

A major transition for a great transformation

Reflections from the Yasuní-ITT Initiative

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When discussing the development of a political project from the Left there are two opposing positions or aspects: those which promote the idea of better managing and regulating capitalism – that is, striving for “good capitalism” – and those who hold anticapitalist positions. The author of this article argues that a Left that does not give up on the generation of alternatives to capitalism but at the same time is responsible for governing, should think about a “great transition” without losing sight of the horizon of a “great transformation”. This article analyzes the Yasuní-ITT Initiative and presents it as an example of how to merge concrete and innovative proposals (transition) and utopias which go beyond capitalist development (transformation).

Key words: Left, Capitalism, Good Living/Sumak Kawsay, Yasuní-ITT

The world does not need alternatives *for* development, but alternatives *to* development. The world does not need to “better” use capitalism, but to transform it. That is the great historical challenge that the Left should take on, both intellectually and politically. The concept of “development” has been recycled and reborn again and again for all its critics and detractors. However, in a strict sense it has never been questioned as a concept, nor how to best achieve it. Whereas “human” development, “sustainable” development, development “with a gender perspective”, etc. are important advances to create world that is more humane, environmentally friendly, and equitable, they do not seek to change what is at the root of the accumulation and (re)distribution models inherent to capitalism.²

Taking this into account, it is interesting to analyze the political project that is being carried out in Ecuador since 2007. It has proposed, to the national and global citizenry, a paradigm shift that not only seeks to leave behind the concept of “development” – and with it of capitalism – but also to construct a society which holds as its axis the factors that ensure the living conditions of human beings and nature. This proposal has been publicly known as the “society of good living” or “sumak kawsay”. It is a new model, which stemmed, in the case of Ecuador, from a constitutional dynamic which resulted in the establishment of a novel collective pact of coexistence. That is, it led to the development and popular approval of a new Constitution in 2008.

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Note: The author acknowledges Analia Minteguiaga’s careful and critical reading.

² Part of the root of the problem, which will not be discussed in this article, is the relationship set up between capitalism and representative democracy.

The new paradigm, in addition to establishing a set of principles and patterns for social interaction, deliberately sought to rethink accumulation, (re)distribution, and regulation alternatives, as well as new democratic forms for society. However, in Ecuador there is a complete awareness of the limits or, rather, of the “time” involved in such a dynamic change. It would be pretentious and naïve to propose that one can exit overnight, theoretically, conceptually, and empirically, out of the development paradigm associated with the capitalist scheme. Consequently, it is argued that a serious proposal from the Left-wing thinkers should carefully weigh the “great transition”. However, this does not mean abandoning reflections on social transformation, as this would entail being resigned to living – in the best case scenario – in a society that is “less” unfair, but unfair nonetheless.

The new Constitution proposed by Ecuador to the world signals a break with previous paradigms, as it seeks to build a social compact in favor of what has been called “*sumak kawsay* socialism” or “republican biosocialism”³.

This publication does not seek to discuss Ecuador’s political proposal towards building said socialism exhaustively or in depth. This analysis has been developed at length in other writings⁴ and is also embodied in the *National Plan for Good Living, 2009-2013*⁵. In this occasion, it is more pertinent to posit a philosophical-political analysis of one of the flagship initiatives that Ecuador has presented to the world and that is a symbolic example of the dispute of the logic of “capitalist development”: the Yasuní-ITT⁶ Initiative. This project consists of keeping the oil underground (not drilling for it) in one of the most mega-diverse areas of the world, located in the Ecuadorian Amazon. In that sense it is a concrete example of the ways a society of good living can be built. The framework for this analysis is a discussion taking place globally among a certain branch of Leftist thought that believes that what is most progressive and achievable nowadays is to devise and construct improvements in the administration of capitalism – in other words, to promote its “good”⁷ side – and another stance, which presents anti-capitalism from a purely theoretical perspective, regardless of the political viability of their proposals.

Before delving into the debate on the Yasuní-ITT Initiative, in the first part of this article I would like to place the proposal to keep the oil underground in context, so as not to fall into either an ahistorical stance - that in the name of realism closes off the possibility of social transformation and resigns itself to the needlessness of reaching the grapes “because they are green and bitter”- or into postmaterial anti-capitalist alternatives that are unviable

³ R. Ramírez Gallegos: «*Sumak kawsay* socialism or republican biosocialism» in the National Secretariat for Planning and Development (SENPLADES): *Socialism and *sumak kawsay*. Latin America’s New Challenges*, SENPLADES, Quito, 2010, available at www.senplades.gob.ec/web/senplades-portal/publicaciones.

⁴ Idem.

⁵ Senplades: *National Plan for Good Living 2009-2013. Building a Plurinational and Intercultural Ecuador*, SENPLADES, Quito, 2009, available at <http://plan.senplades.gob.ec/>.

⁶ The ITT initials refer to the names of the oil deposits located in Yasuní National Park: Isphingo, Tambococho, and Tiputini.

⁷ Will Hutton: "Liberal social democracy, equity and good capitalism" in *New Society* No. 236, 11-12/2011, available at: www.nuso.org/upload/articulos/3805_1.pdf.

for societies with high levels of unmet needs. This section will reflect on the markets, capitalism, and other economic models. The second section will define the Yasuní-ITT proposal. The third section presents eleven theses that explain why this initiative is a good example of a potential radical transformation. As part of the socio-ecological transition, the fourth section presents an additional concrete way to fund the Initiative and challenge the logic behind capitalism.

CAPITALISM, MARKETS, LABOR, AND THE PLURALITY OF ECONOMIES

In order not to fall into pragmatisms that propose superficial changes or into false theoretic romanticism, it is necessary to contextualize this historic moment in Ecuador in a global context. In the last decades, the planet has experienced the dominance of a worldwide representation with concrete policy outcomes: neoliberalism. According to David Harvey, neoliberalism is a political strategy, which, among other things, has sought to restore the rate of capitalist profit, mainly of the financial sector, through regressive policies.⁸ This operation has been made possible by the hegemony of socioeconomic and political alliances, both global and country-specific, which led to the construction of a “hyper-capitalist” world.

This scenario was able to materialize through the fundamental participation of a key actor: the State. As Giovanni Arrighi brilliantly explains, “the capitalist character of market-based development is not determined by the presence of capitalist institutions and dispositions but by *the relation of state power to capital*. Add as many capitalists as you like to a market economy, but unless the state has been subordinated to their class interest, the market economy remains non-capitalist.”⁹

It precisely this which allows us to analyze the limits and scope capitalism and markets in their neoliberal phase – in the context of a viable political strategy from the Left. The idea is not to confuse markets with capitalist development.

This distinction is very important for the purposes of this paper. The topic of “value” in the economy will be dealt with later on; however, for the moment it should be noted that market tools are the least bad for the redistribution of goods and services within an economy (beyond, perhaps, a neighborhood or parish) in terms of quantity and diversity of products. An innovative Left perspective should not preclude innovative market tools¹⁰, but rather it should subordinate them to the general interest and incorporate the plurality of economies that exist and have been rendered invisible at the time of constructing the hegemonic social order. We are referring to the cooperative, associative, and care economies, among others. The society of Good Living or *sumak kawsay*, which is

⁸ D. Harvey: A Brief History of Neoliberalism, Akal, Madrid, 2007

⁹ Adam Smith in Beijing: Lineages of the Twenty-First Century, Akal, Madrid 2007, p. 345, emphasis added.

¹⁰ Other articles have suggested that, while still using the tools market but with a unit of analysis and exchange different from money (time, energy, biomass) another social order could be built. See R. Ramirez Gallegos: Happiness as a measure of Good Living in Ecuador. Between materiality and subjectivity, SENPLADES, Quito, 2011, available at: www.senplades.gob.ec/web/senplades-portal/publicaciones .

enshrined in the Constitution of the Republic of Ecuador proposes building a green, social and solidary economy, which seeks to be a “non-capitalist” market economy, and not a “capitalist market”.

Following the perspective indicated by Arrighi, one can say that in Ecuador – starting from the process called the “Citizen Revolution” and as a result of a crisis of hegemony of dominant alliances – there have been important advances in breaking with the capitalist side of the economy, since part of that sector (mainly linked to financial capital) saw its ability to impose its public policy interests weakened¹¹. The displacement of union representation of entrepreneurs in public institutions has been a major policy action in this regard. Thus, in all public policy councils at the State level in which different sectors of private capital had a say, said representation was eliminated and as such their influence in determining the public agenda; as evidenced by the banking, commerce and strategic sectors. On the other hand, perhaps the clearest policy which has given such a separation between the State and private economic powers has been in the recently enacted “Regulation and Control of Market Power” Law. This law puts an end to the abuse incurred by capitalists in Ecuador to exploit small and medium producers, and even enslave their own citizens as consumers. Also, this law regulates the separation of banking from the media and other financial business outside their strictly financial scope. In addition, subjecting transnational oil and energy companies to service-provider contracts in which it is clear that non-renewable resources are joint property of Ecuadorians represented by the State; declaring certain sections of foreign debt as illegitimate; creating a tax on outgoing capital¹², and carrying out tax reforms with an emphasis on direct taxes, are other measures that show the new balance between capital and political power as a space of representation for the common good and the general interest.

In turn, the elimination of outsourcing, the increase of social security coverage, the formalization and labor protection of domestic workers, the promulgation of the “Social and Solidary Economy” Law, which created the People's Finance Corporation as part of the recovery of development banking, the systematic increase in the minimum wage, which has significantly improved (90%) the purchasing power for basic goods, as well as the implementation of dignified salary¹³, the salary increase for teachers, police, and health workers, and categorizing non-affiliation of salaried workers to Ecuador's Social Security Institute as a crime, are clear evidence that the change initiated has given priority of labor over capital and has modified the logic that made the State a mere tool of the ruling classes.

¹¹The above does not deny the uniqueness of the Case of Ecuador during the neoliberal moment and the obvious difficulties of the upper classes to overcome their internal divisions and fractions and pursue a hegemonic capitalism project at all costs. In this sense, one must distinguish the hegemony of these groups from neoliberal hegemony in terms of world perspective, ideology and even a political-cultural project. The latter functioned effectively in Ecuador beyond the specifics mentioned.

¹² In the latest tax reform, passed in November 2011, this tax rose from 2% to 5% and now also applies to money from exports that does not return to the country.

¹³ The Organic Production Code adopted in December 2010 provides that for an employer to collect profits all employees should have a salary equal to the cost of the basic basket (“dignity wages”)

It is safe to claim, in this framework, that just as the liberal Alfarist revolution that took place in Ecuador had as one of its main objectives to build a secular State, the so-called “Citizen Revolution” has been aimed at separating the State from the economic “powers that be”. This is not to claim their demise, as advocated by the discourse of a certain immature Left, but rather to submit them to the common good, expressed primarily in the State's ability to process popular demands and reverse the priorities for intervention and redistribution, and those of public actions as a whole towards the majority of the population¹⁴.

These measures have given way to something fundamental and that constitutes the first objective of the *National Plan for Good Living* and a Leftist project: to redistribute wealth and seek social equality. As shown in the graphs in the Annex, inequality has been reduced (measured by the Gini coefficient), but not just in any way: the richest decile has seen their “portion” of the pie lessened after nearly two decades during which it was the only economic stratum had seen its participation grow. The portion that reduced the growth of the richest 10% has been redistributed among 90% of the population, especially among the poorest (the growth has been pro-poor¹⁵) while strengthening the middle class.¹⁶

It is clear that what has been done is not yet enough to break the mindset of market capitalism that has prevailed in Ecuador virtually since postcolonial times, nor to bridge the still glaring social gaps. To gain insight into the distribution of the means of production remains a political challenge for the Ecuadorian government. But these are signs of the global orientation of the process in the existing political moment, which is not a minor detail in the framework of positions that are content with finding the “good” in capitalism and a Left that raises false hopes that are not socially or politically viable.

Sometimes we hear voices from the Left arguing that the objective is for the framework of the economic system to be anti-capitalist, no matter what. The anti-capitalist alternatives being advocated by some sections of the Left are often not applicable at the meso- or macro- scale. This is precisely due to the impossibility of coordinating, informing and distributing the proposed models on a global scale, or simply because they do not meet the basic objective of meeting people’s needs. For example, could bartering be implemented at the provincial or national level? Even at the micro level it often serves only as a survival strategy, but it is not an alternative since it does not always improve the living conditions of producers. Indeed, according to the 2012 population census, 12% of Ecuador’s

¹⁴This text emphasizes the state actor without underestimating the role of social actors. However, it should be noted that reflux and fragmentation that social movements have experienced in Ecuador from 2003 to date. See R. Ramirez Gallegos: *Happiness as a measure of Good Living in Ecuador*, cit.

¹⁵ When observing the country's growth in the years of President Rafael Correa’s Administration, one can see that at the greater levels of poverty, the rate of income growth is higher.

¹⁶ In less than five years the difference between the highest and poorest deciles has almost been reversed from what it was 21 years ago (1990), a year during which Ecuador’s stage of stronger and more determined neoliberal policies had not yet begun. See R. Ramirez Gallegos: *Happiness as a measure of Good Living in Ecuador*, cit.

economically active population (EAP) who work from home (i.e. belonging to the social and solidary economy) is mostly poor (around 60%) according to the meeting of their basic needs. An economy that seeks to be anti- (or post-) capitalist and does not improve the material conditions of production and reproduction of the population's social life and does not allow for the overcoming of poverty is not only politically unfeasible, but it is not ethically desirable, regardless of the "non-capitalist accumulation" involved.

Without losing sight of the horizon of the great transformation, a non-demagogic Left should therefore propose viable strategies for the great transition, taking into particular account the starting point and the real power of the State at the national level and in concert with the global system. In the case of Ecuador, it is no small thing to recognize that the economy is dollarized, that it depends on the primary sector, whose productivity is low and generates little added value. In addition to which Ecuador is a small country with little influence in a globally capitalist world. We must not forget that the goal is the reproduction of a full life, of the good life¹⁷, in which the economic dynamic should not entail a divorce between the world of labor and the world of life.

Before concluding this section, it is important to note that one of the hinges between the great transformation and the great transition goes through the management of environmental sustainability in the world. The dispute over exiting capitalism and building another order is associated – among other factors – to the biophysical limits (materials, space, and time) that economies impose on themselves. The capitalist economy is a fictitious economy because its construction based on money, an artificial entity, which fuels a disconnect with reality. In this context, said artificiality can be put in check through the management of the worlds' natural heritage (life)¹⁸.

THE YASUNÍ-ITT INITIATIVE

One of the main concrete proposals that Ecuador has presented the world concerning the implications of leaving behind capitalist development and entering a society of good living is the Yasuní-ITT Initiative¹⁹. What does it entail?

Through this project, Ecuador is committed to maintaining indefinitely untapped recoverable reserves of 846 million barrels of oil in the ITT fields. This will avoid the emission of 407 tons of carbon dioxide into the atmosphere, reducing the impact of climate change. Oil exploration in this area would involve the production of

¹⁷ For a further development of the concept of the «good life» or «good living», see: R. Ramirez Gallegos: *The (Good) Life as the «wealth» of nations: Towards a socio-political ecology of time*, IAEN/SENESCYT, Quito, in print.

¹⁸ It is no coincidence that the U.S. has not signed the Kyoto Protocol and that Russia, Canada and Japan have announced they will not be parties to the second Kyoto commitment period after the recent summit in Durban. According to experts, in the end, in the second period, Kyoto will only control 15% of emissions. Placing limits on carbon dioxide emissions is to put limits on capital growth. In this sense, paradoxically, it is no coincidence that the «best» action to reduce emissions of greenhouse gases was the financial crisis affecting the so-called «developed» countries.

¹⁹ See: the Initiative's website: www.yasuni-itt.gob.ec

approximately 107,000 barrels per day for 13 years, and then the wells would enter their declining phase for an additional 12 years. Although the proven reserves in the ITT fields total 944 million barrels, there are additional possible reserves of 1,530 million, whose value remains uncertain because there have been no 3D seismic surveys. Using 2008 pricing, given the proven reserves, the net value of exploiting the oil would amount to receiving nearly \$7,000 million²⁰. However, Ecuador expects monetary contributions²¹ for not exploring of only half of future oil revenues. The rest would be implicitly assumed by the Ecuadorian people, which would thus be the main “contributor”.

Indeed, the Initiative will not only reduce global pollution, but shows a full respect for biodiversity in seeking the indefinite reproduction of species and human cultures. In this specific case, within Yasuní National Park are two of the few peoples in voluntary isolation worldwide: the Tagaeri and Taromenane.

Stemming from this Initiative, President Correa presented the global concept of “avoided net emissions” (ANE) at the 2010 International Conference on Climate Change in Cancun. This refers to the emissions of greenhouse gases that an economy prevents. In net terms, as the President pointed out in said meeting, “not polluting the environment (compensation by omission having the right to carry out an action) is equivalent to cleaning it (compensation by action without having the duty to carry it out)”²².

From the neoclassical economic perspective, this Initiative could be regarded as part of a new “curse of plenty”²³ that would lead to replacing dependency on oil for biodiversity. However, this is only so if thought of in monetary terms, since no country that does not have both biodiversity and oil could present such a proposal. Faced with such a reading, there is a side perspective that protects the emancipating side of the Yasuní-ITT proposal, one that breaks the neoclassical episteme. The following outlines some ideas in this regard.

ELEVEN POLITICAL ECOLOGY THESES ON THE YASUNÍ-ITT

When it comes to transitioning from capitalist development to a society of good living, the analysis should not be restricted to the modes of production. What is being disputed is another social order and, therefore, another framework of societal values. This section will attempt to demonstrate why the Yasuní-ITT Initiative accounts for this contention through the development of a series of theses that express such upheavals.

²⁰ It is important to note that there would be the political will to keep the crude underground would not have existed had exploration started at the beginning of the Correa administration, the country would already have the first flow of monetary resources from exploration. Furthermore, at the current prices for a barrel of oil, the net revenue for the Ecuadorian State could have been doubled.

²¹ For information on financing the Project, see: www.yasunisupport.org

²² R. Correa: «Speech to the General Assembly of the XVI Conference of Parties to the United Nations Framework Convention on Climate Change», Cancun, December 8, 2010.

²³ In simple terms, the «curse of plenty» describes the situation of those economies that while having abundant renewable natural resources, do not develop other economic sectors with higher added value and thus become dependent on said resources.

1. ***From Anthropocentrism to Biocentrism.*** From the liberal perspective, only those who can take on duties may have rights. With this precondition, future generations and nature are excluded from any pact of coexistence. By contrast, the Yasuní-ITT seeks to guarantee the rights of the nature specified in the new Constitution²⁴. Therefore, the contract made is post-humanity (beyond humans) and trans-generational. The aim of the biocentric perspective is to ensure the reproduction of life in its broadest sense. As part of that biocentrism, “life” not only refers to human beings but also to other species which, in turn, guarantee the future survival of mankind. Recognizing the intrinsic values of nature is one of the central points of the construction of a society of good living that takes on biocentric ethics. It seeks to break from the anthropocentric (which is handled in terms of instrumental values) and production-centered position that has prevailed in capitalism.

2. ***From remediation to prevention.*** Traditionally, when talking about global warming, the main actions have sought to reduce pollution or specifically the emission of carbon dioxide. The Yasuní-ITT Initiative, however, is not intended to reduce emissions, but to avoid them from being produced. This is not a minor change, since it gets to the root of the problem: the generation of pollution. This perspective, it could be argued, is similar from going from treatment based healthcare to preventive medicine.

3. ***From genocide and intolerance to diversity and the indefinite prolongation of different human cultures.*** From a Leftist approach, one of the important transitions is that which leads from capitalism to socialism. However, there is also a transition in moving from colonialism to the construction of a plurinational State. This implies recognizing the diversity of cultures that coexist in a political community. The Yasuní-ITT Initiative proposes respect for the voluntary isolation of the Tagaeri and Taromenane. In doing so it solidifies one of the fundamental objectives of the society of the good life: respect for diversity and the indefinite prolongation of human cultures, a significant proposal in an increasingly xenophobic world and that has sometimes achieved its “progress” at the expense of genocide and intolerance toward those who are different.

4. ***From an exporting primary economy to a society of (bio)knowledge.*** The “green” (sustainable development) trend is not anti-capitalist but pro-capitalist: its aim is to make the accumulation of resources sustainable. The resources obtained by the Yasuní-ITT Initiative are intended to build a society of (bio)knowledge to meet the needs of the population. These resources will be used mainly in changing the country’s energy matrix, as well as in research, science, and technology in order to address the vital needs of humanity through the knowledge of biodiversity. To use Homer’s imagery, by having a more important goal (life), tying our hands to the mast (in this case, exploiting oil) allows us not to be seduced by a siren song (income from exploration).

²⁴ Ecuador is the only country in the world that guarantees the rights of nature in its constitution. Other countries have followed in this path, such as Bolivia, but do so in lower statutes (laws or regulations).

5. ***From individual to collective decision-making.*** As part of the country's sovereignty, in order to implement this Initiative Ecuador has proposed a collective decision-making committee in which the State is not the only participant, but also includes contributors and residents living in the Yasuní National Park. It is a good example of the existing relationship between the local and the global.

6. ***From donors to contributors, or partners in change.*** In the world of international cooperation, it is usual for the donor to impose its will to decide the use of donated resources. The logic of the Yasuní-ITT proposal changes the perspective from donor to contributor, or partner in change. In this case, since climate change is a public problem common to humanity, the contributor seeks to be part of a global collective action to solve it.

7. ***From private goods to public, common, and relational goods.*** When environmental problems exist, the neoclassical view that seeks “good capitalism” aims to internalize externalities and consider the environment as a tradable market good. For its part, the Yasuní-ITT Initiative aims to foster the idea that biodiversity and climate change are public goods common to humanity. For this reason they are not the issue of a nation-state but rather transnational matters. Similarly, their value is not strictly related to a sum of money to be received, but to build a different relationship between man and nature, and an appreciation for biodiversity that is not monetarily quantifiable. While one of the principles of socialism is the supremacy of labor over capital, as suggested in other articles, the society of good living has an additional principle: the supremacy of the (good) life over labor²⁵. Said lifestyle focuses on the generation of relational goods (not ills), including the harmonious relationship of woman and man with nature. This is one of the guiding principles of the Yasuní-ITT Initiative.

8. ***From Bretton Woods to the construction a new global financial framework.*** Following World War II, a financial framework detrimental to so-called “peripheral” countries was constructed. We might even note that they have funded “developed” countries by depositing their free reserves²⁶ into the U.S. Federal Reserve System. Since it addresses a common global problem, the Yasuní-ITT Initiative needs a trans-state financial framework. As such, it created a trust fund through the United Nations Development Programme (UNDP). However, the initial idea was that these funds were to be a part of the Bank of the South, fostered by the Union of South American Nations (UNASUR)²⁷, which could not be carried out due to time constraints. One cannot argue against the capitalist framework if one does not dispute the prevailing financial framework, which includes the discussion on the role of the dollar as a global trade currency.

²⁵R . Ramirez Gallegos: *The (Good) Life as the «wealth» of nations*, cit.

²⁶ World Bank: *Global Development Finance*: WB, Washington, DC, 2006, p. 139

²⁷In 2009, when President Correa was preparing a presentation on the Yasuní-ITT in London, there was a debate between this, the author of this paper and former Foreign Minister Fander Falconi Benitez. On that occasion the President of Ecuador positioned the idea of the importance of the Trust Fund being created in the Bank of the South to offset the power the Bretton Woods institutions have had for decades.

9. From exchange value to useful value. One could be ironic and, in the words of Oscar Wilde, state that the capitalist economy “knows the price of everything, but the value of nothing”. The Yasuní-ITT is an example not of the price that is assigned to a good on the market but the value of its use to mankind, in this case, biodiversity. In other words, it is about prioritizing the useful value and not the exchange value.

10. From a one-dimensional assessment and analysis to a multicriterial and complex analysis. Generally, the capitalist economy unilaterally uses money as the unit for the evaluation and analysis of society and the economy. Thus, given the exchange value used in the market, it would be economically irrational not to explore in the Yasuní-ITT. As argued in the past, as long as we do not argue for society’s valuation with other units of analysis (time, energy, biomass, etc.) it will be difficult to build a different social order. On the other hand, from the Yasuní-ITT is rational not to exploit the oil precisely because it uses in its analysis other priceless variables in the analysis: the indefinite prolongation of cultures, the lifetime of biodiversity, and the social construction of sense of what is public and common on a global scale, among others. Ecuador has evaluated Initiative through a multicriterial approach which concludes that there is the most value in leaving the oil underground rather than exploiting it²⁸. This reveals the need to contend in the epistemological field in order to review the value of things and human actions. In this process, the unit of analysis of economic and social relations should no longer be the money and become – for example – time²⁹ or biophysical units³⁰.

11. From valuing the accumulation of capital to the “value of doing nothing” or of non-accumulation. From a neoclassical view, the wealth of nations is associated with an economy’s capacity to accumulate capital. Contrary to this perspective, the Yasuní-ITT Initiative proposes precisely to value “non-accumulation”, by leaving the patrimony intact. In that sense, the greatest value of the Initiative will be achieved when the world recognizes the *value of doing nothing* (leaving the park intact), because this will involve recognizing the value of a global, public, and common good; as well as the value of the nature, the value of global collective action, the value of “non-accumulation”, and also the value of life.

AN ADDITIONAL PROPOSAL FOR THE TRANSITION: THE YASUNÍ-ITT TAX

In itself, the Yasuní-ITT is not a project that would generate enough wealth to lift all the poor out of poverty or meet the basic needs of all Ecuadorians. However, it is an initiative that demonstrates not only that the Left should not be content with looking for “good capitalism”. Rather, it must put forth innovations that dispute the logic of capitalism and seek to build another world. In this context, it is necessary to find a way to make the initiative sustainable.

²⁸María Cristina Vallejo: «Results of the multicriterial analysis of the Yasuní-ITT Initiative», SENPLADES/MCP/MAE/MDG, Quito, 2011, mimeo.

²⁹ R. Ramirez Gallegos: *The (Good) Life as the «wealth» of nations*, cit

³⁰ M.C. Vallejo: «Metabolic profiles of three Andean economies: Colombia, Ecuador and Peru», Doctoral Thesis in Economics, Latin American Social Sciences Institute (FLACSO) Ecuador, 2010, mimeo.

The model underlying the Yasuní-ITT proposal aims to solve the problem at its source. As such, it becomes the best carbon abatement initiative that an oil-producing country has ever presented. During the great transition, a Leftist project should seek ways to limit capitalism, especially of the speculative kind. If capitalism is not associated with environmental degradation, solutions will not really be provided for the problems affecting nature; nor can we make the qualitative leap to seek out a pro-good living or post-capitalist society. As part of Rio +20, and from the ideas in this paper, the need emerged to establish a tax that could fulfill two objectives³¹: to set limits to capitalism and "yasunize" the world.

The proposal is to tax capital outflows (Tobin tax) in order to finance projects, mainly in developing countries, similar to the Yasuní-ITT Initiative. Thus, the rate would go to the heart of the aforementioned transition: discouraging speculative capital flows ("vulture capital"), which do not inject resources into the real economy, and providing incentives not only to reduce the emission of pollution, but to avoid producing it, giving priority to areas most the valuable natural heritage (places with the most biodiversity).

The Yasuní-ITT tax would be part of a broader agenda that Ecuador has been presenting to the world over the past five years. This agenda includes the payment of ecological debt (as a counter to the payment of foreign debt), and the Daily tax, which would tax carbon dioxide emissions in general, and in particular, collect a tax on oil exports. These financial initiatives could be collected by a global fund for socio-ecological transition, which could be administered regionally (Africa, Asia, South America, etc.) through a new financial framework (Fund of the South, Bank of the South) which is yet to be determined.

FINAL THOUGHTS

That which was developed in the preceding sections is part of what has been proposed theoretically in other writings: that Ecuador's political project has to go through certain phases (not necessarily sequential) to reach the great social transformation (the society of good living). The great transition involves going through post-neoliberalism, market socialism or redistributive socialism, and republican socialism or *sumak kawsay* biosocialism. Moreover, in some areas, it involves continuing with certain policies of the neoliberal cycle.

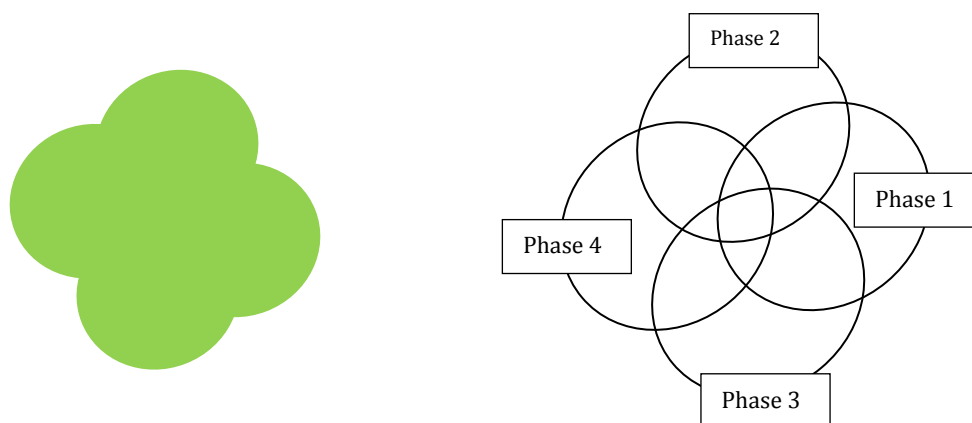
These phases, beyond their precise number and characterization, involve different modes of accumulation and (re)distribution in the Ecuadorian economy and society³². These patterns are not linear. Their achievement carries with it contradictions, progress and

³¹ The proposal was presented by the author of this text.

³² Perhaps a misconception that I believe separates classical socialists from those who even believe in post-socialism (if that concept is appropriate) is precisely the belief that change only happens through economic organization – accumulation and (re) distribution. The challenge is to build a new social order, which calls for new ethics, new values, new forms of democracy and the State and also new forms of generation, distribution, and redistribution of wealth.

setbacks, precisely because what is at stake are political and economic interests that either can hinder or help accelerate change. If the transition could be illustrated, it would be something like a four leaf clover, with a representation similar to that of the graph.

The phases of transition



The intersections of the cloverleaves accurately exemplify the coexistence of different stages at the same time: the lags and edges of a future society. For example, it could be said that social policy could temporarily continue to be neo-liberal³³. Post-neoliberal economic policy³⁴ and proposals such as the Yasuní-ITT Initiative would be considered – as it has been argued – post-capitalist. As stated in the chart, this does not imply going “forward” (in terms of progress), but neither does it mean going backwards. It is simply trying to build another society taking into account the various social and natural rhythms and political times.

The possibility of transformation from the Left consists of presenting an ethically and politically viable transition, which means no doubt also wielding a clear strategy of accumulation and (re)distribution³⁵. For example, as noted above, building a popular and solidary economy for the simple fact of being anti-capitalist is not a viable proposition for

³³Analfía Minteguiaga: «Politics and social policies in recent Ecuador: Difficulties associated with the exit from the neoliberal cycle», in the *Journal of Social Sciences*, in print. In the same line of analysis, while a faction of the Left argues that there have been no substantive changes in social policy since, for example, conditional cash transfers remain under the same framework of neoliberalism, the other group (the «pragmatic») argues that these policies must be sustained. Its main justification argues that there is no longer a «poverty bonus» but rather a «human development bonus» which includes conditions that protect human capabilities (education and health). According to the theory proposed in this article, it must be noted that such a policy cannot be abandoned overnight, because said money transfer is not negligible for a certain group of the population. In turn, to ensure the viability of the «transition» it is certainly necessary to maintain such interventions. Not to do so would involve significant restrictions on survival of the government in power and, therefore, it would raise questions about the very possibility of implementing, in the medium term, said «social transformation». However, to be resigned to maintain them *ad infinitum*, with no signs of effort or alternative approaches, is also pause and paralyze the great transformation. In the government of Ecuador, several proposals contend that the Human Development Bonus should be linked to a more ambitious goal: universal social security.

³⁴R. Ramirez Gallegos: *The (Good) Life as the «wealth» of nations*, cit

³⁵ This accumulation of this wealth does not have accumulation in itself as its objective, but rather the reproduction of human life (a full life) and of nature.

the Left if it does not guarantee the elimination of poverty³⁶. In turn, considering for the sake of blind pragmatism, that the only thing left to do is look for the good side of capitalism or simply to manage it in a better way, is not taking into account history. It is almost ignoring that humanity has gone through other forms of social coexistence, and believe that we truly find ourselves in the last and final stage of human history: at its end.

This article has attempted to show that Ecuador is in transition, trying to build a new social order. At this very moment, the deconstruction of the capitalist State is being politically debated. While at the same time innovative approaches, such as the Yasuní-ITT Initiative, are being developed; which involve advancing the construction of a new *ethos*, a new episteme, a new scale of values, not only for Ecuador but for the world.

Although the road is not easy, the point is to not give up the search for social emancipation, while at the same time keeping track of the viability conditions in order to achieve it. Failure to do so is to launch a “stillborn” political project.

³⁶ A contemporary discussion is key to the Left across the continent has to do with the decision to exploit or not exploit its non-renewable resources (oil or other mining products). The situation is complex. On one hand, it must be admitted that denying this exploitation is not to think of a viable policy proposal. In the case of Ecuador, without oil the country could not face any sustainable social transformation. What must be disputed is a territorial pact for non-exploitation in areas of high biodiversity. Why not mine in areas with high soil erosion? The rationale for the exploitation of natural resources is associated with proper territorial planning and management according to its ecological landscapes (for example, not operating in protected areas or areas with sources that guarantee the right to water).

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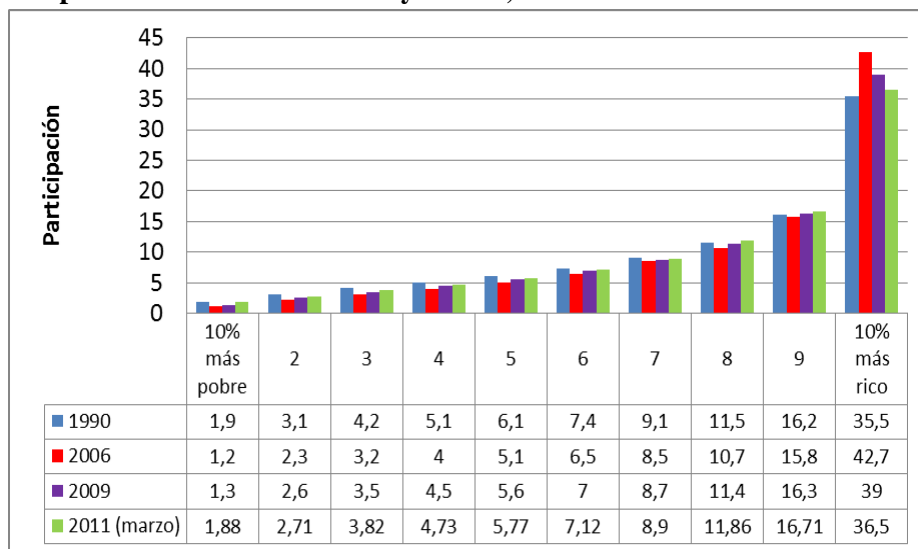
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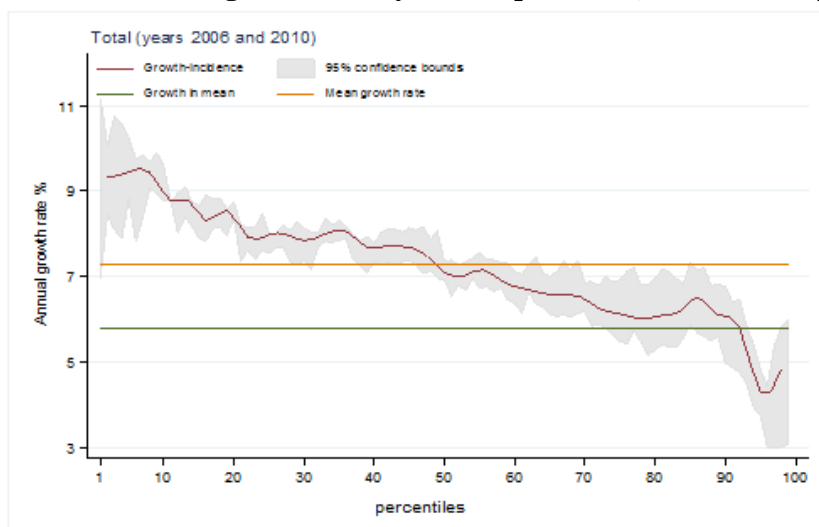
Annexes

Graph 1. Income distribution by deciles, 1990-2011



Source: ENEMDU 1990 (prior to neo-liberalism), 2006 (beginning of the "Citizen Revolution"), 2009 (crisis) and 2011 (March). For 1990, 2006 and 2009 the surveys were taken in December. **Prepared by:** Author

Chart 2. Annual growth rate by income percentile, 2006 – 2011 (pro-poor growth)



Fuente: ENEMDU 2006 and 2010 (diciembre). **Prepared by:** Author