

Ecuador referendum signals government's further turn to right

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The victory of the “Yes” vote in Ecuador’s February 4 referendum has set the stage for a further swing to the right by the government of President Lenin Moreno, who took office nine months ago as the chosen candidate of his predecessor Rafael Correa, who had occupied the presidency over the previous decade.

The key question among the seven submitted to the electorate limited presidents to a single re-election, which effectively bars Correa from carrying out his original plan to return to the presidency in the 2021 election. The measure was approved by over 64 percent of the voters.

While Moreno had served as his vice-president for six years, Correa denounced his successor as an “impostor” and a “traitor,” breaking with the ruling Alianza PAIS party and forming his own Citizens’ Revolution movement, which campaigned for a “No” vote, which won approximately a third of the votes.

The referendum was written to include other questions aimed at drawing popular support. The measure gaining the most votes (74 percent) bars officials convicted on charges of corruption from serving in public office.

The Correa government was engulfed in a corruption scandal, with an estimated \$34 million in bribes paid to government officials by the Brazilian construction giant Odebrecht during Correa’s time in office. His former vice president, Jorge Glas, is serving a six-year jail sentence in connection with the Odebrecht payoffs, and Correa himself faces possible charges.

The bribery, however, goes back some 30 years, involving every major bourgeois party in Ecuador.

There were also provisions in the referendum protecting youth against sex crimes, barring mining in environmentally protected areas and easing taxes on real estate sales.

Moreno’s campaign in support of a “Yes” vote was supported by the whole of the Ecuadorian right, including his opponent in the 2017 presidential election, the multimillionaire banker and businessman Guillermo Lasso.

Moreno has embraced much of the program advanced by Lasso, which he ostensibly ran against. This includes tax cuts, cuts in government spending and a turn from dependence upon Chinese loans and investment toward closer relations with Washington.

The daily *El Comercio* published a column on February 12 spelling out the demands of the Ecuadorian bourgeoisie in the wake of Moreno’s referendum victory. “We must reorient the economy, return to forgotten austerity, rely on private entrepreneurship, encourage the creation of jobs, retire many bureaucratic practices,” it said. It also spoke of creating better conditions for attracting foreign investors.

The turn to the right by Moreno is bound up with the geostrategic conflicts prevailing throughout the region as US imperialism has declared its intention to reassert its hegemony and combat the growing influence of both China and Russia in Latin America.

Under Correa, Ecuador signed agreements that committed the country to shipping roughly half of its oil exports to China, with China in return providing billions of dollars in loans that supplied much of the government’s financing.

Moreno has made it clear that he intends to renegotiate agreements with China and seek to diversify Ecuador’s oil exports.

This, together with his enunciation of a more resolutely pro-business policy, has been noted approvingly by Washington, the first world capital that he visited after his election last year. The US State

Department issued a statement “congratulating” Ecuador on the victory of the “Yes” vote in the referendum.

“We look forward to continuing to work with President Lenin Moreno and his government to advance common interests across a broad range of issues such as education, trade, security, environment, and disaster preparedness, among others,” the statement read. “Our common interests will continue to drive the relationship between the people of Ecuador and the United States in a constructive direction.”

The referendum setback for Correa is part of a broader ebbing of the so-called “pink tide,” i.e., the rule by various populist, nationalist bourgeois parties in Latin America. It is of a piece with the election of the right-wing Mauricio Macri in Argentina in 2015, the impeachment of Brazilian President Dilma Rousseff in 2016 and the intense crisis of the Maduro government in Venezuela.

The reality, however, is that Correa’s government never posed a challenge to capitalist rule in Ecuador. During the period of the so-called commodity boom, his government was able to introduce policies aimed at ameliorating poverty and investing in education and infrastructure.

With the collapse of oil prices, which account for 40 percent of Ecuador’s export earnings, the country’s economy has gone into reverse. The World Bank has projected a 2.9 percent fall in GDP this year. The Correa government had already been driven to carry out policies aimed at imposing the burden of this crisis onto the backs of the Ecuadorian working class, which created the conditions for a political resurgence of the right.

Throughout his presidency, Correa maintained the use of the US dollar as Ecuador’s currency. In 2014, under the impact of falling oil prices and with the country’s debt reaching 40 percent, his government agreed to transfer more than half of its gold reserves, worth US\$580 million at the time, to Goldman Sachs Group Inc. The move was designed to raise cash to cover a growing deficit brought on by the collapse in oil prices and boost confidence in the markets so that the Ecuadorian government could confront its growing debt crisis.

Moreno’s administration represents only a further shift to the right, with the aim of defending the interests

of Ecuador’s capitalist ruling class, and acceding to the pressure from Washington as it attempts to counter Chinese penetration of what US imperialism has long regarded as “its own backyard.”

In the wake of the referendum, Moreno declared, “Confrontation is behind us, this is the time to embrace each other.” This sentiment was directed to the right-wing politicians and parties of the Ecuadorian bourgeoisie. The policies that he is pursuing, however, point to an inevitable confrontation with the Ecuadorian working class.



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