

Ecuador's Correa: The Citizen's Revolution

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Region: [Latin America & Caribbean](#)

Global Research, May 17, 2009

Alternativa Latinoamericana 17 May 2009

When Rafael Correa came to power in 2006, he said that he was not a traditional politician. We could add that he is not a traditional economist either –at least not like the economists who have dominated the field in favour of “free-market” economics. Correa served briefly as Minister of Economy and Finances in 2005, under President Alfredo Palacio, and even at that time he advocated for the reduction of poverty and the increase of economic sovereignty for Ecuador. He did not follow the advice of the International Monetary Fund (IMF) and he did not believe much in signing free trade agreements with the United States. Correa’s focus was, however, in increasing cooperation between Ecuador and other Latin American countries.

Correa resigned to his post when the World Bank (WB) withheld a loan to pressure president Palacios because of a proposal Correa made about issuing bonds at lower interest rate –half of which were to be bought by Venezuela. The proposal, which had been fully authorized by Palacio, became an issue and the president of Ecuador gave way; Correa resigned. In a press conference following his resignation, Correa referred to the strong foreign and domestic pressure against any move towards economic cooperation and energy integration with Venezuela. He said that he felt “a very strong pressure and a direct boycott to impede the operation with Venezuelathe situation was unsustainable...the lack of support for the policies and work of the Minister were intolerable and I could not tolerate it. It’s impossible for an economy minister to operate without the support of the President” and he resigned (By Panorama, in www.aporrea.org 06/08/05).

People understood, somehow the reasons behind Correa’ resignation and Correa became very popular. Just before Correa resigned he was the only of the minister of the government of Palacio who had much credibility. In Ecuador, 57% of the people were saying they trusted Correa, while the popularity of Palacio himself was falling (By Solo, Znet 15/08/05).

It is the beginning of Correa’s political ascent in Ecuador. Correa, born in Guayaquil, and 46 year old now, is also a very educated man. He earned a degree in Economics from Universidad Católica de Santiago de Guayaquil in 1987, a MA in Economics from Université Catholique de Louvain, Belgium, and later a MSc in Economics (1999) and a Ph D in Economics (2001) from the University of Illinois, USA. Correa speaks Spanish, and also French and English. Still, Correa is not just an educated economist. He has had experience with the poor when he worked years ago as a missionary with the aboriginal population of Cotopaxi, where he learnt Quechua. As a result improving the living conditions of the poorest of Ecuador has been openly his concern.

In 2006 Correa founded Alianza PAIS (Patria Altiva y Soberana or Proud and Sovereign Fatherland Alliance). The party’s principles: political sovereignty, regional integration, and economic relief for the poor in Ecuador. During his political campaign he proposed the

formation of an Assembly to rewrite the Constitution of Ecuador; and committed himself to call for a referendum to draft the new Constitution. Alianza PAIS signed a political alliance with the Socialist Party of Ecuador.

Alianza PAIS favoured a reform of the oil industry and a new Hydrocarbons Law (Ley de Hidrocarburos), because the Law in Ecuador was allowing foreign companies to take four of the five barrels of oil they produced, leaving only one for the state. Alianza also favoured limiting offshore deposits made by local banks, to no more than 10% of their holdings. Social development was declared a priority that would take precedence over the payment of foreign debt service. Correa, openly critical of neoliberal policies, planned to move away from the dollar as Ecuador's currency, as well as of the draft made for a free trade agreement with the United States. He declared himself in favour of open markets with other countries and of the integration of South American economies. In external policy, Correa favoured close relations with Venezuela while staying away from the Colombian conflict. During the 2006 elections Correa was second to Alvaro Noboa, the Ecuadorian millionaire, but Correa became president in the runoff election (November 2006) and was sworn into office in January 2007.

Once in power Correa fulfilled his promises, setting up an Assembly for the draft of a new Constitution and calling a referendum in September 2008. The new constitution was approved by more than 60% of the population. The new Constitution tightens state control of vital industries and reduces monopolies; it also provides free health care for older citizens and allows idle farm land to be expropriated for redistribution. It allows the president to be re-elected for a second four year term (at the end of 2013) and it allows civil marriage for gay partners. Social development took precedence as promised: during his short 2 year term (2006-2008) Correa's government spent billions of dollars on social projects (Daniel and Soto, Reuters).

The challenge for the future is the external debt. In December 2008, Correa announced that Ecuador was officially defaulting on billions of dollars of foreign debt considered illegitimate by the government as it was contracted by military regimes. He threatened also to suspend review of the country by either IMF or WB and mentioned publicly that he plans to close the US military base in Manta -its contract expires and he is not planning on renewing it.

A new Constitution and the call for the 2009 Elections

It is impossible not to acknowledge the extremely hard work of the government of Ecuador during its two years of government, in only two years a new Constitution was drafted that involved the entire country, transforming a frustrated citizenship into one energized to participate and change the country. Correa counts with amazing level of support, considering the humble beginnings of Alianza PAIS -a movement born only three years ago and with very limited time to develop political know how contending, surprisingly well, with much experienced and structured political forces.

This past April, Rafael Correa was re-elected during the first round with an impressive 51.7 percent of the vote. He is the first president to have such an electoral triumph in Ecuador in 20 years. The Council on Hemispheric Affairs commented that "it could be argued that Correa is one of the most successful contemporary Latin American political leaders of the era. Since taking office, he has come forth with a very specific socio-political program which has significantly alleviated the country's political instability and hobbling strategic and

economic conditions, while at the same time advancing his overt leftist platform aimed at job creation and lifting the country's living standards." (COHA, press release, 27/04/09)

After this last election, and while talking with the press, president Correa ratified his commitment in working for an inclusive country which would prioritize the well being of its most vulnerable citizens. He said: *"This (victory) is for the poor and the most vulnerable...it is because of them we are here...so finally Ecuador is for all of us...Together we have made history. Today is a happy day...we focus in consolidating our Citizen Revolution...I have only words of thank and commitment with our people who has proved its dignity..."*

He later ratified again some of its government believes and values saying: *"We are the tool of the people, this is not my victory...the people has given us the most splendid victory!" "Socialism will continue. The Ecuadorian people voted for that...When have we concealed our ideological orientation? We are going to emphasize this."*

Thus, even though president Correa has avoided going against the US for the sake of it, he has shown limited concern for US approval on his decisions. He announced, for example, that the Manta base contract will not be renewed, a position he has ratified often. He expelled a pair of U.S. diplomats stationed in Quito on allegations of their "unacceptable meddling" in Ecuadorian matters, and again he seemed little concerned about whether the US would be offended by the clear message of non-interference on internal affairs. Ecuador has its new Constitution and now president Correa has a four year term to implement more changes, there is even the possibility of re-election in 2013.

Eric Toussaint -the Belgium historian and political scientist president of the Committee for the Abolition of Third World Debt and author of *The World Bank: a never-ending coup d'Etat*, regards the new Constitutions as an important change. *"The new Constitution guarantees increased cultural, economic and social rights for the population and it has set up a democratic mechanism through which elected representatives can be dismissed at mid-mandate whatever the level they operate at, including the President of the Republic (this is also the case in the Constitutions set up in Venezuela in 1999 and in Bolivia in 2009)."* He argues that *"democratic political changes in Ecuador are hardly ever mentioned in the major media of industrialized countries."* He mentions the defamatory campaign implemented by the press. President Correa denounced a similar issue in Ecuador during his interview with the press after the elections pointing to the many distortions promoted by the press as an issue. The press campaign, argues Toussaint, presents not only Correa but also the heads of State of Bolivia and Venezuela as "authoritarian populist leaders" (Toussaint, Ecuador at the crossroads, Global Research, 28/04/09).

Constant comments about these heads of state working together as part of an "axis" – had encouraged Correa to deny the existence of such "axis" even though, he said, it would not be a crime. Whether or not a fiction few would question the coming together of heads of state but would see them as productive, even positive. The coming together of the "three amigos" (México, Canada and the US) including first Reagan, Mulroney and Fox and more recently, Bush, Harper and Calderón was never challenged by mainstream media. And, what about the European Union? Yet, there is concern when Latin American heads of state work together, particularly if it is for the benefit of their most disenfranchised citizens.

The hottest issues, however, it would be the no payment of the debt. Since November 2008, Ecuador has stopped repaying part of the loans contracted by previous government as bonds, based on the results of the Commission for a Complete Auditing of the Public Debt

-which found that these debts are nullified by the very conditions in which they were issued. Toussaint himself a member of the Commission supports to stop payment. , the Belgium historian and political scientist president of the Committee for the Abolition of Third World Debt and author of *The World Bank: a never-ending coup d'Etat*, and a member of the mentioned Commission, favours with other Commission members, to just stop payment. But this past April the government of Ecuador proposed an alternative 70% devaluation of the debt -or a payment of only 30% of those debts. Whether this would be sufficient for Ecuador to cope with the current challenges presented by the world crisis is to be seen. The no payment position is a challenge because Ecuador has been the only government in the world to launch a complete audit of its public debt during the 2000s. It is possible that this changes with the new public debt crisis which involves other countries and they may follow Ecuador's lead in challenging the legitimacy of these debts.

Translated from Spanish

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