

Ecuadorean General Strike Wins Concession on Fuel Subsidies

Workers, youth and indigenous communities lead the struggle to overturn neo-liberal energy policy

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After days of mass demonstrations and work stoppages, the Ecuadorean people have illustrated their revolutionary tradition in the ongoing battle against the imposition of austerity.

Beginning on October 3, people responded angrily over the withdrawal of fuel subsidies which had been in place for four decades.

The government of **Lenin Moreno**, adhering to the International Monetary Fund (IMF) conditionality, announced the new economic program which resulted in the sharp rise in the price of diesel by 100% and petroleum by 30%. These price increases happened overnight making it impossible for many working people and farmers to pay for their household expenses.

These hyperinflationary trends also resulted in the rise in food prices and the cost of transportation. The Moreno government initially rejected the demands of the unions and mass organizations saying that fuel subsidies had cost the country over \$60 Billion.

An additional series of labor and tax measures were specifically designed to make Ecuador eligible for a \$4.2 Billion loan from the IMF. As part of the austerity package, a 20% cut in salaries for public sector workers was enacted along with the reduction in vacation time from 30 to 20 days annually.

These huge price increases and reduction in pay proved to be the spark which ignited broad sectors among the working class and peasantry into action. With a minimum wage of only \$394 per month, the material impact of the IMF imposed policy would drive many more people into abject poverty.

On the first two days of the austerity program, October 3 and 4, unions representing workers in the taxis, buses and trucking sectors went on strike blocking roads and consequently paralyzing the entire country. After talks with the government, the transport unions called off their strike after October 4.

Nonetheless, hundreds of thousands of others representing the Indigenous people, students, mass organizations and local transportation workers, entered the streets demanding that the IMF imposed measures be revoked. These demonstrators blocked traffic prompting clashes with police resulting in the deaths of eight people, 1,300 injuries and the arrest of over 1,100 others.

The mass resistance continued during the week of October 7 even after Moreno had declared a national security emergency. The administration was forced to move its operations outside the capital of Quito to Guayaquil due to the intensity of the clashes between the workers, farmers and youth against the security forces.

Members of the Confederation of Indigenous Nationalities of Ecuador (CONAIE) led the demonstrations in Quito where they blocked streets along with the entry into key government buildings therefore choking off the ability of the state to conduct its normal business. After intense confrontations with the police, there was extensive property damage and arson.

Moreno was forced to hold direct talks with CONAIE. The alliance of Indigenous nationalities refused to negotiate until the government reinstated the fuel subsidy program.

Indigenous groups have grievances which extend beyond the recent price increases. They are opposed to the extraction of natural resources from their traditional lands which have created tensions with successive governments over the last decade.

Mario Melo, an attorney leading the Human Rights Center at Catholic University in Quito, told the Guardian newspaper that:

“The indigenous movement has been a powerful actor in Ecuador since the 1990s.” Demonstrations and mass unrest led by Indigenous people have been pivotal in the removal of several Ecuadorean presidents, including Abdalá Bucaram in 1997, Jamil Mahuad in 2000 and Lucio Gutiérrez in 2005. (See [this](#))

After the announcement of the reversal of the fuel policy (Decree 883) imposed due to the IMF measures, members of CONAIE and others stayed in the capital to assist with the cleanup of the damage caused during the unrest. Nonetheless, the underlying causes of the austerity program adopted by Moreno will continue until there is a fundamental shift in the overall posture of the current government.

Moreno Betrays the Progressive Shift in Domestic and Foreign Policy

Lenin Moreno served as Vice President under the former **President Rafael Correa**. The Correa government had embarked upon a left-leaning and non-capitalist path of development which placed emphasis on the needs of the workers and farmers inside the country.

Under the banner of the Proud and Sovereign Fatherland Alliance (PAIS), Correa was able to implement reforms related to the renegotiation of foreign debt to the IMF and the World Bank along with the enhancement of social welfare benefits for the working class and poor people of the country. Correa also brought Indigenous and African populations into the administrative apparatus of the state.

This country of 16 million people relies largely on the production of petroleum and agricultural products. During the PAIS period, Ecuador joined the Alliance of Bolivarian Nations (ALBA) and maintained close ties with Venezuela and Bolivia.

During the Correa administration there was a deliberate shift away from the political, economic and military orbit of United States imperialism. In September 2010, an attempted

coup against Correa led by the police failed with the majority of the National Assembly and the military siding with the PAIS government. Although the U.S. claimed it had no involvement in the coup attempt and recognized Correa as the legitimate leader, these developments followed a similar pattern in other regional states such as Honduras (2009) and Paraguay (2012), where right-wing governments were installed while President Barack Obama was in office.

When Moreno ran for office to succeed Correa he had pledged to continue the same policy trajectory. However, within a matter of days it became obvious that Moreno would not be true to his campaign promises.

Not only was the policies of the Correa government repudiated, the former president has been accused of kidnapping an opposition politician. He is currently living in Belgium and has expressed an interest in reentering Ecuadorean politics.

Correa pronounced his support for the demonstrations demanding that the Moreno administration resign. Moreno has accused Correa of being behind the unrest along with the Bolivarian Republic of Venezuela.

Regional Implications of the Ecuadorean Crisis

Of course Washington and Wall Street have been at war with the revolutionary tide of change throughout Latin America. The Bolivarian Republic of Venezuela now under the presidency of Nicolas Maduro has been a target of successive U.S. administrations where several coup attempts have been carried out dating back to the tenure of President Hugo Chavez in 2002 and extending to the most recent efforts aimed at regime-change on April 30, 2019.

Venezuela has been subjected to draconian sanctions emanating from the White House and the Congress. Diplomats assigned to the U.S. by Caracas have been withdrawn due to the machinations of the administration of **President Donald Trump**.

However, Venezuela has maintained its unity and sovereignty amid these attacks. Support for the United Socialist Party (PSUV) continues among the key elements of Venezuelan society.

In addition to Venezuela, sanctions and destabilization plans are continuing against the Republic of Cuba. Havana has withstood nearly six decades of a blockade by the U.S.

The struggle in Ecuador is a manifestation of the class and national struggles of the people who want genuine independence and sustainable development. The move away from socialist-orientation to a conservative neo-liberal approach will only further inflame the broad discontent among the masses in Ecuador.

In relationship to its foreign policy reversals, Ecuador under Moreno withdrew from ALBA and is consciously moving to build relations with the Trump administration. The U.S. has provided intelligence and military support to the Moreno regime.

Moreover, Moreno has recognized Juan Guaido, the Washington-backed opposition figure in Venezuela, whom the Trump administration unsuccessfully attempted to install as president in a failed coup attempt in April. With the inability of the opposition in Venezuela to gain any stature internationally among progressive governments within South America, the U.S. has

escalated its sanctions policy against Caracas.

Another major element of the foreign policy of Moreno is the withdrawal of diplomatic immunity for Australian journalist Julian Assange, the founder of WikiLeaks, who was protected in the Ecuadorean embassy in London for several years. When Moreno took office he allowed the British police to enter the embassy and arrest Assange who could be extradited to the U.S. to possibly face a long prison term or the death penalty for espionage.

These developments in Ecuador are a reflection of the continuing role of the U.S. and other imperialist states in the internal affairs of Latin American nations. Although the imperialists have nothing to offer to the people of the region other than austerity, exploitation and instability, the ruling class in the U.S. will inevitably continue its centuries-old policy of seeking hegemony throughout the entire western hemisphere.

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