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30<sup>st</sup> September 2017

**Chapter 6:** *Organizational Bust, 2000 to 2006: Opportunities for Ecoresisters and Ecoalternatives*

Around 2000 and 2001, funding for Ecuador's environment from abroad took a sharp decline because of three main reasons. First, with the 2000 financial crisis and dollarization, there was a loss of confidence in Ecuador's political-economic system. Then, after the terrorist attacks in the United States in 2001, US funding shrunk as US interests were diverted to the Middle East. And by the end of the 1990s, two large-scale bilateral projects were coming to an end.

The financial downturn for ecodependents coincided with the beginning of construction for the OCP pipeline (crude oil pipeline). Numerous local projects arose over the pipeline, including protests around the Mindo Cloudforest where locals were beginning to reap the benefits of their ecotourism enterprises. What eventually came out of the OCP process was an "Ecofund" which was \$16.9 million to be used for biodiversity conservation. The idea was that organizations submitted proposals to FAN for projects, and FAN evaluates projects and distributes funds. In this process, Northern NGOs introduced Southern NGOs to the process of adopting corporate-environmental agreements. The process by which national NGOs negotiated the Ecofund led to feelings of betrayal and mistrust among national NGOs, which hurt their willingness to collaborate as allies. The environmental movement also lacked a unified response in a similar event that again pitted the Ministry of the Environment against the Ministry of Energy. Locals were then left to defend these spaces.

In April of 2003, ironically even before the pipeline built, due to some faulted heavy machinery used to construct the new pipeline, a rupture occurred ("Ecuador: Technology...", 2004). As a result, 10,000 barrels of crude oil spilled into the Sucus-San Juan River, which later flows into a lagoon that is a water source for Quito, Ecuador's capital ("Ecuador: Technology...", 2004). Then again in February of 2009, at least 14,000 barrels were spilled after a rupture into the Santa Rosa river, which flows into Ecuador's Amazon region to the east ("Ecuador Pipeline...", 2009). The rupture was said to have been caused by a breach in the system ("Ecuador Pipeline...", 2009). Within days of the spill, 18 miles of the river were contaminated – along this stretch of contamination, 150 ranchers kept their livestock and over 100 tourists a week would raft and kayak ("Ecuador Pipeline...", 2009).

Continuing a theme from the boom era, the bust period and its consequent struggles deepened the question regarding the existence of an environmental movement. Mainstream environmentalists regularly blame Acción Ecológica for the downfall of the movement. Biodiversity was a dividing factor and one that Acción Ecológica took a stand against. Acción Ecológica could also be used to promote strong "radical" opinions, freeing other groups to appear "mainstream" and move forward with some work – this is known as the "radical flank" effect. The practices of ecodependent organizations did not qualify to most as movement-like. For ecoresisters, the process mattered and they worked at the local, grassroots level to develop "real movements."

There were several consequences of decentralizations for local environmentalism. What was happening environmentally at the local level was more successful than what was happening at the national level. The Mindo community was seeking to integrate environmentalism into their lifestyle and livelihoods. Small groups of environmentalists within municipalities worked with local governments to move environmental agendas forward. On the one hand, environmental organizations believed the local level had good human resources. They also believed that they could be more successful at the local level. On the other hand, working at the local level meant the policies would be more piecemeal. Environmentalists regularly criticized the National Environmental Ministry. They argued that the Ministry is severely underfunded. Another major complaint was that the Ministry is very difficult to work with and a third common complaint was that the Ministry is corrupt. A concern noted about decentralization was that it cedes more power to the private sector.

In 1992, the state granted rights to the Japanese company, Bishi Metals, a subsidiary of Mitsubishi, to explore for metals in the Intag valley. Bishi Metals discovered a large copper deposit. However, the site would require the relocation of four communities, create massive deforestation that would dry up the cloud forest, stress the habitat of dozens of threatened mammals and birds, contaminate rivers and streams with heavy metal. A group had formed in 1995 with the primary goal of keeping mining out of the community – DECOIN. DECOIN purchased lands over the copper fields and turned the properties over to the local communities for watershed protection. This directed benefited the communities because their water was cleaner and fewer people had water-related illnesses. Local residents were deeply committed to the process and volunteered their time because they were protecting their ecosystem and livelihoods.

In 1997, the locals burned down the Bishi Metals' camps and the company left Ecuador. The Bishi Metals' concession in Intag was sold to Ascendant Copper, a Canadian-based company. Ascendant used strong-arm tactics to get some locals to approve the project. In 2005, the community burned Ascendant Copper's camp to the ground. DECOIN was considered radical, a lot of groups do not publicly support it, but it was supported behind closed doors.

According to C-CONDEM's website, its goals were to defend and restore the mangroves as well as to use local, traditional knowledge to create community policies for managing the ecosystems. C-CONDEM leaders believe its more important source of support was the communities and people in the confederation – this mirrors DECOIN. Rather than receiving funding from international organizations, C-CONDEM coordinated strategies with their international partners. C-CONDEM has succeeded in establishing national laws to protect the mangroves and to have communities collectively manage mangroves.

In May 2005, to address the rapid changes taking place, CEDENMA assembled a group of environmental and social organizations in the first National Environmental Assembly (ANA). The participation of the wide swath of groups in the ANA broadened the “environmental movement,” beyond simply the environment, to include productive groups, indigenous groups, human rights groups, and community organizations. It also shone a light on groups that were actively resisting resource extraction. The ANA Declaration demands referendums on numerous issues, including: free trade agreements, requested direct representation, specifically demanded the departure of the US military forces, and rejected the privatization of nature resources. It also

resisted megaprojects that affects natural resources, requested the strengthening of the Ministry of the Environment, and put suspensions on new extractive concessions, bioprocessing, and genetically modified organisms.

In this time of relative scarcity, groups with overlapping themes worked to merge missions and generated a political plan. Four simultaneous process enabled this more radical expression of environmentalism and a broad critique of the political economy. First, underlying all of the action was the state's neoliberal shift, notably in this case, the move toward decentralization its services. Second, the reduction of international resources and third, this allowed other voices, the social-environmental voices, to be heard. Finally, the political crisis of the state, which was the impetus of ANA, created an opportunity for many groups to speak out.

Ecoentrepreneur groups differed from ecoresisters in a few key ways: they were not responding to a local crisis, they did not resist the dominate form of development, and they were not trying to create an alternative to the system. FONAG was founded by the City of Quito in 2000 to provide financing to protect the sources of water for the growing city. The fund was invested, and proceeds are used to manage the watershed through a variety of projects including reforestation, environmental education, monitoring, and other community-based conservation efforts. FONAG was a public-private partnership with local, national, and international partners focusing on an issue – clean water for city residents – that doesn't have a singular international donor. Ecoentrepreneur were noteworthy because they used creative mechanisms to fund their operations in a culture in which philanthropy was not common and they addressed problems without international sponsors, namely local urban environmental issues. In addition to having an agenda that was locally driven, which they were then able to make choices that benefited local citizens rather than transnational donors.

The neoliberal bust era can be summarized but a weak, unstable, indebted, and resource dependence state. As far as environmental and development policies were concerned, there were weak institutions and enforcement and continued extractive development and exploration of new resources to mine. Transnational funding resources for both public and private organizations dwindled. Also in this era, ecodependents lost influence, ecoresisters gained grounds, and social issues were integrated into the agenda. Schaiberg's synthesis for this era would be that in practice, state shift toward economic synthesis but in ideology, movement shift toward ecological synthesis.

## **Reflection**

When transnational funding declined, environmental organizations had to close up shop, downsize, or try new strategies. Their first "strategy" was to shut down. After the projects ended and the external funding ceased, the original ten organizations were the only environmental groups that remained, including Fundación Arco-Iris and Fundación Podocarpus. In 2007, USAID would receive only one-third of the funding for Ecuador that they had received in 2006. This boom-and-bust cycle was internationally, not nationally, driven.

The second strategy was to shift their agendas. Some environmental organizations shifted their emphasis to ensure funding from international organizations. Ecodependents morphed into what the ecoimperialists wanted. Resource dependency – since funding organizations controlled resources they have the potential to influence the grantees' actions and agendas. For example, when there is funding for strict conservation, groups work on strict conservation. International

organizations found that ‘communities’ were the fashion of the time, and all the financing went to the communities – after that, the women were the fashion. However, dependency on foreign organizations prevented Ecuadorian organizations from making independent choices.

Organizations whose priorities do not match international NGOs’ priorities complain that they have not been able to master “donor speak.” The shifting was prevalent among ecodependents and when sustainable development forced the question of how conservation worked with people, organizations shifted toward social scientific work. It is hard for smaller groups with different agendas to break into this structure.

The third strategy was called *proyectismo*, which means going “from project, to project, to project.” The plus side of this process is that concrete goals are accomplished. However, there were many negatives. Such as, the ecodependent groups configured their projects into what donors wanted to receive funding. National directors complain that too much of their time is spent in offices in Quito searching for funds and writing reports, rather than in the fields doing work or forming alliances with like-minded organizations focused on their environmental agenda. Another criticism was that they become more like contract consultants than movement organizations and that they are professional and pragmatic about it. There is a distinction between process and project, and everyone prefers processes to projects. The *proyectismo* funding process increased the competition that had existed within the movement. The scientific research and scientific reports that environmental organizations prepare for donors were often proprietary, which impedes information sharing. There was also competition for project money, and there was competition to be aligned with a transnational funder. There was a funding bias toward organizations in the capitol of Quito.

The fourth and final strategy for organizations was to attempt to generate regular income. For example, Fundación Natura incorporated a branch of the organization to become Fundación Natura, Inc., which contracted the city of Quito to managed municipal waste. The field-based groups often had private land and experimented with alternative economic development practices. Jatun Sacha charges a fee for volunteers to work at their reserves on a small-scale sustainable development by raising pigs, shrimp, and cacao. Fundación Maquipucuna uses its biodiverse private cloud forest reserve in the Chocó-Andean Corridor for ecotourism and sells its own originally grown, bird- and butterfly-friendly coffee. These projects have the potential to help the local communities. Maquipucuna’s primary role in this process is to be a facilitator and enabler of economic development in this poor and marginalized region by bringing it actively into the global development by: building human capital, establishing social capital, recognizing and utilizing natural capital and providing financial capital.

I personally think the best strategy to cope with the funding bust would be to attempt to generate regular income. The only downside I see to this method – and it is very minor – is that if I were a volunteer, I would hate to pay to volunteer because I am already volunteering my time and now my money. However, if I knew my time and my money was going back to directly benefit my community, it makes it a little better. The other methods just had too many negatives for me. Shutting down completely is obviously bad for the organizations and the environment that they are no longer protecting. Shifting their agendas to please the international donors also seems like a bad idea because Ecuadorians could not make their own independent choices.

*Proyectismo* seems like a good idea at first because so many goals seemed to be getting done,

however, there was too much paper pushing and not enough was actually getting done for the environment or community.

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