

Ecuador faces run-off vote with rightist challenging Correa's chosen successor

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Ecuadorian voters are set to go the polls again on April 2 for a second round presidential election after the first round vote on February 19 failed to produce a clear-cut victor.

The candidate of incumbent President Rafael Correa's party Alianza PAIS, Lenin Moreno, came close, but ultimately failed to reach the result required under Ecuador's electoral law of 40 percent of the vote plus a 10 percent margin over the second-place candidate.

Moreno, Correa's vice-president from 2007 to 2013, ended up with 39.36 percent of the ballots, while his rival, Guillermo Lasso, a banker and representative of Ecuador's political right, received 28.09 percent of the votes.

The third place went to Cynthia Viteri of the Partido Social Cristiano (Social Christian Party) with 16.32 percent. None of the other five candidates reached 10 percent of the votes. Among them was Abdala Bucaram (4.82 percent), who ruled as president between August 1996 and February 1997 before being removed by the congress on the grounds of "mental incompetency" amid massive strikes and protests.

Moreno, who formerly worked in the public tourism sector, was left paralyzed by a shooting in 1998 and has since been in a wheelchair. He has chaired and promoted organizations assisting the disabled.

Lasso is a multimillionaire businessman and main shareholder of the Guayaquil Bank. His political career has always been tied to the Ecuadorian right, while promoting closer commercial and political relations with the US. He founded the political organization CREO, which defines itself as a center-right movement comprised of former members of the UNO, Izquierda Democrática, Movimiento Concertacion and members of the national private sector. In 2013, Lasso lost the presidential elections to Correa, obtaining 22.68 percent of the votes.

Polls of likely voters in the second round are divided, with some favoring Lasso and others Moreno. The country is sharply polarized with the political right seeking to capitalize on the shrinking economy, widespread reports of corruption and the attacks carried out by the Correa government on workers and democratic rights.

The struggle of Correa's Alianza PAIS party to hold onto political power is unfolding in the context of the series of defeats suffered by governments of Latin America's so-called "left turn" or "pink tide" which saw the coming to power of bourgeois parties that sought to utilize the continent's "commodities boom" to effect populist politics and minimal assistance programs for the poor. Amid the deepening crisis of US capitalism, these governments also reoriented trade and commercial ties toward US rivals, particularly China. They also benefited from the support of various Stalinist, Pabloite and other pseudo-left tendencies that sought to suppress independent workers' struggles.

The slowing of the Chinese economy and the resulting fall in commodity prices has spelled economic crisis and political instability for all of these regimes. Ecuador, with oil accounting for 40 percent of its export earnings, was among the hardest hit. The World Bank projects a 2.9 percent fall in the country's economy this year, which would give it the worst economic performance of any country in the region after the even more oil-dependent Venezuela.

With one after another of these "left" bourgeois governments responding to the capitalist crisis by implementing attacks on the working class, there has been a corresponding collapse in popular support and a movement by the right to fill the political vacuum.

If Lasso succeeds in the run-off, Ecuador will follow the path already taken by Argentina, with the election of Mauricio Macri –another wealthy businessman-- after the Peronist years of Nestor and Cristina Kirchner and the coming to power of Michel Temer and his counter reform agenda in Brazil after the impeachment and downfall of Dilma Rousseff and her Workers Party government. Evo Morales' failure in the reelection referendum in Bolivia and the collapse of support for the Chavista government of Nicolas Maduro in Venezuela are also part of this process.

Another important factor affecting the region's governments and the Ecuadorian election is the international bribery and corruption scandal centered around the Brazilian construction multinational Odebrecht, whose executives

have confessed to having secured contracts with governments of 12 countries in Latin America by bribing high public officers with millions of dollars and then recovering its payoffs through cost over-runs on its projects.

An estimated \$34 million were paid out to Ecuadorian officials during Correa's time in office, according to US Justice Department documents. The courts in Ecuador have done next to nothing in terms of investigations and prosecutions over the scandal.

As in other Latin American countries, this corruption directly involves the president's family members. According to GAN Integrity, "Among the biggest corruption cases in the sector is the award of government contracts worth US\$167 million to the brother of Ecuador's President Correa, Fabricio Correa, during the first two years of the president's tenure.

Correa, who has disassociated himself from his brother, recently declared that, if Lasso wins he will stay in Ecuador in order to fight what he said would be inevitable corruption charges.

In the beginning, Correa and his Alianza PAIS movement (in office since 2007) sought to use the surpluses provided by high oil prices and loans from China to adopt a posture of independence toward Washington and to finance public projects, especially in health and education. His government also reduced extreme poverty and raised the minimum wage.

With the collapse of oil prices, Correa cut government programs, laid off thousands of employees at state-run companies and attacked pension and labor rights.

The economic crisis reached such a point in the spring of 2014 that Ecuador agreed to transfer more than half of its gold – approximately 466,000 ounces of gold worth US\$ 580 million – to Goldman Sachs for three years, a move designed to bring confidence to the markets so that Ecuadorian government could confront its growing debt crisis.

In June 2012, Correa defied the US by giving Julian Assange, the leader of WikiLeaks, asylum in its London embassy. However, Correa's posture as a left populist, willing to defy Washington, has evaporated in sync with the fall in oil prices. By November 2016, the Correa government ordered the severing of Assange's Internet connection under pressure from the US government.

Lasso has publicly promised to expel Assange from the London embassy once he is elected as a means of currying favor with Washington. "The Ecuadorian people have been paying a cost that we should not have to bear," Lasso told the British newspaper the *Guardian*, during an interview in Quito.

Lasso has also vowed to take Ecuador out of the ALBA (Bolivarian Alliance for the Peoples of Our America)

alliance, which was formed by Venezuela and Cuba as an alternative to Washington's drive for a free trade agreement of the Americas. And, rather than rely on China, which had been the predominant creditor of Correa's government, but whose loans have been steadily shrinking, he is expected to reorient the country's economy to the US and the IMF.

Whoever succeeds Correa, whether it is his own man Moreno or the right-wing, pro-US banker Lasso, the next government can be expected to turn further to the right in order to defend the interests of Ecuador's capitalist ruling class, acceding to the pressure from Washington as it attempts to counter Chinese penetration of what US imperialism has long regarded as "its own backyard."

Much of what passes for Ecuador's "left" is positioning itself to assist in this turn. Paco Moncayo, a retired military general of the Democratic Left (ID) party, who placed fourth in the first round of the Ecuadorian election, has openly called for a vote for Lasso in the second round.

"Lasso represents neo-liberalism, which has done so much damage, but today he is the lesser evil and necessary to recover democracy," Moncayo said.

Similar positions have been taken by "left" parties and movements that supported Moncayo as part of his National Accord for Change (ANC) electoral alliance. These include the Marxist-Leninist Communist Party of Ecuador, a Maoist party, as well as the Pachakutik indigenous party, both of which originally backed Correa's rise to power.



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