment, are better served by oil extraction (Acosta et al. 2009; Barrientos, Gideon, Molyneux 2008; Bebbington 2009). The discourse of the government during its second mandate emphasised in particular the need for oil extraction and mining to finance education and health (DW News 2011; Reygadas and Filgueira 2010).

To meet the new rhetoric, the State re-appropriated oil activities through nationalizations (Juteau-Martineau, Becerra, Maurice 2014: 132). In direct relation with resource extraction, the Constitution gave rights to prior consent, but also participation in the benefits and indemnities for the social, cultural and environmental impacts of resource extraction (Simbaña 2012). State owned oil company Petroamazonas was created in 2007, and the Law of Hydrocarbons, reformed in 2010, modifies the status of oil contracts with multinational companies from participative contracts to contracts of services (Cevallos 2014) to increase the rent of the State. It also allocates 12 per cent of the profits from strategic projects (mainly oil and mining extraction) to the local zones of ‘direct influence’ (Cevallos 2014). Public firm Ecuador Estratégico became in charge of the investments, in the sectors of education, health, water, electricity and infrastructures (Ecuador Estratégico 2015). On the environmental side, new technologies and instruments were created to minimise and mitigate the environmental damage related to oil extraction, such as the Programa de Reparación Ambiental y Social (Programme for Environmental and Social Reparation – PRAS) (Juteau-Martineau, Becerra, Maurice 2014: 134), and studies of environmental impact started being carried out for every project.

Polarization of the Ecuadorian society around the ITT project

The national indigenous movement grew in opposition to the Correa’s government (Bebbington 2009: 18; Bebbington 2011; Jameson 2011; Lalander and Peralta 2012). In 2009 already, the President of the CONAIE, Marlon Santi, declared that “in the current circumstances, the development model is one which does not

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10 This right was already in the 1998 constitution, but its application was subordinated to another law which was never passed (Simbaña 2012). Article 1 of the 2008 Constitution states that all the rights of the constitution are directly applicable. It should however be noted that the prior consultation is non-binding, which means that oil extraction remains a decision of the Ecuadorian state (De la Cruz 2005; Finer et al. 2008; Simbaña 2012).
understand the life model that the indigenous movement defends” (Interview with Santi, 2009, quoted in Lalander and Peralta 2012: 31).

The abandonment of the initiative in 2013 meant the launch of the 11th round of oil extraction in the country, covering 21 oil blocks in the Amazon (Vallejo 2014), among which the ITT block (see Figure 3). For the second time in the history of Ecuador, a round of prior consultation was conducted from 2011 in the communities affected by oil extraction in their territories. According to Vallejo, many communities voted in favour. Thirty agreements of social investment were signed with community leaders and local governments in the context of the 11th round of oil extraction in the country (Vallejo 2014), and the ITT block, situated in the Amazonian Province of Orellana and overlapping with the YNP, was inaugurated in 2016.

Oil extraction in the ITT fields is a controversial project in Ecuador, and “more than any other issue, the conflicts over mining illustrated the wide, growing and seemingly unbridgeable gap between Correa and the social movements” (Becker
2011: 58). Correa famously labelled environmentalists and indigenous movements as “infantile environmentalists”, “creating obstacles to economic development” and “blocking the country’s progress” (Jameson 2011: 58; see also Aanestad 2011). A civil movement emerged a few days after the failure of the initiative: The Yasunidos (Coryat 2015). They were proposing a national referendum on oil extraction in the ITT, with the support of 670,000 citizens (Larrea 2015). The petition was rejected by the National Election Authority without adequate administrative justification (Vela-Almeida and Torres 2021), and the Ecuadorian society became polarised around the ITT oil extraction project.

This polarization can be explained by different levels of trust in the government, notably in the argument of a clean technology and in the possibility of mitigation of the environmental impacts (Martínez Sastre 2016; Vallejo 2014). But more importantly, at the core of the discord lies a different assumption on incommensurability between environmental impacts and social compensation. For Harley Barrionuevo, Director of EE in Orellana whom I interviewed in the summer of 2014, the local communities would be better off with the ITT oil project: “There will always be some environmental damage but it will be minimal. The benefits will be higher. People will be better-off with oil extraction” (Interview Barrionuevo, Coca). On the other hand, many people are sceptical of the ability of economic and social investments to make the local indigenous people better-off if the environment is damaged. They point to social impacts which can simply not be controlled for (Interview Kakabadse, former Minister of the Environment and then-President of the WWF), or involve changing the ways of life of the local people (Interview Adviser Prefect of Pastaza; and Pato, member Yasunidos), sometimes by displacing them (Interview Andres, member Yasunidos). They go in the sense of Acosta et al. who, in 2009, argued that “opening the park [YNP] up to oil companies would lead to the same processes observed time after time throughout the Amazon – destruction of local communities through the degradation of their environment” (2009: 4).

Questioning the institutionalisation of an unfair local dilemma between ‘difference’ and ‘equality’, and the urgency of post-extractive development alternatives in Ecuador

While the relationships between indigenous people and large oil companies operating in their territories in the Ecuadorian Amazon have by and large been marked by conflict and opposition, notably due to the environmental, social and health impacts of oil extraction in the Amazon – especially unregulated between the 1970s and the

11 The Ecuadorian Constitutional Court recently challenged this decision by approving a popular consultation over oil extraction in the YNP, on May 9, 2023. (Prensa Latina 2023)
1990s – they have also given rise to instances of compromise, due to the poverty of indigenous local communities in the Amazon coupled with the social compensation brought by large oil companies starting in the 1990s. Such compensation has been increasingly regulated under the Correa administration, which also started recording the voices of local communities affected by extractive activities (at least in theory) through processes of prior consultation which more often than not did not honour international legal standards, did not address power imbalances, lacked good faith (Urteaga-Crovetto 2018), and are ultimately non-binding (De la Cruz 2005; Finer et al. 2008; Simbaña 2012). When analysed in the light of the historical complexity of the relations between indigenous communities and oil extraction in their territories, it thus appears that the compromise built by Correa institutionalised the power imbalances between the oil industry and indigenous people who are once again faced with a choice between the protection of their environment and the socio-economic benefits brought by oil extraction, such as necessary basic services which are otherwise lacking (Bustamante 2007) and which are arguably made increasingly necessary as the result of the pollution of their water sources (Dayot 2022). In Rival’s words, “the Ecuadorian government continues to try to avoid trade-offs between biodiversity conservation and oil development by attempting to ‘buy’ community consent to the drilling of additional oil wells with social development packages” (2017: 26).

The fact that the consulta previa could legitimise further extractivism in indigenous territories in the Amazon raises some questions regarding the fairness of a local dilemma between what Escobar would call ‘difference’ and ‘equality’ (2008) or, in Fraser’s terms, between recognition and redistribution (Fraser 1995), that is, between two different aspects of indigenous people’s human rights. In this context the responses of indigenous people to the consulta previa should be interpreted carefully. It seems particularly important to highlight that acceptance does not mean that the situation is acceptable. In fact, including indigenous people in the decision-making process might not be sufficient to solve the power imbalances between different stakeholders, in heterogeneous societies where the combination of poverty and mixed worldviews means that people are asked to make trade-offs which may go against their basic human rights. Instead, this historical account points to the need to design alternatives beyond the pervasive dilemma between development and the protection of the environment, faced by local communities in Ecuador, but also by a growing number of indigenous people around the world – the same dilemma which has led all of us to an unprecedented global ecological crisis.
The search for alternatives to oil extraction – which has been defended for many years by Ecuadorian Economists such as Carlos Larrea and Alberto Acosta (Acosta et al., 2009; Gudynas & Acosta, 2010; Larrea, 2013; Larrea, 2014; Larrea 2017) – is made more realistic in the context of a growing worldwide recognition of the need to abandon fossil fuels, coupled with the fast decline in the oil reserves in the country (see Figure 4): according to Larrea (2022), by 2030 Ecuador may become a net importer of oil. It is made all the more urgent given that those reserves are increasingly situated in the most isolated and biodiverse corners of the country, such as the ITT fields in the YNP where oil operations are now approaching the territories of the Tagaeri and Taromenane (also referred to as the ‘uncontacted people’) living in voluntary isolation, in an institutional context where Correa’s successor, President Lasso, has promised to double the country’s oil production (Romo, 2022), under the same extractive logic as his predecessor. As Lasso declared indeed in 2021: “Now that the global trend is to abandon fossil fuels, the time has come to extract every last drop of benefit from our oil, so that it can serve the poorest while respecting the environment” (Einhorn, 2023).

The literature on extractivism has focused on conflict (see the impressive scholarship by Joan Martinez-Alier notably on ecological distribution conflicts and environmental justice); and conflict is often seen as both the symptom of
environmental injustice, and a driver of sustainability. Temper et al. (2018: 573) for instance “demonstrate how environmental justice groups and movements (…) play a fundamental role in redefining and promoting sustainability. As a result, non-conflictive situations tend to be marginalised, while the communities which do not oppose environmentally destructive projects in their territories are often left out of the analysis. This is particularly true with indigenous people, who are seen as the carriers of alternative societies in the context of an unprecedented ecological crisis. This can sometimes be counterproductive in their defence. In Ecuador the image of indigenous people as “living in a harmonious relationship with nature” is, according to Valdivia, part of the “rhetoric of national consciousness” (2005: 285). It is important in the discourse of NGOs, some of which favoured indigenous people who were able to articulate a clear position (Guzman-Gallegos 2012). As Rival notes, campaigning organizations eventually stopped supporting communities seen as seeking financial benefits, and as having “chosen integration, and given up on cultural difference” (1997: 3). The risk then is that people who vote in favour of oil extraction in their territories are denied the support they need. In this paper, by highlighting the different opinions and claims of indigenous people at the local level (as opposed to the national indigenous movement); I hope to have contributed to invalidating an implicit assumption present in Hale’s statement: that indigenous people “should be empowered only to the extent that they are carriers of a culture worth preserving for the good of humankind” (Engle 2010: 14).

References


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