

SOURCES OF NEGOTIATION POWER IN ENVIRONMENTAL CONFLICTS:
THE CASE OF OIL EXTRACTION IN THE ECUADORIAN AMAZON

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Jamie Cerretti

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Thesis Examination Committee:

_____Advisor
Saleem Ali, Ph.D.

Clare Ginger, Ph.D.

Hector Saez, Ph.D.

_____Chairperson
Jeffrey Davis, Ph.D.

_____Vice President for
Frances E. Carr, Ph.D. Research and Dean
of the Graduate College

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Abstract

Indigenous struggles to maintain autonomy in the face of rapid changes to the global economy are multifaceted, particular in relation to extractive industries. Historically, it has been easy to assign labels of “powerful” and “powerless” to various parties in development negotiations based on control of land and financial resources but the rise of transnational civil society movements has changed that dynamic. Organized opposition to oil extraction in the Ecuadorian Amazon has occurred in the form of protests, uprisings, and lawsuits since the late 1970s. Using oil extraction in Ecuador as a case study, this thesis addresses the question of how negotiating power is wielded by indigenous people in complex resource extraction decisions. Fieldwork in Ecuador included 22 interviews with community members, petroleum industry and government officials, and non-governmental organization (NGO) leaders. Data was analyzed using a coding scheme primarily based on Fisher’s 1983 categorization of negotiating power. This study reveals some of the weaknesses in the negotiation process, including inadequate enforcement of existing best practices for petroleum extraction in sensitive areas, a lack of clarity regarding each party’s role in the development process, and procedures that have not been standardized and often exclude the indigenous community. Internal conflicts within the indigenous movement are identified, including disagreements over how well leaders represent their communities and what constitutes effective resistance to petroleum. The definition of resistance espoused by particular segments of the indigenous movement has an effect on the relationship with international NGOs interested in the Amazon for its environmental or cultural value. Using the involvement of the Rainforest Action Network in Ecuador’s Block 10 as a specific example, areas for improvement are highlighted, particularly the need for a shift in focus to funding long-term programs that address systemic problems and build indigenous organizing capacity.

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Chapter 1

Analyzing Oil Conflicts: Global and Regional Perspectives

When indigenous Ecuadorians talk about the Amazon rainforest that makes up the Eastern region of their country, they call it *la selva*. This translates to “jungle” in English, an inadequate translation for a word that really means “home.” As such, it is a place that can’t be easily described, better experienced. Spending time in *la selva* makes a visitor understand why some people fight so hard to save it while others are driven to exploit it. The Amazon constitutes a landscape that is valuable to different people for different reasons, and it seems almost inevitable that these values conflict.

I spent just over two weeks in *la selva* interviewing people in a variety of locations, from tiny offices to bars, from riverbanks to sidewalks. It is not a place for formalities or appointments, and almost no one seems clear about what they will be doing tomorrow. It is blisteringly hot, even in dense areas of the forest, and it rains often and without warning. Even the large oil towns like Coca suffer from frequent blackouts, and once you leave these populated areas, electricity and telephones begin to seem like exotic luxuries.

I flew from Lago Agrio, where Texaco struck oil in 1967, back to Quito, the Ecuadorian capital a few days before I was to return to the United States. I emerged from *la selva* sunburned and speckled with bites and scratches, tired but relaxed. Most of the people I spoke to in the Oriente, or East, had a way of putting me at ease. They were storytellers who never made me feel like they had something to hide. Quito has a different

atmosphere, with its tall buildings, internet cafes, and electric trains gliding up and down wide avenues.

With the help of a former professor, I was able to secure an interview with the community affairs manager for a foreign oil company with an office in Quito. I traded in my passport for an ID badge at the front desk, passed through a metal detector, and traded in the badge for another before I was directed to the correct floor. The company's offices were expansive and cool, dotted with wide screen televisions playing videos about oil operations in various parts of the world on a continuous loop. There were large, brightly colored photographs hung on the walls that froze tree frogs and Morpho butterflies, the prettiest of rainforest dwellers, into still life. There were close-ups of indigenous children's painted faces, removed from any context, all sporting large grins. The interview was brief and the manager seemed immediately on the defensive, providing short, carefully constructed answers to each question I asked.

After that interview, the differences in culture, history, and power between indigenous peoples in *la selva* and the *petrolero* I spoke to in Quito were brought into sharp focus. I had conducted hours of interviews with people from different indigenous cultures and felt like I'd barely begun to scratch the surface of the diversity of opinions, experiences, and desires contained within those communities. In contrast, all I'd heard about the petroleum industry from participants across the country made it seem monolithic, its companies united in the single goal of extracting petroleum, earning a profit and avoiding complications whenever possible. The indigenous people I interviewed espoused the ideal of unity and recognized its power, but years of

marginalization had left them grappling with competing interests and unsettled issues with their own government.

The indigenous struggle to maintain autonomy in the face of rapid changes to the global economy is multifaceted. Initially, it was easy to assign labels of “powerful” and “powerless” to various parties in the negotiation over the future of Ecuador’s development, but my research shows that power is comprised of more than just financial assets or land ownership. It has to do with commitments, legitimacy, alliances, the availability of alternatives, and other characteristics that are difficult to quantify. Through understanding these elements of negotiating power and analyzing the indigenous movement itself, I hope to shed some light on the ways in which the communities of *la selva* can strengthen their position at the table with petroleum companies and the Ecuadorian government. My research addresses four major questions:

- How do the parties in this conflict communicate and negotiate?
- What resources do indigenous communities utilize in these processes?
- What impact does conflict within the indigenous community have on their ability to negotiate?
- What strategies might communities best use to maximize their negotiating power?

In order to identify these strategies, it is necessary to review the development of negotiation theory and the ways that this type of power has been defined. This body of literature also provides a framework categorizing different elements of power that I use to describe the strengths and weaknesses of the indigenous community in terms of negotiation. The following sections also place the Ecuadorian case in historical context

and provide the background needed to more completely understand current negotiation dynamics between these parties.

Negotiation and Negotiating Power

This study draws on negotiation theory to analyze the sources of power for indigenous communities in the Ecuadorian Amazon. Negotiation is broadly defined in the literature as a process by which parties discuss or bargain to reach an agreement. Theory on negotiation is multi-disciplinary, drawing from psychology, economics, sociology, political science, and the environmental arena. Kemper and Kemper (1994) performed a comprehensive review of the key sources of negotiation literature and categorized the major works into several different approaches. The historical roots of negotiation research are in game theory, beginning with such works as Thomas Schelling's *Strategy of Conflict* (1960). Raiffa's works, including the *The Art and Science of Negotiation* (1982) rely on game theory to analyze strategic choices in negotiation and posit that the outcomes of the negotiation are dependent on these decisions.

Games were created to test theories of human behavior and provided a mathematical way to test hypotheses in a laboratory setting, but were limited by a "zero sum" idea of negotiations in which one party loses what the other gains (Kennedy 2004). Pruitt and Carnevale's (1993) *Negotiation in Social Conflict* outlines faulty assumptions of the dominant theoretical paradigm of negotiation; these traditional models assume that there are only two negotiating parties, and each party is unified under the goal of maximizing self-interest.

The literature also includes analyses of negotiations from psychological and sociological standpoints, focusing on the behavior of negotiators and the ways in which it alters the perceptions and expectations of other parties to the conflict. Kemper and Kemper (1994) note that most of the psychological research in this area is oriented towards the win-lose situations found in game theory. Other authors (for example, Putnam and Roloff 1992) have explored the importance of communication in the process of negotiation. Some works describe negotiators based on a set of qualities that characterize effective and ineffective negotiators, while others apply a prescriptive analysis that details how negotiation should be done (Kemper and Kemper 1994). Fisher (1969, 1981) is the most cited author in the realm of prescriptive approaches. His works move beyond the idea of a zero sum game, and instead stress the idea that negotiators should seek out mutual gains wherever possible.

In the third edition of *Negotiation*, Lewicki, et al. (1999) discuss two major trends in modern negotiation literature. They describe a new focus on negotiations as part of long-term relationships instead of one-time market transactions, and also cite an increase in studies of negotiation in international contexts. The authors explain the difference between competitive, or win-lose, bargaining and integrative, or win-win approaches and assert, “even though a conflict may appear initially to be win-lose to the parties, discussion and mutual exploration will usually suggest win-win alternatives” (107). Much of the literature concerned with integrative approaches stresses the importance of identifying the underlying interests beneath each party’s stated position and using this knowledge to create alternative solutions that address these interests.

One of the major aspects of the relationship between negotiating parties is power, or the “control of resources that, if used, will affect another party’s future welfare” (Pruitt and Carnevale 1993: 130). Fisher’s 1983 article *Negotiating Power: Getting and Using Influence* is a response to critics of the earlier work *Getting to Yes*, which focused on the achievement of win-win solutions without sufficiently addressing the issue of power disparity between parties in a negotiation. Korovkin (2002) cites the need for a relatively balanced distribution of power in order for negotiations to proceed effectively. Much of the literature on negotiating power stresses the fact that power is subjective and dependent on the perceptions of the other parties, but Fisher (1983) notes that “a false impression of power is extremely vulnerable.” He categorizes real negotiating power into eight elements, creating a framework that will be used in Chapter Three to analyze an array of negotiations between Ecuadorian indigenous communities, petroleum companies, and the national government.

A broader breakdown of categories of power can be found in Gaventa’s (1980) case study of “quiescence and rebellion” in an Appalachian valley. He describes three dimensions of power relevant to negotiation. The first dimension, developed primarily by Dahl (1957) and Polsby (1959, 1963), refers to one party’s power over another because of superior political resources that are mobilized due to the powerful party’s personal efficacy, experience, and organizational strength. The two-dimensional approach taken by Bachrach and Baratz (1962) focuses on societal structures, adding the ability of a one party to construct barriers against the participation of another party through such mechanisms as outright force, threats of sanctions, and invoking, manipulating, or creating symbols that cast the other party in a negative light. The third dimension, which

Gaventa characterizes as the least understood, was developed by Lukes (1974) and refers to the ability of one party to influence another party's consciousness about inequalities through control of information and the way it is presented. This dimension of power also creates a sense of powerlessness in the other party, which can result in feelings of fatalism, self-deprecation, and apathy within the oppressed group. These dimensions serve as another way to understand how parties to a negotiation build up and exercise power, and will be used to supplement the analysis of negotiation dynamics in Chapter Three.

Multiparty Negotiation

Lewicki, et. al (1999) provide a review of the important issues in multiparty negotiation, pointing out that the bulk of negotiation theory is based on the assumption that there are only two parties interacting directly with each other. The reality of negotiations often reflects a more complicated situation where there are many parties involved in the process, taking on different roles and levels of concern in the outcome. In this situation, coalitions or alliances may form, and parties may be negotiating for their own interests or attempting to reach a consensus among all involved parties. Multiparty negotiations are more complex than two party negotiations in several ways; more issues, opinions, and information are likely to be introduced and the process is likely to be less clear and take longer. Strategies should take the interests and objectives of all parties into account, and a small group dynamic has a different impact on behavior than a one-to-one dialogue.

Sources of negotiating power can also take forms in multiparty negotiations that differ from those in two party processes. Polzer, Mannix, and Neale (1995, 1998) outline three major types of power in multiparty negotiations: strategic, normative, and relationship-based. Many negotiation theorists discuss the idea of the best alternative to a negotiated agreement (BATNA), and in multiparty negotiations power is conferred by the availability of alternative coalition partners, known as strategic power. If other alliances are open to a particular group, they are free to walk away from a deal they find unacceptable to negotiate with another party who may offer a better agreement. Normative power arises from a group's ability to shape the meaning of a "fair distribution" of benefits when an outcome is reached in the negotiation. Relationship-based power is based on the compatibility of interests between parties. Groups who believe they have interests, ideologies, or personalities in common are more likely to form relationships, which Polzer and his colleagues have found results in better individual outcomes for each group.

The Role of Intragroup Conflict

Another assumption in most negotiation theory is that decisions are made by unitary actors, with no consideration of the fact that many parties involved in negotiation are actually groups. Each party to a negotiation thus represents a collection of diverse interests and "within-group dynamics can have important consequences for the between-groups negotiation" (Pruitt and Carnevale 1993: 153). Actual negotiation often takes

place through leaders who are supposed to stand for those within their groups, which can raise questions and conflicts about how well group interests are being represented.

As noted by Kemper and Kemper (1994), the most prominent work in the realm of intragroup conflict and its effects on intergroup negotiation is Klimoski (1972). He examined the effects of various forces on the representatives participating in negotiations, and reviews literature characterizing the representative as the “man in the middle” under pressure to operate in both intragroup and intergroup bargaining processes. The three forces acting on representatives that Klimoski investigates are the creation and adoption of a group position, interpersonal attraction between the representative and group, and the potential for the representative to be evaluated by the group. His findings showed that adoption of a group position prior to negotiations did not have a strong influence on representatives’ behavior, which contradicted previous research. He theorized that the increase in cohesiveness achieved through formulating and espousing a group position was the real variable affecting representatives’ behavior. Klimoski also found that representatives who had a strong relationship with their groups but did not face the possibility of evaluation were more effective negotiators, achieving settlements in less time.

Pruitt and Carnevale (1993) categorize the theories on the relationship between representatives and their groups into three models. Some authors adopt a one-way influence model in which the group determines policy and the negotiator follows it. Others take a mutual-influence approach where representatives and the group influence each other; representatives are in contact with other parties and can thus provide a realistic perspective to the group. This knowledge about what is actually possible in

negotiations often leads the representative to advocate for concessions, which results in group suspicion of the representative's loyalty to espoused group ideals. The mutual influence model casts the representative as an intermediary, similar to the characterization discussed by Klimoski (1972). Finally, the network model develops the idea of a "chain of intermediaries" where each member, or link, in the chain attempts to reconcile the interests of stakeholders at each end. Representatives and groups are not clearly distinct and are instead both situated in a broader communication network.

Environmental Conflicts

As discussed above, negotiations occur in many realms, both public and private. In the past twenty years, more attention has been devoted to conflicts in the environmental arena as the environmental movement has worked to gain footholds in the United States and abroad. Groups within every society value natural resources in different ways and express these values using different metrics (Cocklin 1998). Environmental conflicts are consequently often expressed as "value system contests" or clashes between incommensurable standards of value (Martinez-Alier 2002, 150). Our culture and experiences shape the ways in which each of us attach symbolic meaning to resources, and conflicts arise when values outside the standard system are brought into decisions regarding the use and management of these resources (Cocklin 1998).

Much of the literature on environmental conflicts reflects the idea that these clashes arise from a struggle over the access to and distribution of scarce natural resources. Rees (1991) points out that there is a physical scarcity of some resources,

meaning that they are only available in a finite amount, but there are also other types of scarcity that can lead to conflicts. One of these is geopolitical scarcity, which refers to an uneven distribution of a resource that makes some countries dependent on others to import it. The second is socio-economic scarcity, reflecting the fact that purchasing power and property rights are also distributed unequally between or within societies. Finally, some resources are environmentally scarce, meaning that they were historically plentiful or considered renewable but have now become scarce because of human caused degradation. As part of the Environment and Conflicts Project, Libiszewski (1992) created a definition that outlines three types of degradation that can induce environmental conflict: overuse of renewable resources, pollution that overstrain's the environment's capacity to serve as a sink, and impoverishment of living space.

Framing Environmental Conflicts

Much effort has been devoted to resolving environmental disputes in recent years (Crowfoot and Wondolleck 1990; Susskind, et al. 2000 for examples) but conflicts persist, tying up the court system, and creating tensions that remain unresolved. In investigating the causes of intractable environmental conflicts, Lewicki, Gray, and Elliot (2002) call attention to the importance of the concept of "framing." Conflicts are framed through the process of each stakeholder deciding what the conflict is about, why it is occurring, what motivations drive each of the parties to the conflict, and how the conflict should be settled. Frames define the existence and definition of a problem, influence preferences for whether and how a conflict should be resolved, and justify the actions

parties choose to take. Parties frame their rights in ways to garner compensation for perceived injustice or prevent injustice from happening. Frames also help to create a common vision among participants in a social movement and are used to define issues that will influence and mobilize others.

As Lewicki and his colleagues point out, frames are dynamic constructs that can change over time. Reframing occurs when a party to the conflict is able to understand the perspective of other parties to the conflict, and is difficult to do without the help of a mediator or another actor without a stake in the process. Frame changes can allow for more effective dispute resolution because new options are added to the potential outcomes; perceptions of losses can be reframed as gains and the appeal of cooperation can be increased. Pruitt and Carnevale (1993) note that the behavior and communication of negotiators is often highly affected by the frames they employ and reframing can thus have a significant impact on the outcome of the negotiation process.

Corporations, the State, and Civil Society

Many modern environmental conflicts arise from interactions among governments, private corporations, and groups that comprise civil society. Government policies of privatization, deregulation, and trade liberalization have resulted in a recasting of natural resources as commodities controlled by global market forces. Corporations wield extraordinary political power; the hundred largest control approximately 20 percent of global assets (Hertz 2001). This skewed distribution of power has had consequences

for people living in resource rich regions and has altered the traditional roles of governments and citizens in democratic systems.

Capitalism is based on the accumulation of profits and constitutes an economic structure in which the power to produce and distribute goods is possessed by private firms or corporations, rendering this power inaccessible to the public at large. As Bowles and Gintis (1986) point out, these capitalist property rights clash with the notion of democracy, a principle based on the idea of popular sovereignty whereby members of the public have a right to voice opinions on decisions that affect their lives. Capitalism confers control of production, the rights of investment, and the ability to manipulate state economic policy to the owners of firms, thus limiting democratic influence over the economic system.

This disempowerment of the citizenry is related to a corresponding increase in the power of the corporation, an impersonal entity that has been given many of the rights of an individual person in United States law. The problem with granting these rights to a non-person is that it puts the corporation in the private realm, essentially exempt from legal oversight as a public institution, transformed into “a locus of irreducibly unaccountable power” (Bowles and Gintis 1986: 171). This power conferred to the corporations comprising the modern capitalist system allows these entities to impose their own language of valuation on the environment (Martinez-Alier 2002).

Environmental Justice in the Developing World

Certain groups within society have borne a disproportionate burden of the costs of economic growth and the concurrent increase in corporate power. This dynamic was emphasized in the United States in 1987, when the United Church of Christ Commission for Racial Justice published a study showing that low-income communities and communities of color are more likely to serve as the sites of hazardous waste facilities than predominantly white, affluent areas. A movement against “environmental racism” was born, with its members drawing connections between environmental issues and racial, socio-economic, and gender inequalities. The United States Environmental Protection Agency established an Office of Environmental Justice in 1992 with the mission of ensuring the “fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies” (USEPA 2003).

Martinez-Alier (2002: 12) argues that as the economy increases in scale, or as capitalist property rights are given precedence over democratic rights, “some groups of the present generation are deprived of access to environmental resources and services, and they endure a disproportionate amount of pollution.” These inequalities lead to what Martinez-Alier terms “ecological distribution conflicts,” which are disputes over access to environmental resources and services. Such conflicts have spurred a new set of concerns and activism in the environmental realm, a movement known as the “environmentalism of the poor.” The environmentalism of the poor reflects the idea that “it is impossible to

separate nature from human livelihood, and livelihood from human rights” (108). It is inherently a democratic movement because it concerns the interests of “the majority of humankind, those who occupy relatively little environmental space,” those who are trying to maintain their livelihoods while grappling with reduced access to natural resources they have traditionally managed sustainably.

Background of the Case Study: Oil Extraction in the Ecuadorian Amazon

Ecuador, like many other South American countries, is characterized by stark divisions between regions, socioeconomic classes, and ethnic groups. The Andes mountain range separates the plains of the Pacific coast from the astoundingly biodiverse Amazon rainforest, known as the Oriente, or East (See Figure 1). The eight indigenous groups in the vast Amazon, the Cofán, Secoya, Siona, Huaorani, Achuar, Záparo, Shuar, and Oriente Quichuas, are both culturally and geographically isolated from the highland region, which is home to the majority of Ecuador’s population and 96 percent of the indigenous peoples (Gerlach 2003).

Land Use before the Oil Boom

The inhabitants of the Oriente traditionally met their basic needs by use of the wide array of food items and building materials provided by the biodiversity of the Amazon. Hunting, fishing, gathering, and small-scale shifting agriculture provided kin groups with a means for survival (Korovkin 2002). Large amounts of land were required for their traditional activities, which were unlike the settled agriculture suited to the richer soils of the highlands and coastal areas. Territories were held communally and the particular individual uses of the land, such as hunting, gathering, and travel, did not prevent another individual in the community from engaging in the same activities (Gerlach 2003). The idea of exclusion was related more to concern for tribal sovereignty than for personal ownership (Cronon 1983). As Pawson and Cant (1992) note in their analysis of indigenous land rights, “land is the source of communal identity, the place of belonging, the link between present, past, and future generations.”

Historically, the Amazon’s indigenous people expressed a relative lack of desire for production and accumulation of material goods due to their experiences with the bounty of materials offered by the surrounding forest (Korovkin 2002). This clashed with the values of Europeans who felt that the abundance of raw materials in the equatorial region promoted laziness, which was the “greatest of all obstacles to labor and industry.” (Curtin 1964: 61-2, cited in Arnold 1996). The Spanish conquerors defined the “best use” of the land differently than its traditional inhabitants; they were concerned with economic productivity and its resultant accumulation of individual wealth. After the Spanish rose to power in Ecuador, land itself became a commodity, and the right of indigenous tribes to

subsist on the land was put into mutually exclusive conflict with the right of others to profit from the land. In the highlands, this resulted in a concentration of land into large haciendas held by whites and worked by an indigenous underclass (Gerlach 2003).

The relative remoteness and impenetrability of the Amazon rainforest made colonization more difficult, but contact with Spanish settlers and Catholic missionaries did result in several disease epidemics that ravaged the Oriente's indigenous population beginning in the late 17th century. The Amazon rubber boom of the late 1800s through the 1920s brought an influx of tappers and traders to the area (Korovkin 2002). The Ecuadorian government gave Standard Oil the first concession for petroleum exploration in the region in 1921, but the endeavor proved largely unsuccessful and was followed by several equally lackluster attempts by the Leonard Exploration Company from 1923 to 1931, the Anglo Saxum Petroleum Company in 1937, and finally the Shell Company Ecuador in 1939 (Gedicks 2001). Shell eventually gave up on finding oil in the Oriente in 1950, but not before bringing in the Summer Linguistic Institute/Wycliffe Bible Translator Inc. (SLI/WBT), an organization comprised of Protestant missionaries who were charged with translating the Bible into various indigenous languages and converting the population to Christianity (Martin 2003). These evangelical missionaries had a long-term impact on the indigenous community, with future alliances between the church and petroleum companies facilitating resource extraction in indigenous territory.

In 1942, approximately one-half of the Oriente was annexed by Peru, resulting in a loss of close to one-third of the Ecuador's total original territory. Ecuador refuses to acknowledge this defeat, and has designated the Oriente a "national security area," resulting in a strong military presence throughout the region (Kimerling 1991).

Texaco and the Oil Era

In 1949, President Galo Plaza Lasso dismissed the Oriente as “a myth,” asserting that there was “simply no oil to be found in the Amazon” (Gerlach 2003, 33). There was subsequently little interest in the region’s resource potential until 1967 when Texaco-Gulf struck oil at Lago Agrio, slightly north of the traditional lands of the Huaorani indigenous group (Gedicks 2001). This discovery launched a new era of Ecuadorian history in which the economy became almost solely based on petroleum. In 1972, Ecuador passed the Hydrocarbon Law, which declared all oil reserves as property of the state and created the Ecuadorian State Petroleum Corporation (CEPE) to absorb 25 percent of the rights and profits of Texaco-Gulf. That same year, a 313-mile pipeline was built to connect Lago Agrio to the Pacific Ocean at Esmeraldas, traversing the Andes (Korovkin 2002; Kane 1996).

Texaco played a significant role in Ecuadorian policymaking, primarily through funding of various presidential campaigns, as petroleum production quadrupled and Ecuador’s GNP rose from \$2.2 billion in 1971 to \$5.9 billion in 1977. Between 1984 and 1993, twelve more companies, most of them based in the United States, were given petroleum concessions in the Amazon over six rounds of international bidding (Martin 2003). By the time Texaco pulled out of Ecuador in 1992, ceding full control to the state oil company, the Oriente had been divided into over a dozen 500,000-acre drilling blocks. Almost 1.5 billion barrels of oil had been extracted from region between 1971 and 1991 (Kimerling 1991), leaving behind hundreds of oil wells, roads, and pumping stations crisscrossing over 2.5 million acres of forest (Gedicks 2001). The government embraced

the petroleum economy as a means for modernization, development, and poverty alleviation, and by 2001, 46 percent of the country's income was based on oil revenues (Gerlach 2003). An Ecuadorian environmental agency was not established until 1984, and until then, Texaco extracted and exported oil in collaboration with Petroecuador (formerly CEPE) with no oversight or impact reports. Thus, with essentially no intervention by outside actors and minimal control over its activities, the company "acquired a private, authoritative role within the Ecuadorian government" (Martin 2003, 75).

In most cases, the government did not recognize any form of indigenous land ownership in the Oriente throughout the petroleum boom. As described in Sabin (1998, 150-151), the state pushed soldiers and former construction workers to settle near the Texaco production area, even flying in "vagrants and delinquents from the cities" to increase a non-indigenous presence in the region. Oil extraction required road building, which in turn provided settlers with a way to travel into the formerly isolated Oriente. The government promoted colonization in the region as a method of relieving population pressures in the highlands and along the coast, citing the existence of empty tracts of land expansive enough to support more than double the current population of the country. In order to legitimize land claims under the agrarian reform laws of the 1960s and 1970s, indigenous inhabitants and newly arrived colonists were required to develop at least half of their land, resulting in an increase in cattle ranching that was supported by government subsidies.

Differences in the rights conferred to indigenous people in the Oriente to use and own land have had a significant effect on the distribution of both income and power in

this region. In 1994, CONAIE's former president Luis Macas described the relationship between the fight for land, the environment, and human rights:

The problems facing the indigenous peoples are deeply connected to the issue of land ownership. When the colonizers arrived, they cleared out the Indians. Today, land is concentrated in the hands of the few, and many of our people don't have any land. In the Amazon region, there is a crisis caused by the presence of oil and mining companies and their violations of indigenous peoples' rights. The displacement of people from their homes has made it impossible for indigenous people to meet basic living conditions. The oil companies have not only caused the decomposition of our communities and the decomposition of our culture but also the destruction of the ecology. The fight for land is thus extended to the struggle for maintaining the ecology (Gerlach 2003, 66).

The Impact of Texaco and the Petroleum Economy

After two decades of unregulated oil extraction in the Amazon, Ecuador was faced with an environmental disaster. The 15 petroleum camps and 22 production stations in Napo and Sucumbíos provinces had caused damage more extensive than that of the Exxon-Valdez spill (Martin 2003). Judith Kimerling of the Natural Resources Defense Council (NRDC) visited the region in 1989 and wrote an exposé entitled *Amazon Crude*. She described the untreated and abandoned open waste pits and leaking storage drums scattered throughout the Oriente and detailed the spraying of roads with heavy crude oil to combat dust. Texaco allegedly had 30 major spills, resulting in 16.8 million gallons of oil spread across the rainforest (Kimerling 1991; Korovkin 2002). Additionally, Texaco and other companies did not decommission their operations, nor did they attempt to remediate areas surrounding production sites (Sabin 1998). Kimerling's report was followed by an investigation of the public health impacts of oil extraction in the region, undertaken by the Center for Economic and Social Rights (CESR) in 1993. The study found that over 50 percent of the drinking, bathing, and oil production waters in the communities under

investigation contained levels of polycyclic aromatic hydrocarbons several times higher than World Health Organization standards (Zaidi 1994).

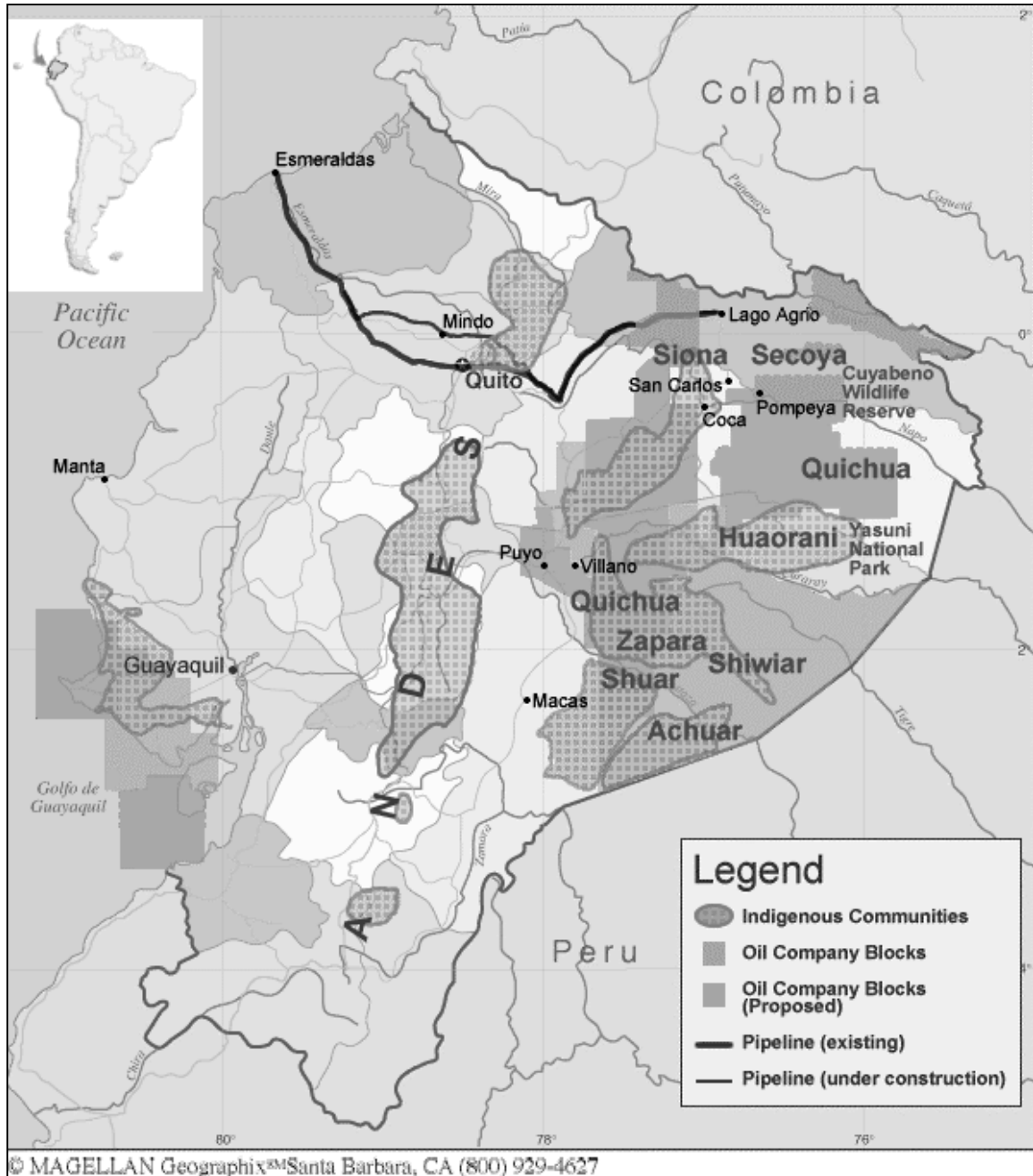


Figure 2. Traditional territories of indigenous communities in Ecuador overlaid on existing and proposed oil drilling blocks. Source: The Advocacy Project (<http://www.advocacynet.org>).

The story of the Cofán illustrates the effect oil exploration had on the lifestyles and land use patterns of indigenous groups. Lago Agrio (“Sour Lake”), formerly known as Nueva Loja, was located in the midst of Cofán hunting grounds until Texaco built a road connecting the site of its initial oil discovery to Quito, the Ecuadorian capital. The area swelled with colonists and oil workers, and became a city. Cofán men were employed by Texaco to remove trees in the surrounding area, and alcohol was introduced to the community. In 1977, with the support of local missionaries, the Cofán won a title from the government for 9,500 acres of their traditional land, which was then divided by another Texaco-built road. Only 600 Cofán were left in the Lago Agrio area in the mid-nineties, having lost most of their traditional culture, while a smaller clan moved further down the Aguarico River in an attempt to retain some of their former land and lifestyle through ecotourism initiatives. This group, known as the Zabalo Cofán, inhabits an area that was included in the 1991 extension of the Cuyabeno Wildlife Reserve. The Ecuadorian government retains the rights to subsurface minerals, and even this isolated group has since faced several struggles with both Petroecuador and private oil companies who wish to drill within the Reserve (Kane 1996; Tidwell 1996; *The Cofán, Guardians of the Rainforest* 2004).

The modern Ecuadorian government chose to pursue a development path that was based on the concept of “modernization” and was highly focused on industrialization and expanding the services, manufacturing, and mining sectors while reducing the emphasis on agriculture (Gerlach 2003). The Oriente was seen as a region that needed to be assimilated into the larger national effort towards economic growth. A state attitude of mistrust towards the indigenous tribes living there was rooted in the apparent lack of

allegiance on the part of people who spanned the Ecuadorian-Peruvian political boundary and spoke native tongues other than Spanish (Sabin 1998). The inhabitants of the Amazon, removed from urban centers and political turmoil, and lacking the formal training needed to participate in the modern industrial economy, were viewed as obstacles to Ecuadorian development. These beliefs espoused by those in power are part of a larger “discourse of dominance” described by Gedicks (2001) in which “there is no room for the idea that native peoples are capable of managing their own natural resources or responding to attempts to separate them from their lands and culture” (65).

In their 1994 piece on the “social construction” of nature, Greider and Garkovich discuss the idea that “power is the capacity to impose a specific definition of the physical environment, one that reflects the symbols and meanings of a particular group of people” (17). The three elements of this capacity are the ability to construct knowledge, the control of this information, and the mobilization of support for the particular definition one is supporting. By defining the Oriente as an obstacle to be conquered and its people as backward and untrustworthy, government and oil company officials pushing for petroleum extraction in the Amazon were able to provide the citizens of Ecuador with a justification for invalidating the land claims of indigenous tribes. As CONAIE’s president, Luis Vargas, noted in 2000, “those who have managed the country are rich and powerful. They have the press and economic resources which the people do not possess... Almost all of the laws benefit only a certain group” (Gerlach 2003, 77).

Lukes (1986, 15) argues that power can be located “where its benefits accrue,” and it is clear that the massive revenues accrued through oil development in Ecuador have benefited an elite ruling class. After a government coup d’état by a military general in

1972, forty-five percent of oil revenues were diverted to the Ecuadorian Armed Forces for the rest of the century to support the maintenance and expansion of the country's military. This money was not subject to any congressional oversight as it was allocated outside of budgets approved by the legislature (Gerlach 2003). The earnings from oil production royalties and income taxes went to the government, but there was no compensation for indigenous communities affected by the extraction process (Sabin 1998).

Disempowerment may thus be located where the costs accrue, and as Gedicks (2001) points out, the country has seen an increase in the number of impoverished people since the discovery of oil, from under 50 percent of the population in 1975 to 65 percent in 1992. Essentially, the economic benefits of petroleum production have been realized by some groups while social and economic costs have accrued to others (Cocklin 1998).

The conflict in Ecuador challenges the traditional assumptions of negotiation theory. It serves as a case study of multiparty negotiations between powerful multinational petroleum corporations, a weak federal government, and marginalized indigenous groups. The indigenous community is engaged in internal negotiation and is not operating as a unitary actor. This clash is example of a common type of environmental conflict in the developing world. An in-depth analysis of the current power dynamics and the ways in which the indigenous movement can increase its negotiating power can provide insights for other groups struggling with similar challenges.

Chapter 2

Methods

The purpose of this study was to investigate the nature of negotiation in an environmental conflict where the parties have different levels of power. The case study I analyzed was the dynamics of indigenous groups in the Ecuadorian Amazon organizing, mobilizing resources, becoming empowered, and negotiating and bargaining with the Ecuadorian government and multi-national petroleum companies. Ecuador was an appropriate location for this case study because it is “arguably the most visible and advanced example of the development, as well as the current dilemmas, in indigenous human rights” (Macdonald 2004:40). Studying a well-established and well-known movement provided insights into the resources and strategies that contribute to successful negotiation while also illustrating challenges that communities in similar situations can expect to encounter. Patton (2002: 234) refers to this type of case as “extreme” or “illuminative” and notes that descriptions of these cases can “illuminate both the unusual and the typical.”

Research Design

In designing this study, I chose a qualitative approach based on in-depth interviews with members of specific groups of people in Ecuador supplemented by

personal observations in the field and review of relevant documents. The primary reason for using a qualitative design was related to the nature of my research questions. The communication between groups in this process is constantly evolving and the definition of success is dependent on one's allegiances and group membership, making it difficult to identify concrete results or outcomes on the broad scale at which I engaged in this research.

Patton (2002: 159) notes that “qualitative inquiry is highly appropriate for studying process” and cites several reasons why this is the case. In order to adequately describe a process, the researcher needs to obtain thorough descriptions of interactions between parties. Second, each person involved has a different understanding of the process, and these perceptions can also change as events progress. Qualitative inquiry provides a way to highlight this variation and dynamism by using the participants' own words as the raw data instead of limiting responses to a set of pre-determined choices. The emergent nature of a qualitative research design was also useful in this regard because I was able to adjust my sampling methods based on the fluid nature of people and events involved in various negotiation processes.

In-depth interviews were a particularly useful method in this study because of the unique characteristics of the participants and the information they provided. Participants involved in both the petroleum industry and well-established indigenous organizations are quite concerned with the image they project to outsiders. Personal interviews provided a way to verify responses through more probing questions and observation of demeanor that would not have been captured in a survey. Engaging in a direct conversation allowed me to clarify the purpose of my research for participants and facilitated a level of rapport and

trust that would likely not have been established through a standardized survey. Open-ended questions allowed participants to describe their ideologies and negotiation strategies in their own words, which will assist me in accurately portraying the full portfolio of resources available to different groups along with their personal assessments of the utility of each of these.

Yin (1994: 20) describes five components of case study research design: questions, propositions, units of analysis, the logic linking the data to the propositions, and the criteria for interpreting the findings. My study explored four main questions:

- How do the parties in this conflict communicate and negotiate?
- What resources do indigenous communities utilize in these processes?
- What impact does conflict within the indigenous community have on their ability to negotiate?
- What strategies might communities best use to maximize their negotiating power?

Two propositions arise from these questions. First, the ways in which parties negotiate is dependent upon their relative levels of power in the situation, and there is an extensive history in Ecuador of disempowerment of indigenous groups. Second, indigenous groups' lack of power, particularly in the form of financial assets, may lead them to utilize different resources than those employed by corporations or the government.

The unit of analysis in my study is the interaction between indigenous groups in the four provinces of the Ecuadorian Amazon with multi-national corporations and the Ecuadorian government in relation to petroleum extraction. This unit can be further

broken down into the interactions in two disparate regions, the northern Oriente and the southern Oriente. Each of these regions has been affected by petroleum extraction differently due to historical circumstances. This has consequently affected the ideologies, available resources, and negotiation strategies of indigenous groups within each region. Thus, comparisons are often made in the analysis of each of these regions, while the interaction between the parties identified above serves as the overarching element under investigation.

In order to link the data to the propositions, I utilized the theoretical framework regarding sources of negotiating power provided by Fisher (1983) and supplemented by Ali (2000). This literature provides several categories of power useful in negotiation, and I relied on these categories to formulate my interview questions in order to assess which of these were applicable to different parties to the negotiation. In effect, these categories serve as a “pattern” described by Yin (1994: 25) to which the data can subsequently be matched. Fisher’s framework thus provides a link between my data on the resources available to indigenous communities in the Amazon and the proposition that using these resources effectively contributes to an effective strategy for maximizing power in negotiating with other parties.

While Yin (1994: 26) admits that “currently, there is no precise way of setting the criteria for interpreting these types of findings,” I believe the differences between the parties involved in the interaction I researched are sufficiently extreme to lend credibility to the notion that there are distinct ideologies, resources, and levels of power at work in Ecuador. This is supported by a rich historical literature that describes the process of petroleum development in the Amazon. The categories of negotiation power discussed by

Fisher (1983) are relatively broad, making it difficult to develop a strict “match” with the variety of experiences described by participants in my study, but precedent is set in Ali (2000), in which the author applies Fisher’s (1983) model to two case studies in the mining industry.

Sampling Strategy and Data Collection

I was interested in both intergroup (the indigenous communities and other parties) and intragroup (within the indigenous community as a whole) communication, so I chose a sampling strategy that would capture the perceptions of members of each of these parties. I selected interviewees from distinct groups: foreign petroleum corporations, the state oil company, members of the academic and development communities, a variety of non-governmental social justice and conservation organizations, and the indigenous population. Participants were also selected from different indigenous groups in areas across the Oriente in order to capture a range of perspectives within this group. Approximately half of my interviews were with people living or working directly in communities in the Oriente. Within this group, most were in leadership positions of indigenous organizations or foundations, but I did interview two indigenous people who had no affiliation to a particular formal entity (see Figures 3 and 4).

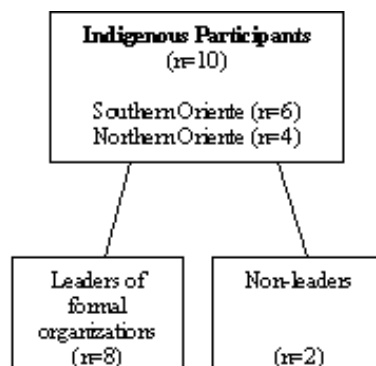


Figure 3: Breakdown of Indigenous Participants

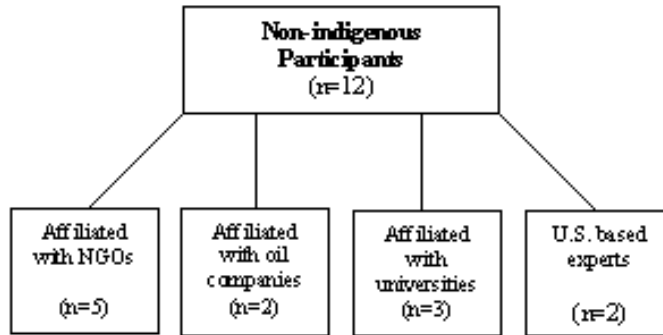


Figure 4: Breakdown of Non-Indigenous Participants

I conducted interviews in four locations within the Amazon region during fieldwork in January 2005: Puyo, located in Pastaza province, Coca, located in Napo province, Lago Agrio, located in Sucumbios province, and the area of the Tiputini Biodiversity Station, located in the far eastern region of Napo province. Each area has experienced a different level of petroleum impact and is part of the territory of different indigenous groups. The rest of my interviews with NGO leaders, academics, and people working in the petroleum industry took place in Quito, the Ecuadorian capital. I identified several potential participants prior to my arrival in Ecuador and was then able to use a “snowball” method (Patton 2002: 237) in which these original interviewees referred me to other helpful contacts and facilitated my access to them.

I developed a topic guide with the major points to be discussed in interviews and tailored this to the specific experience of each participant as interviews progressed. The interviews ranged from twenty minutes to ninety minutes in length and were tape

recorded whenever possible. Some participants were unwilling to be recorded, and other interviews took place in locations where recording was infeasible. When I was unable to obtain a recording, I took extensive notes during the interview. These recordings and notes were then transcribed prior to analysis.

These in-depth interviews were supplemented by documents I gathered in Ecuador, including newsletters produced by indigenous groups that were offered to me during interviews, reports and brochures published by NGOs and development workers available in their offices, and pamphlets and guides about the oil-producing region set out in hotels and visitor centers for tourists. Petroleum is a relatively common topic in the Ecuadorian news, so I also collected articles printed in national newspapers during the research trip.

Data Analysis

The raw data I obtained consisted of interview transcripts, field notes, and a variety of documents collected in Ecuador. As Patton (2002) points out, the first step in analysis of qualitative data is the creation of a classification or coding scheme that allows the researcher to elucidate the major themes contained in the data. The coding process I engaged in had two components. First, I developed codes provided by the categories discussed in Fisher (1983) and Ali (2000): skills and knowledge, good relationships, alternatives to negotiation, elegant solutions, legitimacy, commitment, and access to a valid negotiation process. This is a form of analytic induction as discussed by Patton (2002) and allowed for examination of the relevance of Fisher's model to this particular

case. I then used open coding to determine emergent themes that were not directly related to my original research questions, yet were present in the data.

Qualitative analysis is inherently a subjective process that relies on the insights and perceptions of the researcher. I used the coding system I developed to determine the themes that seemed most important and relevant to my research objectives. The direct interview quotes, sections of documents, and field observations contained within each category then served as the basis of the particular topics I chose to address in this case study. As such, it is necessary to describe the measures taken to ensure validity of the results.

Enhancing Validity

As Patton (2002) points out, “cross-cultural inquiries add layers of complexity to the already-complex interactions of an interview.” The main issue affecting the validity of my findings is related to language; most of my interviews were conducted in Spanish without a translator. This language barrier may have resulted in misinterpretation of what was said by participants along with loss of information due to difficulty in note taking. Additionally, the questions I selected and the way I phrased them were limited by my language abilities, which may have affected the clarity of my questions and also the responses to them. In order to mitigate potential errors in the data, an assistant proficient in Spanish accompanied me to each interview simply to take notes while the participant spoke. These notes provide an additional source to verify the content of interviews, serving as a form of “investigator triangulation.” (Patton 2002). A fluent Spanish speaker

transcribed the tape-recorded interviews in order to produce a more accurate transcription of interview content.

Data triangulation was achieved through engaging in field observations and document review in addition to in-depth interviewing. I kept a detailed field journal with descriptions of each place I visited, supplemented by photographs wherever possible. I also collected pamphlets, newsletters, and formal publications from indigenous organizations, the state oil company, Ecuadorian NGOs, and an international petroleum corporation. These observations and documents provide corroboration for some of the data obtained in interviews. Additionally, I attempted to explore a variety of perspectives and critiques by interviewing people across the ideological spectrum, including people affiliated with radical environmental NGOs intent on direct action and other NGOs that have engaged in conflict resolution efforts, indigenous people interested in having a dialogue with petroleum companies and those who are entirely opposed to extraction in their territories. This is also a form of data triangulation that helped to minimize my own biases by ensuring that both sides of the debate are represented. Interviews with members of each group served as an opportunity to gather responses to statements made in interviews with other parties. Finally, I interviewed an outside “expert” who was unaffiliated with a particular group in Ecuador but had extensive experience with petroleum issues in the region as part of a United States development organization. I was able to discuss my preliminary ideas with this participant and incorporate his responses in addition to gaining insight into the viewpoints of different groups based on his familiarity with petroleum conflicts in the Amazon basin.

Limitations of the Study and Paths for Future Research

In an ideal world with no constraints, I would obtain more quantitative data on the areas I visited. It would be valuable to make a concrete comparison between the financial assets of different parties; however, it is difficult to find economic data below the country or provincial level. Household surveys or annual reports for indigenous organizations would be helpful in this regard. It would also be useful to be able to more accurately track the money flowing in and out of the Ecuadorian government, particularly the departments charged with funding development projects in the Amazon. I was able to obtain many anecdotes and estimates related to this type of data from participants, but exact numbers would contribute to the validity of my findings.

The primary change I would make in my sampling strategy would be to expand the number of participants. More time was necessary to gain access to staff in the numerous multi-national petroleum companies operating in the Amazon and based in Quito, and as I was only able to interview one person in this group, the study would benefit from the perspective of people from different departments within this company and from several other companies. This would also add to the credibility of the data I obtained from the single interview. I encountered a similar situation with the state oil company, Petroecuador, and was also unable to meet with people from other areas of the government, such as the Ministry of Energy and Mines or the Ministry of the Environment. This leaves some parties unrepresented in my study. I would also expand my fieldwork to include communities in more inaccessible regions of the Oriente,

particularly those operating community based eco-tourism ventures or other projects. This would provide a more accurate picture of the functioning of these “alternative” ventures to supplement the secondhand evaluations I obtained. It would have been highly valuable for me to visit Sarayaku, an extremely remote community that many of my participants classified as an “icon of resistance” because it is the only community in Ecuador that has thus far been able to prevent planned oil development from occurring. It would essentially serve as a “negative case” to contrast against the more prevalent experiences of Ecuadorian indigenous groups.

The indigenous groups in the northern Oriente are under-represented in my study, due to their lack of strong formal organization and the consequent difficulty I had in identifying and communicating with these groups. They have had more direct contact with petroleum extraction, a factor influencing the strategies they employ when engaging with companies and the government, so more of their perspectives would be beneficial in fully describing the negotiation tactics of indigenous groups. Finally, I was struck by the apparent lack of women in positions of influence or power within the indigenous movement, and I was able to interview only one female in the course of this research. I would include many more female voices in an expanded study, incorporating their experiences into my research questions and targeting them as part of my sampling strategy.

It would also be interesting to engage in a multiple case comparison of indigenous groups negotiating the future of petroleum extraction in their territories. Ecuador presents a case in which the indigenous movement is fairly well organized and foreign companies have far more operations than the state oil company, and a study of a country with a

stronger national company or a less developed indigenous movement would likely provide new insights into the nature of resource based conflicts. Ecuador's economy is also heavily dependent on oil exports, so a similar case study in a country with less reliance on this resource would help to determine the influence this particular factor has on the government's response to indigenous resistance.

Chapter 3

Intergroup Negotiation Dynamics: Petroleum Corporations, the Ecuadorian state, and Amazon Indigenous Communities

The petroleum industry is a substantial part of the Ecuadorian economy, accounting for 40% of export earnings and one-third of the country's tax revenues. Overall oil production has increased in recent years and Ecuador's last president, Gutierrez, worked to reform the oil sector in order to attract more private investment as the output of the state-owned company, Petroecuador, decreased (Energy Information Administration 2005). These companies wield a significant amount of power in Ecuadorian politics, as the strength of the economy is dependent upon a functioning petroleum industry. The population most directly affected by the day-to-day operations of petroleum, the indigenous community of the Ecuadorian Amazon, is a minority group that has long been marginalized both economically and politically. It is only in recent decades that indigenous people have created formal organizations and begun to use their negotiating power in an effort to exercise control over what happens in their territories.

Petroleum companies are operating with a profit motive, while the Ecuadorian government is responsible for maintaining an economy dependent on this industry for

survival. Both of these entities have a vested interest in ensuring that petroleum extraction occurs as extensively and smoothly as possible. Indigenous communities are concerned about autonomy, and while not always opposed to the petroleum industry on principle, many leaders express a desire for indigenous control over their own economic development. My goal in this chapter is to analyze this conflict using Fisher's (1983) framework describing sources of negotiating power in order to understand the particular areas in which indigenous groups have strengths and weaknesses. Fisher categorizes negotiating power into six categories: skill and knowledge, good relationships, alternatives to negotiating, elegant solutions, legitimacy, and commitment. Ali (2000) adds the power of process to this list.

The Power of Skill and Knowledge

Several types of skills are useful in a negotiation or any type of dialogue, such as listening ability, empathy, sensitivity, effective communication, and logic. Knowledge about the people, interests, and facts involved in the issues being negotiated also strengthens a group's position.

There are several critical differences in the skill and knowledge levels of oil companies, the Ecuadorian state, the conservation community, and indigenous groups. First, a basic language barrier exists between these groups, as many indigenous people do not speak Spanish or have learned it as a second language. Multi-national oil companies generally operate in the language of the country in which they are based, and the oil company representatives I met with in Quito were able to speak English. These language

abilities underlie the actual content of any negotiation; the group that has control over the language used for discussion or publications can exclude other groups from legitimate participation. Second, the knowledge and skills possessed by indigenous groups are often not of the technical nature valued by industry and the scientific community. For example, EnCana assembled a “technical advisory group” to review and comment on their environmental management plan for Block 14, but this group did not include any indigenous representatives. The capacity of indigenous peoples to play a part in groups such as these is often called into question by experts with access to meaningful forms of participation.

Several of the people I interviewed in the course of this study were affiliated with non-governmental organizations (NGOs) focused on capacity building for indigenous organizations. One major category of knowledge these participants in my study identified as lacking in indigenous groups was knowledge about legal and procedural rights. A second category of knowledge participants discussed as lacking was the process and long-term impacts of petroleum extraction.

Knowledge about Rights

One of the common goals of capacity building was education about indigenous legal rights; participants identified a lack of knowledge in this area as one of the key problems facing indigenous groups. A professor at an Ecuadorian university who studied the relationship between the Agip oil company and local communities explained:

The first meeting we had, the first workshop we organized, we tried...we just asked, how many of you have been aware of the environmental management plan of the company? And they hardly understood the title of the document we were referring to, which meant that actually nobody really knew about this plan...if you want to know, as a community,

which are your rights, in front of a company, of any kind of company, private or public, the first thing...you have the right to ask for the environmental impact study and the environmental management plan, which are two documents that you have a right to read and possess. And very few communities and very few indigenous organizations actually know they have this right (Interview 4).

Legal and regulatory rights are clearly a source of power when attempting to exert influence over other groups. As the participant's story illustrates, it is impossible to take advantage of the benefits conferred by these rights if there is a lack of knowledge about their existence or mechanisms for implementation. He went on to say that the first thing necessary for indigenous people to dialogue with other parties is for them to be informed about their rights, identifying this as a first key step in capacity building.

Knowledge about the Process

Petroleum extraction is a long and complicated process beginning with seismic exploration, progressing into drilling and culminating in the transport and refinement of the resource. This process can go on for decades and is connected to the complex global oil market. Many participants discussed the difficulties in balancing the short-term benefits offered by companies with the long-term environmental and social impacts, and a lack access to information about these long-term issues was cited as a problem in the decision making process of indigenous groups. One interviewee affiliated with an NGO that was involved in a tripartite dialogue with indigenous communities, the Occidental oil company, and the Ecuadorian state noted:

The real knowledge about, for instance, the oil process, was very, was quite low. They barely knew what was exactly the process, oil, I'm talking about the indigenous people of course, they barely knew how oil was really found or extracted, pumped up, transported and sold, and the whole oil business. They have some misconceptions about it, how do companies get into the country, how do companies research for oil, how the oil is processed in other facilities, how it is negotiated with the government, what are the revenues for the government and what are the revenues for the company (Interview 2).

A lack of access to information about these issues is detrimental to indigenous groups because fair and effective decision-making cannot occur without a full understanding of the implications of the decision being made. This topic came up in interviews I conducted with indigenous people who had personally chosen to work for oil companies or were part of a community with members who had made that choice. One indigenous leader from the southern Oriente said:

Basically, during that time our people did not know what petroleum was, what the consequences might be, what conflicts it might bring. They were not aware of the interests behind petroleum, and so they worked unaware of these issues (Interview 10).

Another indigenous leader from the northern Oriente described a situation in his community where people signed a contract they didn't understand because they were unable to read it. An indigenous participant who had worked as a laborer for oil companies in the past but had since become a guide at a biodiversity research station explained:

Sometimes we do not realize that the very same people who are living in the jungle are giving a service to the companies but without realizing that we are helping to exploit our wealth of natural resources and our vegetation (Interview 17).

These descriptions illustrate the extent of the petroleum industry's control over information and the way it is presented to the indigenous community. The manager of the research station described the short-term nature of work with oil companies, despite promises for longer terms of employment:

Maximum three months. Three months, that's it. And they say, we are going to provide them with this work for six months, or a year. Yesterday I was talking with one of those Huaorani who is really convinced he is going to be rich in the next six months, because he bought one engine and the oil company told him to buy another, because they are going to contract his boats, and they are paying 60 dollars per trip, and this is going to be for two years. And it's false, simply it's false...It's the same thing here, it's the same

thing in the Aguarico River, in the Napo River, in Peru, in Colombia, they know how to work with these kinds of people. They know how to manipulate them (Interview 15).

One participant with many years of experience investigating the social and environmental impacts of petroleum made the point that indigenous populations may sometimes have knowledge of their rights but resist using them for fear of being “entangled in a game.” He went on to suggest that some communities make a choice in refusing to fully understand petroleum companies:

Well, it is a form of resistance right? They have not tried to profoundly understand the petroleum companies. They asked themselves does this interest me or not? They are not interested in it, because if they are trying to resist why should they understand them (Interview 3)?

The outlook expressed in this quote is related to an ideology held by some indigenous and environmental groups in Ecuador that characterizes any interaction with petroleum companies as a form of “selling out” or giving implicit consent to company demands. During one interview, an indigenous leader from the southern Oriente asserted, “we don’t want to dialogue any longer, because through dialogue they present other technical information and it is through those means that they want to win us over.” The participant mentioned above described the way in which this highly unequal distribution of power makes deeper knowledge about the process irrelevant:

They can admit to understanding that there are oil companies that come here, drill in their wells and take out a lot of money and the region does not get any of it. What is there to understand (Interview 3)?

Facing a situation in which other parties to the negotiation have significantly more control, some indigenous leaders have made a strategic choice to refuse to come to the bargaining table at all.

Petroleum companies have defined the negotiating agenda, forcing areas of indigenous skill and knowledge outside of the actual negotiation process. I conducted several interviews with indigenous guides at a research station in Ecuador's Napo province, and each of these participants expressed an intimate knowledge of forest dynamics and the biodiversity of the area. They provided firsthand knowledge of the impacts of petroleum extraction, including an increase in the number of boats and helicopters, decreases in wildlife sightings, particularly of large mammals, habitat fragmentation due to road construction, and the constant noise and lights coming from nearby drilling operations. The forest-based lifestyles of these and other indigenous people in the Amazon region have created a repository of knowledge that likely exceeds that of any outside technical expert. This expertise could contribute to a compelling and well-supported documentation of the environmental impacts of petroleum extraction, and should be included inside the negotiation process.

The current paradigm for impact assessment in Ecuador needs to be challenged by indigenous groups. A community affairs manager for an oil company operating in the Oriente explained the consultation process by explaining that everything is rooted in Ecuadorian regulation. The Ministry of Energy and Mines has a community division that defines the role of the government in the process, while the company provides only "logistics, support, and documentation." The company maintains a consultation office that provides literature and other materials for stakeholders, and the participant claimed that anyone could go to this office to access the information. The government is responsible for putting "all issues on the table" and the company has to address concerns before they are issued a permit for operation. All comments are reported to the Ministry of Energy

and Mines and the Environmental and Social Management Plan is revised to include these comments. A license will not be issued if there is an open complaint.

This represents a situation in which a pre-written document is presented to the indigenous community and input is only allowed after this presentation. True participation would include the ability for indigenous communities to contribute to the impact assessment as it is written, and communities should have easy access to this information. Oil company offices are essentially inaccessible to indigenous communities living in a remote area with unreliable transportation, which is compounded by the fact that many of these groups do not have the technical knowledge necessary to interpret and comment upon documents written by consultants hired by the oil industry. The Ministry of Energy and Mines is simultaneously responsible for attracting petroleum investment and ensuring that the affected community's concerns about petroleum are addressed, which results in an obvious conflict of interest.

The Power of a Good Relationship

Fisher (1983: 155) argues that the two most critical aspects of a good relationship are trust and the ability to communicate easily and effectively. He believes that a good working relationship can actually be more important than any particular outcome of the negotiation, transforming this relationship into an end in itself. The relationship between different parties in the petroleum conflict in Ecuador was an area that was discussed extensively during the interviews I conducted, and participants characterized it as fraught

with tension, misunderstandings, and mistrust. One participant summarized the relationship as such:

My general impression is that, despite {the fact that} oil companies have field, uh, public relations officers, or community relations officers, and despite the indigenous communities have their representatives, in some cases to meetings in which the oil company is present, and so on, they do not have a profound understanding of the essence of the way of thinking of each other. Basically, they have preconceptions or misconceptions about what oil companies and indigenous groups do want, how they behave, and things like that. So for many indigenous people, oil companies are just bad, or manipulative, or something like that. And the oil companies think indigenous people are just lazy, they want to be in some terms, patronized, and they use mechanisms like blackmailing the oil companies with riots and things like that, in order to obtain things from the companies (Interview 2).

The characterization of the relationship between petroleum companies and indigenous groups as one of paternalism was common. Indigenous people describe the process as one in which companies approach communities with compensatory “gifts” such as roofing tin, food supplies, or materials for constructing a health center, school, or soccer field. Infrastructure built by companies does not generally contribute to any sort of true community development, as intervention is required by the state for adequate staffing and salaries, which often do not materialize. Instead a dependency is created in which communities turn to petroleum companies for fulfillment of material demands and the companies provide only that which is needed to quell resistance within communities. The relationship takes the form of a “patron-client” interaction (Korovkin 2002: 657) in which actual needs of communities are rarely met and unfulfilled promises breed mistrust between parties.

Dependence on the petroleum industry creates a situation in which companies are able to control the activity of communities within their oil concessions. An example of this can be found in Block 16, where indigenous groups, along with the research and

tourism sectors rely on the road, hospital, and telephone lines operated by Repsol YPF.

This has allowed the company to dictate the terms for use of their infrastructure, creating an unequal relationship in which it is risky for other parties to bring forward objections or opposition to company practices. The manager of a biodiversity station in Napo explained the issue:

They let us use the road because we tried the other two ways to come here, the other two are so long...Sometimes, we took 11 hours along the river, which was three or four times more that we spend on the oil, and it was so tiring to do that. The best option is the road, again...They sell us the oil fuel, they don't let us buy it outside, and they sell it to us more expensively than outside... Three or four years ago they said, we are going to provide you the telephone line, but you must promise us you will not have any alcohol at the station. Because they have their road, and the whole block, and we are using their road, so we say, okay it's not a problem. Some people here want to have beer or something, here, there's not any alcohol. And we accept it because the line is so useful (Interview 14).

This dependency is partly due to what many participants referred to as the complete absence of the Ecuadorian state in the region. The current relationship between indigenous communities and the national government is influenced by the historic marginalization of indigenous peoples and their struggles to obtain legal land rights and recognition within the Ecuadorian constitution. Another contributing factor is the lack of state capacity to respond to needs of its indigenous citizens, which has led to a deep mistrust of the national government. As one indigenous participant said:

The state has not met their needs, the state has not respected accords, and health and educational problems have not been resolved. That is, the indigenous organizations have so many reasons to say well, we do not have confidence in the state and what guarantees do we have that will make us believe that this time it will be different? What kind of guarantees have they granted in the past that will make us believe that this time they will keep their word (Interview 6)?

In many cases, the petroleum companies have taken on the traditional role of the state in the Oriente, further complicating the relationships between the parties. One NGO-affiliated participant described the lack of infrastructure and services in the region and

noted that “oil companies became the state in the region, because they provide services, provide training, provide health care, provide roads, provide many basic needs, solutions for many basic needs for the indigenous people (Interview 2).” Companies only provide these services to the groups they define as part of the impacted area of their operations, leading to distributional conflicts amongst local groups. This service provision also confers power to the company officials, as one indigenous participant explained:

An official from these companies has more power than various local authorities. They manage a checking account with a lot of money, and that person has an enormous amount of power in the community...and is thus able to say whether or not a bridge will be built, whether or not a school will be closed down, whether there will or won't be doctors (Interview 6).

Several people I interviewed cited the lack of formal, standardized mechanisms for regulating these relationships between companies and indigenous groups, which results in inconsistent and often inadequate compensation for environmental and social impacts. An indigenous leader described the far-reaching impacts of petroleum extraction:

Look at what happened when this pipeline was installed. When this pipe was wound around the jungle zones, animals were lost. These were hunting areas. The animals, obviously, hearing the noise made by the petroleum pipes, ran away. And then obviously the people have nothing to hunt, because these are still communities that depend on fishing and hunting to survive. And so these compensations have been largely insignificant (Interview 6).

The loss of traditional hunting areas cannot easily be financially compensated.

Communities would need to develop an alternate source of food, which also has cultural impacts to which a monetary value cannot be assigned.

Inconsistencies in compensation arise because companies and communities may define the area affected by petroleum extraction differently. A participant affiliated with an NGO in Quito explained:

They have to be selective because they usually don't compensate or don't do this infrastructure in areas not related to the oil operations. So it creates an inequality in

access to these services between communities or local groups close to the operation areas and those who are not so close to the operation areas, or in the...what companies use to define the operation area, and there's not a fixed definition of what the operation area is, or the influence area, which is the other term they use. But this influence can be defined in many ways. For some companies, it's just defined for the block, what it is called here in Ecuador, where they operate, and outside these boundaries they have no responsibility. Other people, other companies, have a more broad approach to what is influence (Interview 2).

A lack of regulation also allows for companies to choose the methods and timing of communication with particular local groups, fostering mistrust and confusion about the process.

This confusion over who is responsible for providing services affects expectations that some people in indigenous communities have for their relationships with other groups operating in the petroleum extraction region, such as the tourism and conservation sectors. One example can be found in Block 16, where the petroleum industry, local indigenous peoples, and visitors and staff for a research station all depend on a single road for transportation. The station manager explained his perspective on the situation:

The indigenous people are asking for things, and then the oil companies provide them, and that's it. And they always confuse that position with our position and that of the other research station here as well. When they see us on the road, they stop us and say, okay, give me money. Give me some bread or give me a Coke or something. That's the same thing they do with the oil companies (Interview 15).

Indigenous communities in the Oriente have not often seen long-term compensation for the use of their territory by the petroleum industry. An organizer at an environmental non-profit in Quito explained that companies "promise salt, rice, and soccer fields and call it development." Individual indigenous people have seen their immediate demands met by companies eager to set up operations in disputed areas and have been given no reason to believe others traveling the same roads in the same vehicles will not meet similar demands. Members of the other sectors operating in the Oriente

begin to see the local indigenous peoples as a threat or a problem to be dealt with in order for tourism or research to function, which in turn creates an antagonistic relationship in place of a mutually beneficial one, as evidenced by the remarks of the participant above.

The relationship between the conservation community in this area and the indigenous groups is further affected by the exclusion of indigenous peoples from parks and reserves. These areas are often former indigenous territories that are now being used and controlled by universities or conservation organizations. As the former president of a northern Oriente indigenous group said, “The creation of Yasuni National Park is recent. When I was older they were just constructing it. Before that, who was there? The Huaoranis were there.” Organizations dedicated to maintaining biodiversity or fostering ecotourism have often become another group with the power to exclude indigenous people from their traditional territories.

Indigenous peoples’ alliances with environmental groups could potentially function as a source of power, yet this relationship is also difficult to characterize as entirely positive. Some Ecuadorian and international environmental groups choose to support only those indigenous groups that are united in opposition to petroleum development. For example, *Accion Ecologica*, one of the best-known activist organizations in Ecuador, only works with communities that resist petroleum and do not assist in any sort of negotiation or dialogue. According to a staff person at a large United States environmental NGO, the organization gives grants to communities “united in opposition to oil development” in an attempt to avoid conflicts from funding internally divided indigenous groups. One of the major project areas targeted by their grant program is direct defense of territories from oil projects. Ultimately, the indigenous groups that

choose to resist petroleum completely have access to a different level of support and publicity than those that choose to attempt negotiations with companies.

The relationship between indigenous communities and the state has been strained for decades. The patriotism of groups that have resisted the petroleum industry has been called into question by that national government, and one indigenous person I interviewed explained that the government views this resistance as “almost like treason to the country.” The state has remained wary of ceding any control of the Ecuador’s most valuable resource to the people living in the region from which it is extracted, compromising the indigenous peoples’ ability to negotiate and further straining the relationship between these groups and government decision makers. Petroleum companies have a much more favorable relationship to the Ecuadorian government, with one participant asserting that the state has “allowed the companies to govern” in the Amazon region.

Each of the parties in this conflict are essentially operating towards their own ends, whether it be territorial control in the case of indigenous peoples, revenues or profit in the case of companies and the national government, or biodiversity protection on the part of the scientific and conservation communities. The mistrust and lack of clear communication between indigenous groups and virtually all other stakeholders in the petroleum issue has created an atmosphere with few avenues for improvement of relationships. Many indigenous communities feel they have been marginalized and suffer an inordinate level of impact from petroleum extraction due to their national government’s inability to enforce adequate environmental and social standards. Better working relationships can only be achieved if the roles and responsibilities of each entity

are formally established and enforced, and trust can only be created when indigenous peoples are given guarantees that promises will be fulfilled and both costs and benefits are fairly distributed.

The Power of a Good Alternative to Negotiating

A major negotiation theory concerns the idea of a best alternative to a negotiated agreement (BATNA). Having a strong BATNA strengthens one's negotiating power because it turns any outcome into a successful one. A negotiating position is also stronger when the other party has a less attractive alternative, as it limits options and induces the party to respond more favorably to demands from the other side.

The alternatives available to indigenous groups vary depending on their geographic location in the Oriente. In the northern three provinces, Sucumbios, Napo, and Orellana, extensive petroleum infrastructure has already been built and oil has been extracted for decades. Companies have concessions that legally require petroleum exploration and extraction within a specified timeframe, and the Ecuadorian state is highly dependent on revenues from these operations. For groups living in these areas, complete resistance to the petroleum industry would essentially require an overthrow of the entire system, at which point they would have to contend with the physical remnants of oil operations scattered across the landscape. Groups in this area are in the unfortunate position of having very low capacity and few resources to enter into a negotiation with either companies or the state, yet are also left with no viable alternative to a negotiated agreement. Being unable or refusing to engage in the process has thus far only resulted in companies operating by their own standards with little government oversight. Ali (2000)

points out that a group's BATNA in public conflicts is often a result of the level of power and authority granted to stakeholders by the government, and in the Ecuadorian case, this is very little.

Pursuing legal recourse is one strategy chosen by indigenous groups with few options. Five indigenous groups from this area filed a \$1.5 billion lawsuit against Texaco in the Southern District Court of New York in 1993 for mitigation of the impacts from two decades of unregulated petroleum extraction. At least one other lawsuit is in the process to include members of communities left out of this original action. However, these suits do not represent a true alternative to negotiation since they only involve one company's past actions and do not function as mechanisms for actual dispute resolution. They do serve to cast an international spotlight on the practices of United States companies operating in developing countries. Several participants asserted that the environmental practices of companies have improved in the years since the first lawsuit was filed, although an oil company representative I interviewed in Quito claimed he was "not familiar" with the Texaco case at all.

In contrast, in the southern Oriente provinces of Pastaza and Morona Santiago, oil activity has thus far been limited. Companies that wish to operate have to contend with the problem of transporting oil from this remote region to the SOTE pipeline in the northern Oriente. Indigenous groups in this area have a wider range of alternatives to negotiating, including outright resistance through direct action on oil operations, protests and demonstrations, and other forms of confrontation that often garner international media coverage. A participant who has worked in mediation processes with oil companies and indigenous groups noted, "the companies know it will be very, very difficult to

operate in areas where there is a strong opposition by the local groups.” Other participants cited the costs involved for companies when they are forced to deal with an antagonistic relationship with communities they will be involved with for 20 years or more as the petroleum extraction process proceeds.

A participant affiliated with an NGO involved in this region assessed this alternative:

Resistance in some cases has been important, and that resistance has been relatively effective, in some cases...in the cases of the new operations. It has been a very effective resistance...to the point that there have been two petroleum companies who have not been able to do anything (Interview 3).

The two companies he was referring to are Burlington Resources of Texas, with a concession in Block 24 and Compañía General de Combustibles (CGC) of Argentina, with a concession in Block 23. Sarayaku, a community of Quichua indigenous people in Block 23, has become what one participant referred to as an “icon of resistance.” In May 2005, Ecuador’s attorney general discussed irregularities in the contract between Petroecuador and CGC in front of the Inter-American Court of Human Rights of the Organization of American states, and offered his plan for reaching an agreement between the state and the Sarayaku community over specific human rights violations within 90 days. International environmental and indigenous groups are hailing this statement as critical for the future preservation of collective indigenous rights in Ecuador (Amazon Watch 2005).

While indigenous protest efforts have brought some major successes, an assessment of state responses suggests that other forces have greater influence over the decisions of the Ecuadorian government, which operates under great external pressure to

continue extracting and exporting petroleum from the Amazon. The country is highly indebted and the recently overthrown Gutierrez administration was quick to sign a letter of intent with the International Monetary Fund in order to secure large loans. These funds came attached to a set of socially unpopular structural reforms, including changes within the petroleum sector to attract greater private foreign investment. Promises of revenue from the newly constructed heavy crude pipeline have played a significant role in the country's struggle to obtain credit from lending institutions (Center for Strategic and International Studies 2003). All of these factors combine to influence the government's agenda, making it practically necessary to continue making agreements with foreign companies to extract petroleum from the Oriente.

If a petroleum company cannot come to an agreement with local communities, they have the option to simply return that part of their concession to the state company and move to another area within the larger block or to sell their entire concession to another company and leave altogether. A participant affiliated with a U.S. government agency working in Latin America noted that companies perform a cost/benefit analysis and can decide to pull out of a particular concession, writing it off as a loss. He made the point that "there is always another company willing to come in that has a different cost analysis and will take on the problems." A community affairs manager from an oil company operating in the Oriente referred to indigenous protest actions, such as constructing a roadblock, as "blackmail" and said his company would "allow the operation to be shut down before we concede" to such demands. A single oil concession in a country like Ecuador is not particularly important to a major international petroleum

company, and this low priority status indicates that these companies have a very powerful alternative to a negotiated agreement.

For its part, the Ecuadorian government has the force of the military behind its petroleum contracts. Several participants pointed out the power of threats to employ armed forces in settling disputes. As one interviewee explained:

Past experiences say that when the government company, the state owned company, says 'we want to do this' and there is local opposition, they just call the army. And that's it. And nobody opposes the army, you know (Interview 3).

The state's alternative to reaching an agreement with local communities is clearly quite powerful, as the people living in the Amazon have few defenses against the Ecuadorian army and can essentially be forced to comply with the state's demands if physical force is used. Forty-five percent of the country's oil revenues were diverted to the Ecuadorian Armed Forces from 1972 until 2000 (Gerlach 2003), illustrating the close connections between the government, the petroleum industry, and the military.

Petroleum companies and the state have better alternatives to negotiating than do indigenous groups. The dependence on petroleum for revenue is deeply entrenched in Ecuador, and the government has chosen to rely heavily on this resource instead of diversifying economically. This provides the state with an imperative to extract petroleum regardless of indigenous opposition or widespread negative publicity. Foreign companies have broad international operations and are thus not obligated to continue working in an area where conflict can be costly. The state has the ability to facilitate the entrance of companies by use of the armed forces.

While indigenous groups do not possess the same amount of physical and financial resources as petroleum companies or the state, lessons for improving their

BATNA can be learned from the community of Sarayaku. The petroleum company CGC and the state have been unwilling to meet indigenous demands and operations have been stalled for several years. The people in this area have witnessed the effects of petroleum extraction in another oil block in Pastaza, and armed with this experience they have seemingly come to a consensus to commit to resisting any petroleum activity in Sarayaku.

As one indigenous leader explained:

Block 10 hasn't had a good experience, that is, Block 10 is not benefiting the Pastaza province, only a few are benefiting. Also the province and the indigenous people have other ideas, we don't want petroleum. We want to focus on other economy building activities, such as ecotourism, like the management of natural resources, and the protection of the rivers, because luckily we still have a lot of water here. We want to manage the resources of biodiversity, medicinal plants, artisanship, non-timber resources, agriculture production, other such alternatives (Interview 10).

Another member of the Sarayaku community concurred, stating that the group wants the right to manage its own territory and as they have their own medicine, livelihoods, and transportation, they can manage without petroleum. This belief that there are alternatives to the current system contributes to a sense of empowerment. The community has also harnessed the influence of international connections, running their own website and forming alliances with large Ecuadorian environmental groups such as *Accion Ecologica* and United States based NGOs like Amazon Watch. They have also garnered the attention of the Inter-American Court of Human Rights of the Organization of American states, making the state's alternative of calling in the army less attractive in the face of potential human rights violations.

The Power of an Elegant Solution

Fisher (1983: 157) notes that one source of power in a negotiation is the ability to create “an ingenious solution that reconciles reasonably well the legitimate interests of both sides.” If each party simply argues for options that take care of their own interests with no consideration of the other side, an intractable conflict is inevitable. The lack of a mutually agreeable solution to the real problem of creating revenue and economic development in Ecuador is thus a major source of conflict between indigenous groups and the state.

Attempts have been made by each party to come to an agreement that would allow all stakeholders to benefit. One major example can be found in the negotiations between Atlantic Richfield, a Texas based petroleum company, leaders from Pastaza province, and the Ecuadorian state in the mid-1990s. One indigenous leader who was involved in the process explained the outcome:

We came up with an agenda, with an accord, in which we both work together, in the sense that the company must respect the integrity of the indigenous organizations, so that there would not longer be power steering, that instead there would be participation and good environmental management in petroleum operations, that they apply the best technologies, and also to participate in monitoring processes. And also, it was established that there would be benefits for environmental development and community development of the province (Interview 10).

As the extensive literature on this process shows, the only part of the accord that was adequately executed was the use of environmentally sound technology. Roads were not built and most of the oil operation was constructed aurally, but the company controlled the monitoring system and was able to publish several articles and books on the excellence of their work. As one indigenous participant said, “obviously for the

companies everything is just marvelous and nothing is out of the ordinary (Interview 6).” He went on to explain that the state was opposed to creating a system in which indigenous communities were provided a certain amount of profit for each barrel extracted, and agreements for funding have only been made with a small number of communities closest to the actual drilling operations. Atlantic Richfield sold their interest to the Italian Agip corporation in 1999, and the company continues to extract petroleum while conflicts with indigenous groups remain unresolved. Indigenous proposals and willingness to talk certainly conferred some power at the negotiation table, but the other entities showed a lack of commitment in fulfilling promises.

This lack of commitment seems to be the norm in what appear to be arrangements more for the petroleum industry than for indigenous communities. One of these initiatives is the Institute for the Economic Development of the Amazon (ECORAE), which is supposed to manage a certain percentage of the revenue from each barrel of oil extracted in the region for use in local community development. A participant affiliated with an NGO involved in consensus building noted:

The ECORAE is receiving between 25 and 40 cents on the dollar per barrel of oil daily. Now that is a lot of money, and when you ask the indigenous people if they have heard about the ECORAE in the regions, that’s when they say, no, we have never heard about it. There is not one single nail they have put in indigenous communities. And if they receive, if you multiply, Ecuador is exporting something like 500,000 barrels a day, it’s something like, what? Two hundred thousand dollars (Interview 2).

Even a Petroecuador employee acknowledged that ECORAE hasn’t had a “great impact on the Amazon region” and said that because the money is filtered through municipal governments where the majority of funding goes towards administrative costs, few beneficial projects have actually been created. The same participant quoted above explained:

There's a lot of bureaucracy, a lot of studies, they have a room this size full of studies of what has to be done in the area. But there are no projects in the field, no operations in the field, very few. So you say, where are the revenues? And of course people complain, where are the revenues from oil? We are sitting here in a field of oil, where are the benefits (Interview 2)?

Environmental and indigenous groups completely opposed to oil extraction have offered ideas for economic development of the region, including eco-tourism, which is present in many rainforest communities. Meanwhile, the state has maintained a stubborn dependence on petroleum as the major income source for the country. As Fisher points out, a truly elegant solution reconciles the interests of both sides, and the challenge lies in addressing the state's interest in obtaining revenues while also ensuring sustainable development for indigenous groups in the Oriente.

The International Association of Oil and Gas producers has developed an extensive set of "best practices" for operation in areas like the Amazon rainforest. These operation guidelines show that the potential exists to extract petroleum in a way that is relatively environmentally sound, and technology exists to improve even further. However, social and economic impacts of oil extraction have remained essentially unaddressed. The number of impoverished people in Ecuador increased from under 50 percent of the population in 1975 to 70 percent in 2001. Centers of petroleum development, including Orellana, Shushufindi, and Sacha, are reported to have the highest indicators of malnutrition in Ecuador (Gedicks 2001). A study by Hurtig and San Sebastián (2002) suggests that people living in provinces where oil exploration has occurred for 20 or more years have an elevated risk of developing several different types of cancer.

Indigenous organizations have devised creative proposals that allow for revenue sharing and community participation, but must now grapple with the problem of holding governments and corporations fully accountable to their agreements. Examples of operations such as Atlantic Richfield's in Block 10 have shown that the problem is not a lack of technological innovation, but instead a lack of political will to effectively address social and economic impacts of resource extraction. It is only by strengthening their other elements of negotiating power that indigenous groups will be able to compel decision makers to implement truly beneficial solutions to the problems created by the petroleum industry.

The Power of Legitimacy

This section explores three major criteria by which legitimacy can be evaluated by parties to a negotiation. The first consists of laws, policies, practices, and any other standards that create a precedent. Legitimacy can also be conferred by the stake or interest a particular party has in the issue at hand; claims appear more valid when a party can show a genuine connection to the problem being negotiated. Finally, by creating formal organizations recognized by other parties to the negotiation, a group earns a more legitimate status in the process.

Legitimacy of Indigenous Peoples

There are several laws and regulations in Ecuador that recognize indigenous peoples' collective rights in the face of petroleum development. Article One of the 1998 constitution declares Ecuador a multicultural and multiethnic state, and affirms the right

to live in a clean environment, free of contamination as a civil right extended to all people in the country. Article 88 guarantees community participation in “any state decision that affects the environment” and the environmental management laws of 1999 include requirements for disseminating information to local residents in a “process of consultation” (Petroecuador 2002). In 1998, Ecuador also ratified the International Labor Organization’s Convention 169 on Indigenous and Tribal Peoples, which places responsibility with the government to protect the rights of these peoples, allow for their participation in the country’s development, and “guarantee respect for their integrity” (ILO 2005). Ecuador’s Hydrocarbon Laws also contain some provisions for environmental protection along with a statement that petroleum activity should not cause harm to landowners. This requires that indigenous peoples obtain legal title to their territories before they are protected by this clause (Petroecuador 2002). Several of the people I interviewed discussed a 2002 decree that ratified an existing Regulation of Consultation and Participation that includes a specific set of rules for previous consultation of local communities when a petroleum operation is developed. Environmental impact assessments are also required for these projects, and the public has a right to comment and have their input incorporated into management plans.

These laws help to confer legitimacy on indigenous peoples because they support the argument that communities have a right to participate in development decisions that affect them, including petroleum extraction. The problem with these regulations is that there are no formal mechanisms in place to implement them, and the government has very little capacity to enforce them. A participant involved in the petroleum negotiation process explained the issue:

It's a lack of capacity. It's a weak Ministry of Energy with few people to cover too many field areas. When the last change in government occurred, they pulled out almost everybody in the department that was running this process. They changed everybody. They put in new people who knew nothing about it, not only about this process, they knew nothing about many things. So it's impossible. There was a good team of people that were engaged in these processes, and then you change them all. You see new people with no experience, political people coming from other sectors (Interview 2).

Additionally, many indigenous people are unaware that they even have a particular set of rights, so there are few forces to hold the government and companies accountable for breaking the rules. When I asked a professor at a Quito university what sort of skills he thought indigenous people needed to negotiate, he replied:

Well, first question: do they need to negotiate? I think the first thing they need is to be informed. I mean, when you know who you're dealing with and when you know what rights are yours, it's much easier to dialogue. I would not say negotiate, I would say communicate and interact. Negotiation is another step, I think it's a further step for some of them. I don't think everyone is ready to negotiate. And actually, we saw that in these [World Bank sponsored] tripartite dialogue, many of the obstacles to negotiation were precisely the lack of information and the lack of capacity. *But you cannot build capacity in negotiation before building capacity in rights.* That's the point...I think the way they could best, not negotiate, but dialogue, is first to understand up to which point you can demand efforts from the oil industry and from governments...The demand for rights, the claim for rights, is much a problem of how you push the government to change, to adapt its own legal framework in order to respect the basic rights of its populations (Interview 4).

Outside of Ecuadorian regulations, indigenous peoples also used the strength of their nationwide movement to gain legal title to land. Indigenous communities are organized into local, provincial, regional, and national federations, and have also formed their own political party, Pachakutik. These organizations have helped indigenous peoples to earn legal title to their territories in some areas and have provided an outlet for the indigenous voice at the national and international level.

One of the major challenges currently facing CONFENAIE, the Amazonian regional federation, is a split between pro-oil and anti-oil factions that was discussed by many participants in this study. The indigenous leaders I spoke with blamed this division

on the lure of allying with the government in order to receive a larger budget or more political power. The politicization of indigenous groups, while helping to legitimize them in the eyes of the nation, has also come with the costs of corruption and internal conflict.

The legacy of Texaco's involvement in Ecuador has provided indigenous groups with legitimacy in the form of a powerful example of the negative impacts unregulated petroleum extraction can have on the environment, public health, and social structure of local communities. All of the indigenous people I spoke with had an awareness of the effects of the petroleum industry on groups from the northern Oriente, and those who were opposed to future oil activity cited examples from the north to support their claims. Environmental groups run "toxic tours" in the Lago Agrio area to educate visitors and indigenous groups from other areas on the damage that has occurred in the region. As one faculty member at a Quito university explained:

The Texaco case still has a very strong demonstrative effect...if you want to at least try to convince people that oil is dirty, you just have to get them to Lago Agrio and take them on the toxic tour...some would rather go to the Galapagos, but you can go there and see what happened in the last thirty years (Interview 4).

The indigenous people I spoke to believe they have a legitimate claim to participate in decisions about petroleum extraction, receive compensation for the impacts it causes, and share in the benefits it produces, regardless of their physical proximity to any particular oil operation. One leader from the northern Oriente asserted that petroleum "affects the entire nationality" and not just those living in contaminated areas. Companies obviously define the impacted areas differently and attempt to de-legitimize the claims of indigenous peoples living outside the area of direct impact. Petroleum companies have the resources to launch effective advertising campaigns to influence public opinion. They are also essentially united in their goal to develop petroleum operations that run efficiently

and produce a profit. The indigenous community as a whole is far more internally conflicted, and competing interests have often undermined the legitimacy of their claims.

Legitimacy of Petroleum Companies: State vs. Foreign

Ecuador's state oil company, Petroecuador, and the multinational companies that come to the Oriente only to extract petroleum have different degrees of legitimacy that they exercise in different ways during negotiation processes. Petroecuador serves as a representative of the state in both its own petroleum operations and in brokering contracts with foreign companies. This puts the legitimacy of a democratically elected government behind the oil company's decisions and also allows them to frame indigenous objections to petroleum extraction as unpatriotic and detrimental to the nation as a whole. As the state retains the right to subsoil even when other parties have legal title to the land, Petroecuador has a legitimate legal privilege to petroleum in indigenous territories. The state company has been present in the Oriente far longer than foreign companies that buy and sell concessions relatively frequently, and an employee I interviewed asserted that the company is "contributing to development" and has a "larger relationship" with indigenous communities than private companies. However, many of the indigenous leaders I interviewed disputed the legitimacy of the state company, noting that that it was formed to support Texaco and remained complicit in the pollution and cultural degradation that followed.

Foreign companies operating in Ecuador have the legitimacy of contracts with Petroecuador behind them and use the standards within these agreements to limit their accountability. They are only required to operate under Ecuadorian standards, which are

often weak and suffer from lax enforcement. Since 1993, foreign companies have entered into “participation contracts” with Petroecuador, which means they are responsible for all investment and risks in petroleum extraction and actually own the oil while the state takes a maximum of 18 percent¹ of the profit (World Energy Council 1998). This investment and the profit produced from it give foreign companies a considerable and legally legitimate interest in the future of petroleum extraction.

With “corporate responsibility” becoming an international buzzword, many petroleum companies have taken further steps to legitimize their operations and improve their industry reputation. EnCana, one company currently operating in Ecuador, created a corporate constitution that outlines commitments to “minimize environmental footprint and conserve habitat diversity,” engage in “timely and meaningful dialogue with stakeholders,” and pursue “local capacity-building initiatives, mutually beneficial relationships, and collaborative, consultative, and partnership approaches” (EnCana 2003). Their brochures are illustrated with photos of smiling children, indigenous leaders in traditional dress, and people shaking hands with oil workers in uniforms and hard hats. All of these words and images contribute to a public relations campaign that attempts to prove the environmental and social soundness of the company’s oil operations and thus legitimize their presence in the Amazon.

Occidental, another North American petroleum company, became the first in Ecuador to be certified under the International Organization for Standardization (ISO) 14001 voluntary international standards for environmental management systems. This allows the company to publicly state that it is going above and beyond Ecuadorian

¹ A Petroecuador employee noted that the state can garner up to 25 percent of the profit on smaller concessions.

regulation to meet the highest criteria and enact the best possible practices in its operations. As Kimerling (2001) points out, however, a lack of Ecuadorian government capacity results in little independent oversight of the company and there is no available information on Oxy's specific standards and practices in the field. Some indigenous people see these foreign companies as even less legitimate than Petroecuador; one leader from the Southern Oriente emphatically stated, "the internal regulations of a country cannot be created by the norms of foreign petroleum companies."

The Power of Commitment

Fisher (1983: 159) discusses two types of commitments: affirmative and negative. Affirmative commitments express an offer of what a party is willing to do and can be conceived of as an invitation. A negative commitment is a "take it or leave it" position, or an offer of what a party is *not* willing to do. An affirmative commitment is powerful because it is a concrete step toward an agreement; it gives the other party a choice to respond favorably and thus resolve the conflict, or to decline and continue the dispute. Fisher argues that all other sources of negotiating power should contribute to the formulation of an affirmative commitment: it should be well informed, emerge from a good working relationship, take into account the other party's alternatives, represent a mutually beneficial solution, and be legitimate.

A negative commitment, on the other hand, is what Fisher (1983: 160) refers to as the "most controversial and troubling element of negotiating power." He does not attempt to refute that a statement of what a party is unwilling to agree to can have influence over

other parties. He instead argues that making a negative commitment at an early stage in negotiation does not maximize each of the other elements of negotiating power, and thus reduces the overall effect a commitment can have on other parties.

As previously discussed, indigenous peoples in Ecuador have few reasons to trust the word of the government or petroleum companies. History has made them wary of taking any risk in front of either of the other parties, and many groups are reluctant to even engage with any entity associated with petroleum. There are also internal divisions with the indigenous community, which makes it difficult for a true commitment to be upheld. Groups with different opinions can always undermine the statements of the formal organizations by negotiating independently with companies and making agreements they believe are fair. The lack of internal consensus and tense relationships with other parties, along with gaps in information, make it unlikely that indigenous peoples will be able to offer any affirmative commitments. In those situations where indigenous groups have made these kinds of commitments by agreeing to allow petroleum extraction under certain conditions, they have not been met with government or company responses that the indigenous people feel are acceptable. As one leader from the southern Oriente explained:

The government has not responded in an honest way to the proposals put forth by the indigenous populations. If they have responded it has only been with small funds for food provisions, giving certain gifts, and funding small projects that they consider as being able to better the life of the communities. They don't respond to a more long-term proposal to conserve the Amazon region, to strengthen the community's cultural identity, to strengthen the education of the different nationalities, to develop natural resources in accordance with our way of life, art, culture, biodiversity. The government doesn't respond to that, they don't respond to ensure us a life. That is why the petroleum project is a great threat to indigenous populations (Interview 13).

A concrete example of indigenous attempts to offer an affirmative commitment can be found in the previously discussed negotiations between the Atlantic Richfield

company and leaders from Block 10 in the Oriente. A participant familiar with these negotiations outlined the four conditions under which indigenous leaders agreed to allow petroleum extraction to proceed within their territory:

- A “new approach” to petroleum extraction that did not involve roads and used technology for drilling platforms and pipelines that was appropriate for a sensitive ecosystem, along with prevention of colonization by outside settlers.
- An independent monitoring system for evaluation of environmental impacts
- A compensation fund for indigenous groups affected by oil extraction that would support projects developed by the communities themselves, not directed by a community relations officer from the company
- The creation of a permanent dialogue among the government, indigenous groups, and the company so as to ensure transparent decision making and dissemination of information.

While these conditions were agreed to by all parties involved in the negotiation of 1994 accords in Plano, Texas, the last three commitments were not adhered to.

Companies like Atlantic Richfield have little incentive for following through with long-term commitments to the communities they operate in. They have the support of the government in ensuring that operations can proceed regardless of opposition, and have the option of selling off their concessions if resistance becomes too bothersome or costly. In analyzing Occidental’s contract with Petroecuador, Kimerling (2001) points out that the language “may be too vague to have any measurable impact on oil field practices.” Even if companies do make a specific commitment to uphold certain standards, there are few mechanisms for enforcement.

Commitment can also arise from a mandate by a higher authority, as is the case in a legal settlement. In 1993, five indigenous groups attempted to garner a commitment from Texaco to remediate the area of their abandoned operations through filing a \$1.5

billion lawsuit in the Southern District Court of New York for mitigation of the “negligent, reckless, intentional, and outrageous acts” committed by the company during the oil exploration years (Gedicks 2001, 74; Korovkin 2002). It also included a claim that the pipeline constructed by Texaco was improperly built, lacking an adequate number of shutoff valves, resulting in much larger spills when the line was ruptured (Tidwell 1996). The lawsuit was dismissed in the United States and sent down to Ecuador for a trial that began in Lago Agrio in October of 2003. Texaco has since sued Petroecuador, alleging that the state oil company should assume the blame and financial burden for remaining environmental damages. Meanwhile, court-ordered field inspections of the areas in which Texaco operated began in August of 2004 and are expected to continue for eight months (Latin Petroleum Analytics 30 July 2004).

Many of the people I interviewed were not optimistic that the plaintiffs in this suit will receive the full amount of compensation they are requesting.² A lawyer with a long history of involvement in the Oriente explained that “indigenous people are practically foreigners in their own court” and that the dismissal of the case in New York for a trial in Ecuador was thus “exactly what Texaco wanted.” Without a legal ruling against them, the company has no incentive to commit to reparations. According to their website, the company signed a contract with Petroecuador prior to leaving the country that absolves them of any further “claims or obligations.” A January 2005 press release, also on the Texaco website, states that laboratory tests from the first four inspection sites indicate that there are no “petroleum-related public health risks” at these sites.

² I met a documentary filmmaker in Puyo who was present at one of the court ordered inspections. He claimed it was “overrun” with ChevronTexaco employees and lawyers, who refused to speak on camera but told him the damage was primarily created by Petroecuador and there is no concrete evidence that the waste pits are toxic.

For their part, the Ecuadorian government has essentially made a negative commitment by bringing in the army to facilitate petroleum operations.³ This show of force, along with the government's failure to ensure that its citizens are treated fairly in the process of petroleum extraction, has radicalized the indigenous opposition in some areas. These groups are now completely unwilling to participate in a dialogue with companies or the government, and the conflict has thus become even more deeply entrenched.

The Power of Process

Ali (2000) adds the power of process to Fisher's categorization of negotiating power. The creation of a legitimate, participatory process of communication builds on each of the other elements of power. Earning access to this process confers power on the groups involved, while those who are left out are unable to meaningfully contribute to the negotiation. This area is perhaps where the most obvious differences in power between indigenous groups, the state, and petroleum companies can be understood. The indigenous groups have traditionally had very little input into these decisions, which has resulted in a complete rejection of the process on the part of many communities. As one participant from the northern Oriente described:

The government is the deciding factor. If they allow a petroleum well, that it can be built here, then there is one built, and they make room for the petroleum companies to come in. Look, the national park, Yasuni, it used to be a very large park, but there is oil there, and so what did they do? They said, there is oil here, so now *this* is the national park, so

³ An indigenous leader from the southern Oriente asserted that the military had come to the community of Sarayaku in both 2001 and 2002 and attempted to jail protestors. Other participants did not mention specific examples, but did discuss the general threat of military intervention. As one NGO participant said, "the day they bring in the army, well you can imagine, the army is not there with guns to kill cats, right (Interview 4)?"

they pick that spot and make a line, and say this is the park, and this part here is not the park anymore (Interview 16).

The perception that the government has complete control over decisions regarding petroleum extraction was reflected in many of my interviews with people living in the Oriente. Creation of a process whereby the stakeholders involved in petroleum extraction can engage with one another in a meaningful way has presented a major challenge, with persistent confusion and misunderstandings about the roles and authority of different parties. A leader from the Southern Oriente explained

A consultation as it is now is only given to meet a requirement. It is a formal part of the petroleum process so that they can say that they have consulted. And even though extracting petroleum from that area might really cause serious problems, they can still come in because they have supposedly consulted and all is fine (Interview 10).

A participant affiliated with an NGO responsible for facilitating a tripartite dialogue between indigenous Secoyas, Occidental Petroleum, and the state noted that the parties only meet in “conflictive situations” such as protests or other types of confrontation. This creates a precedent that influences future interaction even if outside mediators are involved.

A lack of transparency and consistency on the part of petroleum companies when approaching local communities causes many in the Oriente to believe the process is unfair and manipulative. A participant described situations in which petroleum companies sent “community affairs liaisons” out in advance of the company’s entrance to assist in identifying those families who would likely resist petroleum activity. Those families were offered gifts, building materials, or educational courses in order to facilitate the company’s entrance. Seismic testing began before the community was fully aware what was happening, and companies began contracting people from the community with boats

to transport workers in order to keep them satisfied. This non-indigenous research station manager from the northern Oriente asserted, “they are just doing it for people who are going to be opposed to permitting them to enter easily. And they provide that situation to the people, but not to say they are going to help them to develop or to save their culture.”

The biggest challenge in creating an inclusive process is that indigenous peoples and petroleum companies have very different ideas of what that process should be like. A faculty member at a Quito university articulated it as such:

The way a company thinks consultation should be made is completely different from the way the people think consultation should be made. If you look at the, well, the view of the company is consultation is just information... We'll explain to you what's going to happen, and in this way we consult you... And from the indigenous point of view, or from the social point of view, it is the ability to say no. I don't want it, I don't agree. Now the problem is that if you just stay at this level of the conception of the veto, of the right to say no, you're just putting democracy at high risk in your own land, in your own country, because who is allowed to decide for who (Interview 4)?

Attempts to institutionalize a dialogue process have met with mixed results. The Program on Non-Violent Sanctions and Cultural Survival (PONSACS) at Harvard University convened several “dialogues on oil in fragile environments” in several Upper Amazon countries, including Ecuador, in the late 1990s. They were designed as discussions between indigenous delegates, representatives from Latin American oil organizations, the Andean Development Corporation, and other development organizations from Germany and Canada. They were not conceived of as spaces for actual negotiation, but instead encouraged the exchange of information and opinion between parties (PONSACS 2005). The Coordination of Indigenous Organizations of the Amazon Basin (COICA) eventually pulled out of the discussion after the sixth meeting because the local indigenous organizations they represent were maintaining their opposition to oil and gas development. The region's governments along with the companies that were

operating in the Upper Amazon at the time were offering no guarantees for indigenous rights, which COICA cited as another reason for withdrawal (Fontaine forthcoming).

Overcoming Obstacles

Despite a clear lack of negotiating power in many areas, indigenous peoples in Ecuador have managed to create a national movement with some influence over the government and the corporations that operate within the country's boundaries. The standards of behavior for petroleum corporations have improved since Texaco struck oil in 1967. A participant explained the importance that community pressure has had in holding corporations accountable for their actions in the Amazon:

I don't think any enterprise could actually act, let's say, publicly, like Texaco 30 years ago or 20 years ago. But this does not result from some kind of a philanthropy or sudden change to generosity or to social conscience from the market. This results from the pressure of civil society and from the organization of these communities and their ability to demand for the respect of their rights (Interview 4).

As Macdonald (2004) points out, indigenous peoples in Latin America are “now a political force, not simply a category of marginal victims.” Conflicts and fractures have formed within the indigenous movement as they attempt to harness this force and define an agenda that represents the diversity of peoples it includes, yet real gains have been made in Ecuador towards creating the multiethnic and multicultural state espoused in the 1998 constitution. Petroleum corporations and the government have long held the other points in the triangle that comprises Ecuadorian society, and it is only by recognizing and strengthening their negotiating power that indigenous communities and the rest of civil society can play an equal role in the country's future.

Chapter 4

Intragroup Negotiation Dynamics: Conflict within the Indigenous Movement

The Ecuadorian indigenous community has been engaged in its own process of internal development while negotiating with the state over the future of the Oriente. Less attention has been paid these intragroup negotiation dynamics in traditional theory, as it was assumed that each group functions as a unitary actor. The Ecuadorian case shows that indigenous leaders recognize the power of this united ideal, but conflicts over representation persist as formal indigenous organizations gain footholds in the larger political system. This chapter begins with a brief history of the indigenous movement to provide context for an analysis of the current conflicts and their impact on the negotiating power of the community as a whole.

History of the Ecuadorian Indigenous Movement

The first formal Ecuadorian indigenous organization, the Federation of Shuar Centers, was founded in 1964 in response to increasing colonization from the highlands. With the support of Catholic Salesian missionaries, who had been working in Morona Santiago province since 1937, the Federation sought to protect Shuar territory from colonists pouring in after passage of the 1964 agrarian reform law encouraging settlement in the Oriente as a way to alleviate population pressure in other areas (Gerlach 2003). The Federation established the practice of seeking communal land titles to indigenous territory, with the total area divided among member families and a portion set aside for the entire group to hunt and gather food or cultivate crops (Hendricks 1991). In the next

decade, other provincial organizations were formed in the Oriente, including the Organization of Indigenous Peoples of Pastaza (OPIP) and the Federation of Indigenous Organizations of the Napo (FOIN). In 1980, these provincial groups joined under the regional umbrella organization Confederation of the Indigenous People of the Ecuadorian Amazon (CONFENAIE). This regional group connected with others from the highlands and coast to create the Confederation of Indigenous Nationalities of Ecuador (CONAIE) in 1986. CONAIE's official flag is emblazoned with the seven colors of the rainbow, symbolizing the unity of the indigenous people of Ecuador (Gerlach 2003).

Indigenous organizations were formed around the common issues of land use and ownership, discrimination by the rest of Ecuadorian society, poverty, bilingual education, and disenfranchisement in the political process. The focus has always been on maintaining indigenous autonomy through the control of traditional territories. Each organization was designed to function from the bottom up in a democratic fashion, with discussions and decision-making taking place at the community level and moving up the chain to the national federation. Provincial congresses and assemblies are called regularly to elect directors and representatives (Gerlach 2003).

These formal organizations confer power on the indigenous groups that participate in their creation. The organizations are recognized by the larger Ecuadorian society and the government, providing indigenous peoples with legitimacy and increased access to political processes and elected national officials. They provide a forum for reaching a consensus and developing a unified message, which in turn allows for stronger commitments about what the indigenous people are willing to offer in a negotiation with other parties. Strong organizations are also able to mobilize resources and gain exposure

in the international media, attracting the attention of large environmental and indigenous rights NGOs to form alliances.

The struggle to organize has not been an easy one for the indigenous peoples of Ecuador. As Ziegler-Otero (2004) points out, indigenous confederations are a “dramatic step outside” of the traditional cultural practices of these groups, requiring that they participate in contracts, government, democracy, and hierarchical structures that are completely foreign to the indigenous way of life. Many people I interviewed in the course of my research asserted that the lure of money and power have corrupted a number of indigenous leaders. Organizations across the Oriente, including CONFENAIE, have been fractured by debates over petroleum extraction. Some groups, particularly indigenous women, have been excluded from the process. The involvement of international NGOs has in some cases undermined the goals of indigenous groups and spawned conflict. Questions continue to be raised about who has the right to speak for particular indigenous communities in negotiations that can have far reaching and long-term consequences for the nationality as a whole.

Ideological Differences between the Northern and Southern Oriente

Petroleum operations have existed in the northern Oriente for decades, beginning when Texaco struck oil at Lago Agrio in 1967. Several companies continue to operate in the area, including Occidental, Encana, and Repsol YPF. The trans-Andean pipeline begins at Lago Agrio and snakes across the provinces of Sucumbíos and Napo towards the Pacific coast. There are several booming oil towns, and indigenous groups such as the

Cofán have experienced severe reductions in numbers and changes in traditional lifestyles as the area has been converted from primary forest to a residential and industrial center. In contrast, the Southern provinces of Pastaza and Morona-Santiago remain relatively untouched by petroleum extraction. Operations have been constructed in Pastaza's Block 10 under a concession to Atlantic Richfield (later sold to Agip), but Blocks 23 and 24 remain undeveloped due to indigenous resistance. The Organization of Indigenous Peoples of Pastaza (OPIP) is widely recognized as a powerful force in the region, and its leaders are well known throughout Ecuador and outside the country's borders.

These divergent histories have affected the ideologies and strategies of indigenous organizations in each area. As one participant explained,

There are communities that have 30 or more years of relationship with the petroleum companies and others that have only recent relationships. And so you have an array of very complex situations. There are communities that have been affected to the extreme, totally modified, changed, and who now have a knowledge born from experience of how to interact with the petroleum enterprises and the problems now are therefore more focused on the conflicts arising from negotiation and certain benefits. While there are other communities who are totally opposed to petroleum activity, who are resistant to this activity and those conflicts are based on confrontation (Interview 3).

Communities in the Southern Oriente are equipped with the knowledge of negative impacts that have occurred in the North and are in a much better position to resist the petroleum industry altogether because the process of extraction is only in the exploration phase. An indigenous leader from Pastaza spoke authoritatively about the way people in the southern provinces feel about petroleum development:

Many people are seeing what is happening in Block 10, because the government does not meet the demands that they are supposed to, and because of this, no more petroleum companies are wanted in the province of Pastaza...also, the province and the indigenous people have other ideas, we don't want petroleum. Here in Pastaza and Moreno we will not simply give away oil to a government or to a company. We can't give away oil, we cannot just allow them to take it (Interview 10).

This same participant described a host of alternative development strategies that he felt were viable options for the indigenous people of the province, including production of artisan goods for sale, raising edible rodents, turtles, caimans, and fish, expanding the market for medicinal plants, and creating a “public transportation system” on remote rivers with indigenous operated canoes. He acknowledged a potential for ecotourism in the area but was careful to stress that it wasn’t an industry the indigenous community could rely on to the exclusion of all others, noting, “Just like the Amazon is diverse, our form of life is also diverse. And so in that sense, tourism can play an important and complimentary role, but it should never be the principal activity.”

Resistance to petroleum extraction in these indigenous communities is not rooted in opposition to economic development or a commitment to preserving the Oriente as an untouched expanse of forest. Indigenous people across the region are seeking autonomy and the ability to control resources and territories that have historically belonged to their communities. The participant described above asserted

The Ecuadorian state has not yet strengthened the Ecuadorian Amazon...because within our territories, we find our own solutions...We have lived there by our own efforts, with our own projects, with our proper organizations. We resolve our own conflicts. We do not need lawyers from there. So we have been autonomous really, but we have lost that with the projects and intervention of the state, and so we want to achieve an autonomous way of life. We don’t want there to be more municipalities, more parochial schools, more provinces. We want to be united territories, so that we can have our autonomy. And that is how things are (Interview 10).

This leader communicated a sense of pride and confidence in the “indigenous way” of doing things in the Oriente. As an indigenous participant involved with a well-known environmental group in Quito stated, “we have our own medicine, lifestyles, and transportation, and we can manage them without petroleum (Interview 9).” Many of the principal players in the Southern indigenous movement embrace the idea that their

communities do not need petroleum to maintain a functional economy. They are focused on resisting further interventions on the part of the Ecuadorian state or the petroleum industry, which is viewed as foreign and not beneficial to the people of Pastaza and Morona-Santiago provinces. Their culture remains relatively intact, and the organization that represents Quichuas from the region is recognized as one of the strongest in the country. An anthropologist who works for Petroecuador, the state oil company, noted, “smaller groups like OPIP have a more consistent stand. OPIP has more consistent proposals and a technical point of view. Other organizations are in the process of formalizing. Their proposals are not organic or very strong (Interview 22).”

One of the organizations the anthropologist is referring to is ONHAE, which represents Huaorani indigenous communities in the Oriente. These communities have experienced a set of pressures different from those in the South, and in many cases, the Huaorani and other groups from the Northern region have taken a less steadfast position against petroleum than OPIP, the dominant organization in the Southeastern provinces. Texaco, the first company to extract petroleum in Ecuador, concentrated its operations in the Northern zone. The years of essentially unregulated operation affected both the environment and the culture of the Northern populations, an experience that the South was able to learn from and resist.

At the time Texaco entered the Oriente, Northeastern indigenous communities had already been irrevocably altered by the long-standing influence of evangelical missionaries, a factor that does not play a particularly strong role in the history of the Southeast. The links between these missionaries and the entrance of petroleum companies into Huaorani territory are strong, as detailed by Ziegler-Otero (2004) in his ethnography

of the formation and operations of ONHAE. In 1956, a group of Huaoranis killed five missionaries who had come to visit their settlement in an attempt to form a relationship and eventually convert the indigenous people to the missionaries' brand of evangelical Protestantism. The subsequent publicity lionized Rachel Saint, the sister of one of the deceased missionaries. Saint was able to use this publicity and her relationship with one of the Huaoranis, Dayuma, to build credibility, recruit volunteers, and raise a significant amount of financial capital. The Ecuadorian government created a "protectorate" for the Huaorani that was put in the hands of the Summer Institute of Linguistics (SIL), the organization with which Saint was affiliated. Ostensibly operating with the purpose of studying indigenous dialects in order to translate the Bible into native languages, Saint and the SIL drew Huaoranis into the protectorate with gifts and the promise of formal education and services.

SIL received direct financial support from the Texaco-Gulf oil consortium, and the protectorate was located in such a way as to pull Huaoranis away from more petroleum rich areas of their territory (Ziegler-Otero 2004). The sudden concentration of a population that had historically been widespread over an extremely large area resulted in several epidemics that reduced the number of Huaoranis dramatically. The area surrounding the protectorate was over hunted and the Huaorani consequently became dependent on the missionaries for provision of food. SIL was eventually expelled from Ecuador after harsh criticism was leveled against Saint and her organization due to the negative impacts on Huaorani culture and livelihoods, but missionaries continue to work in the area and the protectorate still contains the only high school in Huaorani territory. Many of the buildings are emblazoned with the logos of Petroecuador and Maxus, and

missionaries assist the companies by recruiting Huaoranis to work at cutting lines to facilitate seismic testing (Ziegler-Otero 2004).

The alliance between petroleum companies and Evangelical missionaries continues to facilitate the entrance of companies into Huaorani territory. As one indigenous leader described it

In general, the Evangelical missions have been more involved in favor of the companies. The companies have always found in the Evangelical churches an important ally, because they already have located a few Evangelical leaders, that is, indigenous leaders that are part of the Evangelical church. And the companies tell them, well, we can give you a light airplane, or we can give you more resources to that you can continue your mission. And the Evangelist church really will not argue against someone financing projects that they may have. Meeting the company's interest, the church also wins (Interview 6).

The influences of missionaries combined with the inroads made by the petroleum industry have contributed to an erosion of indigenous culture in the Northern zone. An indigenous advocate at an environmental organization in Quito discussed the consequences of this erosion, theorizing that communities in the Southern Amazon are more able to effectively resist the petroleum industry because they have the “capacity to resist colonization,” which comes from a “strong history” or a “culture of resistance.” The culture in the Northern Oriente, by contrast, can in many cases be described as one of dependence on petroleum for even basic needs, such as roads, health care, and education.

The petroleum industry is one of the few sources of jobs in the Oriente, and many indigenous people in the area are hired to cut swaths through the forest to lay down lines for seismic testing. An indigenous participant from the far Northern zone who had spent time working for both oil companies and as an ecotourist guide explained,

In a few words, I will tell you that our market is now completely destroyed, and so we can no longer have an easy subsistence without money...[The indigenous people] want to work because there is a necessity to. This is becoming clearer all the time...because they can make more money working in the petroleum companies than they can in other

companies and so if this same person worked in the countryside, they wouldn't have the option to get an income every month. And so this is the obligation that you see, of the necessity to work in order to survive (Interview 17).

This dependence goes beyond just the indigenous community, an example of which can be found in Block 16 operated by Repsol/YPF. This block, located in Napo province, is home to several research stations dedicated to documenting and conserving the biodiversity of the Amazon. This community of scientists, ecotourists, and students also depends on the petroleum operation for travel and communication, as discussed by the manager of one station:

As we use their road, we have to be under their rules. They let us use the road because we tried the other two ways to come here, the other two are so long...and that agreement is to use the road, to use their medical facilities. They sell us the oil fuel. They don't let us buy it outside, and they sell it to us more expensive than outside. Three or four years ago they said, we are again going to provide you the [telephone] line, but you must promise us you will not have any alcohol at the station. We had radio communication and it was so bad, and finally, they provided us with this line (Interview 15).

The oil companies in the Northern zone have essentially taken on the role of the state in the blocks they lease, gaining control by providing services such as roads, schools, and medical centers in the area and exerting control over the activities of both the indigenous and conservation communities in return. Left with few options, people who might otherwise be opposed to destruction of the forest by extractive industries become dependent on the companies for transportation, education, and health care. In contrast, since there are fewer companies operating in the Southern provinces, many of the communities there have created and maintained their own systems in relative isolation from the influences of the petroleum industry.

This relationship between companies and communities affects the way indigenous organizations function in the North as opposed to the South. This is particularly evident

in the agreements brokered between Maxus, a United States-based oil company that later sold out to Repsol/YPF, and ONHAE, the Huaorani indigenous organization. In his in-depth study of this relationship, Ziegler-Otero (2004) describes how such agreements are viewed by leaders of other indigenous groups as seriously undermining their bargaining positions in talks with the oil industry. A 1995 uprising on the part of the Huaorani during which indigenous people occupied Maxus drilling facilities was heavily supported by OPIP and CONFENIAE, yet only lasted a few days. When the Huaorani abandoned their occupation to return to their families, other indigenous and environmental leaders expressed frustration at the Huaorani's inability to sustain an effective protest that they had hoped would force Maxus to the negotiating table.

The organizations in the South, such as OPIP, formed in the absence of petroleum and were able to define a set of priorities and construct an ideology focused on autonomy, territorial control, and respect of indigenous resources and lifestyles. The Northern organizations, influenced by the long-term presence of both petroleum companies and evangelical missionaries, have had a conflict between obtaining compensation for prior damages and resisting further disintegration of their environment while undergoing rapid cultural change almost completely controlled by outside forces.

Despite these differences, indigenous groups from the Amazon recognized the power conferred by the image of a "united front" and formed a regional indigenous organization, CONFENAE, to represent all of the communities in the Ecuadorian Amazon. Conflicts within this organization affect the negotiating power of the indigenous community as a whole, and also bring questions of indigenous representation to the forefront of the petroleum conflict.

The Power of the “Unity” Ideal

Saul Alinsky, a labor and civil rights activist in twentieth century Chicago and author of *Rules for Radicals* said, “power goes to two poles: to those who've got money and those who've got people.” He recognized the weight that even an illusion of this “people power” can carry, issuing the following directive: “if your organization is small, do what Gideon did: conceal the members in the dark but raise a clamor that will make the listener believe that your organization numbers many more that it does” (Alinsky 1971). These same theories have been integrated into the Ecuadorian indigenous movement, and its leaders stress the unity that exists amongst different groups while downplaying the effects of internal conflict when talking to outsiders. When I asked an indigenous leader if the nationalities of Pastaza are united, he asserted

We don't really have conflicts. Sometimes, we do have small points of disagreement, but conflicts we don't have. We are very fraternal organizations. The Huaoranis, the Achuar, Quichua, Zaparos, actually we do have a good unity...today, OPIP is inviting all of the nationalities to dialogue. We have our own problems, our own aspirations to keep us united. So like I said, we practically have excellent relationships...very good relationships...For us the most important thing, like they say, the best capital that we have is unity...and so that is why we really take care that we are united...all of these things, we have gained by focusing on unity (Interview 10).

His statements were reaffirmed by another leader who explained, “the fortress we must use is unity” and went on to describe his job as “strengthening the unity of the base communities of OPIP (Interview 12).” Indigenous leaders are aware that their financial resources will never match those of the petroleum companies they are up against, and believe that the key to winning control of their territories is in organizing all Amazonian indigenous communities into a force united by common goals. Organizations in the North have also adopted these ideals; a Siona leader described the extent of contamination left

by Texaco and said that “all of our nationality is affected,” not just those living in the contaminated areas. He described the Amazon Defense Front, an organization involved in the lawsuit against Texaco, as an association that “maintains unity” between his group and the Cofan, the Secoyas, and the *colonos* not originally from the area but currently residing there (Interview 19).

Non-indigenous Ecuadorians have a skeptical perception of the indigenous ability to organize. As one participant affiliated with a consensus building NGO explained:

The indigenous people have very weak organizations. In some cases, they have strong political organizations, but when you go to the communities, they see that they sometimes cannot organize just for picking up the garbage, or for running the electric motor for the community, whatever, they can't, they're just not organized for that. And when you ask them why, you often receive a response of 'people don't care.' There is not this sense of community, because they are not accustomed to it. In the jungle, you live more or less an individual life. You have your family, and your group, and you're responsible for your own food, what you hunt, what you fish, how do you build your house, how do you distribute your earnings, you are responsible for your child and whatever, and you live, usually, more isolated from the rest of the community (Interview 3).

While this statement clearly contains several assumptions about the indigenous way of life, it exemplifies the way that some outsiders, even those who work closely with communities in the Oriente, believe indigenous groups function. This quote illustrates the perception that these groups have weak community ties, are apathetic about development, and live in isolation from the rest of society. Considering the relative power of people who hold these beliefs, it becomes even more important for indigenous leaders to counter them with the image of a strong movement based on community participation and consensus.

By promoting these ideals of indigenous unity, movement leaders are able to strengthen their position at the bargaining table with the government and petroleum companies. Every offer, commitment, or threat leaders make when negotiating with other

parties seemingly has the clout of many people behind it. Lacking in financial resources and often cut off from the political process, indigenous organizers believe their best method of influence over decision makers is to show that each individual leader actually represents his entire nationality, all of which stand in opposition to petroleum development in indigenous territory. The majority of negotiation theory is based on the assumption that this situation reflects a reality in which groups negotiate as unitary actors. However, the politics of oil in Ecuador suggest a much more complex relationship between indigenous leaders and the groups they represent, and the internal conflicts within the indigenous movement affect the ability of this group as a whole to negotiate effectively.

Internal Conflicts beneath the Unity

Klimoski (1972), the major theorist on intragroup conflict and its effects on intergroup negotiation, discusses the idea of representatives in negotiation as “men in the middle” who participate in both intragroup and intergroup negotiation processes. These leaders play a crucial role in the presentation of a group’s position, and Klimoski argued that the process of forming this position creates cohesiveness within the group that has a stronger effect than other variables on representatives’ behavior. Unity within a group thus has power over both outsiders and the group representative, and intragroup conflict that disrupts cohesiveness influences the way a leader behaves when engaging in negotiation with other parties.

The Ecuadorian indigenous movement has produced prominent leaders, such as Luis Macas and Leonidas Iza, who have each served as president of the nationwide indigenous organization, Leonardo Viteri, who headed OPIP and now runs the Amanzanga Institute, and Moi, the Huaorani featured in Joe Kane's well known 1996 book *Savages*. As Sawyer (2005) explains in her discussion of the politicization of indigenous communities in Ecuador, these leaders are under pressure to facilitate consensus within the nationalities they represent while simultaneously presenting a strong, unified position to other parties in petroleum negotiations. These often competing interests have spawned internal conflicts including the corruption of leaders, feelings of disenfranchisement on the part of local communities, and the formation of rival groups with different ideas about petroleum development.

As Vickers (2003) details, some of the conflicts found within indigenous organizations can be traced back to the structure they were guided into as they formed. Beginning with the Shuar Federation, these organizations were modeled after the only examples available to their leaders, which were established Ecuadorian institutions and bureaucracies. Indigenous organizations, just like those of the national government, are hierarchical with both elected and appointed officials. While most indigenous communities have adjusted to this arrangement, it is not part of their tradition. Vickers (2003) discusses the Secoya in Sucumbios province, noting that indigenous Shamanic leaders reached an elevated status through many years of reputation building as communities formed a consensus about the leaders' skills and intentions. Decision making in formal indigenous organizations is a much more rapid process, and the qualities that make a good shaman or cultural leader are not necessarily the same as those

that make a good political leader. By adopting the dominant model of organization, indigenous communities were able to earn recognition and legitimacy from the Ecuadorian government. However, they continue to grapple with the conflicts that arise between their traditional system of leadership development and the modern political bureaucracy.

Corruption within the Indigenous Movement

One of the common criticisms levied against petroleum companies in Ecuador is the claim that they offer indigenous leaders financial compensation in exchange for permission to enter particular areas without hassles. One leader explained it as such:

Generally what is used as a tactic by the companies is to subordinate, to pay the director money. So that these directors, let's say, will grant permission, will say, okay, continue, it's fine, continue with your project. But that creates problems because when that occurs...when some directors have not consulted with their bases, that is, with their communities, they have not discussed the subject in an assembly (Interview 6).

In this situation, a community leader is using a position of trust for personal gain. An American development worker provided further explanation, asserting that companies can buy off leaders with “outboard motors and sheet metal” and noting that most of these leaders are unpaid and devote a large part of their lives toward community organizing with no financial compensation, making them an easier target for bribes. While this is by no means the case with every indigenous organizer, there are some well-known incidents in which this has likely occurred. Ziegler-Otero (2004) describes the 1992 contract privately arrived at by a Huaorani leader and Maxus that gave the company permission to build roads in the group's territory in exchange for construction of a school and various medical supplies. Evidence and interviews by journalists and researchers indicate that the

ONHAE officer took a cash bribe offered through a Maxus employee, though the leader himself continued to deny the very existence of the contract.

Ziegler-Otero describes this situation as a basic problem for each set of ONHAE leadership. They oppose oil companies, yet cannot sustain a strong resistance in the face of resources offered by the companies. These resources are extremely valuable in the context of the Huaorani economy, which has traditionally been based on subsistence over accumulation. In a remote region with scant access to consumer goods, useful products like machetes, motorboats, bulk foods, or the financial resources to purchase luxury items take on a higher relative importance.

A Quichua from the northern Oriente working as a guide at a research station described a similar situation affecting his people:

There is an organization of the communities that is called FECUNAIE, and so about two years ago FECUNAIE had the obligation to negotiate directly with the petroleum companies, but something happened. The negotiations with the petroleum companies were going very well, but the petroleum companies gave them money or a resource to help the affected community and so this organization took this money but they never gave it to the affected communities (Interview 17).

The implication here is that leaders of indigenous organizations are operating for personal gain instead of for the greater good of the community. This participant felt the organization charged with representing his people had a responsibility to negotiate a beneficial agreement, and had failed in this duty by diverting resources from the affected community.

The director of a sustainable development NGO provided a bigger picture of what is happening in the Amazon region as a whole:

The worst damage that the petroleum companies have wrought in the Amazon is a generation of corruption of leaders, of communities, and of people. Not all of the indigenous people are completely corrupted, it has been focused on certain areas, for example, in the political institutions...many directors, many indigenous leaders have

been corrupted. They change, they are no longer with the community, they negotiate with one person and another, and now that they have money they live this way. It is a very big problem. The Amazon was a zone where the subject of corruption was null or it was very small. In the last few years it has generated because of the petroleum companies. The whole Amazon has been destroyed, and obviously there are internal conflicts, and there is total division in the organizations (Interview 3).

This participant defines corruption as a problem affecting the entire indigenous movement, not just one or two vulnerable leaders, and places the blame squarely with the petroleum companies.

Disenfranchisement of Local Communities

Some people in the indigenous community question the idea that formal indigenous organizations and their leaders are true representatives, acting with local communities' best interest in mind. During my time in Pastaza province, I interviewed a prominent Quichua indigenous leader involved in the movement for many years. The next day, I visited an ethnobotanical park run by a Shuar woman and her American husband. They said Quichua leaders from the area had seized the park in an attempt to control indigenous activity in the province, and they had only recently won back ownership of the property and operations. The American participant described the leader I had interviewed the day before:

And most likely, he speaks very well, because those people are very, very astute when it comes to talking to foreigners and also in using all of the money to give them the good life, and to have the newest cars and all of that...and then they don't do anything for the base communities (Interview 11).

His wife went on to explain:

And that is our problem right now, the problem of the indigenous people. The politicians are attempting to deceive their own base, and that is a shame. It is like a disease, what is happening right now between the indigenous people...and right up until today, we still

don't know how to respect our own brothers...this makes us think what kind of future do they hope to have for their organizations (Interview 11)?

Some of the people I spoke with expressed a sense of betrayal rooted in the feeling that indigenous leaders had made agreements they were not authorized to make, signing over territory or resources without fully consulting with and obtaining consent from the communities they were elected to represent. Communities in some cases feel disconnected from the organizations they are supposed a part of, and several of the indigenous people I spoke with seem to hold the organizations and their leaders accountable for the problems in the Oriente instead of the petroleum companies or the national government. When I asked an indigenous participant from the Northern Oriente if he thought the larger indigenous organizations like CONFENAIE were actually representative of his community, he asserted

When talking about agreements with the companies they are not representatives. They are representatives only to receive that resource but after they don't recognize the problem that the community has or may later have. It is only an interest that the people who are involved in the organizations have (Interview 17).

The one woman I was able to interview in the course of my research highlighted another form of disenfranchisement, citing the lack of indigenous females in positions of power within the indigenous community. She explained that the male dominance of the indigenous movement has a deleterious effect on the organizations:

They think that all the weaknesses we have are concentrated in women and only the man can be a leader, but if we are really developing our nationalities, our organizations, we should think women are worth just as much as young men and husbands...within the indigenous community there is too much machismo...because she is a woman she is not capable of doing anything. And so in that sense they believe that only men have the capacity...a woman is only here to have children. We have a mentality that is in dire need of being reshaped (Interview 11).

Placing women in positions of leadership is another aspect of organizational development that runs counter to traditional indigenous power structures. There is an element of inertia within the movement in regard to its women; each gender has always filled particular roles, and without pressure from within, there is little incentive for those in power to step aside and concede the value of having a diverse leadership structure that includes both males and females with the necessary skills and commitment. Little research has been done in this area in Ecuador, and this study offers only an anecdotal perspective on the issue. The power dynamic between men and women in the indigenous movement remains a question to be explored in future studies.

Formation of Rival Groups

The indigenous leaders themselves acknowledge that divisions exist within the movement, but believe it is due to differences in political ideology that are fostered by the government and petroleum companies in order to subvert indigenous organization. In reference to the divisions within the Quichua community in Pastaza, the current president of OPIP asserted, “The pressure of the oil enterprises has caused division among us, internal division within the organization.” A participant affiliated with an NGO in Quito asserted,

That is the strategy of the petroleum companies...they choose which local communities they will approach and with that action they are able to gain entryways into the forest, while the problems that are more politically based...are left behind (Interview 3).

An indigenous leader based in Quito described the process in more detail:

Now, the point is that when it is convenient for the companies, especially when they have not been able to control these indigenous organizations, they have gone to the first or second ranking organizations to say, well here these directors do not represent their communities, and they say well, now we are going to work with...generally the people

who are working for community relations, who are civil servants of the petroleum company, from a community relations department (Interview 6).

Companies are thus able to justify their entrance in to particular communities by claiming that their leaders do not actually represent the wishes of the people within the community. This undermines the procedure that indigenous people have chosen to follow in negotiating with companies and furthers conflict between different tiers of indigenous organizations.

Indigenous leaders argue that the Ecuadorian government has also played a significant role in creating divisions within their organizations. As one leader from Pastaza said:

The government wants to manage organizations in order to facilitate petroleum activity and make negotiating easier with organizations, and so that is why we have serious conflicts within CONFENAIE. The regional unity of the Amazon is in danger because there is a group...almost 50 percent of the indigenous groups that are with the government, supporting governmental policy, probably so that they can receive a budget, but they don't know that government politics surrounding petroleum are very detrimental, that it will damage our future...At this moment, as I have said, some have taken the bait that was given to them by the confederation (Interview 10).

The regional indigenous organization, CONFENAIE, is by all accounts fragmented into at least two factions. While I was in Ecuador, the state provided funding for an assembly of the groups supporting the national government, while the groups who remained opposed to the Gutierrez administration met separately and the leaders of OPIP described attempts to bring the region together in one meeting. OPIP itself, once considered the strongest provincial indigenous organization, is fragmented into three different groups, one of which was formed with the support of the Atlantic Richfield oil company during its tenure Block 10. As the owner of the ethnobotanical park that was

engaged in conflict with the Pastaza Quichuas asserted, “they say that the Quichua population is united, but these are pure lies. It is only for political purposes.”

Ultimately, the conflict within the indigenous movement over petroleum can be characterized as a crisis of representation. Local communities question the ability of their leaders to serve as true representatives of their interest, while leaders within the movement disagree with other leaders as to what constitutes resistance and compliance. A participant affiliated with an NGO in Quito explained

You have here two communities that have been resistant to petroleum activity. One is from Sarayaku and then the Achuar, and they have maintained resistance against petroleum activity, and they have been converted into the symbol of what can be considered the most authentic representative of the indigenous communities, and so of all the resistance (Interview 3).

The particular groups this participant mentions have become icons that define effective resistance to petroleum. This symbolic resistance has become more important to the indigenous community than the mechanics of day-to-day life in these communities, which are plagued with the same internal conflicts that affect the indigenous nationality as a whole.

Working Towards Conflict Resolution in the Indigenous Movement

A basic source of conflict within the indigenous movement is a lack of transparency. The indigenous community is trying to operate within a notoriously corrupt Ecuadorian system while publicly embracing democratic principals that run counter to the political reality. Indigenous people not in positions of leadership often feel cut off from the organizations created to represent them. Each indigenous organization has a process by which communities meet and discuss issues, elect leaders, and communicate concerns.

Private petroleum companies have often funded these assemblies, beginning with Maxus and the Huaorani in the early 1990s, while others have received financial support from the pro-oil Ecuadorian government.

In this context, it is unrealistic to believe that indigenous communities could come to a legitimate consensus on the issue of petroleum. Relatively new to the electoral process, indigenous communities need public education on the rights and responsibilities associated with choosing leaders to represent them, and the leaders need organizing assistance and guidance in how to obtain financial and political support. FLACSO, a major university in Quito, has begun a program to train these leaders in indigenous rights and conflict management within the oil industry. The program has a strong practical component, including a group case study on a particular indigenous right and the way it is implemented in their country of origin. These leaders are selected by local indigenous organizations and the idea is that they will return to their communities equipped with the necessary information and training in order to replicate the program at a local level. FLACSO's program is one example of an effective effort toward building indigenous capacity and managing conflicts, and should be expanded to reach more leaders in the Amazon.

Indigenous organizations and research institutions like Amanzanga receive funding from a variety of sources with the intent that this money have a positive effect on local communities through development projects, education initiatives, or health care assistance. It seems as though little attention is paid to how these funds are administered, fostering mistrust of the organizations and the perception that leaders are benefiting while communities are not. One Pastaza inhabitant discussed the "millions of dollars" flowing

into the indigenous community from aid agencies in the United States and Europe, asserting,

Many times there isn't anything, no benefits for the community, but [the leaders] give themselves salaries of three thousand dollars a month or more. They are driving around in the latest model of cars. All the while, the community that should have been gaining benefits from a certain grant is not even aware that the grant exists. And they still do not have money to buy salt (Interview 11)!

The fact that local residents hold this belief about their leaders is clearly a problem, and needs to be remedied by a major increase in access to information about funding and expenditures by indigenous organizations. As a large chunk of the aid is coming from outside the country, these international groups should be responsible for determining which Ecuadorian organizations can most effectively and transparently absorb and distribute funds. They should also identify areas that need to be improved and focus on supporting those areas, such as staff development, administration, and community engagement.

If it is to ever be truly effective, the indigenous movement as a whole needs to turn inward and resolve its conflicts without influence from people and organizations with their own set of ideologies and agendas. The focus of conversation needs to be shifted from disagreements over which company enters a particular territory to the rights of indigenous communities to have a say in what happens to their land and their culture. A movement split into pro- and anti-oil factions will be unable to accomplish any real gains for indigenous people. A critical point has been reached where it is essential for the indigenous community to work on building consensus through a transparent, holistic process that addresses the entire scope of community development instead of maintaining a narrow focus on one issue.

Chapter 5

Defining Resistance: The Ecuadorian Indigenous Movement and International NGOs

The power of Sarayaku and other organized indigenous groups lies in the image of unity and strength they project to the outside world. This idealized image of what it means for an indigenous community to resist the petroleum industry has repercussions outside of the Oriente, particularly when considering the involvement of other indigenous rights and environmental non-governmental organizations in Ecuadorian indigenous politics. Many United States-based NGOs claim to support the indigenous resistance, but by defining authentic resistance in a specific way, only certain communities, organizations, and ideologies become the beneficiaries of the power funding and media exposure confers.

While relationships with international NGOs can boost local indigenous campaigns, communities also run the risk of having an agenda defined for them. It is important to explore these relationships because when positive, they can confer a negotiating advantage on indigenous groups. In some situations, they have instead served to further fragment the indigenous movement, weakening the communities' negotiation position. This chapter uses the involvement of the Rainforest Action Network in Ecuador's Block 10 as a case study of the relationship between a fragmented indigenous movement and the powerful organizations that often take advantage of these conflicts to further their own agendas.

Involvement of International Organizations in Ecuadorian Oil Politics

In response to the damage left by Texaco in the Oriente, Ecuador's most prominent environmental NGO, *Acción Ecológica*, organized a meeting of environmental, indigenous and settlers' organizations in 1990. This meeting spawned the "National Campaign for Amazon Life," the goal of which was to protect the region's environment and inhabitants from the negative impacts of oil extraction. The campaign garnered international support from several United States NGOs such as Oxfam America, Rainforest Action Network, and the Center for Economic and Social Rights (Rodrigues 2004). This controversy over Texaco's practices was played out in the context of increasing media exposure and global awareness of the biodiversity and climate regulation functions of the Amazon rainforest. Many international environmental organizations became involved in the indigenous peoples' struggle against oil companies, with the idea that traditional lifestyles are more sustainable than development associated with large-scale resource extraction.

Ecuadorian indigenous organizations have formed alliances with both international and domestic environmental groups in an attempt to bring their concerns to a wider public stage, and in 1993, five indigenous groups from the Oriente supported by several of their allies in the NGO community filed a \$1.5 billion lawsuit against Texaco in the Southern District Court of New York for mitigation of the "negligent, reckless, intentional, and outrageous acts" committed by the company during the oil exploration years (Gedicks 2001, 74; Korovkin 2002). While the goals of the indigenous movement and the goals of the larger environmental community often seem aligned, the relationship has not always been entirely positive. The tension has its beginnings in a controversy over

Block 16 in the Ecuadorian Amazon due to the involvement of several United States based environmental groups.

The NRDC/Conoco Scandal and its Aftermath

A pivotal event in the international NGO alliance with the Ecuadorian indigenous movement occurred in the controversy over Block 16, which originally lay in Yasuní National Park and the traditional homelands of the Huaorani. Ecuadorian law prohibits oil drilling in national parks, so in attempt to circumvent controversy over extraction, the government transferred 600,000 acres of Yasuní to the Huaorani (Korovkin 2002). Indigenous territories are not afforded the same protection as national parks, so Conoco was given a concession in the block in early 1986. Several environmental organizations took up a fight against the company's development plans, including the Natural Resources Defense Council (NRDC) and the Sierra Club Legal Defense Fund along with its Ecuadorian partner.

In November of 1990, NRDC staff attorney Robert F. Kennedy, Jr. and S. Jacob Scherr, the director of NRDC's international program, met with Conoco officials in Manhattan and decided to endorse the company's plan with the idea that Conoco would be better for the Oriente than other multinational oil corporations. Notes from a second, confidential meeting between Kennedy, Scherr, and Conoco in which the NRDC staffers proposed compensation mechanisms for the Huaorani and analyzed the potential reactions of various other environmental groups were leaked, resulting in a worldwide uproar in the non-profit community. Just prior to the release of the notes, Kennedy and Scherr traveled

to Ecuador to negotiate an offer with the leaders of CONFENIAE, a Quichua and a Shuar who both stood to gain from the exploitation of Huaorani lands (Kane 1996). Ted McDonald, projects director of another American NGO, Cultural Survival, was also involved in the meetings with Conoco (Sabin 1998).

Conoco withdrew from Ecuador in 1991 amidst continued protests from domestic and international environmental groups. The Ecuadorian government transferred Conoco's concession in Block 16 to the Maxus Energy Corporation. Maxus began construction of a 150-kilometer access road in 1992 and several hundred Huaorani protested both at the road and the Quito office of Maxus. By 1993, the tribe was divided between those who wished to continue resisting and those who felt it better to negotiate with the company in an attempt to garner some benefits from the seemingly inevitable project. The Organization of the Huaorani Nation of the Ecuadorian Amazon (ONHAE) signed a twenty-year "Agreement of Friendship, Respect and Mutual Support" with Maxus, which granted Huaorani consent to oil exploration in the block in exchange for promises of health, educational, and other development funding from the company (Lippman 2002). Eleven days later, Maxus spilled 38,000 gallons of petroleum onto the tribe's land by rupturing an Oxy pipeline while laying their own line (O'Connor 1994).

Rainforest Action Network (RAN)'s former Ecuador Oil campaign director, Glenn Switkes, asserts that the Huaorani were subsequently "bribed by Maxus into silence" (Egan 1996: 140) and the terms of the agreement between the community and the company were not met before Maxus withdrew from Ecuador in 1997, citing "poor economic prospects." The company's concession in Block 16 was subsequently transferred to YPF, an Argentine company, and Spain-based Repsol (Lippman 2002).

NRDC's direct negotiations with Conoco had several repercussions for future involvement of environmental NGOs in the Ecuadorian Amazon. Several organizations, including RAN, have traditionally opposed all oil development in the region "as a matter of principle" (Rodrigues 2004: 108). Others, in the words of NRDC leader Robert F. Kennedy, Jr., believe that "platitudes will not save the world's remaining rainforests" and are in favor of "a more sophisticated approach" that allows for negotiations "with those corporations willing to submit themselves to the highest environmental standards" (Kennedy 1992, cited in Egan 1996). This ideological split disrupted the unity of the anti-oil network and engendered a sense of betrayal on the part of those groups who felt NRDC and Cultural Survival had "sold out to the enemy" (Sabin 1998: 15). As Ecuador's environmental NGO coalition coordinator, Esperanza Martinez, asserted:

Robert Kennedy and Jacob Scherr are what we call environmental imperialists. They came to Ecuador for five days, and then they went home and sat down with an oil company and decided they knew what was best for us. What on earth gave them that right? (Kane 1993: 62)

The legitimacy of NGOs working in the region was called into question, and oil companies operating in the Oriente no longer consider these organizations as true representatives of indigenous interests (Egan 1996). Additionally, indigenous leaders believed that the Conoco project was "driven forward by external demands" and included no guarantee that promises would be fulfilled or communities would have mechanisms for meaningful input in guiding development (Sabin 1998: 157,160). This particular situation illustrated a larger truth about the involvement of NGOs in the Amazon: the rhetoric of consultation is generally implemented in the form of a "patron-client" relationship in which indigenous groups are co-opted by companies or other groups with a different stake

in the outcome (Korovkin 2002: 657). These events set the stage for RAN's involvement in the developing conflict over petroleum development in Block 10.

RAN's Involvement in Block 10

In 1988, the Atlantic Richfield Corporation, a United States company in partnership with Ecuador's Agip Petroleum Ltd., received a concession for petroleum exploration in Block 10 of Ecuador's Amazon region. A seismic contractor, Compagnie Générale de Géophysique (CGC) was subsequently hired by Atlantic Richfield to begin seismic testing in November of 1998. When these workers entered the village of Sarayacu, they were faced with members of the local indigenous federation, the Organization of Indigenous Peoples of Pastanza (OPIP). The Quichua group detained several oil workers and demanded a meeting with officials from Atlantic Richfield, CGC, and Petroecuador to address the environmental impacts of seismic exploration. A delegation arrived at the village to negotiate the Sarayacu Accords, an agreement that called for government recognition of indigenous territories, political status, and rights to a portion of oil production revenues. Atlantic Richfield's contract with Petroecuador was subsequently amended in order to remove the conflict area around the village from its study. A test well at nearby Moretecocha was abandoned after oil reserves proved to be insufficient, but Atlantic Richfield eventually found adequate reserves from two wells at Villano, located 25 kilometers north of Sarayacu (Mendez, et al. 1998).

In 1991, RAN published an article in their World Rainforest Report that detailed a litany of negative impacts left on Block 10 by Atlantic Richfield and its contractors. They claimed that thousands of acres of rainforest had been cleared for seismic testing

infrastructure, agricultural plots and sacred sites had been destroyed, water pollution was causing disease and depletion of fish, and Quichua people had been forced “to abandon their traditional ways, often for minimal-wage work in the oil project” (RAN 1991, cited in McCreary 1995). Atlantic Richfield countered these assertions with their own details of discussions with villagers, an argument that was later published in another RAN periodical along with further rebuttals from the organization (McCreary 1995).

OPIP supported RAN’s media campaign against Atlantic Richfield, and the indigenous organization requested an August 1991 meeting between company representatives, RAN members, and University of California researchers in San Francisco. These researchers were commissioned to conduct an independent environmental impact assessment of Atlantic Richfield’s work in Block 10 despite, says Sixto Mendez, former manager of environment, health, and safety for Atlantic Richfield Oriente, “the researchers strong ties to OPIP and RAN” (Mendez, et al. 1998: 17). The funding for the assessment came from several different sources, including RAN, Oxfam America, OPIP, the Confederation of the Indigenous Nationalities of Ecuador, and Atlantic Richfield, which allowed for an “arm’s length relationship” between the researchers conducting the review and the groups that commissioned it (McCreary 1995).

RAN also provided financial aid to OPIP for the creation of the Amazanga Institute, a forum geared towards building the environmental planning capacity of local indigenous people and providing environmental monitoring equipment, which later collapsed under accusations of misuse of funds and the denial of land title to OPIP by the Ecuadorian president (Rodrigues 2004). This incident serves to demonstrate one of the problems with funneling capital to organizations with little infrastructure for absorbing

those funds. Without a structure in place to appropriately allocate resources over an extended time frame, a one-time influx of financial aid can overwhelm an organization with many competing needs and a broad, diverse membership. Additionally, the long-term procedural goal of capacity building and monitoring was given precedence over the short-term aim of obtaining land title. Failure to achieve the short-term goal undermined OPIP's legitimacy in reaching the longer-term objective of developing local planning expertise. In contrast, current RAN grants to indigenous groups in Ecuador are now generally designed to fund "emergency actions" such as roadblocks, media campaigns, and protests, according to a RAN staffer interviewed via phone before my research trip to Ecuador. Offering financial aid for discrete events is perhaps the most appropriate way that RAN can assist indigenous organizations, as this type of funding can be used immediately and likely avoids the conflicts that arose around the funding of the Amazanga Institute.

The independent assessment team contracted to do the impact assessment of Atlantic Richfield sponsored a workshop to discuss their findings in March of 1992. In the days leading up to the meeting, RAN requested that representatives of nearly 40 other North American NGOs receive invitations in order to "avoid the appearance of dealing separately with Atlantic Richfield" (McCreary 1995), illustrating the lingering impact of the Natural Resources Defense Council controversy on the NGO realm. This request was denied, and the draft report was presented to a smaller delegation of industry, environmental, and indigenous representatives. RAN used some of the findings from the report to publish a critique of Atlantic Richfield in a publication released after the meeting, a choice that the leader of the review team felt "undermined Atlantic Richfield's

willingness to engage in further rounds of meetings” (McCreary 1995). Thus, while RAN offered what Rodrigues (2004) characterizes as “unconditional support” to OPIP in negotiating with Atlantic Richfield, the lack of a clear agreement for publicizing the results of the review team’s impact study resulted in exactly the opposite outcome: a breakdown of negotiations. This event serves to highlight the power differential between a United States-based NGO like RAN and an indigenous federation in a small, South American country. Regardless of how well organized OPIP was, their access to international publicity was still filtered through RAN, and the level of negative press that could be garnered through RAN’s publications contributed to Atlantic Richfield’s decision to withdraw from further negotiations.

In 1992, RAN provided the Organization of the Indigenous Peoples of Pastaza with a grant of \$20,000 to organize and support a march of approximately 10,000 Quichua and other indigenous groups from the Oriente to Quito, a protest that resulted in a negotiated land settlement of 1,115,574 hectares to the constituents of OPIP (Martin 2003). This protest has been characterized “one of the most effective mobilizations of lowland Indians,” (Sawyer 2004: 41) and the director of RAN’s Protect-an-Acre program counts this grant as one of the most successful of those given to Ecuadorian projects, as discussed in a phone interview. While OPIP and RAN did achieve the recognition of at least a portion of the indigenous group’s traditional lands, the march and its outcome had several unintended consequences detailed by Sawyer (2004). The cadastral map created by Ecuador’s land titling agency in order to facilitate the division of the territory claimed by OPIP illustrates the “profoundly political act” (Scott 1998: 37) of representing local land tenure in a static form that simultaneously “heightened one form of state

surveillance and relinquished other functions of government, allowing others to shape the conduct of conduct in Pastanza” (Sawyer 2004: 50). The agency divided the newly titled area into nineteen blocks, each of which was assigned to an indigenous community. These blocks had no relationship to indigenous social structure, land use, or cultural identity, and the state succeeded in institutionalizing a new reality and “scientifically dehumanizing Amazonian worlds.” The government also established a “security zone” along the Peruvian border and extended the boundaries of Yasuni National Park, each of which was depicted as a blank space on the map (Sawyer 2004: 50-52). Not only did these representations effectively erase the indigenous people who lived there, but the designation of a security zone also allowed for increased state surveillance of indigenous territory. The alteration of Yasuni’s borders was met with skepticism, as the area is rich in oil deposits; history had demonstrated that a space belonging to the state is more easily manipulated than a space occupied by indigenous inhabitants. Although OPIP seemingly won a major concession from the government with the support of RAN, Pastanza was now divided in “ways that fragmented indigenous authority and land use” (Sawyer 2004: 55).

Meanwhile, several groups in the Villano area had split from OPIP and formed their own indigenous organization, the Association for Indigenous Development, Amazon Region. Atlantic Richfield signed a community assistance agreement with this new group in July of 1993, garnering accusations of “divide and conquer” tactics from OPIP. OPIP called a regional assembly soon after, and the outcome of that meeting was a shift from support of a complete moratorium on oil development to a demand that Atlantic Richfield “lessen and avoid” impacts to local communities during its work (Mendez, et al. 1998).

RAN and Oxfam funded a trip by OPIP leaders to the United States in order to launch a media advocacy campaign, and these NGOs joined with the Seventh Generation Fund to organize a meeting between OPIP and Atlantic Richfield in Plano, Texas in March of 1994 (Rodrigues 2004). At the meeting, OPIP advocated for the creation of a community development and environmental protection fund and the development of an environmental management plan, stressing that all initiatives should include indigenous participation. At a second gathering in Pastanza, the three active indigenous groups in the province joined together to form the Pastanza Indigenous Front and pushed for the creation of an Environmental Commission comprised of representatives from the Front, Atlantic Richfield, and Petroecuador. This Commission issued a report in 1998, but has largely been considered a failure by most involved parties. The proposed community development fund was never actually implemented by Atlantic Richfield (Korovkin 2002). The company has since withdrawn much of its investments in Ecuador, and its remaining interest in the Amazon now lies primarily outside of Block 10 (Rodrigues 2004).

Implications of RAN's Involvement in Ecuador

Macdonald (2004) asserts, "Ecuador's domestic indigenous movement has received widespread international support, in particular because local indigenous concerns, especially about the environmental and social impact of oil development in the Amazon basin, overlap with international non-governmental interests." His statement is accurate in the sense that many indigenous communities in Ecuador and environmental

NGOs involved in tropical rainforest protection are mutually concerned with the ways in which petroleum extraction affects the Amazon region. As Rodrigues (2004) points out, however, the priorities of these groups are not necessarily in complete alignment.

Environmental organizations like RAN are focused on conserving the rainforest as a public good; they value it for its biodiversity, the ecosystem services it provides, and the opportunities it affords for recreation, ecotourism, or pure aesthetics. RAN's website also notes the potential for medicines to be derived from rainforest plants and the repository of wild strains of common agricultural crops that can be found within rainforest vegetation.

In contrast, some indigenous groups still rely directly on the forest ecosystem for subsistence in the form of food and shelter (Kane 1996, Tidwell 1996). Others have turned to wage labor or profit-based agriculture and cattle ranching (Gerlach 2003; Sabin 1998), but even these groups remain physically connected to the land by virtue of their residence in the impacted region. Additionally, centers of petroleum development are reported to have the highest indicators of malnutrition in Ecuador (Gedicks 2001) and people living in provinces where oil exploration has occurred for 20 or more years are at an increased risk of developing several different types of cancer (Hurtig and San Sebastián (2002). Thus, while both environmental organizations and indigenous communities have opposed certain aspects of the oil industry and have legitimate reasons for becoming involved in the issue, the inhabitants of the Amazon are more directly impacted by its activities and have a different stake in the outcome than do international NGOs.

Ecuadorian indigenous organizations were created in the wake of centuries of marginalization and disempowerment of their members. The goals of the movement have

always involved the recognition of land ownership and cultural identity (Gerlach 2003). However, positive environmental provisions earned through negotiations with oil companies and the monitoring programs put in place with the help of environmental groups often reflect a single-issue focus. This does not address the connections indigenous groups see between the state of the environment and their own human rights, a sentiment best captured in an OPIP protest banner that states “The Defense of Nature and Social Justice Are Inseparable” (Rodrigues 2004: 109).

RAN’s current involvement in Ecuadorian oil politics is primarily based in the Protect-an-Acre program. This initiative was established in 1993 in order to “protect the world’s rainforest and the rights of their inhabitants” through the provision of small grants to organizations and communities in the rainforest. In a phone interview, the program director cited the impacts of oil development on the rainforest and indigenous communities as the primary threat being addressed in Ecuador. The participant commented that some communities with “less intact traditional cultures” who have already been extensively impacted by oil extraction have “welcomed” roads and other petroleum infrastructure. In order to avoid conflicts in funding internally divided indigenous groups, the director explained that grants are “consistently given to communities united in opposition to oil development” and one of the major project areas targeted by program funds is direct defense of territories from oil projects.

All indigenous communities do not stand united in absolute opposition to the oil industry; their objections emerge from a desire to control their own territories, natural resources, and development schemes (Sabin 1998). Some indigenous groups are interested in deriving benefits from oil companies, as evidenced in the negotiations with

Atlantic Richfield over Block 10 (Rodrigues 2004). RAN acknowledges this diversity of opinion, stating in their 1998 Publication “Drilling to the Ends of the Earth” that “indigenous peoples, like people everywhere, have the right to determine their own future. This includes, if they so choose, the right to a future with or without petroleum.” Later in the document, however, they state, “an end to new petroleum exploration is urgently needed to ensure indigenous peoples’ rights and survival. Oil and gas projects, even when employed with improved environmental management, pose new threats to the indigenous peoples’ rights, cultures, and in some cases, very survival as peoples.” Additionally, the subtitle of the report is “The Ecological, Social, and Climate Imperative for Ending Petroleum Exploration.” Combined with the assertion that in order to determine their future in regard to petroleum development, indigenous people must “first be fully and completely informed as to the likely impacts of oil and gas on their land,” the implication is that with enough education, indigenous groups will choose to oppose all oil and gas projects within their territories. To that end, RAN has funded visits for indigenous groups from the southern Oriente to the communities in the northern region that have been impacted by Texaco’s unregulated extraction, and also includes community education amongst the major focus areas for the Protect-an-Acre program.

The negative environmental impacts of petroleum extraction in the Amazon have been well documented, and it makes sense in the context of RAN’s mission and goals to support communities that oppose further industrial encroachment on their lands. The challenge lies in advocating for environmental protection while taking indigenous peoples’ desires for socioeconomic development and access to markets into account. One of the unexpected conflicts resulting from the Atlantic Richfield negotiations arose out of

the company's ostensibly environmentally friendly decision to avoid building access roads to their drill sites. RAN's objections to Conoco's development plans in Block 16 had actually focused on opposing the company's plan to build an access road (Wasserstrom and Reider 1997). Several communities in Block 10 repeatedly requested that Atlantic Richfield build these roads that had previously caused so much controversy and environmental damage in the Oriente. Families from Villano began to use the Atlantic Richfield oil flow line as a road in attempt to get their goods to markets (Korovkin 2002). While RAN tries to address the lack of access to economic opportunities by allocating Protect-an-Acre grants to groups creating sustainable alternatives to oil development, the communities that have completely opposed the petroleum industry have generally engaged in ecotourism as an alternative income-generating activity. This opportunity is not available for many other groups and the infrastructure that allows for it to occur in the Amazon has largely been supplied by the oil industry and the Ecuadorian military (Sabin 1998). Other Protect-an-Acre grants support indigenous efforts to obtain land titles, yet the government continues to retain rights to subsurface minerals, undermining the legitimacy conferred to land owners.

Part of RAN's mission is to campaign for the "inhabitants of the forest," yet it is clear this mission refers to a particular type of inhabitant, namely, those who engage in lifestyles that are conducive to environmental protection. Further conflicts arise regarding the issue of Ecuadorians from outside the Oriente who have settled in indigenous territory, facilitated both by government schemes to reduce population pressure in the highlands and the transportation infrastructure built by the petroleum industry. RAN's 1998 "Drilling to the Ends of the Earth" publication notes that settlers "tend to displace

the local indigenous populations,” which is certainly true, but it is also important to recognize that non-indigenous people have suffered many of the same impacts to their health and economic opportunities as the communities with historical claims to the land (Rodrigues 2004). The *Frente de Defensa de la Amazonia* (Amazon Defense Front), a federation formed to facilitate information sharing on the Texaco lawsuit, attempts to broaden the concerns of the NGO international network and “has contributed to alter traditional perceptions that settlers and *campesinos* are inherently in opposition to the goals of environmental preservation and are natural foes of indigenous peoples” (Rodrigues 2004: 106). Indigenous organizations do not belong to the *Frente* but frequently support and contribute to its activities, reflecting a growing awareness of the common concerns amongst all people living in the Amazon region.

One of recurring tensions in the alliance between indigenous groups and international NGOs is the issue of representation. Particularly in the wake of the Natural Resources Defense Council/Conoco negotiations, Ecuadorian indigenous groups have been wary of having their interests represented by others, asserting the idea that “only indigenous organizations can speak for indigenous peoples” (Jezic 2001, cited in Rodrigues 2004: 100). Despite many internal disagreements and ideological fissures, many people characterize the major Ecuadorian indigenous federation CONAIE as a “representative organization that has remained in touch with the base organizations even while it has gained national and international stature” (Treakle 1998). Indigenous communities have attempted to structure their federations so as to ensure they are operated in a truly democratic fashion, and the process of reaching a consensus amongst a diverse array of interests is a slow and extremely complicated process. During the split

between the Organization for the Indigenous Peoples of Pastaza and its rival group over Atlantic Richfield's involvement in Block 10, OPIP's leader Leonardo Viteri explained the importance of reaching an agreement about petroleum development that was truly representative of the entire region's interests:

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 Atlantic Richfield's [oil] wells and that now express pro-Atlantic Richfield allegiances do not have sovereign or independent claims to their lands. Nor do they have the unilateral right to define activities within them, especially when these activities will affect the larger indigenous population. The effect of oil operations cannot be contained within a discrete area... (Sawyer 2004: 5).

Many international NGOs remain unaware or unable to fully understand this diversity, as captured in the Natural Resources Defense Council's Robert Kennedy's statement after the breakdown of Conoco's development plans:

I have no idea what happened, or what the internal [indigenous] politics were. There's almost an anthropological questions of whether they have the capacity to negotiate. [The Oriente's indigenous people] are essentially inept at government (Egan 1996).

RAN attempts to circumvent some of the problems surrounding outside representation of indigenous groups by ensuring that Protect-an-Acre grants are mediated through Amazon Watch, an organization with a base in Ecuador, usually in response to proposals and requests originating from communities in a bottom-up fashion. This allows RAN to act as a "support organization" for the leadership of local indigenous and environmental groups instead of imposing an outside agenda.

The indigenous movement in Ecuador is fragmented and unable to define a consistent set of goals and strategies. Its leaders have recognized this weakness and have often succeeded in downplaying the internal conflicts in order to project an image of unity to outsiders. The involvement of international NGOs has further complicated the

definition of what constitutes authentic resistance to petroleum. An organization like RAN that purports to support only those communities united in resistance may be well intentioned, but that puts the burden of coming to a consensus that is acceptable to outsiders onto the indigenous community. Reaching consensus is a process, often requiring meetings between groups that are isolated from one another in an area with poor communication and transportation channels. The lure of funding and access to the international media is understandably strong for indigenous leaders, providing an incentive to present an image consistent with what organizations providing support and influence are interested in. Capacity building that strengthens recognized indigenous organizations would be a more strategic area for outside organizations to support in the long-term, rather than the one-time protests and research endeavors currently receiving the bulk of funding.

Faced with a regional crisis over petroleum development that has threatened their unity, health, and livelihoods, indigenous communities in the Ecuadorian Amazon have appropriated “language of environmentalism” (Conklin and Graham 1995:699) and consciously marketed themselves to international NGOs as “native guardians of global commons” (Egan 1996: 139) in order to express their local concerns in a more universal way. They have aligned the cause of cultural survival with natural resources conservation and widened their base of support far beyond the Amazon.

Along with support comes the potential for attempts to control indigenous space along with the possibility for international NGOs with all of their resources, agendas, and expertise to “appear all-knowing in defining which activities should take place within this realm, and how” (Sawyer 2004: 54). Throughout their history of involvement in Ecuador,

NGOs have had to negotiate entry into an indigenous community that is highly aware of the advantages and pitfalls of being represented by others. As Rainforest Action Network's former Ecuador oil campaign director, Glenn Switkes, once commented, "some groups just 'discovered' indigenous peoples five years ago – everyone wants to work with Indians who have cute dances and great drugs" (Egan 1996: 137). The international environmental community has the power to define the hazy concept of "sustainable development," and a commitment to a particular anti-oil ideology has often lead to the exclusion of some rainforest inhabitants from that definition.

Rainforest conservation has been in vogue in recent decades, and as Egan (1996) notes, "this tropical forest 'story' is an export commodity, very much like oil." Over time, RAN has decreased its investments in Ecuador and moved on to focus on market campaigns based in the United States. Meanwhile, the Ecuadorian government continues to increase petroleum production even in the face of lower worldwide prices, boosting extraction from 285,000 barrels per day in 1990 to 375,000 barrels per day in 1998 (Central Bank of Ecuador 2000, cited in Korovkin 2002). RAN and other NGOs have the power to provide and withhold financial aid, international publicity, and political support, but the indigenous communities in the Oriente don't feel they have a choice to continue fighting. As one indigenous leader asserted

The illusion of the riches of the jungle has seduced many, even the state. In olden times, it seduced with gold, cinnamon, vanilla, clove, and rubber...today with lumber, petroleum, land, and mines...For Western civilizations, the exploitation of these riches has constituted the base of their fortunes. For our peoples, it has represented genocide (Sawyer 2004: 53).

On my last full day in Ecuador, I interviewed an anthropologist working to manage community relations for Petroecuador, the state oil company. When I asked him

about the changes that have occurred within indigenous communities since the introduction of petroleum development, his response was

Yes, there have been many changes, in some cases happening very quickly. There is an irreversible process of acculturation. There has been a change from hunting and gathering, or sustainable agriculture, to community agriculture, to the introduction of money. There have been many internal changes within the groups. The Huaorani are spread across six petroleum blocks. They are now less aggressive and their economy has changed. They have many things that they never had before, like machetes for example, and they now need money to buy them. When changes happen very quickly, the indigenous people are unable to internalize these things into the culture...It is not possible to extract petroleum without these changes (Interview 23).

This quote speaks to the difficulties that the Ecuadorian indigenous community has faced since the introduction of petroleum, and the power that the industry has wielded over the indigenous economy, lifestyle, and culture. These changes are defined by those in power as inevitable and irreversible. The challenge for the indigenous community lies in tapping and strengthening their sources of negotiation power to resolve internal conflicts and claim an equal place at the table with the industry that has dominated the country for several decades.

Conclusions and Recommendations

Indigenous peoples in Ecuador continue to face challenges as the government opens up new areas in the remote Amazon for oil exploration. As Korovkin (2002: 658) points out, any effective negotiation process rests on the idea of a “relatively balanced distribution” of bargaining power, resources, skills, and access to information between the parties. My analysis shows that this distribution is highly skewed in the Ecuadorian case, with the indigenous peoples at a disadvantage. It is important to note that the petroleum companies, the Ecuadorian government, and international NGOs are also unprepared to

negotiate fairly. They have been unable to devise mutually beneficial solutions to the conflict, are inadequately informed about indigenous social structure and ideology, and have resorted to negative commitments in order to achieve their own ends by force. They have also been lax in fulfilling promises made during dialogue processes, which has caused indigenous peoples to doubt the integrity and legitimacy of the other parties.

Ecuador is only one of many countries in which natural resource exploitation has affected vulnerable populations. Petroleum operations have come under particular scrutiny, as evidenced in the World Bank Extractive Industries Review that resulted in a recommendation for the lending institution to phase out investments in oil production by 2008 (World Bank 2003). This review highlighted many of the problems common to countries reliant on the extractive industries to finance economic growth, including a lack of government capacity to transparently manage projects and revenues, a skewed distribution of benefits in which local communities are forced to bear an inordinate cost, and legal systems that do not ensure resource and land tenure rights for indigenous peoples (World Bank 2003). In countries like Colombia and Nigeria, these problems have led to violent conflict, which one person I spoke to described as “the final result of a failed process of dialogue.” Despite many fierce clashes between indigenous communities and the state, the situation in Ecuador’s Amazon region has not yet disintegrated into widespread violence. This research helps to illustrate several areas in which major improvement is needed if the conflict is not to become more intractable.

The major stakeholders in this conflict (indigenous peoples, the Ecuadorian government, foreign petroleum companies, and international NGOs) are consistently clashing with one another, in part because the role that each group should play in a

negotiation process is unclear. In the past, petroleum companies negotiated directly with particular indigenous communities closest to their operations, which the formal provincial indigenous organizations feel undermines their legitimacy as representatives. The state, while theoretically responsible for the well being of its citizens, has remained largely absent in the Amazon region and has negotiated contracts directly with foreign companies without input from indigenous groups. International environmental groups have claimed to support the goals of indigenous groups, yet have often wrested control over negotiations to further their own ends.

An indigenous leader from the southern Oriente described an appropriate solution for this problem. He suggested that the leaders of the formally recognized indigenous organizations should be responsible for organizing their communities in order to reach a consensus about strategies for negotiating and proposals to be pursued, with assistance from international organizations where appropriate. The state and municipal governments should then be responsible for coming to an agreement with the organizations prior to the entrance of a company in order to establish conditions under which a company can operate. A company then gets a concession only when the state and the organizations have come to an accord. Contracts negotiated between the state and foreign companies would take this agreement into account, ensuring that the company assumes proper social and environmental responsibilities. The state is responsible for service provision, including education and health care, and the companies should no longer be able to use fulfillment of these basic needs to broker agreements with isolated communities.

The World Bank Extractive Industries Review produced a set of recommendations designed to make certain that the involvement of lending institutions in extractive

industries projects is compatible with the mission to alleviate poverty and contribute to sustainable development. Several of these recommendations are particularly applicable to Ecuador, including the promotion of economic diversification and building government capacity to handle social and environmental challenges and manage revenues responsibly. There are provisions for “free, prior, and informed consent” on the part of affected communities and a suggestion to require integrated environmental and social impact assessments. The report argues for the establishment of “no-go” zones for oil, gas and mining projects, particularly in protected areas and biological hotspots. It includes the important idea that the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) work with governments to “clarify and strengthen” the legal framework for resource and tenure rights of indigenous peoples and recommends a “rebalancing of institutional priorities” of the entire World Bank Group if extractive industries projects are to proceed.

The petroleum industry has also developed operating guidelines for extraction projects. The Oil Industry International Exploration and Production Forum (E&P Forum), now known as the International Association of Oil and Gas Producers, published several reports including the “Oil Industry Operating Guideline for Tropical Rainforests” (1991) and “Principles for Impact Assessment: the environmental and social dimension” (1997). These reports recognize that local governments do not always work in the best interest of affected peoples and that the company has a responsibility to ensure appropriate, “two way” consultation. They also note that environmental monitoring and impact assessment and mitigation should be ongoing processes that last through the life of the project.

Independent monitoring of revenues and spending with provisions for government accountability are needed to ensure long-term funding for community development projects that fill genuine needs like health care, education, nutrition, and housing. As one of very few sources of employment in the Oriente, petroleum corporations have a responsibility to use local labor for their projects and provide training for indigenous people in search of long-term positions requiring higher-level skills.

While these best practices and recommendations are a start, they remain as voluntary provisions that companies and lending institutions can choose to adopt. A monitoring mechanism needs to be put in place that ensures these practices are actually being followed in cases where companies claim they are being employed. Environmental and social justice groups have pointed out that these “best practices” often serve to simply justify the presence of petroleum companies in sensitive ecosystems (RAN 1998). There is often no consideration of the cumulative impacts of several projects in one area, as can be seen in the Amazon Basin. While companies have become adept at developing and utilizing technology that causes less environmental impact, the guidelines for assessing and mitigating social and cultural impacts remain vague and ineffective. The oil industry reports are out of date and need to be updated and expanded with lessons learned from operations already in progress.

Environmental organizations have begun to partner with corporations in an attempt to improve industry practices in areas like the Ecuadorian Amazon. One of the first programs in this area is the Center for Environmental Leadership in Business (CELB), established by Conservation International and the Ford Motor Company. This group launched the Energy and Biodiversity Initiative with the goal of developing a set of

best practices for incorporating biodiversity conservation into oil and gas projects. They have produced and distributed reports and recommendations with the help of academics and environmental and industry representatives.

Programs such as these have come under intense criticism from other sectors of the conservation community, summarized in Mark Chapin's 2004 article in *World Watch Magazine* entitled "A Challenge to Conservationists." He argues that the three largest conservation organizations, World Wildlife Fund, Conservation International, and the Nature Conservancy, exclude indigenous peoples' involvement in programs designed to protect the areas in which these people live. Partnerships with private corporations have brought an influx of funding for these organizations, and Chapin questions the conditions attached to the financial support. These include rules against openly opposing government inaction or corruption in countries like Ecuador, where state supported petroleum extraction is a major cause of environmental degradation. Chapin concludes with a call for an independent review of the efficacy of large-scale conservation programs implemented by the major international organizations. In the following issue of the magazine, these organizations responded, acknowledging that the issue deserves attention, but citing a litany of examples in which their programs have served to benefit indigenous communities across the developing world.

The conservation organizations serve a purpose in the development of best practices, as they are well equipped to focus on the importance of maintaining biodiversity and are positioned to work with industry to develop more sustainable technology with fewer impacts on the environment. However, as the 2003 Energy and Biodiversity Initiative report clearly states, the rights of indigenous people are "not

addressed in detail” and the relationship local communities have with the environment is not of primary importance for the purposes of their recommendations.

Industry practices will never adequately address the concerns of indigenous people without the involvement of indigenous organizations and the human rights advocates that support them. To that end, the ideology of indigenous participation has to evolve to include more than just dissemination of information. The local community should be able to provide input at earlier steps instead of simply being asked to respond to a completed plan. The capacity of the state to enforce its own policies needs to be increased, and the petroleum industry representatives participating in any interaction with indigenous peoples need to be well versed in the culture and history of the groups they are involved with. Indigenous peoples continue to be conceived of as “just another stakeholder” when in reality they have a much larger stake in the outcome of extractive projects than multinational petroleum companies, the Ecuadorian bureaucracy, or international environmental organizations.

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