

## Promised Social Change in Ecuador

By [Stephen Lendman](#)

Region: [Latin America & Caribbean](#)

Global Research, October 15, 2007

15 October 2007

Raphael Correa was elected Ecuador's president last November and took office January 15 promising social change. He's the country's eighth president in the last decade including three previous ones driven from office by mass street protest opposition against their misrule and public neglect. Correa must now deliver and just got a boost from his governing Movimiento Alianza Pais' landslide Constituent Assembly election victory to rewrite the nation's constitution for the 177th time in Ecuador's history hoping to get it right this time. Awaiting a final tabulation of results, it appears Correa supporters got around 70% of the vote winning 80 of the 130 Assembly seats. That's a comfortable majority to push through change, but doing it won't be easy, and Correa's commitment has yet to be tested.

Longtime Latin American expert James Petras writes "Ecuador today faces great opportunities for a basic social transformation and also grave threats from imperial networks" the way states in the region always do. He notes how in recent years mobilized urban and rural popular classes ousted neoliberal regimes only to see them resurface under so-called left-center leaders (who are neither left nor center) like Lula in Brazil, Kirchner in Argentina, Morales in Bolivia, Vasquez in Uruguay and others. Even Hugo Chavez governs from the "pragmatic left." He combines grassroots participatory democracy and redistributive social policies with support for business interests but on a more equitable basis than under previous Venezuelan leaders.

Petras quotes a Forbes magazine editor's comment on former Mexican president Luis Echeverria (1970 - 1976) that's very revealing and explains Correa's challenge - "He talks to the Left and works for the Right." That's pretty common in Latin America today, and Brazil stands out as Exhibit A under former Workers' Party co-founder and the country's current president, Luiz Inacio Lula da Silva (2002 to present).

Lula promised social change, but delivered betrayal. Even before being elected, he signed a letter of understanding with the IMF promising no change and business as usual. He agreed to full debt service and repayment terms as well as to back economic stability and neoliberal policies. He didn't disappoint.

Once elected with a clear majority, he cut public employee pensions 30%; his agrarian policy subsidized agribusiness; his promise of land redistribution to the Landless Workers Movement (MST) was broken; spending for health and education was cut; employer rights to fire workers and cut severance pay were supported; extended privatizations of state-owned companies were backed; thuggish troops occupied Haiti; and right-wing bankers, corporate executives and free-marketeers were appointed economic ministers and central bankers. Petras sums up his record saying: "Lula fits the profile of a right-wing neoliberal politician," not a "center-leftist" one.

Current Argentina president Nestor Carlos Kirchner is Exhibit B (in office from 2003 to the present with an October 28 presidential election ahead and the president's wife ahead in the polls to win it). Petras notes how compared to Lula, he seems progressive. He cut unemployment from 20 to 15%, raised pensions and wages, renegotiated part of the country's foreign debt and rescinded immunity for military torturers although with little to show for it.

In sharp contrast, "fraudulent privatizations" in Argentina's key industrial areas weren't reversed; inequalities remained the same or increased in some sectors; poverty levels are still almost 30%; 10% inflation diluted nominal earnings gains; the socio-economic power structure stayed the same; Argentina's thuggish troops occupy Haiti; its central bankers and economic ministers are hard right; debt service was placed above health and education spending; and unfettered capitalism was supported following the 2001 economic collapse and subsequent uprisings. Petras calls Kirchner a "pragmatic conservative willing to dissent from the US when it" serves Argentina's business interests. As for being a social democrat? Forget it.

Bolivia's president and first ever indigenous head of state (2006 to present), Juan Evo Morales Ayma, is Exhibit C, and along with Lula, the greatest disappointment. Petras cites his government as "the most striking example of (a) 'center-left' regime" to betray its supporters and embrace neoliberalism once in office. Mass uprisings ousted two earlier presidents who defended foreign investor natural resources ownership, and Bolivians elected Morales to do what they didn't. Instead, he rejected oil and gas expropriation, supports Big Oil interests, and embraced business as usual policies. Under nationalizations Morales-style, current contractual arrangements are effectively intact, and the country's mineral resources have been sold off to the greatest ever number of foreign investors.

In addition, Morales broke his promise to triple the painfully low minimum wage, increased it 10% instead, and maintained previous neoliberal fiscal austerity and economic stability policies. He also tolerates the US Drug Enforcement Agency's intrusive presence and the Pentagon's Chapare military base; appointed hard right economic, defense and other ministers; opposed agrarian reform; supports large landowners; provides them large subsidies and tax incentives; and backs the Confederation of Private Businessmen in Bolivia by promoting foreign investment, social spending cuts, prioritization of exports, and other pro-business policies above the interests of the people who elected him. Petras says Morales "excels in public theater" by combining "political demagoguery" to his base while backing neoliberal IMF austerity and business-friendly policies.

Here's a sample of the former from Morales' September 24 UN General Assembly speech when he said: "...each day we are destroying the future of humanity. (We must) pinpoint who our enemies are (and the) damage (they do) that may put an end to humanity....I think that capitalism is the worst enemy of humanity and if we do not change the model, change the system (our efforts here) will be totally in vain....Capitalism has twins, the market and war....This is why (we must) change economic models....particularly in the western world." It's lovely rhetoric from a man who, in fact, embraces the model he denounces.

He symbolizes the fantasy of "new winds from the Left" sweeping the region, but too many others do as well in Brazil, Argentina, Uruguay, Peru, Chile, Colombia, Mexico and all of Central America including Costa Rica. There, a US intimidation campaign narrowly got DR-CAFTA passed in an October 7 national referendum that still awaits a recount before

confirming what pre-referendum polls predicted would go the other way.

That aside, there's strong support for the left throughout Latin America that eventually may bubble up into change. It's too early to know for sure where Correa stands, but his commitment will soon be fully tested. Here's what he's up against.

US regional dominance is still strong, and thinking otherwise is misguided. It's not like in the 1990s "Golden Age of Pillage," but it's still able to keep business flourishing, including in Venezuela where it's booming. Nonetheless, a new generation of committed leftist leaders are emerging with Correa yet to prove he's one of them and may in the end disappoint.

His chance to prove otherwise is coming, and he won it convincingly with a 54% second round presidential electoral victory. It was followed by an overwhelming 82% referendum majority to convoke a Constituent Assembly to draft a new socially progressive constitution. Correa says it will be based on "principles not models (and) every country must decide according to its own different realities." The Assembly will convene the end of October to begin its work with a long struggle ahead to complete it. It hopes to finish in six months, but its mandate allows more time if it's needed.

Correa wants the constitution to "facilitate" foreign investment (especially in banking) "to force competition." He's against monopolies, traditional oligarchic power, and the one-sided big media opposition to his government. He's also renegotiating the country's debt, is assessing its legitimacy, wants a constitutional limit on its repayment, and intends to keep the dollar the official currency with eventual plans to abandon it. In addition, he favors ending the central bank's autonomy, joined the Bank of the South (to be officially founded November 3 and headquartered in Caracas), expelled the World Bank's representative in April, is ending relations with the IMF, and aims to transform the current neoliberal system into one that will aid "the recovery of the government's planning capacity (and be a) beginning of the concept of a solidarity system."

Correa's close economic adviser and leading September 30 vote getter, Alberto Acosta, said the nation's "economy should be based on human beings" and that capital, investment, the profit motive and workings of the state should be subordinate to human needs. If Correa supports that view and will back it fully, he's off to a good start. It's too soon to tell but early signs are promising.

He talks the talk and is starting to prove it. He promised social democratic change and a "citizens' revolution" and said he'll use the country's oil revenues for the people with a positive step already taken. On October 4, he signed a decree increasing Ecuador's share of windfall foreign oil company profits from 50 to 99% while committing to honor existing contracts. Announcing the move, Correa said: "No more plundering, no more surrender, no more waste. (Ecuador's oil) now belongs to all Ecuadoreans" with revenues from it earmarked for social welfare and infrastructure.

Correa also indicated after a new constitution is drafted and approved by referendum, he'll call for new elections for president, vice-president and Congress. The current legislature has no Correa party representatives in it, but he hopes overwhelming popular support will change that. The sitting Congress, according to Correa "must be tossed back into the street," but that's for the people to decide. Democracy, however, isn't just about elections. It's about what happens afterwards, and that's for Correa, the Constituent Assembly and a newly elected Congress to decide.

The September 30 victory was Correa's third triumph in nine months, and he hailed it saying the "Ecuadorean people have won the mother of all battles. (It was) an unquestionable victory." Earlier he echoed Hugo Chavez's call for a "new socialism of the twenty-first century (and that Ecuador must end) the perverse (neoliberal) system that has destroyed our democracy, our economy, our society." He won't have long to back that rhetoric with action, but doing it won't be easy.

The long shadow of Washington haunts the region, and its influence pressures and subverts change from the left. At the same time, countries like Ecuador face conflicting interests - maintaining the status quo from the right and demands for real change from below through redistributive social policies and nationalizing strategic sectors like oil, gas, banks and land.

Petras is hopeful "decay and profound disintegration of all the traditional parties opens the way for (progressive) new political forces." He sees an "historical opening" and opportunity for change through an "alliance of trade unionists, Indian militants, movement leaders and ecologists" in the newly formed Polo Democratico (PD). Its agenda calls for a "total rupture (and) transformation of the Constituent Assembly into the legislative arm of the peoples' movement." Its aim is bold and revolutionary - to establish "popular sovereignty" that places basic resources like oil and gas under "popular self-management" and out of the hands of local oligarchs and exploitive foreign capital. It's a national liberation struggle to defeat imperialism and savage capitalism and return power to the people. Now it's for Correa and his coalition to prove they're up to the challenge. So far at least, it looks like they'll try.

*Stephen Lendman is Research Associate of the Centre of Research on Globalization (CRG). Stephen Lendman is based in Chicago and can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net).*

*Also visit his blog site at [www.sjlendman.blogspot.com](http://www.sjlendman.blogspot.com) and listen to The Steve Lendman News and Information Hour on TheMicroEffect.com now moved to Mondays at noon US central time.*

The original source of this article is Global Research  
Copyright © [Stephen Lendman](#), Global Research, 2007

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Stephen Lendman](#)

#### About the author:

Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III." <http://www.claritypress.com/LendmanIII.html> Visit his

blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com). Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)