

# New Ecuador Leader: Replace 'Inhuman' Globalization With National Economy!

*Inaugurated on Jan. 15, coinciding with the birthday of that great fighter for the universal dignity of man, Martin Luther King, the new President of Ecuador, Rafael Correa, addressed with remarkable pungency, the fundamental issue facing mankind today: the urgency of restoring the moral principle of the Common Good as the premise of economic policy. To do that, he made clear, "inhuman and cruel globalization" must be buried, replaced by a return to the primacy of the Nation State.*

*The principles identified by Correa in his inaugural address conform with the American System of Economics upon which the United States itself was founded, yet internationally, Correa is being painted as some kind of new "communist threat," while financier outlets such as London's Financial Times openly proclaim their intention to ensure he does not finish out his term.*

*So that readers internationally can see for themselves what so upsets London's interests, EIR publishes here extracts of his speech, translated by EIR.*

Beloved compatriots: More than 50 years ago, when our country was devastated by war and chaos, the great Benjamín Carrión expressed the necessity of once again having a Fatherland. This phrase was the inspiration for a handful of citizens [in my Alianza Pais slate] who decided to free themselves from the groups that have held our Fatherland captive, and thus undertake the fight for a Citizens' Revolution, consisting of radical, deep, and rapid change of the current political, economic, and social system that has destroyed our democracy, our economy and our society. . . . With one hope: that the Fatherland is returning, and, with it, jobs return, justice returns, the millions of brothers and sisters who have been expelled from their own land by that national tragedy called migration return. . . .

## **Plank I—Constitutional Revolution**

The first plank of that citizens' revolution is constitutional revolution. . . . The yearned-for reforms cannot be limited to cosmetic reforms. Latin America and Ecuador are not living through an era of changes, but through a genuine change of era. The historic moment for the Fatherland and for the entire continent demands a new Constitution that prepares the country for the 21st Century, once neo-liberal dogma and Play-Doh democracies that subjugated people,

lives, and societies to the entelechies of the market are overcome. The key instrument for this change is the National Constituent Assembly. . . .

## **Plank II—The Fight Against Corruption**

The second plank of the citizens' revolution is the fight against corruption, so rooted in our society, but also exacerbated by models, policies, and doctrines which exalted egoism, competition, and greed as the motor of social development.

These aberrations also seriously affected citizen security and levels of violence, not only because of the inequity and pauperization that the policies applied in recent years have generated, but also because, if competition is good in economics, why not also on the streets?

. . . There are various kinds of corruption, from filling one's pockets with state funds to tax evasion, including corrupt behavior, corrupt structures, and paradoxically, corrupt laws.

What about the 18 dead retirees we had in 2003, who for nearly two months had been asking for an increase in their miserable pensions; was this not corruption? . . . What about the debt swap of 2000, which explicitly sought to improve bond prices to the benefit of the creditors, while the country was destroyed? What about the existence of completely autonomous central banks, whose opulence is an insult to the poverty of our people and which, further, do not answer to democratic controls but rather to international bureaucracies; is this not corruption?

What about the Law of Deposit Guarantees, imposed by the political power of the bankers, which forced the State to guarantee 100% of bank deposits, for unlimited amounts, days before the generalized bankruptcy of the banks; was this not corruption? All this led to the dollarization of our economy, when the Central Bank tripled monetary emission in 1999 to rescue the banks. Today, we no longer have a national currency. . . .

What about the existence of absurd laws such as the Law of Fiscal Transparency, which limits all expenditures except debt service; is this not corruption?

What about the outrage called the Fund for the Stabilization, Investment, and Reduction of the Public Debt—the infamous FEIREP—which used new oil revenues to guarantee debt payment and for the pre-announced prepayment of the

debt; was that not corruption? In this way, our money, our natural resources, our sovereignty, have been stolen from us. . . .

### **Plank III—Economic Revolution**

The economic policy followed by Ecuador since the late 1980s faithfully followed the dominant development paradigm in Latin America, so-called neo-liberalism, with its inherent inconsistencies of corruption, the need to maintain economic subordination, and the demand to service the foreign debt. All these policy prescriptions obeyed the so-called “Washington Consensus,” a supposed consensus in which, to Latin America’s shame, we Latin Americans did not even participate. Those “policies” were not only imposed, but also diligently applauded, without any reflection, by our elites and technocracies.

The results of these policies are there for all to see, and after 15 years of application, the consequences have been disastrous. Ecuador has scarcely grown in per capita terms in the past 15 years, inequity has increased, and unemployment numbers have doubled in comparison to the early ‘90s, despite the mass emigration of compatriots during recent years.

The absurdity was reached of defending policies which destroyed jobs, such as those applied in 2003-2004, as “prudent.” Dogmatism was so extensive, that anything that neo-liberal dogma didn’t recognize was labelled “populism”. Yet, any Cantiflas-like incoherency on behalf of the market and capital was adopted as “technical,” in a true “capital populism.” This brings to mind the examples of autonomous central banks, outside democratic control, the simplemindedness of free trade, privatizations, dollarization, and so many other outrages.

These policies have been sustained on the basis of swindles and anti-democratic attitudes on the part of the beneficiaries of those same policies, with total support from the multilateral institutions, which disguised a simple ideology as science, and whose supposed scientific research was more akin to multimillion dollar ideological marketing campaigns than academic studies. These institutions also became the representatives of the creditors and the executive arms of the foreign policy of certain countries, leading not only to economic failure, but also reducing sovereignty and effective representation through the democratic system, this being in fact one of the leading sources of ungovernability in the country. . . .

Ecuador and Latin America must not only seek a new strategy, but also a new conception of development, which does not merely reflect the perceptions, experiences, and interests of dominant groups and countries; which does not force societies, lives, and individuals to submit to the entelechies of the market; where the State, planning and collective action recover their essential role in achieving progress; where intangible but fundamental assets, such as social capital, are preserved, and where the apparent demands of the

economy do not exclude, or, worse still, are antagonistic to social development.

### **A Sovereign Policy Regarding Indebtedness and Management of the Public Debt**

. . . Under the new policy regarding indebtedness, the country should use domestic savings as much as possible, and only incur debt when strictly necessary. . . . Foreign loans will primarily be used for productive investments which generate foreign exchange to pay off loans, while social projects will be financed by our own resources.

However, there will be no solution to the problem of the debt until the international financial architecture is reformed, and therefore concerted action on the part of the debtor countries is required, to redefine the criteria for debt service sustainability, to determine what is illegitimate foreign debt, as well as to promote the creation of an International Court for Sovereign Debt Arbitration. . . . An adequate definition of sustainability must take into account its effect on well-being. . . .

There is illegitimate foreign debt, acquired under dubious circumstances, which was not used for the purposes for which it was contracted, or which has already been paid many times over. After adequately defining the criteria for sustainability and what is illegitimate debt, an impartial and transparent International Court should decide what debt is to be paid, and the indebted countries’ ability to pay, and means of payment. . . .

### **Lessen Dependency and Vulnerability through Regional Integration: The Bank of the South**

Under the new economic policy, Ecuador will begin to make itself independent of the international bodies which represent foreign paradigms and interests, even more so as multilateral credits and financing in general are the new way of subordinating our countries.

On the other hand, at the same time that the Latin American countries seek financing, the region has hundreds of billions of dollars in reserves invested in the First World, which is truly absurd. For this reason, more than an economic imperative, bringing these reserves back to the region, pooling and administering them adequately in a Bank of the South—that is, the start of a great financial integration—is an imperative of common sense and sovereignty. For this, of course, that senseless technicality of autonomy for central banks, which send our reserves out of the region behind the backs of our countries, should be done away with.

### **Human Work**

As the encyclical, *Laborem Exercens* of John Paul II says, human work is not just one more production factor, but the purpose itself of production. Neo-liberalism, however, reduced human work to a mere instrument to be used or discarded, as needed for the accumulation of capital. To accomplish this, forms of exploiting labor under well-disguised

euphemisms such as “labor flexibility,” “outsourcing,” and “hourly contracts,” extended across Latin America. It should be pointed out that, according to multiple studies, this “labor flexibility” has been one of the least effective reforms in the region; it produced no greater growth, but it did leave the labor force more precarious, and thereby brought about greater inequality and poverty.

But even if flexibility would have worked, we cannot lower the dignity of human work to a simple commodity. It is time to understand that the principal good which our societies demand, is the Moral Good, and that the exploitation of labor, in the name of supposed competitiveness, is simply immoral.

One of the principal causes of the exploitation of labor has been the fraud of competition. The role this principle plays between domestic economic factors is already highly questionable, but is a complete absurdity between countries, where the logic of cooperation, of complementarities, of coordination, of mutual development should prevail. This neo-liberal, cruel, and inhuman globalization, which wants to transform us into markets and not nations, which wants to make us only consumers and not citizens of the world, is very similar conceptually to the savage capitalism of the Industrial Revolution, where exploitation knew no limit, until nations came to enjoy domestic laws protecting labor. . . .

The time has come for our countries, in the search for a new form of integration . . . to adopt regional labor laws which restore the centrality of human work in the production process and in the life of our societies, and which avoids this absurdity of competing by damaging the working conditions of our people. . . .

**Plank IV: The Revolution in Education and Health**

. . . Ecuador is one of the five countries of Latin America with the lowest social investment per inhabitant, with a per capita social expenditure that is one-fourth the regional average. It is therefore necessary to reverse this situation, which will require freeing up resources from other areas, basically from the unbearable weight of the foreign debt. To do this, we will proceed with a sovereign and firm renegotiation of the Ecuadoran foreign debt, and, above all, of the unacceptable conditions that the debt swap of 2000 imposed on us. . . .

Another heart-rending cost of the crisis: Ecuadoran immigration. Without a doubt, the greatest cost of the neo-liberal model’s failure, and the resulting destruction of employment, has been migration. In the political history of America, one of the most aberrant practices was that of banishment, which began with the Inca resettlements, with the forced transplanting of communities that were separated from their original



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*Ecuador’s new President Rafael Correa, shown here giving his inaugural address Jan. 15, has committed his government to ending the evils of globalization and the reign of neo-liberalism’s unfettered Central banks.*

surroundings. Migration entails precisely this kind of offense to humanity, of uprooting and tearing families apart. The exiles of poverty in our country number in the millions, and, paradoxically, they are the ones who, with the sweat of their brow, have kept the economy alive by sending their remittances home, while the privileged send their money abroad. . . . Let this be clear to all: this country is sustained by the poor. . . .

**Plank V: Rescuing Dignity, Sovereignty, and the Search for Latin American Integration**

From today forward, Ecuador decidedly joins in the construction of the Great South American nation, that utopia of Bolívar and San Martín which, thanks to the will of our people, will see the light, and, with its historic sparks will be capable of offering other horizons of brotherhood and fraternity to South America’s people, a just, proud and sovereign people. . . .

**Farewell**

Beloved Ecuadorans: The time has come. There is no reason to be afraid. He who walked on the sea and calmed storms, will also help us to overcome these difficult but hopeful times. Let us not forget that the Kingdom of God should be built here, on Earth. Ask the Lord to grant me a heart big enough to love, but also strong enough to fight. Martin Luther King said that his dream was to see a United States in which white and black could share school, table, and Nation. My dream, from the humbleness of my brown Nation, is to see a country without misery, without children on the streets, a Fatherland without opulence, but dignified and happy. . . .