

Ecuador: Left-Center Political Regimes versus Radical Social Movements

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Introduction

On February 17, 2013, national elections will take place in Ecuador in which incumbent left-center President, Rafael Correa, is likely to win with an absolute majority against opposition candidates covering the political spectrum from Right to Left. Since he was first elected in 2006, Correa has won a string of elections, including presidential elections (2009), a constitutional referendum, a constituent assembly and a ballot on constitutional amendments.

Correa's electoral successes occur despite the opposition from the main Indian organizations, CONAIE (Confederation of Indigenous Nationalities of Ecuador) and CONFENIAE, the principle public sector teachers unions, environmental NGOs and numerous radical intellectual, academics and trade union activists. He also has routed the traditional pro-US right-wing and liberal parties, successfully defeated and prosecuted the subversive intent of the mass media moguls and survived an aborted police-military coup in 2010. Unquestionably Correa has demonstrated his capacity to win repeated elections and even increase his margin of victory.

The electoral successes of Correa raise fundamental issues which transcend the immediate context of Ecuadorean politics and reflect a general pattern throughout Latin America . These issues include:

- (1) the relation between mass social movements and left of center electoral parties and politicians.
- (2) The relation between pro-active extractive capitalist development strategies (mining, oil, agro-business), inclusionary social policies and anti-imperialist regional foreign policies.
- (3) The inverse relation between the growth and consolidation of a left-center regime and the decline and weakening of radical social movements.
- (4) The problem of the initial convergence and divergence between radical social movements and left-center political leaders; as they move from 'opposition' to political power.
- (5) The shifts in power between movements and electoral politicians, with the former exercising greater capacity to mobilize during the period of opposition to the Right and the latter dominating and dictating the political agenda subsequent to securing electoral office.

The Politics of Post Neo-Liberalism

Correa's "citizen based" electoral movement, operates from positions in government and eschews any 'class framework'. In fact in its broadest terms, it appeals to and directs government programs to both the urban poor and the big foreign petroleum multi-nationals; the small and medium size business people and the Guayaquil business elite; workers in the informal sector and the public sector professionals and employees, the returning immigrants from Europe (especially Spain) and the construction, real estate and communication elite.

In foreign policy Correa has supported and has the backing of the Cuban and Venezuelan governments and is a member of ALBA; it has received large scale low interest loans from China (in exchange for oil investment and trade agreements) and retains commercial ties with the US and EU. Correa has backed greater Latin American integration and signed off on major public-private petrol contracts with US and European oil companies. He claims to be a socialist but condemns the Marxist FARC and praises the Colombian regimes' 'neo-liberalism'; questioned the illegal foreign debt (lowering it by 60%) and at the same time retains the dollar as Ecuador's currency and opens indigenous territories to foreign capital exploitation.

In a word Correa's "post neo-liberal policies" combine 'nationalist populist' and neo-liberal policies more than a program for the 21st century socialism that he proclaims.

Perspectives on President Correa's Government

The national-populist extractive policies and development strategy of the Correa regime has polarized opinion across the hemisphere and within Ecuador. On the extreme right Washington and its mass media acolytes view Ecuador as a radical 'socialist regime'. They take at face value Correa's embrace of "21st century socialism", in large part because of his ties to Venezuela, membership in ALBA, renegotiation of the foreign debt and Ecuador's giving political asylum (in its British embassy) to Julian Assange, the Wikileaks' leader.

Echoing Washington's 'radical leftist' label are the traditional and newly minted rightist parties (Sociedad Patriótica) who have been marginalized by Correa's electoral successes. Their critique of Correa's early nationalist policies, renegotiating the debt and prevailing oil contracts, is now tempered by his recent large scale, long term investment agreement with several foreign multinational petroleum companies. The Ecuadorean oligarchy while publically condemning Correa are privately busy negotiating public-private procurement agreements especially in communications, infrastructure and banking.

The Indian movement, CONAIE, peasants, the teachers union, the ecology-NGOs and some smaller leftist parties oppose Correa for his "sellout" to the big oil companies, his authoritarian centralized power, the expansion of exploitation in the Amazon region and territorial encroachment and threats to Indian lands, water and health.

In contrast to internal opposition from the social movements, the vast majority of leftist parties and center-leftist regimes in Latin America, led by Cuba and Venezuela, are staunch supporters and allies of the Correa regime based primarily on his anti-imperialist policies, support for regional integration and opposition to US interventionist and destabilization policies in the region.

Internationally Correa has widespread support among progressives in the US and Europe especially for his early policies questioning the legality of the foreign debt, his rhetorical proposal to conserve the Amazon in exchange for cash transfers from the EU/US, his

renegotiations of the oil contracts and his anti-imperialist pronouncements. Most important, Correa has secured long term large scale financial aid from China in exchange for exploitation of its oil resources.

Buttressed by allies in Latin America and Asia, Correa has effectively resisted pressures from the outside from the US . Internally, Correa has built a formidable bloc of social and political forces which has effectively countered opposition from the oligarchical right as well as from the once powerful radical social movements. The sustained popular majorities backing Correa from 2006 to the present 2013 are based essentially on several factors - substantial increases in social expenditures benefiting popular constituencies and nationalist policies increasing state revenues. The entire Correa paradigm, however, is based on one singular factor - the high price for oil and the boom in commodity prices which finances his strategy of extractive capital led growth and expenditures for social inclusion.

The Social Bases of Correa's Popularity

Correa's electoral victories are directly related to his populist social policies financed by the substantial oil revenues resulting from the high prices and huge increase from the renegotiation of the oil contracts with the multi-nationals - an increase from a 20% to an 85% tax. Correa increased the health budget from \$561 million in 2006 to \$774 million in 2012, about 6.8% of the national budget.

Clinics have multiplied, the price of medications has been reduced as a result of a joint venture with the Cuban firm Enfarm, and access to medical care has vastly improved. Educational spending has increased from 2.5% of GDP in 2006 to 6% in 2013, including a free lunch program for children. The regime has increased state subsidies for social housing, especially for low income classes as well as returning immigrants. To lower unemployment, Correa has allocated \$140 million in micro credits to finance self-employment, a measure especially popular among workers in the "informal sector". By effectively reducing the debt to foreign creditors by two-thirds (debt service runs to 2.24% of GDP), Correa has increased the minimum wage and pensions for low income retirees thus expanding the social security system.

Anti-poverty subsidies, payments of \$35 monthly (increased to \$50 two weeks before the Elections) to poor families and the disabled and low interest loans have allowed Correa to gain influence and divide the opposition movements in the countryside. Business elites especially in Guayaquil and the middle and upper echelon of the public sector especially in the petrol sector, have become important contributors and backers of Correa's electoral machine.

As a result of State subsidies, contracts and the backing of business and banking sectors and the weakening of the opposition media elites, Correa has built a broad electoral base that transverses the class spectrum. The entire 'popular alliance' is, however, highly dependent on Correa's pact with extractive multi-nationals. His electoral success is a result of a strategy based on the revenue from a narrowly based export sector. And the export sector is highly dependent on the expansion of oil exploitation in the Amazon region which adversely affects the livelihood and health of the indigenous communities, who in turn are highly organized and in a permanent 'resistance mode'.

The Contradictions of Extractive Capitalism and Populist Politics: The Threats and Challenges to Social Movements

The oil sector accounts for over 50 percent of Ecuador 's export earnings and over one-third of all tax revenues. Production has oscillated around 500,000 barrels a day, with increasing shares sold to China and a decreasing percentage to the US . In February 2013 Ecuador signed contracts for \$1.7 billion in investments to boost output in the Amazon fields with Canadian, US, Spanish and Argentine multi-nationals in association with the Ecuadorean state company Petroecuador.

The biggest oil investments in the history of Ecuador promise to increase the levels of oil spills, contamination of Indian communities and intensification of the conflicts between CONAIE and its ecological and movement allies and the Correa regime. In other words as Correa sustains and consolidates his majoritarian electoral support outside of the Amazon and adjoining regions with increased social expenditures based on rising oil revenues, he will further dispossess and alienate the movements of the interior.

Social inclusion of the urban masses and promotion of an independent foreign policy are based on an alliance with foreign extractive multi-nationals which undermine the habitation and economy of small producers and Indian communities.

The history of petroleum exploitation contamination up to the present day provides little evidence to support President Correa's claims of environmental safeguards. Texaco/Chevron oil exploitation in the Amazon contaminated millions of acres, dispossessed scores of Indian communities and sickened thousands of inhabitants resulting in a judiciary award of \$8 billion dollars in favor of the 30,000 indigenous people adversely affected.

Recently Correa's proposed oil contracts with multi-nationals to exploit 13 blocks in the pristine Amazon region covering millions of acres and inhabited by seven Indian nationalities, without consulting the indigenous communities thus contravening his own newly written constitution. Powerful mobilizations, led by CONAIE and CONFIEAE (the Ecuadorean Confederation of Amazonian Indian Nationalities) on the 28th of November 2012 in Quito and in the regions targeted for exploitation, has caused several oil majors to delay drilling. In the face of determined Indian resistance, Correa has shown the authoritarian side of his regime: threatening to dispatch the military to occupy and forcibly impose a kind of 'martial law', raising the prospects of prolonged political warfare.

While Correa can and does win national elections and routs his electoral opposition in the big cities, he faces a resolute organized majority in the Amazon and adjoining regions. Correa's dilemma is that unless he diversifies the economy and reaches a compromise via consultation with CONAIE, his dependence on new oil ventures drives him toward de facto alliance with the traditional export elites and greater dependence on the military and police.

The Latin American Context

Correa's bet on an export strategy based on primary goods has created a potentially dynamic mega cycle of growth but it is increasingly dependent on high world prices for oil. Any significant decline in price would immediately lead to a precipitous fall in social expenditures, erode his social coalition and strengthen the opposition from the right and the radical social movements. Correa's repeated electoral successes and his widespread support across the progressive and anti-imperialist political spectrum, has seriously weakened the radical social movements a pattern that has been repeated throughout Latin America .

In the previous decade, roughly the period of the 1990's to the early years of the 21st century, the radical social movements took center stage in toppling rightwing, US backed neo-liberal regimes. Ecuador was no exception: CONAIE and its urban allies ousted the incumbent neo-liberal President Mahuad in January 21, 2000, and joined with Correa in driving the Lucio Gutierrez regime from power in April 2005. Similar mass struggles and social mobilizations ousted neo-liberals in Argentina and Bolivia, while movement backed center left politicians took power in Uruguay, Brazil, Paraguay and Peru.

Once ensconced in power the center-left regimes adopted a commodity led export strategy, embraced partnerships with the MNC and built broad electoral conditions which marginalized the radical social movements; with the aid of increased revenues they substituted populist transfer payments for structural transformations.

Nationalist foreign policies were combined with alliances with big commodity based MNC. To the extent that class struggles emerged, the populist leaders condemned them and even accused their leaders of "conspiring with the Right" - thus questioning the legitimacy of their demands and struggles.

The post neo-liberal center-left regimes in Latin America, with their populist politics of 'inclusion' have been far more effective in reducing the appeal and influence of the radical mass social movements than the previous US backed repressive neo-liberal regimes.

Those social movements which opted to support and join the center-left regimes (or were co-opted) became transmission belts for extractive policies. Confined to administering the regime's anti-poverty programs and defending the extractive capitalist model, the co-opted leaders argued for higher tax revenues and social expenditures, and, occasionally, called for greater environmental controls. But ultimately the "insider strategy", adopted by some social leaders, has led to bureaucratic subordination and the loss of any specific class loyalties.

Conclusion

National-populism is and will be challenged from within by its 'allies' among the MNC who will increasingly influence their 'public sector partners' and, from the 'outside', by the pressures from the world market. In the meantime as long as commodity prices hold and the nationalist-populist leaders continue their 'inclusive' social programs, Latin American politics will remain relative stable and the economy will continue to grow, but it will continue to face resistance from the alliance of eco-social and indigenous movements.

What lessons can be drawn from the past two decades of social movement - populist electoral party alliances? The message is both clear and ambiguous. Clearly movements which do not have an independent political perspective will lose out to their electoral allies. However, there is no question that because of movement action, the populist electoral class has legislated significant social expenditures benefiting the popular classes and pursued a relative independent foreign policy - an ambiguous legacy or unfinished history?

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