

# Crisis and Opportunity: Environmental NGOs, Debt-for-Nature Swaps, and the Rise of ‘People-Centred’ Conservation

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## ABSTRACT

This article presents a history of the rise of ‘people-centred’ conservation in international environmental Non-Governmental Organisations (NGOs) during the global debt crisis of the early 1980s. In the mid-1980s, many NGOs embraced complicated financial arrangements called ‘debt-for-nature swaps’ to relieve the debt crisis and to promote environmental conservation in many developing nations. The swaps presented an opportunity for NGOs to promote environmental protection in the developing world in an era of crisis.

Yet the implementation of the swaps reveal the challenges major environmental NGOs faced in incorporating new ideas about indigenous participation into their policies. The swaps came just as many of the leading environmental NGOs embraced market-oriented solutions to conservation issues and also adopted ‘people-oriented’ conservation strategies. Conservationists had a troubled history with indigenous peoples, but this article reveals how, by the late 1970s, many NGOs came to view them as allies in conservation efforts. Yet NGOs struggled to reconcile their desire for indigenous participation with the institutional demands of the swaps. Two brief case studies of swaps in Bolivia and Madagascar show how institutional and political challenges undermined a successful implementation of this new participatory vision.

This article thus expands on scholarship of the relationship between environmentalists, native populations, and ‘wilderness’ ideology by showing how many leading environmental NGOs came to find a place for people in parks by the late twentieth century. It also highlights how the institutionalisation of the environmental movement into large NGOs both provided new opportunities to promote environmental protection and created constraints on individuals in implementing new ideas.

## KEYWORDS

Environmentalism, political economy, community participation

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In October 1984, Thomas Lovejoy, vice president of the United States' chapter of the World Wildlife Fund (WWF), wrote an op-ed in the *New York Times* offering a solution to two inter-related problems plaguing the developing world: environmental degradation and the sovereign debt crisis.<sup>1</sup> Developing countries, like their industrialised counterparts, had ravaged the natural world in their quest for economic development. Years of capital-intensive efforts at development – which included extensive borrowing from multilateral banks, commercial banks, and developed countries – had also saddled nations with staggering debt. From 1973 to 1983, outstanding debt for non-OPEC developing countries had increased from \$130 billion to \$664 billion.<sup>2</sup> When Mexico defaulted on its payment obligations in 1982, fears quickly spread that others would do the same. In the environmental community, many worried that developing countries would turn to environmentally destructive methods of development to earn short-term revenues to help ease the burgeoning fiscal fiasco. Lovejoy, though, saw a way to redress these two crises. Why not, he asked the millions of *New York Times* readers, use the debt crisis to help solve the environmental crisis?

To answer this question, Lovejoy and a number of colleagues in the environmental community proposed an innovative financial programme called 'debt-for-nature swaps'. In such swaps, private actors, usually Non-Governmental Organisations (NGOs) like the WWF, purchased discounted sovereign debt from commercial banks. These NGOs would then sell back the debt, in the form of local currency, to the indebted nation in exchange for that country incorporating new environmental protection measures. Often this meant protecting land that would otherwise undergo increased exploitation as nations strove to increase production for export-driven models of growth. NGOs had attempted to persuade developing nations to make such sacrifices for years, but their efforts had been often frustrated. The debt crisis opened up a new opportunity to continue NGOs' long history of promoting environmental protection in the developing world.

Crucially, though, the debt-for-nature swaps came with a twist. While many observers at the time worried that the approach posed serious questions about sovereignty, NGOs required that swaps employ local conservation organisations to implement the programmes. Moreover, environmentalists also made a concerted effort to implement programmes that encouraged sustainable management of park resources by incorporating indigenous peoples and minority groups into the process. Decades earlier, the many environmental groups had taken part in forcible expulsion of native peoples from parklands; now, three

1. Thomas Lovejoy III, 'Aid Debtor Nations' Ecology', *The New York Times*, 4 Oct. 1984, A31. The WWF's United States chapter (WWF-US) is different from the World Wildlife Fund's international secretariat, which I refer to as 'WWF' in the text. I refer to the WWF-US only when discussing specific actions of the US chapter.
2. Stephen Krasner, *Structural Conflict: The Third World Against Global Liberalism* (Berkeley: University of California Press, 1985), p. 107.

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decades later, they believed indigenous peoples to be partners in conservation programmes.

Scholars have described the rise of debt-for-nature swaps as the result of a particular set of circumstances: primarily the debt crisis and the growth in environmental consciousness. This article emphasises, by contrast, the rise of many environmental activists' embrace of market-based mechanisms as a tool for environmental policy. Though many of the environmental policy gains of the 1970s found institutional expression through increased regulations, by the early 1980s environmental reforms increasingly focused on harnessing the power of markets. This shift reflected a wider turn to the market in policy-making worldwide. Debt-for-nature swaps marked a significant way in which environmental activists engaged with this turn to the market.<sup>3</sup>

Additionally, existing analysis of swaps elides another significant aspect of their implementation – the presence of environmental NGOs wealthy and powerful enough to carry them out.<sup>4</sup> While histories of environmentalism have extensively documented the movement's origins from a variety of perspectives, historians have yet to examine in equal depth both the evolution and diversification of the movement or how the institutionalisation of environmentalism into wealthy and powerful NGOs reshaped the tenor and character of activism, and thus the ways in which environmentalists could pursue their causes.<sup>5</sup> Moreover, the way in which the swaps were implemented, with the

3. On the rise of market thinking, see Thomas Borstelmann, *The 1970s: A New Global History from Civil Rights to Economic Inequality* (Princeton: Princeton University Press, 2012); Daniel Yergin and Joseph Stanislaw, *The Commanding Heights: The Battle for the World Economy* (New York: Free Press Press, 1998); Daniel T. Rodgers, *Age of Fracture* (Cambridge: The Belknap Press of Harvard University Press, 2011); Mark Mazower, *Governing the World: The History of an Idea* (New York: The Penguin Press, 2012), ch. 12; Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012); Angus Burgin, *The Great Persuasion: Reinventing Free Markets Since the Depression* (Cambridge: Harvard University Press, 2012).
4. For a general overview of the swaps, see Cord Jakobeit, 'Nonstate Actors Leading the Way: Debt-for-Nature Swaps', in Robert O. Keohane and Marc A. Levy (eds), *Institutions for Environmental Aid: Pitfalls and Promise* (Cambridge: the MIT Press, 1996), pp. 127–66. For a recent legal review that covers much of the legal and political science literature on the swaps, see Jared E. Knicley, 'Debt, Nature, and Indigenous Rights: Twenty-Five Years of Debt-for-Nature Evolution', *Harvard Environmental Law Review* 36/1 (2012): 80–122.
5. On NGOs and environmental activism, see Robert Gottlieb, *Forcing the Spring: The Transformation of the American Environmental Movement* (Washington, DC: Island Press, 2005); Frank Zelko, *Make it a Green Peace! The Rise of Countercultural Environmentalism* (New York: Oxford University Press, 2013); Ronald G. Shaiko, *Voices and Echoes for the Environment: Public Interest Representation in the 1990s and Beyond* (New York: Columbia University Press, 1999); Christopher J. Bosso, *Environment, Inc.: From Grassroots to Beltway* (Lawrence: University of Kansas Press, 2005); McGee Young, *Developing Interests: Organizational Change and the Politics of Advocacy* (Lawrence: University of Kansas Press, 2010). For a more detailed analysis of the historiography of environmentalism and the need to study its institutional development, see Stephen Macekura, *Of Limits and Growth: The Rise of Global Sustainable Development in the Twentieth Century* (New York: Cambridge University Press, 2015).

heavy emphasis on local participation, attests to a dramatic change in environmentalist thinking about the role of local communities and local participation in conservation activities. Environmental historians have long documented how the creation of parks, born out of a narrow view of wilderness without human beings, necessitated the expulsion of people from protected lands. Yet scholars have not explored in similar depth how environmentalists and environmental NGOs wrestled with their own history of complicity in this process and how, through the 1970s and 1980s, NGOs found a new place for people in parks.<sup>6</sup>

This article charts the rise of ‘people-centred’ conservation and the challenges NGOs faced as they attempted to implement the new approach into the debt-for-nature swaps. While the debt crisis presented a tremendous opportunity for NGOs such as the WWF to promote environmental protection in the developing world, major environmental NGOs struggled to maintain their newfound emphasis on local and indigenous participation. Two examples illuminate how institutional and political challenges militated against the NGOs’ newfound ideological commitments. In the first debt-for-nature swap, which occurred in Bolivia, and in one of the largest swaps of the late 1980s, which occurred in Madagascar, NGOs struggled to translate their new ideas about ‘people-centred’ conservation into action. A brief analysis of these two swaps highlights how institutional priorities – of donor governments and development agencies, of elites in developing countries, of NGO officials – coupled with resistance from many local indigenous groups constrained the implementation of new conservation programmes and hampered effective local participation. Examining the history of ‘people-centred’ conservation in relation to the debt-for-nature swaps thus elucidates some of the challenges of

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6. On ‘wilderness’ and the ideal of unspoiled paradises, see, for instance, Richard H. Grove, *Green Imperialism: Colonial Expansion, Tropical Island Edens and the Origins of Environmentalism, 1600–1860*, (Cambridge: Cambridge University Press, 1995); Roderick Nash, *Wilderness and the American Mind*, 3rd ed. (New Haven: Yale University Press, 1982); William Cronon, ‘The Trouble with Wilderness; or, Getting Back to the Wrong Nature’, in William Cronon (ed.), *Uncommon Ground: Rethinking the Human Place in Nature*, (New York: Norton, 1995), pp. 69–90. On national parks, See Mark Dowie, *Conservation Refugees: The Hundred-Year Conflict between Global Conservation and Native Peoples* (Cambridge: MIT Press, 2009); Mark Spence, *Dispossessing the Wilderness: Indian Removal and the Making of the National Parks* (New York: Oxford University Press, 1999). For incisive analysis of parks in colonial and post-colonial Africa, see Roderick Neumann, ‘Ways of Seeing Africa: Colonial Recasting of African Society and Landscape in Serengeti National Park’, *Ecumene* 2 / 1 (1995): 149–69; Roderick Neumann, *Imposing Wilderness: Struggles Over Livelihood and Nature Preservation in Africa* (Berkeley: University of California Press, 2002); Raymond Bonner, *At The Hand of Man: Peril and Hope for Africa’s Wildlife* (New York: Alfred A. Knopf, 1993); Thomas Lekan, ‘Serengeti Shall Not Die: Bernhard Grzimek, Wildlife Film, and the Making of a Tourist Landscape in East Africa’, *German History* 29 / 2 (June 2011): 224–64.

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reconciling conservation and park management with a commitment to local self-determination.<sup>7</sup>

## THE PROBLEM OF PEOPLE IN PARKS

The largest and best-known international environmental organisations created after World War II dedicated much of their early efforts to preserving colonial era national parks and other protected areas in the developing world. Concerned European and American activists formed groups such as the International Union for the Conservation of Nature (IUCN) and the World Wildlife Fund (WWF) to oversee the conservation of resources and protection of wild spaces worldwide.<sup>8</sup> In practice, though, these groups often focused narrowly on national parks, particularly those among former colonial nations that moved towards independence in the 1950s and 1960s.<sup>9</sup> Though IUCN and WWF officials often spoke in idealistic rhetoric about the value of conservation for all humanity, in private they often feared that decolonisation augured ill for the wildlife. Many activists worried that developing countries, hungry for economic growth, would devour resources in a fashion just as reckless as the developed West had done over the previous century. The IUCN and WWF dedicated much of their early activism to protecting and expanding many

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7. I refer to the NGOs I discuss in this article as ‘conservation’ organisations and their members as ‘conservationists’, since that is how they described themselves and because they held strong beliefs about the importance of the literal act of conserving natural resources as well as preserving particular landscapes. In addition, many of the policies promoted by these NGOs placed greater emphasis on ‘preserving’ nature rather than the judicious management of natural resources. This is not to suggest any of the individuals I describe here fit neatly as either a conservationist or a preservationist. Rather, I use such terms as analytic descriptors to emphasise that the kind of policies many early NGO officials promoted tended toward preserving nature for its own sake rather than allowing developing nations to utilise the natural world as they saw fit or even with some degree of scientific management. I also use the term ‘environmental’ to help vary the word usage, especially when describing more recent organisations that would self-identify as ‘environmental’ advocacy groups as an umbrella term that includes elements of both resource conservation and landscape preservation, among many other components. For a longer elaboration of the historical (and historiographical) use of ‘conservation’ and ‘preservation’, see Richard White, ‘American Environmental History: The Development of a New Historical Field’, *Pacific Historical Review* 54/3 (August 1985): 297–335.
8. Though the group was initially called the ‘International Union for the Protection of Nature’, or IUPN, for purposes of narrative clarity I have chosen to refer to it as the IUCN. The name ‘IUPN’ was changed in 1956 to International Union for the Conservation of Nature and Natural Resources, which was later shortened to IUCN. It has also been referred to more recently as the World Conservation Union.
9. Martin Holdgate, *The Green Web: A Union for World Conservation* (London: Earthscan Publications, Ltd., 1999), pp. 71–6.

colonial era parks and games reserves, in the hopes of stemming the rising tide of economic development.<sup>10</sup>

In this process, and throughout both the colonial and post-colonial periods, many NGO officials maintained that indigenous persons needed to be kept out of protected spaces. Long-viewed by conservationists as irrational wasters of wildlife, indigenous persons found themselves cast out of major protected areas, such as the Serengeti in East Africa. Activists from Europe and the United States clung to older, idealised notions of landscapes as protected only when absent any human beings.<sup>11</sup> Even as parks became precarious in the post-colonial era, for many conservationists people still had no place in protected areas.

By the early 1970s, however, some officials within the WWF and IUCN had begun to rethink this relationship. In particular, the writings and speeches of the IUCN's Senior Ecologist, Raymond Dasmann, began to prod leading conservation organisations to place a greater emphasis on the participation of indigenous peoples and rural communities in conservation and the management of protected spaces.<sup>12</sup> While working with the IUCN's preparations for the UN Conference on the Human Environment in 1972, Dasmann began to rethink the relationship between environmental protection and local development in the Global South.<sup>13</sup> After the gathering, Dasmann interacted frequently with the new United Nations Environment Programme (UNEP) to promote the concept of 'ecodevelopment', which attempted to reconcile environmental and developmental imperatives by pursuing economic growth within an ecological framework.<sup>14</sup> By the mid-1970s, Dasmann focused on how indigenous persons, because of their daily proximity to the natural world, held an intimate knowledge of biophysical limits and natural cycles. Working through

10. See, for example, the IUCN's 'Africa Special Project.' IUCN, 'General Statement: IUCN's Africa Special Project (ASP) 1960–1963', 1 May 1961, Box 107, Julian Huxley Papers 1899–1980, MS 50, Woodson Research Center, Fondren Library, Rice University; Holdgate, *The Green Web*, 72–4. Macekura, *Of Limits and Growth*, chs 1 and 2.

11. Lekan, 'Serengeti Shall Not Die'.

12. 'Raymond Dasmann, 83, Environmentalist', *The New York Times*, 14 Nov. 2002.

13. Stephen Macekura, 'The Limits of Global Community: The Nixon Administration and Global Environmental Politics', *Cold War History* 11 / 4 (2011): 489–518.

14. Raymond F. Dasmann, *Called by the Wild: The Autobiography of a Conservationist* (Berkeley: University of California Press, 2002), pp. 178–9. 'Raymond F. Dasmann: A Life in Conservation Biology', University of Santa Cruz Library, 49. [Online] Available: <http://library.ucsc.edu/reg-hist/dasmann> Retrieved 7 Feb. 2012. On Commoner, see Michael Egan, *Barry Commoner and the Science of Survival: The Remaking of American Environmentalism* (Cambridge: The MIT Press, 2007). During this period, Dasmann also developed an admiration for the work of writers and scientists such as E.F. Schumacher, Theodor Roszak and Barry Commoner, all of whom expressed scepticism and concern with large-scale technological systems that had come to define how societies pursued economic development.

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the IUCN, Dasmann articulated visions of conservation and preservation that placed indigenous groups at the centre of wise stewardship.<sup>15</sup>

Dasmann's thinking in this period reflected a wider shift in the development community towards small-scale, participatory approaches. His work resonated with many other reform movements. Elements in the counter-culture and the environmental movement sympathised with decentralised control over resources, local knowledge and handicrafts.<sup>16</sup> E.F. Schumacher and the 'appropriate technology' movement harmonised well with these ideas, and the movement became a critical component of the environmental reform of development.<sup>17</sup> The rise of biodiversity science gave further weight to the need for protected areas and judicious management of tropical forests in particular.<sup>18</sup> Indigenous peoples became better organised, aided by an international network of indigenous rights advocacy groups.<sup>19</sup> 'The growing strength of indigenous peoples movements is also causing changes in the ways conservationists relate to local peoples', explained one WWF official.<sup>20</sup> Finally, a generational shift

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15. Raymond F. Dasmann, 'Lifestyles and Nature Conservation', *Oryx*, **XIII** / 3 (February 1976): 281–82; Raymond Dasmann, 'National Parks, Nature Conservation, and "Future Primitive"', *The Ecologist* **6** / 5 (June 1976): 164–67; Raymond Dasmann, unpublished oral history, 114–15; Raymond F. Dasmann, 'The Relationship Between Protected Areas and Indigenous Peoples', in Jeffrey A. McNeely and Kenton R. Miller (eds), *National Parks, Conservation, and Development: The Role of Protected Areas in Sustaining Society* (Washington, DC: The Smithsonian Institution Press, 1984), pp. 667–71.
  16. On these themes, see Andrew G. Kirk, *Counterculture Green: The Whole Earth Catalog and American Environmentalism* (Lawrence: University of Kansas Press, 2007).
  17. E.F. Schumacher, *Small is Beautiful: Economics as if People Mattered*, revised 1989 ed. (New York: Harper & Row Publishers, 1989).
  18. See Jane Guyer and Paul Richards, 'The Invention of Biodiversity: Social Perspectives on the Management of Biological Variety in Africa', *Africa: Journal of the International African Institute* **66** / 1 (1996): 1–13. The IUCN and WWF had begun promoting the term in the 1970s, and formalised a definition at the 1982 World Congress on National Parks. Bruce A. Wilcox, 'In Situ Conservation of Genetic Resources: Determinants of Minimum Area Requirements', in McNeely and Miller (eds), *National Parks, Conservation, and Development: The Role of Protected Areas in Sustaining Society*, pp. 639–47.
  19. The literature on indigenous rights movements and development worldwide is vast and too long to cite here in its entirety. See, for instance, Bice Maiguashca, 'The Transnational Indigenous Movement in a Changing World Order', in Yoshikazu Sakamoto (ed.), *Global Transformation: Challenges to the State System* (Tokyo: UN University Press, 1994), pp. 356–382; Andrew Gray, 'Development Policy, Development Protest: The World Bank, Indigenous Peoples, and NGOs', in Jonathan A. Fox and L. David Brown (eds), *The Struggle for Accountability: The World Bank, NGOs, and Grassroots Movements* (Cambridge: MIT Press, 1998), pp. 267–301; Andrew Gray, *Indigenous Rights and Development: Self-Determination in an Amazonian Community* (Oxford: Bergahn Books, 1997); Patricia S. Larson, Mark Freudenberger and Barbara Wyckoff-Baird, *WWF Integrated Conservation and Development Projects: Ten Lessons from the Field, 1985–1996* (Washington, D.C.: World Wildlife Fund, 1998).
  20. Patricia S. Larson, Mark Freudenberger, and Barbara Wyckoff-Baird, *WWF Integrated Conservation and Development Projects: Ten Lessons from the Field, 1985–1996* (Washington, D.C.: World Wildlife Fund, 1998), 2.

within major NGOs took place. Dasmann belonged to a different generation from the founders of these organisations and, by the 1970s, his contemporaries, such as Thomas Lovejoy of the WWF-US, moved up the ladder from research to administrative positions in their organisations.<sup>21</sup> With later shifts in ecological science that reinforced Dasmann's political claims, within a few years many other influential IUCN officials accepted his basic arguments.<sup>22</sup>

Following the reform years of the 1970s, the IUCN and WWF began to embrace Dasmann's way of thinking in the early 1980s. In 1977, the IUCN claimed that, as part of its overall conservation strategy,

When carrying out surveys and the planning and implementation of projects, every effort should be made to involve the local people so that full account is taken of their needs, attitudes, perceptions, aspirations and knowledge; and to assist, wherever practicable, those communities with lifestyles in harmony with conservation objectives to continue them, if they so wish.<sup>23</sup>

The 1980 *World Conservation Strategy*, prepared by WWF and IUCN officials, claimed that 'local commitment to a protected area can only be assured through provision of local advantages such as increased opportunities for employment and commerce' and that any local community 'should be involved in the protected area from the start.'<sup>24</sup> In 1982, delegates from the IUCN-sponsored World Congress on National Parks called for

increased support for communities located next to parks through such measures as education; revenue sharing; participation in decisions; appropriate development schemes near protected areas; and, where compatible with the objectives of the protected areas, access to resources.<sup>25</sup>

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21. The IUCN's professionalisation, for instance, occurred simultaneously with people like Dasmann's arrival in the early 1970s. Holdgate, *The Green Web*, p. 110.
  22. Robert Allen, 'sustainable development and cultural diversity – two sides of the same coin', *IUCN Bulletin* 6/4 (April 1975): 13. By the late 1970s and early 1980s, ecologists and biologists had begun to rethink many basic assumptions about the inherent stability and invariable succession of undisturbed ecosystems towards a climax community or steady state. For an overview of these changes, see Donald Worster, *Nature's Economy: A History of Ecological Ideas*, 2nd ed. (Cambridge: Cambridge University Press, 1994), ch. 17. For an overview of disturbance theory and the evolution of American ecological science, see, for instance, S.T.A. Pickett and P.S. White (eds), *The Ecology of Natural Disturbance and Patch Dynamics* (Orlando: Academic Press, Inc., 1985); Frank Benjamin Golley, *A History of the Ecosystem Concept in Ecology: More Than the Sum of Its Parts* (New Haven: Yale University Press, 1993); Sharon E. Kingsland, *The Evolution of American Ecology, 1890–2000* (Baltimore: The Johns Hopkins University Press, 2005).
  23. '13th (Extraordinary) General Assembly, Geneva, Switzerland: Progress Report on the Strategy and its Component Programmes', Agenda Paper GA.77/3, 1977, Box 76, IUCN, Folder 730, Maurice F. Strong papers, Environmental Science and Public Policy Archives, Harvard University [hereafter, Strong papers].
  24. *World Conservation Strategy* (Gland, Switzerland: IUCN, 1980), p. 36.
  25. Larson, Freudenberger and Wyckoff-Baird, *WWF Integrated Conservation and Development Projects*, p. 1; Raymond F. Dasmann, 'The Relationship Between Protected Areas and Indigenous Peoples', in Jeffrey A. McNeely and Kenton R. Miller (eds), *National Parks,*



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Other organisations followed suit. By the early 1980s, the World Bank was beginning to embrace a participatory model for the management of parks and protected areas.<sup>26</sup>

Amid these changes, WWF-US staff explored ways to inject such ideas into their activities in the developing world. In 1985, the organisation initiated the 'Wildlife and Human Needs' (WHN) project, which featured 'integrated conservation and development projects' as examples of a new 'people-centered conservation.'<sup>27</sup> The WHN programme, funded by a matching grant from the United States Agency for International Development (USAID), sought to include indigenous populations in the management of protected spaces, which ranged from early efforts at compensating groups for lost revenue to actually allowing certain native populations back on to protected territory in a stewardship role.<sup>28</sup> Over the ensuing decade, the WWF-US cultivated close relations with indigenous rights organisations in a shared vision of the value of indigenous knowledge and habits in managing resources in a sustainable way. 'Conservation is about people', explained WWF-US Vice President Michael Wright. 'If it is to be relevant in the developing world, it must address the needs of the poor and the dispossessed who ironically share their rural frontier with the earth's biological wealth.'<sup>29</sup> Such a statement, common among NGO tracts during the 1980s, would have seemed utterly out of place just two decades earlier.

## THE 'NEOLIBERAL' MOMENT

There was also another key change within environmentalism that was reshaping the politics of environmental protection – a growing embrace of market-based solutions to environmental problems. Scholars have invoked

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*Conservation and Development: The Role of Protected Areas in Sustaining Society* (Washington, DC: the Smithsonian Institution Press, 1984), pp. 667–71.

26. See, for instance, Robert Goodland, *Tribal Peoples and Economic Development: Human Ecological Considerations* (Washington, DC: The World Bank, 1982).
27. Michael Wright, 'People-Centered Conservation: An Introduction', *World Wildlife Fund Letter* 1 / 3 (1988): 1–8.
28. Patricia S. Larson, Mark Freudenberger and Barbara Wyckoff-Baird, *WWF Integrated Conservation and Development Projects: Ten Lessons from the Field, 1985–1996* (Washington, D.C.: World Wildlife Fund, 1998), pp. 1–2; Wright, 'People-Centered Conservation', 1–2; '1993–1994 Report on the Matching Grant for a Program in Wildlands and Human Needs, awarded by the Agency for International Development', Grant No. OTR-0158-A-00–8160–00. Viewed at the Wildlife Information Center, WWF-US, Washington, DC.
29. Wright, 'People-Centered Conservation', 2. On the rise of such 'people-oriented' conservation programmes and indigenous peoples, see Dawn Chatty and Marcus Colchester, eds. *Conservation and Mobile Indigenous Peoples: Displacement, Forced Settlement, and Sustainable Development* (New York: Berghahn Books, 2002).

the term ‘neoliberalism’ to describe a broad cultural, political, and economic shift to embrace the market as the primary mechanism for solving policy problems. Over the course of the 1970s, amid a period of economic stagnation and global oil shocks, intellectuals and leaders in the United States and Western Europe began to advocate for the deregulation of industry and capital, the privatisation of social services and government assets, free trade and the use of market-oriented mechanisms to solve social and economic problems. Often associated with President Ronald Reagan in the United States and Prime Minister Margaret Thatcher in the United Kingdom, neoliberalism marked an important shift in thought and policy following the post-war decades of welfare states, limitations on capital mobility and new regulations for issues such as environmental protection.<sup>30</sup>

By the early 1980s, the focus on market-based policies came to suffuse the international development community and developing world, following decades of frustration with state-led development and growing sovereign debt. Over much of the 1950s, 1960s and 1970s, developing countries had often opted for development models that demanded a major role for the state to guide development through planning, tariffs and domestic subsidies for industry. The tremendous growth of capital available through commercial banks in the 1970s – much of it ‘petrodollars’ from oil producers – had led developing country governments seeking ways to finance this development to accrue staggering levels of sovereign debt. The perfect storm for economic crisis hit in 1982, and the ensuing debt crisis spurred policy liberalisation with unprecedented speed, breadth and depth.<sup>31</sup> The crisis first hit Latin American nations, but it spread quickly. Thereafter, the International Monetary Fund (IMF) began to offer loans to developing countries to achieve debt relief, though the IMF required pre-defined ‘conditions’ that pushed recipient countries to open up their economies to foreign investment, privatise many state-run ventures and limit protections for domestic businesses.<sup>32</sup> In the short-term, the loans led policymakers to make painful transitions towards more market-friendly forms of governance. Growing momentum behind a global trade liberalisation regime in the late 1980s only reinforced this trend. ‘The “planning and control” mentality and approach to economic development’, two World Bank

30. On the international politics of global economic changes in the 1970s, see Daniel J. Sargent, *A Superpower Transformed: The Remaking of American Foreign Relations in the 1970s* (Oxford: Oxford University Press, 2015).

31. Outstanding debt for non-OPEC developing countries increased from \$130 billion in 1973 to \$664 billion in 1983. Stephen D. Krasner, *Structural Conflict: The Third World Against Global Liberalism* (Berkeley: University of California Press, 1985), p. 107.

32. Philip Arestis, ‘Washington Consensus and Financial Liberalization’, *Journal of Post Keynesian Economics* 27 / 2 (Winter, 2004–5): 252. On structural adjustment, see Giles Mohan, Ed Brown, Bob Milward and Alfred B. Zack-Williams, *Structural Adjustment: Theory, Practice, and Impacts* (London: Routledge, 2000); Barry Eichengreen, ‘The Globalization Wars: An Economist Reports from the Front Lines’, *Foreign Affairs* 81 / 4 (July-Aug. 2002): 157–64.

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economists wrote of developing nations in 1986, 'is clearly giving ground to the acceptance of market forces.'<sup>33</sup> By the late 1980s, neoliberalism had truly gone global.<sup>34</sup>

Amid this transformation, many environmentalists came to embrace the market as well. Environmentalism had long wrestled with the relationship between a state-led regulatory approach and a looser, market-oriented set of prescriptions. Over the course of the 1970s, this debate focused on questions of resource exhaustion and population growth. Biologist Paul Ehrlich suggested that runaway population growth in the Global South would lead to a Malthusian food crisis; economist Julian Simon optimistically predicted that technological innovation would cure any ills. Ehrlich's thinking came to symbolise the ecological limits to economic growth and demanded a need for regulations to reign in development, whereas Simon's arguments fueled scepticism over government intervention and nurtured faith in market forces and technological innovation to overcome any environmental problems.<sup>35</sup> Though many environmentalists favoured Ehrlich's stress on regulations, by the 1980s Simon's arguments resonated with many leaders and laypeople alike, as market-based solutions to social, economic and environmental problems grew in popularity. Scholars have noted how a 'neoliberal conservation' took root in the activist community from the late 1980s onward; for example, environmentalists promoted conservation-oriented business ventures in the Global South, supported 'green' business practices to show that environmental protection could be profitable and actively encouraged eco-tourism as a way for Western tourists to purchase aspects of protected spaces worldwide.<sup>36</sup>

Within the environmental community, this turn to the market coincided with the popular growth of sustainability as an idea and phrase. The concept of 'sustainable development' had emerged as environmental NGOs sought to reconcile the Global South's demand for economic growth with environmental imperatives by stressing the need for greater foreign aid from North to South and a key role for government planning and management during the late 1970s.<sup>37</sup> Very quickly, though, leaders quickly expanded the phrase's meaning to signal the need to *sustain* development through market-oriented reforms.<sup>38</sup>

33. Armeane M. Choksi and Demetris Papageorgiou, 'Economic Liberalization: What Have We Learned?' in Choksi and Papageorgiou (eds), *Economic Liberalization in Developing Countries*, p. 1.

34. Mazower, *Governing the World*, ch. 12.

35. Paul Sabin, *The Bet: Paul Ehrlich, Julian Simon, and Our Gamble Over the Earth's Future* (New Haven: Yale University Press, 2013).

36. For an overview of this 'neoliberal conservation', see Jim Igoe and Dan Brockington, 'Neoliberal Conservation: A Brief Introduction', *Conservation & Society* 5 / 4 (2007): 432–449.

37. John McCormick, 'The Origins of the World Conservation Strategy,' *Environmental Review* 10 / 3 (Autumn 1986): 177–87.

38. Macekura, *Of Limits and Growth*, ch. 7.

By the 1990s, Steven Bernstein had shown how the ‘compatibility of environmental concern, economic growth, the basic tenets of a market economy, and a liberal international order’ became ‘conventional wisdom among policy makers, diplomats, and a large number of nongovernmental organizations throughout the world.’<sup>39</sup> These groups often used the sustainability rhetoric to express this compatibility and the need for environmental policies that harnessed market forces instead of state-based regulations.

Amid these intellectual and discursive changes, environmentalists also transformed their activist organisations into vertically integrated, hierarchical institutions that followed principles of corporate business management. Over the course of the 1970s, many environmental NGOs had set up offices in Washington, DC, for instance, to be closer to the policy world for the opportunities to lobby for policy changes and receive contracts for government programmes. Beginning in the late 1970s, the United States government increased its foreign aid funding for environmental projects following successful Congressional lobbying. And the new emphasis on privatisation led Congress to demand that greater amounts of US foreign aid pass through NGOs.<sup>40</sup> NGOs suddenly had access to a vast new source of funding for their activities, but they also had new responsibilities and new constraints on their actions. Over the 1980s, environmentalists not only began ‘to learn to think like business people’, according to one scholar, but also found themselves immersed in a new culture of corporate responsibility that tied their actions to the dictates of big donors and demanded rapid, measurable results for their activities.<sup>41</sup>

By the time the debt crisis struck in the mid-1980s, then, conservation organisations had engineered a major shift in thinking about environmental protection, one that placed local communities at the centre of park policy. But they were also becoming wealthy, powerful, well-organised institutions and increasingly working with the financial world and pursuing market-based solutions to environmental problems.<sup>42</sup> The debt crisis opened up new opportunities for conservationists to achieve greater gains in the developing world. But it would also soon put to the test their new emphasis on local participation and indigenous inclusion.

39. Steven Bernstein, *The Compromise of Liberal Environmentalism* (New York: Columbia University Press, 2001), p. 3.

40. Catherine Corson, ‘Shifting Environmental Governance in a Neoliberal World: US AID for Conservation’, *Antipode* 42 / 3 (2010): 576–602.

41. William M. Adams, *Against Extinction: The Story of Conservation* (London: Earthscan, 2004), p. 204.

42. Dan Brockington, Rosaleen Duffy and Jim Igoe, *Nature Unbound: Conservation, Capitalism, and the Future of Protected Areas* (London: Earthscan, 2008).

## CRISIS AND OPPORTUNITY

CRISIS AND OPPORTUNITY IN THE 1980S: THE GLOBAL DEBT  
CRISIS MEETS THE GLOBAL ENVIRONMENTAL CRISIS

When Lovejoy wrote his op-ed, his organisation was well positioned, both ideologically and financially, to translate his vision into action. Between the early years of its activities in East Africa, the WWF had grown considerably. It had expanded beyond its original mandate as a fund-raiser for the IUCN to become a powerful institution with a wide-range of activities. The WWF's international secretariat, based out of Gland, Switzerland, provided extensive funds for conservation programmes, local environmental NGOs and national parks in the developing world.<sup>43</sup> At the same time, the IUCN forged close ties with the United Nations Environment Programme (UNEP), receiving critical financial support from the UN and embarking on such high-profile projects as the drafting and launch of the *World Conservation Strategy* in 1980.<sup>44</sup> Likewise, the WWF-US, under the guidance of former EPA director Russell Train, built close relationships with centers of power in Washington, nurturing an entire generation of 'envirocrats' who cycled between large NGOs and government service.<sup>45</sup> These transformations provided the institutional context in which debt-for-nature swaps could occur.

Critically, these organisations had grown into a powerful political force just as global conservation efforts seemed to be under siege. Environmental groups banded together to challenge the Reagan administration's anti-environmental stance, which had seemed to threaten all conservation gains in public policy over the previous decade.<sup>46</sup> Moreover, while the WCS had generated tremendous

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43. 'January 25th 1984 – WWF – Some facts and figures', Folder C.1225, Sir Peter Markham Scott Papers, Cambridge University Library, Cambridge, UK. Support for NGOs in the developing world became particularly prominent in the 1980s. Lisa Fernandez, 'Private Conservation Groups on the Rise in Latin America and the Caribbean', *World Wildlife Fund Letter* 2 / 1 (1989): 1–8.
44. The UNEP provided consistent funds for IUCN in the 1970s (at times representing of 40% of the IUCN's income), which made possible many of its activities during the decade and beyond. 'WWF and UNEP funding', Agenda Paper UC.77/3, October 1977, Box 80, V. IUCN Meetings, Strong Papers.
45. Robert Gottlieb, *Forcing the Spring: The Transformation of the American Environmental Movement* (Washington: Island Press, 2005), chapter 4. On the trend of professionalisation of civil society groups, see Theda Skocpol, 'Government Activism and the Reorganization of American Civic Democracy', in Theda Skocpol and Paul Pierson (eds), *The Transformation of American Politics: Activist Government and the Rise of Conservatism* (Princeton: Princeton University Press, 2007). On the rise of successful environmental public interest lobbying groups, Ronald G. Shaiko, *Voices and Echoes for the Environment*, chs 1 and 2.
46. By the summer of 1982, the Reagan administration began, through the CEQ, to reach out 'to some of the more reasonable environmental groups' because in response to unilateral decisions made the administration protests from NGOs was 'creating a climate that was damaging to the President'. Craig L. Fuller to James Baker, Ed Meese, and Michael Deaver, June 11, 1982, Edwin Meese III Files, Box S3, OA 11836, CEQ General (1), Ronald Reagan Presidential Library, Simi Valley, CA.

fanfare, few nations had rallied to implement its guidelines. Environmental destruction, particularly deforestation in the wake of the second energy shock, had not been arrested; in fact, it accelerated in many developing nations. When the debt crisis developed between 1982 and 1983, many activists worried that developing nations would simultaneously de-fund existing conservation programmes and accelerate their exploitation of natural resources in order to raise short-term revenues.<sup>47</sup> The WWF-US ran a map in its newsletter in 1988 showing that six countries with fifty per cent of the world's biodiversity held more than a quarter trillion dollars in debt.<sup>48</sup> At a meeting of environmental ministers from the developing world hosted by USAID and Conservation Foundation officials, participants recognised that 'under current international economic constraints, new soft lending is not likely to be available for environmental projects'. Though environmental protection had achieved a significant place in many development agencies, at the meeting 'the developing nations pointed out that other creative financing proposals' were necessary to sustain national conservation programmes in their home countries.<sup>49</sup>

Debt-for-Nature swaps stood out as one such proposal, and NGO officials worked assiduously to fund them during the mid-1980s. Calling the swap idea the equivalent of an 'environmental Marshall Plan', Lovejoy strove to popularise the idea among the environmental community.<sup>50</sup> His efforts paid off and, throughout 1986 and 1987, the WWF-US, the World Resources Institute, the National Wildlife Federation and other NGOs began looking for potential donors to fund swaps.<sup>51</sup> Their breakthrough came from a private philanthropy, the Frank Weeden foundation. The foundation gave a \$100,000 grant to Conservation International (CI), a group founded by Peter Seligmann and Spencer Beebe of The Nature Conservancy, to fund a swap in Bolivia in 1987.<sup>52</sup>

A series of crucial policy decisions greatly expanded the opportunity for future swaps. Through successful lobbying efforts of the Treasury Department to reform tax rules that allowed banks to write off debt donations at face value (rather than their reduced market value), NGOs were able to purchase

47. Barbara J. Bramble and Tom Plant, 'Third World Debt and Natural Resources Conservation', Carton 15-18 Debt for Nature Swaps, July-Dec., 1989, Sierra Club International Program Records, BANC MSS 71/290c, The Bancroft Library, University of California, Berkeley [hereafter, Sierra Club International Program Records].

48. 'Debt-for-Nature Swaps: A New Conservation Tool', *World Wildlife Fund Letter* 1 / 1 (1988). The countries cited were Mexico, Colombia, Brazil, Zaire, Indonesia and Madagascar.

49. 'Third Worlders Seek Action on the Environment', *Conservation Foundation Letter* 3 (1987): 3.

50. 'Commentary', *Conservation Foundation Letter*, January-February 1986: 2.

51. Barbara J. Bramble, 'The Debt Crisis: The Opportunities', *The Ecologist* 17 / 4-5 (July/November 1987): 192-99.

52. Conservation International was set up in large part to carry out such swaps. On the founding, see *Conservation International: The First Decade, 1987-1997* (Washington, DC: Conservation International, 1997), pp. 4-5.

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developing country debt at reduced costs while banks could assure greater value for the transactions.<sup>53</sup> Likewise, the US Treasury Department's 'menu' of options for reducing the debt burden in 1987 encouraged any kind of debt-equity swaps, including debt-for-nature swaps, to help redress the simmering crisis.<sup>54</sup> Swaps proliferated thereafter. Within a year of the Bolivia deal, similar projects were underway in Ecuador, Costa Rica, Argentina, Venezuela and the Philippines.<sup>55</sup> The WWF and other NGOs had found a way to encourage environmental protection policies in an era of crisis.

Debt-for-nature swaps required a multi-step process. In the first generation of swaps, debt owned by commercial banks developed into a vast secondary market, where the debt obligations could be traded at a large discount. An international environmental NGO would seek out donors (usually philanthropic foundations) to cover the costs of purchasing a foreign debt title of the developing country in question at the low discount rate. At that point, the banks would sell the debt title to the NGO. The NGO would then present the title to the developing country and convert it into domestic currency, reducing the total foreign debt of that country. In turn, the domestic currency equivalent of that title (or an agreed-upon percentage of that total currency) would be earmarked to finance environmental projects in the debt-stricken country. Later generations of swaps revised this method slightly, but the basic process remained the same.<sup>56</sup>

The swaps emerged as one of many 'market-friendly' solutions to environmental and social problems that swept across the globe in the 1980s. Michael McCloskey, former executive director of the Sierra Club, observed that many leading NGOs such as the WWF came to 'look less to the heavy-handed governmental regulation' favoured by early environmental reformers and 'more to market-like mechanisms' to achieve environmental protection during the 1980s.<sup>57</sup> William Reilly, a former official with the WWF-US who served as administrator of the Environmental Protection Agency during the George H.W. Bush administration, proclaimed that 'market mechanisms' were the key element to 'arrange, in effect, a marriage between the environment and the economy'.<sup>58</sup>

53. David Korfhage, 'Debt-for-Nature Swaps: Economic Benefit and Environmental Soundness', *Harvard International Review* (1990): 47.

54. 'Debt-for-Nature: An Opportunity', WWF-US promotional materials. Viewed at the Wildlife Information Center, WWF-US, Washington, DC.

55. 'Debt-for-Nature Swaps: A New Conservation Tool', 5–6.

56. Jakobeit, 'Nonstate Actors Leading the Way: Debt-for-Nature Swaps', 133–34.

57. Michael McCloskey, 'Twenty Years of Change in the Environmental Movement: An Insider's View', in Riley E. Dunlap and Angela G. Mertig (eds), *American Environmentalism: The U.S. Environmental Movement, 1970–1990* (Philadelphia: Taylor & Francis, 1992), p. 79.

58. William K. Reilly, 'The New Environmentalism: Ecology and the Economy', *Detroit Economic Club*, 30 Apr. 1990, Folder Economics and the Environment, White House

Moreover, many environmental groups, including the WWF, began to form strategic partnerships with large corporations and industrial interests.<sup>59</sup> Reflecting both ideological and pragmatic considerations, these transformations among some in the environmental community reflected a wider cultural shift that led many to valorise the social virtues of market forces. Indeed, in the 1980s many environmentalists increasingly framed environmental problems in economic language, and thereby reinforced popular perceptions that market-based solutions provided the most effect way to contend with deleterious ecological change.<sup>60</sup> Many policymakers and environmentalists alike lionised debt-for-nature swaps as one example of a market-based solution to environmental problems in the developing world.

While environmental NGOs looked upon the swaps with great anticipation, controversies soon emerged over questions of sovereignty. Some commentators, including many in Latin America, decried the very idea of swaps as imperial land grabs and external impositions that resembled the worst days of colonial era control.<sup>61</sup> NGO officials, though, were quick to respond by suggesting that the purchase of debt did not amount to wholesale purchase of park territory; no international organisation ever purchased actual property in the developing world. Deborah Burand, an official with CI, explained, 'There is no way you're going to thrust a debt conversion on a country that doesn't want it. Countries can direct debt-for-nature conversions to areas which are on their national agenda.'<sup>62</sup> Moreover, other officials noted that the swaps also mandated that a local conservation organisation carry out the environmental protection programmes on the ground and that local communities, the kinds targeted in the WHN programme, had to have a say in the choice and management of any initiative.<sup>63</sup>

After all, many park managers and NGO officials had come to share Dasmann's views. In 1987, the Conservation Foundation dedicated an entire issue of its monthly newsletter to the idea that 'conservationists must plan for human needs'. The issue highlighted the efforts of many environmentalists to take stock of past missteps and encourage indigenous participation. 'In a very real sense, the setting aside of protected areas represents a failure in our ability to manage land and resources so as to sustain the rich and varied tapestry of animal and plant life on the continent', explained a park manager

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Counsels Office, Jeffrey Holmstead Files, Environmental Subject Files, George H.W. Bush Presidential Library, College Station, TX.

59. Holdgate, *The Green Web*, p. 222.

60. Bernstein, *The Compromise of Liberal Environmentalism*, pp. 76–78.

61. Barbara Bramble, et al. 'A Brief Summary of Debt-for-Nature Swaps prepared by the Debt-for-Nature Ad Hoc Working Group', 30. [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

62. J. Eugene Gibson and Randall K. Curtis, 'A Debt-for-Nature Blueprint', *Columbia Journal of Transnational Law* 28 / 331 (1990): 334.

63. *Ibid.*



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from Zimbabwe in 1987. David Western, an expert on East African wildlife noted, 'efforts to preserve wildlife beyond parks are most likely to succeed by adapting philosophy and methodology to local conditions, whether cultural, economic, religious, or political.' The WWF-US' Michael Wright noted that 'success' in environmental protection measures would 'depend on our becoming knowledgeable and active agents for community development'.<sup>64</sup> Such statements, the kind Dasmann first made just over a decade earlier, had become common parlance for environmentalists.

A close inspection of the first generation of swaps, though, reveals that, for all the promises of grassroots participation, major NGOs still struggled to incorporate local concerns into conservation practices. For one, many of the 'grassroots' organisations, the local NGOs, had been propped up by the WWF over earlier years. For instance, the key driving force in Ecuador's swap was an environmentalist named Roque Sevilla and his organisation, Fundación Natura. Sevilla served as a board member for WWF-International and was well connected in the international conservation community, and his NGO had received WWF funding over the previous years. While this was not the equivalent of a former colonial game official hanging on to power in East Africa, much of the groundswell for conservation had been supported and funded from abroad.<sup>65</sup> Many of these local NGOs also lacked the experience and administrative capacity to manage big projects on their own.<sup>66</sup> Implementing the swaps further required a deft management of many diverse actors to make ground-level participation possible. Brief case studies of swaps in Bolivia and Madagascar highlight the nature of such challenges.

## BOLIVIA: THE ELUSIVE QUEST FOR CONSENSUS

The first debt-for-nature swap took place in Bolivia in 1987. Conservation International agreed to turn over \$650,000 foreign debt notes, which they purchased using the start-up grant from the Weeden Foundation and with Citicorp Investment Bank serving as an agent. They also committed staff to provide

64. All quoted in 'Conservationists Must Plan for Human Needs', *Conservation Foundation Letter*, (Jan.–Feb.1987): 2–5.

65. Ibid. See also Gibson and Curtis, 'A Debt-for-Nature Blueprint', 336. For the full background on the Ecuador swap, see Anant K. Sundaram, 'Swapping Debt for Debt in Less-Developed Countries – A Case Study of a Debt-for-Nature Swap in Ecuador', *International Environmental Affairs* 2 / 1 (Winter 1990): 67–79.

66. Direct funding of local NGOs proved problematic. Major Western NGOs worried about the consequences of sending vast resources to young or emerging groups. Konrad Von Moltke of the WWF explained, 'It is just as possible to destroy an organisation by overfunding as by underfunding, only the process of destruction is less apparent since it manifests itself in loss of initiative, loss of contact with local constituencies, and an insidious skewing of recipient priorities to meet the perceived needs of the donor.' Gibson and Curtis, 'A Debt-for-Nature Blueprint', 345.

'technical, scientific, or administrative' help to the Bolivian government's resource management programmes.<sup>67</sup> In response, the Bolivian government promised full legal protection around a multi-million-acre buffer zone from development around Beni Biosphere Reserve, a part of the Amazon basin that contained thirteen species of endangered plants and animals.<sup>68</sup> In addition, the Bolivian government agreed to create a fund of \$250,000 for the management of the Beni Reserve. \$150,000 of the funds came from USAID's Bolivia programme coffers, and the Bolivian government covered the rest. The agreement stipulated that a local institution 'representing' both CI and Bolivia's Ministry of Agriculture and Peasant Affairs would oversee the fund.<sup>69</sup> It was a complicated agreement with many parties to manage.

A series of conflicts bedevilled the swap from the start. For one, domestic political problems in Bolivia slowed the implementation of the agreement. As soon as word of the agreement got out, a 'storm of criticism' emerged, as media reports erroneously suggested that Bolivian territory had simply been given over to CI. When the Bolivian Ambassador in Washington made the mistake of joking that any nation willing to cancel all of Bolivia's debt 'could have half the country', domestic media protests only intensified. 'Inexperienced' environmental groups in Bolivia struggled to respond to the criticisms, as press conferences, press release and news articles stating the value of the reserve did little to blunt the suggestion that the government had sold out part of the nation to an American NGO. Furthermore, the Bolivian legislature was also slow to allocate resources for the Reserve's management fund. It took over 21 months before the Bolivian government's contribution to the fund came through. Even then, legislation meant to extend full legal protection to the Beni reserve was still pending.<sup>70</sup>

Problems emerged over questions of indigenous participation, too. Two months prior to the deal, the Bolivian government signed a new contract with seven lumber companies to chop down Mahogany trees in the Chimane forest, the largest of the three main forest areas in the buffer zone around Beni. While the lumber companies were required to begin a reforestation programme, by

67. Diana Page, 'Debt-for-Nature Swaps: Experience Gained, Lessons Learned', *International Environmental Affairs* 1 / 4 (Fall 1989): 277.

68. The area had first been protected in 1982 by the National Academy of Sciences of Bolivia as a representative sample of neotropical forest, savanna and swamp for potential research projects. In 1986, the area won formal recognition as a Biological Reserve by the United Nations Education, Science, and Cultural Organization's (UNESCO) Man and the Biosphere Programme (MAB). Carmen Miranda L., 'The Beni Biosphere Reserve (Bolivie)', Working Papers No. 9, 1995, *South-South Cooperation Programme for Environmentally Sound Socio-Economic Development in the Humid Tropics*.

69. Page, 'Debt-for-Nature Swaps', 277-8; 'U.S. Treasury Department Report to Congress on Debt-for-Nature Swaps', in 'Debt for Development: Seminar for Private Voluntary Organizations', 23 May 1988, 19 [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

70. Page, 'Debt-for-Nature Swaps', 278.

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1989 not a single sapling had been planted for the over 7,000 trees that had been cut down. Complicating matters was the fact that the debt-swap actually legitimised logging under the terms of agreement, with some of the CI money going to the reforestation programme. Moreover, the Chimane Indians, who inhabited the Beni reserve, had been involved in a long process of obtaining land tenure rights in the reserve area. The swap effectively terminated the land tenure process. After all, the agreement stipulated that the title for the territory remained with the Bolivian government.<sup>71</sup> While indigenous environmental groups supported the agreement, neither local NGOs nor CI officials consulted with the over 25,000 semi-nomadic indigenous people in the forests, who had long harvested mahogany for most of their building materials. As the leader of the Moxo tribe claimed of CI, 'They offered to help us, but they haven't done it yet.'<sup>72</sup> Six thousand tribesmen marched to La Paz to protest about the arrangement, which, in promoting 'sustainable' logging practices, seemed to sanction companies ignoring indigenous claims to forest use.<sup>73</sup> The agreement, a USAID report concluded, actually 'exacerbated' older tensions between indigenous groups and logging companies.<sup>74</sup> Russell Mittermeier, president of CI, explained that his group would aid indigenous tribes by engaging representatives from their communities in a regional planning process.<sup>75</sup> Yet only years after the swap had been signed did NGO officials and proxy representatives speak with indigenous leaders.

Though CI officials themselves recognised the importance of indigenous support, the Bolivian government did not necessarily support such a view. The government struggled to create organisational structures capable of implementing the swap. Twice, the initial \$100,000 for the management fund of the swap was budgeted by the Agriculture Ministry, but used for other needs than the Beni reserve. 'If you're a government minister with very few and unpaid workers blocking traffic in downtown La Paz', claimed one Bolivian environmentalist, 'conservation in the far-away forest won't have priority.' Moreover, environmental organisations that could have sympathised with the imperiled tribes had little political influence in La Paz.<sup>76</sup> The institutional requirements of the swap demanded that the national government retain control over the new reserve, and they provided little recourse for indigenous peoples or local environmental groups to challenge existing political arrangements.<sup>77</sup>

71. Knicley, 'Debt, Nature, and Indigenous Rights', 95.

72. Merrill Collett, 'Bolivia Blazes Trail...to Where?' *The Christian Science Monitor* 10 July 1989.

73. Kenneth Warn. 'Tribes March Against Debt Swap', *Financial Times* 2 Aug. 1990.

74. 'Debt-for-Nature Swaps: Moving From Peril to Promise', 23 May 1990, 30. [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

75. Russell Mittermeier, 'Letter: Debt aided tribal progress', *Financial Times* 25 Aug. 1990.

76. Page, 'Debt-for-Nature Swaps', 279–80.

77. Knicley, 'Debt, Nature, and Indigenous Rights', 95–96.

While CI did not dismiss the indigenous concerns and pressured logging companies to initiate the reforestation programme, the difficulty of implementing the swaps attested to the challenges of attaining support from the wide array of interests at play.<sup>78</sup> A USAID review commented,

The Bolivian example emphasizes the importance of generating the support of all sectors of the country. The conservation organizations have relied on strong partner organizations and have solicited the backing of the local administration to insure the successful implementation of the projects. Yet lack of indigenous support will assuredly nullify the benefits these swaps can bring.

CI's 'lack of experience' and 'haste to be "first"' among NGOs pursuing swaps, the review added, had constrained their ability to establish a more participatory framework for local involvement.<sup>79</sup> Put another way, consensus about land use rules and control over territory among all groups in society over the swaps was elusive, and the innovative programme foundered. The biggest problems that militated against effective participation were institutional and political. The difficulties encountered in Bolivia reflected ongoing challenges of ensuring true community participation with all minority groups on the margins of national governance, not just indigenous peoples.

#### THE CHALLENGES OF COMMUNITY PARTICIPATION: MADAGASCAR

Similar problems emerged in Madagascar, where one of the WWF's largest early swaps took place. The WWF had been active in Madagascar since the late 1970s. The island nation had become particularly significant in the environmental imagination because of its biodiversity; 150,000 of Madagascar's 200,000 species were found nowhere else in the world. But Madagascar was also extremely poor, with a per capita income of only \$300 per year. A mixture of slash-and-burn and heavy commercial agriculture spurred rapid deforestation, as the nation tried to export its way out of its own spiralling debt trap. Burdensome debt prevented the national government from maintaining the forest protection programmes they had in place.<sup>80</sup>

Madagascar's combination of biodiversity and onerous debt made the nation seem ripe for a swap. The WWF pressured the government to adopt an Action Plan for Biodiversity conservation in 1986 and organised a joint planning effort with the Malagasy government, World Bank, Agency for International

78. Tamara J. Hrynik, 'Debt-for-Nature Swaps: Effective But Not Enforceable', *Case Western Reserve Journal of Law* 22 / 1 (Winter 1990): 141–164.

79. 'Debt-for-Nature Swaps: Moving From Peril to Promise', 23 May 1990, 31. [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

80. 'Madagascar: Debt-For-Nature Swap', 4–5, [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

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Development, Swiss Corporation, UNDP and UNESCO to develop a comprehensive 'Environmental Action Plan' for the nation. Since Madagascar lacked the funds to carry out the intensive conservation programmes these efforts required, in 1989 the WWF, with the aid of a matching grant from USAID, engineered a multi-million dollar debt-for-nature swap to help Madagascar expand and deepen its national environmental programmes. The WWF's presence in Madagascar had made the organisation well known to the Malagasy leadership, who met privately with WWF officials in Washington before signing the deal.<sup>81</sup>

The swap intended to help multiple parties. The Malagasy government saw it as a way to reduce their overall debt and help to cover the costs of running their environmental protection programmes. USAID and the WWF hoped to increase the Madagascar government's administrative capacity in forest management, while the WWF also stood to earn more funding for its own conservation programmes in the country. USAID and WWF officials also aspired to provide rural villagers with 'environmental education', a series of techniques that would allow limited use and conservation of forest resources through projects such as outplanting for soil erosion control, reforestation initiatives and the redirection of livestock away from protection areas.<sup>82</sup>

From the project's inception, however, the WWF struggled to reconcile these goals for a number of reasons. For one, civil society was weak in Madagascar. There were no NGOs capable of receiving the funds to oversee new programmes, so the 'local' organisation that managed the conservation project was, in fact, the WWF office in Madagascar. Second, the programme hinged on the creation of a new civil service branch called *Agents pour la Protection de la Nature*, or APNs. Nominally under the supervision of the existing Forestry Department, APNs were trained by WWF staff to involve local communities in the planning, management, and implementation of new sustainable forestry practices. But Forestry officers often rebuffed APN efforts, as WWF officials reported on an institutional culture within the Madagascar government that stressed the top-down 'protection of forests resources through enforcement of the forest codes', not community engagement.<sup>83</sup> Likewise, the APNs received higher benefits and better equipment than existing forestry of-

81. 'Letter, Leon Rajaobelina to William Reilly, 30 June 1988' in 'Madagascar: Debt-For-Nature Swap', [Online] Available: <http://dec.usaid.gov/index.cfm>. The swap was also aided by a donation of debt repayment from banks, made to WWF-US and WWF-Germany offices. Reilly, a key negotiator in that process, referred to bank donations as 'manna from heaven.' William K. Reilly, 'Debt-for-Nature Swaps: The Time Has Come', *International Environmental Affairs* 2 / 2 (Spring 1990): 135.

82. 'Development Strategies for Fertile Lands: Final Evaluation of the WWF Debt-for-Nature Project', 30 May 1995, 3-5, [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

83. *Ibid.*, 16-17. See also 'Debt-for-Nature Swap, USAID Project No. 687-0112', July 1992, 24, [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

ficials, which ‘caused friction’ and ‘hurt’ morale of the existing officers, who had already faced years of severe budgetary handicaps.<sup>84</sup>

The tension between the old forestry officers and the new APNs underscored a larger organisational challenge. As part of the swap, WWF and USAID officials hoped to create a decentralised command structure that would afford flexibility to local forestry officials to meet the needs of communities as they saw fit. In practice, this method gave the existing forestry officials the ability to use APNs in whatever manner they deemed necessary. By 1995, USAID noted that this style of governance allowed Malagasy officials ‘to use APNs in ways which may not be in the best interests of the project or most effective for achieving the natural resource conservation needs of Madagascar’. The forestry officials’ ‘authority and control organizational culture’ butted up against ‘the village cooperation and empowerment objectives in the project’, and thereby created serious tensions. Though the 1995 report held that the potential contributions of APNs to villager participation were still ‘significant’, it also noted that ‘actual on the ground results have been limited to date’.<sup>85</sup>

More troubling was the fact that even in spite of the proliferation of the APNs in the first three years, national economic constraints and political instability implied that for the programme to continue it would require a constant influx of foreign funds. The swap had only a small effect on the overall level of Madagascar’s outstanding debt. Even though the programme was expanded in 1992, by 1995 it had retired only six per cent of the outstanding national debt. The country still continued to slash domestic public sector spending to redress its fiscal exigencies. And since the programme went through the local WWF office, it did not, as programmes in Latin America had attempted to do, empower domestic environmental organisations. Future projects would require a heavy WWF presence, and USAID concluded that Madagascar needed for its forestry programme ‘a larger more conventional institutional development project’ than the swap had provided.<sup>86</sup> Later iterations of the programme redoubled training efforts to encourage village participation, though USAID officials even found themselves striving ‘to promote behavioral change’ in villagers to become ‘more protective and conservation-oriented regarding forest resources’.<sup>87</sup> The swap had been designed to minimise Madagascar’s debt while building up its administrative capacity for environmental protection. Yet, a decade later, the forestry programmes were not necessarily sustainable in a fiscal, institutional or social sense.

84. ‘Debt-for-Nature Swap, USAID Project No. 687-0112’, 4.

85. ‘Development Strategies for Fertile Lands: Final Evaluation of the WWF Debt-for-Nature Project’, 8-9.

86. *Ibid.*, 12.

87. Semi-Annual Technical Progress Report, Agents de Protection de la Nature Project, USAID, Grant No. 687-A-00-98-00029-00’, Jan.–June 2000, 6. [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012).

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## CONCLUSION: IDEAS AND INSTITUTIONS

Although NGOs often struggled to implement the swaps, the innovative programme became common practice in many development institutions. Following extensive lobbying by environmental groups, both USAID and the World Bank began funding environmental projects by the late 1980s. Likewise, many nations faced sweeping structural challenges as leaders in the developing and developed world alike moved away from the statist approaches that had characterised development through the early 1970s and placed greater emphasis on private sector initiatives and market-based reforms.

Debt-for-nature swaps resonated with all these trends. The swaps provided an environmental project for development agencies to embrace that required small amounts of capital funds, used private actors as key agents and employed the ‘market-based’ mechanism of the debt purchase. Many institutions seized upon the idea. Indeed, the Madagascar swap, in which USAID provided matching funds, showed the ‘valuable role public agencies can play’ in engineering the complex transfer of resources necessary to make the swaps work.<sup>88</sup> Leveraging ties to allies in Congress like Nancy Pelosi (D-California), Joseph Biden (D-Delaware) and John Porter (R-Illinois), NGO officials earned support for swaps in key legislation such as the Global Environmental Protection Assistance Act of 1989.<sup>89</sup> President George H.W. Bush’s Enterprise for the Americas Initiative provided support for swaps.<sup>90</sup> The World Bank explored ways to fund such deals.<sup>91</sup> The *New York Times* even ran an editorial, five years after Lovejoy’s, lauding how ‘Brazil’s Debt Can Save the Amazon’.<sup>92</sup> For a brief time in the late 1980s and the early 1990s, an op-ed by an official in an NGO had spurred one of the most popular trends in the global development community.

Yet the debt-for-nature swaps had an ambiguous legacy. Although swaps in the 1990s and 2000s placed a greater emphasis on directly involving local NGOs and indigenous groups, the implementation of such commitments proved to be uneven.<sup>93</sup> While in many instances they did serve to bolster fledgling

88. Kathryn Fuller to John Porter, 27 Jul. 1989, Carton 15–17 Debt for Nature Swaps, Feb.–June 1989, Sierra Club International Records.

89. Larry Williams to Brent, Bruce, David and Barbara, 28 Apr. 1989, Carton 15–17 Debt for Nature Swaps, Feb.–June 1989, Sierra Club International Records; Jay D. Hair to Senator Joe Biden, 29 June 1989, Carton 15–17 Debt for Nature Swaps, Feb.–June 1989, Sierra Club International Records.

90. Pervaze A. Sheikh, ‘Debt-for-Nature Initiatives and the Tropical Forest Conservation Act: Status and Implementation’, CRS Report for Congress, 11 Oct. 2006.

91. ‘Comment on Bank Outline of Development Committee Paper on the Environment and Development’, 7 Dec. 1987, Development Committee, Folder ‘Environment, 1987–1990’, World Bank Group Archives, Washington, DC, USA.

92. ‘Brazil’s Debt Can Save the Amazon’, *New York Times* 3 Feb. 1989

93. Knicley, *Debt, Nature, and Indigenous Rights*, pp. 121–22.

environmental programmes in the developing world, their overall effect on the debt crisis was minimal. With total debt obligations of developing nations in the hundreds of billions of dollars in the mid-1990s, by 1994 the swaps had reduced stock of commercial foreign debt by only \$177 million while generating \$130 million in domestic currencies for conservation programmes.<sup>94</sup>

Taken in a longer perspective, though, the swaps marked two important changes for major environmental NGOs. For one, they greatly emboldened and enriched leading NGOs by helping them forge closer ties with major philanthropic bodies, banking institutions and governments. The swaps showed that the WWF and other NGOs had become major players in international politics, able to realise their own interests in a way that seemed far more difficult just a few decades earlier. No party in the swaps benefitted as noticeably as the WWF, which reaffirmed its status as a major force in the environmental movement while gaining both greater access to sources of funding in the developed world and closer ties to leaders in developing nations.<sup>95</sup>

The swaps also revealed an important intellectual shift in how some conservationists came to think about the place of people in parks. Since the 1980s, environmental NGOs have continued to emphasise the importance of indigenous participation in conservation projects. Following the problems in Bolivia and other high-profile conflicts in the Amazon, the WWF began negotiations with the indigenous peoples alliance to give indigenous parties a greater voice in decision-making. This process culminated in the creation of WWF's 'People and Conservation Unit' in 1998.<sup>96</sup> Both WWF and CI have declared their support for indigenous rights organisations.<sup>97</sup>

In the end, though, true local participation in conservation proved easier to imagine than implement for major NGOs. The swaps posed problems for NGOs attempting to implement a newfound commitment to local participation in park management. That was the case for the WWF and IUCN as 'people-centered' approaches emerged in the 1980s to embrace the message that Raymond Dasmann and others had been arguing for years.<sup>98</sup> Large institutions have their own imperatives, independent of ideology. This can lead to

94. Jakobeit, 'Nonstate Actors Leading the Way: Debt-for-Nature Swaps', 128.

95. See 'Developing Country Debt: Debt Swaps for Development and Nature Provide Little Debt Relief', USGAO Report to Congressional Requesters, Dec. 1991. [Online] Available: <http://dec.usaid.gov/index.cfm> (Retrieved 12 March 2012). See also Jakobeit, 'Nonstate Actors Leading the Way: Debt-for-Nature Swaps', 145–48.

96. Jeanrenaud, *People-Oriented Approaches in Global Conservation*, p. 39.

97. For an overview of recent projects towards this end, see, from the WWF, Ron Weber, John Butler and Patty Larson (eds), *Indigenous Peoples and Conservation Organizations: Experiences in Collaboration* (Washington: WWF, 1998) and for the CI, Kristen Walker Painemilla, Anthony B. Rylands, Alisa Woofter and Cassie Hughes (eds), *Indigenous Peoples and Conservation: From Rights to Resource Management* (Arlington, VA: Conservation International, 2010).

98. Even by the 1980s, within the WWF there were ongoing debates about the proper role of community participation and indigenous peoples in conservation projects. For a schematic



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rhetoric that outpaces the reality of the policies they can deliver. Reviews of the WWF's 'Wildlands and Human Needs' suggested as much, echoing many of the problems with the debt-for-nature swaps. 'The program, and its project directors, have yet to master all the subtleties of local participation', claimed one analyst.<sup>99</sup> Furthermore, reviewers advised, 'It will become increasingly important for the program to learn how to encourage local participation and leadership simultaneously ... we have learned the strong leaders may be the same individuals who do not encourage broad based participation.'<sup>100</sup> Likewise, a 2002 review by the International Institute for Environment and Development (IIED) commissioned by the WWF-International office went further, claiming, 'WWF has begun using the language of participation and people-centered processes without significant organisational change and realignments of political, scientific and bureaucratic powers.'<sup>101</sup> Even when they wanted to fund local organisations and empower local people, the institutional challenges of realising such goals proved hard to surmount.

The history of 'people-centered' conservation in the era of the debt crisis and the rise of market-oriented solutions to environmental problems illuminates the enduring challenges of pursuing local conservation projects in the name of global objectives and reconciling a respect for sovereignty – local and national – with larger environmental imperatives. Individually, officials in the WWF, IUCN and CI – amid many more in the developing world – had come to place a greater value on working with, not against, indigenous peoples and rural communities living near park spaces. Collectively, though, their organisations ran up against conflicting interests – of donor agencies, national governments and indigenous peoples – that made implementation of their new ideological approaches much more difficult.<sup>102</sup> Changes in conservation approaches did not derive from technical problems, after all, but political and institutional ones. The reconciliation between competing notions of participation and sovereignty, between grasping for global solutions for global environmental problems and respecting long-standing norms and the right to self-determination, remained elusive.

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breakdown of these debates, see Jeanrenaud, *People-Oriented Approaches in Global Conservation*, pp. 6–9.

99. World Wildlife Fund, 'Third Year Matching Report on the Matching Grant for a Program in Wildlands and Human Needs, awarded by the United States Agency for International Development', 1988, 67

100. *Ibid.*, 68.

101. Jeanrenaud, *People-Oriented Approaches in Global Conservation*, p. viii.

102. The difficulties of effective democratic institution building to support such initiatives are well documented in International Institute for Environment and Development, *Whose Eden? An Overview of Community Approaches to Wildlife Management* (London: International Institute for Environment and Development, 1994).

