

ECUADOR - Rafael Correa Reaches the Government from the Left

Kintto Lucas, IPS

Tuesday 28 November 2006, by [Kintto Lucas](#), [Mika](#)

IPS - Rafael Correa, a leftist economist who plans to renegotiate Ecuador's foreign debt and oil company contracts while working with other left-leaning governments towards the consolidation of a South American bloc, won what appeared to be a landslide victory in Ecuador's presidential runoff Sunday.

An exit poll by the Quito-based Cedatos polling company showed that the leader of the Country Alliance Movement took 55 percent of the vote compared to 45 percent for his rival, banana magnate Álvaro Noboa, who thus lost his third bid for the presidency. Another local polling firm, Market, gave Correa 57 percent of the vote and Noboa 43 percent.

According to the official preliminary results, with 31 percent of the votes tallied, Correa had almost 67 percent against Noboa's 33 percent. The final outcome is expected to be announced Tuesday.

Noboa said he would wait for the final results before ceding defeat, because Consultar, the survey firm hired by his Institutional Renewal Party of National Action, found that he was leading Correa by 42 percent to 36 percent.

After the elections, Correa once again assured voters that he would not modify the "dollarisation" of the economy, despite the fact that he opposed the September 2000 scrapping of the local currency, the sucre, and adoption of the dollar.

"A country that wants to maintain a system of dollarisation has to produce dollars" and today Ecuador can only do that with oil, "a non-renewable product that is not subject to competitiveness, and with the remittances sent home to their families by emigrants, which are not subject to competitiveness either," he said.

"That sustains dollarisation, although it does not avoid the problems that this system generates, like unemployment. But Ecuador has time to look for a long-term alternative, such as a regionwide South American currency," he added.

Restructuring the public debt so that it does not represent such a heavy burden on the national budget will be another central focus of the new government, Correa told IPS as he was heading out to vote. Debt servicing currently represents 40 percent of budget expenditures.

Ecuador's public debt amounted to 14 billion dollars in August, equivalent to nearly 35 percent of gross domestic product — a proportion considered reasonable but only achieved thanks to soaring oil prices, which enabled Ecuador to post 4.7 percent growth in 2005 and a projected 4.8 percent for this year.

Correa had told IPS that he was considering following in the footsteps of Argentina, Brazil and, more recently, Uruguay, in paying off the country's debt to the International Monetary Fund (IMF).

Alberto Acosta, a leftwing economist who has been mentioned as a possible member of the future cabinet, said "this is a historic day of hope and happiness, because the citizens have triumphed."

"Correa's government will have a strong democratic spirit," he said, adding that "the dispossessed will be given top priority." Around 60 percent of Ecuador's 13 million people live in poverty, and the country has

become one of the region's biggest sources of emigrants, especially to the United States and Spain.

The Country Alliance Movement's proposals include doubling the monthly "solidarity bonus" that the government distributes to the poor, increasing spending on health and education, and a programme of microcredits to small and medium companies in rural and urban areas to foment production.

Correa, who studied in the United States and Belgium, describes himself as a "Catholic humanist", and has expressed sympathy for the left-leaning governments of Néstor Kirchner of Argentina, Luiz Inácio Lula da Silva of Brazil, Evo Morales of Bolivia, Michelle Bachelet of Chile, Tabaré Vázquez of Uruguay, and Hugo Chávez of Venezuela, who he considers a personal friend.

He also said he would not get involved in Colombia's armed conflict, and would not allow it to leak over the border into Ecuador in any way.

Political analyst Alejandro Moreano said Sunday was "a historic day, because it opens up the possibility of starting out on a new route towards the salvaging of our sovereignty and towards the integration of South America."

On Sunday, the apparent president-elect stressed his aim that, "with or without dollarisation, Latin America and South America in particular must move towards a geopolitical, commercial and even monetary bloc along the lines of the European Union, in order to deal with and survive in the globalised world of the 21st century."

In addition, "the contracts signed with foreign oil companies must be revised, in order to increase our oil revenues, which can be invested in health, education and social development," said Correa, 43, whose limited political experience includes a stint as economy minister in the government of Alfredo Palacio, who succeeded Lucio Gutiérrez after he was ousted amid protests in April 2005.

He said that unlike in Bolivia, which had privatised its natural gas in the 1990s, Ecuador's oil "has always belonged to the state, but the same old mafias have found a way to privatise its commercialisation."

"Because of that, of every five barrels extracted today, the private oil companies take four and leave us one," he added.

The future president said he would negotiate with the oil companies "in a firm and sovereign manner," while pointing out that in the 1970s, the state kept nine barrels for every 10 that were extracted.

Moreano said citizens must be mobilised to support the changes proposed by the president-elect and for the constituent assembly that will be convened, to begin rewriting the constitution, perhaps within six or seven months.

Correa said he would maintain a policy of "mutual respect" with the 100-seat legislature, where his supporters will not hold a majority.

"The owners of democracy in this country are not the political mafias that have oppressed us for so many years nor the 100 legislators, but the people," he told IPS in an interview prior to the elections.

A possible ally in Congress could be the Patriotic Society Party of former president Gutiérrez, who said Sunday that his 24 lawmakers are willing to support the new president and help guarantee stability for his government.