

# Amid rising protests, Moreno government lays off thousands in Ecuador

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12 March 2019

The government of President Lenin Moreno, besieged by corruption charges, has embarked on an IMF-dictated austerity program entailing mass layoffs that is bringing it into increasingly open confrontation with the Ecuadorian working class.

The first round of layoffs, targeting 10,000 part-time and hourly workers, took effect on March 1. The most affected areas are education and healthcare. Agustín Lindao, leader of the National Union of Public Health Ministry Workers (Osumtramsa), reported layoffs of “2,500 to 3,500 between casual and temporary contractors, doctors, EMTs, nurses, pharmacy assistants, social workers and operation personnel.”

At least 1,000 workers saw their jobs terminated at the Ministry of Education, 200 of them in Guayas. At the Institute of Social Security (IESS), 500 employees were fired.

The layoffs are the first step by the Moreno government in meeting the demands of the International Monetary Fund (IMF) for sweeping austerity measures in return for a \$4.5 billion deal signed with the financial agency on February 20.

The total cuts demanded under the agreement amount to 10 percent of the public workforce, or 50,000 jobs.

Last month, thousands of workers marched in the capital of Quito to denounce the threat of massive layoffs bound up with the IMF deal, as well as privatizations and a punishing rise in fuel prices.

The march was followed by a national strike called by the Ecuadorian trade unions on February 13 in the face of mounting anger among the workers.

Thousands of workers and peasants blocked traffic at several main arteries, burning tires, in Quito, Manabí, El Oro and Zamora, where they managed to partially stop commercial activities. *HispanTV* said the protest was “against Moreno for violating his government plan

... [which does not contemplate privatization of strategic areas] ... and supporting interventionism in Venezuela.”

Moreno became president in May 2017 and has seen his popularity plummet, from 77 percent when he first took office to 30 percent today, according to Reuters.

Moreno was the vice president and hand-picked successor of his predecessor Rafael Correa, who was first elected in 2007 after running as a self-proclaimed socialist on a populist program. The government’s reformist promises, made during the commodities boom, ran into the realities of falling oil prices and the deceleration of the Chinese economy.

The turn towards austerity measures directed against the working class begun under Correa has been rapidly accelerated under Moreno, who has broken with and turned against the former president.

The evolution of the Ecuadorian government, formerly included in Hugo Chavez’s “Bolivarian Alliance,” is part of the general receding of Latin America’s so-called “Pink Tide” of nationalist-populist bourgeois governments and the rise of right-wing administrations, including those of the fascistic former army captain Jair Bolsonaro in Brazil and the extreme right wing multimillionaire Mauricio Macri in Argentina.

Conditions for the working class in Ecuador are steadily deteriorating. A report issued this week revealed that the share of the country’s workforce employed in the so-called informal sector—without regular work, wages or benefits—rose to 46 percent last year.

Moreno’s turn to the right has been accompanied by a shift in policy towards Julian Assange, the founder of WikiLeaks, who has lived as a refugee in the Ecuadorian embassy in London since 2012. The

increasingly onerous conditions imposed upon Assange, which began under Correa, have accompanied a bid by the Moreno government to achieve a rapprochement with US imperialism, including through support for the regime change operation in Venezuela. The threat is that Assange will become a bargaining chip in this process, under conditions in which he faces espionage and/or conspiracy charges in the US that could result in his execution.

In the midst of carrying out the attacks demanded by the IMF on the working class, Moreno has been accused by the opposition, his formal allies in the bourgeois populist Revolución Ciudadana (Citizens Revolution) party, of embezzlement and corruption. Since he took office in May 2017, he has had three prime ministers. The first two resigned to face corruption charges; the current one is Jorge Glass, also out of the ranks of Revolución Ciudadana.

Representative Ronny Aleaga of Revolución Ciudadana House has filed a complaint against the president before the Ecuadorian prosecutor's office over the purchase of a holiday property in Alicante, Spain.

Aleaga accuses Moreno of having established in March 2012 INA Investments, an offshore company based in the tax haven of Belize that was owned by his brother Edwin Moreno Garcé until it was dissolved in 2016. INA bought real estate, fancy cars, crocodile leather wallets and other luxury items.

However, what is significant about the investigation is that INA Investment did not limit itself to moving money so that Moreno's family and its associates could live in wealth. The corruption case takes on a greater dimension in that INA was used to facilitate contracts with the state. The complaint filed by Representative Aleaga estimates that this was an operation involving about US\$65 million.

Meanwhile, investigative reporters Christian Zurita Ron and Fernando Villavicencio revealed a transfer of US\$18 million from Sinohydro, a Chinese state company, to the company Recorsa – managed by Lenin Moreno's close friend, Conti Patiño, together with the president's wife, Rocio Gonzalez – and Sinohydro received a contract from the Ecuadorian government for the construction of the Coca Codo Sinclair dam, east of Quito, the largest public infrastructure project in the country's history, cost estimated at US \$ 2.8

billion.

“We are seeing how the presidential family of Ecuador has given itself a great life with money coming from Sinohydro bribes, while the people suffer mass layoffs, fuel hikes, insecurity, ineptitude and indifference from the authorities,” Aleaga said in a recent radio interview.

Meanwhile, Moreno has accused his predecessor Correa of corruption, denouncing him for having paid close to US\$5 billion for four projects whose real dollar value should have been about half that. Correa is also charged in Ecuador with responsibility for the botched kidnapping of an opposition lawmaker in Colombia. He has denied the charges, insisting that they are part of a political witch-hunt mounted by the Moreno government.



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