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Neoliberalism exploded in Ecuador



Sources: Rebellion

Since Guillermo Lasso began the government on May 24, 2021, it was expected that his administration would entail dangerous problems for the Ecuadorian people due to the neoliberal programs that the billionaire banker would promote.

The suspicions were accurate: in the first seven months it dismantled Seguros Sucre, the state's main insurance company, and divided the insurance market among its financial partners; created a system to market hydrocarbons and raise fuel prices in order to benefit private investors and thus hydrocarbon importers could use Petroecuador's state infrastructure without paying money.

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He imposed, without going through Congress, several regulations to promote a market for the distribution of electric power and transferred rights and control capabilities to private companies.

In his private obsession, in the last quarter of 2021 he sent to the National Assembly a bill with more than 400 articles that reformed more than 30 legislations, among them the labor ones in which it was proposed that when a worker was dismissed unexpectedly, it should be the worker who compensated the employer. It also authorized child labour, but as expected, the text was rejected by the Assembly.

The rain of neoliberal laws did not cease and at the end of 2021 the regime sent another package that proposed the privatization of public development banking, new taxes for the middle classes and regulations for oil contracts, among others.

At the end of 2021, the so-called Pandora Papers broke out, an investigation by the International Consortium of Investigative Journalists in which Lasso was linked to 14 offshore companies (Tax Havens) established in Panama, the United States and Canada that had financed his presidential campaign.

Although the analysis of the crime was taken to the Assembly, the president was not dismissed because of the support given to him by the Pachakutik movement, a political party of the Confederation of Indigenous Nationalities of Ecuador (CONAIE), which had disagreements with the government of Rafael Correa. This motivated Pachakutik to initially ally with Lasso, who offered him some benefits, which he did not fulfill.

The cup was filled because the deep political, economic, financial crisis left by his predecessor, Lenin Moreno, was joined by the harmful neoliberal measures of Lasso in the first year of government. Its current popularity does not exceed 20%.

As a consequence of the last two misrules, that of Lenin Moreno and that of Guillermo Lasso, the Ecuadorian people have suffered enormous setbacks.

The picture in Ecuador is chaotic: poverty stands at 35% (in rural areas 47%) and extreme poverty at 15.2%; more than 5.6 million Ecuadorians survive on less than \$84 a month. Malnutrition affects 26% of children aged 0-5 years, increasing to 40% in the countryside.

Of every ten people able to work, only three of them are employed. Public investment in health, education, social inclusion fell to its worst indicators since decades ago. To meet the IMF's debts, Lasso reduced it in 2022 to 1.8 billion dollars (its average was 4 billion) and in the first quarter of the year it had only delivered 67 million dollars.

Without hearing the demands that CONAIE demanded from the government in several talks, the indigenous movement, led by its president Leonidas Iza, decided to go on a general strike that was joined by students, workers and social groups.

From the first moments, CONAIE demanded 10 points:

freezing of fuel prices; economic relief for small debtors in the banking and financial system; fair prices for the products of the field; employment policies and labour rights; moratorium on the extractive border; respect for collective rights; avoid the privatization of strategic sectors and, in particular, of public development banking; price control policies for basic necessities; budget for health and education and free entry of young people into the university system; effective public policies against crime, assassination and violence.

Lasso responded as the right-wing regimes always do, with maximum repression that they left in 18 days of unemployment, 6 dead, more than 350 injured and almost two hundred detainees. But faced with the decision of conaie to continue the protests, the government had to give in, and through the Episcopal Confederation it was possible to return to negotiations and temporarily end the strike.

With the agreement the government reduces a total of 15 cents per gallon in fuels (it had previously reduced 10 cents).

The regime also undertook to intensify operations to prevent and control price speculation; a declaration of emergency in the health sector; the granting of loans with an interest of 1% for 30 years and a subsidy of 50% on the price of urea, among others.

The president of CONAIE, Leonidas Iza, declared that although they are not satisfied with some issues, they would suspend the strike and continue to discuss another series of aspects that if they are not fulfilled within 90 days, street demands will restart throughout the country.

The reality is that neoliberalism exploded in the face of Lasso, whose right-wing government has been left reeling.

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