

Masses storm capital to halt austerity drive

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On Friday 21 January thousands of indigenous Indians stormed Ecuador's parliament building in the capital Quito.

A state of emergency was announced on 5 January to try to forestall planned strikes and demonstrations. But the mass of protesters ignored the government's decree. Sweeping aside the troops guarding the building they occupied the parliamentary chamber and demanded the resignation of the country's President, Jamil Mahuad.

Mahuad rode out the storm of protests last March and repressed a wave of transport strikes in July. This time he was forced out.

Since the turn of the year the wave of opposition on the streets had been mounting. Transport workers from Guayaquil were on strike from early in the year. The oil workers called an all-out strike for 17 January. 'Popular Parliaments' were springing up around the country. An 'Ecuadorian People's Parliament' has been set up in Quito.

Mahuad had become isolated at the top of the pyramid of Ecuador's ruling class. He was presiding over the country's worst economic crisis since 1929 - output collapsed by seven per cent in 1999 alone.

Since his election in August 1998, Mahuad has pushed through one attack after another. With each new austerity measure the suffering of Ecuador's people, especially the indigenous Indians who make up over half the population, grew more and more unbearable.

Thousands were thrown out of work; the official jobless total is near 20 per cent. Meanwhile inflation of 70 per cent eats away at the value of wages and savings. The plight of most people is desperate. In a population of 12 million around five million are able to work; but four million of them earn less than \$100 a month. El Comercio, a leading business paper said:

'If you are one of these you should start thinking of leaving the country.'

Mahuad himself admitted at the turn of the year that seven out of ten people 'don't earn enough to cover their basic needs'.

The World Bank reports that five million live in poverty and two million in 'extreme poverty'. But the rich continue to prosper. Ecuadorian banks raked in \$576 million last year by speculating on the exchange rate; and this despite the fact that the government poured \$1.3 billion into the banks to save them from bankruptcy! Such benevolence towards the already rich should come as no surprise given one bank - Bank del Progreso - contributed \$3.1 million to Mahuad's election campaign.

Mahuad had long been digging his own political grave. But his plan, announced in early January, for the 'dollarisation' of the economy in order to stem inflation finally hurled him into it. Businesses responded by

putting their prices up to a minimum of one dollar (25,000 sucres); others deliberately held back goods from the shops.

This was the final straw. Soon the masses were banging on the gates of Congress demanding change. And the 30,000 troops sent onto the streets of Quito at the time 'dollarisation' was announced failed to stop thousands of protesters getting into the city from the surrounding countryside.

The current crisis stems from Ecuador's weak semi-colonial condition which forces it to depend upon a few export commodities for its income. When other more powerful economies sneeze then Ecuador catches a severe cold. The Asian financial crisis and regional economic slump of 1997-98 drastically reduced the demand for Ecuador's oil. Then the country's second biggest export earner 'bananas' was hit by the European Union (EU) ban on their export to the EU member states as a result of an ongoing trade war between US and European food multinationals.

The loss of 70 per cent of Ecuador's export income created a crisis of government revenues. But while money was quickly found to shore up the financial system the government dropped price controls on important basic foodstuffs and fuel, causing huge protests. And it added a raft of tax increase proposals just to fan the flames.

In addition Mahuad went cap in hand to the IMF for a \$250 million loan to bolster the currency (sucre). Not surprisingly, the IMF saw its chance to grab even more of the poor country's assets for US multinationals. They demanded the privatisation of major employers such as telecommunications, oil and electricity industries. Given this would inevitably mean more job losses in a nation which has two-thirds of its people unemployed or underemployed, this too was received by the mass of trade unionists with anger.

The protests have shaken the country to its foundations. They show the willingness of the masses to fight against the poverty inflicted on them by the IMF overlords as well as the local capitalists in Ecuador. But at the moment this movement is threatened by its dependency upon junior officers within the army to provide the leadership. The fact that the mass of protesters got into Congress was due to the unwillingness of the army ranks to stop them.

Latin America has a long history of army colonels who conspire against their senior officers to oust corrupt and discredited governments; the current President of Venezuela, Antonio Chavas, began his political career in a failed coup attempt in 1992. General Lino Oviedo tried and failed to install a military government in Paraguay in 1996.

In each case the motives of the military are a million miles away from those of the masses. In each case they deceive the masses with false promises of reform only to go on to serve the very same capitalists who they claimed to oppose.

What the military 'reformers' really want is firm government to prevent the masses from spreading their protests and threatening real social revolution. In Ecuador the military at first supported Mahuad's increasing reliance on military repression to crush the protests. But they gradually realised that Mahuad would never get his policies through. In addition the military were disillusioned with him after he cut their budget when Ecuador and Peru finally signed a peace treaty to settle their long-running border dispute.

Since at least last October the Patriotic Front (PF) has organised a coalition of trade union, peasant and business forces which has been urging the military to depose Mahuad. Big business itself was become more and more divided. The pro-IMF wing, predominantly around the finance and banking sector, wanted Mahuad to stand firm. But the big exporters were disillusioned; they saw no respite from collapsing

markets and many have had their funds frozen in Ecuador's banks since last March.

The defence minister General Gallardo openly criticised the government's policies. He was replaced by General Mendoza, but this only served to reveal that the army itself was now split. The leader of the Confederation of Indigenous Nationalities (CONAIE), Antonio Vargas, placed his faith in a group of around 70 junior officers led by Colonel Lucio Gutierrez, calling on them to take action against the government. When they did, General Mendoza backed the revolt to preserve army unity and to block a coalition of trade unionists and peasants taking over the government.

In the Congress chamber, after it was occupied, CONAIE leader Antonio Rivas issued a manifesto calling for new jobs and fair wages. Colonel Gutierrez urged the 'Ecuadorian people to rise up and fight against corruption.'

The determination and heroism of the masses was not in doubt which is more than can be said for the Colonel and his two fellow members of his Junta of National Salvation. Within 24 hours, after threats of 'political and economic isolation' from the State Department in Washington and a series of denunciations of their actions by neighbouring reactionary leaders such as Alberto Fujimori in Peru, the army pretenders relented and the country's vice-president Gustavo Noboa was sworn in as Mahuad's replacement - the country's sixth President in four years.

The masses had been defrauded. They had been used to manipulate the removal of a discredited figure and get him replaced by a new face committed to the same policies as his predecessor. Noboa has repeated the pledge to 'dollarise' the economy with IMF help. The price rises remain in force and the privatisation plans are still on the table.

But the crisis that engulfed Mahuad can easily claim his successor. After all Mahuad was only following in the footsteps of President Bucaram who was forced to resign in 1997 after mass protests and strikes. Since then the country has been engulfed by periodic mass protests in an ongoing pre-revolutionary situation.

But each time the mass movement has risen up an alliance of the reformist leaders of the main trade unions (especially health, oil and electricity unions), the centre left parties and CONAIE have channelled the protests into support for yet more talks with Mahuad or lined up another bourgeois leader to replace him. When Bucaram was brought down in 1997 these leaders put their weight behind the election of his successor, Alarcón, until he too was totally discredited and rejected by the masses.

No better has been the record of the Maoist Communist Party led Popular Front which has sought a government which embraces the church, the army and sections of the 'progressive bourgeoisie'.

Meanwhile, for the last three years the plight of the people has worsened. To make sure that the next wave of protests succeeds in bringing about real and lasting change the mass of workers and the 40 per cent of the population who work the land need to fight for direct political power for themselves, for a real workers' revolution. The lessons of the past show that any alliance with representatives of the business community or the military is a dead end, since these people are fundamentally committed to capitalism and will always limit the scope and the demands of the mass movement to whatever is acceptable within the framework of their system.

A programme of demands must be drawn up and debated by the popular assemblies that have sprung up around the country. These bodies should become broader based within the workplaces and countryside, made up of elected and accountable delegates of the poor and exploited. Some key and immediate

demands are:

? No to any privatisation; renationalisation without compensation of all those enterprises privatised to date. Put them under the control of the workers. For nationalisation of the banks and major industries, especially the agricultural plantations

? For a minimum wage of \$400 a month, indexed against retail price rises as determined by committees of workplace delegates and working class/poor peasant households. For social benefits to be set at the same level for all those out of work or unable to work through age, illness or infirmity

? For a massive programme of public works to absorb the mass of unemployed, paid for by the cancellation of all foreign debt payments, confiscation of speculative profits of the banks, repatriation of capital salted abroad and a massive wealth tax on profits of the multinationals

? For land seizures against big landowners; give the land to those who work it; for state credits for seed and equipment and co-operativisation of wholesale in agricultural goods

? No reliance upon the military! No to juntas of salvation! For rank and file soldiers? committees to elect officers

? For mass demonstrations and a general strike of all workers to overthrow the regime of President Noboa. For a constituent assembly made up of representatives of the poor and exploited. For a workers? and poor peasants? government based on and accountable to workers?, soldiers and poor peasants? councils and defended by a workers? militia.

In the struggles that lie ahead in Ecuador it is vital that a revolutionary party is built, one capable of fighting relentlessly for these demands and against all wings of the ruling class.

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