

## Conclusion: Beyond the Ecuadorian Case

“According to Marx, history repeats once as tragedy and once as farce, nonetheless there is another possibility: it can endlessly replay as slapstick comedy” (Latour 2017, 147).

### *Key Findings*

The diachronic comparative approach of the two Ecuadorian oil booms, 1) 1972-1980 and 2) 2003-2014, unveiled continuities and ruptures in the state’s developmental enterprise. On the one hand, the state’s appropriation of a larger portion of oil rent was central to rentier modernization during the last fifty years. On the other hand, the irruption of environmental thinking exposed the flaws of the state’s endeavor as it contributed to erode the hegemonic developmental discourse. The approach of the Ecuadorian oil booms through the prism nature-state-development allowed the discussion of the role of the state within an scenario framed by 1) external constraints (the position of Ecuador in the international division of nature) and 2) domestic circumstances (debatable outcomes of economic diversification and temporary improvements of social and economic indicators).

An English proverb says “as you sow, so shall you reap”. The Ecuadorian *desarrollista* state had the intention to “sow the oil” during both oil booms, and expected to reap economic diversification. In this line, the inspirations of this book were twofold. On the one hand, it was motivated by the different visions of economic diversification, which stemmed from the evolution of the meaning of development during the last half century. The vision of economic diversification during the first oil boom was different from that of the second oil boom; a main rupture was introduced by the irruption of environmental thinking. On the other hand, the persistent impact on the Ecuadorian economy of the volatility of international oil prices (the external constraint) speaks for the validity of discussing the scope and the outcomes of the state-driven economic diversification attempts (the domestic circumstance). Assessing *how* was oil sown and *what* was reaped throughout half century, led to the question of *where* are the outcomes of the state’s developmental efforts to be found, *who* reaped them.

## Key Findings: The State and Development

The endeavor of the Ecuadorian *desarrollista* state during both oil booms has been characterized through the “Poulantzas’ reformulation” of the developmental state theory. The landlord-arbiter state configuration was presented as central to this theoretical elaboration since oil rent was not outright at the state’s disposal at the beginning of the oil era. Thus, the Ecuadorian *desarrollista* state became a landlord only after its struggle with multinational oil corporations for the appropriation of a larger portion of oil rent. The seminal struggle, which took place during the first Ecuadorian oil boom, configured the state as a landlord henceforth, and might also have contributed to forge the state’s authoritarian character. In this line, Karl (1999, 34) argued that the initial bargaining with foreign oil companies left a legacy of “overly-centralized political power”. After controlling a larger portion of oil rent, the state became an arbiter of its allocation among society. This granted the state the main role as political actor in the economy during oil booms. As the bourgeoisie was split into factions that pursued diverse objectives, the state arose as what Poulantzas (1978, 121) called a “subject” of development, with its own power, and with relative autonomy from social classes. Such a state form exists outside social classes and might force divergent interests within the bourgeoisie to converge into “the politics of the bureaucracy or the politics of the political elites” (Poulantzas 1978, 121). During the first Ecuadorian oil boom, when environmental thinking was practically absent from the discussion on development, the discourse on the central role of natural resources to economic development was hegemonic. Then, the developmental endeavor of the state might be considered as widely supported “politics of the bureaucracy”. Contrarily, during the second Ecuadorian oil boom, when the state’s interpretation of the role of nature in development found opposition among society, the state’s developmental project might be regarded as the imposition of “the politics of the political elites”.

Nevertheless, the landlord-arbiter state configuration gave rise to a political regime in which the state 1) directed the national economy, with the public sector as its motor, and 2) allocated oil rent during bonanza periods. The *desarrollista* state grasped at different mechanisms of rent distribution; on the one hand, during the first oil boom, oil revenues were earmarked for specific state entities. On the other hand, during the second oil boom, control of oil revenues was centralized in the hands of the government, which channeled them through diverse ministries. The distribution schemes enforced during bonanza periods resulted in the state pouring

rent into society. Every social class benefited from the oil booms in what might be called a general “(up)lift effect” (Burchardt and Dietz 2014); though, the mechanisms of state’s sponsorship were different. Whereas upper classes profited from mechanisms as the reduction of the tax burden, subsidized credits, access to lucrative and sometimes inflated state contracts and business opportunities, and even from overvaluation of the currency, lower classes benefited from diverse kinds of state benefits as subsidies on basic goods, creation of low-skill government jobs and public spending in social policy programs. Nonetheless, middle classes were the winners of the Ecuadorian oil booms as they expanded and consolidated unprecedentedly thanks to the distribution of oil wealth. The *desarrollista* state endowed middle classes with market capacities (Wright 1996, 694) and improved their possibilities to access to tertiary education. Central to the strengthening of middle classes during oil boom periods was the expansion of the state apparatus; oil windfalls were used to bankroll the creation of employment opportunities in the public sector. In fact, the first Ecuadorian oil boom witnessed the rise *modern urban* middle classes at the cost of the *hacendado* class, the epitome of the crumbling oligarchical state. The rise of modern urban (rentier) middle classes and the fall of the oligarchical state remained as the landmark and legacy of the 1970s. The magnitude of the earthquake provoked by the first oil boom in the Ecuadorian social formation remained unparalleled until present day.

### Key Findings: Development and Nature

The successful modernizing effort led by the Ecuadorian *desarrollista* state, which mirrors in the social formation, contrasts with the failure in attaining structural change in the economy. During oil booms, the state devoted itself to economic planning in order to attain economic diversification. According to Larrain (1989, 87), traditional societies are supposed to follow 1) the industrial society paradigm, and 2) the ideal typical process of transition, which is constructed on the basis of the fact that certain societies have already industrialized. In this line, industrialization is regarded as the foundational myth of progress, which promises access to a new era of consumption standards comparable with those of developed countries. Technocratic planning agencies epitomized the Ecuadorian state’s developmental effort during oil booms as they were intended to guide the process of transition to industrialized societies. Though, Ferguson (1994, 255) already warned that “the development apparatus is a *machine* for reinforcing and

expanding the exercise of bureaucratic state power”. In Ferguson’s (2004) case study, Lesotho, the development apparatus took poverty as its point of entry, but had insignificant effects on its reduction. Significant effects of the development apparatus’ agency are to be found elsewhere (not in economic diversification), but in “ugly [governmental] buildings”, and “expensive road building and construction work” (Ferguson 1994, 251). Analogously, it may be argued that in Ecuador the development machine driven by the state incidentally took economic diversification as its point of entry. As a result, infrastructure projects were boosted and also “white elephants” (Robinson and Torvik 2005) testify the squander of petrodollars.

A common aspect observed in either boom periods is that strong planning agencies contributed less to economic diversification than to the strengthening of middle classes, by the creation of new employment opportunities in the public sector. Economic planning proved to be a political task instead of a neutral tool, as touted by development economics. Whereas during the first Ecuadorian oil boom, governments intended to channel state resources to promote a faction of the bourgeoisie to become a modern industrialist class, during the second oil boom, the government overlooked the options in the private sector and, instead, supported a faction within government itself with a certain vision on the way how to conduct the process of transition to an industrialized society. Central to explain the emergence of different visions on economic diversification during the second oil boom are 1) the inclusion of the environmental factor in development thinking, and 2) the pursue of integration into the current stage of capitalism. Notwithstanding, the creation of an “University of Research of Experimental Technology” named *Yachay Tech* and the intention to build a technology hub signaled the predominant vision on economic diversification and, hence, the faction that collected a larger portion of oil rent within government. The ill-conceived and imitative project remained of the imposition of “the politics of the political elites” since 1) it resulted from internal struggle within government for positioning a view on economic diversification as predominant, 2) existing public universities did not participate, and 3) the private sector was excluded from the design of the project. However, the enforcement of economic diversification policy during oil booms mirrored neither in a significant upsurge in manufactured exports nor in the incorporation of new technology into the Ecuadorian export portfolio. In a context where no significant change of the export structure is observed, a key finding is that the contribution of the manufacturing sector to economic growth has been following a declining trend since the beginning of the twenty-first century commodities boom and

cannot stand comparison with levels attained during the years that succeeded the beginning of the Ecuadorian oil era.

The predominance of raw material in the Ecuadorian export portfolio during the last half-century signalizes the blatant failure of economic diversification attempts. This is only the icing on the cake of dependency. During oil booms, the developmental agency of the Ecuadorian state endowed social classes with market capacities, which found correlation in increasing demand for imported manufactured goods; the *desarrollista* state indeed consolidated and strengthened the domestic market, but for imported products. At the end of the oil booms, external debt became an inexorable way to sustain levels of consumption and standards of living that remain of wealthy classes of the Global North. However, oil rent might have endowed the *desarrollista* state with relative autonomy from domestic social classes to impose its developmental project (as the politics of the bureaucracy), and even a vision on economic diversification (as the politics of the political elites). But oil rent definitely did not provide the state with autonomy from external funding sources or international financial institutions (IFI). At the end of the oil booms, as domestic funding sources appear as insufficiently diversified and external debt becomes tangible, debt service turns into an imperative to get access to more external debt, in a vicious circle.

The imperative of debt service, which detonated at the end of either oil booms, jeopardizes the landlord-arbiter state configuration. First, it erodes the “arbiter” capacity of the *desarrollista* state as a larger portion of oil rent has to be allocated to debt service rather than to developmental purposes. Then, it also threatens the “landlord” capacity of the state. Incidentally, when the first oil boom was passé, the pursuit of foreign investments in the oil sector resulted in a larger participation of multinational corporations and, hence, in a smaller portion of oil rent under control of the state. During the second oil boom, the “landlord” capacity of the state was early jeopardized as Correa’s government contracted debt with China to be repaid with crude oil. In this line, Benzi (2017, 12) argued that “the recent marriage with China is neither sustainable nor *progresista* as it reinforces the rentier logic of Latin American societies and contributes to environmental devastation”.

## Key Findings: Nature and the State

Central to the representations of nature forged in the twenty-first century were disputed environmental discourses, which in turn became capable of molding the state-society relationship. On the one hand, the state embraced the environmental discourse of sustainable development that fitted well with its modernizing rationality and justified the extractive imperative, i.e. the legitimation of neo-extractivism on the basis of economic and social development. On the other hand, social movements accepted the challenge of searching alternative meanings of development on the basis of a representation of nature that opposed to that of the state, i.e. to the official vision of strategic resources at the service of the national modernization project. Representations of nature apart from the role of natural resources in economic development were absent during the 1970s. Whereas the legacy of the first oil boom introduced a big bang in the Ecuadorian *social arena* (the rise of middle classes), the second oil boom granted environmental thinking a permanent position in the Ecuadorian *political arena*. Ecuadorian middle classes, which outlived the crisis of the end of the twentieth century, became the carriers of social environmental awareness into the twenty-first century.

Despite the antagonist nature of the environmental discourses (one held by the state, and the other defended by socio-environmental movements) they converged upon the socioecological dimension of *buen vivir*, or its epitome, the Yasuní-ITT initiative. The failure of the initiative opened the gates for a wider understanding of the rise and fall of the discourse of *buen vivir*. Coinciding with its inclusion into the state logic, *buen vivir* failed as an ecologist ideology since it lacked of a “decisive political strategy” aimed at materializing its action plan (Dobson 1997, 59). Indeed, after the vanishing of the Yasuní-ITT initiative, *buen vivir* was left no other possibility to materialize. The fiasco of *buen vivir* in Ecuador unveiled Latin American neo-extractivism as the state’s favored development strategy in the dawn of the twenty-first century, and added a further reason to argue that the struggle for positioning a meaning of nature as predominant takes place in the political arena. After the fall of *buen vivir*, the state upheld the environmental discourse of sustainable development; though O’Connor (1994, 16) warned beforehand that the official environmental discourse might serve to co-opt peoples and social movements in the “game of conservation”.

The assessment of fifty years of recent Ecuadorian economic history showed that nature shifted from a concept to be grasped in the economic arena (natural resources), to a disputed meaning to be defined in the politi-

cal arena. Land reform acted as a proxy during the first oil boom; its enforcement by the “revolutionary nationalist” dictatorship indeed impacted on the state-society relationship to such a conflictual degree that it became one of the triggers for the coup of 1975 and for the replacement of General Rodríguez Lara in 1976. During the second oil boom<sup>194</sup>, opposition to the state’s vision of nature (i.e. strategic resources at the service of the national modernization project) proved its capacity to activate social movements in the *Marcha por el agua, la vida y la dignidad de los pueblos* of 2012, and even to mobilize urban middle classes during the protests against government’s unilateral termination of the Yasuní-ITT initiative in 2013. Though, the mobilization capacity did not mirror in an electoral success of the opposition to the official environmental discourse.

The transit of nature from the economic to the political arena demands an interdisciplinary research program. Political economy approaches that focus on the appropriation of the surplus generated by natural resources or by *Madame la Terre* might be complemented by the discussion on the access to the benefits derived from the state’s allocation of oil rent among society, which stems from the rise of the *desarrollista* state with the landlord-arbiter configuration. Access to employment opportunities in the public sector, state contracts, subsidies, and other state benefits, suggest a race between rentiers rather than capitalists, on the one hand. On the other hand, access to sectoral budgets (e.g. the strategic resources sector vs. the environmental protection sector, or the classical industrialization faction vs the *Yachay*-clique) and to territorial budgets (e.g. state’s funds for projects in backward territories or in natural resources-rich territories affected by extractivism) reinforce the idea of the need of a political ecology approach.

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194 Pink tide governments announced land reform at the top of their political agendas. Different from previous experiences, which entailed a significant ideological component, central to the re-launching of land reform during the twenty-first century were food sovereignty and a social justice compromise. Whereas article 282 of the 2008 Ecuadorian Constitution pleads for “social and environmental function of land”, and advocates a “national fund of land to ensure equal access”, article 334-2 establishes the need of specific policy aimed at “eradicating inequality and discrimination against women in the access to factors of production” (Asamblea Constituyente 2008a). Nonetheless, the re-launching of land reform vanished in electoral campaign promises.

*Hypotheses from Ecuador and Theoretical Implications*

A number of hypothesis derived from the case study of Ecuador during its fifty-year oil era are valid for other natural resources-rich countries. Thereby, the pursuit of economic diversification became a contemporary task of the *desarrollista* state in the Global South. Consequences of the enforcement of developmental strategies aimed at coping with boom and bust cycles provoked by the volatility of commodity international prices are twofold. On the one hand, the enforcement of state strategies unveils the quest for a renovated integration into the capitalist world economy. On the other hand, the outcomes of state's economic diversification strategies are found in the domestic sociopolitical arena (rather than in the economic arena) as they benefited in different ways specific society sectors. However, in the long run, the irruption of social environmental awareness increasingly erodes the state's developmental discourse, in which natural resources are central to modernization, and deeply questions the neo-extractivist developmental strategy. Hence, social environmental awareness is central to the relationship between the state and society. Increasing social environmental awareness together with the irruption of environmental thinking into development theories present a real challenge for scholars during the twenty-first century: The approach of the relationship between nature and the state under such premises not only opens the gates for revisiting the state-society relationship, but also invites to rethink fundamental issues such as the ontology of nature. In a context where disputed environmental discourses proved to be central to the construction of representations of nature forged in the first decades of the twenty-first century, a revitalized approach to discourses becomes an imperative. An interdisciplinary research agenda on environmental discourses (as political discourses) ought to entail not only a comprehensive approach to their authors, but also to the actors of the development process (as political process) (van Dijk 1999, 14). The inclusion of authors as well as actors of antagonist environmental discourses underpins the need of a political ecology approach of the development process in natural resources-rich countries.

The innovative diachronic comparative approach used to explore two Ecuadorian oil booms shows processes of continuity and change in the developmental endeavor of the state, and also in the way how the concept of the rentier state itself has been treated until today. On the one hand, the findings of the country study confirmed the political allocation of natural resources revenues among society as a central characteristic of the rentier state (Karl 1997, 16). On the other hand, by highlighting a general "(up)lift



effect”, the findings of the country study question the link between the rentier state and a rather small or exclusive group of beneficiaries from rent allocation, such as “a minority of rentier capitalists” (Karl 1999, 37), or “governing elites” (Omeje 2008, 5) proposed in classical rentier theory. Thereby, the findings of the case study speak for the need of a critical rentier theory approach. Besides, the concept of relative autonomy from social classes proved to be central not only to a wider understanding of the state’s boosted agency (i.e. its capacity to intervene in the national development process) during either Ecuadorian oil booms, but also to explain the presence of regimes (such as the “revolutionary nationalist” or the “citizen’s revolution”) that gave birth to political elites, which not necessarily stem from traditional economic elites. In this line, the country study calls into question or at least advocates a more refined treatment of the connection between the rentier state model and authoritarian regimes (Ross 2001, 357). During the first Ecuadorian oil boom, General Rodríguez Lara’s “revolutionary nationalist” dictatorship (1972-1976) was the paradigmatic regime. Indeed, it was a military *de facto* regime that ascended to power after a coup d'état. Though, it was stranded between its adherence to reformism and its intention to be accepted as a democratic leadership with a “technocratic-*desarrollista*” imprint (Báez 1984, 96). The next military dictatorship, the triumvirate, drafted a new constitution and orchestrated the return of democracy. The “technocratic-military” (Báez 1984, 102) stance of General Rodríguez Lara’s “revolutionary nationalist” dictatorship shifted to the “techno-populist” (de la Torre 2013, 24) mien of the “citizen’s revolution” during the second oil boom. After winning consecutive elections, Correa’s government devolved into authoritarianism as power was shifted to the executive branch through the 2008 Constitution and other legal changes to the detriment of the judiciary and the legislature (Conaghan 2016). In this line, Peters (2015, 159) advocated for “democratic rentierism” as an option to study the connection between rentier states and authoritarian regimes in contemporary Latin America.

The approach of two Ecuadorian oil booms also shows that certain forms of authoritarianism are present at the imposition of a state’s developmental project on society. During the first oil boom, the “revolutionary nationalist” dictatorship excluded indigenous peoples from the formulation of its developmental project. During the second oil boom, the “citizen’s revolution” government excluded the private sector from the construction

of the economic diversification policy<sup>195</sup> and tilted the balance towards the proposal of a faction within government. Thereby, mobilization (in support of governmental measures) is officially promoted over participation. Hence, the case study shows that the notion of authoritarianism within critical rentier state theory might converge upon the “ambiguous relationship with democracy” that accompanies the Latin American populist state (de la Torre 2000, 140). Together, they round off the proposal highlighted in this book of state’s relative autonomy from social classes (Poulantzas 1978) to impose a national developmental project. Following this logic, natural resources booms might be approached as classic populist interludes in many regions of the Global South.

### *Pending Questions and Further Research*

A number of further research questions arise from the diachronic comparative approach used to explore half-century of Ecuadorian oil era, in which the state plays a central role in the national development process. Thereby, pending questions stress on the need of deepening the interdisciplinary approach proposed in the triad nature-state-development, and contained traditionally in Latin American (under)development thinking.

### Further Research: The State and Development

The appropriation of a larger portion of oil rent was central to boost state’s agency during either Ecuadorian oil booms. With oil revenues at its disposal, the state managed to steer the sociopolitical sphere as the public sector turned into the motor of the economy. Oil rent and external debt bankrolled the “(up)lift effect”, in which every social class benefited to different degrees. Though, external debt turned into the booms’ nemesis, as it increasingly jeopardizes socioeconomic improvements attained during bonanza periods. External debt came as a rude awakening to the loss of autonomy from international financial institutions (IFI) straight after the oil booms. The debt crisis of the 1980s *década perdida* heralded the Ecuadorian state’s withdrawal from key economic and sociopolitical arenas after the

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195 It might be discussed if the exclusion of the private sector from the construction of the economic diversification policy is an authoritarian act *per se*, or if it corresponds to an authoritarian behavior towards the political opposition.

first oil boom. Few years after the twenty-first century commodities boom, the Ecuadorian government announced the return of the International Monetary Fund (IMF) after failing to renegotiate debt deals with China. As the fiscal deficit grew, the shrinkage of the state apparatus became an imperative of external creditors. The loss of employment opportunities in the public sector also compromises the living standard of modern urban middle classes, which arose as winners of the “(up)lift effect” of either Ecuadorian oil booms. This recurring threat suggests the necessity of getting a closer look at what Ouaisa (2014, 14) called the “political origin” of middle classes in the Global South (rather than its economic origin), and at its potential role in social protests or regime changes that might follow bonanza periods, on the one hand. On the other hand, blooms of Ecuadorian middle classes, that temporarily matched them up to those of the Global North, contrast with the enduring realization of state classes.

As economic elites unceasingly benefit from the prevailing export-led outward-oriented development model, state classes epitomize political elites, which seek to reproduce their power by defining the terms of national development during bonanza periods and by outlining and imposing a state’s developmental discourse on society. In this line, this book advocates a further strand of research to delve into the mechanisms grasped by state classes in order to access to high ranking governmental positions and other state benefits in the long run (even after bonanza periods). Further research might include revisiting governments as “autonomous state elites” (Mann 2003, 55), and the “extent to which state-administrative activity is enjoying relative autonomy vis-à-vis the potentials of influence and conflict linked to elitist, particular interests” (Burchardt and Weinmann 2012, 19). Such investigation does not exclude the approach to the mechanisms of access to state benefits in natural resources-rich countries like kinship, crony capitalism, and rent-seeking behavior.

The analysis of the country study shows that the state’s modernizing logic translated into the pursuit of a bourgeoisie national construction in the long-term. With boosted capacity to intervene in the national development process during oil booms, the Ecuadorian *desarrollista* state endowed middle classes with enhanced consumption possibilities, which decisively contributed to improve their market capacities, thus to integrate them into the globalized economy. Consequences of the state-led integration of middle classes into the globalized economy are twofold. On the one hand, with improved market capacities, domestic middle classes tend to mimic consumption standards of those in the Global North. On the other hand, the illusion of higher living standards did not result in the maturing of class

consciousness but rather in middle classes' dependence on governmental decisions. Otherwise, a closer look at the role of lower classes might also corroborate the state's departure of any popular project, and might confirm its pursuit of a bourgeois national construction. Oil rent allowed the Ecuadorian state to attend to historically overlooked demands of popular sectors. Though, this does not mirror in enhanced *participation* of lower classes but instead in their *mobilization* in favor of governmental measures. The main role of rentier middle classes in the bourgeois national construction, as well as the subsidiary role of lower classes, also advocate further exploration into the connections between the authoritarian vein of the rentier state and the "ambiguous relationship with democracy" (de la Torre 2000, 140) that traditionally accompanied the Latin American populist state. In this vein, Svampa (2016, 63) anticipated the emergence of "non-anti-elite middle-class populisms that are not interested in promoting participation".

#### Further Research: Development and Nature

In his 1977 classic *El desarrollo del capitalismo en América Latina*, Cueva (2013, 150) already denounced the apparent dichotomy between the primary sector of the economy and other sectors. The author pointed out that the take-off of advanced economic sectors in Latin America does not suppose the abolition of the primary sector, since economic diversification hinges on the appropriation of surplus generated precisely by it (Cueva 2013, 150). Following this logic, it might be argued that in natural resources-rich countries, the promotion of the industrial sector (or any other more advanced sector of the economy) turns into a race for access to a larger portion of natural resources rent. The case study of Ecuador shows that even the definition of the national economic diversification policy within the government might turn into a competition for a larger portion of state's swollen budget during oil booms. Regardless of the preferred mechanisms of state's rent allocation, either the earmarks for specific state entities of the first boom or the distribution of a general budget among ministries of the second boom, oil windfalls are put at the disposal of selected state actors, which use them to bankroll public spending in specific ways. As the public sector becomes the motor of the national economy, the private sector might be regarded as a secondary cog in the big machine. However, in such scenario is nothing new that economic elites might profit from the economic sectors prioritized by the administration. Also political

elites might develop different mechanisms to take advantage of boom periods. Whereas economic elites grasp lucrative state contracts, subsidized credits and low taxation, political elites (sometimes detached from economic elites) come to enjoy the foretaste of becoming state classes with access to high ranking governmental positions and over-average remunerated academic positions in public universities, as well as higher possibilities of political participation and decision-making. Hence, state-led promotion of further sectors of the economy underlined the rentier nature of domestic elites (economic as well as political elites). In this line, this book advocates for broadening investigation on current possibilities of accessing rental income (and on the types of rental income) even after the initial allocation of natural resources rent made by the state. Standing (2016) argued that since the 1980s, chief mechanisms of wealth accumulation have been shifting from “hard work or productive activity” to rental income.

The dissection of fifty years of economic diversification attempts in natural resources-rich Ecuador exposed the metamorphosis of the role of the state in the economy. The role of the state wavered according to the scenario provided by the current “stage of capitalism” (Poulantzas 1978, 15) from steering the economy to stepping aside from key economic decisions in favor of 1) free market regulations, 2) directives of supranational organizations, and/or 3) impositions of international creditors. In this line, the approach to recent economic history also attests the development of a global governance scheme to underpin the idea of free trade; the resulting regulatory corpus, to which the Ecuadorian state is signatory, castrates any initiative of protection of nascent domestic industry and, further, turns unviable the mere idea of delinking from the capitalist world market. The latter speaks for the necessity of revisiting *dependentismo*, the Latin American school of dependency theory. Where exports of natural resources account for the main source of state’s non-tax revenue (as in Ecuador), one of the *façades* of dependency materializes when fluctuations of international commodity prices impact on the structure of public finances. The validity of Latin American (under)development thinking surpasses the current strand of neo-structuralism and its proposal of a more “strategic” integration into the globalized economy; it is rather founded on a theoretical corpus that might help to understand contemporary problems related to local economic diversification under conditions imposed by the evolutionary trajectory of global capitalism.

As the slope toward further dependence on natural resources rent becomes more slippery, orthodox development economists tend to think of the resource curse (often confounded with the Dutch disease) as a *deus ex*

*machina* that explains any failure in economic diversification attempts. By doing so, they disregard two main aspects of a comprehensive analysis, 1) a complete branch of research that originated in what Bernstein (1971, 143) called the “non-economic barriers of economic growth”, and 2) that economic theories inspired in the reality of the Global North may lack of the universal character needed to approach manifold cases of natural resource-rich countries of the Global South. The scope of a long-term analysis, such as the undertaken in this book, 1) might surpass the study of the economic effects of *transient* natural resources boom periods, that are highlighted in the Dutch disease, and 2) might include an approach to the *enduring* sociopolitical consequences of living in a natural resources-rich country that are underscored in the paradox of plenty. Then, the integration of the economic and the sociopolitical strands of the resource curse might lead to its demystification. The analysis of fifty years of recent Ecuadorian economic history indeed presented optimistic outcomes, such as the rise of the middle classes. In this line, this book might be regarded as an important contribution to the current academic debate if natural resources abundance is a blessing or a curse.

#### Further Research: Nature and the State

The country study attests to the incorporation of the concept of nature into Latin American development thinking. During the 1970s, and particularly during the first Ecuadorian oil boom, nature was regarded as mere *natural resources* to serve the national modernization project. By the hand of multilateral organizations, the concept of *environment* permeated the discussion on development during the last decades of the twentieth century, and deeply influenced the official agenda of Latin American states. By the dawn of the twenty-first century the environmental movement was deeply entrenched in Ecuadorian society and politics. On the one hand, the rising environmental movement helped to catalyze the already growing social environmental consciousness of the negative socioecological consequences of nearly fifty years of oil extraction in the Ecuadorian Amazonia. On the other hand, positions embraced by the environmental movement began to influence the state’s official environmental discourse. Thus, during the second Ecuadorian oil boom, the concepts of nature and development were joined at the hip. The approach to the rise and fall of the Yasuní-ITT initiative in Ecuador shows, on the one hand, that the defense of environmentalist theses entails a critique to the current natural resources-

based development model. On the other hand, the analysis of the Yasuní-ITT initiative suggests that the defense of environmentalist theses might turn into a defense of democracy or established democratic institutions. Since the Ecuadorian 2008 Constitution grants nature rights, the defense of environmentalist theses might be regarded as a demand for compliance with the constitution. The latter is a challenge for the peripheral authoritarian state and its intention to impose on society a natural resources-based development project. In this line, the approach of the second Ecuadorian oil boom suggests that governments of any color might grasp the populist strategy of co-optation in order to gain adherents among social/environmental movements.

As nature increasingly became a core concept to the construction of the meanings of development during the twenty-first century, debates on post-development gained momentum. South American *buen vivir* and African *ubuntu* have often been cited as examples of alternatives to development. Though, the dissolution of the Yasuní-ITT initiative rounded up the impossibility of setting into force *buen vivir* in harmony with nature. This also holds true for *ubuntu*. Conceived as an appeal to “rekindle an original, pre-colonial, authentic African philosophy”, *ubuntu* succumbed to Western discourses and “reproduced precisely those dichotomies it aimed to fight” (Matthews 2018, 178). In this line, Matthews (2018, 178) made an appeal, which is easily transferable to any region of the Global South: “Instead of engaging in romanticizing projections about an Africa [or Latin America] beyond development, people’s views and needs should be taken as the starting point for the struggle against injustice and inequality”. Hence, the quest for alternative meanings of development (or alternatives to development) turned into a “search-out imperative” (Table No. 6) for contemporary socio-environmental movements. Nonetheless, as alternatives to development mushroomed in academic literature and even in official documents, Latin American neo-extractivism prevailed as the paradigm of successful development in natural resources-rich countries. The “extractive imperative” (Table No. 6) followed by so-called *progresista* governments was legitimated by economic and social development. Whilst, the current official discourse of Latin American national states converged in the stream of development alternatives (rather than alternatives to development) inaugurated by sustainable development. The evolution of developmental and environmental discourses as well confirms that neoliberalism has never been the *last* development theory, on the one hand; on the other hand, it draws attention to the intention of UN’s sustainable development to turn into a Barthesian narrative, i.e. “international-

al, trans-historic, trans-cultural” (Barthes 1977, 65). As a dominant paradigm with hegemonic pretensions, sustainable development currently provides the problems and the solutions to the scientific community (Kuhn 1971, 13). Only to cite a couple of examples of the powerful master narratives of sustainable development, the UN’s Sustainable Development Goals (SDG), formerly Millennium Development Goals (MDG), have been widely embraced by national policy agendas, and the UN’s Human Development Index (HDI) has become a widely accepted way of measuring development.

However, nature proved to be the magic word that transformed the state’s modernizing logic in the long-term and increasingly shapes the relationship between the state and society. Further issues that evoke the notion of nature, such as reaching peak oil (i.e. exhausting oil reserves) or meeting climate change international commitments, will continue to demand the re-formulation of state’s discourses and practices. Another powerful word that has been increasingly shaping state’s agency is gender. Analogously with nature, discourses on gender have been appropriated by either the state and social movements. Despite numerous gender vindications that stem from social demands have been incorporated into the state logic, discourses are not necessarily convergent, and the official discourse is currently under scrutiny of social movements. Hence, different gender discourses might as well shape the relationship between the state and society in the twenty-first century.

The approach to half-century of recent economic history confirms that the modernizing logic of the peripheral state demands what Svampa (2013, 34) called “sacrifice zones”. Despite consecutive attempts to channel oil rent to the Ecuadorian Amazonia (through earmarks or through a public enterprise in charge of infrastructure building), the spring of national oil remains as one of the most backward regions of the country. The country study shows that the Ecuadorian state “arrived” to the Ecuadorian Amazonia only after multinational oil corporations did; the townships of Shell Mera or Lago Agrio (Sour Lake) might tell the story. The President of the Confederation of Indigenous Nationalities of Ecuador (CONAIE) argued that nearly fifty years of oil extraction brought misery to the rich Amazon region; “[...] they made us poor. The poor now live in cities, surrounded by delinquency, prostitution, alcoholism, corruption. They even lack of rivers to bathe” (Jaime Vargas, President of the Confederation of Indigenous Nationalities of Ecuador, interview with *La Jornada*, January, 2020). The acknowledgement of the statement demands further research on the “sacrificed peoples” (even surpassing “sacrifice zones”) that have been his-



torically relegated by the state and its apparent successful neo-extractivist strategy.

Particularly in natural resources-rich backward regions, the presence of the state as “the majestic agent of country’s transformation” (Coronil 1997, 239) might continue polarizing public opinion into two competing positions, namely, development versus preservation of nature. The promise of development offers access not only to state benefits and public infrastructure bankrolled by oil rent, but also to enhanced employment opportunities and thus market capacities. As the dichotomy heightens, the state might dip into corporative mechanisms, and also into outright repression, in order to impose its developmental endeavor. Besides unveiling the flaws of the state’s modernization logic, further study might be aimed at scrutinizing the successive incorporations of natural resources-rich countries into the world-system. The study of half-century of recent economic history exposes Ecuador’s reinsertions into the capitalist world-economy through its natural resources, and suggests that other conditions might be further imposed for a next reinsertion due to the cyclical nature of capitalism. By the closure of this book, mining seems to be the next bet of the Ecuadorian state for a new reinsertion into the globalized economy, as the foretaste of “development” gradually gains adherents to the state’s project. At global level, the pursuit of cleaner energy sources (or a *Energiewende*), or even the proximity of peak oil (the end of cheap oil), invite natural resources-rich countries of the Global South to revisit their possibilities of a new reinsertion into the capitalist world-economy and even to fear the consequences of a possible long-term demand drop in the Global North (Peters 2020). However, the next bet of the Ecuadorian state will revitalize dilemmas linked to what Peters (2017a, 47) called a “crisis-prone development model of boom and bust cycles provoked by low economic diversification combined with the high volatility of commodity prices on the world market”. Besides, the state might face an enormous challenge by trying to impose its developmental project on society more due to increased social environmental awareness of the negative socioecological consequences of neo-extractivism than to the validity of a legal framework that protects nature.

### *Epilogue*

A happy ending is by far not in the plans of this book, it would not fit. Though, at the closure, the consolidation and strengthening of middle classes and the enduring position of environmental thinking in the discus-

sions on the development process must be highlighted as the actual good news over the failed economic diversification attempts. With that, the quest if natural resources abundance is a blessing or a curse in the Global South is by far not solved. The issue is more topical than ever, particularly in the middle of the twenty-first century crisis, where the peripheral state prepares for hibernation, as it yearns for the next perfect storm.

