Values and Violence

Intangible Aspects of Terrorism

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Aims and Scope
In today's world, national borders seem irrelevant when it comes to international crime and terrorism. Likewise, human rights, poverty, inequality, democracy, development, trade, bioethics, hunger, war, and peace are all issues of global rather than national justice. The fact that mass demonstrations are organized whenever the world's governments and politicians gather to discuss such major international issues is testimony to a widespread appeal for justice around the world.

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Violent and Non-violent Responses to State Failure: Papua New Guinea and Ecuador

Ken Jameson and Polly Wiessner

Treatments of the failed state in the current world economy abound, coming from the right, from the left and from everywhere in between. There is even a "failed states index" that ranks 177 states on their degree of failure in terms of 12 indicators.

Underlying the reality of state failure is the conflict between globalization and the continuation or resurgence of indigenous political structures and cultural traditions. On the one hand is the claim of the apostles of globalization that the "world is flat" or that the triumph of liberal democracy had brought us to "the end of history." On the other hand, events of the 1990s and 2000s dealt the final blow to predictions of modernism, to wit, that the process of globalization would raze indigenous political structures and cultural traditions to produce a homogeneous global village, governed by nation states and guided by principles of capitalism. Cultural institutions and traditions of many forms have persisted or resurfaced, amongst them "tribalism."

One result of these contradictory historical processes has been state failure. One important manifestation of state failure has been an upsurge in violence and terror within and between countries, though not uniformly. This chapter attempts to understand why the contradictory trends have led to violence in some cases but not...
Violent and Non-violent Responses to State Failure

- Advocacy of second generation reforms that seek improvements in institutions and in governance. This is actually another assault on the state, since the state is assessed on its governance ability through the perceptions of external private sector actors, many of whom naturally see a strong state as inimical to their interests. The implication is that the state that is most accommodating to the private sector governs best.⁹

As a result of this globalization of economic policy, the market, transnational corporations, and individualism constituted the new recipe for economic and political progress. States in the periphery could only interfere, with negative consequences, and had to be limited to controlling inflation and maintaining stable international economic relations. The attack on the state has largely succeeded, but with many consequences unforeseen by its exponents. The vacuum created in many states has threatened not only the well-being of their citizens, but of the world as a whole. People in these states have searched for new mechanisms to gain power and to substitute for the inadequacy of the current institutional arrangements.

- State failure will differ between a newly created country such as Papua New Guinea, and a long independent country such as Ecuador. However, the changes over the last twenty years in the international economy and in the set of institutions deemed acceptable are the common factors of the state failure in each case. Nonetheless, their historical experience, economic reality, and role in the world economy have determined the particular direction that each country’s state has evolved.

On one end of the spectrum is Papua New Guinea, one of the newest “states” (1975). There the main indicators are at the “micro” level. The state and the macro level never functioned well enough to even be considered viable, and thus the failure is seen most clearly in the lives of individuals and in their primary identification, the tribe. On the other end is Ecuador, with a much longer experience of independence and of the developmental state. It fails through a combination of factors, micro and macro, national and regional, and at the level of the population and of ethnic groups. The differences among the types of state failure will affect their citizens’ responses and the degree to which they result in violence.

- In Papua New Guinea, tribal institutions and sentiments can impact the state at a number of points during its development or during its demise. In states established by colonial powers that became independent when indigenous “tribal” political institutions were still the primary means of local governance, “tribal” institutions and sentiments often penetrate the state and use its machinery for pursuit of their own ends. In such cases intertribal competition is horizontal with tribes competing for the resources of the post-colonial state and thereby weakening it (e.g. island nations of Oceania). This has been the case in Papua New Guinea. By contrast, in states such as Ecuador that over time developed a sense of nationhood, central governance, and:

³⁹ Critics suggest that the governance focus is part of an effort to create a “global governance model” that finally and successfully marginalizes the state in developing countries (Emre Ongur and Eytan Zayerot, “An Institutional Perspective on the Failure of the Capitalist World-Economy,” paper presented at the AFBEE Meetings, Boston, Mass., June 2006).

The Contemporary Attack on the State

The current form of argument against the state was cast in the early 1980s under the Reagan administration, with its implementation of a particular set of anti-state policies, best termed “conservative economic individualism” (CEI).⁸ From that starting point, the expanded attack on the state progressed in a series of steps:

- the successful effort of the Reagan administration in the US and the Thatcherites in England to reduce the role of government, particularly its regulatory functions;
- the monetarist stance of the Federal Reserve under Paul Volcker designed to reduce discretionary monetary policy by targeting the money supply;
- the “Washington Consensus” which successfully advocated reducing the role of the state in developing countries, particularly in Latin America;
- increased international concern with failed states, because their weakness could become destabilizing to the entire international system through their domestic turmoil or by exporting disorder;

whose citizens have links to the broader world economy, indigenous society is often colonized by the state and global forces. This has been the case in Latin America and in Ecuador in particular, where local institutions atrophied and homogenization of identity grew. In these cases, tribal institutions take second place, and only surge when the state weakens and can no longer enforce order, protect property, uphold contracts, and care for the basic needs of citizens. Competition is vertical with tribal units opposing the state.

The response to the successful attack on the state is much less definable in this case. It will be determined by the interplay of micro and macro effects. Good macro performance can stabilize the situation and maintain existing structures and relations. On the other hand, mobilization of existing civic organizations or resurgence of traditional ones, such as “tribes,” can alter the direction of evolution and bring about a new relation of state and individual. Whether this development results in violent attacks on the existing state apparatus or on domestic competing interests depends heavily on how important the tribes become and how they gain access to the residual power of the weakened state. In some cases, such as Papua New Guinea, tribal institutions have led to an increase in patterned violence. “Tribes” call on traditional means, warfare, to challenge the state’s monopoly on legitimate sanctioned violence as a means of keeping order. In other cases, such as Ecuador, indigenous movements that have had an impact at the national level have grown peacefully. The contrast between the resurgence of indigenous institutions in Papua New Guinea and Ecuador can provide insights into the implication of state failure for violence.

State Failure and Violence in Papua New Guinea

Papua New Guinea (PNG) provides a case study of a post-colonial state where indigenous “tribal” institutions and sentiments have persisted and, together with globalizing forces, have had a strong impact on democracy, institutions, and governance. The population of Papua New Guinea is approximately 5.3 million today and is growing at a rate of over 3% per annum. Its 800 different linguistic groups are spread out over islands, coastal regions, and the Highlands of the main island, where the majority of the population lives in fertile mountain valleys. The estimated GDP of PNG in 2003 was US$1.3 billion. Mineral resources account for 25% of the GDP and make up 75% of exports; agriculture, timber, and fish make up 30% of the GDP and support 85% of the population; industry makes up only 9% of the GDP. Eighty-five percent of the population is rural and only 10% of the population is employed in the formal sector. A 0.7% per capita income growth is not sufficient to match a population growth of 3.1% per annum.

From the late 19th century, the south east portion of Papuan New Guinea (PNG) was annexed by Britain and another portion by Germany. After WWI, PNG was administered by Australia under a UN mandate that lasted until 1974. Social and economic change accelerated in the 1960s with the expansion of health and educational facilities. Local and district courts were established in the mid 1960s and the first general election for the House of Assembly took place in 1964. Its seats were dominated by official European members. Australia granted Papua New Guinea independence in 1975 in response to growing domestic and international pressures, but without a broad-based anti-colonial movement. The discourse of nationalism, where it existed at all, was to promote the “Melanesian Way,” that is, indigenous forms of social and political development. With independence, opposition between colonizers and colonized was replaced by competition between local divisions. It was difficult for a poorly trained police force, which had little support from the people, to collect sufficient evidence to sentence offenders under British law. Moreover, the sometimes brutal measures used to execute justice or punish tribal fighters meted out by Colonizers could not be used by a government against its own people. Crime rose rapidly and intertribal fighting resumed in the Highlands.

At independence, Papua New Guinea was not a nation, but a state in the making. Since independence 25 billion dollars have been invested in PNG by Australia and substantial funds have come into the country from mining and forestry. Nonetheless, PNG is on the verge of economic collapse and government services are much poorer than they were at independence. A good deal of this can be attributed to the colonization of the emerging state by local “tribes” vying for funds that are seen as coming from the outside, not from local production and taxation, and thus are regarded as being up for grabs.

Tribalism is a term wrought with negative connotations in the world of today—primitivism sentiments of aggression, intolerance, nepotism, and xenophobia. In anthropology, the concept of the tribe is seen as an imprecise notion encompassing formations from small flexible social groups to large scale political entities constructed by colonial powers to serve their interests. Nonetheless, indigenous tribes share important positive characteristics: First and foremost they are social institutions defined by descent from a putative common ancestor that are validated and integrated by ritual. Kinship is the social glue that binds members. The sub-units of tribes, for example, clans, lineages sub-clans, constitute social security systems from the cradle to the grave. Members receive assistance in finding spouses, sustenance activities, the education of the young, care of the sick and elderly, dispute settlement, and protection of rights. Larger units provide defense. Shared norms and values within tribes and obligations of kinship reduce the transaction costs of social and economic exchange by fostering equality, loyalty, and trust. Definitions of boundaries between social units lay down the rules that facilitate inter-group

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interaction. Relations are largely egalitarian, and competition in tribal societies is horizontal, that is to say, it takes place between parallel social units and is often ritualized or rule bound to limit destruction.

Important features of democracy are inherent in most tribal systems. Relations are largely egalitarian; positions of leadership and status are achieved through actions that return benefits to the group. When leaders fail to serve the group, their demise is rapid. Even those holding inherited positions are kept in check and disposed of should they be incompetent or despotic. Transparency and accountability are assured by constant vigilance, gossip, rumor, and application of sanctions. There is usually widespread participation in “policy” decisions involving major problems confronting the group, though men are largely responsible for presiding over public events and decisions while women exert influence in and through private realms.

Colonial powers and capitalist enterprises attempt to break down tribal institutions because their nepotistic foundation demands that wealth be distributed, inhibiting capital accumulation. The void left by the dissolution of local indigenous political units is to be taken over by the state: education, health, protection of rights, care of the elderly, protection of contracts and rights, law and order, and defense. This means that when the state fails to deliver basic goods and services to the population, people have little choice but to revert to former tribal institutions to fill the vacuum or to form an opposition to regimes that do not meet their interests and needs. This includes removing the state’s monopoly on sanctioned violence.

This can be illustrated by the Enga who inhabit the highlands and make up 8% of the population of PNG. Though situations vary greatly in different areas of PNG, the Enga case provides a good example of how the state can be undermined by horizontal competition on the part of tribes to procure its resources and how the weakening of the state leads to further chaos as the result of competition.

The Enga

The social, economic and political situation in Enga at first contact with Europeans in the 1930s was not long-established. Some 300 years earlier, the sweet potato had been introduced to the island of New Guinea from Indonesia and made its way into the highlands along local trade routes. There it released constraints on production and made ample surplus production possible for the first time - in the form of pigs on the hoof. Within a century of its introduction, the population had undergone major shifts in subsistence production, and was growing steadily. Elaborate ceremonial exchange and religious rituals were developing in response to new potentials and problems. Amongst these was the Tae Ceremonial Exchange Cycle, which linked approximately 400 clans and involved the exchange of tens of thousands of pigs and valuables. At the heart of the Tae Cycle was the quest to assemble as much wealth as possible in one place and then distribute it in public, bringing fame to both prominent individuals and the clan. Ritual and exchange were orchestrated by “big-men,” skilled orators and mediators who achieved their status through mediation, organizing large events, negotiating peace and war reparations, and attracting outside wealth to the clan and distributing it to their supporters. Exchange networks crossed many clan boundaries; warfare was endemic as local groups jockeyed to maintain the matrix of equality between clans that was necessary for long distance exchange to flow.

First contact with Europeans occurred in 1932. In the 1960s local government councils were established in Enga as part of an effort to install local democracy. Though free elections were held, people did not show great interest in voting. When they did, they elected respected big-men who were former leaders appointed by the Australian Administration. There was little interest in council affairs, for the Enga felt that they did not depend on the government for anything other than to keep the peace. They had plenty of food in their gardens, substantial warm houses, relatively good health, and clan support for daily problems and life crises. Only a small percentage of those elected were modernizers.

Politics imposed by the Australian regime was not of great interest to the Enga as long as projects were funded by a head tax and budgets were small. This was to change dramatically around independence when the provincial government’s budget increased greatly, with up to 90% provided by the PNG national government. The amount of wealth that could be obtained from provincial and national governments was unmatched by any other source. The government was then seen as a source of wealth for distribution, not an instrument of development. The questions at hand were not what should be developed, but in whose tribe development should take place. Emphasis was on the man and not the issues. The secret ballot was rejected as being contrary to “the Melanesian way,” for how could leaders know to whom they were to return wealth if they did not know who voted for them? Either clan leaders took all the ballots and filled them in for their candidate of choice or the name of the candidate of choice for each voter was announced at the polls so that
the candidate could reciprocate with favors. The goal of politics was one and the same as in the former one-Community Exchange Cycle: to divert as much wealth as possible into one’s own area.

With independence and the establishment of the provincial and national assemblies, a new problem arises—the upscaling of democracy from the clan level to the regional level. In the former system, each clan chose its own leaders and some rose to have influence at the level of the entire tribe. After independence, one candidate represented people from many clans and people soon found that there was not enough wealth to repay supporters. Jealousy mounted over gifts favoring some individuals and clans and the resulting unequal development. Ever more candidates entered the race as small local groups sought to get their man into office. Votes became commodities. By 2002, elections in Enga were out of hand; 156 candidates ran for six provincial seats. On the final day, the full ballot boxes were brought to the police station at Waghi for safe-keeping. At 5 AM a group of 30 heavily armed men stormed the police station and blew up the shipping containers of ballot boxes with two tons of jet fuel. Despite this destruction, twice as many ballots counted in as there were registered voters.

Local problems with democracy are repeated at the National level. Since political office has become a means of securing wealth for public distribution to supporters, there is little interest in political parties and their policies. Aspiring prime ministers must "buy" a majority through offering individual members large "discretionary funds." Policy making and implementation becomes secondary. Wealth diverted to the slush funds of Members of Parliament supporting the Prime Minister greatly reduces the financial capability of the government to deliver services. The National economy is largely maintained by Australian foreign aid and income from the export of gas, oil and minerals. But in hand in hand with economic growth comes increased corruption and local competition for government wealth, for there are no local sources of wealth comparable to what can be obtained from the state.

The weakening of the state, together with increasing involvement in the local cash and global economies, has accentuated the greatest challenge in PNG since Independence: maintaining law and order. This is largely due to two factors. First, shortly after independence, the state lost control of law and order because they could not use the same brutal measures to repress crime and tribal fighting that had been used by the Colonial Administration. Moreover, little effort has been made to control the circulation of modern weapons, many of which are stolen or purchased from the police or defense force by business men or politicians seeking to "assist" their clan people or supporters. As a result, criminals and warriors of today have the same arms as the police. Second the weak state has been unable to provide adequate education, to build infrastructure, or to stimulate economic growth and employment opportunities for youth. Less than 10% of youth make it through grade 12 and get jobs or continue on to higher education. Those who make it often end up in high positions. For the majority, education creates discontent with village life. This is in stark contrast to the past when any young man could work hard, raise pigs, develop economic exchange ties, and make a name for himself. The result is a cohort of unemployed, angry youth who feel disenfranchised from the modern world. They have little to lose and so seek name, legitimation, or wealth through crime and tribal fighting.

As a result of the collapse of law and order enforced by the police in Enga, tribes and clans have moved into the vacuum and taken violence back into their hands as a means to redress insult or injury, protect rights and property, and level inequalities created by politicians favoring their supporters. The cohort of disenfranchised youth provides warriors who contribute to their groups and make a name by redressing wrongs to their clans in this "culture of honor." Owing to unequal development, emerging social Goulds and tension generated by election competition in Enga, tribal fighting has increased from 2001 to a handful of fights a year during the colonial period to 250 tribal wars between 1991 and 2000, to 250 tribal wars between 2001 and 2006.

With high-powered weapons provided by wealthy businessmen and politicians to their fellow tribesmen, wars that previously led to a couple of deaths and minimal destruction have become extremely destructive. Many are killed, populations of entire valleys are displaced for months or years, houses burned, gardens destroyed, pigs slaughtered, trees razed, and schools, health centers, and churches burned to the ground. Projects of successful politicians benefiting supporters are destroyed to level the playing field. A new profession of "Rambo" or mercenary has arisen, further fueling the arms race. Mercenaries band into opposing teams of fighters from several clans, and when a war is over, seek to colonize the troubles of other clans to continue to fight out their inter-tribal vendettas.

Attempts to restore democratic practice have been made since the 2002 elections by cleaning up the electoral role and introducing "preferential voting" so that candidates must appeal to and serve a broader portion of the electorate. Moreover, party politics are playing an ever-greater role in the PNG even though they are still tied to people, not platforms. No doubt these efforts will enhance democratic elections and governance. However, the shift from "one clan one vote" toward "one man one vote" is also breeding internal tensions within tribes and clans. Clans and tribes are dividing between femas and unema, those who have eaten benefits from the

26 Weissner, “Report on Enga Tribal Fighting.”
candidate and will vote for him versus those who have not and will support another candidate. The growing force of party politics has led opponents not only to bring down the reputation and accomplishments of single competitors, but of all members of the party. Whether these fault lines will generate an increase in warfare remains to be seen in the years following the 2007 elections.

Four years ago, the Lai Valley of Enga was the home of some 60,000 Enga and was bustling with agricultural enterprise and roadside markets. Now after tribal fighting with high-powered weapons, it is an empty wasteland “cared for by the birds, cats and snakes,” as the Enga say. All agree that everybody has lost and nobody has won. What is going wrong? Is this the product of poor infrastructure, policy, and governance or can it be attributed to the lack of imagination in designing post-colonial states.

At independence Papua New Guinea rejected nationalism and sought to maintain culture and identity. “The Melanesian Way” is a phrase heard frequently in the political discourse of today. The Melanesian way resists standard democratic voting procedures, the upsampling of democracy to provincial and national levels, the privatization of tribal land, obedience to law over obligations of kinship, emphasis on accumulation of wealth rather than its distribution, and national interest over local agendas. Foreign imports from western democracy as ideals have left citizens baffled. Unable to make the rules of the game work in their society, which focuses on community above individual, people take important issues back into their hands. On the positive side, a few Enga “tribes” (tata) have formed foundations or associations to try to combat the spread of HIV/AIDS and to take care of the afflicted. On the negative side, many “tribes” of Enga have taken law and order back into their own hands through applications of violence. A state can take many forms and still meet basic democratic ideals. Institutions and cultural sentiments and practices differ from society to society. Accordingly, strengths must be harnessed in different ways to yield a strong state that can reclaim a monopoly on sanctioned violence to repress wrongs.

State Failure and Non-violence in Ecuador

The challenges faced by the Latin America state differ fundamentally from those faced in other geographic areas. The differences are rooted in their histories. The failure of the state has both macro and micro dimensions, though their interaction characterizes both the present and the future. This also offers reason to hope that Ecuador can find creative responses at the micro level that avoid the chaos and violence of PNG.

The isolation of Latin America during the Depression and the boom of WWII, combined with “Latin American structuralism,” provided the most coherent and successful period of state led development, from the 1930s through the 1960s. Almost without exception, growth rates of GDP in the 1950s were higher than during the 1913–1950 period, and they increased further during the 1960s (Brunson 1998).

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Table 1: Ecuador - GDP growth rates

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MACRO</th>
<th>71-80</th>
<th>81-90</th>
<th>91-97</th>
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<tr>
<td>Per Capita GDP Growth</td>
<td></td>
<td>6.7</td>
<td>-0.6</td>
<td>1.5</td>
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<tr>
<td>Per Capita GDP (US$)*</td>
<td>1378</td>
<td>1264</td>
<td>1392</td>
<td></td>
</tr>
<tr>
<td>Average Inflation</td>
<td>13.8</td>
<td>36.6</td>
<td>34.9</td>
<td></td>
</tr>
<tr>
<td>Gr. Dom. Invest. Growth</td>
<td>10.7</td>
<td>-5.1</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Gov't Exp (% of GDP)</td>
<td>14.2</td>
<td>15.6</td>
<td>18.5</td>
<td></td>
</tr>
<tr>
<td>Gov't Deficit (% of GDP)</td>
<td>-1.4</td>
<td>-2</td>
<td>-1.3</td>
<td></td>
</tr>
</tbody>
</table>

*—end of period.

Table 1: Success bred confidence in the developmental state; the centrifugal tendencies that we call tribalism diminished as more of the population was incorporated into the modern economy; domestically driven growth was undertaken on national terms, not primarily globally conditioned; and the creation of the institutions of the modern economy advanced. Unfortunately the problem of governance was less successfully addressed, largely because of the continued high level of inequality that characterized Latin America, including Ecuador. By the 1950s and 1970s rising expectations and willingness to challenge existing political power spawned military governments across Latin America. Ecuador’s was a modernizing military, with impulsion given to industrialization and to an agrarian reform to modernize the rural sectors. This began the process of incorporating the indigenous.

The military government of the late 1970s was nationalist in its international policy and developmentalist in its domestic policy. It was able to attain “state participation” on the order of 80 percent of all revenues generated by concessionary (oil) companies... (and) to acquire significant portions of the shares belonging to foreign firms operating in the country’s Oriente oilfields.” The oil exploitation took place in territory that was home to many of the Amazon indigenous. There was little concern for their welfare, forcing them to become active opponents of the modernization process. Nonetheless, macro performance in the decade was excellent (Table 1).

Successful integration of marginalized populations into the state structure presumes supportive macroeconomic performance. The weakness of the macro performance of the 1980s reflected state failure and gave rise to a resurgent indigenous
movement. The last decade of the 1980s truncated the integration process and forced the indigenous into opposition to the state and a search for mechanisms that could preserve their gains and counter the failings of an ever weakening central state.

The military, under civilian governments in the 1980s, were willing to use violent repression to repress the small "Alvaro Vivas, Compe" insurgent group. But the level of violence was low and was not directed against indigenous demonstrators. This allowed space for increased mobilization of the indigenous population. They were successful in getting legal recognition, e.g. the creation of a Directorate for bilingual education in the Ministry of Education in 1988. More importantly, they found direct action mechanisms such as road blockages that allowed them to have a tangible but non-violent effect on the entire country.

The imposition of neo-liberal Washington Consensus policies in the 1990s shifted power from the state and implicitly increased the importance of indigenous organizations. The anemic macroeconomic performance of the decade and the first years of the 21st century amplified these tendencies (Tables 1 and 2). The promise of faster growth and improved overall economic performance, which could have revalidated the state, was not realized.

Instead, micro level processes were unleashed that further weakened the state and provided sources of strength to the indigenous movement. The non-liberal period of the 1970s was characterized by increasing inequality, a slight decrease in urban inequality offset by a much larger increase in rural inequality. This generated discontent in the country-side that came to be an important problem for the state.

### Table 2: Ecuador-recent macro performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Per Capita GDP Growth(%)</th>
<th>Average Inflation(%)</th>
<th>Current Account</th>
<th>Balance of Payments(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>2.1</td>
<td>43.4</td>
<td>1275</td>
<td>938</td>
</tr>
<tr>
<td>1998</td>
<td>2.1</td>
<td>43.4</td>
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<td>1999</td>
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<tr>
<td>2004</td>
<td>2.1</td>
<td>43.4</td>
<td>1275</td>
<td>938</td>
</tr>
</tbody>
</table>

Sánchez presents a detailed and insightful treatment of the micro elements of the resulting "social disorder."

Second, one result of the economic turmoil was an acceleration of emigration from rural indigenous areas to the U.S. and Europe. Over ten percent of the population left the country since the late 1990s, and they are the largest Latin immigrant group in Spain. As a result, remittances have grown concomitantly and now constitute the second largest source of foreign exchange, exceeded only by oil. From 1994 to 2005, remittances grew from $273 million to $1.7 billion. The remittances provide a source of revenue and support that is independent of Ecuadorian economic performance and is outside of the control or influence of the state. They provided the indigenous an independent economic base.

As a result, the state and its mechanisms of decision-making have been paralyzed. Not only has the executive become weak and prone to removal, the Congress barely functions and the effort to create institutions that are familiar in the new globalized world has foundered. The traditional political institutions arguably function worse than they had in previous decades. As the developmental state becomes less successful, the very institutions that were central to its functioning atone as well. This leaves a vacuum that has been filled by external institutions such as the World Bank and the IMF. It has also made the country less able to resist pressure from the United States on free trade agreements, respect for desires of US multinational enterprises, and the military aspects of the drug war. In addition, the role of non-governmental organizations (NGOs) has grown significantly. They have come to play the central role in providing social capital and responding to needs at a local level. In doing so, they further undercut the state.

This combination of failures at the macro and then micro levels is the background for the growth in the influence of the indigenous movement in Ecuador. "Tribalism," or the substitution of national identity by a sub-national identity, has become a key factor in Ecuador's political and economic life. The movement's trajectory is complex, through the political context simplified when the Confederación...

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31 Jeanette Sánchez, "Inequality, Ethnicity and Social Disorder: The Ecuadorian Case." Quito: TypeScript (October 2005).


34 Bentidors and Associated, Receptores de Remesas en Colombia: Una Investigación del Mercado, Quito: TypeScript, 2003.

35 President Rafael Correa succeeded in gaining approval for a Constituent Assembly designed to transform the governmental institutions. This was strongly resisted by powerful political players, particularly in the Congress. This device allowed President Hugo Chavez to consolidate power in Venezuela, though President Evo Morales in Bolivia has been less successful in a similar effort.

36 Correa was elected President in large measure for his promise to revisit these issues and to reassert Ecuadorian sovereignty. His election caused consternation in international financial markets for Ecuadorian debt instruments.

de Nacionalidades Indígenas del Ecuador (CONAIE) was formed in 1986 as an umbrella for existing indigenous organizations. It led the successful 1990 uprising that paralyzed the country and showed the strength of the indigenous movement. The indigenous became key makers through their political party, Pachakutik, and key brokers through demonstrations that overthrew Presidents Bucaram and Mahuad. It is not by accident that the movement grew precisely at the time that the developmental state reached its limits and could no longer satisfy the aspirations that had been raised.

In contrast with PNG, the indigenous movement has engaged in vertical competition for the resources of the state. For the most part the indigenous movement has unified its tribal elements and represents them all in political affairs. In PNG the tribes compete with each other, horizontally, for the meager resources the state can provide.

One major element of the difference is that the violence that has characterized the PNG tribes' efforts to gain resources has not appeared in Ecuador. Rather, the indigenous movement has been able to find a series of strategies to press their demands and defend their rights. These have ranged from participation in the Congress and in presidential elections to peaceful but forceful street demonstrations. Ecuador's indigenous movement has undertaken a successful vertical competition for government resources by becoming a powerful constituent based organization that can deliver politically. In the run up to the constituent assembly, they have created a variety of alliances in support of their candidates.

Equally importantly, the indigenous movement has been guided by the principles of bi-lingual education and the recognition of indigenous rights. Reclaiming and revitalizing the Kichwa language has been a fundamental step, facilitated by the national recognition of bilingual education noted above. This has opened the way to making use of indigenous languages and has given the indigenous key roles in major events of the last fifteen years. However, indigenous organizations have always entered with a healthy skepticism about existing structures and processes.

For example, the indigenous were central to the 2002 Lucio Gutierrez's electoral victory and received three ministerial positions as a result. However, when he reneged on his platform promises and reversed his positions, they quickly left the government rather than compromise their principles. The head of CONAIE, Luis

39 The Bolivian indigenous, combined with the coca producers, forced the resignation of Pres. Mesa in Bolivia, on an anti-globalization agenda. They were opposed to granting greater autonomy to the two richer areas of the country, a sub-era issue between the coast and sierra in Ecuador. They then elected Ero Morales President and he is attempting to chart a new and different course for the country.
fallen into the hands of youth with modern weapons who feel they have nothing to lose becoming every more lethal and destructive of property.

In Ecuador, deteriorating macro performance provided the impetus for the formation of indigenous organizations. The micro aspects of state failure are present in Ecuador in terms of inequality and emigration. The resurgence of tribalism in its modern form of CONAIE has generally been positive in addressing these issues for the indigenous population. Rather than adopting a distorted, violent and counter-productive direction, the indigenous movement has found strong positive values to guide it, drawing upon indigenous traditions.

Despite some splits engineered by the Gutiérrez government, at the macro level the indigenous movement has become an important player in Ecuadorian politics. It has joined the competition for the diminished resources available through the national government. In addition, and more importantly, the movement has been able to exert considerable influence over political and social policy. In this vertical competition for resources and of ideas, the indigenous movement has been, and continues to be, quite successful. On the negative side, this very success contributes to the weakness of the central state. In any case, the movement has been careful to avoid compromising its principles in an effort to hold onto power and has maintained a non-violent stance in pressing demands. It remains to be seen how far this new tribalism can go toward redefining the relation of the micro and macro and reconstituting a viable state in Ecuador. But the possibilities exist and they may embody a process that could lead to such a state in Ecuador in the future.