

# Ecuadorian State-Capacity Building through Territorial Strategic Asset Management

**Thomas P. Narins**

*Department of Geography  
University of California-Los Angeles*

## **Abstract**

Although territorial and economic size are important geographic factors in determining the political and economic importance of specific Latin American states, the internal decision making of smaller states –such as Ecuador– is also instructive in highlighting the ways in which geopolitics is unfolding on the continent. President Rafael Correa has sought to strengthen Ecuadorian state capacity by making use of geographically rooted ‘territorial strategic assets’ as a means of positioning the state within regional and trans-regional political-economic frameworks, thereby lending importance to Ecuador as an economic and political actor in its own right.

Keywords: *Ecuador, regional integration, trans-regional integration, Latin America*

## **Resumen**

Aunque el tamaño territorial y económico es un importante factor geográfico en la determinación de la importancia política y económica de determinados países latinoamericanos, la toma de decisiones internas en los países más pequeños, como el Ecuador, es también instructiva para destacar las formas en que la geopolítica se está desarrollando en el continente. El presidente Rafael Correa ha tratado de fortalecer la capacidad del Estado ecuatoriano, haciendo uso de los “activos territoriales estratégicos” geográficamente arraigados como un medio de posicionamiento del Estado dentro de marcos político-económicos regionales y trans-regionales, y así prestar importancia al Ecuador como un actor económico y político en su propio derecho.

Palabras clave: *Ecuador, integración regional, integración trans-regional, América Latina*

## **Introduction**

One of the persistent debates in Latin American studies concerns the extent to which foreign economic influence in the region shapes levels of development (Bengoa and Sanchez-Robles 2003, Bulmer-Thomas 2003, Astorga 2010). For more than five hundred years, the economic interests and plans of European and United States businesses and governments have to a large extent determined the economic development trajectories of states in the region. It

is no coincidence, then, that from the point of view of Latin American states, continuing to rely on economic relationships that seem to benefit foreign interests at their own expense has long been contentious.<sup>1</sup>

A political geographic perspective has contributed to an understanding of Latin American states in the contemporary global political system since the early 1970s (Brunn *et al.* 1971). In the 1980s, Argentine geo-politician, Colonel Jose Felipe Marini popularized the term ‘geopolitics of integration,’ to link the idea that integration and development of a state should be combined with a fusing of the geographic space of that state (Marini 1987). More recently, Puntigliano has extended the idea of ‘geopolitics of integration’ to encompass the integration of the space of distinct South American states as a way of guaranteeing development and autonomy for participating states (Puntigliano 2011: 847). In all of these cases, however, it has been the larger states, both in terms of territory and economic importance that have been emphasized.

While US foreign policy and writings by US-based scholars have called for placing greater emphasis on the international relations and the globalization dimensions of Latin American state progression over the more traditional emphasis on development and democratization issues within states (Keeling 2004, Sabatini 2012), in this paper I argue that in order to understand Latin American regional and trans-regional integration and the region’s own inter-state dynamics, consideration must be extended to include the geopolitical concerns emanating from within the borders of the small states in the region—in this case from within Ecuador. Ecuador is an excellent case study for examining contemporary Latin American state capacity<sup>2</sup> because of its diverse array of “territorial strategic assets” (TSAs)—geographically valuable features of a nation-state’s territory that are viewed both domestically and internationally as important for attaining state security *and* economic development goals.

While contemporary Latin American states are often viewed as being individually distinct in part due to their variation in size, each is often connected to the others by dependence on natural resource exports. Ecuador is no exception to resource dependency, as 56 percent of the government’s 2010 revenues were based on petroleum exports (US Dept. of State 2011). Among Latin American economies, Ecuador’s annual GDP and population (2010 GDP/Population: US\$58 Billion/14.5 million) ranks somewhere between Bolivia (2010 GDP/Population: US\$19.6 Billion/10 million) and Chile (2010 GDP/Population: US\$213 Billion/17 million)—the two Latin American countries considered to be most extremes of per capita GDP development in the region (World Bank 2010). Thus, even if the Ecuadorian economy is relatively small, especially compared with other regional economies in Brazil or Venezuela, it is nevertheless average in terms of its resource dependence and its level of development.

By focusing on Ecuador’s internal reorganization beginning in 2007, with the presidential election of Rafael Correa, and subsequent critical engagement with regional and trans-regional interests, I attempt to highlight the important role played by small states in Latin American geopolitics as a

useful case study for understanding contemporary development in the region. Rafael Correa's leftist political platform (more aligned with the anti-capitalist, socialist ideologies of Chavez (Venezuela) and Morales (Bolivia) than with former presidents Bachellet (Chile) and Lula (Brazil) who promoted increased trading ties with the U.S.) place Ecuador amongst a group of countries that are increasingly seen as unfriendly to foreign direct investment. Nonetheless, Ecuador's politics and geography are distinctive and therefore deserve study and attention. The Ecuadorian experience represents the possibilities available for smaller states in the region.

From the Ecuadorian perspective, the long-running idealism of regional integration has been hampered by the *realpolitik* practiced by Ecuador's neighbors during the 20th century such as Peru's 1995 border dispute with Ecuador (Radcliffe 1998) and the more recent incursions by the Colombian military (Marcella 2008). While ample evidence exists that direct threats to Ecuadorian territorial sovereignty have been tied to tensions with its neighbors, this paper considers the challenges to Ecuadorian sovereignty posed by the interests of more powerful and more distant economic actors – China and the United States.

Recently a great deal of emphasis has been placed on China's relations with Latin America (Roett and Paz 2008, Ellis 2009, Fernandez and Hogenboom 2010). The reasons for this are multiple. First, Chinese economic and political influence beyond its borders has experienced a resurgence since the onset of a new phase of economic globalization beginning with China's market reform in 1978. Chinese companies are also looking to Latin America for known supplies of foodstuffs such as soybeans and grains as well as minerals reserves including oil, iron ore and copper (Bajpae 2005). Second, China's position as a non-western economy appears to offer new and distinct development opportunities for states looking to move away from the U.S.-inspired legacy of neoliberalism. My main motivation here is to argue that contemporary *internal policies* of small Latin American states –such as Ecuador– are promoting a shift away from a reliance on traditional trading partners (*e.g.*, Europe and the United States) towards a more geographically diverse set of foreign investors based in emerging markets including China and Latin America's rapidly growing core economy – Brazil.

This paper is divided into two sections. In the first, I discuss Correa's use of legislation as a way of strengthening Ecuadorian sovereignty and state capacity and consolidating his rise to power and legitimacy as President. It explains how the 2008 Ecuadorian Constitution<sup>3</sup> has enabled the state to become more effective at managing its sovereignty and natural resources. This section borrows Abugattas' and Paus' 'capability centered strategy' –a strategy that involves the expansion of domestic knowledge-based assets in order to achieve structural change and comparative advantage in higher value-added goods and services (2008: 137) as a means of supporting my argument that under Correa, Ecuador is able to more critically evaluate foreign direct investment (FDI) project proposals based on their value for Ecuadorian development rather than

on the value these projects create for wealthier foreign interests. An overview of Ecuador's major TSAs will provide the basis for a more in-depth examination of Correa's decision not to renew a US military lease agreement at the Manta Air Force Base. This example is discussed in order to emphasize Correa's public commitment to upholding Ecuadorian sovereignty.

The second section of the paper addresses Correa's careful decision-making relating to integrating Ecuador at the regional and trans-regional levels. Here discussion focuses on two topics: (1) a lease agreement between the Ecuadorian government and Hutchison Port Holdings (a Hong Kong based multi-national corporation) to develop a deep sea port at Manta, and (2) the sale of oil rights in eastern Ecuador to Andes Petroleum (a consortium of two Chinese state owned petroleum companies). An examination of 'win-win' rhetoric and Ecuador's significance with respect to China-Brazil trade will be used to highlight President Correa's selective and critical approach in adjusting the country's policies towards regional and trans-regional integration in line with the country's 2007-2010 National Development Plan.

### **Legislating Improved State Capacity**

The tumultuous history of United States intervention in Latin America resulted in a lengthy period of weakness for state institutions (Smith 2000). While some states in the region are recent exceptions to this trend (*i.e.* Brazil and Chile have developed notably strong political institutions), Ecuador, is not yet in this category. Historically, Ecuador's executive/presidential powers have not been strong enough to promote policy changes towards a more stable government. Ecuador, in attempting to manage domestic development projects and trade taking place within and across its borders, must balance its laws and enforcement mechanisms with other countries' interests in Ecuadorian territory. This tension has not only complicated its relationships with the United States but has also encouraged its leaders to seek development pathways, partners and opportunities independent of the U.S. Raphael Correa's rise as a national-level politician in 2006 marks the beginning of an emphasis in the renewal of state sovereignty as being a key factor in the future of Ecuadorian societal development.

#### *Raphael Correa & the Strengthening of Ecuadorian Sovereignty*

In 2006, Correa created the PAIS Party (Proud and Sovereign Fatherland) (Spanish: Alianza PAIS (Patria Altiva I Soberana))<sup>4</sup> as an instrument for running for President (Table 1). PAIS was a political movement made up of moderates and leftists. After winning and assuming the presidency in 2007, Correa's PAIS Party became the dominant force in the Assembly and had the backing of the majority of local level authorities (Andrade 2009: 20).

Date	Event
February 16, 2006	Rafael Correa founds the Alianza País (Patria Alitva i Soberana) (English: Proud and Sovereign Fatherland) political party in Ecuador
December 4, 2006	Correa is elected president by the country's electoral court
January 15, 2007	Correa is sworn in on as the 56th president of Ecuador
October 20, 2008	New Ecuadorian Constitution published in the Official Register
April 26, 2009	President Correa is re-elected for a second term in a general election
August 10, 2009	Correa is sworn into his second term as President of Ecuador

Table 1. Rafael Correa's election history timeline.

Part of the explanation for President Correa's adopting 'sovereignty' as the cause célèbre of the country's legislative reorganization relates to the idea that Ecuadorian activists have increasingly viewed the country's security and national identity as being threatened by the long-term presence of a U.S. military base located on its territory (van der Seijden 2010).

#### *Sovereignty & Ecuador's 2008 Constitution*

Considering Ecuador's diverse and varied internal constituencies, one of the key aims of the newly installed Correa Administration involved answering the question: 'who shall rule around *here*?' (Agnew 2009: 208, my emphasis added). Consolidating power under his authority as President and curtailing the expansion and continuation of foreign-funded military and transportation projects, (which were viewed as physically encroaching on Ecuadorian territory) represented President Correa's central sovereignty-related concern upon taking office. Correa has appealed to Ecuadorian citizenry through his realist interpretation of sovereignty –that Ecuador should have a guaranteed and untouchable right to exist as a nation state– and “that sovereignty is based less on a set of principles than on the ability of a political group to establish domestic control over its territory and defend it from external attack” (Barkin and Cronin 1994: 110). Correa's actions to consolidate power have been consistent with this view of sovereignty. As President, Correa used his authority to create a new constitution in 2008.<sup>5</sup> This constitution was designed to strengthen state power in the presidency and strengthens the argument that Correa employed a realist notion of sovereignty as a way of constructing Ecuador's new government. By rewriting the national constitution, I argue that Correa attempted to formalize his expansive and detailed view of sovereignty in an attempt to avoid “the state

of exception”, which involves a sovereign’s acting beyond the boundaries of a codified law for the public good (Agamben 2005).

The new constitution’s emphasis on sovereignty in its distinct forms (i.e. economic, energy and food) attests to the initial importance Correa placed on responding to indigenous Ecuadorians’ plea for a government that is more receptive to their calls for improved living and social conditions. (Conaghan and de la Torre 2008). From this viewpoint, nominally, sovereignty has to do with the accumulation of power in “the one” (Hardt and Negri 2004: 328). This idea, that there is one sovereign, or *one* institution with the authority to make decisions that affect the people, land and laws in a given territory, has historically been embodied in a monarch (usually a king) and has gradually evolved and transferred to signifying the consent of the people or populations at large (in democracies). As long as “the one” is a cohesive actor capable of making clear decisions on behalf of the state, then some form of progress can be made in enabling local rule. This is particularly so when ‘the people’ in order to function as a collective actor, elect leaders.

The 2008 Constitution is also notable in that one of its explicit aims relates to defending Ecuadorian territory through the promotion of “a common defense policy that consolidates a strategic alliance to strengthen sovereignty of the countries in the region.” (Ecuadorian Constitution 2008, Title 6, Chapter 3, Article 423, #3). According to Sebastian Edwards, the 2008 Ecuadorian Constitution is one of the longest constitutions “ever seen in Latin America... or in other parts of the world” (Edwards 2010: 187), (with 444 articles) it not only references traditional notions of territorial sovereignty but also expands the idea to include: biodiversity, food and energy sovereignty a total of 27 times (Ecuadorian Constitution 2008, Title 6, Chapter 4, Article 284, point 3 & Title 11, Chapter 4, Article 240). As a point of comparison, Ecuador’s previous 1998 Constitution emphasized the more traditional concept of territorial sovereignty (though appearing only five times) as opposed to any of its more recent variations.<sup>6</sup> In addition to national sovereignty, which encapsulates all Ecuadorian citizens’ right to self-determination and ‘rule by the people’, the 2008 Constitution also emphasizes the existence and importance of economic sovereignty, energy sovereignty and food sovereignty. The 2008 Constitution views food sovereignty as “a strategic objective and an obligation of the State in order to ensure that persons, communities, peoples and nations achieve self-sufficiency with respect to healthy and culturally appropriate food on a permanent basis” (Chapter 3, Article 281). These more specifically defined sovereignty-types illustrate the extent to which Correa has expanded the concept of sovereignty, allowing the state to more closely control and manage national development.

These efforts began with Correa’s successful lobbying for the rewriting of the 1998 Ecuadorian constitution during the 2007 Constituent Assembly (Conaghan and de la Torre 2008). The legislative changes that have sprung from the 2008 Constitution have enabled Correa to recentralize power, prohibit land concentration and increase state intervention in key sectors of the economy

(Madrid *et al.* 2010: 168). These actions are aimed directly at addressing the stagnant economic growth rates brought on by the US-led push for market liberalization commonly referred to as the ‘Washington Consensus’ (Williamson 1993). Correa’s move to consolidate power in the presidency aligns with critics of the Washington Consensus’s view of development who have affirmed that “with rare exceptions...late comers in the development process have caught up with some form of protectionist measures and active government intervention” (Abugattas and Paus 2008: 137).

By updating the constitution, however, to more comprehensively address the different types of sovereignty embodied in the modern Ecuadorian state,<sup>7</sup> Correa may be inadvertently setting a course towards weakened state sovereignty over the long term. According to a prominent Latin American scholar, the problem with modern Latin American constitutions (including those of Bolivia and Venezuela), which specify in great detail the minutia involved in defining the various types and degrees of sovereignty within the state, is that they are

“...unfinished documents, always subject to being amended by the people, which are the true depository of sovereignty and power... they (the new constitutions) should be easy to amend and reform, and they are not expected to endure more than ten years without going through major changes. The result is to increase uncertainty for all actors, especially businesses and investors” (Edwards 2010: 186).

*Ecuador’s Territorial Strategic Assets (TSAs) and the strengthening of state power*

Despite its small size and limited domestic market, Ecuador has attracted the interest of foreign investors because of its significant TSAs. Ecuador’s three major country-specific TSAs are: 1) a natural deep sea port at Manta (which had been viewed by Hutchison Port Holdings (a multinational port and transportation development company) as an ideal western terminus for a transcontinental highway route connecting Asian manufacturers with a more direct and time-saving land route to Brazil – Latin America’s largest and most valuable commercial market), 2) the Manta (Eloy) Air Force Base, and 3) Ecuador’s large crude oil reserves - petroleum, still accounts for the major energy source for large industrialized and industrializing economies such as the US, China and Japan (Figure 1). Two general territorial features also contribute to Ecuador’s geostrategic importance. They include: 1) the country’s location between Colombia and Peru – two of the countries most responsible for illegal drug production in Latin America (Rathbone & Thomson 2012) and 2) the country’s Pacific coast location on one of the most western portions of Latin America. Ecuador’s TSAs are significant because they attract sizeable foreign investments that highlight the importance of Ecuador’s geography despite its small territorial size. More recently, in 2010 and 2011, Ecuador received US\$5 billion in Chinese financing, (US\$2 billion of which was allocated for

the construction of the Coca Codo Sinclair hydroelectric plant) to develop a renewable energy source in northeastern Ecuador (Andes 2012).

Even more significant for Ecuador is that managing its TSAs in accordance with the principles outlined in the 2007-2010 National Development Plan will enable the country to develop in a way that ostensibly places its needs ahead of those of multi-national corporations (MNCs).

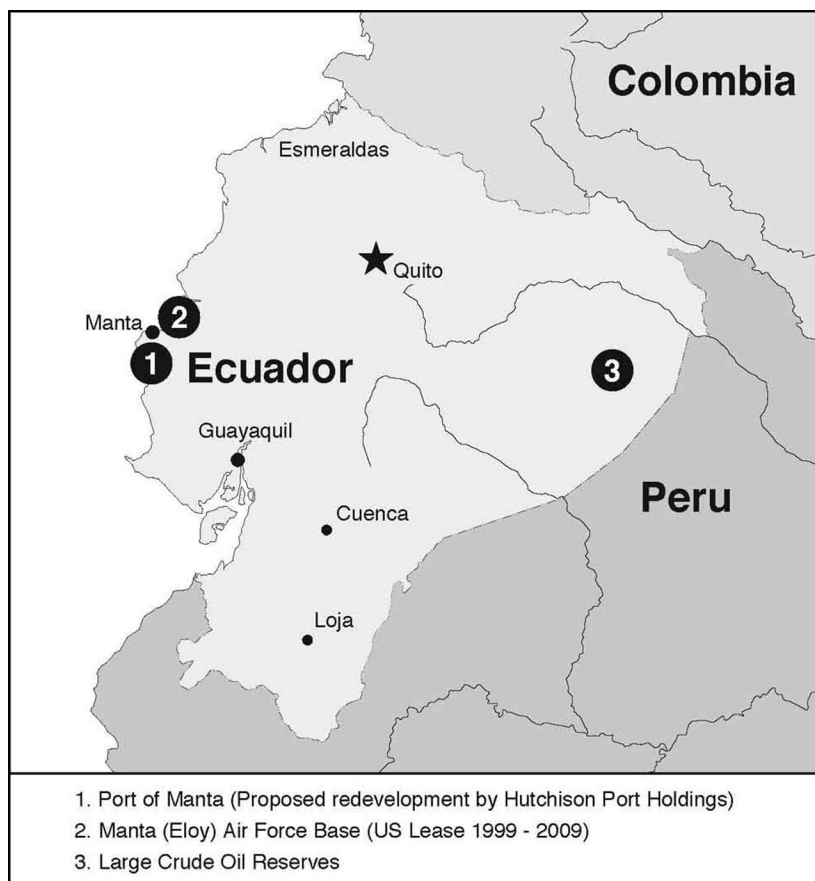


Figure 1. Ecuador's Territorial Strategic Assets.

Having defined and highlighted the importance of five major Ecuadorian TSAs, it is important to recognize that although Ecuador has had a recent history of political and financial instability that led to the 2000 adoption of the US dollar as the national currency (see *e.g.*, Solimano 2002) I argue that since 2007, the country has nevertheless used its TSAs as a way of interacting with foreign interests (*e.g.*, the U.S. military and a variety of MNCs) in order to prioritize its own sovereignty and national development.



While it is undeniable that “most states have never been immune to massive external influences and are ever less so,” and that sovereignty has always been “shared” with domestic and foreign actors (Agnew 2009: 82), Latin American leaders like Correa have employed the rhetoric of resource nationalism to extend the state’s sovereignty in part in reaction to the failure of U.S. neoliberal principles adopted by previous Ecuadorian presidential administrations. One of the criticisms of Ecuadorian society since the country’s neoliberal turn in the mid-1980s and of the neoliberal model in Latin America more generally, relates to the fact that the U.S. has “little to offer the region in terms of development except the increasingly hollow promises of free trade” (Grandin 2006: 8). Partly, because of this, upon assuming the presidency in 2007, Correa moved quickly to end the ten-year U.S. Military lease of a forward operating location (FOL) at the Manta (Eloy) Air Force base.

*U.S. Military’s forward operating location at the Manta air force base*

From 1999-2009, the U.S. Military leased part of the Manta (Eloy) Air Force base as a point of embarkation for its counter-narcotics unmanned drones tasked with interrupting production and distribution operations in neighboring Colombia. As Colombia and Peru have been two of the major illicit drug producers in the region, the U.S. military’s selection of Ecuador as a location from which to launch its anti-narcotics efforts, highlights the fact that although Ecuador is a small country, its geographic location on the west coast of the continent may be considered to be an attractive TSA to foreign powers with regional resource and security interests.

On July 25, 2009, in a radio interview held in conjunction with his visit to the United Nations headquarters in New York City, President Correa publicly signaled the end to Ecuador’s military relationship with the United States by stating that he would not renew the lease of one of the United States’ largest military bases in Latin America, which was slated to expire in November 2009. When asked why he would not renew this contract, President Correa’s responded:

“Why renew it? If you’d like I will renew it with one condition. That they [the United States] allow me to set up an Ecuadorian military base here in New York. If there’s no problem with having foreign bases then let’s reach an agreement on that. I think that everybody listening is going to find that impossible. And for us Ecuadorians it also seems impossible based on our tradition of sovereignty, at least with the current government, to have a foreign military base on our soil.”<sup>8</sup>

Correa’s response is consistent with his public campaign designed to reinvigorate Ecuadorian nationalism and sovereignty. The matter-of-fact way in which President Correa addressed the American reporter’s question illustrates his desire to embark on a twenty-first century development path separate from the

hegemonic influence of the United States. Statements such as these mark the break between the longstanding US military presence in the region and indicate an Ecuadorian future with less direct intervention on the part of foreign military interests.

On November 12, 2009, the U.S. Military's ten-year lease of its forward operating location at the Manta Air Force base expired. Between 300 and 475 U.S. soldiers were stationed at this base. The flights conducted into neighboring Colombia were responsible for approximately 60 percent of the U.S. drug interceptions in the eastern Pacific (Solano 2009). Not renewing this lease shows Correa's desire to forgo certain foreign investments (it is estimated that each year U.S. Air Force funded operations at Manta accounted for an injection of \$6.5 million into the local economy (Partlow 2008)) in accordance with Ecuador's new constitution. This lease expiration also signals a shift away from a toleration of US military activities and the economic incentives they symbolized towards a wider geographical openness of foreign investors in Ecuador. The decision to end the lease of part of the Manta base, was codified into the *beginning* of the country's new constitution prohibiting foreign military bases on Ecuadorian soil (See 2008 Ecuadorian Constitution, Title 1, Chapter 1, Article 5).

However, far from illustrating a hostility towards or discord with the US government per se, according to Eddie Bedon, the Ecuadorian Consul General in Los Angeles, CA, President Correa's decision not to renew the U.S. Military's lease of a portion of the Manta Air Force Base is directly related to the country's reassertion of its sovereign identity and was not indicative of an attempt to diplomatically "punish" the US.<sup>9</sup> Ecuador still conducts a significant percentage (49.9 percent)(UN data 2009) of its trade with the United States. Correa's decision not to renew or extend the U.S. lease of a portion of the Air Force base at Manta can be seen as aligning with what Abugattas and Paus refer to as a "capability centered strategy". A capability-centered strategy involves: "the expansion of domestic knowledge-based assets in order to achieve structural change and comparative advantages in higher value-added goods and services" (Abugattas and Paus: 137). In sum, Correa's United Nations interview remarks not only help to mark Ecuador's temporal shift from a longstanding US military presence in the region to a more independent Ecuador, but also demonstrate Ecuador's intention to flexibly negotiate proposed foreign direct investments in a manner consistent with its own national development aims -not in ways consistent with the aims of any foreign interests. With the absence of a U.S. military base at Manta, it can be argued that an opportunity has arisen to develop the base and port facilities for more overtly economic concerns.

## **Ecuadorian Regional and Trans-Regional Integration**

### *The Port of Manta and the Trans-Amazonian multi-modal transport corridor*

With the departure of the US military from Ecuadorian soil, the development of the Port of Manta –one of Ecuador's territorially strategic assets– could proceed and could bring significant and multiple economic

benefits to both the coastal and interior regions of the country. To do this the 2007-2010 National Development Plan was drafted by SENPLADES, Ecuador's National Secretary of Planning, as part of the process of rebuilding the state as proposed by Correa's government (Andrade 2009: 24). Drafted prior to the most recent Ecuadorian Constitution, this National Development Plan embodies Correa's efforts to increase Ecuadorian state capacity as a way of more effectively addressing Ecuador's political, economic and social problems. As Andrade notes:

“For the government of R. Correa, a weak state is unable [to] participate in the definition of goals and courses of action for the country, and therefore finds it necessary to regain the big state that was dismantled by the initiatives of the neoliberalism. The Plan Nacional de Desarrollo (National Development Plan) is a very important tool in the discourse of the government because it gives back to the state the possibility to plan and have a bigger influence in the economy. At the same time the Plan emphasizes the importance of a development from within, in contrast to the interventions of international organizations like the World Bank and the IMF, criticizing the conditionality usually associated with them.” (Andrade 2009: 26).

#### *Hutchison Port Holdings (HPH)*

In January 2006, managers at Hutchison Port Holdings (HPH), a Hong Kong-China based port operator, began discussions with the Manta Port Authority to renovate and expand this city's commercial seaport. At this time, HPH was the sole respondent to the port concession offer. The company offered to sign a 30-year concession to build and operate a deep water commercial port capable of handling 2.2 million containers a year -an investment valued at US\$523 million (BNAmericas 2009). Such an investment would have represented one of the most valuable FDI projects in Ecuador's history.

In order to understand HPH's motivation to construct a major Asia-focused seaport at the small port town of Manta, Ecuador, it is first important to understand the role this company plays in world trade and commercial flows. HPH is a division of Hutchison Whampoa Limited (HWL), a large Hong Kong-based business conglomerate. HWL, is a publically traded conglomerate and is headed by Li Ka-shing, a Hong Kong investor who, according to Forbes Magazine, ranked as the sixteenth wealthiest individual in the world in 2009 (Forbes 2009). In addition to building and managing ports and related services, HWL has interests in five other core business sectors: 1) property and hotels; 2) retail; 3) infrastructure; 4) energy; 5) telecommunications (HWL website - Overview 2009). These five business lines together make HWL one of the largest companies listed on the Hong Kong Stock Exchange (HWL website-Homepage 2009). In part due to the financial position and business success

of HWL, HPH has developed into the world's leading port operator, developer and investor in terms of the number of locations in which it operates around the world. According to the HPH company profile page, HPH has "interests in a total of 300 berths in 49 ports, spanning 25 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia" (HPH Website 2009). From these observations, it is clear that HPH is a truly global company (whose headquarters happens to be in Hong Kong) as opposed to being a national Chinese company with ancillary overseas interests.

Rather than allowing cultural and economic globalization to threaten the sovereign territorial ideal of the state and allow such forces to marginalize and act across political frontiers and economic boundaries (Hirst 2005: 7), I argue here that Correa has sought to counter unchecked economic globalization and neoliberalism with state-initiated policies facilitating regional and trans-regional integration.

Interestingly, several scholars in Washington, D.C. claim that Li Ka-Shing, the chairman of HPH's parent company Hutchison Whampoa Limited, could potentially use his close ties with the Chinese leadership in Beijing to advance China's interests in Latin America. According to Menges and Ferrand, along with the company's operating interests in both the Pacific and Caribbean ports of the Panama Canal, HPH's involvement in developing the port of Manta could potentially facilitate "a larger Beijing strategy to strengthen its geo-strategic positioning around the globe," (Menges' America Report October 2008). Menges and Ferrand continue by stating that "China has been very effective in securing strategic locations which they clearly understand will give them the upper hand in the event of any future confrontation with the U.S." (*Ibid.*). The fact that the HPH agreement to operate the port of Manta ultimately did not materialize based on the grounds "that there are changes in the concession agreement, unilaterally imposed by the Ecuadorian government, which TIDE<sup>10</sup> finds unacceptable" (HPH Website 2009) suggests that the strengthening of Ecuadorian sovereignty as codified in the 2008 Constitution and in the National Development Plan "remains paramount above" the allure of imminent and lucrative foreign investment deals.

While there is no direct, causal relationship linking HPH's interest in upgrading the Manta seaport with the termination of the U.S. Military's lease of a portion of the Manta Air Force Base (located approximately three miles away), the fact that the U.S. Military and a Hong Kong, China-based MNC both had substantial planned future investments in Manta speaks to the value that foreign interests place on Ecuador's TSAs and the economic dependence outside actors place on certain Ecuadorian geographic features. In this sense, Ecuador, while small, does play an important geopolitical role both regionally and trans-regionally.

#### *Ecuador's role in facilitating Chinese-Brazilian trade*

From the preceding discussion, it is clear that under Correa, Ecuador is interested in engaging with MNCs, though under conditions that meet its own

perception of national development and sovereignty. As Ecuador is dealing with a host of simultaneous processes that are changing the way it views itself and the world (*e.g.*, economic globalization, the rise of China, the rise in oil prices), its strategic location on the lucrative China-Brazil trade axis, has also been a factor that has influenced Ecuador's policy decision making. While HPH's upgrade and operations of the port at Manta would not be the company's first port project in the Americas,<sup>11</sup> such a move highlights Ecuador's role in regional (Latin American) and trans-regional (Pacific Rim) integration. As Ellis observes:

“Perhaps the most ambitious dimension of the transformation of Manta is the potential role that it would then play as the Pacific anchor of a new inter-oceanic corridor linking it to the Brazilian city of Belem, on the Atlantic coast. The project, if it goes forward, would create a new link between the Pacific ports and Brazilian markets” (Ellis 2009: 133)

Ellis' emphasis of Manta's role as part of the development of a larger Latin American multimodal transport corridor – a system that in the future might have many trade routes to facilitate Chinese-Brazilian trade – highlights the importance Ecuador's TSAs lend towards fostering regional integration. Trade between Brazil and China is the most valuable economic relationship connecting these two continents so much so that by November 2010, “China was Brazil's largest trading partner, largest export destination and second largest import source” (MOFCOM 2011). In 2010, for instance, China exported US\$24 billion worth of goods to Brazil and imported US\$38 billion worth of goods from Brazil. (CCSY 2010: 4935), resulting in a total of 2010 bilateral China-Brazil trade of US\$62 billion – the most valuable bilateral Chinese-Latin American state trading relationship.

While HPH's expertise in containerized shipping offered the potential for the expansion of Chinese-Ecuadorian trade, for the Correa Administration, the company's presence in Manta was even more significant because of Ecuador's role as a facilitator of Chinese-Latin American trade more broadly and Chinese-Brazilian trade more specifically. The development of a deep water port at Manta and its ultimate connection with a transcontinental highway relates to efficiency gains which would arise because of the construction of this proposed new highway infrastructure project.

“Although a number of inter-oceanic highway projects are in the works, Brazilian exports to the PRC are currently transported overland to Atlantic ports, from where they are shipped by sea either in a westerly direction through the Panama Canal or in an easterly direction around the Horn of Africa. Virtually all current routes connecting Brazil to the PRC involve transit times of forty or more days” (Ellis 2009: 133).

With this statement, Ellis details a serious and major interest the Manta Port Authority and HPH planners had in developing a new port at Manta –to take advantage and profit from the reduced transport time (Ellis 2009: 133) of the shipping of goods originating in manufacturing centers in China to markets and cities along the proposed highway to Belem on the northeast coast of Brazil, and ultimately to Latin America’s major industrial and population centers in the southeastern part of the country (*i.e.*, São Paulo and Rio de Janeiro). Even more importantly for Ecuador, development of an expanded, high-volume port would enable this small Latin American state to be connected to regional and trans-regional economic processes, whose anchors (Brazil and China) are amongst the fastest-growing emerging markets in the contemporary world economy. From 1979-2010 China’s annual GDP growth rate was 9.8 percent per year (ECLAC 2011: 5) while Brazil’s annual GDP growth rate from 1980-2011 was 2.8 percent per year (World Bank 2012). From one perspective, this project would create a market for Chinese firms to sell their products across the South American continent and enable these companies to gain access to currently isolated regions of the Brazilian interior. From another perspective, this highway would permit Chinese vendors to reach larger groups of Latin American consumers in less time. Instead of having to rely on cargo ships to pass through the Panama Canal and travel to the Eastern coast of Latin America, this Trans-Amazonian multi-modal highway would significantly cut transport time from China to most regions in Brazil. As one of the ten defined axes comprising the South American Regional Infrastructural Integration Project (El Proyecto de la *Integración de la Infraestructura Regional Sudamericana* (IIRSA) (Figure 2), the Amazonian-axis or Trans-Amazonian highway entails improving existing highways and constructing new ones from the port cities of Tumaco (Colombia), Esmeraldas (Ecuador) and Paita (Perú) (Zibechi 2006:2) that would eventually connect with the Amazon River system (and transport barges on the river) in Brazil. The port terminus at Manta would also feed into the Trans-Amazonian highway.

Figure 2: a) visually depicts Ecuador’s role in future economic integration with Brazil – the region’s most important economy (both in terms of market value and perceived complementarity with Chinese business interests) and b) illustrates the various competing transcontinental routes being considered by other governments (*i.e.* Brazil’s ongoing construction of Highway BR-230) and development agencies in the region. From the perspective of the western direction of the Trans-Amazonian multi-modal highway, this project represents an improvement in the efficiency of transporting natural resources (*i.e.*, oil, natural gas, timber, soybeans, etc.) from eastern and central Brazil to the Pacific Coast and then onto cargo ships headed for China (Ellis 2009: 133). For Ecuador, the idea of turning Manta into an Asia-focused trading hub in Latin America would signify a concrete move in a direction away from the U.S. Military presence and influence on Ecuadorian territory towards a more enmeshed state of regional and trans-regional integration.

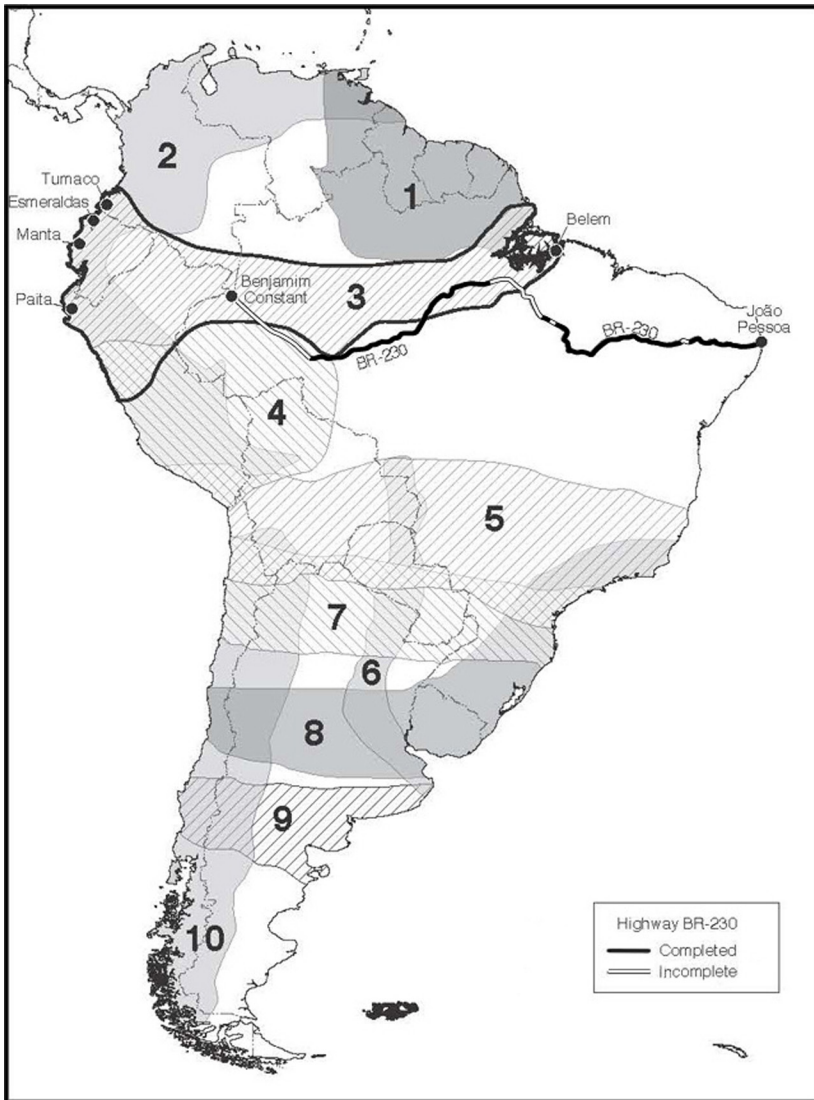


Figure 2. The Trans-Amazon Multi-modal Highway (BR-230) and other major South American transportation corridors. The proposed land and water route (3), transects South America connecting the Pacific Ocean ports of Tumaco (Colombia), Esmeraldas & Manta (Ecuador) and Paita (Peru) with Belém and João Pessoa, Brazil, on the Atlantic. Other major South American transportation corridors include: (1) Guianese Shield, (2) Andean, (3) Trans-Amazon, (4) Peru-Bolivia-Brazil, (5) Central Oceanic, (6) Paraguay-Paraná Hidrovía, (7) Capricorn, (8) Mercosur-Chile, (9) Southern Patagonia, and (10) the Southern Andean (Adapted from Keeling 2008: 144).

By developing and utilizing an Ecuadorian sovereignty rhetoric and legal documents, President Correa has been able to begin a national shift away from an association with U.S. geopolitical security concerns towards national economic development and wider, more geographically diverse economic connectivity. While it has been the norm (historically) that U.S.-Latin American bi-lateral state relations have been characterized as relationships of “asymmetrical significance” -where Latin American states would give their extra-hemispheric partners “high priority” but their more powerful extra-hemispheric partners would not reciprocate with equivalent amounts of “time, attention and energy” (Smith 2000: 342), Correa’s use of Ecuadorian TSAs for the primary purpose of benefiting Ecuador first, is beginning to change previous geopolitical power relationships and is supported by Ecuador’s decisions to decline investment deals if such arrangements are seen as either compromising national sovereignty or as being incompatible with the development state.

I argue that although Brazil’s economy dwarfs Ecuador’s, the latter’s presence on the Pacific coast, has emphasized the country’s possible important role in facilitating trans-Pacific trade, connecting Chinese manufacturers and businesses with the large and growing Brazilian market (MOFCOM 2011). On the other hand, Brazil’s large economy,<sup>12</sup> diverse array of natural commodities and significant market potential for Chinese goods, makes the Chinese-Brazilian trade relationship the most financially appealing for Chinese business interests in the region.

Interestingly, Correa’s interest in integrating Ecuador with Chinese based business flows, must be necessarily viewed in light of China’s interest in operating within the contemporary U.S. dominated geopolitical system. For China, maintaining good relationships with the U.S. is vital for its foreign policy makers, particularly considering that the U.S. navy maintains control and security over the world’s vital commercial shipping routes (Carmody and Tarylor 2009: 13). Nevertheless, although China is interested in maintaining stable relations with the United States, having emerged from the 2008 financial crisis with “deep pockets”, it is also eager to develop its reputation as “benefactor and leader of the developing world” (Dittmer 2010: 227). Ideologically, this reality is attractive to Correa who has been a consistent critic of U.S.-inspired neoliberalism. By using Ecuador’s TSAs as geographical ‘indicators’ of the way in which Ecuador *should be* focusing its development efforts, the Correa Administration can better focus on core national development projects.

### *Questioning the ‘win-win’ rhetoric*

Because of the opening of the trading and FDI options brought on by recent economic globalization, Ecuador is in a position to be critical of the ‘win-win’ rhetoric that has infused Chinese diplomatic speeches and government press conference remarks. Interestingly, the term ‘win-win’ has been adopted by the Chinese Ministry of Foreign Affairs (MOFCOM) and is used frequently when the Ministry is discussing China’s economic relations with other developing world regions. In the case of MOFCOM’s use of the term “win-win” the term



connotes mutual benefit to bi-lateral agreements involving China and other states. Carmody's and Taylor's criticism of China's 'win-win' discussions in relation to Africa –“the wins in Africa would appear to be primarily for elites and this rhetoric disguises the massive power inequalities between African states and China” (Carmody and Taylor 2009: 17)– can be just as readily applied to China's relationship with Latin American countries such as Ecuador.

*Ecuadorian Petroleum and integration with Andes Petroleum (a Chinese State-Owned Petroleum Joint-Venture)*

Andes Petroleum's 2005 purchase of Ecuadorian oil assets<sup>13</sup> located in the country's Oriente basin provides support for President Correa's desire to integrate Ecuador's economy with Pacific Rim states, particularly China. Until 2005, almost 70 percent of Ecuador's oil exports were shipped to the United States while in 2004 petroleum exports to China represented less than one percent of total Ecuadorian oil exports. As Palacios has observed, Andes Petroleum's “EnCana purchase will provide an interesting test on how Chinese local ownership will affect the distribution of oil assets in Latin America” (Palacios 2008: 173).

Internationally, Ecuador's petroleum reserves are perhaps the country's best-known (and most valued) TSA. Because of petroleum's global importance, this commodity has played a central role in national debates relating to Ecuadorian development over the past two decades. According to one scholar, “dissatisfaction with the political economy of petroleum in the 1990s and 2000s...generated high profile protests and civil unrest that centered not on stopping production, but on demanding a more ‘responsible management’ of petroleum by the state” (Valdivia 2008: 456–477). Because non-use of such assets would be detrimental to Ecuadorians and foreign investors alike, Correa's challenge here is the way in which Ecuador decides to legislate its petroleum use. This idea aligns with Hamwey's concept of *internal policy space* – the confluence of “domestic institutional capabilities, resources, and the political economy behind a particular government's agenda” (Hamwey 2005).

Ecuador is a major petroleum exporter to the United States, Japan and increasingly to China. Petroleum accounts for the single most valuable export commodity in Ecuador. As such, the 2007-2010 National Development Plan has specified that one of the aims of the Ecuadorian government moving forward is to develop its energy sector capacity. In fact, according to the Inter-American Development Bank (IDB): “Among the factors that the National Development Plan points out as adversely affecting competitiveness and economic growth are the lack of investment in the oil and energy sectors and the limited access to financing for the productive sectors” (Inter-Development Bank (IDB) Country Strategy with Ecuador 2008-2011: 8, Point 1.28). This explains in part why in 2005, Andes Petroleum (a joint venture between the China National Petroleum Corporation (CNPC) and Sinopec) was able to successfully acquire Canadian-based EnCana's petroleum assets in eastern Ecuador for US\$1.42 billion (Palacios 2008: 178)(See Table 2). Andes Petroleum pumps crude oil

from its three main oil blocks in eastern Ecuador: Tarapoa, Block 14 and Block 17, directs this oil to a holding facility - the *Oleoducto de Crudos Pesados (OCP)* (the Heavy Crude Pipeline) Amazonas Terminal, pumps the oil through the OCP Pipeline westward across the country where it is ultimately loaded onto China-bound oil tankers at the OCP Maritime Terminal (Figure 3) on Ecuador's Pacific coast. While, Andes Petroleum's Ecuadorian oil acquisitions suddenly gave China access to significant amounts of petroleum, this investment just as importantly enabled Ecuador to obtain financing to develop and profit from the rising cost of oil, thus directly contributing to the central government's financial strength.

<b>Petroleum Asset</b>	<b>Percentage Acquired (if known)</b>
Tarapoa block	100
Block 14	Majority operating interest
Block 15	40 (non-operating economic interest)
Block 17	Majority operating interest
Shiripuno	Majority operating interest
OCP Pipeline	36

Table 2. Andes Petroleum's 2005 Oil Production and Transport Assets Acquisitions from EnCana's Ecuadorian Petroleum Assets.  
(Source: Based on author's elaboration of EnCana 2006).

In the case of Ecuador's continued petroleum production, external financing was a key component of Ecuador's national development strategy. Because of this supply-demand alignment, Andes Petroleum's investment was viewed favorably (by the Correa Administration) in Ecuador as contributing to the strength of the state, rather than impinging on Ecuador's sovereignty. The IDB goes on to state that Ecuador's National Development Plan emphasizes the need to improve: "the country's competitiveness in the region and vis-à-vis the Pacific Rim." (IDB Country Strategy with Ecuador 2008-2011, 8, Point 1.29). One of the ways of doing this is by integrating its TSAs with the economic interests of one of the major Pacific Rim economies - China. Critics, however, have countered that Chinese interest, in particular, in securing these types of natural resource agreements will raise the value of natural resources but will simultaneously relax the urgency for internal reforms in states with inadequate policies and flawed governance (Cáceres and Ear 2012: 66). Nonetheless, in the near term, I argue that Ecuador has leveraged this TSA to meet the opportunity that China's engagement with the region represents, to entice Chinese MNCs to invest in its economy and to facilitate Ecuador's integration with Pacific-Rim economies.

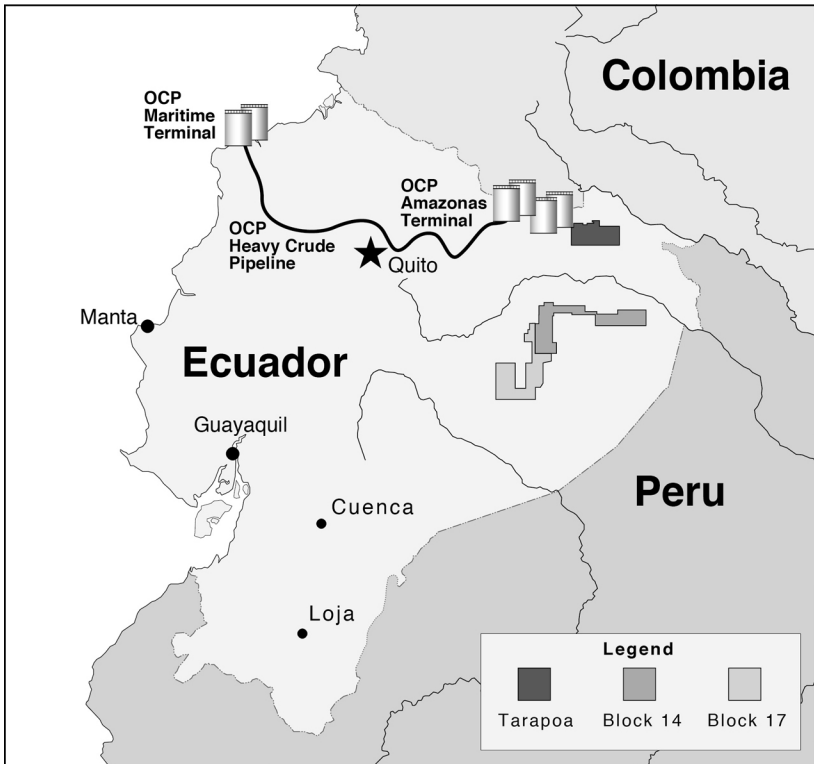


Figure 3. Location of Andes Petroleum's petroleum assets in Ecuador.  
 (Source: Based on Andes Petroleum's website, "Regions and Blocks" page:  
[http://www.andespetro.com/html/Regions\\_4\\_7.htm](http://www.andespetro.com/html/Regions_4_7.htm))

## Conclusions

Although Ecuador experienced a period of extreme economic instability at the end of the 20th century and has among the smallest territorial footprints, market sizes and GDPs in South America, it nevertheless has recently adopted policies that have enabled it to interact with multinational corporations and a foreign military so as to prioritize its own national development and sovereignty. This paper employs interviews with members of the Correa Administration, texts of the 1998 and 2008 Ecuadorian Constitutions and secondary research related to Ecuador's national development to argue that Rafael Correa is using Ecuador's geography to the economic benefit of the country. Through engaging in a capability-centered strategy towards the management of its TSAs, I argue that Ecuador today is an important political and economic actor in its own right. Investigating the blurred boundaries that exist between MNCs' power and state sovereignty is key to understanding contemporary Latin American geopolitics. While several scholars have questioned whether the increasing involvement of global corporations within public institutions represents a threat to democracy

and the rule of the state (Rondinelli 2008, Scher *et al.* 2006) and have claimed that corporations have the ability to overpower the rule of state leaders (Strange 1996), I argue that smaller states, such as Ecuador, have recognized the vast power that large business interests and global markets play and have adapted their constitutions to take advantage of their geographical endowments (TSAs) to meet and compliment the demands of world markets, while ensuring that Ecuadorian interests are given priority. The 2008 Ecuadorian Constitution is an important document because it recognizes that development is contingent upon private gains being brought in line with the larger needs of national development (Doner 1992: 398). Through his successful drafting and passing of a new National Development Plan and the 2008 constitution, Correa has demonstrated his willingness to strengthen Ecuador's engagement with international investors and confront foreign governments and MNCs that might take advantage of the perception that "as states grow weaker...more forces act across their boundaries to govern within their territory" (Hirst 2005: 13).

Using these documents as legal mandates, President Correa has proceeded to embed Ecuador's TSAs in ongoing discussions relating to the state's sovereign identity. As shown in this article, this process has simultaneously strengthened Ecuadorian national consciousness, promoted exploration into further regional and trans-regional integration, and prevented FDI that has been viewed by Correa as impinging on the state's freedom to influence the way in which it will define itself and shape its future interactions with emerging growth markets. Correa's decision to terminate the U.S. military lease of the port at Manta illustrates Ecuadorian leadership's desire to embark on a new national development trajectory that is less dependent on United States' influence and more attuned to its own developmental needs.

The Ecuadorian government's state management capacity has been solidified to the extent that power differentials—between China and Ecuador—while still significant economically, have moved more in the direction of harmonizing with Ecuador's newly revised constitution that focuses on upholding and strengthening Ecuadorian economic and energy sovereignties. The struggles relating to the two lease agreements in the port city of Manta are symbolic of the challenges and the transition that Ecuador faces as it decides on its national development trajectory moving forward. Such an internal reorganization of Ecuador's governing policy apparatus has enabled it to engage with multiple powerful economies—*i.e.*, the US, China and Brazil—who have shown interest in investing in Ecuador.

Finally, examples of Ecuadorian bilateral agreements with the United States military and with a variety of interests including MNCs based in China demonstrate Ecuador's enhanced state capacity in action. By improving its state capacity—the ability of a government to manage public policy, planning and administrative functions within an internationally agreed upon set territorial boundaries—Ecuador is better able to determine whether or not to accept FDI projects based on their value for Ecuadorian development rather than on their value for large foreign interests. In deciding not to renew the U.S. Military's lease

of the Manta Air Force base, in halting HPH's renovation and operation of the Port of Manta and in allowing Chinese investments in the hydroelectric sector, Ecuador has evolved as a state capable of critically engaging with (without being dependent on) lucrative foreign investment projects that do not align with Ecuador's new emphasis on multiple sovereignties.

While critics have argued that Ecuador is closed off to foreign direct investment, I argue that the emergence of Brazil and China as serious trading partners and financial investors in Ecuador, has provided the Correa administration with an additional investment option as it reconsiders the role its TSAs play in the country's development and national sovereignty. Today, Ecuador, because of its newly organized and centralized governance structure, and because of its willingness to engage with a diverse group of foreign investors, is able to operate in the globalized investment environment where foreign direct investment comes from multiple geographic regions with varied political and economic interests. This new emphasis on a variety of sovereignties allows Ecuador to view economically important investors such as the United States and China as playing complementary roles in the domestically reorganized Ecuadorian political space - one in which expanded economic linkages relate directly to fulfilling Correa's economic and nation-building goals for Ecuador.

### **Acknowledgments**

I would like to thank John Agnew for his generous support and assistance in reading over multiple drafts of this paper and for encouraging me to highlight the linkages between geo-spatial territorial issues at the national and international levels. The author also wishes to thank Andrew Grant and Scott Stephenson for their keen insights that have contributed to improving this manuscript in numerous ways.

### **Notes**

<sup>1</sup> This paper employs excerpts of a radio interview with Ecuadorian President Rafael Correa, a personal interview with a member of the Correa Administration, and the secondary literature as its research methodologies.

<sup>2</sup> State capacity is defined here as the ability of a government to manage public policy, planning and administrative functions within an internationally agreed upon set territorial boundaries.

<sup>3</sup> Ecuador's twentieth constitution since independence in 1830.

<sup>4</sup> The acronym "PAIS" in Spanish translates to "country".

<sup>5</sup> An English translation of the complete 2008 Ecuadorian Constitution can be accessed online at Georgetown University's Political Database of the Americas.

<sup>6</sup> A Spanish version of the complete 1998 Ecuadorian Constitution can be accessed online at Georgetown University's Political Database of the Americas.

<sup>7</sup> In addition to the idea of national sovereignty, which encapsulates all Ecuadorian citizens' right to self-determination and 'rule by the people', the 2008 Ecuadorian Constitution also emphasizes the existence and importance of economic sovereignty, energy most notably food sovereignty ("a strategic objective and an obligation of the State in order to ensure that persons, communities, peoples and nations achieve self-sufficiency with respect to healthy and culturally appropriate food on a permanent basis"). These more specifically defined sovereignty-types more directly detail the notion of modern Ecuador sovereignty.

<sup>8</sup> KPFK Radio interview with Ecuadorian President Rafael Correa, New York City, June 29, 2009.

<sup>9</sup> Personal Communication, July 6, 2011, Los Angeles, CA.

<sup>10</sup> HPH incorporated as Terminales Internacionales de Ecuador S.A. (TIDE) in Manta, Ecuador. HPH Press Release 2009.

<sup>11</sup> HPH currently operates ports in Buenos Aires, Argentina; Freeport, Bahamas, in four different locations in Mexico including: Ensenada, Lazaro Cardenas, Manzanillo, and Veracruz; and in Balboa and Cristobal, Panama. These later two ports represent gateways to both the eastern and western entrance to the Panama Canal.

<sup>12</sup> Brazil's 2010 GDP of US\$2.09 Trillion and population of 195 million were both the largest in Latin America (World Bank 2010).

<sup>13</sup> By EnCana Corporation, a Canadian Energy Corporation.

## References

Abugattas, L. and E. Paus. 2008. Policy Space for a Capability-Centered Development Strategy for Latin America. In *The Political Economy of Hemispheric Integration: Responding to Globalization in the Americas*, K. Shalden and D. Sanchez-Anocochea (eds.), pp. 113-147. New York: Palgrave Macmillan.

Agamben, G. 2005. *State of Exception*. Chicago: University of Chicago Press.

Agnew, J. 2009. *Globalization and Sovereignty*. Lanham: Rowman & Littlefield Publishers, Inc.

Andrade, C. 2009. Development from the State in Ecuador: The Analysis of the Plan Nacional de Desarrollo and the Constitución 2008. Unpublished Master thesis, Faculty of Psychology, The University of Bergen.

Andes. 2012. Correa: El endeudamiento con China responde a la necesidad del país, (<http://andes.info.ec/2009-2011.php/?p=141559>) Accessed August 5, 2012.

Andes Petroleum Ecuador Ltd / PetroOriental S. A. 2006. ([http://www.andespetro.com/html/interna\\_2\\_0.htm](http://www.andespetro.com/html/interna_2_0.htm)) Accessed May 1, 2012.

Astorga, P. 2010. A Century of Economic Growth in Latin America, *Journal of Development Economics*, 92(2): 232-243.

Bajpae, C. 2005. China's Energy Strategy in Latin America. *China Brief*, 5(14): 2.

Barkin, J. S., and B. Cronin. 1994. The State and the Nation: Changing Norms and the Rules of Sovereignty in International Relations. *International Organization* 48(1): 107-130.

Bengoa, M. and B. Sanchez-Robles. 2003. Foreign Direct Investment, Economic Freedom and Growth: New Evidence from Latin America, *European Journal of Political Economy*, 19(3): 529-545.

BNAmericas 2009. APM resumes control of Manta port – Ecuador. ([http://www.bnamericas.com/news/infrastructure/APM\\_resumes\\_control\\_of\\_Manta\\_port1](http://www.bnamericas.com/news/infrastructure/APM_resumes_control_of_Manta_port1)) Accessed Oct. 21, 2009.

Brunn, S., J. Ford, and T. McIntosh. 1971. The States of Political Geography Research in Latin America. *Yearbook, Conference of Latin Americanist Geographers* 1: 265-287.

Bulmer-Thomas, V. 2003. *The Economic History of Latin America since Independence*. New York: Cambridge University Press.

Cáceres, S. and S. Ear. 2012. The Geopolitics of Chinas' Global Resources Quest. *Geopolitics*, 17: 47-79.

Carmody, P. and I. Taylor. 2009. Flexigemony and Force in China's Geoeconomic Strategy in Africa: Sudan and Zambia Compared. *IIS Discussion Paper*, 277: 1-21.

CCSY (China Customs Statistics Yearbooks) 2009-2010. *Zhongguo Haiguan Tongji Nianjian*, 3. Beijing: China Customs Publishing.

Conaghan, C. and C. de la Torre. 2008. The Permanent Campaign of Rafael Correa: Making Ecuador's Plebiscitary Presidency. *The International Journal of Press/Politics* 13(3): 267-284.

Dittmer, L. 2010. China's Rise, Global Identity, and the Developing World. In Dittmer, L. & Yu, G.T. (eds.) *China, the Developing World, and the New Global Dynamic*, pp. 203-230. Boulder: Lynne Rienner Publishers.

Doner, R. 1992. Limits of State Strength. *World Politics*, Volume 44(3): 398-431.

ECLAC. 2011. *People's Republic of China and Latin America and the Caribbean: Usbering in a New Era in the Economic and Trade Relationship*. Santiago: United Nations.

Ecuadorian Constitution (Spanish): <http://pdba.georgetown.edu/Constitutions/Ecuador/ecuador98.html#mozToCId125024> 2008 Ecuadorian Constitution (English): <http://pdba.georgetown.edu/Constitutions/Ecuador/english08.html>

Edwards, S. 2010. *Left Behind: Latin America and the False Promise of Populism*. Chicago: University of Chicago Press.

Ellis, R. E. 2009. *China in Latin America: The Whats and Wherefores*. Boulder: Lynne Rienner Publishers.

EnCana Corporation. 2006. EnCana (<http://www.EnCana.com>). Accessed 12 December 2011.

Fernandez, A. and B. Hogenboom. 2010. *Latin America Facing China—South-South Relations beyond the Washington Consensus*. New York: Berghahn Books.

Grandin, G. 2006. *Empire's Workshop – Latin America, the United States and the Rise of the New Imperialism*. New York: Henry Holt and Company.

Hamwey, R. M. 2005. *Expanding National Policy Space for Development: Why the Multinational Trading System Must Change*. Trade-Related Agenda, Development and Equity (T.R.A.D.E.) Working Paper, 25 September, South Centre, Geneva.

Hardt, M. and A. Negri. 2004. *Multitude - War and Democracy in the Age of Empire*. Cambridge: Harvard University Press.

Hirst, P. 2005. *Space and Power – Politics, War and Architecture*. Malden: Polity Press.

Hutchison Ports Holdings website—Homepage. [www.hph.com/webpg.aspx?id=87](http://www.hph.com/webpg.aspx?id=87) Accessed Dec. 5, 2009.



Hutchison Whampoa Corporate website – Homepage (English) (n. d.) [www.hutchison-whampoa.com/eng/index.htm](http://www.hutchison-whampoa.com/eng/index.htm). Accessed December 5, 2009.

Hutchison Whampoa Corporate website – Overview (English) (n. d.) <http://www.hutchison-whampoa.com/en/businesses/global.php> Accessed July 25, 2012.

Inter-American Development Bank (IADB), *IDB Country Strategy with Ecuador (2008-2011)*, undated report, p. 8, Point 1.28. <http://www.iadb.org/document.cfm?id=1726069>, downloaded 13 September 2012.

Keeling, D. 2004. Latin American Development and the Globalization Imperative: New Directions, Familiar Crises. *Journal of Latin American Geography* 3(1): 1-21.

\_\_\_\_\_. 2008. Latin America's Transportation Conundrum. *Journal of Latin American Geography*, 7(2): 133-154.

Li Ka-shing. Forbes. 2009. ([www.forbes.com/lists/2009/10/billionaires-2009-richest-people\\_Li-Ka-shing\\_SO0W.html](http://www.forbes.com/lists/2009/10/billionaires-2009-richest-people_Li-Ka-shing_SO0W.html)). Accessed December 5, 2009.

Madrid, R. L., W. Hunter, and K. Weyland. 2010. The Policies and Performance of the Constestatory and Moderate Left. In *Leftist Governments in Latin America – Successes and Shortcomings*, K. Weyland, R. Madrid and W. Hunter (eds.), pp. 140-180. New York: Cambridge University Press.

Marcella, G. 2008. *War Without Borders: The Colombia Ecuador Crisis of 2008*. Carlisle, PA: United States Army War College.

Marini, J.F. 1987. *Geopolítica Latinoamerica de la Integración*. Buenos Aires: Editorial Humanitas.

Menges' Americas Report. 2008. China's Control of the Panama Canal Revisited. (<http://themengesproject.blogspot.com/2008/10/chinas-control-of-panama-canal.html>). Accessed 14 March 2012.

MOFCOM. Ministry of Commerce Peoples' Republic of China 2011. Brazil Trade Statistics (11/2011). (<http://english.mofcom.gov.cn/aarticle/statistic/lanmubb/ChinaEU/201101/20110107385175.html>). Accessed 21 March 2012.

OCP, Ecuador Wärtisilä Power Plant Reference. 2012. (<http://www.wartsila.com/en/references/ocp>). Accessed 13 April 2012.

Palacios, L. 2008. Latin America as Energy Supplier. In *China's Expansion into the Western Hemisphere: Implications for Latin America and the United States*, R. Roett and G. Paz, (eds.), pp. 170-189. Washington, DC: Brookings.

Partlow, J. 2008. Ecuador Giving U.S. Air Base the Boot, *Washington Post* 3 September 2008. (<http://www.washingtonpost.com/wp-dyn/content/article/2008/09/03/AR2008090303289.html>) Accessed 29 June 2011.

Puntigliano, A. 2011. 'Geopolitics of Integration' and the Imagination of South America. *Geopolitics*, 16: 846-864.

Radcliffe, S. 1998. Frontiers and Popular Nationhood: Geographies of Identity in the 1995 Ecuador-Peru Border Dispute. *Political Geography*, 17(3): 273-293.

Rathbone, J. P. and A. Thomson. 2012. Latin America: A toxic trade. *Financial Times*. April 18. (<http://www.ft.com/intl/cms/s/0/fd055994-ca8f-11e0-94d000144feabdc0.html#axzz211PNpG9K>) Accessed 18 July 2012.

Roett, R. and G. Paz. 2008. *China's Expansion into the Western Hemisphere – Implications for Latin America and the United States*. Washington, D.C.: Brookings.

Rondinelli, D. A. 2003. Transnational Corporations: International Citizens or New Sovereigns? *Business Strategy Review*, 14(4): 3–21.

Sabatini, C. 2012. Rethinking Latin America. *Foreign Affairs*, 91(2): 8-13.

Scherer, A. G., G. Palazzo, and D. Baumann. 2006. Global Rules and Private Actors: Towards a New Role of the Transnational Corporation in Global Governance, *Business Ethics Quarterly*, 16(4) 505-532.

Smith, P. H. 2000. *Talons of the Eagle – Dynamics of U.S.-Latin American Relations*. New York: Oxford University Press.

Solano, G. 2009. *US Anti-Drug Force Flies Last Flight from Ecuador*. Associated Press. 17 July 2009.

Solimano, A. 2002. Crisis and Dollarization: An Overview. In *Crisis and dollarization in Ecuador: Stability, Growth and Social Equity*, P. Beckerman and A. Solimano (eds.), pp. 1-16. Washington, D.C.: The World Bank.

Strange, S. 1996. *The Retreat of the State: The Diffusion of Power in the World Economy*. Cambridge: Cambridge University Press.

TIDE Withdraws from the Port of Manta Concession Contract, HPH Website: Media – Press Releases Section. Feb. 6, 2009. Accessed June 30, 2011: ([http://hph.com/media/press\\_release.aspx?mv=1&prid=376](http://hph.com/media/press_release.aspx?mv=1&prid=376)).

U.S. Department of State. 2011. Ecuador. (<http://www.state.gov/r/pa/ei/bgn/35761.htm>). Accessed 11 March 2012.

UN data. 2009. UN data|country profile|Ecuador (<http://data.un.org/CountryProfile.aspx?crName=ECUADOR>). Accessed 14 March 2012.

Valdivia, G. 2008. Governing Relations between People and Things: Citizenship, Territory, and the Political Economy of Petroleum in Ecuador. *Political Geography*, 27(4): 456–477.

Van der Seijden, W. 2010. Building the Global No-Bases Movement, *Peace Review*, 22(2): 106-112.

Williamson, J. 1993. Democracy and the ‘Washington Consensus’, *World Development*, 21 (8): 1329-36.

World Bank. 2010. Ecuador|Data (<http://data.worldbank.org/country/ecuador>). Accessed 11 March 2012.

\_\_\_\_\_. 2012. GDP growth (annual %) | Data | Table (<http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>). Accessed 19 August 2012.

Zibechi, R. 2006. “IIRSA: la integración a la medida de los mercados” Programa de las Américas, IRCAmericas ([http://www.odg.cat/documents/enprofunditat/Transnacionals\\_espanyoles/IIRSA%20ZIBECCHI.pdf](http://www.odg.cat/documents/enprofunditat/Transnacionals_espanyoles/IIRSA%20ZIBECCHI.pdf)). Accessed on 27 August 2012.