Real Instituto Elcano

Documento de Trabajo

Working Paper

Ecuador: Two Years of Uncertainty

Simón Pachano

6/11/2007

Working Paper 48/2007

Ecuador: Two Years of Uncertainty*

*Simón Pachano***

Summary

The ouster of Lucio Gutiérrez and the election of Rafael Correa were not just the political highlights of 2005 and 2006 in Ecuador, but also the main factors that triggered what has happened since then and probably the ones that will determine what occurs in the future. Although a President's term in office coming to an abrupt end is no longer unusual in that Andean country, the way it happened this time and the events that led to it do oblige one to study it in detail. And while the election of an outsider is not news in Ecuador either, there are a series of factors that make this case special. So this, too, requires careful analysis.

This paper examines the most important political events in Ecuador in the past two years –in light of the departure of Gutiérrez and the election of Rafael Correa– and gives some general explanations of them. On this basis the paper seeks to offer longer-term explanations of the causes of the constant instability in Ecuadorean politics.

Introduction

One widely held opinion on the political situation in Ecuador over the past two years is that a crisis that began more than a decade ago has deepened. The clearest backing for his argument is the fact that the last three elected Presidents have seen their terms in office brought to a sudden end. And many of the people who express this opinion do not hesitate to point out other circumstances that are just as important. These include an erosion of institutions –expressed in their only fledgling capacity to process social and political conflicts through dialogue– a heightening of conflicts over regional and ethnic differences, the decline of political parties which have dominated the national political scene since the first years after the transition to democracy and above all growing hostility among the population towards politicians and politics in general. All of this has led to a situation of polarisation characterised by the presence of political forces that cannot –and do not even try– to reach agreements and consensus. It has also yielded a constant search for strong leadership capable of finding solutions that are immediate, effective and lasting.

Surprisingly, these political conditions have not spread to the economic realm, or at least they have not done so as intensely as they might have. To the contrary, the macroeconomic indicators of the last five years have been the best since the oil boom of the 1970s and make for upbeat situation unheard of in Ecuador's recent history. After the crash of the financial sector in 1999 –one of its effects was massive migration to Spain and other countries– there came a period of sustained growth that shows up not only in a rise in per capita GDP but also a reduction in poverty. Thus, unlike what is generally stated and unlike what had constantly been the case until now, the economy has managed to skirt the negative influence of political instability, at least partially. But precisely because of the exceptional nature of these links between politics and economics, reasonable doubts have emerged as to whether they will be able to survive, especially since the government that took power in January 2007 campaigned on promises of radical change in both areas.

The Ouster of Lucio Gutiérrez

The year 2005 began in the midst of what can be called the gravest political problem in Ecuador since the return of democracy. In December of the previous year, a legislative majority loyal to the

* This Working Paper was originally published as a chapter of our *Anuario Iberoamericano Elcano – EFE 2007*.
** FLACSO Ecuador

government of Lucio Gutiérrez fired and replaced the members of the Supreme Court of Justice, the Constitutional Court and the Supreme Electoral Tribunal. The move went against all legal and constitutional norms. No intervention of this degree had occurred before, even in the most turbulent periods of previous governments, even those of the Presidents forced to end their terms in office ahead of schedule. There was no denying that one branch of power had intervened in the affairs of another and thus broken the constitutional order. Therefore, it was not going to be easy to arrive at a solution based on self-interest, as was the case in the earlier episodes that ended with the ouster of a President. The magnitude of the problem and above all the fact that the main players were the government and the legislative majority placed it in uncharted ground.

Also unprecedented was the citizens' reaction to these events. From the instant the resolutions taken in Congress became known, protagonism shifted to the political parties and social organisations and to certain ad hoc citizen groups that formed precisely because of this crisis. Social and political mobilisation was a prominent feature of the 1980s and was usually driven by economic and social issues. But this time it was a purely political dispute that sent people pouring into the streets to express their anger day after day, and in the news media and a wide variety of forums in their day-to-day lives. It is surprising that a society which is not particularly attached to democratic values and procedures (as seen repeatedly in public opinion polls and as Ecuadoreans show with their own actions) mobilised in defence of precisely these same values. Demands for a return to the rule of law were the unifying element of a mass mobilisation that concluded with the ouster of the President in April 2005.

It is not easy to explain this radical shift in orientation of major segments of Ecuadorean society. It was a change that transformed them into guarantors of a system to which, until then, they had been indifferent at most. It is possible that deep down inside people felt legitimate fear over the potential loss of freedoms and rights. But it is also likely that the political context in which the events unfolded had a decisive influence. Indeed, there is no denying that many sectors of society took to the streets because they saw signs that a dictatorship grabbing all powers was taking shape. The concerted action of the executive and legislative branches pointed clearly in that direction, and it had the support of violent groups in the streets. At the same time, clear signs emerged of persecution of opposition figures and critics, both from political parties and social organisations. Therefore, along with a positive change towards supporting democracy and the adoption of its values, underlying this citizen mobilisation there seemed to be a pragmatic calculation of what suited individuals and groups. The situation taking shape tended to eliminate conditions which until then had been favourable for those social sectors to express themselves and mobilise. This was clearly becoming intolerable from the point of view of their specific interests, not just in terms of values.

It is also probable that the decline of political parties and the erosion of politics in general had an effect. The events of December 2004 were just another link in a chain of irregularities that made politics look like something that always degenerated into conflict and did not produce anything positive. People's perceptions showed this repeatedly. In public opinion polls they gave extremely low ratings to political parties, the National Congress and many of the leaders they had elected through the same political system. In those conditions, what the legislative majority and the President of the Republic did could easily be interpreted as just another of these deeds done out of self-interest and something seen as coming from a clique within the circle of power. At the same time there was a generalised suspicion that what lay behind all this were secretive interests covering up acts of corruption. For a long time politicians and politics had been associated with corruption and it was impossible at a time like this that the events were not seen through that prism.

Whatever the cause may have been, the truth is that the citizens' protest ended up cornering a government that was losing social and political power day-by-day. From January to April of 2005, hardly a day went by in which there was not a demonstration. With time, they were designed not

just to denounce the replacement of the Supreme Court of Justice and other organs but also to repudiate the government that had carried out these actions. Demands that initially called for a review of the decisions made quickly transformed into appeals for the resignation or firing of the President of the Republic. In reality, because of the way the situation evolved, there was no room for an arrangement based on an agreement among the various parties involved, and this took the crisis into territory calling for extreme solutions.

A key element in arriving at this juncture was the loss of protagonism of the political parties and even the ever-active social organisations. In the first days of the crisis the parties channelled protests through the framework of congress. But the parties were quickly replaced by heterogeneous sets of people who, as quickly as they organised themselves to express their rejection of what had happened, disappeared from the public spotlight. There was no stable organisation or game plan to guide these groups, composed mainly of people from the Quito middle class. In January and February, local authorities in Quito and Guayaquil convened what they called citizen assemblies. These harked back to the old open-forum 'cabildo' gatherings of the colonial era and were supposed to become forums for reflection, debate and decision-making on this specific issue at hand. The idea was to give direction and coherence to the citizen protest. But even though the mayors of both cities were widely liked –this set them apart from the generalised scorn which the political class suffered– these attempts at organising the protests failed. All attempts to manage the protests went nowhere, and from that point on Ecuadorean society went its own way.

Unlike earlier cases, in which the unifying element was anger over the government's handling of the economy (in the ouster of Mahuad) or over corruption (in the fall of Bucaram), the driving force behind these manifestations of popular discontent was opposition to what was seen as a one-way road to dictatorship. As stated above, this was the first time since the return of democracy in 1979 that Ecuador had seen demonstrations with this kind of demand. At the same time, these protests (specialists in social movements would call them repertoires of collective action) took shape in new and creative ways and were always peaceful. Even when faced with attempts by the government to organise counter-demonstrations and with the action of violent groups, the protesters remained peaceful, and thus won the support of broad sectors of society. Therefore, this was an unprecedented situation in Ecuador, clearly different from other ousters of governments, not just in terms of the motivation but also the way it took place and the social sectors which rose up in anger. This time it was clearly the aforementioned Quito middle-class which took the lead, with the noteworthy absence of indigenous peoples who spearheaded the coup against Jamil Mahuad and the organised social sectors who played the main role in the overthrow of Abdalá Bucaram.

Still, the course of events was similar to previous political crises. When the situation became untenable, and mainly when it became clear that violence could break out in the streets, the military withdrew its support from Gutiérrez and at the same time congress dismissed him on the grounds that he had abandoned his position. With the two previous Presidents similar methods were used, so we can say the three crises were resolved –if in fact one can speak of resolution– with the pretext of preserving the constitutional order.

It is worth pointing out that Lucio Gutiérrez came to power as an alternative to political parties that were considered traditional. He led a coalition that included the indigenous party Pachakutik, as well as the Socialist Party and the Popular Democratic Movement, both of which were leftist, and the Patriotic Society Party, the party Gutiérrez had formed in order to register to run in the election. But the coalition fell apart just six months into his term and the President ended up leading a minority government, with just 5% of the seats in the legislature, the ones held by his party. To deal with this he developed a strategy of *rolling majorities;* in other words he struck makeshift, temporary alliances with a variety of parties. This led to constant instability and thus difficulty in getting government-sponsored legislation approved. It was precisely one of those transient

majorities that took the decisions that led to President Gutiérrez's downfall and, given its transient nature, could not support him when the protests broke out.

The Election of Rafael Correa

The fiction of preserving the constitutional order was expressed by having Vice-president Alfredo Palacio, elected along with Gutiérrez, take over as President. The Vice-president should therefore simply serve out the established term, in this case the 18 months that remained of Gutiérrez's term. However, imbued with the spirit of the *movimiento forajido* (*outlaw movement*, the name that the protesters gave themselves when Gutiérrez referred to them this way), the new leader tried to embark on a profound process of political reform. His goal was to overhaul the country, as he stated right after taking power in the midst of a chaotic situation. But the weakness of his government, the disbanding of the groups which had brought down the President and the lack of interest and even outright opposition from political parties doomed all his initiatives to this end. Still, the issue became part of the national political agenda, even if just in a latent way. Ecuadoreans even began talking about the need to convene a constituent assembly to draft a new constitution as the proper tool to carry out such reforms.

One of the members of Alfredo Palacio's cabinet, the Finance Minister, was a young economist with an academic background whose public presence was limited to whatever opinion he expressed in some news outlets. But his time at the Ministry did not go unnoticed, not just because of his proposals for radical changes in the country's economic model but also the concrete actions he took during the three short months he served as Finance Minister. The main one was to eliminate a stabilisation fund created with surplus oil revenue and transfer these funds to the government budget. The measure was widely accepted because it would allow the government to earmark more resources for social issues (education and health) but it also held serious consequences for the future because it would leave the State unprotected in times of falling oil prices.

Leftist parties and social organisations which had supported Lucio Gutiérrez rallied around Rafael Correa during his electoral campaign and he ultimately triumphed in the run-off, even though he only came in second in the first round. It is worth noting that in both this election and the previous one, the main feature was a widely fragmented electorate: the top two finishers in the first round won only a little over 20% of the vote. The decline of the parties that had occupied the centre of the national political scene since the return of democracy (Social Christian, Democratic Left and Ecuadorean Roldosista) was a determining factor in this scattering of the votes. It helps explain to a large extent how the first three finishers in the first round were candidates who had billed themselves as alternatives to those parties and to politics as usual. Therefore, the results of the presidential election, as well as the legislative voting, can largely be interpreted more as signalling a rejection of those parties than support for the newcomers.

Rafael Correa presented a radical-style proposal, which in many circles was identified with the Venezuelan President Hugo Chavez. But to a large extent it stemmed from Ecuadorean populism that began in the 1930s with Velasco Ibarra. The pillars of his campaign were the fight against traditional parties (*partidocracia*, in his words) and corruption and in favour of the convening of a constituent assembly. Therefore it touched on three issues that were extremely sensitive for a society that blamed all the country's problems on the old political class and expected profound change, regardless of the of what each sector or even each individual meant by change.

As an expression of that position of total confrontation with the political system, but also because of difficulties in coming up with electoral lists, Rafael Correa did not field candidates for the legislative elections. The fledgling organisation that formed during the presidential campaign failed to come up with the signatures necessary to register candidates and, above all, did not have enough people to create such lists. But without a doubt, the underlying issue was the formulation of a clear

message rejecting congress, seen as a manifestation of the woes of traditional politics. This was expressed in Correa's call for the cancellation of the legislative voting. From that point on, he focused on the idea of a constituent assembly, which would be the only institutional support he had in his favour. In this way, a body that had been conceived as the basic tool for carrying out political reform was to become at the same time the guarantor of the survival of his government. This was a risky, complicated decision as it could be seen as heralding times even more troubled than those the people of Ecuador had endured until then. However, it seems that among voters their disgust with politicians and traditional parties won out resoundingly over the search for more peaceful times in the world of politics. Also affecting Correa's decision in a powerful way was the clear lack of enthusiasm aroused by the other candidate in the run-off election.

It was in these conditions that Correa won. As stated earlier, the first round triumph went to Álvaro Noboa, a multimillionaire who was running for President for the third time. Within the parameters established throughout earlier elections and looking at the votes that each of the other candidates garnered, Noboa's margin of victory of four percentage points seemed enough to guarantee him the definitive win in the run-off. But the numbers reversed themselves and Correa won with a margin of four percentage points. That clear result was interpreted as signally overwhelming support for the arguments he had presented during the campaign, especially in the first round, in which his message was more strident. The actions he has taken in his first months in government have retained exactly this thinking, and allude repeatedly to legitimacy of origin as justifying plans dramatic changes in policy.

Indeed, despite repeated announcements of economic reforms, the main thrust in the initial phase of Correa's government has concentrated on politics and in particular the convening of a constituent assembly. As such an assembly does not feature in the Ecuadorean legal system –constitutional amendments can only be carried out by congress or in a referendum– President Correa called a plebiscite to consult with the people on convening such a forum. By sidestepping established procedures that require permission from congress, the President triggered an institutional conflict that dragged on for nearly three months until he ultimately prevailed. This was possible only when the Supreme Court, acting unconstitutionally and illegally, dismissed 57 of the 100 lawmakers that comprise the legislature. This not only eliminated the opposition but also added yet another way for one branch of power to intervene in another and further eroded the beleaguered rule of law in Ecuador.

Thus, the period we have examined ended the same way it started. Violations of the constitution, one branch of power intervening in another (or more than one), illegalities, irregularities in procedures and generalised political chaos were the main characteristics as this period comes to a close. Although the events have assured the holding of the plebiscite and will probably end up in the formation of a constituent assembly, there is no sign that the latter will deliver a definitive solution to Ecuador's problems of lack of governability and instability. To the contrary, it is being formed in an exclusive rather than inclusive way, and this is the worst option the government could have chosen. A constitution drawn up under these conditions will not be recognised by the broad sectors that have already been eliminated from the process and by those which will probably meet the same fate in coming months. Doubts as to the assembly's legitimacy abound in many sectors, even before the holding of the plebiscite which will decide on convening the assembly.

Simón Pachano
FLACSO Ecuador