The Yasuní-ITT Initiative: an impossible challenge to the world economy from the Amazon region

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Abstract

This paper reinterprets the Yasuní-ITT Initiative from a critical geographical perspective, using world-systems theory at various scales. Ecuador sought to promote sustainable economic development by involving the international community, but the initiative was perceived as challenging the capitalist world-economy. Fear of setting a precedent that would threaten the core-periphery structure, both socioeconomically and ecologically, contributed to its failure. Nevertheless, valuable lessons can be drawn from the Initiative's experience for addressing the climate crisis and the possibilities and difficulties of sustainable development in Latin America.

Keywords: Yasuní-ITT Initiative; neo-extractivism; periphery; climate crisis; differentiated co-responsibility.

1. INTRODUCTION

The Yasuní-ITT Initiative was an innovative project launched by the government of Rafael Correa, president of Ecuador, which sought to reconcile the sustainability of the Amazon region with the country's economic development. To this end, Ecuador agreed to forego exploiting large oil reserves in a specially protected zone in exchange for financial compensation from the international community. This would benefit the entire planet by preventing greenhouse gas (GHG) emissions, without placing the entire opportunity cost on the Andean country. Instead, it would provide the State with extra resources to promote other environmentally friendly economic activities.

The Initiative was in force between 2007 and 2013, when it was finally withdrawn after failing to raise most of the expected funds. However, as discussed throughout the text, it sparked a series of debates about the value of nature and the reproduction of neo-imperialist structures, which are essential for considering the current and future possibilities of meeting the needs of all human beings on the planet in a sustainable way. The Yasuní case combines the problems of underdevelopment with two of the main threats of the climate crisis: the depletion of fossil fuels (the most profitable reserves) and the saturation of carbon sinks, primarily in the atmosphere and oceans. This is therefore an unfinished story that took a new turn in 2023 with the holding of a national referendum. It is worth revisiting a decade later to learn from its failure.

To provide insight into this matter, this article reinterprets the failed Yasuní-ITT Initiative from the perspective of critical geopolitics, analyzing it as a theoretical and practical challenge to the capitalist world economy. Numerous authors have studied the ITT project, but here a critical interpretation is proposed by connecting its main events with

specific ideas that are interesting for this purpose, paying special attention to center-periphery relations. The novelty of this paper lies in its long-term perspective and greater focus on the global scale.

As far as the structure of the text is concerned, it is divided into three parts. First, Ecuador's position on the periphery of the system is presented. This context is necessary to define the possibilities and limits of its development. Second, a summary of the history of the Initiative is provided, delving into its initial opportunities and weaknesses, as well as the problems that led to its withdrawal, which illustrates its dependence on the global power structure. Finally, the paper draws lessons from the dilemmas and conflicts between the economy and the environment that are set to define the 21st century. Specific references to the Initiative are used as case studies, while general references offer more global conclusions.

2. ECUADOR IN THE WORLD ECONOMY

Before proceeding with the subject matter, a brief explanation of the main concepts and their applicability to the problem under study is provided. The terminology used, starting with the title itself, belongs to world-systems theory, the main paradigm of critical political geography studies. This school analyzes modern and contemporary history as a large social formation under capitalist economic laws on a global scale. It calls this formation the “world-economy" and considers it to be divided into three types of spaces according to their role: center, semi-periphery and periphery (Taylor and Flint, 2002). The world-systems approach is influenced by dependency theory, which originated in Latin America. Thus, the center-periphery distinction is similar to the classic North-South or even First-Third World and developed[1] -underdeveloped countries distinctions, albeit with greater theoretical depth. Furthermore, the intrinsic relationship between the world-system and ecology has been developed by the world-ecology paradigm (Moore, 2020), which will be discussed later.

This first section traces the origins and evolution of Ecuadorian dependence. Economic development in Latin America is inextricably linked to the concept of extractivism, a model that Gudynas defines as the activity of “exploiting large volumes of natural resources, which are exported as commodities" (2012, p. 131). Extractivism encompasses a wide variety of sectors, though mining and oil are particularly prominent in the region. Furthermore, the refining of fuels and minerals, as well as the manufacture of final consumer products, which are the activities that generate the most added value, are usually carried out in destination countries. Consequently, most of the wealth derived from commodities is not appropriated in the peripheries but is transferred to the centers of the world-economy through mechanisms such as unequal trade[2] and external debt, which are under the control of transnational corporations and the central States (Taylor and Flint, 2002; Acosta and Brand, 2017).

The lack of economic development resulting from extractivism has been a matter of great concern throughout Latin America and there is a vast body of academic literature on the subject, including studies on Ecuador specifically (Vega, 2014; Cori and Monni, 2015; Acosta and Brand, 2017; Alvarado Torres *et al.*, 2019). This model causes the continent to join the world-system as a periphery dependent on the centers of Western Europe and, later, the United States, thus reproducing its centuries-long subordination (Taylor and Flint, 2002). Since the 1980s, extractivism has received a special boost from mostly conservative democratic and dictatorial governments, following the Washington Consensus. Proponents of extractivism believe it will generate economic growth that will be distributed directly through the market (Gudynas, 2012). However, in practice, extractivism has strong economic, social, environmental and cultural impacts (Acosta and Brand, 2017).

This general description of Latin America applies to the case of Ecuador, a small country that is usually considered “developing," yet it has some of the greatest natural riches and diversities in the world. As in most peripheral or semi-peripheral countries, the Ecuadorian economy depends on a specific natural resource, to such an extent that it can be described as a hydrocarbon monoculture. Although oil was already used in pre-Columbian times as a source of lighting, its modern extraction began at the end of the 19th century (Sovacool and Scarpaci, 2016) and spread to the Amazon region in the 1940s (Finer *et al.*, 2009). A particularly telling symptom of this is that Ecuador is forced to export crude oil as a commodity and import it in the form of derivatives such as gasoline for domestic consumption due to a lack of necessary refining infrastructure (Gallardo Fierro, 2017).

Furthermore, Ecuador was one of the main laboratories for neoliberal policies under the ten governments that succeeded one another between 1982 and 2006 (Minteguiaga, 2012). The small fraction of the value of extractivism that remains in the country is divided between the revenue of the national elites involved in extraction and the small portion that reaches local populations who are hired as unskilled laborers or compensated for the damage caused to their territory with transport, health or education infrastructure, which allows companies to gain some support from indigenous and rural communities (Le Quang, 2011). In the capitalist world economy, the frontiers of extraction extend beyond those of effective national sovereignty, so the investments and power of multinational oil companies reach the furthest corners before public services do, causing a sense of state abandonment.

This began to change in the years leading up to the turn of the century, when Latin Americans rose up against the policies being implemented and left-wing populist leaders began to take power, starting with Hugo Chávez's victory in Venezuela in 1999. This led to a change in the management of extractivism, giving rise to the term “neo-extractivism," which is the approach adopted by progressive governments. Under this approach, the state takes control of extractive activities away from the private sector and collects a larger share of the surplus to be redistributed among the population (Gudynas, 2012). Neo-extractivism produced positive socioeconomic results during what Svampa (2017) calls the “Commodities Consensus," a period in which international prices for oil and other raw materials remained exceptionally high. This addresses at least one of the main problems of classical extractivism: the concentration of wealth through social policies financed by the sale of fuels (Le Quang, 2011).

One of the governments most committed to this strategy is that of the “Citizen Revolution," the popular name given to the political movement that brought Rafael Correa and his Alianza País party to power as the president of Ecuador in 2007. The percentage of the population living below the poverty line fell from 43% in 2006 to 33.6% in 2013, in line with parallel advances in other countries with neo-extractivist governments such as Argentina, Bolivia and Venezuela (Rico *et al.*, 2014). The remarkable improvement in the education system is also worth noting, as it serves as both a defense of social justice and a strategy for human capital development, aiming to diversify the economy and break out of the vicious cycle of extractivism (Cori and Monni, 2015).

During Correa's administration, oil accounted for 50% of exports and nearly a third of state revenue (Finer *et al.*, 2010; Larrea, 2010). Despite its relative importance, Ecuador has no weight in the global market, making its economy one of the most dependent on fossil fuels in the entire region. Meanwhile, reserve estimates predicted their depletion in three decades and the end of exports five years earlier, while domestic consumption was growing rapidly (Larrea, 2010). This made it essential to make the right political decisions to take advantage of the favorable international situation and guarantee a post-oil future for the country (Ramón Sánchez and García-Mayoral, 2024).

Neo-extractivism has improved the standard of living for millions of individuals, but it has also perpetuated many of the pathologies of neoliberal extractivism, even accentuating them, especially in terms of environmental impact.

Indigenous movements and critical intellectuals denounce neo-extractivism as an unsustainable development model because it does not involve changing primary export accumulation (Gudynas, 2012; Howe, 2015; Pérez-Neira *et al.*, 2015; Acosta and Brand, 2017). Nevertheless, it is also worth asking the former Bolivian Vice President Álvaro García Linera (2012), to what extent do Latin American governments have the capacity to reverse the role that has been assigned to their countries in the world economy, at least in the short term? These issues will be revisited later.

In 2008, Ecuador approved the Constitution granting more rights to nature and the world's indigenous peoples. The Constitution recognizes *sumak kawsay*, a Quechua worldview translated as “good living," which allows for the coordination of environmental conservation and development strategies that do not involve extractivism (Gudynas, 2009; Vega, 2014; Gallardo Fierro, 2017). The constitution also generally prohibits oil exploitation in protected areas but leaves open the possibility of an exception “in the national interest" (Finer *et al.*, 2009), which the government will later invoke to implement its plan. At the same time, Ecuador, together with Venezuela and Bolivia, opposed the imposition of an agreement negotiated in secret by the central countries during the 15th Conference of the Parties in Copenhagen in 2009 (Watts and Depledge, 2018). There is debate as to whether the main reason for the rejection was the inadequacy of the proposal for climate action or the distribution of burdens between countries. However, as will be seen in the last section, these two realities are inseparable.

Peripheral communities have a long, albeit unknown, history of fighting for nature and defending their livelihoods differently from Eurocentric environmentalism, which Martínez Alier calls “environmentalism of the poor" (2007, pp. 53–56). Their citizens may be less aware of or less concerned about global warming, but that does not mean they are less environmentally aware, as they generally lead sustainable lifestyles and are not responsible for the GHG emissions of the industrial capitalist model. However, the climate crisis is global and its effects will be most felt by those with the fewest resources to adapt (Howe, 2015; Klein, 2015).

The problems of economic development and environmental conservation can be expressed, at least in Latin America, as a dilemma between extractivism and environmentalism. In short, the sustainability of the Earth system should not be pursued at the expense of the legitimate aspirations of the periphery for development. At the same time, however, not everything is acceptable because growth comes hand in hand with environmental degradation (López *et al.*, 2018). However, the growing tendency to blame the climate crisis on those who are abandoning their peripheral position often hides forms of environmental colonialism. García Linera (2012), for example, denounces the hypocritical defense of the Amazon. These countries have only become aware of the importance of forests after destroying their own or even worse, they try to prevent their States from exploiting them economically in order to perpetuate the forms of exploitation.

The peripheral nature of Latin America in general, and Ecuador in particular, can also be expressed through ecological language. In absolute terms, for instance, Latin America exports six times more nature than it imports, while Europe imports four times more than it exports (Martínez Alier, 2007), meaning that the trade dependency relationship is also an unequal ecological exchange (Hickel *et al.*, 2022). Central economies exert pressure on natural resources and generate waste at a rate that is unsustainable for their territories. This requires the “importation of carrying capacity" (Pérez-Neira *et al.*, 2015, p. 97); for example, through the export of waste to peripheral countries or the emission of GHGs into the atmosphere, which has become the global dumping ground.

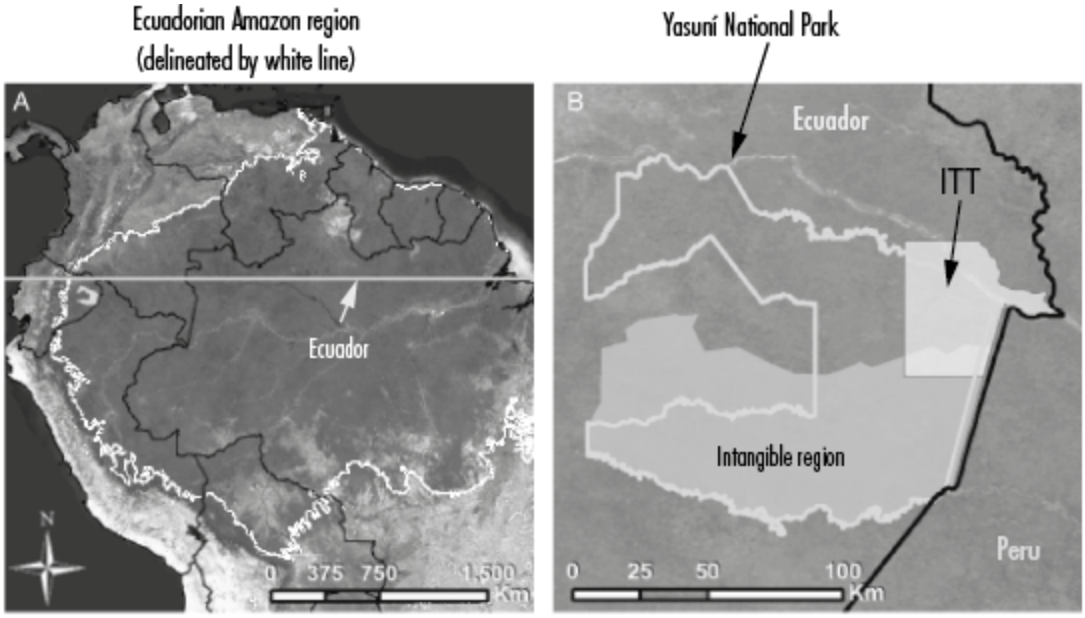
The fields of development and ecology have attempted to develop indicators and theories that would enable us to overcome this dilemma, notably those relating to sustainable development, environmental justice and ecological or climate debt (Bullard, 2010; López *et al.*, 2018), as well as one key theory that would prove key to the conception of

the Yasuní-ITT Initiative: that of differentiated shared responsibility. The concept of common but differentiated responsibilities, introduced by the United Nations (Rio Earth Summit, 1992), refers to the duty of all countries—and individuals, it should be added—to address the climate crisis, with obligations proportional to the damage they have caused throughout their history (United Nations, 1992).

3. DESIGN AND FAILURE OF THE YASUNÍ-ITT INITIATIVE

Yasuní National Park is located in Ecuador's Amazon region, between the provinces of Orellana and Pastaza, bordering Peru (see Figure 1). It was declared a World Biosphere Reserve by UNESCO in 1989 and receives special protection from the Ecuadorian government (Finer *et al.*, 2009; Creamer, 2010), as it is considered one of the most biodiverse areas on the planet.[3] Nevertheless, this place is contradictory because oil companies have discovered Ecuador's second largest oil reserve in its subsoil, specifically in the Ishpingo, Tambococha and Tiputini (ITT) quadrants at the eastern end of the park, which is estimated to hold around 1 billion barrels of crude oil (Sovacool and Scarpaci, 2016).

Figure 1. Map of Yasuní National Park and the ITT inside it



Source: Finer et al., 2010, p. 64.

This is a large amount of oil for a single reserve, which, since its discovery, has become one of the most coveted unexploited reserves worldwide. Expanding the frontiers of nature appropriation is essential to delay or overcome the devastating economic effects of capital overaccumulation and at this point in the extension of the world economy, parts of the Amazon are among the last unexplored natural spaces (Moore, 2020). Therefore, global financial capital has a strong incentive to extract resources that had remained untouched due to their obscurity or inaccessibility, in line with the concepts of accumulation by dispossession (Harvey, 2007) and accumulation by pollution (D'Alisa and Demaria, 2024). The neo-extractivist strategy sought to turn Yasuní into a “sacrificial zone" (Lerner, 2012), but it met with strong popular resistance.

Intensive oil extraction in the Amazon has sparked local and indigenous opposition, with residents suing the responsible company, Chevron-Texaco, in a case that became known as the “trial of the century." This was the first time that the direct impact of oil pollution on nature and health was brought to court. Its activities were directly linked to the extinction of two indigenous peoples,[4] an increase in cancer rates in the area and numerous environmental crimes, as well as damage quantified by an expert witness in the trial at USD$27 billion (Martínez, 2009; Acosta, 2010).

Following this precedent, Oilwatch, one of the environmental groups operating in the area, took up the call for an oil moratorium and, in 2005, they drew up a proposal not to exploit the ITT with a threefold objective: to guarantee the human rights of the inhabitants; to protect biodiversity from infrastructure and the highly probable oil spills; and to prevent the emission of 400–420 million tons of CO_2 from burning fuel and contribute to the fight against global warming (Finer *et al.*, 2009; Acosta, 2010). In reality, this figure should also include the construction of roads, platforms and oil pipelines, among other things, as well as the destruction of part of the rainforest, which would no longer absorb GHGs, bringing the total to around one billion tons of CO_2. It should be added that, although the ITT is a small area, the fact that it contains the largest reserves should imply the de facto protection of the entire Reserve (Finer *et al.*, 2010; Larrea, 2010; Sovacool and Scarpaci, 2016).

Oil extraction in Yasuní would have caused both local environmental damage and a global climate impact; however, it is also a grassroots movement that links its demands for biodiversity with global emissions targets (Roca Jusmet, 2022), which highlights the interdependence of “glocal"[5] in the ecological sphere. A proposal that emerged from the rainforest itself (from indigenous and environmental social movements), demanding that the country's main resource not be exploited, was surprisingly well received by Ecuadorian civil society from the outset. In the context of the populist upheaval of the 2006 presidential elections, Alianza País incorporated the proposal into its government program, advocating “harmonious coexistence with nature" and rejected the “predatory commodification" of the environment (Gudynas, 2009, p. 40).

Thus, Correa became president with the promise of protecting the ITT, although in its subsequent adoption, the Initiative incorporated economic development as an objective, including a condition: Ecuador would renounce oil extraction if the international community contributed half of its value (Larrea, 2010). With this new formulation, the rest of the world's countries would bear the other half of the enormous opportunity cost, altering the original discourse to put into practice concepts such as ecological debt and differentiated co-responsibility (Acosta, 2010; Le Quang, 2015). Ecuador intended the Yasuní-ITT Initiative to be a form of affirmative action for the periphery, compensating for the colonial past in the face of a climate crisis marked by inequality, where the option of generalized, indefinite growth is disappearing.

The compensation was intended to help Ecuador cope with a national sacrifice that would benefit the world, so the orthodox economy could perceive it as an attempt to reverse the externality of GHG emissions, which was not internalized by the invisible hand of the market. From the perspective of hegemonic economic rationality, Ecuador would be the main loser of the Initiative due to lost profits from the exploitation of its oil. However, the government tried to convince the international community that it was a win-win situation, in which both parties benefited: the country obtained funds and the rest of the world obtained a less polluted atmosphere. Win-win situations are rare in environmental matters, with scenarios involving winners and losers being more common (Hegwood *et al.*, 2022); however, in the task of framing the Yasuní issue, the Citizen Revolution had strong internal support. The majority of

Ecuadorians were in favor of not exploiting the ITT, even without international financial aid (Acosta, 2010), as was subsequently demonstrated by the 2023 referendum, in which 59% voted for that option (Alarcón, 2024).

The Initiative calculated the value of the reserves based on the price of oil on the May 2009 international market, which was USD$61.21 per barrel (Creamer, 2010), for a total of around USD$7.2 billion. for which Correa requested “fair compensation" of USD$3.6 billion (Sovacool and Scarpaci, 2016, p. 158). The amount requested was slightly higher than Ecuador’s national debt at that time of USD$3 billion, thus cancelling out Ecuador's financial debt to the world and the world's ecological debt to Ecuador. However, some authors claim that the amount of the reserves was unclear and that the demanded compensation could exceed half their value due to the interest of the parties involved in overestimating the figures (Finer *et al.*, 2010; Rival, 2010). Others argue that Ecuador was generous in its calculation by excluding indirect pollution from exploitation of the ITT (Sovacool and Scarpaci, 2016). In any case, it was necessary to set a definitive value to avoid depending on market fluctuations, so with the USD$3.6 billion, Ecuador gave up the possibility of its oil being worth more in exchange for the certainty of securing a contribution.

In September 2007, the Ecuadorian government finally presented this innovative proposal as its first option for managing the ITT, while reserving a “plan B": the possibility of exploiting the reserves if the international community did not respond to expectations (Martínez, 2009). The initiative received the support of important international figures, including Nobel Peace Prize winners and former presidents of different countries. Several governments and international organizations expressed interest and contributed funds or expressed their willingness to collaborate in protecting the National Park. Nevertheless, most were wary of the proposal’s concept, specifically the idea of international compensation for not exploiting natural resources, which was considered too novel and revolutionary (Finer *et al.*, 2010; Gallardo Fierro, 2017).

The initial proposal requested USD$350 million over ten years in the form of grants or debt forgiveness without compensation. However, due to the poor international reception at the end of 2008, Ecuador altered its strategy and attempted to offer potential donors certificates with value on the European carbon market. The idea was not only criticized by both the alternative economy and environmentalists, but was also rejected (Finer *et al.*, 2009; Rival, 2010; Le Quang, 2015; Gallardo Fierro, 2017). Finally, in 2010, the government agreed with the United Nations to create a trust fund to which contributors could allocate their contributions with the legal certainty that, should Ecuador fail to fulfill its commitment, all donations would be returned (Finer *et al.*, 2010; Larrea, 2010). The agreement also stipulates that the fund's resources be allocated to five purposes: *1)* prevention of deforestation; *2)* reforestation; *3)* energy efficiency; *4)* renewable energy; and *5)* social programs (Sovacool and Scarpaci, 2016). Furthermore, not only would central countries contribute funds to the trust, but the Ecuadorian state itself also committed to doing so, thereby foregoing another part of the income owed to it by the rest of the world.

Ecuador hoped to increase awareness of the Initiative over time and set an unambitious initial target of reaching USD$100 million by the end of 2011, a target that it managed to overcome by a narrow margin, suggesting that the forecasts may have been overly optimistic. By the second deadline, after five years, the Initiative had raised only USD$336 million, less than 10% of the total target set by the government (Sovacool and Scarpaci, 2016). This prompted Correa to withdraw it on August 15, 2013, with the following statement: “The world has failed us." (Gallardo Fierro, 2017, p. 269) and plans for oil extraction then began to be put into action.

Numerous analysts have attempted to identify the causes of the Initiative's failure, among which the following stand out: the defense of extractivism by most members of the government, including Correa (Gudynas, 2009; Vega, 2014); the overlap with the 2008 financial crisis (Le Quang, 2011); and, of particular relevance to this article, the fear

among central countries of setting a precedent for other States with vast energy resources and biodiversity, which would be very costly for them (Finer *et al.*, 2010; Gallardo Fierro, 2017).

These three causes are presented and analyzed separately below.

At the national level, as already noted, Correa's government initially managed to bring together the extractivist and indigenous/environmentalist sectors, which had conflicting positions on development. Tensions arose between the “biocentric shift" of the Constitution and the government's neo-extractivist development strategy (Gudynas, 2009, p. 44). However, this tension was initially contained due to widespread optimism, as everyone publicly shared the intention to give the Yasuní-ITT Initiative a chance. However, in 2013, the dilemma between extractivism and environmentalism manifested itself in all its harshness in Ecuador when the government found itself in the position of signing an urgent restructuring of its foreign debt through a loan from Petrochina that it would have to repay with oil (Cori and Monni, 2015).

At this point, several authors began to doubt the official story and denounced the position of most of the Ecuadorian government, which from the outset played both cards, international compensation and oil exploitation (Sovacool and Scarpaci, 2016), as demonstrated by the 2007 production projections of the Ministry of Energy and Mines and the plans to build the Eloy Alfaro Pacific refinery, since both relied on oil from the ITT (Creamer, 2010). The withdrawal of the Initiative confirmed the abandonment of environmental and indigenous demands and the definitive divorce between these sectors and Correísmo, resulting in socio-political consequences that continue to this day. This makes it one of the clearest and best-known examples of the distributive ecological conflicts described by Martínez Alier (2007).

On an international scale, it is true that the launch of the Initiative coincided with the onset of a major economic crisis in the central countries. However, this does not mean that global warming is no longer a major challenge or that the States lack the resources to address it. Governments and civil organizations are prioritizing short-term crisis management and ignoring other problems, so the alleged lack of available funds is more of a political excuse (Le Quang, 2011). However, it served as a justification for interested international parties to reconsider their contributions and, in conjunction with the subsequent collapse of oil prices, for the neo-extractivist sectors of the Ecuadorian government to ultimately assert their intentions regarding the ITT.

Finally, on the question of precedent, Yasuní could serve as inspiration for other similar cases of conflict between extractivism and environmental conservation, such as hydrocarbon reserves or mines throughout Latin America (Finer *et al.*, 2010; Acosta and Brand, 2017; Svampa, 2017) and even in other peripheral regions, such as the proposal for no oil extraction in the Niger Delta, Nigeria (Martínez, 2009). Regardless of local socio-environmental conditions, government and popular support, and even the macroeconomic context, a project such as the Yasuní-ITT Initiative would never have received donations worth half the value of its oil as compensation for saving a natural park and avoiding emissions. This is the same reason why the governments of the United States and Western Europe, among others, have historically opposed a “loss and damage" mechanism at climate summits, whereby they would have to assume responsibility for the climate crisis and compensate the rest of the world. When such a mechanism has been approved, they have also postponed its funding indefinitely (Tietjen and Gopalakrishnan, 2023).

4. LESSONS FROM YASUNÍ FOR ENVIRONMENTALISM ON THE PERIPHERY

Not all the specifics and episodes of the Initiative have been described in detail because its complete history is accessible through the cited references and academic and journalistic publications. Relevant to this article are the consequences that can be deduced regarding the unsustainability of the capitalist world economy and the political possibilities in this regard, as will be shown below.

Regarding the first point, the simultaneous study of global inequality and the climate crisis reveals that capitalism is a system of accumulation through appropriation and pollution (Harvey, 2007; D'Alisa and Demaria, 2024). The exploitation of human and non-human labor in peripheral areas and ecological deterioration are not circumstantial consequences, but rather part of the very nature of capitalism and are inevitable and essential for the accumulation of value (Moore, 2020). This results in a model that is not only unfair but also unsustainable, whose reproduction directly and inevitably threatens the limits of the planet and the well-being of the majority of its population in order to maintain the privileges of a minority and the indirect benefits of part of their societies.

The climate crisis is the result of a string of abuses; however, the saturation of carbon sinks is the most urgent issue due to its global consequences, which are already unfolding. Scientists specializing in global warming coined the term “carbon budget" (McGlade and Ekins, 2015), which refers to the atmosphere's capacity to store GHGs without exceeding a target temperature increase, normally 2°C.[6] So far, humanity has “spent" more than half of the carbon budget, increasing the planet's temperature by more than 1°C on average.

This is worrying enough in itself, but even more so when combined with the carbon contained in known global reserves of oil, natural gas and coal, some 2.8 billion tons, which is five times more than the remaining budget (Sovacool and Scarpaci, 2016). Maintaining a minimum level of climate stability is incompatible with the consumption of all stored fossil fuels so the choice must be made to leave most of them unexploited (McGlade and Ekins, 2015), kept underground indefinitely as “stranded assets," which makes the Initiative even more valuable. However, capitalist logic does not understand or accept that such a precious natural resource should not be exploited due to political decisions and even less so against the extremely powerful interests of the oil sector (Klein, 2015).

In reality, the amount of emissions at stake at that time was much greater than that of ITT oil since the extent of the Initiative's principles, strongly supported by other peripheral States with large reserves, could be considered a risk for investors (Roca Jusmet, 2022), who would move capital to other sectors, such as renewable energy. Nevertheless, energy transitions do not mean abandoning fossil fuels. Although they may have a positive ecological balance, they deepen the dependence of peripheral countries because their natural and human resources are most exploited (Santiago Muíño, 2020). There are also examples of sacrificed zones in central countries (Lerner, 2012) but, in these cases, the States must renounce extraction without international compensation or at least receive compensation between them, as is the case of the European Union.

Regarding possible strategies for environmentalism and peripheral countries, the Yasuní-ITT Initiative sought to reconcile different developmentalist and post-developmentalist positions and interests, which explains its relevance and, in part, its failure. The Citizen Revolution had raised high expectations among the population in many areas and the Yasuní plan was one of its main political commitments. Ecuador thus sought to become a service economy which, in addition to modernizing, would receive monetary compensation for the “clean" air it offered the rest of the world thanks to the large virgin forest in its territory and avoided pollution. However, in the capitalist system, environmental quality has value but no price (Rival, 2010). Thus, the withdrawal of the Initiative revealed the need to assign an exchange value to its use value, in Marxist terminology.

Ecuador was unsuccessful in portraying the Initiative as a win-win situation; instead, it was perceived as a win-win-lose situation, in which the central countries, which held the upper hand by being able to choose whether or not to make contributions, lost so that Ecuador and the environment could win. Despite the ensuing disappointment, the Initiative was highly significant and valuable lessons can be learned from it. It was the first global attempt at practical coordination between social justice and ecological urgency (Le Quang, 2011), opening up the discussion on the social value of not using something (Gallardo Fierro, 2017). It was also an opportunity to overcome the pathologies of extractivism at the national level, as well as being one of the most ambitious sustainable development projects on the periphery of the system.

Latin American left-wing populist governments, such as Correa's, quickly improved the living conditions of the majority of their populations, despite having to deal with inherited economic problems, democratic shortcomings, threatened or attempted coups and internal divisions due to broken promises. Nevertheless, their development model remained dependent on the dynamics of the capitalist world economy through commodities. Ecuador probably took the greatest advantage of the neo-extractivist consensus, yet it also faced the most difficulties when the international landscape changed (Ramón Sánchez and García-Mayoral, 2024).

In this respect, the Yasuní oil project could well be considered the paradigm of Ecuadorian and Latin American neo-extractivism, and the Initiative could be considered the obstacle-strewn attempt to break out of its vicious circle. While the 2023 referendum was successful in that it avoided very damaging local impacts and retained great symbolic importance, its unilateral nature falls short of the initial claims of challenging the center-periphery structure. Central, semi-peripheral, and peripheral spaces are not static; however, they tend to reproduce themselves, making change difficult. In the face of this, a country like Ecuador has very little room to maneuver, even less so when considering planetary limits.

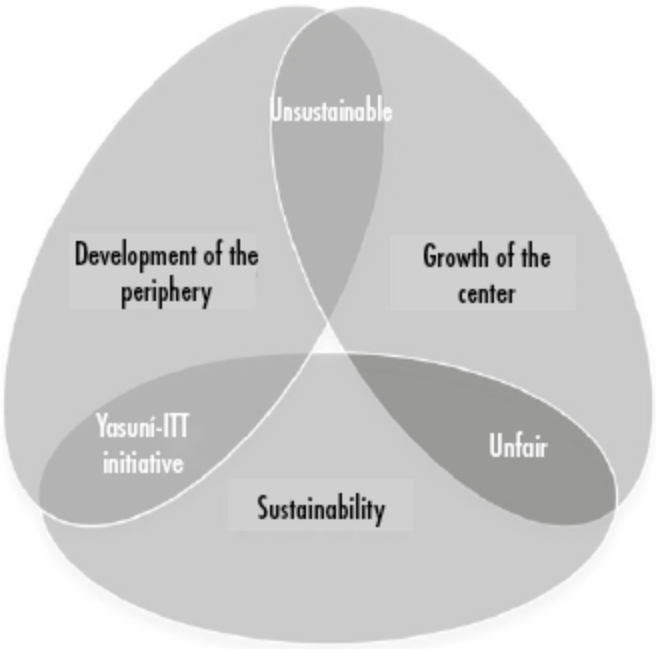
Given the urgent challenges of poverty, it is logical that peripheral countries only explore alternative strategies and promote environmental policies if they can obtain immediate economic benefits from them. A decade after Ecuador's failure, today's progressive Latin American governments, such as those of Mexico, Colombia and Chile, face the same dilemma: should they intensify extractivism to increase state revenues and thus expand social policies or should they reduce it to protect nature and pursue a risky post-development path toward well-being? The encouraging news for these governments and the most important lesson from the Yasuní-ITT Initiative is that this is actually a false dilemma or at least a situation that can be made more complex by scaling up.

Ecological economics has long demonstrated that the periphery cannot imitate the predatory industrial growth of the core countries, not only for structural reasons but also because it would not be sustainable given ecological limits. Therefore, in order to achieve a different type of development, they need the core countries to make room for them since their governments on their own have their hands tied (Santiago Muíño, 2020; Tian *et al.*, 2024). Thus, an impossible choice between economic development to meet the human needs of the population and restraint to prevent overreach must be compounded by core-periphery relations. The only way for these countries to escape the dilemma of extractivism versus sustainability is to transform it into a trilemma because, while a dilemma requires choosing between two incompatible options, a trilemma allows two of three possibilities to be achieved, but at least one must always be discarded because a win-win-win scenario is impossible. This requires a leap from the national scale to the global capitalist world economy (see Figure 2), accepted by all parties.

The Yasuní-ITT Initiative showed how to overcome the dilemma between economic development and environmental conservation because it implicitly revealed the need to address socio-ecological challenges alongside the center-

periphery power structure, but it should not have ignored social class relations. Citizens of central countries benefit from labor exploitation, the appropriation of unpaid work (care work, mostly performed by women), the depletion of nature and the plundering of colonies (Moore, 2020). Therefore, these countries bear greater responsibility for global warming and should be required to contribute more to its mitigation. However, this benefit is proportional to the social position of each individual due to the high correlation between income and environmental impact indicators, such as the ecological footprint, not only in a comparison between countries (Pérez-Neira *et al.*, 2015) but also between social classes (Otto *et al.*, 2019; Tian *et al.*, 2024). Therefore, within the central countries, those with the highest incomes should be required to make greater environmental efforts, to which the elites of countries such as Ecuador should also contribute due to their equally unsustainable roles and interests.

Figure 2. Trilemma of sustainable peripheral development using the example of the Yasuní-ITT Initiative



Source: prepared by the author based on a Euler diagram.

Following the same logic as international cooperation and United Nations agencies, peripheral countries could develop sustainably if the central countries bore the burden through large financial contributions or debt forgiveness, in return for not exploiting nature. To achieve greater efficiency, social acceptance and justice in fighting the climate crisis, projects such as Yasuní should be financed by citizens with the highest incomes, those who tend to lead more polluting lifestyles. In any case, since it is unlikely that the world's most powerful states, corporations and individuals will willingly agree to altruistically renounce their neocolonial profits (Otto *et al.*, 2019), citizens must demand it from below, while the governments of peripheral countries continue to exert pressure in this respect in all the international forums to which they have access (Tietjen and Gopalakrishnan, 2023). These conclusions are very similar to those reached in other works with a similar concern and perspective, such as Hickel *et al.* (2022).

An example of a proposal in this respect would be a progressive, earmarked tax for sustainable development collected supranationally, or funds channeled through states, such as the “loss and damage" mechanism, if there were real guarantees of compliance and proportionality. In this way, central countries would assume their

differentiated shared responsibility and sacrifice part of their economic growth to create environmental space that would allow for the development of the peripheral countries, without placing an unacceptable burden on the less privileged classes. Adding class and environmental dimensions is the only way for a social majority to see that sustainable aid to the periphery does not harm them. It is a question of capital paying for its past, present and future economic and ecological benefits in order to at least partially compensate for its impacts.

In no way is it intended here to suggest that fear of setting a precedent was the sole cause of the failure of the Yasuní-ITT Initiative. Rather, the aim has been to convey how local, national and international factors operated together and what structural limitations may have existed. However, in retrospect, the initiative can be considered a challenge to the capitalist world economy because questioning the subordination of the periphery and growth driven by cheap fossil fuels exploited by large multinationals is equivalent to making the expanded reproduction of capital impossible, seriously endangering the entire system. Undoubtedly, this Amazonian project fell short in its vision of the global complexity of power relations in the context of the climate crisis, but its critics should be taken with a grain of salt because, as a pioneer, it faced obstacles that its promoters could hardly have imagined.

In short, technical and socioeconomic limitations, as well as the climate crisis, greatly hinder the possibility of increasing the size of the pie to be distributed among social classes and regions. Therefore, applying the concepts outlined in this section would enable us to address global warming without sacrificing the development of the periphery, even though attempts in this respect have not been possible until now, as demonstrated by the visionary example of the Yasuní-ITT Initiative. It is important not to forget the Initiative's "optimism of the will" and to learn from its experience in order to face a foreseeable future marked by the intensification of neocolonial relations and the worsening of the climate crisis. In this future, there will be many more battles between David and Goliath.

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[1] Two experts on the subject in relation to Latin America, Acosta and Brand (2017), prefer to talk about poor development to emphasize the unsustainability of the model.

[2] Also known as the Prébisch-Singer thesis, according to which the deterioration of terms of trade increases the economic gap between developed and developing countries in the long-term (Acosta and Brand, 2017).

[3] One of the many surprising facts is that it is believed that there are more different species of native trees in one hectare of this territory than in all of Canada and the United States combined (Larrea, 2010).

[4] The tetetes and the sansahuaris (names that the company gave to two of the oil fields as a dubious tribute).

[5] Neologism formed by combining the words “global" and “local."

[6] The temperature increase threshold that the international community has committed not to exceed in the Paris Agreement, always taking the pre-industrial era as its reference point.