

Crude Chronicles

INDIGENOUS

POLITICS,

MULTINATIONAL

OIL, AND

NEOLIBERALISM

IN ECUADOR

SUZANA SAWYER



CRUDE CHRONICLES

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Indigenous Politics, Multinational Oil, and
Neoliberalism in Ecuador *Suzana Sawyer*

DUKE UNIVERSITY PRESS Durham & London 2004

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Printed in the United States of America on acid-free paper ∞
Designed by Rebecca M. Giménez. Typeset in Adobe Minion by
Tseng Information Systems. Library of Congress Cataloging-in-
Publication Data appear on the last printed page of this book.

For

Dorothy Anne Sawyer

and

J. Allan Sawyer,

with love

**AMERICAN ENCOUNTERS/
GLOBAL INTERACTIONS**

*A series edited by Gilbert M. Joseph
and Emily S. Rosenberg*

This series is intended to stimulate critical perspectives and fresh interpretive frameworks for scholarship on the history of the imposing global presence of the United States. Its primary concerns include the deployment and contestation of power, the construction and deconstruction of cultural and political borders, the fluid meanings of intercultural encounters, and the complex interplay between the global and the local. American Encounters seeks to strengthen dialogue and collaboration between historians of U.S. international relations and area studies specialists.

The series encourages scholarship based on multiarchival historical research. At the same time, it supports a recognition of the representational character of all stories about the past and promotes critical inquiry into issues of subjectivity and narrative. In the process, American Encounters strives to understand the context in which meanings related to nations, cultures, and political economy are continually produced, challenged, and reshaped.

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ACKNOWLEDGMENTS

Over the course of researching and writing this book I have become indebted to many friends and colleagues. In their own unique way, each has inspired, supported, and challenged me along my journey. To begin, I thank all those in Ecuador who made my research possible. In particular, I am deeply grateful to Leonardo Viteri, Héctor Villamil, Giovanna Tassi, Paulina Garzón, Yvonne Ramos, Carlos Viteri, Chris Jochnick, Margot Escobar, Olga Pineda, Susana Gualinga, and the Cuji, Taula, and Canelos families.

A number of colleagues have generously engaged with this project through discussions and readings. My teachers and guides in graduate school at Stanford—Bill Durham, Jane Collier, Akhil Gupta, Dominique Irvine, Sylvia Yanagisako, and Donald Moore—gave me the tools for crafting a discerning mind. I am truly grateful for their wise and gentle guidance. Since I joined the faculty at Davis, a number of colleagues within and beyond the University of California system have offered invaluable insights that have shaped this project for the better. I thank in particular Maria Antonieta Guzman, John Hall, Priya Joshi, Kyu Hyun Kim, Marcia Klotz, Jean Lave, Ming Cheng Lo, Barbara Metcalf, Lynn Meisch, Diane Nelson, Nancy Peluso, Richard Perry, David Simpson, Candace Slater, Stefan Sperling, Mukund Subramanian, David Szanton, Georges Van Den Abbeele, Sophie Volpp, Louis Warren, Michael Watts, and Alexei Yurchak. Within my department, I owe special thanks to Carol Smith, Roger Rouse, Li Zhang, and *con cariño* Marisol de la Cadena, for their careful, insightful, and generous readings. My most tender appreciation goes to Bill Maurer for providing relentless inspiration and support.

A core of fabulous students have generously shared their thoughtful observations: Alex Ferry, Gregg Hetherington, Catherine Koehler, Fabiana Li, Gynnie Robnett, and Ellen Woodall. Special thanks go to Brooke Barnhart for her keen eye. I am most grateful to Jean

Jackson and an anonymous reviewer for Duke University Press. Without doubt their extremely perceptive and incisive comments greatly strengthened this book. My deepest appreciation goes to Valerie Millholland for her editorial guidance and Gilbert Joseph for inviting me to publish in this series.

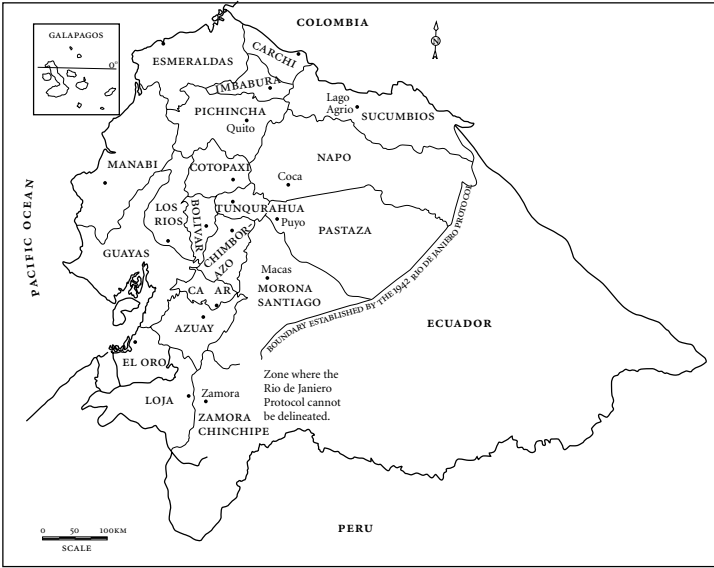
My intimate friends have held me with love and humor through thick and thin along this journey. *Mil gracias* Karina Morris, Michael Moore, Guillermo Prado, Jeff Ellsworth, Jackie Starr, Megan Sheer, Michele Ku, Eric Black, Frauke Sandig, Kyu Hyun Kim, Emily Merideth, Kyra Minninger, Teresa Velasquez, Marcus Grant, Ron Rioux, and Marianne Glaspey for all the scrumptious meals and laughter. Throughout all, my family has been a constant grounding resource. Thank you Kate, Mary Catherine, Michael, Madelyn, Guy, Benjamin, Joshua, Mathew, Margaret, Eric, Kirke, and most especially Nancy, Leslie, and John for the joy of being. I dedicate this book to Dorothy and Allan, without whose love this adventure would never have been possible.

RESEARCH FOR THIS book was generously funded by the Social Science Research Council-MacArthur Foundation Program on Peace and Security in a Changing World, the National Science Foundation, and the University of California, Davis. Support from the Humanities Research Institute, the Davis Humanities Institute, and University of California Faculty Research Grants provided the freedom for me to write this book. To all I am truly grateful.

A NOTE ON NAMES

Ethnographers have long engaged in the practice of disguising the names of the people they work with. In this book, I chose to follow this convention only in part. Many of the indigenous leaders with whom I collaborated were, and continue to be, highly public persons. They regularly appeared in public forums, in newspapers, on the radio, and at times on television, voicing their opinions. As such, I use these individuals' real and complete names. The one exception to this practice is the president of DICIP; his name is fictive. I have followed the same practice and used the real names of all high-ranking government officials and representatives of the landed oligarchy. I chose not to use the real names of ARCO executives; their actions, decisions, and speech serve collectively to exemplify a particular logic of liberal corporate capitalism. All other individuals mentioned in this book—be they Indian representatives or *comuneros*, corporate employees or government workers—have been given fictive names to protect their anonymity. All places and dates are true to history.

By the years 2000, the spelling of “Quichua” changed to “Kichwa.” In this book, I use the former, as this is what *indígenas* used at the time.



MAP 1. Ecuadorian Map of Ecuador, 1994.

OPENING

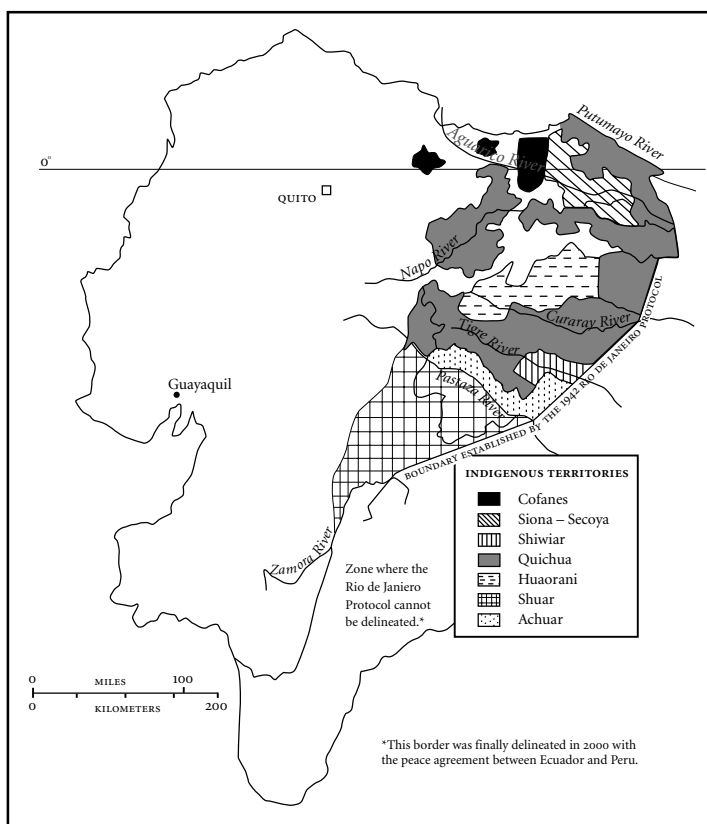
AS OFTEN HAPPENED in Pastaza, the rain forest's reality momentarily overwhelmed me. But this time it was the flood of contradictions inherent in processes of globalization—not the daily torrential rains—that made me pause. Alone in a dank, mildew-ridden room on the top floor of a rickety wooden building that served as the headquarters of the Organization of Indigenous Peoples of Pastaza (OPIP), I fumbled with high-tech video equipment. It was the summer of 1993. This was the Upper Amazon—one of those supposed “faraway places”—and there I was, an Anglo female, on the edge of the world's largest rain forest basin, with more sophisticated microchip technology than I had ever worked with back home. It wasn't the fact that California, home to both the silicon industry and the oil giant conjured up through my viewing screen, seemed simultaneously near and far. Rather, what caught and momentarily overwhelmed me was how the scene I watched and transcribed reflected the nasty knot of contention around modernity, transnational relations, and the governing of people in third-world places at the end of the twentieth century.

Teetering on a wobbly stool, I played and replayed the videotape of a meeting between an oil executive from ARCO (Atlantic Richfield Company), a representative of Ecuador's Ministry of Energy and Mines, and five indigenous OPIP leaders from Ecuador's central Amazonian province of Pastaza. The meeting had been held in Quito, Ecuador's capital, at the behest of the Indian federation's directorship. ARCO had discovered petroleum in the province and had begun drilling its second oil well to assess the reservoir's size and the quality of its crude. The oil concession was located within indigenous territory, and leaders from the Indian federation had traveled to the Andean capital to denounce ARCO's oil operations within their

rain forest lands. This was the belly of the beast, the moist interiors of the postcolonial empires of neoliberalism: that clammy, sticky space where transnational capitalism and elite state rule commingled in their quest for accumulation in the face of local opposition, and consent.

OPIP had filmed the meeting with ARCO and the Ministry of Energy and Mines to show corporate and state officials the seriousness of the federation's concerns. When the indigenous leaders returned to Pastaza Province the following day, Héctor Villamil (the president of OPIP) asked if I wanted to watch the tape with them. That evening we gathered around the television monitor as Marco (the head of OPIP's communications division — although "division" is a somewhat grandiose term to describe his cramped office) passed around Pilsners. Between sips, the men carefully watched the interaction on the screen. They were disturbed by how the meeting had gone. What most surprised (and disturbed) me, however, was the fact that the ARCO executive insisted on speaking through a translator. When I noted that there were discrepancies between what the executive said and how his words were translated into Spanish, Leonardo (the director of OPIP's research division) asked if I would transcribe and translate the oilman's words. I more than willingly obliged. So alone one afternoon in OPIP's musty headquarters on the margins of Puyo, Pastaza's provincial capital, I strained my ears and eyes watching and rewatching the mid-August 1993 meeting between OPIP and ARCO representatives.

ARCO's executive was a poster boy for transnational capitalism. A trim, distinguished-looking Englishman in his mid-forties with a tan, sculpted face and short blonde hair, he filled the bill of a cool corporate type equally comfortable and confident in boardrooms across the globe. ARCO had transferred him from Jakarta, Indonesia, to Quito in 1988, the year the company obtained its oil concession in Ecuador. As the company's ultimate authority in Ecuador, he was charged with directing ARCO through the first stage of its operations, the long phase in search of crude oil. Discussion during the one-hour meeting tacked back and forth (via a translator) between the corporate oilman and two senior OPIP leaders. Héctor Villamil was slightly younger than his corporate counterpart. With lightly tanned skin, dark brown hair, hazel eyes, and a receding hairline, Héctor did not particularly fit the stereotypic image of an Amazonian Indian. He was, however, a long-time veteran of indigenous politics and had proved himself to be a skillful leader during his first term as president



MAP 2. Indigenous Lowland Territories in 1994. Major portions, but not all, have been legalized.

in the mid-1980s, the period in OPIP’s history when conflict between *indígenas* (Indians) and *colonos* (homesteading colonists from the sierra and the coast) was at its height. Leonardo Viteri was the director of Amazanga, OPIP’s recently established research institute. With his waist-long black hair, sharply cropped bangs, high cheekbones, and dark eyes, Leonardo, by contrast, fit the romanticized image of an Amazonian Indian to a T. In his early thirties, Leonardo had been involved in indigenous politics for nearly half his lifetime. While still in high school, he was one of OPIP’s founding figures. During his university days in Quito, he had been a key player in establishing an indigenous regional Amazonia confederation, and later a pan-national confederation. The representative from the Ministry of Energy and Mines was a tall, dark-haired Ecuadorian in impeccable dress. The

translator was one of ARCO's field coordinators for community relations.

In a mild but discernible British accent, the ARCO executive graciously welcomed OPIP officials, slipping unconsciously between "I" and (the royal?) "we." "I think dialogue is very important," he began in an expansive voice. "We welcome this opportunity to have an open dialogue with the people of Pastaza. We are concerned that there has been some misinformation regarding our activities. We hope to clarify these misunderstandings today by stating the facts. . . . The context of today's meeting will be an update of our activities in Block 10—what the current situation is and where the project is going."

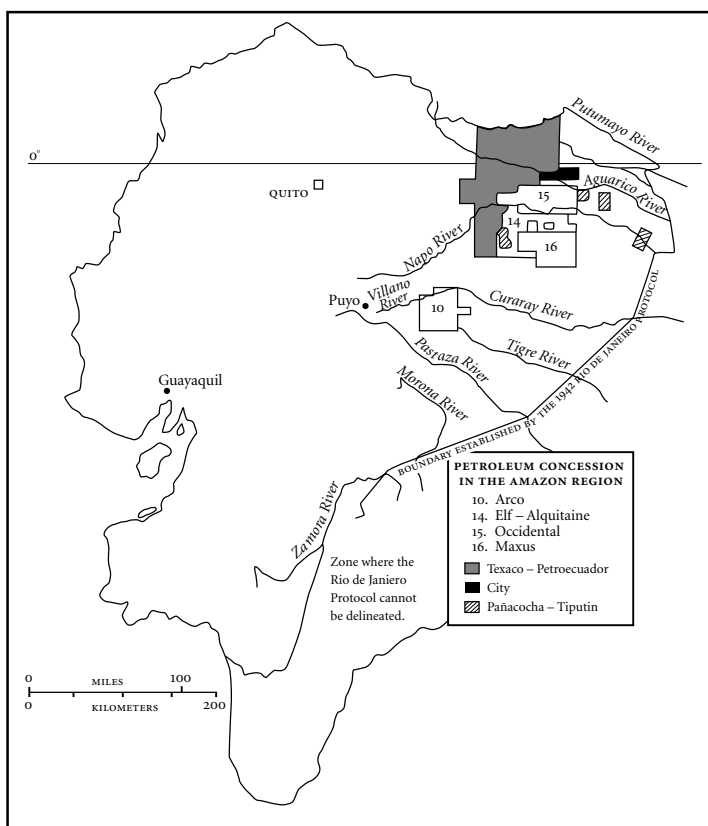
For this cosmopolitan representative of what was then the sixth largest U.S. oil company, this meeting was an info-session. He would inform indigenous inhabitants of what was happening within ARCO's 200,000-hectare oil concession (Block 10) lodged within the over one million hectares of Pastaza Indian rain forest lands.

Noticeably annoyed, Héctor interrupted: "OPIP—not ARCO—called this meeting. And OPIP—not ARCO—will define the meeting's agenda. We already know what is going on within our territory and within Block 10. We don't need any company to tell us. Rather, we need to tell you what is going on."

The ARCO executive appeared irritated, tapping his pen on the table as he held his eyes steady on his indigenous interlocutor.

Héctor continued in a fiery tone: "*La compañía* is fomenting division and social chaos within Indian territory. And we demand that ARCO stop its divisive and dangerous practices. That it stop buying the consciences of community leaders near its wells with insulting trinkets. That it stop propping up DICIP, this phantasmic Indian organization it created. You [U.S. and European oil companies] have perfected the techniques of divide and conquer only too well, and in Pastaza, we will not stand for it."

Leonardo intervened. His voice was slightly calmer but no less assertive: "As you know, for a quarter century *la compañía* Texaco has contaminated and scarred the Oriente [i.e., the Amazonian region] beyond recognition only 100 kilometers to the north of here [meaning Pastaza]. And the result is that people there live in misery. More and more, they are sick, poor, marginalized, and landless. Texaco has taught you well: fomenting division among communities only weakens indígenas' rights, indígenas' concerns, and any opposition. Without opposition you can go about your operations without a thought to the social and ecological destruction you cause."



MAP 3. Active Oil Concession in 1994.

The camera zoomed in on the ARCO executive as he leaned over and exchanged a few words with the otherwise silent representative from the Ministry of Energy and Mines.

Leonardo continued: “*Las nacionalidades indígenas* in Pastaza, we consider our territory to be a single whole [*conjunto*], an indivisible unit. We define it along [the lines of] traditional alliances and our identity as nationalities. The exploration and exploitation of strategic resources within our land has to be dealt with integrally and discussed with the rest of the Quichua, Achuar, and Shiwiar nationalities in Pastaza. You cannot just deal with a handful of easily manipulated people close to your wells. Those communities that lived near ARCO’s [oil] wells and that now express pro-ARCO allegiances do not have sovereign or independent claims to their lands. Nor do they have the unilateral right to define activities within them, espe-

cially when these activities will affect the larger indigenous population. The effect of oil operations cannot be contained within a discrete area, and ARCO cannot consider a three-month-old phantasmic organization that sanctions its oil operations as having greater authority than OPIP.”

In response, the oilman asserted in a calm voice: “We did not create DICIP. DICIP approached us and we have engaged in an exchange with them because they are the entity that holds title to the land around our wells. It is important to realize that we do not have any right or ability to decide who has land titles, who represents the people who have land titles, and how they wish to handle their affairs. That is entirely those people’s right. Open dialogue with all involved parties is very important and critical at this time. This is democracy at work. It means that there will be disagreements. There are going to be differing opinions, but that is the nature of democracy. I think it is important that we try to preserve democracy and allow people to have their due say. I don’t believe that the fact that there is a DICIP organization is divisive. I don’t believe that the fact that there is an OPIP organization is divisive. I think it shows democracy at work.”

In his translation, the translator added: “The only thing we have done is recognized the democratic rights of people to chose their representatives. DICIP is the elected organization. They have the [land] title. The problem is that you [OPIP] refuse to recognize that.”

Leonardo cogently responded as tensions became more palpable: “The land that DICIP claims to hold title to was defined arbitrarily by the state with the specific council of ARCO personnel. We know that ARCO had a hand in defining the shape of that land grant around its oil wells and in deciding who would hold title. But this fragmenting [i.e., division of land] makes no sense. We, the nacionalidades indígenas, do not recognize it as legitimate. Our territory is an indivisible unity.”

The interchange was not translated.

Seemingly oblivious, the ARCO executive continued: “I respect the point made by Señor Viteri, regarding traditional, tribal associations, if you will. But we also have to respect that individual communities within those larger associations do have their right to state their own positions and promote their own interests. . . . That is part of the process of recognizing the individual rights of individual people to be free to choose to act as a body or as individuals. With regard to ARCO’s oil operations, we also have to respect that there are distinct individual folks who have their individual concerns and

who wish to have those represented. I think that again is democracy at work.”

Leonardo shot back: “Whether or not you wish to acknowledge it, the fact of the matter is that *la compañía* is provoking social unrest in Pastaza. And ARCO has no right—not one right—to meddle in the internal affairs or authority structures of indigenous communities whether in the name of democracy or otherwise. Unlike in the northern Oriente, a frenzy of neoliberalism, a neoliberal madness, will not mean that *la compañía* can crudely manipulate indígenas [in Pastaza] at will.”

As the conversation came to an impasse, Leonardo turned to the representative of the Ministry of Energy and Mines and said, “Señor Ministerio, your president is confused. Has he forgotten that we, the *nacionalidades indígenas*, are Ecuadorians too? Tell Sixto [Ecuador’s then-president Sixto Durán Ballén] that he is ignoring the reality of the majority of the population. His policies do not benefit all the nation.”

THIS BOOK IS ABOUT indigenous opposition to economic globalization in its neoliberal guise.¹ By “globalization,” I am referring to the ever increasing and uneven production and consumption of capital, commodities, technologies, and imaginaries around the globe. By “neoliberalism,” I am referring to a cluster of government policies that aim to privatize, liberalize, and deregulate the national economy so as to encourage foreign investment and intensify export production. The tensions apparent during the meeting between the ARCO and the indigenous representatives speak directly to many of the concerns running through this book: slick corporate maneuvers, knowing state complicity, and oppositional indigenous tactics. Read as a palimpsest, the meeting reflects the conflicts that have arisen from attempts to implement neoliberal policy in Ecuador: questions of governance that arise with corporate expansion and state retraction, and questions of representation that surface when a liberal logic glosses over the difference and inequality.

How then to read this meeting? Most apparent for those familiar with the local situation was how the ARCO executive erased history through an abstract, rational, and formalistic language of democracy, rights, and the liberal subject. Purportedly neutral, universal forms acted as a rhetorical sleight of hand. To begin, the ARCO executive invoked the idiom of democracy and equal voice to authorize one group as a representative Indian body and dismiss the claims

of another. At a generous estimate, DICIP—the organization that ARCO supported and that its corporate executive defended—represented 100 individuals. By contrast, OPIP represented approximately 15,000 indigenous people at the time. Situating DICIP (then only three months old) alongside OPIP (then fourteen years old) as if they were equal was a disingenuous ploy that erased the vast disparity between the two. How they each emerged, whom they each represented, and what their distinct interests might likely be were not merely academic questions.

Furthermore, those folks close to the oil company's operations with what the ARCO oilman called "their individual concerns" were not equal free agents, analogous counterparts to the executive himself. Rather, these 100 individuals were among the most materially poor and politically marginalized people in Pastaza. As such, they could be swayed by an array of goods—be they candies or blankets, school lunches or plane rides—in ways that the ARCO executive could not. Their "interests," "concerns," "opinions," and "due say" were not the *sui generis* convictions of freely authentic, autonomous individuals, but rather were produced in relation to the illusions of betterment that ARCO's omnipotent and benevolent hand promised.

By expounding on the glories of liberal thought and using its framework to set the rules of engagement, the ARCO executive implicitly invoked a distinction between himself and indigenous interlocutors: modern/tribal ("if you will"), global/local, cosmopolitan/insular. ARCO represented the force of modernity and reason that would bring progress and democracy to isolated lands. Amazonian Indians represented tradition and unreason, caught in their own parochial particulars.

OPIP leaders, however, refused the multinational corporation's terms of engagement and attempts to contain Indians both temporally and spatially. They demanded to be recognized for who they were—sophisticated, articulate, and brazen representatives of a long-standing Indian organization. They sought to undermine the corporation's adherence to form (democracy, equal voice, rights) and purportedly neutral containers (modern/tribal, global/local) by reasserting history. Specific identities, understandings, and differences were the effect of historical process, realities created in great part through questionable corporate and state practices. What the ARCO executive called "democracy at work" was, for OPIP leaders, the effects of a "frenzy of neoliberalism"—the relentless and ever-increasing capacity of capitalist accumulation (with the blessing of

the state) to intervene in people's lives: their senses of self, community, land, and nation. The irony rested in the fact that championing the rights and liberties of the 100 individuals and undermining OPIP's legitimacy served to sabotage, rather than promote, democracy—assuming that ever more engaged participation and debate are what is meant by democracy.

More broadly, the meeting illustrated a twofold process under neoliberal rule whereby the state increasingly assumed the role of a fiscal manager geared toward facilitating transnational capital, and private enterprise selectively assumed a pastoral role.² As the state retreated from its role of caring for the well-being of its subjects, ARCO stepped in. From the moment it gained rights to its oil concession, ARCO bestowed gifts and small “development” projects on the isolated communities near its exploratory operations, purportedly as compensation for letting the company complete its work. Gifts and projects ranged from candies to tin roofing, from school supplies to a new schoolhouse, from airplane rides to high school scholarships. For a corporation that invested hundreds of millions of dollars in oil exploration, these gestures were incidental expenditures; for materially poor and politically marginalized indigenous communities, they were near-monumental. Supporting DICIP not only demonstrated the corporation's compassion for local people, but also created the docile and compliant bodies necessary for oil operations to proceed.

Specifically, the meeting revealed how transnational capital functioned in a country where social relations were ever more inflected by neoliberal economic reforms. Like a compassionate and knowing father, ARCO, according to its corporate man, was practicing and instituting enlightenment ideals in the rain forest—civilizing the heart of darkness with democratic principles. In essence, then, transnational capital did more than simply employ indigenous bodies to be docile spectators and cheap labor. It simultaneously was engaged in a project to shape and to govern the capacities, choices, and wills of subjects to conform to a neoliberal reason. The liberal logic of capital accumulation that informed ARCO's practices intruded ever more intensely into local people's lives and shifted the terms of debate around identity, rights, and representation. This logic (regardless of how flawed) was profoundly positive—in the technical rather than the ethical sense. Through the creative alignment of interests, objects, institutions, and bodies, ARCO produced (with the blessing of state agencies) new identities, dispositions, senses of knowing, and possibilities of being among indigenous peoples in Pastaza.

Importantly, multinational capitalism was not the only force that engaged in creative and constructive alignments. OPIP, in conjunction with national and transnational indigenous and environmental groups, similarly produced new identities, dispositions, senses of knowing, and possibilities of being among indigenous peoples in Pastaza. OPIP community members and federation leaders vociferously challenged petroleum exploitation in their lands—condemning what they considered to be ARCO's insidious instrumentality and manipulative method. Promises of progress were disingenuous ploys. A quarter century of petroleum practices in the northern Ecuadorian Amazon had left the region plagued by poverty and environmental devastation. In response, many of OPIP's past and present leaders had become articulate, savvy spokespersons who denounced, both nationally and internationally, the marginalization, inequality, and exploitation that oil operations produced. They sought to shift the unequal power relations that permeated petroleum politics in Ecuador.

Connected as OPIP was to a larger matrix of Ecuadorian, Latin American, and global indigenous and green organizing, its struggle was situated within and built on an indigenous politics in Ecuador that sought to transform Indians' place in the nation and their possibilities for inclusion. Indigenous people represent approximately 40 percent of Ecuador's population, yet historically they have been excluded from influencing, let alone directing, political and economic process.³ As the Ecuadorian state increasingly disavowed its role as the protector of its people and as subaltern groups had fewer effective avenues for addressing the perceived wrongdoings of ever more pervasive capitalist ventures, indigenous political movements increasingly oriented their struggle around questioning reigning forms of political representation and creating an alternative national polity: a plurinational political space. As Leonardo intimated in his question to the representative of the Ministry of Energy and Mines, indígenas demanded a rethinking of elites' notion of the nation.

THE EVENTS THAT this book chronicles—the highly contested form of neoliberalism in Ecuador—are best understood against the backdrop of shifts in the world's economy over the last three decades of the second millennium.⁴ Beginning in the late 1960s, Western economies began to experience a recession as their postwar economic growth faltered through declining productivity and profits.⁵

In the early 1970s, the “oil shock” intensified this economic decline. Seemingly overnight, OPEC (Organization of Petroleum Exporting Countries) quadrupled the price of petroleum, causing production costs to skyrocket as energy outlays soared.⁶

For nascent oil-producing nations like Ecuador, OPEC’s action in the early 1970s spurred their economic boom. In 1967, Texaco discovered the country’s first commercial petroleum reserve and brought it and subsequent reserves into production in 1972.⁷ In 1973, Ecuador’s military regime joined OPEC, making the country the cartel’s second-smallest producer. New oil revenues launched Ecuador, a small agrarian nation, into the industrial world. Over the following years, Ecuador became heavily dependent on its oil reserves (all of which are located in the Ecuadorian Amazon, or the Oriente, as the region is called). Crude oil represented approximately 50 percent of the state’s budget. The military government used oil revenues to finance tax breaks, offer credit, subsidize energy and food, and embark on an ambitious project to build Ecuador’s infrastructure and social services (road, communication, health care, water, and education systems). When oil revenues did not cover the costs, the military junta used future oil production as leverage for obtaining international credit.

This pattern of banking access to credit on future petroleum revenue sustained Ecuador through the 1970s and led to unprecedented growth rates.⁸ But in the early 1980s, the fall in the world price of crude oil and hikes in international lending rates spun Ecuador into an economic crisis just as the country returned to democratic rule. When Osvaldo Hurtado (the former vice president) took over the presidency after the death of President Jaime Roldos in 1982, Ecuador could barely make its debt service payments. Between 1974 and 1982, the foreign debt had risen from 18 percent of the gross domestic product to 60 percent of the GDP.⁹ In his first major speech as president Hurtado declared: “We neither can nor should have continued to resort to eternal indebtedness . . . the age of petroleum prosperity has come to an end. . . . It is necessary to begin an age of austerity.”¹⁰

Over the course of the 1980s three separate democratically elected regimes began introducing a neoliberal program that sought to increase export production (especially oil), open the economy to foreign investment and trade, and reduce the state’s productive and distributive functions. Roldos/Hurtado (1980–1984) implemented Ecuador’s first modern austerity program. Hurtado created new

taxes, devaluated the currency, eliminated many subsidies, and cut public spending. In comparison with what was to come, many of these reforms were mild; at each step of austerity the government back stepped and compensated the poor with numerous social programs.¹¹ The conservative regime of León Febres Cordero (1984–1988) demonstrated a stronger commitment to austerity and free market principles by reducing trade restrictions and tariffs. By 1987, however, opposition from the congress, military, and popular groups, together with a devastating earthquake, forced Febres Cordero to reverse many of the neoliberal policies he had implemented in the first two years of his term.¹² During the center-left presidency of Rodrigo Borja (1988–1992), international financial institutions placed stricter conditions on Ecuador before the country could receive loans. They demanded that Borja cut the fiscal deficit, reduce inflation, reform taxes, and further liberalize trade and ease restrictions of foreign investment. Borja refused to privatize Ecuador's state-owned industries, and he compensated for having raised the price of fuel and electricity by increasing the minimum wage, freeing the costs of basic foods, and creating work programs.¹³

It was not until 1992 that neoliberalism transformed the country's political-economic reality with a passion. As was the case with many indebted third-world states, multilateral lending institutions (such as the International Monetary Fund, IMF, and the World Bank) granted Ecuador loans only on the condition that it implement specific neoliberal economic policies. Neoliberalism's core principle leaned heavily on the tradition of Adam Smith and the ingenuity of his "invisible hand" thesis. For Smith, the invisible hand was the mechanism by which the economic activity of profit-seeking individuals results in the greatest economic good for society as a whole. He wrote in 1776, "By directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention" — and which benefits all.¹⁴

The regime of President Sixto Durán Ballén (1992–1996) adopted this tenet with a fervor. Following the lead of state officials from Chile to Mexico, privileged elites and dignitaries in the Durán Ballén administration began chanting the neoliberal mantra (privatization–liberalization–deregulation–and–decentralization) and started equating neoliberalism and its attendant globalization with inevitable "modernization." Policies seeking to intensify export produc-

tion, privatize public property, and cut government spending were jointly understood to stimulate transnational investment, boost the GNP, reduce state expenditures, and increase governmental efficiency. The hope was that modernization programs would further facilitate national and transnational capital accumulation and that they would generate enough state revenue to pay the international debt.

Indigenous people were skeptical, however, about the applicability in Ecuador of the Smithian wisdom that there exists a fundamental harmony of interests between the activities of profit-seeking, self-interested, rational individuals and the general good of society as a whole. The neoliberal policies introduced in the 1980s (and which intensified over the 1990s) offered Indians a taste of the free-market global economy and gave many cause for reflection.

The example of oil, and Texaco in particular, caused OPIP leaders to be apprehensive about the neoliberal drive to intensify oil operations in the Oriente. Between 1964 and 1992, Texaco was the primary foreign company producing oil in Ecuador.¹⁵ Initially, the arrangement was mutually productive for the Ecuadorian state and Texaco, allowing both to garner impressive profits over the years. As the debt crisis ensued and oil prices declined the state sought to increase oil production to finance unpayable foreign debt. International lending institutions and corporate capital believed that by seeking its own gain, Texaco (and foreign industry in general) would have the overall effect of promoting the interests of the Ecuadorian society as a whole. Yet, many who lived in the Oriente were incredulous of such claims. Over the course of three decades, Texaco's crude exploitation indelibly transformed the northern rain forest, strewing it with contamination from thousands of miles of seismic grids, hundreds of oil wells and open waste pits, numerous pumping stations, an oil refinery, and the bare-bones infrastructure essential for petroleum operations. A network of roads linked oil towns and facilitated the homesteading of the region by over 200,000 poor mestizo farmers or colonos (colonists). Both directly and indirectly, these oil operations tore indigenous communities apart in the northern Oriente through disease and displacement, contamination and corruption.¹⁶

Neoliberal States

As was the case most everywhere at the close of the twentieth century, neoliberal economic reforms in Ecuador represented the pre-

dominant constellation of practices that form what Michel Foucault called the “art of government” — “the conduct of conduct.”¹⁷ Indeed, throughout the 1990s neoliberal policies were the primary measures through which a succession of Ecuadorian regimes sought to shape the behavior and condition the movements of populations, capital, and resources. In general, neoliberal rule across the globe has progressively sought to relieve the state of its responsibilities to govern its subjects. This is a process that many scholars have referred to as the “degovernmentalization” of the state and the “destatalization” of government.¹⁸ Policies and programs seeking to privatize the public sector, to liberalize trade, to deregulate the economy, and to decentralize administrative functions also seek gradually to release the state from its role of championing the social development and betterment of its people. Through trickle-down economics, it is thought, the market forces of a robust economy and the greater circulation of transnational capital will resolve social problems and inequities — making most social policy superfluous, if not obsolete — and will establish the conditions necessary for democracy to flourish.

As I suggest in this book, while neoliberal rule aims to convert the state into an administrative and calculating organ — a fiscal manager geared toward facilitating transnational capital accumulation — neoliberal polities do not seek to eliminate government per se. Rather, what the meeting between the ARCO and the OPIP representatives foreshadows and the following chapters illustrate, is how the processes which govern subjects are transforming, displacing and replacing the sites of government. Furthermore, as I demonstrate with respect to changes in Ecuador’s hydrocarbon (oil) and agrarian laws, a fundamental paradox characterizes much neoliberal rule. Despite contentions by proponents of neoliberalism that state intervention leads to a paralyzed and parasitic social body, a host of legal, institutional, and cultural state interventions suffuse forms of neoliberal governing. Specific legislative reforms, institutional arrangements, and social conditions need to be positively constructed to enable the market rationality of competitive entrepreneurialism to have its best effect. It is through the enactment of new laws, the nurturing of national and transnational capital, and the contraction of social welfare that the exercise of government extends to encompass new techniques, devices, and forms of persuasion. Alongside preexisting disciplinary technologies, these new governing methods strive to shape and direct individuals to be autonomous liberal subjects who will espouse the rational economies of competition, account-

ability, and self-actualization. They seek to make subjects responsible for their own civility or savagery, development or regression, social health or disease.

In Ecuador, however, neoliberal policies have been neither smoothly implemented nor passively received. During the 1990s, indigenous groups in Ecuador staged five major uprisings and numerous demonstrations in opposition (either directly or indirectly) to neoliberal economic reform.¹⁹ As the chapters that follow illustrate, strikingly apparent with each successive protest (1990, 1992, 1994, 1997) was how state neoliberal reforms backfired in Ecuador. Far from creating an environment of political and economic stability—the conditions necessary for democracy to flourish—neoliberal policies in Ecuador gnawed away at the country's social bodies and served to foment impressive resistance. Indeed, economic reforms undermined the very conditions that lent legitimacy and authority to the state's political system—its purported concern for its national subjects—and gave rise to new political subjects who disrupted the confines and exposed the hypocrisy of the neoliberal dream. By ignoring the havoc that privatization and austerity policies wreaked on indigenous peoples—the vast majority of Ecuador's poor—the state jeopardized what little credibility it held. Neoliberal economic reforms provoked a crisis of representation and accountability in Ecuador and spurred the conditions of possibility for a disruptive indigenous movement that denounced the government's allegiances to transnational capital and its unresponsiveness to subaltern subjects. That is, a global model of economic reforms that sought to modernize and normalize citizens in Ecuador unintentionally produced transgressive political subjects—people who resist, challenge, and subvert the state's agenda to privatize, liberalize, and deregulate the nation's economy to a degree rarely seen before.

In their protests and paralyzations, Indians throughout Ecuador engaged in tactics that frustrated the goals of transnational corporate capital, weakened the aims of the neoliberal state, and carved out a political space to rethink the configuration of the nation. OPIP was integral to this three-pronged labor. By appropriating transnational discourses of the nation, indigenous rights, and environmental conservation, the Indian federation in Ecuador curbed the practices of a multinational oil conglomerate, interrupted World Bank lending strategies, tripped up neoliberal modernization policies, and problematized the assumed oneness and homogeneity of the nation.

As the following chapters make clear, the crisis of representation

and accountability left in the wake of neoliberal reform compelled indígenas to transform the nation into the site and stake of popular struggle. Social conflict over physical things like land and petroleum was about more than the materiality of their use.²⁰ Struggles over the control of land and oil operations in Ecuador were as much about configuring the nation under neoliberalism — rupturing the silences around social injustice, provoking a space of accountability, reimagining narratives of national belonging — as they were about the material use and extraction of rain forest resources.

This book challenges depictions of globalization that characterize this process as an equalizing, democratizing, and homogenizing one that promises to heal the world's wounds and synchronize peoples, their desires, and their opportunities across the globe. It suggests that globalizing forces have exacerbated political, economic, and social inequalities while simultaneously provoking the proliferation of oppositional identities and counter-dreams. Similarly, this book challenges depictions of globalization that characterize transnational capitalism as an all-powerful, all-incarcerating world force. While the grasp of transnational capitalism in its neoliberal guise is, indeed, increasingly voracious, intruding, and programming, as I argue in this book, the processes of exploitation in third-world margins are more fragile and open-ended than many would care to think. This is not to proclaim an imminent breakdown of global capitalism, but rather to point to how subaltern oppositional movements proliferate precisely through the same transnational processes that enable hyperexploitation under globalization. The power differentials we see across the globe are hardly inevitable. Rather, they emerge from the sticky webs of social relationality where subaltern practices consistently interrupt and upset neoliberal calculations. The fraught expression of neoliberalism in Ecuador provides insight into the precarious and contingent nature of this near-dominant global form of power balancing on the edge of the twenty-first century.

A basic premise of this book is that neoliberal maneuvers and oppositional tactics are mutually constitutive, though in uneven ways.²¹ Counter-hegemonic indigenous politics and the workings of transnational capital and a neoliberal state infused each other through complex relays and in the process produced new conditions. Consequently, the chapters that follow do not lament the implosion of globalizing forces into vulnerable localities. Without doubt, globalizing processes and norms increasingly permeate people's existence even in supposedly faraway places. Yet these processes and

norms generate struggles in particular locales that have translocal effects. This book explores what the articulations among subaltern groups, transnational capitalism, and a neoliberal state produce. It tracks the growing sophistication of indigenous politics as Indians subverted, redeployed, and, at times, capitulated to the dictates and desires of a transnational neoliberal logic. Similarly, it tracks the multiple maneuvers, ideologies, and discourses that corporate capital and the state deploy to circumscribe and contain indigenous opposition. It looks at the possibilities invented as much as the limits imposed by the postcolonial empires of neoliberalism.

The Chapters in Brief

In the sixteenth century, chronicles were the detailed narratives of conquest that scribes for the Spanish empire relayed back to the crown. At their most controversial, chronicles formed a part of the historical record that excoriated Iberian excesses in the Americas during a time of imperial exploration, expansion, and exploitation.²² The chronicles I narrate here record excesses of the postcolonial empires of neoliberalism in an age of globalization. That is, I am concerned with that which spills out of and cannot be contained by the ever-increasing and uneven production and consumption of capital, commodities, technologies, and imaginaries around the globe. The events chronicled here deal, in large part, with crude (oil) and the conflicts among indigenous peoples, a multinational corporation, and a neoliberalizing third-world state over the exploration and exploitation of petroleum in Ecuador. But crude, being slick and tenacious, also oozes widely into other realms. Coming from the Latin *crudus*, literally “trickling with blood, bleeding,” *crude* is a multi-valent word.²³ In addition to crude oil, this book deals with a core conflict long connected to imperial desires for subterranean riches and dripping with blood: struggles over land. The stories that follow chronicle moments in a neoliberal age marked by bitter struggles over crude oil and blood-stained land.

Part I (“National Narratives”) sketches the contours of race and class that define Ecuador’s social and political landscape. Chapter 1 opens with OPIP’s spectacular 1992 protest march from the marginalized lowlands to the seat of political power (Quito). Against the backdrop of a historically exclusionary and racist state whose allegiances to the Amazon have long been contradictory, OPIP’s 1992 march to legalize indigenous lands and rewrite the Ecuadorian con-