Searching for Middle Ground
Native Communities and Oil Extraction in the Northern and Central Ecuadorian Amazon, 1967–1993

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In September 1993, two high-level United States government officials appeared in a New York Times photograph bearing the feathered crowns and large spears of a small group of Ecuadorian natives, the Huaorani. These U.S. representatives played new roles in the changing drama of international petroleum development. By the early 1990s, the balance of political power had shifted for the first time toward residents of the oil-producing region, such as the Huaorani, and to national and international nongovernmental organizations (NGOs). This was the latest in a series of shifts: by the early 1970s, power had moved decisively from industrialized consuming nations like the United States to the national governments of oil-producing countries like Ecuador. Why had the political climate changed so strikingly since the first major oil discovery in remote eastern Ecuador in 1967? How should scholars understand the nature of native opposition to oil development in the Ecuadorian Amazon?

The local history of oil extraction in Ecuador includes considerable exploitation and conflict. Dramatic local incidents suggest staunch resistance to oil development among indigenous Amazonian peoples. Communities have expelled seismic crews, harassed construction workers, and sequestered government officials in order to protest state and industry policies. A group of Huaorani even speared to death three survey workers in the late 1970s. But the history of Amazonian oil development is not a simple tale of capitalist penetration and pristine native resistance. Such interpretations mistakenly take these determined protests as an indication that Amazonian indigenous groups oppose all development, wishing to remain in a purely “traditional,” unchanged culture. A more complex story emerges upon closer examination. Here, as in other instances of extractive development, native groups complain that there has been too little of the right kind of development and too much of the wrong kind. Native leaders in the Amazon particularly criticize the alliance between the Ecuadorian government, the petro-
leum companies, and the large plantations. This powerful combination has systematically worked against the interests of native communities, reinforcing their need for secure property titles and their desire for locally oriented economic development.¹

Rather than exemplifying native resistance to economic change, the story of Ecuadorian oil development points to problems in the way that companies and
nations have developed petroleum resources. The story also underscores the struggle of native communities to change how oil extraction occurs. In Ecuador, as elsewhere, the conditions of extraction have typically forced native groups to choose between no economic development and a form of industrial activity that would undermine the foundations of native cultural and economic life. To extract oil cheaply and fulfill national strategic and economic goals, the oil industry and the national government ignored native concerns. Beginning in the 1960s, they rode roughshod over local land rights, failed to mitigate or compensate for pollution damage, and allowed a sweeping process of Amazonian colonization that stripped native groups of large swaths of territory and endangered their cultural and economic survival. In their opposition, native groups fought to change these political, economic, and environmental conditions. Local residents and fledgling political organizations sought to negotiate and participate fully in discussions with multinational oil companies and national governments.

By the late 1980s, this struggle had become roughly analogous to the triangular political dynamic described by historian Richard White in *The Middle Ground: Indians, Empires, and Republics in the Great Lakes Region, 1650–1815*. In White’s study, none of the major players—the native Algonquians, the English, or the French—could get what they wanted from the others through force. Instead, they had to seek cooperation from each other, and eventually a “middle ground” emerged between the competing empires of France and England. New, hybrid forms of cultural, economic, and political interaction transformed the behavior of the participants. For example, unable to unilaterally impose French law in the colonies, French officials found themselves awkwardly administering a hybrid form of justice that combined elements of Algonquian and French custom into a new ritual.4

Two key features distinguish a middle ground: its creation by at least three political forces, and its characteristic nature of accommodation. As in the colonial Great Lakes region, where the Algonquians and Europeans created a middle ground between native peoples and two competing European empires, the middle ground emerging in modern Ecuador reflected not a meeting of equals, but rather a relationship between groups apparently unequal in power. To enhance their political and economic position, Amazonian native groups in Ecuador made crucial alliances with sympathetic outsiders, including environmental and indigenous rights organizations and international development agencies. These allies provided money, volunteers, and advice to support the native groups. Through advocacy, the international NGOs and aid groups combined with native Amazonians to create a political force that constrained the scope of action for both oil companies and the Ecuadorian government. This growing political pressure partly transformed oil industry activity by the 1990s. Companies and governments had to pay new attention to the social and environmental impacts of future extraction and to the long-term development interests of local communities. The Huaorani garb worn by senior U.S. officials testified to these changing developmental politics, with local interests increasingly shaping policies and practices in the region. The Huaorani still did not fully control their destiny, but the politics of the middle ground gave them new influence over their fate.
At the same time, the process of political mobilization and the encounter and accommodation with outsiders also transformed the natives themselves as they moved onto the middle ground. They learned new languages, traveled to Quito and the United States, met with industry and government officials or foreign activists, created new indigenous federations and political practices, engaged with international law and science, and modified long-standing social and economic activities. The accommodation of the emerging middle ground thus connoted mutual transformation, distinguishing it from the raw, one-sided exploitation of the early petroleum boom in Ecuador.

The native peoples of the northern and central Ecuadorian Amazon did not reject all oil extraction in the region, but rather repudiated the specific model of development imposed by multinational companies and the Ecuadorian government. Native people sought many benefits related to oil extraction, including employment, access to markets, and long-term investment in health centers, schools, and community development. At the same time, they struggled to establish conditions for new projects, including monitoring of environmental pollution, establishment of clear land rights, and sharing of profits from oil development. In particular, native Amazonians demanded state protection against illegal and often violent intrusions by agricultural colonists from the Ecuadorian highlands and by wood, mining, and agro-industrial companies, all of whom followed the oil companies into the Amazon. Historically, these conditions for development were rarely fulfilled, forcing Amazonian natives to turn to dramatic political resistance as their only recourse.

In sum, economic development and native interests were not necessarily mutually exclusive. By analyzing oil extraction and other forms of economic activity in the Ecuadorian Amazon as the region’s residents experienced it—as a complex set of costs and benefits whose cultural and economic impact was politically negotiated—a more nuanced picture emerges. Not simply victims of the oil boom, Amazonian native groups sought to make the most of a complicated and difficult situation. Native political opposition concentrated on changing exploitative conditions and asserting a local vision of economic development. By the early 1990s, after nearly thirty years of development, a modern middle ground haltingly began to emerge in the Ecuadorian Amazon. Whether the politics of the middle ground will fundamentally rework future Amazonian development, or simply remain a tantalizing illusion, remains to be seen.

The Ecuadorian Oil Boom

Before Texaco and Gulf struck oil in Napo Province, the northern and central Ecuadorian Amazon remained an economically slow-moving region only weakly tied to the rest of the nation. Although linked with the Andean highlands since before the Spanish conquest, the region remained isolated by distance and a lack of transportation infrastructure; a hazardous dirt road along the Pastaza River, constructed by Royal Dutch Shell in the 1930s and 1940s, provided the only motor
vehicle access from the highlands. Aside from the Puyo-Tena road completed in 1963, land access to Napo in 1967 had changed little since pre-Columbian times. From the capital of Quito, a new road extended to a few kilometers beyond Papallacta, from which point only a muddy horse trail wound its way past Baeza to Archidona and Tena. Over thirty other roads began in highland settlements with the aim of reaching into the Ecuadorian Amazon, but all petered out in the rough terrain of the eastern Andes. The rewards of reaching the lowlands just could not entice greater capital investment in infrastructure. From the Andean foothills, agricultural products such as naranjillas (a fruit used to make drinks), aguardiente, and unrefined sugar were carried by mule; beef cattle were walked up the paths to highland markets or flown out from Tena. Further east, where oil towns like Lago Agrio and Shushufindi would soon emerge within the dense rain forest, the weak links with the Andean foothills meant that the small native communities and haciendas historically traded with more accessible Peruvian markets downstream (see map).5

Most native communities in the northeast—primarily the estimated sixty thousand Quijos and Canelos Quichua spread from Pastaza to the Columbian border, the twelve hundred Huaorani living south of the Napo River, and the seven hundred and fifty Siona-Secoya and six hundred Cofán located around the Aguarico River—actively engaged in trade for staples such as rice or for steel tools like machetes, fish hooks, and firearms during this period. At the same time, they subsisted not on trade goods, but on shifting agriculture and hunting and fishing. At one end of a continuum, some Quichua had been employed by Royal Dutch Shell during its exploratory work and now made seasonal migrations to the Pacific coast to find wage work on banana plantations and road building projects; at the other end, the Huaorani maintained almost total isolation from markets and wage work until the late 1960s. For almost all of these native people, however, links to the market were secondary to their reliance on subsistence agriculture or hunting and gathering.6

Nevertheless, interchange with outsiders helped shape their history. Taking the primary element of their economy for granted, many native peoples altered their settlement patterns and economic behavior in response to secondary factors. After the Ecuadorian military cut off trade with Peru following a 1941 war, many of the more isolated eastern indigenous groups turned increasingly to missionaries for key manufactured goods. Catholic and evangelical Protestant missionaries drew native groups into nucleated settlements with promises of schools, health care, and access to trade. When the oil boom ignited in 1967, the complicated world of the Ecuadorian Amazon was thus already in motion, though impediments to transportation, small populations, and the absence of valuable trade products left the region with little political or economic power in Ecuador. Military personnel, missionaries, traders, and hacendados dominated the region and its people, while native subsistence production provided a substantial refuge from dependence on outsiders and foreign goods.7

Texaco and Gulf’s joint discovery of a large oil field in the northeastern Amazon rain forest in 1967 quickly transformed this relatively sleepy region into a whirl-
wind of development activities. Petroleum from the Amazon became Ecuador's single most valuable commodity, providing almost half of the nation's export earnings for much of the 1970s. The Texaco-Gulf consortium, with the help of the Ecuadorian government, built a 315-mile oil pipeline over the Andes from the Lago Agrio oil field to the Pacific coast. National crude oil production soon jumped from five thousand to over two hundred thousand barrels a day. The military government established in 1972 quickly increased national control over the industry and made Ecuador a small but active member of OPEC. With oil reserves already identified and a substantial foreign investment made, the government possessed the leverage to force foreign companies to renegotiate concessions. Ecuador's oil boom thus coincided with the international shift of power from oil companies accustomed to paying low royalties for rich concessions to national governments determined to reap more profitable harvests from extractive booms. Many companies withdrew soon afterward, due to disappointing finds, dissatisfaction with the new contracts, or cancellation of agreements by the state. The newly formed state oil company purchased 25 percent of the Texaco-Gulf consortium in 1973, and then purchased Gulf's share in 1977, giving the state 62.5 percent ownership. As the principal operating company, however, Texaco remained responsible for the execution of most Ecuadorian oil development until the mid-1980s. While profit-sharing shifted and the nationality of the company employees changed somewhat, the state generally allowed Texaco free range in its operations. In addition to its participation in the Texaco consortium, the state oil company founded an independent agency, PetroOriente (later PetroAmazonas), to develop new wells in the late 1970s and early 1980s. City Investing Company also developed a number of wells in the late 1970s. Then, in the mid-1980s, a second round of contracts brought new companies into the country to explore south of the original northeastern petroleum zone.

Several waves of oil development have occurred throughout the northern and central Ecuadorian Amazon, with different geographic areas and cultures being affected at different times. Exploration in the Amazon began in the Puyo region in the 1920s and ended there with Shell's withdrawal in 1948 after it failed to find sufficient reserves of commercially exploitable petroleum. Texaco dominated the first period of sustained extraction, from the late 1960s to the early 1980s, but PetroOriente and City Investing also engaged in production; this took place in the northern part of Napo province (now the new province of Sucumbios), an area known as the northeastern petroleum zone. The Siona-Secoya and Cofánes bore the brunt of the development in the 1970s, although the Quichua and Huaorani also felt the impact of larger processes of change. In the late 1980s, development shifted to the south, with a more direct impact on the Huaorani and the Quichua who lived in Napo and Pastaza. Since the late-1960s, however, renewed national interest and activity in the northern and central Ecuadorian Amazon, largely stimulated by the oil boom, has led to region-wide economic, political, and environmental change.

The oil industry sparked the rapid transformation of the old Napo province after 1967. Oil companies directly affected native communities through oil pollu-
tion and land seizures. During the 1970s and most of the 1980s, industrial pollution remained largely unregulated and consequently unmitigated. The national government established a small environmental agency only in 1984, while the state petroleum company did not create an environmental unit until 1986. Pits of drilling muds overflowed as a result of the rains, spilling contaminants into the Amazon's waterways. Texaco and other companies did not dismantle many old wells and did not rehabilitate areas surrounding production sites. Extraction produced a large quantity of highly toxic water along with the oil, and the companies either discharged it directly into wetland areas and waterways, or stored it in poorly maintained pools that frequently overflowed. A 1992 study of the Cuyabeno Wildlife Reserve, home to an extraordinary variety of fauna and flora as well as oil wells, found 70 percent of the industry waste pools in poor condition. Over half the wells showed oil spills into the surrounding area.9

Industrial pollution also went unchecked in an economic sense. In an ideal situation where industry paid all the costs of doing business, the oil companies would have compensated residents of the petroleum region for pollution damages to their health, their water sources, and their crops and animals. The desire to avoid such costs might have led then to cleaner practices. But because the state did not recognize indigenous land ownership in the Amazon, and because of the inaccessibility of the courts to these indigenous groups, the petroleum companies paid virtually no fines or compensation for decades. When the national environmental agency finally did fine Texaco and the state oil company in 1991 (a mere $2,000, the maximum allowed by law), the fine was overturned, and the environmental subsecretary, Carlos Luzuriaga, was forced to resign. Just as they could not gain compensation for pollution damages, local residents could not intervene in the planning for exploration and development, despite the location of the oil reserves under their traditional lands. This exclusion resulted partly from a law that claimed subsurface mineral resources as national property. Often the first warning of new activity would come with the arrival of surveying crews or the establishment of a company camp. The Ecuadorian government captured a high percentage of profits through production royalties and income taxes, but the affected native communities received practically nothing.10

The direct impacts of oil extraction are not fully measurable historically, although the anecdotal evidence of pollution is quite extensive. The indirect consequences of new infrastructure have proved more profound and more easily ascertained. For reasons of "land reform," national security, and economic development, the Ecuadorian government encouraged the agricultural colonization and deforestation of the Amazon, declaring it a "national task." Oil roads enabled hundreds of thousands of highland and coastal Ecuadorians to flood into the newly accessible Napo province. Alternately, policies, such as the acknowledgment of indigenous land reserves or the promotion of sustainable agro-forestry, clashed with the territorial and economic objectives of the Ecuadorian government.11

In the 1960s and 1970s, Ecuadorian policymakers had little intention of entrusting the valuable petroleum region to the Siona-Secoya, Cofanes, or Huaorani, native peoples whose national allegiance they did not trust. Only a few decades
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before, in 1941, Ecuador had lost almost half of its claimed Amazonian territory to Peru. The military feared further losses in this resource-rich region that still remained outside effective national control. The native residents did not participate actively in national political life and remained largely unknown to highland Ecuadorians. Most of these indigenous people did not speak Spanish, and many lacked national identification. Some, like the Siona-Secoya, crossed freely over the border between Peru and Ecuador, with relatives living on both sides. Others practiced shifting cultivation and thus rotated their village sites throughout their territory. The government did not know their number and did not recognize the extensive territorial claims made by these villagers.

In the years immediately following Texaco's oil strike, the government encouraged colonization by soldiers and former construction workers. For a short while, the military was so determined to increase the Ecuadorian presence around the Texaco-Gulf development that they flew in vagrants and delinquents from the cities and left them there to colonize with little equipment or advice. Before long, of course, colonists followed the new roads of their own accord. Many first worked for the oil companies and then found sites along the roads; others established homesteads directly, growing coffee or raising cattle to sell in regional markets. Metaphorically, colonists hitched a ride on the backs of the oil companies. They also quite literally relied on company vehicles for transport to and from their isolated farms. As a result of this migration, Napo province experienced extraordinarily high population growth, approximately 14 to 15 percent annually between 1974 and 1982.

The government's economic vision and its security concerns undermined native economies by ignoring native claims to traditional lands. Agrarian reform laws declared that inefficiently utilized land could be expropriated. The national government increasingly came to view the eastern Amazon as an outlet for highland and coastal population pressures; in 1977, the agriculture and livestock minister announced optimistically that there were vast tracts of fertile, empty land in the Amazon, "sufficient to fit more than double the current population of Ecuador." To protect their claims under the agrarian reform laws, native landholders and colonists had to develop at least half of their land. Most turned to cattle ranching in order to use the land extensively, aided by generous credit provided by the national development bank. Rapid deforestation has been one result of this mix of oil industry infrastructure, colonization, land law, and credit. Tremendous conflict over land ownership has been another result, producing clashes, for instance, between native communities and colonists and between both those groups and economic interests like the African palm plantations, which produced a valuable palm oil.

Accordingly, as the oil boom opened up the northern and central Ecuadorian Amazon, the political, legal, and economic context worked to advance the interests of highland colonists, agro-industry, mining companies, and wood companies over those of indigenous residents who lacked secure title to their lands and the political and economic power to protect their claims.
Industrial pollution and the seizure and subsequent deforestation of land by industry and colonists created daunting and at times overwhelming economic and environmental hazards for Amazonian natives. These oppressive conditions represent the most important regional consequence of Ecuadorian oil development. The oil industry and the national government clearly repudiated their responsibilities toward local residents. Yet these native residents were not merely victims of the oil industry; they also used it to their advantage. In so doing, they complicated the typically polarized development debate. Most obviously, native adults sought employment with the oil companies. Among the more acculturated Quichua, for example, anthropologist Norman Whitten reported that “native response to the oil boom was immediate. From virtually every family of the Puyo Runa, young men signed on to work with the exploration companies. Unless recalled by their families, many spent 1 to 2 years in a forest zone. They did the major part of the initial camp clearing, built helicopter pads, and cleared the 10 feet wide jungle paths.”

By 1979, even among the Huaorani, the most isolated social group, 60 percent of the men studied by anthropologist James Yost had worked for an oil company at least once, clearing trails for the seismic surveys. For many Quichua, the oil boom provided a source of cash income that seemed more favorable than slave-like debt peonage on haciendas along the Napo River. Padre José Miguel of the Catholic mission in Coca recalled going to the haciendas with representatives of a seismic surveying company, a concerted strategy against the hacendados. They arrived at one hacienda just before the rice harvest and managed to lure most of the workers away for seismic work. For most of Huaorani men, as for the Quichua, the venture into short-term employment proved as much a cultural experience as an economic one. The radios and clothing many purchased quickly fell apart when brought to their rain forest homes. The primary source of sustenance remained the land cultivated by the family or food collected and caught in the rain forest, though wages did provide for shotguns, machetes, sugar, and other staples.

The intense oil exploitation of the 1970s reshaped regional politics as well as local economies. During the 1960s and early 1970s, native political organizing rapidly increased. The first generation of leaders of new native organizations came predominantly through the schools of the Catholic Church, where they were teachers, students, or employees. Some native organizations began with direct church sponsorship, while others, like the Organización de Pueblos Indígenas de Pastaza (OPIP), began over the staunch opposition of the Dominican Church, which saw the movement as radical and “communist.” Seeking to build support for oil extraction, the oil companies and the flush national government financed secular schools, health centers, and even the headquarters for some native federations, thus weakening the power of the patrones and the Catholic missions while enhancing native political independence. The new trade centers and infrastructure also provided Amazonian natives with easier access to markets and cheaper goods, unmediated by patrones, missionaries, or intermediary traders. By the 1980s, new technology,
such as solar panels for electrical power, enabled regional political organizing. For example, the Siona-Secoya could now communicate by radio with a regional federation based more than a day's journey away, in Puyo.  

Finally, complicating the situation further, native peoples in the Amazon also joined in the colonization process and began to transgress traditional land boundaries. Some groups under pressure from mestizo colonists, like the Quichua and the Shuar, also had growing populations of their own. With the assistance of government credit supported by petroleum revenues, some Quichua had turned to ranching in order to protect their land claims. Others joined the migration to the northeast, where they conflicted with other native groups; Quichua and Shuar colonists invaded Huaorani lands on the right bank of the Napo, for example, while Quichua immigrants from the Tena area settled on lands claimed by Quichua groups of the lower Napo River.

In short, as a growing native population sought political independence, economic opportunity, health, education, and intercultural experience, they revealed a striking willingness to participate in a changing Amazonian economy. At the same time, they also tried to change the terms of economic development to contain it within the framework of their personal lives and their communities. As they tried to navigate a path between the Scylla of economic stagnation and the Charybdis of industrial exploitation, they pushed the oil companies and the national government toward a new paradigm for economic development, one where both native communities and outside forces might transform each other. There, on the modern middle ground, native groups would modify many traditional practices as they partially and successfully entered the market economy. Oil companies and the state would rearrange development plans partly around local social needs, democratically determined, rather than pure profit and national security.

Beginning in the late 1970s, native groups in Ecuador pushed to incorporate local concerns into the planning and execution of multinational development projects. In part, they sought to readjust the distribution of costs and benefits. To prevent damage, they called for respect of their land claims, for compensation for industry pollution, and for guarantees of clean production. To increase their benefits, they demanded investment in long-term regional development, including education, land-use studies, health programs, and infrastructure. Costs and benefits, of course, are culturally defined, which partly explains why this political struggle took on the characteristics of a middle ground between different cultures. Increasingly during this period, indigenous groups sought local control over development projects in order to fit them into the long-term trajectory of their community life. Native leaders wanted bilingual education and health programs that mixed Western and traditional medicine. The call for environmental monitoring similarly reflected their distinct culture; rather than preserve the rain forest as some inviolate “wilderness,” they struggled to safeguard valued economic activities like farming, hunting, and fishing.

Political action taken by the Cofánes of Dureno partially illustrates this push to change the conditions of oil extraction. The Cofánes complained about the loss of wood, flight of animals, and contamination of water that resulted from Guanta
No. 8, a well near their settlement. The Cofanes blocked road construction in January 1988, demanding compensation for damages. They also demanded annual appropriations during the years of production within Cofán territory, with the money to be invested in training, ecological rehabilitation, and environmental research. The Cofanes also sought additional help for the community to defend its land against colonists. According to one report, Texaco’s response was brusque: “You are not a government that we have to ask permission from.” In contrast to that attitude, leaders such as the Secoya native Celestino Piaguaje offered a frank indigenous perspective on such situations: “These companies come on the lands without consultation. I believe this isn’t rational, rational people go first to the owner of the lands to ask permission before using them, that’s what the well-mannered do.”

Highlighting native attempts to teach proper manners to outsiders neither sanctifies local knowledge nor suggests that all native groups inherently formed communities with visions of a sustainable future. Sufficient examples exist of local political divisions over development. Individuals defied their communities by selling lands or cutting communal timber. Similarly, indigenous political organizations expressed conflicting notions of appropriate and advisable development. Some divisions were ideological, while other splits were purely political, as organizations and individuals maneuvered to receive national and international financial support and to carry out community-level projects. For example, from September 30 to October 4, 1988, fifty Huaorani from Toñampare occupied Zapino 1, an Esso Company oil well in Block 8, demanding infrastructure as compensation for petroleum exploitation. The Huaorani particularly wanted their airstrip to be expanded in size so that larger planes could land and villagers could more easily take products to market. The protests revealed the split between the regional indigenous federation, CONFENIAE, dominated by the Quichua and Shuar, and this group of Huaorani. Spurred on by Dayuma, the woman leading the Huaorani settlement, the protesters forced CONFENIAE leaders to leave at spear point when the state oil company and government representatives arrived to discuss a possible airstrip. The Huaorani insisted that all aid go directly to the settlement, without being filtered through the regional group. CONFENIAE criticized the close links between Dayuma, the oil companies, and evangelical Protestants.

Despite such local divisions, contending indigenous political organizations sought in similar ways to shape outside forces to serve local needs. The evangelical Protestant group of Pastaza, the Asociación de Indígenas Evangélicos de Pastaza y la Región Amazonica (AIEPRA), broke away from the secular OPIP in 1980 to work largely with evangelical aid organizations. AIEPRA pushed its backers to sponsor small-scale economic development in the settlements in an effort to enable community members to produce commodities for the market, including cattle, coffee, and cacao. During the exploratory phase in Moretecocha, AIEPRA negotiated with the Atlantic-Richfield Company, urging the corporation to invest in projects that would endure at the local level, such as schools, a communal house, pumps for clean water, and a landing strip. AIEPRA president Pablo Grefa declared his intention to stand firm and to protect the valued rivers and forests against the hazards revealed previously in the northeastern petroleum zone. A primary con-
cern for the evangelicals, as well as for the more prominent OPIP, was the protection of land against the intrusions of colonists and industrial pollution. Such concerns were rooted in local economics, not in desires for ethnic or environmental purity.22

While their long-term visions for the Amazon remained distinct, colonists and indigenous groups demonstrated a common interest in a greater return of petroleum revenues to the region, the speedy conclusion of land titling, and the improvement of environmental practices by the oil companies. Colonists also endured contaminated waterways, challenged company behavior, and sought compensation for damages; like Amazonian natives, they suffered from the poor infrastructure typical of boom towns, which lacked safe water, sewage systems, reliable electricity, health care, and other services. Leaders of a broad-based, month-long strike by indigenous people and colonists throughout the petroleum region in 1984 demanded bridges, paved roads, electricity, regional health services, and a law allocating a portion of petroleum revenues to the Amazonian political districts. The government refused to earmark petroleum revenues to the area, but responded to the pressure to invest in regional infrastructure and community development projects.23

Native groups challenging oil extraction questioned the terms of industrial activity more than industry itself. Like their colonist counterparts, native residents sought to refocus development priorities around the concerns of the people living in resource-producing areas. But not all communities made the same calculation of economic and cultural costs and benefits. The Siona-Secoya who live in Ecuador’s Cuyabeno National Park opposed any extension of oil industry activity because of past experiences with colonization and pollution, and because they enjoy a fairly secure, and growing, alternative source of income—employment in ecotourism. Ecotourism provides cash employment while allowing continued engagement in traditional subsistence activities. The Cofán of Sábaló made a similar calculation. As they established huts in their village for the ecotourists of the 1990s, the Cofán saw nearby oil development as a dangerous threat to the settlement’s new business and to highly valued traditional subsistence activities. Of course, opportunities in ecotourism are not available to all communities, and the clash with the oil sector is something of an irony since the oil companies and the military facilitated ecotourism through the construction and maintenance of basic transportation infrastructure.24

**Oil and Sustainable Development: Charting a Middle Ground**

The Ecuadorian government and the oil industry might have extracted oil as part of a sustainable regional development plan. While oil itself is a nonrenewable resource, and thus not “sustainable,” properly invested oil revenues may have contributed to long-term social and economic development. Attention to environmental justice—to the interplay between industrial activity and local economies and environments—could have transformed the conditions of extraction and made the oil industry more compatible with the well-being of the region’s residents.25
Integrating new industrial activity into long-term regional development means, among other things, increasing local participation in project planning and execution, expanding the local investment of resource rents, and recognizing and accommodating local lifeways. Such modifications either make oil extraction more expensive or involve a transfer of money and political or cultural power to local entities. Such changes can be achieved only through a negotiated political approach to oil development, with many features similar to the search for accommodation that occurs in White's *Middle Ground*. The Algonquians achieved their goals in part because of competition between two richer European powers. In the recent international politics of development, the ongoing struggle between determined industries and national governments on the one hand, and Ecuadorian and international NGOs and development agencies on the other, helped to create a fresh terrain for independent, native political action. As in the imperial contest for the Great Lakes region of colonial North America, local struggles became potent issues in the politics of distant countries. The force of local political organizing and alliances between local groups and sympathetic outsiders created this modern middle ground. In turn, the politics and practices of the middle ground partially transformed the actions of government and industry, as well as the traditional ways of native communities.

Some tentative steps onto a modern middle ground have been taken in Ecuador since the late 1980s. The government has recognized native land claims in communal territorial portions far larger than the 50-hectare portions allocated to mestizo colonists. Similarly, town-meeting-style local councils in Amazon native communities operate in a consensus manner, unlike political entities elsewhere in Ecuador, yet are largely recognized as legitimate political institutions by the national government. These hybrid forms of land ownership and government exemplify the shifting terms of cultural and political power in Ecuador. Similarly, the Conoco Oil Company's environmental management plan revealed a tentative attempt to institutionalize a middle ground in corporate policy. In its consideration of the Huaorani, the plan recognized a Huaorani political organization, but also acknowledged that the president and vice-president of the organization did not command decision-making powers comparable to an elected American official. “Waorani [sic] society remains highly egalitarian” the plan noted. “Company-sanctioned communications must recognize that there are no leaders and that all Waorani hamlets must participate in decisions.” Business with the Huaorani could not simply proceed on a strictly Western basis, with quick, direct negotiations.

Conoco's “Guiding Principles” illustrated a new morality precariously establishing itself in the rain forest region, leading to the recognition of new cultural practices:

The Waorani have the rights due any human population and among those rights is the right to decide for themselves what they want from life and how to pursue it. The Waorani have the capability to make such decisions within their own cultural framework. Their way of living within their environment in the territory that
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has been their homeland for centuries deserves the utmost respect. They should not be forced to act according to the rules of outside interests.28

As the enunciation of "guiding principles" suggests, the modern middle ground between the companies and the native peoples involves an overt, legalistic struggle over the terms of engagement. This legalism differs from the ambiguity and cultural "misunderstanding" that White describes for colonial North America. Where colonial politics consisted of impromptu meetings that followed uncertain codes of conduct, the native accommodation with oil companies and governments usually takes the form of written legal contracts between native federations and oil companies or the Ecuadorian government. Yet in Ecuador, as in the colonial Great Lakes region, the cultural and political concessions resulting from this process of negotiation altered all parties involved, transforming the practices of industry, the state, and native peoples. With this mutual transformation, the modern middle ground played itself out not only in two U.S. officials dressing in Huaorani accoutrements, but also in the actual form of development.29

Ecuador's emerging middle ground developed over the course of several decades. First came careless development by Texaco, other oil companies, and the Ecuadorian state in the 1970s. This roughly coincided with the organizing of native communities into local and regional associations, as well as the emergence of a strong environmental and human rights movement internationally. Struggles over land claims, pollution, and cultural fragmentation characterized the 1980s. Native organizations grew stronger, and the first Ecuadorian environmental organizations emerged, sponsored by international aid from governments and NGOs. Ecotourism grew as an industry, increasing international familiarity with the Amazon and its people and creating a new economic interest in the rain forests. In the early 1990s, the changing political climate yielded the first substantive arrangements between native communities, environmental groups, and the state and oil companies. Though far from standard practice, the accommodation of the middle ground became real and demonstrated at least some potential for reconciling tensions between economic development and regional cultural, political, and environmental change.

In the late 1980s and early 1990s, the controversy over the Conoco Oil Company's plan to develop petroleum concession Block 16 in eastern Ecuador represented a critical turning point. The failed Conoco effort revealed how a middle ground is more than an economic compromise forced upon native peoples. The practical aspects of the Conoco plan attempted to address many concerns about the environmental and social impacts of new extraction. A large regional trust fund promised to invest unprecedented sums of money in social and economic development projects. Yet these substantive changes could not alter the general sense among many native political leaders that the Conoco project had been driven forward by external demands. Many felt that it would not address key local cultural, political, and economic considerations. The Conoco plan ultimately collapsed under native suspicion and dissatisfaction about the proposed arrangement and pressure from Ecuadorian and international environmental groups. The advances and limi-
tions inherent in the Conoco plan revealed how dramatically the political landscape of Ecuadorian oil development had changed since the 1960s. The plan's fate also hinted at the new trends of the 1990s.

Following an opening by the Ecuadorian government to foreign oil companies, Conoco led a consortium of investors in a risk service contract signed in 1986. Conoco agreed to invest $44 million in exploration expenses over four years in order to drill six exploratory wells. Following exploration, the company would have the option of developing the discovered reserves through a profit-sharing arrangement with the Ecuadorian government. By 1989, five of the six wells had struck oil, proving two hundred million barrels of heavy crude oil reserves. Conoco and the Ecuadorian government opened negotiations over the terms for development of concession Block 16.

In response to growing pressure to minimize the social and environmental consequences of rain forest oil development, Conoco sought to win the support of international and Ecuadorian environmental and indigenous rights groups for an innovative environmental management plan. In fact, Conoco and its parent company, Du Pont, with reputations to protect, had no choice but to work with the international groups because of their growing political power, particularly because Block 16 lay within Yasuni National Park and also extended into territory belonging to the Huaorani.

Conoco's environmental management plan contained seven main provisions intended to minimize deforestation, water contamination, and health effects: (1) centralized production facilities; (2) cluster well sites (eight to twelve wells each); (3) reinjection of all produced water into the same reservoir; (4) safety, health, and environmental protection programs; (5) management of soil erosion and replanting; (6) air emission control; and (7) waste minimization and disposal. Deforestation for the construction of road and pipeline right-of-ways and well sites would be minimized by making the right-of-ways narrower, using plastic rather than local trees to build the road bed, and reducing the number of roads and well sites through cluster drilling. Other major problems, such as the water contamination associated with the dumping of formation water in Amazonian waterways, would be avoided by reinjecting the water into the geologic formation.

In addition to new environmental practices, Conoco claimed that it would take innovative steps to minimize impacts on local native peoples. The company argued that a rigorous plan to control spontaneous colonization, enforced by Conoco and the Ecuadorian government, would break the link between petroleum extraction and native land loss. "It will be impossible [for settlers] to come in on our road," declared Edward J. Davies, the president of Conoco Ecuador. In addition to protecting against settler invasion, the company also planned measures to protect the Huaorani from the influence of company activity. Company policies to prevent disease transmission, alcohol use, and hunting and fishing by company employees would reduce the impact of extraction on local peoples.

Finally, Conoco showed a willingness to finance a regional foundation that would provide independent oversight of company compliance with the environmental management plan and would channel economic benefits back into native
communities of the region. The proposed foundation emerged from discussions between Conoco and two American NGOs, the Natural Resources Defense Council (NRDC) and Cultural Survival. Believing that the Block 16 oil development was inevitable given Ecuador’s precarious financial situation, the NRDC, led by senior attorneys Jacob Scherr and Robert Kennedy Jr., and Cultural Survival, led by project director Ted MacDonald, decided to explore the possibility of making the Conoco development a model of social and environmental responsibility. In the winter of 1991, Conoco and the two organizations discussed the idea of establishing a foundation financed by somewhere between $5 million and $25 million from Conoco. In addition to overseeing Conoco’s compliance with its environmental management plan, the foundation would use its resources to support the development projects of the region’s native communities, including the Huaorani, as well as the regional native federation, CONFENIAE.33

Conoco never created the foundation or executed its development plans. Negotiations between the NRDC, Cultural Survival, and Conoco collapsed following a withering attack by American and Ecuadorian environmental groups. Denouncing the two NGOs for having “sold out” to the enemy, groups such as the Rainforest Action Network, the Sierra Club, and the Ecuadorian legal organization CORDAVI insisted on absolute opposition to any development of Block 16. Simultaneously, the support that the NRDC and Cultural Survival had received from CONFENIAE and from the Huaorani evaporated amidst internal dissent and suspicion. Faced with continuing opposition from the environmental groups that it had hoped to assuage, Conoco’s enthusiasm for the Block 16 project dwindled. The company decided in the summer of 1992 that its production development funds would be better invested in new areas such as the former Soviet Union or the North Sea. Conoco withdrew, selling its operating interest in Block 16 to an American-based company, Maxus Energy Corporation.

Conoco’s departure in 1992 has been interpreted both as a tentative victory for opponents of Amazonian oil development and as a lost opportunity to create a model for the clean development of oil resources in tropical rain forests. Robert Kennedy Jr., who argued the latter perspective in a Washington Post editorial following Conoco’s withdrawal, criticized the campaign for “ideological purity” in Ecuador. He argued that oil is “potentially less damaging to rainforests than other economic activities such as mining, forestry, or cattle ranching.” He declared the need for environmental groups to adopt a more sophisticated approach that would “allow us to negotiate with those corporations willing to commit themselves to the highest environmental standards.”34

While Kennedy recognized some of the complexities of the Amazon situation, including the tensions between regional poverty, economic stagnation, and desires to protect the Amazonian environment, the failure of the Conoco plan surprised him. The negotiations with Conoco had dissolved in part because of absolute opposition to oil development in the Amazon, led principally by the environmental groups. But the deal also died because indigenous leaders deemed it insufficient. The plan negotiated by Conoco, the NRDC, and Cultural Survival offered money and mitigation, two goals of the region’s indigenous groups, but the deal
did not guarantee that the company would fulfill its promises. Nor did it yield any control so that native residents could shape the project according to their needs. The Conoco plan also did not satisfactorily address land ownership, an issue that only negotiations between the indigenous groups and the national government could resolve.  

Conoco's proposals for modifying the Block i6 development can be seen as a tentative movement toward a modern middle ground, but the failed negotiations revealed some of the limitations of dealmaking solely between companies and native groups. Without concessions by the Ecuadorian central government, key political and economic decisions about the pace and geographic spread of oil extraction could not be effectively addressed. Similarly, the companies and communities alone could not resolve the core question of land control that underlay some hazards of oil development, such as the problem of settlers, the inability to monitor and prevent pollution, and the filing of claims for compensation arising from damage. A middle ground also had to be reached between the native groups and the state.

Accommodation with the state occurred to some extent in Pastaza Province, where in 1992 the national government gave 2.1 million hectares of land over to the management of the province's principal native organizations. The largest land area fell to one of the more radical and best-organized of the provincial organizations, OPiP, a Quichua organization based in Puyo. The government's concession resulted from years of political struggle by indigenous people in Pastaza, culminating in a large 1992 march from Puyo to Quito, the national capital. Pastaza had been the first area in the Amazon affected by the search for petroleum in Ecuador, beginning in 1921 with the arrival of the Leonard Exploration Company. Royal Dutch Shell followed Leonard in 1928, and Shell built the first motor road into the Amazon, from Ambato to Mera, near Puyo. As with the Texaco-Gulf development in the 1960s and 1970s, up through Shell's withdrawal in 1948 the company's activities brought mestizo and foreign colonists and land speculators to the newly accessible area. Shell's exploration work combined with other historical trends to make the Puyo area, with the largest population and most developed infrastructure, the center for business, government, military, and Protestant missionary activity in the Ecuadorian Amazon. The influx of outsiders and the new road access resulted in new land conflicts.

During the 1970s and 1980s, while what is now the province of Sucumbios teemed with oil wells, roads, and colonists, the native leaders in Pastaza mostly watched the havoc from afar, though Pastaza communities also struggled with problems of territorial and civil rights and cultural change. In the late 1980s, as the oil companies turned once more to the south, OPiP and its community leaders became determined to shape and control any development that might occur in their region. One of OPiP's largest and leading settlements, Sarayacu, drew national attention to the problems of Amazonian oil development when it held hostage representatives of the state oil company, the land reform agency, and the office of the president for ten days. Leaders demanded the completion of discussions over land rights and petroleum development. The resulting Sarayacu Ac-
cords, signed by government officials and indigenous leaders in May 1989, called for a cessation of seismic work until the region’s native peoples obtained secure title to their lands. The agreement also demanded immediate compensation for the ecological damage caused by opening trails, cutting wood, and detonating explosives for seismic work.37

Government officials quickly repudiated the promises made in Sarayacu, but Quichua leaders in Pastaza continued to work on their own list of conditions and goals for regional development, and for petroleum extraction in particular. They called for environmental management plans that included the participation of indigenous technicians. They wanted to participate economically through “serious negotiation” as owners of natural resources to better ensure the autonomous development of indigenous communities. They called for the control and planning of monitoring, including established norms and sanctions, with the participation of indigenous groups in the levying of sanctions. Quichua leaders generally did not plan for the expansion of the petroleum frontier, but rather sought to improve the development of areas already leased. In other territories, they called for a moratorium on the leasing of new blocks for fifteen years. The delay would allow native groups to consolidate control over their territory and would declare certain areas off-limits to oil development. Finally, they demanded that the companies stay out of local politics to prevent the playing of one local group against another.

All of these conditions constituted OPIP’s attempt to interject local socioeconomic and political concerns into the development process. According to Quichua leader Leonardo Viteri, OPIP’s efforts drew on the examples of other native peoples, including the Navajos, Samis, and Canadian groups, who have had some success in their push for autonomy and in negotiating guarantees of environmental monitoring, participation in planning, and royalties. This strategic borrowing underscores the international nature of the recent politics of the Amazon.38

Conclusion

As the stories of Block 16 and Pastaza suggest, new alliances between native organizations and international native rights and environmental groups partially reshaped the struggle over oil development such that the mid-1970s exploitative strategies of Texaco became untenable fifteen years later. Other indications of substantive change include the alliance between indigenous peoples and the ecotourism industry that successfully pressured the government in 1993 to temporarily halt exploratory work in the fragile Cuyabeno Wildlife Reserve. The “Oil Industry Operating Guidelines for Tropical Rainforests,” published by an international oil industry working group in 1991, also illustrates how international political pressure helped force international petroleum companies to address questions of industrial pollution, colonization, and indigenous land rights. The guidelines include recommendations for the expanded use of helicopters instead of road access, cluster drilling and wastewater reinjection, spill contingency plans, complete plans for the abandonment of wells, and colonist control policies. None of these
guidelines necessarily indicate that an adequate development strategy will govern future oil extraction in Ecuador, but they do reveal how native activism and pressure from international environmental and human rights organizations created alternative politics of development in the Ecuadorean Amazon.39

The outlines of the modern middle ground emerging in Ecuador can also be found in recent negotiations over oil and gas development in the United States and Canada. Mariane Ambler's *Breaking the Iron Bonds: Indian Control of Energy Development* reveals how Native American "energy tribes" in the United States struggled to link the development of reservation energy resources to the social and economic development of the reservation as a whole. Tribes such as the Northern Cheyenne, Navajo, Blackfeet, and Jacarilla Apache followed a trajectory similar to that occurring in Ecuador, on a slightly earlier timetable. As native groups and their leaders asserted themselves over the course of the 1960s and 1970s, they sought to impose their own order on energy projects. As with OPIP, the energy tribes often pushed for moratoriums to allow themselves time to prepare for the onset of development. The North American tribes also demanded strict environmental monitoring and planning and the local distribution of jobs and investment capital. A similar process took place in Canada's Northwest Territories from the 1960s to the 1990s.40

Just as elements of the fragile middle ground in contemporary natural resource politics can be found in native North America, so too can the Amazonian story speak to the history of resource development outside of native communities. Recognizing the complicated nature of local opposition to industrial development in eastern Ecuador points to a reformulation of other historical conflicts over economic development. Rather than interpreting them as absolute battles between romanticized subsistence cultures and demonized market cultures, the focus can shift to people's struggle to better their political and economic situation. This approach suggests a fundamental question: under what conditions do localities enter the market economy and with what success do they wrest benefits from it? Such an inquiry would more accurately reflect the complicated balance sought by many individuals and localities between the continuities of tradition and the opportunities of historical change.

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Notes


1. The two officials were Katherine McGinty, the White House director for environmental policy, and James Mack, the American chargé d'affaires in Ecuador. James Brooke, “Oil and Tourism Don’t Mix, Inciting Amazon Battle,” New York Times, 26 September 1993. In Ecuador, the Amazonian provinces are collectively referred to as the “El Oriente” or “the East.” To minimize confusion for the English-speaking reader, I have used “Ecuadorian Amazon” or “Amazonian Ecuador.”


when possible, driving other native groups to seek refuge. Following the decline of the rubber trade, oil exploration in the 1930s and 1940s brought road construction, employment, and colonists to areas around Puyo. Then, in 1941, Peru invaded Ecuador from the east, seizing half of Ecuador’s Amazon territory, including most navigable rivers. The war sparked increased activity by the Ecuadorian military, which shut down the exchange of rain forest and hacienda products with Peruvian traders. See Norman E. Whitten Jr., “Amazonia Today at the Base of the Andes: An Ethnic Interface in Ecological, Social, and Ideological Perspectives,” in Cultural Transformations and Ethnicity in Modern Ecuador, ed. Norman E. Whitten Jr. (Urbana: University of Illinois Press, 1981), 121–61.

6. Population estimates from the early 1990s should be taken as rough guides, since no one knows with certainty what the populations are today, much less in 1960. For population statistics, see Chapter 2 of Nelson Gomez et al., Tempestad en la Amazonia Ecuatoriana (Quito: CIESA, 1992); Whitten, “Amazonia Today”; and Lucy Ruiz, “Pueblos Indigenas y Etnicidad en la Amazonia,” in Indios: Una reflexión sobre el levantamiento indigena de 1990 (Quito: Instituto Latinoamericano de Investigaciones Sociales, 1991), 451. For far higher population estimates of the Quichua, see CONFENIAE, Estructura de la CONFENIAE (Quito: CONFENIAE, 1980). The Huaorani did not engage in trade until the late 1960s, and one subgroup of that people, the Tagaeri, does not engage in trade even today. Still, foreign products played an important role, and the Huaorani often stole manufactured goods from company camps. The Huaorani are atypical in their isolation, although their culture has undergone dramatic change since evangelical missionaries encouraged many of them to settle more permanently in a small part of their former territory. David Stoll, Fishers of Men or Founders of Empire?: The Wycliffe Bible Translators in Latin America (Cambridge, Mass: Cultural Survival, 1982); James A. Yost, “Twenty Years of Contact: The Mechanisms of Change in Wao (‘Auca’) Culture,” in Cultural Transformations and Ethnicity in Modern Ecuador, ed. Norman E. Whitten Jr. (Urbana: University of Illinois Press, 1981), 677–704; Joe Kane, Savages (New York: Knopf, 1995); Laura Rival, “Social Transformation and the Impact of Formal Schooling on the Huaorani of Amazonian Ecuador” (Ph.D. diss., London School of Economics, 1992).


15. Whitten, Sacha Runa, 252.


17. The Quichua of the Tena area initially concentrated their efforts on civil justice for indigenous people, land legalization, struggles with white colonists, and efforts to convince families to send their children to the mission school. See Fundación Friedrich-Naumann, La Cultura Tradicional Indígena en la Provincia del Napo (Quito: Abya-Yala, June 1991). The Quichua leaders in Pastaza went through the Catholic schools, though the actual organization was opposed by the Dominicans. The Shuar Federation received considerable help from missionaries. Tito Marino, interview by the author, Puyo, 3 December 1992; Juan Santí, interview by the author, Puyo, 3 December 1992. For school infrastructure, see El Comercio, 21 July 1985, in Kipu 14 (1985):29; Amanecer Indio, 30 December 1985, in Kipu 8 (1986): 27. In 1984, the Ministerio de Bienestar Social provided FOIN with funds for the second stage of construction of its headquarters in Tena. Kipu 5 (1984): 24. Native federations also increasingly received aid from foreign environmental, development, and indigenous rights organizations, further liberating them from the missions while placing them in relation to new ideological pressures.


19. See, for example, Cristóbal Tapuy, president of CONFENIAE, quoted in Hoy, 10 September 1985, in Kipu 17 (1985): 28. Nationally, the push for bilingual education among Ecuadorian indigenous groups exemplifies the attempt to increase control over the terms of integration into the national society.


25. I describe the pursuit of environmental justice as a political and socioeconomic issue since there is little difference between environmental and socioeconomic justice. The problems of environmental hazards in poor and politically weak communities are simply different versions of underfunded infrastructure, inferior housing, and the inequitable provision of government services. In this sense, the environment serves as the medium for social and economic injustice. In the particular case of communities living in the extractive region, I am combining the issue of the distribution of environmental hazards with questions of access to and control over resources and the course of development. Susanna Hecht and Alexander Cockburn make environmental justice a major theme in their book on the political ecology of the Amazon, *The Fate of the Forest: Developers, Destroyers and Defenders of the Amazon* (London: Verso, 1989).


29. White, *Middle Ground*, x. But see also Conklin and Graham, “Shifting Middle Ground.”


36. James Brooke, “Ecuador Gives Indians Title to Big Amazon Area,” *New York Times*, 6 September 1992, 10; Viteri, interview; Whitten, *Sacha Runa*, 207–67. The Leonard Exploration Company was affiliated with Standard Oil of New Jersey. Shell began to withdraw in 1948, although its agreement with the government was not scheduled to

37. “Sarayacu Accords,” 7 May 1989 and 9 May 1989 (copy in the possession of the author). The agreements were signed by Luis Luna Gaibor, executive director of IERAC; Alfonso Calderón, advisor to the president on indigenous affairs; Manuel Navarro, CEPE; Jorge Aldaz, CEPE; Medardo Santi, president of Comuna Alama Sarayacu; Antonio Vargas, president of OPIP; Luis Vargas, president of CONFENIAE; Cristóbal Tapuy, president of CONAIE. The community of Sarayacu itself did not actually have exploitable oil reserves within its territory.

38. Viteri interview; Ruiz, “Pueblos Indígenas y Étnicidad en la Amazonía.”
