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**THE CORREA FACTOR, A NEW DEMOCRATIC FUTURE
FOR ECUADOR?
THE OUTCOMES OF THE CITIZENS' REVOLUTION: AN
INNER APPROACH**

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Introduction

- i.* harsh trinomial: political instability high public debt, dependence on imports 5
- ii.* The The mid-nineties crisis 10

First part

- 1. Correa in power: from the “*Alianza País*” movement to the first presidential mandate. 13
 - a. The portrait of a leader- the seed of the revolution 13
 - b. From the first presidency to the Montecristi Constitution: a turning point for Ecuadorian history. 16
- 2. The first presidential mandate: towards a greener and stable country. 24
 - a. The 2008 Constitution: Earth matters- *Pacha mama and Sumak Kawsai* 24
 - b. Bring it in the XXI century: a trip along Ecuador- public spending and propaganda: 28
 - i. Rebuilding the Health System: Ecuador saludable vuelvo por ti! 28
 - ii. Giving Ecuador a modern infrastructure: Tenemos Carreteras de Primera 31
 - iii. Enforcing the right of a decent home: Vivienda Digna, Pueblo Digno! 33
- 3. Ecuador in the world 35
 - a. The early approach with the international community 35
 - b. Ecuador in the American continent: skirmishes and the love affair. 39
 - i. Clump down on the United States hyper-power 40
 - ii. Pursuing a common identity: Ecuador in the Latin 43

American galaxy: the paralysis of the CAN and the
promises of the ALBA and Unasur

Second Part

4. The second presidential mandate:	50
increasing political leadership	
a. Easy re-election and the use of mass-media:	51
the Organic Communication Act	
b. The ecological failed revolution: from the withdrawal	60
of the Yasuní-ITT initiative to the Pacific Refinery	
5. Is it the last presidential mandate?	67
a. Fiscal measures and the foreign debt: is all	68
about <i>aranceles</i> ?	
b. Ecuador after Correa: what kind of regime?	72
Conclusions	75
ReFerences	77

Introduction

This work wants to analyse the results of the first government, which endured for more than one year: Ecuador from 1996 to 2006 had experimented nine governments, some coups d'état and different presidencies. Rafael Correa was elected for the first time in 2006 and he was the one and the only Ecuadorian president to be re-elected for a second mandate. It is defined as an inner approach because the writer in 2015 passed a month travelling around the country, from north to south, from the Andes to the Pacific Coast in order to conduct political and social investigation. The travel was fruitful and the entire dissertation is based through real experiences. When sources are not mentioned is because are the result of personal investigation done on the field. The analysis is made by utilizing an historical approach and the aim of this work is understanding the model of democracy, if any, the country developed after the Correa's leadership and future outcomes.

Ecuador is one of the smallest and maybe less known South-American states. Inlayed in the Andean region it has been condemned to have much less international appeal than its neighbours. The international community has been kept an eye on Colombia or Bolivia because of the drug traffic; on Brazil, Argentina and Venezuela because of the European communities (especially from Spain, Portugal and Italy) established there as a consequence of the two World Wars and for their economic relevance (Brazil and Argentina are the two biggest economies of the region, only recently challenged by Chile); on Chile because of the 1973 coup d'état which established the Pinochet cruel dictatorship passed in the history to be one of the world longest and bleeding ever.

For years Ecuador has been considered not interesting, maybe irrelevant and what happened into the country did not leave its borders. Albeit its territory is characterized by an impressive biodiversity and it is petrol rich, generally public opinion, but also scholars, forgets that is the only OPEC member country together with Venezuela to belong to the western hemisphere. It started to gain resonance only in 2007, when in a session of the UN General Assembly, the just elected president of the Republic of Ecuador made his announcement of the Yasuní- ITT initiative¹: it was the proposal of not starting oil explorations under the soil of a region known for its biodiversity:

¹The Yasuní is a wide national park in the Amazonian region called *Oriente* (as its name said "Oriental", is situated in north-east Ecuador). ITT is for Ishpingo-Tambococha-Tiputini, the oil richest zone of the national park

there are more animal and vegetal species there than in the entire American or European continent. In so doing, the small Andean country gained momentum, at least for the following months².

The Citizens' Revolution led by Rafael Correa is seen as a phenomenon linked to the left-wave movements that have been shaking the southern hemisphere of the American continent from the beginning of the new millennium (Lula and the PT in Brazil, Chavez in Venezuela, Evo Morales in Bolivia, the Kirchners in Argentina and for some extent the Chilean Socialist Party with president Bachelet).

During the initial years of the presidency, Correa and his cabinet promoted a real change in the country: high investment in public services and infrastructures (a modern highway, which connect the entire country, was completed in few years) and the cut of the external debt helped Ecuador to avoid the impact of the 2007-2008 financial crisis. Moreover, extreme poverty was really relieved (for example, through the *Vivienda Digna* Campaign, social housing was significantly improved).

During his second mandate the president could not count on the high oil price which lasted for the entire period of his first term so, a real decline in Ecuador GDP is a serious menace: what actions (if any) have been undertaken to react to the likely lower oil price? Due to Correa's strong personality and his high popularity, are democracy and political stability in danger again? Did the Citizens' Revolution has fulfilled its aims?

In order to answer to the above mentioned questions, the choice of dividing this dissertation into two main parts seemed to be the most effective. In fact, more than a continuum, the two consequential mandates mark a real regime shift. Shift that is reflected in public policy: the analysis of the presidential figure and the evolution of an Ecuadorian democratic regime could be easily understood thanks to this periodization.

The first part is divided into three chapters devoted to the new, end in a sense cutting-edge³, 2008 Constitution and on the public policy choice with a special focus on the Ecuador infrastructure development: a brief journey around Ecuador through the policy propaganda.

² The initiative officially failed in 2012 when President Correa declared to continue the drillings. For further information, see chapter 3b.

³ It is the world first and unique constitution to enlist not just the rights and duties of the citizenry but also the right of the *Pachamama* (Quechua word for Earth) with the aim of reaching the Sumak Kawasay (in Spanish "Buen Vivir" which could be translated as "Fair living") which is the Quechua concept of right balance and harmony between man and nature. See chapter 2a.

Then, the attention will be focused on the second mandate of Rafael Correa. At the time of writing only two years left for the conclusion of his role as President of the Republic⁴. This part is divided into two major chapters: chapter 4 contain the examination of the main policies enacted after 2013 whereas, in chapter 5 there is a wide examination of the current social situation in the country. President Correa is all along his second mandate but the population is hugely divided along the consensus/opposition line. Opposition is directed from Guayaquil and this should not be a surprise. Hence, recalling the historic cleavage centre/periphery (the fracture Quito/Guayaquil) is absolutely necessary.

As mentioned above, Correa's presidency marked a real change in the country political life so, a brief illustration of the socio-political and economic situation of Ecuador before 2006 results useful to have a more precise idea of the improvement introduced especially in the first period.

i. The harsh trinomial: political instability, high public debt, dependence on imports.

The republican history of Ecuador started with a pact between the three most important cities: Quito, Guayaquil and Cuenca. This was the first imprinting of the current political organization: making Ecuador a Unitarian Republic organized into four main regions: Costa (cities located in the Pacific Coast headed by Guayaquil), Sierra (the urbanizations developed along de Andes where the two main cities were and still are Quito and Cuenca), Oriente (mainly the north-eastern part of the country where there is the Amazon Forest) and the Galapagos Islands.

Maiguashca, one of the most prominent scholars in this field, asserts that the principal problem anchored to the Ecuadorian state-building process was the territorial fracture. In fact, the pact among Quito, Guayaquil and Cuenca not represented the real will of unity of a populace but the attempt of sharing power amongst the most influential cities maintaining at the same time their personal identity. So, even if the capital was established in Quito the other two have been opposing a strong state control from the centre. In the XIX century, Guayaquil already was the economic pole of the reign⁵ and this characteristic endures until now. From here on, all the political history of the country is marked for “*guayaquileños*” (inhabitants of Guayaquil). Rafael Correa himself

⁴ The Constitution expressly forbid a third consequential mandate but there are rumours on the likely abolition of this paramount norm.

⁵ The Reign of Gran Colombia.

came from Guayaquil and his principal rival, the head of the centre-right catholic party, Jaime Nebot, is the mayor of the coastal city.

In 1925 the so called liberal revolution went to an end. An unsubordinated group of young officials committed a golpe, which introduced the army in the government of the Andean country. The “army factor” similarly to the great majority of the LA countries, became to be an omnipresent character of the Ecuadorian political history but with a peculiar connotation: when at the head of the government, military officials did not own the well-known Latin-American “caudillos” features. First of all because they made a national call for unity and social inclusion having in mind the harsh conditions of the indigenous communities (this was the great difference between the military elites and the industrial elites emerged from the Liberal Revolution. These last have no concern about indigenous people, thought to be irrational and not civilized. It was exactly the same approach Spanish conquerors had in the colonial époque); secondly, they used the appeal of the concept of inclusion to gain electoral confidence in the ballots. Albeit there are many doubts on the absence of electoral frauds, the military exponents of the so called “Revolución Juliana” wanted to affirm the army not by showing the muscles but through (at least apparently) democratic elections. Finally, they seen their principle enemy in the banking sector, which influenced significantly the political life of the country (the bankers together with the industrial élite belongs to the coastal region, especially Guayaquil where the majority of banker families still reside). In order to counter the powerful banker élite, they introduced a great innovation: the establishment of the Ecuadorian Central Bank (ECB, institution highly criticized by president Correa⁶) to allow the central government to gain control over the banking sector and to be able to handle monetary policy without any constrain.

The young officials’ period finished in 1931, then, Ecuador saw one of its darkest era⁷. The following decades were characterized by the succession of more than 27 governments in almost 20

⁶ In 1926 the Ayora government (Ayora is one of the military who ruled the country in the period 1925-1931 called *Revolución Juliana*- Revolution of July) asked for the intervention of a technical US commission, The Kemmerer Mission, empowered of issuing guidelines to make order in the Ecuadorian banking system and economic policies: the establishment of the ECB was tied to US recommendations. This is a pivotal point to understand the Correa’s aversion for the functioning of the ECB. He sees the independence of the Central Bank as an attempt of influencing the economic and monetary life of the country.

⁷ International credibility went all along political instability. The evidence of that was the humiliation received by Peru in the 1941 conflict. The war was triggered by the uncertainty about the not defined Amazon border. Peru took advantage from the instability that characterized its neighbour to engage in a war against it. The Ecuadorian army was completely unprepared. So, when the Peruvian fleet was on the go to take Guayaquil, Ecuador was obliged to surrender and asked for an armistice. In 1942 the Rio Protocol was signed, inflicting Ecuador a huge wound: the almost total loss of its Amazon possession. It was considered an opened wound until 1994 when the country could

years, no democratic elections, some military coups, dictators and their removal by other authoritarian regimes⁸. The period 1948-1962 was the only one in which political stability, along with economic progress, reached the Andean state.

As said before democratic stability in Ecuador has been the exception instead of being the rule. After 1962, instability come back to possess the country. In ten years Ecuador had more than twelve different regimes. This situation of instability lasted until 1976 when a military junta dismissed Guillermo Rodriguez Lara, a military who led the country since 1972, after the destitution of Ibarra through a military coup, and decided to open to free election. The transition to democracy took three years, from 1976 to 1979, but happened in a real critical continental situation. In fact, the decade of the eighties is marked by a strong economic crisis which pervaded all the LA countries, crisis triggered by the low oil price. In order to halt the crisis, in this era were put the root of the so-called “Neoliberal period”. State control was seen as an impediment for development, especially for the high potential of the coastal region which, notwithstanding the continental crisis, was living a boom on exports (bananas and cacao, the WWII aftermath is called by Ecuadorian historians “Boom *Cacaotero*” exactly because the impoverished European continent required an impressive quantitative of exotic products and big plantations were mainly located in the coast, especially in provinces such as Guayas -the region of Guayaquil-, Los Ríos and Manabí. So, this zone started a massive export-oriented production that sustained the country economy well after the post-war period. Nowadays huge cacao, coffee and banana plantations together with fish farms -shrimps and tuna- still represent a fundamental feature of the country economy). A political alliance amongst the right and catholic parties succeeded in winning the election and to put an end to the economic “*desarrollismo*”⁹ undertaken by the militaries and by the first elected government but, strong tensions pervaded all the right parties and movements (having in mind that these movements had

restore its pride during the called “Cenepa War” where, the Ecuadorian army inflicted a clear defeat to Peru and a final peace agreement between the two countries was reached in 1999.

⁸ This period was Marked by the presence of a relevant figure who endured until the 70’s, José Maria Velasco Ibarra. He was the expression of the social and economic transformation of the Coastal Region which started at the beginning of the century. He proclaimed himself dictator twice (1946 and 1970) and when elected he administered the country in a very authoritarian way. Notwithstanding, he could account on a high popular consensus.

⁹The new government which was born by a coalition of popular forces (CFP) a populist party with electoral bases in Guayaquil and the coastal region and the Popular Democracy party which was a progressive party and headed by Jaime Roldós who was substituted by vice-president Osvaldo Hurtado after his sudden death. The government was the incarnation of the so-called *Desarrollismo Economico* (a mix of protectionism, nationalism and social welfare) stream diffused in LA and developing countries since the ‘50s: import substitution, protection and regulation of the internal market, reformation of the agrarian sector, the planning of private and public activities, control over the foreign investment and the establishment of the principle of “National Sovereignty” end redistributive policies.

its spring in Guayaquil, and the catholic-right alliance was possible only because of a similarity of interests between the industrial élites of Quito and Guayaquil). The neoliberal scheme had to tackle the oil shocks and the crisis of the sovereign debt. As oil was the principal component of the GDP, the sovereign debt inflated and the strong tensions inside the political right only obtained to deliver Ecuador to instability. Political instability was a real impediment to follow with continuity an economic program able to overcome the crisis. As a result, from 1996 and 2006, Ecuador had six presidents, high inflation, a tremendous monetary devaluation which led to dollarization (in January 2000) and a harsh crisis of the debt.

ii. *The mid-nineties crisis*

As just analysed, Ecuador suffered from political instability and even not belonging to the Least Developed Countries, its economic conditions made possible inserting it in the list of the developing countries. Its growth was an asset in the rare periods of political stability and at the same time economic downturns happened when instability pervaded the country. The most relevant example is situated amidst the '90s. It was the worst crisis Ecuador has ever experienced. The Andean state suffers from severe drawbacks such as the collapse of the banking sector (where not just investors but common citizens lost the totality of their investments and savings), the hyperinflation and the following choice of dollarization (which made insignificant the low amount of savings that were rescued from banks) not to mention the impressive amount of the external debt (Correa considered it illicit and its repudiation was one of his first acts as President of the Republic). Even if there are few studies on the Ecuadorian 90's crisis, it is gaugeable with the ones suffered by Argentina, Venezuela, Mexico or Uruguay and some influential economists described it as "one of the most destructive financial crisis in Latin America in term of its financial cost and institutional breakdown"¹⁰.

Here, the aim of this work is not giving a detailed description of the financial crisis because this is not an economic paper, what matters here is underling the fil rouge between political instability and the failure of managing an economic crisis. But, in a few word, what Happened? If Ecuador was living its never-ending "boom cacaotero", entering a deep economic crisis how would have been possible?

¹⁰ A. de la Torre, Roberto Garcia Saltos, Yira Mascaró, "Banking, Currency, and Debt Meltdown: Ecuador Crisis in the Late 1990s", World Bank working papers.

The key factors here were bad communication, mismanagement, political instability and bad luck: bad communication between the banking system and the Central Bank, with the first one that acted almost as an independent actor (as just asserted before, the financial/banking sector was deregulated, with almost zero control from the controlling authorities) and the second one which was not completely independent from politics (the president of the republic chose the ECB Governor, and the Congress voted for the election of the Board). In all the decade the ECB every year had a new governor (as the president of the republic changed, a new Governor of the Central Bank was elected); mismanagement of both the government and the Central Bank, the latter was unable to contrast the diminishing value of the Sucre (Sucre was the Ecuadorian currency which was putted under attack by the financial market that made all the financial transactions in US Dollars) and in order to give relief to the major banks from their liquidity problem (because of the lack of regulation and the bad administration of the banking sector as a whole, banks started to have big liquidity problems. The pick of the liquidity crisis was reached in 1999 when a week of “Banks Holiday” was proclaimed with the consequential freezing of the banking deposits. After that period all the banking institutions were re-opened, but the biggest error was the opening also of the most unstable banks, without taking any precaution. So, most of them declared default and depositors lost their savings or after a big while received a quarter of what they had brought to the bank. One of the most famous case is “Banco del Pacifico”, one of the largest Ecuadoran banks considered as “too big to fail”. It had lots of illiquid assets and derivatives exactly as the majority of the banks in the country. After the bankruptcy of others mid-size banks there was a massive deposit run also against the major banks as Banco del Pacifico, which at the end of the decade had to freeze its assets and depositors could recover their savings only after the dollarization. They had no interests and the amount of Dollars received lost more than a quarter of purchasing power than the initial deposit in Sucre) the ECB issued money after money provoking this way an impressing inflation and the value of the Sucre plumbed provoking that the total public debt to GDP ratio sky rocketed, reaching at the end of 1999 more than 130 percent. From the other side, the Government mislead to undertake efficient policies to halt bank runs, inflation and especially the huge deficit and declared default on its internationally-traded bonds. Moreover, just amidst the credit crunch, it misleads in introducing a 1% tax on financial transactions (on debits and credits) instead of maintaining an income tax. All the financial actors overridden it by using the “shadow market” so, the tax together with the credit crunch provoked the failure of many banks. As well as political instability is concerned, it impeded the delivery of a recovery plan. The attention of the presidents was on the reinforcing of their prestige and not on the financial turmoil. For instance, the 1997 president, Bucaram, after having proclaimed ambitious fiscal and banking system reforms, due to

his personal style and emerging bribery scandals was considered mentally unfit and was ousted from office, president Alarcón replaced him but corruption and his conflicts of interest became unmanageable so he lasted less than six months. President Mahuad assumed power in 1998 but he made all the efforts to reach a peace agreement with Peru leaving the financial crisis aside. Moreover, instability made impossible to reach an agreement with the IMF because no government enacted the adequate policies to obtain the loan, from this point of view the introduction of the 1% tax on financial transactions was the biggest error in fact, the IMF pushed towards the introduction of an income tax as the fundamental condition to obtain its help. Finally, also bad luck was a factor that worsened the crisis: at the end of the '80s the price of the oil started to decline until to reach 7\$ per barrel (oil were and still is the principal component of the country GDP) and at the same time the Ecuadorian coast was hit by "el Niño" a flood that disrupted all the coastal plantations and required massive resources to rescue the collapsed economy of the Costa region.

As we seen the financial crisis endured almost a decade and recovery started only in 2000 with the dollarization. Also the choice of dollarizing the country was the fruit of a bad decision because of the lack of the necessary economic measure to prepare the economic fabric to adopt a new currency (and the respective loss of the monetary policy function) but in this case "good luck" helped Ecuador to exit the crisis. In fact, exactly at the same time of the dollarization oil price soared and an agreement with the IMF was finally reached. Ecuador exited the crises but with a very high price: his development came back to the level of the twenties and as a consequence the period 1998-2000 was marked by the biggest migration wave of the entire Ecuadorian history (emigrants were directed especially towards the United States and Spain, only in a second moment towards Italy).

First Part

1. Correa in power: from the “*Alianza País*” movement to the first presidential mandate.

Political instability has been one of the Ecuador greatest evil, which had without any reasonable doubt undermined its position in the international arena. After nine governments in eleven years (most of them not elected), the 2007 elections marked a tremendous turning point. Rafael Correa with its left-wing young party “*Alianza País*” not only gained the ballot suffrage democratically but for the very first time in years was able to build a stable and widely recognized government. Recognition at the national level, gave him the necessary strength to enact reforms and to negotiate with foreign political and economic actors.

Ecuador escaped the effect of the 2007-08 world financial crisis and its economy started to exit from the big stagnation lasted for decades. From 2008 to 2010 it has been one of the Latin American (here on LA) countries who marked the biggest economic growth (only Bolivia had similar records but it should not be a surprise because the two countries have in common more aspects that could appear at a first glance: not just the geographical position but similar indigenous movements, conflicts and ideologies. Also the path which led the two president, Morales and Correa, to the presidential palace is quite similar). But what a kind of path are we talking about? Due to the chronic instability, how could Rafael Correa establish a stable government? This chapter had been written to try to give an explanation on the affirmation of the charismatic leader.

a. *The portrait of a leader*

Rafael Correa started his political life in 2005, when a popular revolt pushed for the overthrow of the populist president, Lucio Gutierrez. This popular unrest was the union of the oldest élites and the Ecuadoran medium class which become famous as the “*Forajidos*”¹¹ revolt with the intent of leaving political parties aside and reaffirming the rights of the citizenship over corruption, bribery and scandals through a new Constitution. Was the attempt drove by the medium classes to reaffirm the polity over politics. Gutierrez did not afford to deal with the unrest so, he dismissed for the vice-president Palacio. Correa was the finance minister of Palacio’s cabinet although for just three months.

¹¹ The word “*forajido*” (uncivilized, savage, person who live in the illegality) in Spanish has a bad connotation. The movement was for the first time called this way by president Gutierrez as an attempt to undermine the social unrest.

During the brief period of Palacio presidency, Ecuador looked towards the United States especially in the application of the so called “neo-liberal” model. One of the first move was the negotiation of a free trade agreement with the strongest country of the American continent. The agreement was put under attack in almost all the sectors of the economy because of the fear of being undermined by the big US corporations (just to cite the most famous examples, the United Fruit Company for the agricultural sector and the Texaco for the oil sector), for obvious reasons¹² the coastal region was the one who pushed the most towards the withdrawal of the agreement.

Rafael Correa thought economics in the San Francisco University of Quito. When he was designed as minister of Economy and Finance he had no previous political belongings but in a way he was closed to the “Forajidos” movement. During his office, he tried to make order in the chaotic finances of the state but he was very critical towards the “neo-liberal” paradigm adopted by the president and his predecessors. So, during the negotiations of the free trade agreement he chose to leave the government.

Correa was very able to catch the malcontent pervading the country, and to promote himself as the spokesperson of a citizenship tired of the old political ties, “partitocracy” and mismanagement. He was able to show a continuum between the *forajidos* movement and his person and between the neoliberal policies and the financial crisis.

He took advantage by the country situation and the presidential decision of signing the free trade agreement to get out the government and founding his own social movement: the “*Movimiento Patria Activa y Soberana*” (Proud and Sovereign Fatherhood Movement)¹³, better known with its acronym: *Movimiento País* (the Movement of the Country) through which he reached the presidential palace and was converted in the major party of the country: the “*Alianza País*” (Country Alliance).

The strength of the new movement resided in its organization: something totally new from the most common party structures. In fact, Correa’s did not utilize the classical hierarchical structure to organize and establish its movement (stressing the word “movement” instead of using the overheard word “party” is fundamental to understand the change brought by the former economist)¹⁴: in every municipality, committees opened to common people were established. On

¹² As mentioned in the introduction, Guayaquil and the Ecuadorean Coast are the most active areas of the country. Large plantations are situated in all the Costa provinces.

¹³ Translation of the author.

¹⁴ The concept is very similar to the new political formations which emerged with the 2007-2008 crisis in the western hemisphere; the Spanish “Podemos” or the Italian “Movimento 5 stelle” but also the less modern French “Front

the wave of the *forajidos* upheaval medium classes, farmers, indigenous communities began to have an approach with the nearest committee. Committees become the magnet of the community life, the place where express all the disappointment with the central government, the “agora” where the citizen had the impression of being important for his community, the office where make own voice listened.

Moreover, his claims had the capability of catching the attention of a populace that had had enough of electoral promises; focusing his attention on the anti-neoliberal prose he caught the fundamental scepticism of electors about the ability of the old paradigm to allow the country to ameliorate its actual conditions. Correa’s manifesto so innovative for Ecuador, took its inspiration by other LA experiences. This period, from the beginning of the new millennium until (more or less) 2015¹⁵ saw the emergence of left-wing parties and movements all along South America, from the Andean countries (Bolivia, Venezuela and Ecuador) to the southern cone (Argentina, Chile, Brazil and Uruguay), and in this climax the return of the “Frente Sandinista” in the central American Republic of Nicaragua with the 2006 election of Daniel Ortega deserves a special mention.

Political scientists considered it a real leftist wave overwhelming the sub-continent. A wave which is characterized by the denial of neoliberal policies, nationalism and a precautionous approach towards the United States saw as the “watching dog” that along the centuries had endangered the main part of the continent for its own sake.

Hence, Correa, inspired especially by the Venezuelan and the Bolivian experiences, played the left-looking populist card to obtain a real consensus all over the Andean country. Together with the denial of the old policies and elites, the main claim of the Alianza País showed the continuum with the 2005 people protest: the call for a new Constitution. In fact, another fault of the short Palacio’s government was not having taken into account the popular appeal for a new, more inclusive and democratic, constitution.

To sum up, Rafael Correa succeeded: to resign from his ministerial functions just in time to take advantage from the weaknesses of the government; to bring up all the claims of the *forajidos* protest making with them his political manifesto; through the committees he succeeded to reach common people making the name of his party sounding; to get involved many university professors,

National” that even if was found in the ‘70s currently describes itself as a “*mouvement*” just to cite the most know European cases.

¹⁵ On December 2015 the Venezuelan socialist party lost the parliamentary elections and some days before, the down turn hit Argentina with the defeat of Christina Kirchner in the Presidential elections. In trouble is also the Brazilian President Dilma Rousseff, who currently is put under impeachment procedure.

economists and academic figures well known through the country and last but not least he was aware of the favourable continental environment for the fulfilment of a “Citizens’ Revolution”.

b. *From the first presidency to the Montecristi Constitution: a turning point for Ecuadorian history*

Alfredo Palacio was chosen in 2005 as a president of an interim government; his government born with the days counted. As said before, it was not an exception for the political history of the smallest Andean state. Coups d’état, military juntas, removals of elected presidents by the Congress or by the military ruling élite, emergency governments and governments ad interim were simply the way of ruling the Andean state. His government was called to manage the country until the next elections, planned for the end of 2006.

In its programming, the presidential election had nothing particular. Apparently, it should be just one among the many electoral turns in the country history that would end with the result of a weak president incapable of dealing with a fragmented Congress with the final result of deliver Ecuador again to the never-ending spiral of instability.

Among the thirteen candidates the ones with a higher possibility of being elected were León Roldós, sustained by a centre-left coalition, and the centre-right candidate Alvaro Noboa. Along with well-known politicians and parties (Alvaro Noboa, born in Guayaquil, belongs to a prominent local family very active in the export of tropical fruit, especially bananas, had already run for president twice without winning any election but ensuring in any case a seat in Congress. The other main candidate possessed a similar story, in fact also Roldós belongs to a *Guayaquileña* family very active in politics both at regional and national level. He is the brother of former president Jaime Roldós, acted as vice-president and exactly as Noboa it wasn’t his first time as presidential candidate. All the other candidates had a minimum of 10 years of political experience and curiously enough, all of them, except two, were born in Guayaquil¹⁶) an almost unknown Rafael Correa joined the competition. He run as independent candidate. Although his young movement was fundamental to spring his programme all over the country and his candidature was also backed by other leftist movements, Correa did not present a list of deputies. The choice was motivated by his willing of calling for a Constituent Assembly once in charge as president. In his words, the objective of establishing a “*Constituyente*” undermined the elections of new members of Congress:

¹⁶ Source: Periódico Eletrónico Ciudadanía Informada

Ecuador need a new democratic and more inclusive Constitution which should have been approved by the Ecuadoran people. Only after the constitutional process, a new government, legitimized by the Constitution, should have been elected. So, in his words, any government resulting from the coming elections should have been considerate illegitimate, because not responding to the popular ask of abolishing the 1998¹⁷ obsolete Constitution.

Even Simon Pachano, professor and analyst at the Latin America Faculty of Social Sciences (FLACSO Ecuador), and considered one of the most influential experts on Ecuadorean democracy, political parties and elections, could not imagine, more than the results, the aftermath of that elections¹⁸. He detected political instability in the electoral law: to be a presidential candidate, the collection of 1% of electors' signatures was enough. That way, local candidates for whom would be impossible to obtain national consensus, could join the electoral run simply obtaining the backing of a local movement or party alliance built just for the scope of the elections. The electoral campaigns were characterized by the high number of candidates (in 2006 there were thirteen candidates, but in the pre-election period they were nineteen. Number that had to decrease because the impossibility for six candidates to obtain the necessary 1% signatures) and the consequential necessity of a second turn. From the "return of democracy" the 51% of ballots was reached by no candidate. Moreover, this endangered also the seat distribution in Congress. Ecuador until 2008 had a unicameral system, and congressman were elected also through the presidential elections: the electoral lists backing the candidate to the presidency access the Congress. So, many presidential candidates meant high party fragmentation in Congress. As a general rule the President of the Republic has ever ruled without a stable majority in Congress. Why this time should be different? Even if forecast the result of the election was quite easy (the only to have a real chance of election were Noboa, Roldós, the Social-Christian Cynthia Viteri whose electorate was mainly in Guayaquil, city quite monopolized by Noboa, and Correa) the real problem would be in the aftermath exactly as ever. Whoever would have been elected had to handle the chaotic climax at Congress, with lots of parties and no majority.

If scholars expected only a new weak president with instability taking over the country, the sentiment amongst common people was nothing better. After the 2005 popular protest, not just the

¹⁷ The 1998 was seen as a neoliberal-constitution. More than the half of the Constituents belonged to right parties. The Constituent assembly was enacted with the wish of enlarging social rights but due to the harsh economic and political situation it ended to be a rigid text (the procedure for constitutional amendments required more than a year time and the positive vote of the $\frac{3}{4}$ of the Congress) with a neoliberal imprinting (it was inserted the input of privatization with a strong call to the open market economy). For further details, see later.

¹⁸ Pachano 2006.

middle-class but also workers and peasants felt betrayed by politicians and no party deserved their trust. The popular slogan, became famous in the *forajidos* protest “*Que se vayan todos!*” (Everybody gotta go!), was the leitmotif amid the electoral campaign. Ecuadorean people got intolerant to political parties. The most spread feeling was the sensation of living in a “*Partidocracia*” (this word “partitocracy”, was introduced for the first time in the Ecuadoran political discourse by Correa, and was overused by him for his electoral campaign) instead of in a (even imperfect) democracy. A regime brought to the collapse by the hunger of satisfying the political and economic ambitions of the elected over the day by day necessities of an impoverished people.

These were the not optimistic premises of 15 October 2006. As we are going to see, for the first time, expectancies were not fulfilled. As praxis had confirmed, the president did not come out at the first turn. The candidate who obtained the major number of suffrages were Alvaro Noboa with 26.4% and Rafael Correa with 23%. Usually, the candidate who received the highest number of suffrages at the first-round, was not confirmed as president in the second so, Correa had high chances to be elected. The real change was in the personality of the two candidates: one of the richest Ecuadoran businessman against an almost politically unknown economist who declared his sympathy towards Chávez’s Venezuelan socialist regime. Finally, on November, with the 57% of the vote, Correa defeated Noboa, and in January began his office at the Carondelet Palace¹⁹.

From here on a new chapter begun for the history of Ecuador. Although until 2009 citizens were called many time to the ballot boxes (once for the election of the members of the Constituent Assembly, then for the approval of the new Constitution and finally to choose the President of the Republic legitimized by the new Constitution), there were no signal of mass demonstrations, military subversions or attempts to remove the president. This is true especially for the first term, in fact, as we will see later, the second mandate (even if Correa was elected three times: 2006; 2009 and 2013, the latter mandate is generally recognized has his second consequential one because the elections of 2006 were held under the 1998 Constitution. Here on, 2009 is considered his first mandate as such as 2013 is his second one. When referring to the 2006 elections, so to the 2006/2008 period, will be specified) is characterized by civil unrests, strikes and small but diffused protests.

Once in office, Correa had the opportunity to enact his political programme: the “*Revolución Ciudadana*” (The Citizens’ Revolution) could make his first step. In his inaugural speech Correa

¹⁹ The name of the presidential palace in Quito.

defined the concept of Citizen's Revolution around five axes, each of them considered necessary to trigger the change: Constitutional Revolution through the call for a Constituent; Economic Revolution through the withdrawal of the neo-liberal paradigm; the Reaffirmation of country Dignity and Sovereignty through an effective foreign policy; Revolution on Education and Health by promoting free education and enhancing the health system²⁰ and finally, the Fight Against Corruption. As we will see, in his first period in office he accomplished his programme. As just said before his first announcement was the intention of establishing a Constituent Assembly but only after having listened the opinion of his fellow citizens. The enactment of a new Constitution, with a Constituent voted by citizens and the submission of the final text to their approval was without any doubt the reason of the Correa's 2009 electoral victory without needing, for the first time in the history of Ecuador, a second electoral turn.

The first announcements that president Correa made to the international community were the intention of renegotiate the foreign debt and a new strategy not to exploit the Yasuní National Park oil reserves, the so known Yasuní-ITT initiative²¹. Keeping announcements aside, the first initiative of Correa's government created a tremendous impact: in the same 2006 he provoked the immediate withdrawal of the free trade agreement negotiated with the USA under the Palacio's presidency. The United States decided to stop the negotiations after the nationalization of the US Oil Company Oxy. Ecuadorean government was having some issues with the company but the decision of nationalizing it was interpreted as a real expropriation. So, Ecuador manifested its intention of not being managed by the USA and at the same time this latter saw no motivation to carry on the negotiation. That Correa did not support the agreement was well known, but instigating the end of any further discussion had important implications. In fact, the refusal of the agreement undermined also the following European Union proposal of a treaty on trade with Ecuador on the bases of the previously signed with Peru and Colombia.

Correa seen in the agreement the intention of the US of taking control over Ecuadorean natural resources through the penetration of the big US corporations. In his denial there was not only

²⁰ As well as the Health system is concerned, the ALBA alliance has a fundamental importance: Cuba, which is continentally recognized for having the best medical structures (that Chavez went to Cuba to cure his cancer was not an "ideological choice", the same is true for Correa: in 2007 after a surgical operation on his leg he went to Cuba for his rehabilitation) send surgeons and medics to train younger Ecuadorean students of medicine. During my stay in Manta I know a couple of girls attending a public intensive course for pharmacist and nurses thought by a Cuban surgeon (they paid just for the studying materials).

²¹ The elaboration of the Yasuní initiative (world compensation for the non-extracted oil) started in 2007 but gained resonance in 2009 in the occasion of the Copenhagen Earth Summit, that's why the decision of discussing the initiative later, on chpt3. Same reason for the negotiation of the debt. Correa underlined his initiative during the inaugural speech but it was enacted in 2009.

suppositions but Correa and his entourage²² based his argumentations on the outcomes that the North Atlantic Free Trade Agreement (NAFTA) was having on the Mexican Economy. The emergence of the “maquiladora” system with his devastating impact on Mexican society and environment was more than sufficient as motivation not to trust a free trade agreement with the continental power²³. Moreover, also the 2007 Mexican *Tortilla Crisis* should be considered as a NAFTA symptom: even if the edible corn shortage happened because of the decision of reserving corn plantation to the biofuel industry, it is also true that Mexico before signing the free trade agreement based its diet on home-cultivated corn and after the agreement it ended to import corn mainly from the US. It was the first signal of the unrelaxed climax between the two country, through the denial of the agreement Correa gave real evidence of his willingness of repudiate the neoliberal paradigm as a whole. With this decision it put Ecuador among the developing country which reacted the Washington consensus. It was the first move towards the other left-oriented Latin American countries (especially Cuba, Venezuela and Bolivia) and the first attempt to enact a south-south cooperation. The first impulse for the adhesion to a “people’s trade agreement”²⁴ has to be found exactly in the motivation of the withdrawal of the 2005 agreement together with the failure of the Andean Countries-European Union 2009 trade treaty negotiations (in this event Bolivia left the round table firstly, Ecuadorean decision come days later).

After few months of presidency, Correa demonstrated to have the real will, strength and power to enact his electoral program. As he explained in the electoral campaign the exigence of a new democratic constitution was paramount. If Ecuador had unstable institution and weak international recognition, the reason reseeded in the past and the current (1998) constitution. In his words the only way to have a true democracy and no a “modelling clay democracy²⁵”, was through a Constitution that reforms the existent institutions and the party structure. The elections for the Constituent took place on the 30 of November, 2007 only eight months after the beginning of the presidency (Correa entered the Carondelet Palace on the 1st of January as prescribed by the old

²² On the point see F. Falconí 2010, “Con Ecuador por el Mundo”, Editorial el Conejo, Quito. Fender Falconí is professor of Economics at FLACSO Ecuador and until 2010 worked for Correa’s government (Secretary National for Planning and Development until 2007 and Foreign Minister for the period 2008-2010).

²³ The system emerged in the ‘30s well before of the establishment of the NAFTA (signed in 1994) as an emergency measure approved by the US and Mexican government but it works until today. With the approval of the NAFTA the situation, if possible, worsened.

²⁴ The ALBA-TCP was established in 2009 with the initiative of Cuba and Venezuela, Ecuador promptly joined it. On the ALBA see chpt 3c.

²⁵ Writer translation. Correa during his electoral campaign used the frase “*democracia verdadera no de plastilina*”

constitution) and the presidential alliance, the “*Movimiento Acuerdo País*” (the Country Agreement Movement) gained 80 over the total 130 available seats.

The Correa’s majority in the Montecristi Assembly (Montecristi, in the coastal province of Manabí is a symbolic city for the democratic history of the country, the assembly took place there and Correa after the approval of the constitution inaugurated a civic museum called “Ciudad Eloy Alfaro”) made possible the accomplishment of all that changes that the mandatary considered necessary: a more inclusive constitution where not only minority rights were respected and recognized but civil rights implemented for instance, was introduced the right to abortion and civil unions also for homosexual couples. As is easy to imagine the recognition of social rights were obstacle by the right and catholic wings but the real battle was challenged around two themes: centralization and the indigenous issue. The principal opponent of centralization was Jaime Nebot, the mayor of Guayaquil. Correa’s design was building a state stronger at the central level with a clear delimitation of the local autonomies. During a public meeting on January, the mayor openly dared the government and accused the Constituent Assembly of illegitimacy. Jaime Nebot was one of the most prominent leaders of the Social-Christian party and through his influence he was successful in getting the media attention. One month later, together with the industrial elite of Guayaquil (bankers, owners of big plantations, employers) in a way of undermining the work of Constituent, established “*el Mandato the Guayaquil*” (The Guayaquil’s Mandate). A written document sent to Montecristi for the defence of the municipality of Guayaquil and the limited intervention of the central government. The other tension was with the CONAIE that is the principal association of the indigenous community. Its proposal was for a multinational sate (on the Bolivian model) with the full political autonomy of the indigenous community autonomy that included the total control over the soil and natural resources. This vision was opposed by Correa in person, who received is as a *de facto* separatist project. To find a compromise between the two visions, the question of the territoriality remains one of the ambiguity of the constitution. In fact, the final text described the Republic of Ecuador as a unitary, multicultural and intercultural state with decentralized administration²⁶but the autonomy of the indigenous communities is not mention.

The Constitution was finally approved with a referendum held on the 28 of September 2008. The yes vote passed with 63.93% and the No vote won only in Guayaquil even if with a thin margin (No 46.97%; Yes 45.68%). The Constitution entered into force immediately, but some adjustments

²⁶ Art. 1 of the Ecuadorean Constitution.

needed to wait until the establishment of elected institution (as to say until the 2009 elections), these subjects were regulated by Constitution through transitional norms contained in 30 specific articles called “Transitional Regime”, for instance the reorganization of the bureaucratic machine as the same Electoral Law.

With a full victory on his side, Correa was ready to maintain the second promise he made: a new presidential election, this time under a democratic constitution written and approved by Ecuadoran people. The elections were scheduled in 2009, on the 26 of April.

Before the elections Correa had to deal with another oil crisis: in fact, the price of the crude after having reached its pick in in July 2008 at \$120 per barrel, it plummeted at the end of the year until reaching its minimum of \$30 at the beginning of 2009. Being the exportation of crude the principal economic source of the country Correa had no option but raising taxes with the obviously disapproval of his major enemy: the industrial elite mainly based in Guayaquil. The taxes discourse together with the shocks caused by the announcement of renegotiate the external debt (in these months, even if Correa had not undertaken any action yet, the only treat provoked an increase of the country-risk on the stock exchange) would have been used to undermine his political campaign.

This time the major traditional parties as the *Izquierda Democratica* (Democratic-Left, in 2006 elections its candidate was Roldós) or the Social Cristian Party (whose 2006 candidate was Cynthia Viteri) decided not to back a candidate, so the number of presidential candidates was one of the lower in history, just eight. Among them just three had the chance to win: Alvaro Noboa, the former president Lucio Gutierrez (ousted in 2005 after the popular unrest) and Rafael Correa. The former president this time run with his party. The 2009 election market the passage from the *Movimiento País/ Movimiento Acuerdo País* to the actual establishment of the presidential party, the *Alianza País*. The real surprise of this election, which ended with the victory of Correa with 51.99% of suffrages was the second position conquered by Lucio Gutierrez (28.24%) who surpassed the “Banana Emperor” Noboa also in Guayaquil. Correa won in all the mayor Ecuadorian cities of the Sierra (with the best results in Cuenca with a spectacular 65% of preferences and Quito with 58%)²⁷ and the Coastal region (excepting the province of Guayas) whereas the populist military Gutierrez reached a high consensus in the Oriente region and in the central Sierra provinces (Bolivar, Chimborazo, Tungurahua): he conquered the vote of the zone characterized by population of indigenous origin. This could be deducted by his early military life. He was born in the Oriental

²⁷ Dates from A. Sierra 2010

province of Napo and his early military life he was sent to serve the rural population of the central-sierra. He was able to build a stable network very useful in the electoral period.

A very important aspect of this electoral turn is in the widening of the electoral base. In fact, as stated in the new constitution the right to vote would be conferred also to foreigners who resided in Ecuador for a period of at least five years (art. 63 of the 2008 Constitution), to the police forces and to sixteen years old. These measures gained the positive opinion also of international observers. The country hosted many international mission with the scope of controlling all the electoral process, also the European Union sent its own observing mission (the same is true for the Organization of American States). All the mission established that the elections developed in a regular democratic climax without apparent electoral broils so, all the claims moved by the loser candidates were rejected.²⁸

²⁸ On the point see the final report of the EU Election Observation Mission to Ecuador.

2. The first presidential mandate: toward a greener and stable country

The approval of the new constitution opened a new era for the Andean Country. Rafael Correa during his first mandate under the Montecristi Constitution had the chance to enact a series of changes that actually “revolutionized” the small Andean State. This work is not intended to be an article of propaganda but objectively, the socialist leader introduced great innovations that deserve to be mentioned. In the first phase of his political life he reforms all the field enlisted in his “five revolution axes” (constitutional reform, health and education, social dignity and a sovereign foreign policy). This period, notwithstanding the high public spending was marked by economic growth and an increase of social conditions, especially for the worst-off. Taking into account international institutions as the WB, IMF and Celac statistics, Ecuador together with Bolivia, was among the developing country which realized the highest economic growth (from a mere 0.9% registered in 2009 to a 7.9% in 2011) and the same is true for poverty reduction: from 2006 to 2014 the number of people living under the poverty threshold of \$3.10 a day halved (it passed from 8% to 4%) and the extreme poverty, which is calculated under \$1.90 a day dropped as well (from 10% in 2007 to 4.4 in 2013)²⁹.

The following pages are devoted to the examination of the pivotal social reforms enacted during the presidential mandate, it will be an examination from the within.

a. *A further analysis of the Constitution: Earth Matters*

As we have seen before, the approval of the 2008 Montecristi Constitution was a step forwards for civil rights. In fact, one of the success of the Constitutional text was the introduction of some rights hardly hindered by the conservatives (the Christian-Democratic party as well as the other formations of the populist right wing). The idea of regulating the right to abortion as well as the recognition of homosexual couples was nothing new; during the working session for the 1998 constitutional text, the most progressive formation tried to introduce the abortion but after a “harsh battle” the groups for the right of life guided by churches (in Ecuador Christian churches possess a strong influence among the population, the most diffused are the Catholic and the Evangelic) obtained the affirmation of the right of life in the final text: right of life from the birth to the natural death, stating at the same time the repudiation of the death penalty. For the new constitutional

²⁹ World Bank data

debate, Correa's movement can account on a big majority in the assembly (80 out of the 130 elected constituents belonged to the Correa's Country Agreement, the formation used by the president to access the Assembly) so, his institutional and social design could be almost completely accomplished. Chapter VI, on the right to life and the consequential repudiation of the capital punishment (art. 66. 1), opens to further discussions on the critical question of abortion in fact, with the joint lecture of the two paragraph (66.10 on the individual right to freely decide about reproduction and 66.12 on the right of practicing the conscientious objection)³⁰ the right to abortion was partially recognized (with the 2014 Penal Code, this overture was definitely closed in fact, nowadays is possible to have an abortion only if the mother's life is at stake. Moreover, were introduced penal sanctions also with imprisonment up to two years for the doctor and the woman who chose to abort).

Another important development was in the Education field (Education together with Health were considered by Correa an essential part of the Citizens' Revolution³¹), in the 1998 constitutional debate, free education was guaranteed up to the high school final year (seventeen-eighteen years old), university was not comprised because of the higher cost of secondary studies. In the new constitutional text, the situation changed: art 26, chapter II establishes that "Education is a life-long individual right". With the instalment of the new government the education system was reformed in order to enact the constitutional article. First of all, the public university were completely freed from taxes guaranteeing free high education to all the population, the next step of the reform was enacted in a second moment. Starting from the city of Guayaquil until 2015 in all the public high schools "*colegios*" more than receiving free education, students' families are exempted also by the cost of textbooks and didactic materials, freely available in all the public schools.

In any case, the list of innovation contained in the Montecristi Constitution does not end here. As stated before also homosexual couples obtained recognition. Albeit marriage remains between people of different sex (art. 67), as the right of adopting children (68), the paramount text protects, promotes and recognizes the family without making any difference on marriage and civil partnership (both homosexual and heterosexual) and granting the same rights and duties (art. 67-68). Sexual parity is established in article 70 also with the aim of introducing women, without discrimination, in the public sector over occupied by men. In a very religious country as Ecuador

³⁰ Constitución del Ecuador, writer's translation.

³¹ On the point see next section.

(in this case Ecuador is not an exception among the other LA countries where the effect of the colonial evangelization is still strong) these innovations, together with the right on sexual orientation (art. 66.9), are really impressive.

In conclusion, the referral to the liberal tradition, is clear in the introduction of the “Right to resist” (Title II, Chapter V, art 61.6, on political participation rights, states that citizens can revoke the political mandate of their representatives and Title IV, Chapter I, article 105-106 on direct democracy asserts that the request of revoke should be made after the first and before the fourth year of political mandate. The request has to be signed at least by the 10% of the electorate, with the only exception of the President of the Republic; the procedure for his removal can be started with the collection of at least the 15% of electoral signatures. The National Electoral Council, after having accepted the electoral request, will call for a referendum that should be enacted in the next 60 days), principle elaborated by the philosopher John Lock, recognized as one of the father of the western liberal tradition.

As shown, the new Constitution is oriented to develop a more liberal society, but none of the mentioned reforms resounded to be something new: maintaining the question of the abortion aside (Latin American countries, together with the nations of the African continent, had the most severe legislation in case of abortion. Relative developed country such as Brazil and Chile forbidden the practise in its integrity: in case of rapes -very discussed- foetus problems, risk for the health of the mother etc. This restrictiveness is emerging especially in these months with the diffusion of the Zika virus in Brazil, virus dangerous for pregnant women because it is correlated with microcephaly. Infected women are invited to continue the pregnancy even if the fetus had been diagnosed with microcephaly. Moreover, a bunch of conservative lawmakers are discussing on the opportunity of tightening the abortion law introducing the punishment to 4 years imprisonment for women who abort microcephaly foetuses³²) also other Latin-American countries, as Brazil, introduced new liberal laws on homosexual rights and civil partnerships. The real innovation of the Constitution is enshrined in the recognition of the rights of the Earth. This ecological print appears for the first time in a State Constitution: the Montecristi Constitution is the one and the only that dedicates a full chapter, after the enlistment of the personal liberties, to the enlistment of the rights of nature.

32

For

further

info:

http://www.un.org/en/development/desa/population/publications/pdf/popfacts/PopFacts_2014-1.pdf

<http://www.pri.org/stories/2016-02-27/thanks-zika-now-we-know-latin-america-has-toughest-abortion-policies-world>

The main concept of the 2008 constitution is the pursuit of the *Sumak Kawayay* (in Spanish *Buen Vivir*, which should be translated as “Fair Living”) Quichuan concept to express the harmony between human beings and nature. The concept is fully developed in the II constitutional chapter, “Rights to the fair living”, which underlines the free access to food and water. Food which should be safe (GMOs are explicitly forbidden in article 15) and expression of traditional culture and national food sovereignty. Together with water access and safe food access, the Constitution stands for the maintenance of ecological sustainability in food and energy production (for the latter a number of criticisms should be moved. In next chapters all the objection to the Correa’s energetic strategy will be discussed). Concept often remarked in all the Constitutional text (for instance art. 66.27, on personal liberties states “The right to live in a healthy, ecologically balanced, contamination free environment in harmony with nature”), the *Sumak Kawayay* is the link between the rights of humans and the rights of nature. The *Pacha Mama*, another Quichuan concept (*Madre Tierra* in Spanish) used to refer to the Mother Earth, is more than simply “protected”, she is the direct beneficiary of rights. This concept is really revolutionary, in a world which promote discussions about Climate change, pandemics, pollution, the green-gas effect and global heating but is not able to reach a real solution enforced by the International Community as a whole. The attempt of a small developing state of recalling the attention on the environment, putting the Hearth at the centre of human lives could not passed unobserved. The Hearth cannot defend itself so, article 71 authorizes all the individuals, groups, communities to ask to the public authority for the respect of any right which is put at risk by human misconducts. This point deserves to be stressed; its actual enforcement would transform Ecuador in a fully green country, a small multinational state, with a developing economy which chooses not to undertake the typical industrial development (as China, India, Mexico and so on) preferring to enact Green Economy and Sustainable Development practices. Unfortunately, the reality is far from being as idyllic as described. This question is central for the Yasuní-ITT issue. As will be discussed in chapter 3, the official lunch of the Yasuní-ITT initiative (2009) took its strength by the Constitution, and the same is true for the social movement “Yasunidos” formed after the international failure of the Correa’s plan and its declaration of starting the oil drilling also in the block 13 of the National Park. Notwithstanding these problematics, the approval of a Constitution which enshrines liberal and environmental values represented a step forwards for the Andean small state, an opportunity to exit the constitutional and social stalemate which indelibly signed the history of the Ecuadorean populace. The chance of looking towards the main liberal democracies but at the same time underling the roots of its people and the willing of an even closer cooperation with countries which

share the same roots, ideals and history (as to say the Andean countries in particular and the other Caribbean and Latin American countries in general).

b. *Bring it in the XXI Century: a trip along Ecuador. Reforms and propaganda*

During the first government elected under the new constitutional text, Ecuador started to have a voice in the International arena. The country undergone a series of radical changes. Changes that allowed Ecuadorean people to increase their real life conditions, improvements recognized by NGOs and economic International organizations as the World Bank or the International Monetary Fund (albeit Correa withdrew from the IMF post-crisis help plan started in 2000). A series of reforms, or as Correa is used to say “revolutions” were enacted during this period and the outcomes had a fast impact on population: some programmes were based on the long term (the rebuilding of the Health system and the Housing plan) but the production of positive results begun to affects also the very brief period. Despite one of the main criticism moved to the president is the high public spending (from 2015 he had to increase tariffs on import, his detractors use the astonishing increment of public spending to oppose the new taxes), nobody could deny the development introduced in the country. Opposition to Correa started to spread especially from 2014, but the discourse was and still is all about his public figure, conceived as a “product of marketing”³³, about the attempt of centralizing the political life of the country and the lack of other influential political figures (with the exemption of the mayor of Guayaquil, Jaime Nebot, or few political exponents) but everyone recognizes, or at least not openly criticizes, the great innovations introduced in the country. All his “revolutions” (it is not the case for corruption. In fact, the slogan “*Lucha dura contra la corrupción*”, the “harsh fight towards corruption” seems not having produced any effect. For the NGO Transparency International, the perception corruption index is still very high. From 2012 to 2015 the estimated country score is around 33, being its world ranking 107 on 167 analysed countries. Before Correa, Ecuador owned similar ranks)³⁴ in this phase of his political life were enacted. Ecuador now possess free education, public health mainly free, houses were built for poor peasant in remote communities, and a new modern roadway now connects all the country.

i. *Rebuilding the Health System: “Ecuador saludable vuelvo por ti”*

Ecuador adopted the US-based health system exactly as the majority of the American states. The system was mainly sustained by insurances but the health sector as a whole was very fragmented

³³ This is the definition that students of Communication at FLACSO used to explain the success of the leader and his regime propaganda

³⁴ For more details visit Transparency International at <https://www.transparency.org/cpi2015/>

and offered services of poor quality. A clear evidence of the fragmentation is in the crowding of the health insurance fund in fact, there were a consistent number of public social security institutes partially managed by the Ministry for Public Health (the main one was the IESS, the Ecuadorian Institute of Social Security but each public category had its own. For instance, the police forces had the ISSPOL, Institute of Social Security of the Police, the militaries referred to the ISFFA, the Social Security Institute of the Armed Forces and the same was true for the other public categories and ministries) together with a countless quantity of small private institutions. The system was very confused and since 2000 there had been many attempt to organized it, in 2002 a new Health reform was enacted with the aim of rebuilt the national health sector. Many rural people had not access to medical cures both for their geographical remoteness and for the impossibility to pay an insurance either public or private. Moreover, the deep financial crisis provoked an increase of poverty so a large slice of population was cut off from the Health System. The 2002 attempt of ameliorate the health field had as its principal objective to ensure the right to health to the entire population, it would be possible through the diminution of health insuring company ensuring a better state control and by offering free health services to the worst-off. The new health design (albeit it was very simplistic in its formulation) would have created positive effects on the population. Lamentably, as we have seen in the introduction, the new millennium at least until 2006, was a period of extreme turmoil, both in economic and in political terms. Governments had not the necessary strength, and maybe the will, of enacting the health programme. Political stability together with the possibility of high public spending were both prerequisites of an effective reform so, in this case the failure was not only attributable to a lack of will but also to an actual lack of money. From 2007 the scenario definitely changed. First of all, the country could account on the so aspired political stability that is a mandatory feature to enact any kind of reform secondly, the renegotiation of the external debt (for a number of international economic and financial circumstances, in 2009, Correa was able to obtain a significant reduction of the external debt) weakened the constraints on public spending.

As just discussed, the innovative Constitution, upon the principle of “*Buen vivir*” recognizes a correlation among the environment in which a person lives, including an explicit mention to sanitation and free access to water, with his health condition (Chapter 2, art. 32 states that the right to health is guaranteed by the state and its realization is linked to the exercise of other rights as the right to water, safe food, healthy environment [...] and all the other rights that enshrine the “Fair living”. The state will ensure this right through public policies); starting from the constitutional text an efficient Health reform was enacted nation-wide. As a first step, all the insurance public

sector was reorganized under a unique national, state controlled entity, the already existent *Instituto Ecuatoriano de Seguridad Social* (IESS), the Ecuadorian Institute of Social Security. The public institute is directed by the Ministry of Public Health which gained a central role in all the health system (as mentioned before the entire health system was mainly decentralized and fragmented). Affiliation to the IESS is not mandatory but ensures a number of benefits in all the public sector: free surgeries, specific exams, specific and ordinary visits for all the medicine field (dentistry, oculists, cardiology, intern medicine and so on), free medicaments, full coverage for affiliate's children and also a life insurance in case of death to the spouse or partner's affiliate and the full coverage of his funeral expenses. The affiliation cost is more bearable than a private insurance (although for citizens that benefit from a public health system, as for instance the Italian one, the monthly cost could not appear any chip). After having sent the demand (application works also by internet) automatically the cost will be detracted from wage (of course, it is valid for dependent workers): the 8% detracted from the employee wage by the IESS plus a 11% versed to the IESS by the affiliate employer. Anyway, this simplification was not the only innovation. People without an insurance plan, have in any case a free access to public structures. In fact, exams and visits are completely free. Reservation is mandatory, but the booking procedure is simple and works smoothly (is by phone call with an electronic reminder sent via text message or e-mail some days before the date). Several medicines are freely provided by the health service and are available (after a specific prescription) in public structures. Moreover, a total rebuilding process interested also the amplification of the Health offer: Ecuador, as the majority of the developing countries, has many villages and rural communities which live in quite complete isolation from the city centre. For these people the only attempt to reach the closest (public or private) structure was a real challenge. There was the planning of the construction of eighteen new hospitals, six of them were completed in 2012, in the same year was established the building of further 171 health centres (*centros de salud de primer nivel*) which offers basic services for the population; they are of a fundamental importance in rural and small communities.

Last but not least, the wages of nurses and public doctors were raised and new training courses for the development of the personal held also with the help of Cuban specialists (in part for the ALBA agreement). Together with the Health reform, was launched the initiative "*Ecuador saludable vuelvo por ti*" (Healthy Ecuador I return for you) to recall all the surgeons, medics and doctors that after the specialization left the country.

ii. *Giving Ecuador a modern infrastructure: “Tenemos Carretera de Primera!”*

One of the main problem of Ecuador, similar to other countries of the region, was bad communication inside its territory. In fact, there was a lack of infrastructure to beginning from the roadway system: obsolete roads connected only the main cities leaving the small centres and villages (especially in the Sierra and Oriente regions) completely isolated. Going from Guayaquil to Manta by car was almost impossible (Manta is a coastal city in the Manabí province. It is considered the most important commercial port of the country and from a decade it has been having a rapid urbanization. As an evidence, in its streets is possible to find an incredible quantity of any kind of building materials and the price of land in ten years skyrocketed. In 2005, a 20x30 m² ground in the remote and almost desert *parroquia* -a kind of rural suburb³⁵- of Las Cumbres, cost \$3500, in 2015 the same size and location ground is sold for \$25000 with the difference that is very difficult to find an empty zone)³⁶ because of the bad condition of the roadway, but there were other coastal provinces in even worst condition. For example, to reach (independently from the starting point, should it be Cuenca, Manta or Guayaquil) villages or cities in the Coastal, but rural, province of Los Ríos was not an easy task. A Roadway system was almost inexistent, and the use of “*camioneta*”, a kind of van, was the only way possible to approach the province.

The “Citizens’ Revolution” was effective also in the infrastructure system; one of the first project that the leader of the *Alianza País* elaborated was the rebuilding (exactly as for the Health system, here the word “rebuild” is most appropriate that the term “reform” because the simple restauration of old roads goes along the construction of totally new highways) of the entire roadways system. The change was fast and astonishingly: in 2015 the entirety of the Ecuadoran territory is perfectly connected to the main cities (just a bunch of rural villages remained without asphalted roads. For instance, in 2015 a road trip by car from Guayaquil to Montalvo, a small “*canton*”³⁷ completely devoted to agriculture and big plantations, situated in the province of Los Ríos, took three hours with the new highroad in perfect conditions. To reach other rural areas as for instance Esmeralda, was more complicated. In fact, asphalted road stopped once arrived in the principal urbanization of the area, to reach rural districts a van is still mandatory), further works are still needed to connect

³⁵In the administration of the territory “*parroquia*” is the third level of administration, it should be an urbanization in the principle town but which contain all the necessary services (health, education, shops etc.) or as in our case a “*parroquia rural*” is a kind of suburb, although the word suburb is not the most appropriate, far from the city, where inhabitants own poor home and live from agriculture

³⁶ If not specified, in all the chapter data were collected by the author during her researches in Ecuador.

³⁷ In the administrative division, *cantón* represents the second level of administration. It could be a urban city (as Guayaquil, Cuenca, Baños) or the principal district of *parroquia Rurales*.

the other remote villages, but from 2007, in less than seven years the improvement has been remarkable. Currently Ecuador has one of the best roadway system of the sub-continent. Before the Correa's era its roads were, when existent, very badly maintained and not less dangerous than the Bolivian or Mexican sadly famous "*Carreteras de la Muerte* (deathly roads), roads partially covered by asphalt, no indications and without guardrails in coastal and mountain zones as well (here is important to remember then Quito, after La Paz, is the highest world capital, and all the Pichincha province its characterized by urbanized high peaks around 3000 meters high). Chile is officially recognized as the LA country with the best highway infrastructure, this fact could explain the brilliant economic performance it has been keeping from the end of the long Pinochet's regime. Having a working infrastructure is a key factor to develop exchanges both (human as well as economics) within the country and internationally. It is the pivot of socio-economic improvement. And this is the reason that moved the government to ameliorate this vital sector; if small centres, as the above mentioned coastal city of Manta, had improved their social conditions (together with the construction of schools and health centres) starting to attire more and more people from all over the country, without any doubt is due to the building of efficient and modern roads able to connect them not just to the major cities, but also to other minor urbanizations.

When driving along the country from Manta to Guayaquil, Quito to Ambato, Puyo to Baños although the landscape changes notably, from the mountains to the seaside, from arid lands to the rich Amazonian vegetation all these natural zones are unified by an efficient highway infrastructure disseminated by the same propaganda advertisements: slogan as "*Tenemos carretera de primera!*" (We own first class roadways!), "*Avanzamos Patria!*" (Get improve fellow citizenship!), "*Vivienda digna Pueblo digno!*" (Respectable home, respectable People!) are diffused all along the principal Ecuadorean roads. All the propaganda campaign refers to the principal reforms enacted in the first mandate, but in 2015 are still pervading the country. The advertisements are very useful from a communication point of you. In fact, curiously enough, the portrait of the president does not appear but the images and photographs (an ageing woman smiling, people working to adjust the street, the images of endemic animal and vegetal species) are intended to stimulate the viewer country affiliation. The target is not the citizen as an individual but as a part of an evolving society, the national message is very strong. The symbol of the Alianza País (here on AP) just appears in a corner of the manifesto without disturbing the spectator but at the same time provoking him an immediate relation between what seen and the presidential party. In the period of the second presidential mandate (from 2013), as will be analysed in the second part of this work, social achievements are not gaugeable with the first period of the presidency hence,

Correa's approval begun to decrease because of unpopular policy decisions (as the necessity to raise taxes)³⁸, the advertisement campaign should be explained exactly from this optic: remarking the past improvements to balance and partly undermines current failures. The development of the roadway system is perceived by all the social classes of the population: the worst-off could appreciate the benefit of not being cut-off from services in general and the better-off finally, can visit the entire country territory by his car in total tranquillity and without renting a mini-van to have access to remote or worst connected zones. So, the propaganda message affects both of them (during my stay in Ecuador, from Correa's voters to political opponents, from university students to peasants, from professors to self-employed, from big city as Quito or Guayaquil to smallest reality as Manta or Ambato, everyone remains astonished in thinking on how radical was the infrastructural change. Even the strongest opponents of Correa cannot hide that glaze of proudness visible in their eyes when talking about the "*Tenemos carretera de primera!*" campaign).

iii. *Enforcing the right to a decent home: "Vivienda digna, Pueblo digno!"*

Finally, another initiative that amplified the consensus in the leader, especially from the weakest social classes was the campaign to ensure an honourable home. As also stated in the constitution (Chapter II on the fair living, art.30: "People have the right to a safe and healthy environment and to an honourable house"- *vivienda digna* in the constitutional text) the right to a decent home should be guaranteed to all the citizenry, especially to those families who live in very precarious homes so, a national campaign was enacted to enforce the constitutional norm. This initiative had a lot of resonance throughout the country because many cane houses (still diffused in the country, especially in the rural zones) were demolished to build homes with more stable materials as cement. The MIDUVI, the Ministry of Urban and Home Development is the entity in charge of the "Vivienda Digna" programme. The programme was dedicated to people with a low income and the state monetary incentive was given to build a new home (for homeless people) or reforming one existent. The state bonus was proportionate to the income of the applicant and in order to enter in the government program a minimum of 20 families living in a same area had to make the request. The application procedure required also a community project, not just the rebuilding of homes but the guarantee of free water access, sanitations and social services as schools and sanitary structures. Citizens received the free help of local NGOs or public structures to comply with all the application process which should be sent to the ministry. The programme allowed the improvement of numerous rural areas. This programme beneficiated thousands of families, and even with some

³⁸ See the second part of this dissertation.

modification is still in place, in 2015, 7414³⁹ families received a new decent home. This is one of the most popular AP programme, so it is understandable the utilization of the campaign slogan all along the roadways, especially in direction of the most benefitted areas (the propaganda advertisements augmented in the proximity of small communities as for instance Jipijapa or Babaoyo, in the province of Manabi, and nearly disappeared when approaching big towns as Guayaquil or Quito).

These were the principle reforms, beginning with the approval of the new Paramount legal text, that put the roots for a modern development. Social rights guaranteed without discriminate on sex, race or sexual orientation, free Education including the highest grades, the improvement of free public Health structures, the rebuilding of an efficient roadway infrastructure, a “social housing” programme all changes that reinforce the figure of the president: Correa’s gained a high credibility throughout the electorate because its party for the first time was able to accomplishes all the electoral promises. Most of them were “basic reforms”, social services that in the most developed countries are considered undeniable for any working society, but for developing countries these “basic” and fundamental services are more than obvious. The real challenge for Ecuador is keeping them working also after the end of the AP political mandate. All the public services need maintenance (this is particularly true for roads, hospitals and schools) and the continuous involvement of the public administration. In the brief period all these reforms are considerably improved the Ecuadorian society, but without further investments the situation will easily return to the starting point. However, the possibility of incrementing pubic spending was due to a more favourable economic environment and to the foreign policy moves enacted to the Correa’s government. To understand the popularity shift towards the President of the Republic, an in depth analysis of the above mentioned factors is no longer avoidable, the next chapter is devoted to all those circumstances that allowed Correa to enact his reforms and establish a stable leadership not only in the country’s borders but also among the other nations of the subcontinent.

³⁹ Dates taken from MIDUVI website: <http://www.habitatyvivienda.gob.ec/miduvi-cumple-en-el-2015-sus-metas-con-una-inversion-de-usd-58599-903/#search>

3. Ecuador in The World

During his first mandate, Rafael Correa was able to realize important reforms improving the standard of living of the population as a whole. The accomplishment of the above mentioned reforms required the availability of a relevant quantity of public funds together with a stable government. For the latter, it was already written enough so an examination of the former is fundamental to understand the entire period. The aim of this chapter is to underline the importance of foreign policy in order to obtain effectiveness also in domestic policy. In fact, all the social programme of the *Alianza País*, even if well projected, would have been impossible to enact without an attempt to ameliorate the economic imbalances that pervaded the country: a colossal public debt and an increasing deficit. Said with very simple words, ensuring social services has a cost (both in monetary and know-how terms), money matters. No availability to spend, no opportunity to leave the status quo.

Starting from the renegotiation of the foreign debt, which allowed the AP leader to collect a discrete amount of financial resources to be invested in his reforms, the chapter has its focus on the examination of foreign policy choices. Ecuador was almost unknown before the election of president Correa; if the situation changed many is due to initiatives as the Yasuní-ITT which had an international resonance and to the clear messages sent to the United States. Historically Ecuador has been “US-friendly”, the continental super-power has never perceived its interests in the country at risk, neither during the military regimes. But the decision to openly approve the Chavez’s and Fidel Castro’s regimes provoke a new international consideration towards the country. The leader demarcated a clear line between the United States and the countries freed by Bolivar, Sucre y San Martín, without leaving to the imagination in which side of the line the small Andean state will be positioned.

a. The early approach with the International Community

Since the winning of the 2006 election, the new leader had never hidden the intention of deny the public debt. Correa was used to affirm that it was illegitimate because its accumulation happened in dictatorial periods. Before his election, the country was ruled by militaries and not elected governments so, the contraction of the debt was an injustice towards the population. But until 2009 Rafael Correa limited himself to sporadic announcements without taking any concrete action.

Maybe the decision to wait was one of the best choices he has undertaken, for sure his knowledge of economics was indispensable. First of all, it avoided financial speculation during the period between the two elections (2006-2009), speculation would have been worsened the financial condition of the country and at the same time would have been offered a valid motivation to his political opponents to undermine his presidential campaign. Moreover, uncontrolled circumstances played an important role in the debt issue. In fact, in 2007-2008 the western hemisphere had to tackle the worst financial crisis after the end of the two world wars. A crisis characterized for its rapid spread along all the industrialized countries of the American and the European continent. The subprime crisis started at Wall Street and involved the US financial market spreading its consequences also in Europe with different outcomes: for instance, in Italy and Greece its took the connotation of a public debt crisis; in Spain were affected both the financial and the real sector (buildings); the London Stock exchange was invaded by US toxic titles (derivatives) endangering the bank sector. Ecuador before defaulting its debt, called an audited commission to analyse the debt which was accumulated to restore the financial conditions of the 2000 crisis, the commission stated that have been irregularities in the contracting process, so it was illegitimate. The process of renegotiation, after having declared the default of the international bonds, happened relatively smoothly thanks to government strategies. Moreover, government took advantage from the international financial turmoil which pressed the bond holders to sell their titles in the brief time possible. Banco del Pacifico⁴⁰, which is one of the biggest Ecuadorian bank, rebought the default bonds at a very low price. The defaulted bond debts had a value of around \$3.2 billion, Ecuador was able of buying back the 91% of them at 35% of face value. It was a real surprise for the world financial investors because Ecuador had a long story of defaults and a reputation of incompetency in fiscal policies, so even it renegotiated the debt at very favourable conditions, and the restructuring process was not exactly “conventional”, the value of its 2015 bonds (which were considered legitimate) began to rise as the country risk lowered. The only drawback of the operation was the denial of its sudden entry in the voluntary capital market (Ecuador started to reissue bonds in 2014, and in 2015, for the first time in the country history, Correa announced the full repayment of the external debt). The restructure of the external debt represented a real victory for the government, locally and internationally, and made possible to enact important investments in public policy. Investments also supported by the increase of the price of the oil: in the period of the financial crisis also the crude price plummeted but at the beginning of 2009 it soared.

⁴⁰ In the 1990s crisis was one of the banks that declared the default. It was the Ecuadorean case of a “too big to fail” well before the US Merrill Lynch or Lehman Brothers.

Ecuador, to use Tammy L. Lewis worlds⁴¹, is biologically diverse, petroleum rich and economically poor. Its economy, as the majority of developing and least developed countries, is based on its natural sources. As we have seen is a great exporter of bananas, cocoa, shrimps, tuna and coffee but its principal revenue is represented by the export of crude oil. It is mainly concentrated under the soil of the Amazonian region, the Orient, which is a zone extremely rich in biodiversity. The zone discussed is having world resonance because of an announcement the just elected president of the Republic of Ecuador (2007) made in front of the UN General Assembly: a world unknown Rafael Correa made public his decision of leaving the crude under the soil of Yasuní-ITT (ITT is for *Ishpingo-Tambococha-Tiputini*, it is the zone of the national park where oil drillings were/is under discussion. All the national park, protected by UNESCO, has an incomparable richness in flora fauna and ancestral people and the ITT not only is the home of two different indigenous communities but is in absolute terms one of the most biodiverse zone of the (Hearth) National Park in exchange of the money value that Ecuador could have gained in fifty years of oil revenues. What that became famous as the Yasuní-ITT initiative enshrines the principle of Sustainable Development of defending the biodiversity with world contribution: as the fossil fuels extracted would be used worldwide to sustain industrial production, it is fair that the richest countries (which have more historical responsibility on greenhouse gas emissions than the least developed or developing countries on the principle “common but differentiated”⁴², have to undertake more actions to reduce pollutants) help the least developed in maintaining their ecological patrimony giving them a reimburse for the oil/minerals left in the soil. Ecuador was not new to these initiatives in fact, also in the late 1980s and early 1990s (the international community interest, especially the intervention of environmentalist Ngos, made possible the establishment of protected national parks as the same Yasuní) the country agreed to protect its flora and fauna in change of the alleviation of its external debt. Also in these occasion international activists sustained these initiatives which would have solved two problems at the same time: biodiversity conservation and economic sustentation. As we have seen the small Andean state was usual to default and its political instability and incompetency in both the financial and economic fields, made impossible also the accomplishment of these two initiatives (during the ‘90s were inaugurated some national parks but no other initiatives to protect the biodiversity was undertaken) exactly as every social or economic policy which need a minimum of planning (the impossibility to stipulate an agreement

⁴¹ T. L. Lewis, 2016.

⁴² The Common but differentiated responsibilities principle was established in the 1992 United Nations Framework Convention on Climate Change (UNFCCC) and it is still very debated especially because from 1992 no significant decision had been undertaken.

with the IMF during the 1990s crisis and the enhancement of an effective housing policy, just to recall the most evident cases) so, this could be just one of the many claims. What changed was that the initiative was well organized, with a clear plan and above all thanks to the new government, country credibility rose. With the 2007 speech, Correa announced his initiative to the world, specifying also the existence of a plan B: Ecuador Citizens' Revolution would have required high investments in order to guarantee all the basic social services to the population. If world's leaders fail in collect money, the Ecuadorean government would have no option but start the drillings in the ITT zone. The initial announcement was useful to build the necessary credibility and acquired strength after the approval of the new Constitution. The initiative gained a constitutional value because the rights of the hearth were at stake, and the government should have to protect the *Pacha Mama* before the world. The initiative was based on the creation of a trustee fund (essential to gain investors' confidence), donations collected through the fund will be used to fulfil the country objectives in human development. Under the Yasuní were the 20% of all the Ecuadoran oil deposits, and the objective was to collect at least \$3.6 billion to leave it in the ground. The idea gained the approval of many international organizations and countries as the UN and its organ, The Organization of American States, the European Union, the Opec, the ALBA and obtain the support of Spain, Belgium, France and Germany. In particular, the totality of the Bundestag in 2007 officially approved it without asking for Germany a seat in the trustee commission.

This was the climax before the 2009 Copenhagen world conference on climate change. As it is known, no agreements were reached during the conference. The Ecuadorian foreign minister of that time, Fender Falconí, affirmed that it was a complete failure⁴³, all the ALBA countries left the conference when an agreement reached in secretly between the USA and the BICS (Brazil, India, China and South Africa) was put in front of the entire assembly which was asked to sign it without having participated to the negotiation phase. The Yasuní-ITT was one of the only concrete initiative discussed during the Copenhagen days. Grievously, this promising initiative was destined to the failure. In 2013 president Correa officially declared the end of the ITT initiative declaring that the world had fail to Ecuador⁴⁴. The fund collected only \$13.3 million, a sum that the mandatary considered ridiculous, the world gave a pathetic and scandalous answer to the environmental issue leaving Ecuador the only option to star the drilling in the block 43 (the extractive concession name of the ITT). Well before the failure of the initiative, the state enacted

⁴³ Falconí, F.2010

⁴⁴ For Correa's declaration see "El Universo", 15/08/2013 at: <http://www.eluniverso.com/noticias/2013/08/15/nota/1294861/rafael-correa-pone-fin-iniciativa-yasuni-itt>

a new law to allow easier profits for the mining sector. Notwithstanding the rights of the Mother Heart enshrined in the Constitution, the ministry of Environment and the ministry of Mine do not have the same power, and the imbalance was as ever against the environment side. The explanation is that resource extraction, as expected, own more financing and more “free hand” over the Congress so the declaration of the president to start the drillings was not hindered by the assembly. Moreover, for the exploitation of the Yasuní crude some agreement with petroleum companies just were in place: the ITT drilling would have been conducted by PetroAmazonas and Andespetroleum which were participated by the national oil company Petroecuador but the real owner of the companies is the Chinese government. The impression is that Ecuador is committing the same error of Venezuela: after having privatized all the oil industry, practically gave it in Chinese hands. China ensured Venezuela economic aid for a fifty years’ concession oil revenues. As we will examine later, Ecuador is undertaking exactly the same path. It sells to the popular republic tons of crude at an astonish small price (which China refined and sell at market price) obtaining immediate liquidity but at the cost of long period gains.

b. Ecuador in the American continent: skirmishes and the love affair

Ecuadoran foreign policy beginning to be quite active especially within the American continent: in fact, if it is true that few approaches happened between the Andean country and the European Union (and the majority of them were surrounded by a climax of mistrust, especially from the Ecuadorian side which alleged European proposal of being neo-colonialist) generally Ecuador moved its steps within the Andean Community or the ALBA. This was the case of the negotiations begun in 2009, where Ecuador obtained a discussion with the European Union about the not observation of the WTO principles. In the Ecuadorian political environment, it is known as “The banana dispute” because of the high tariffs applied by the EU towards the bananas produced in the Andean region discriminating between the ex-colonies/protectorates which had a most favoured treatment and the other countries. Different WTO organs recognized that the EU breached the GATT agreement favouring the importation of bananas produced in the African, Caribbean and Pacific countries. So, a negotiation between the EU and the Andean Countries (Ecuador, Bolivia, Peru and Colombia) as a block started. Bolivia was the first country to leave the negotiations, it accused the EU of wanting a typical free trade agreement and not just the resolution of the banana dispute. After few months also Ecuador left but with the chance of coming back to the negotiation table if the EU solved once and for all the WTO dispute. Under the WTO auspices the dispute with the banana’s producers (Central and South American republics) and the EU went to an end in December 2009. Ecuador together with the other LA countries obtained a significant diminution

of the tariffs on export (a gradual diminution up to reach €114 per tons in 2017). It represented a success for the small Andean country because after long negotiations it obtained the observation of the GATT agreement from the European Union. Notwithstanding, it was only a “half-exit” in fact, in the meantime the EU carried on the negotiations with Peru and Colombia. A trade agreement was signed and the two countries obtained a further tariffs discount: to export their bananas in the European Union, they had to pay a tariff of €70 per tons. Ecuador perceived the European agreement as the confirmation of two different issues: from the European side, it interpreted the lower tariffs contained in the agreement, so the continuing breach of the GATT, as an attempt to push Ecuador to sign it accepting the deriving restriction in economic and social policies (a trade agreement between Ecuador and the EU was finally reached in January 2014). From the other side it was the confirmation of the weaknesses of the Andean Community, its inability to perform a coordinated action with the interests of the Andean people in mind (and this will be the reason that encouraged Correa to have a closer approach with the ALBA countries). Moreover, it was a further episode that contributed to an even complicated relation between Ecuador and Colombia (relation that went to a break in 2008 after the US backed Colombian raid into the Ecuador border to fight a presumed FARC guerrilla. More than twenty Ecuadorian people died), the former in June had announced a tariff increase towards Colombian goods. All around Ecuador a misconception towards Colombian people is very strong. Colombians who expatriate to Ecuador are often accused of being affiliated to the drug traffic and of having exported crime and swindle in the neighbour country. Frequently, Colombian tourists admit to have been discriminated at least once especially when buy something. It is not rare to listen from a Colombian that the seller has made him pay much more than the Ecuadorian customer in front of him.

i. Clump down on the United States hyper power

Leaving aside the difficult relation with its neighbourhood (Ecuador-Peruvian war had been the last border conflict of the XX century, border zones still are mined but the two countries are making progress in tightening their relation), Correa once in power contributed to define the Ecuadorian foreign policy towards the continental super-power. In the socialist view bring by the mandatary, as such as the European Union represented the old ideals of colonialism, the United States enshrines the magnification of the neo-liberal thought. It⁴⁵ has interests in all the countries of the continent, and during the centuries has impeded the formation of really free government, especially

⁴⁵ The use of the third singular person in referral to the United States is made by adopting Fabbrini’s definition of the United State as a compound democracy that is, in any case, a single international entity. See Fabbrini 2007

when left-oriented, in order to defend its economic position (the double sabotage of the presidential elections of the Chilean Salvador Allende is just one of the many examples. Sabotages that were confirmed by Henry Kissinger in person. Many chapters of his biography “Years of upheaval”, are devoted to the Chilean case, and as during the years from the Kennedy to the Nixon administrations the attempt to undermine the Chilean Socialist Party’s leader never stopped, from the donation to the Cristian-Democratic party, which was the representation of bankers and industrials, in order to weaken the socialist campaign, to the organization of mass demonstrations and strikes against the socialist president once elected just not to cite “grey⁴⁶” CIA operations). Notwithstanding the ideological consideration, the relation with the US has ever been considered important in fact, it is one of the principle economic partner of the country, the Ecuadorian Central Bank calculated that in 2009 the 34% of the entire exportations were directed to the USA moreover, Usaid, the United State Agency for International Development, enacted many no-reimbursable aid programme in the Country, these programmes aimed at improving security, the defence of the environment and social cohesion where mainly active in the northern border with Colombia. Last but not least, Ecuador together with the other Andean countries was the beneficial of a trade preference programme which favoured the introduction into the American Market thousands of Ecuadorian products. The Andean Trade Preference act was adopted in 1992, in 2002 it was expanded and renamed Andean Trade Promotion and Drug Eradication act (ATPDE). It provided duty-free access to the Us market to almost six thousand Andean products (Colombia, Bolivia, Ecuador and Peru) to encourage the prevention of drug trafficking. To sum up, Ecuador had ostensibly normal relations with the US but the first tensions begun to be apparent in March 2009, when the Ecuadorean government declared the abolition of the UIES (*Unidad de Inteligencia Especial de Seguridad*) the special intelligence agency against crime and drug trafficking financed by the Us Embassy in Quito. The agency was replaced by a police unit under the direct control of the Ecuadorian Government. Skirmishes begun with the expulsion of a Us official after the replacement of the intelligence agency; fifteen days later also the secretary of the Office for Regional Affaires of the US Embassy in Quito, Max Sullivan, was declared *persona non grata*. The 18 February 2009 the National Council of Public Safety established that Sullivan, with its order of immediate restitution to the USA of all the personal computers belonging to the dismantled ATPDA (computers which were donated by the USA but contained information related to the internal security of Ecuador) was attempting to the national security. The Ecuadoran government expected as retaliation the

⁴⁶ Kissinger is used to say that “There is a grey area between formal diplomacy and military intervention where our democracy is forced to compete against groups inimical to it”.

suspension of the ATPDE tariff benefits towards Ecuador, as happened with Bolivia at the beginning of 2008 but, the US did not undertake any reprisal (in any case the ATPDE definitely expired in 2012 because Peru and Colombia signed for a free trade agreement with the US and the conditions to take Ecuador in lacked. At that time the US-Ecuador relationship was already compromised). The reason of the US inaction should reside in the already complicated relation with other Andean countries, namely Bolivia and Venezuela hence, the intention of not furtherly endanger the situation with other countries of the area. As a matter of fact, the US Secretary of State, Hillary Clinton, invited the Ecuadorean government to a meeting in Washington. The meeting took place at the White House on June and a diplomatic mission headed by the Ambassador of Ecuador in Washington was received by Clinton, both parties declared their intention of closing the expulsions' deal in order to establish a relation based on reciprocal respect.

The White House meeting represented an US attempt to relax the relation between the countries in order not to endanger the position of the many US companies (mainly in the oil industry) operating in Ecuador. But, as expected, Correa's foreign policy took a different direction. On September of the same year, the concession of the Base of Manta was not renewed. The military base of Manta was conceded to the USA in 1999 by the Government of president Mahuad. The base had a strategical importance, in the same year started the Colombia Plan aimed to fight against the drug trafficking and the base was in a strategic position not only to control the Colombian border but also to take an eye on Venezuela and Brazil where Chavez and Lula were consolidating their parties. The agreement had high resonance in the country because was signed bypassing the approval of the Congress. One of the Correa's "revolution axes" used for its electoral campaign was the establishment of a proud and sovereign country, at that time he declared its intention of freeing Ecuador from foreign militaries moreover, he stated that Ecuador was a pacific state which would have not taken a position about the Colombian guerrilla. Under the strength of the 2008 Constitution, which established the sovereignty of Ecuador on the integrity of its territory, Correa notified to the US government the denial of the renewal of the concession with the motivation that the Base of Manta and its territory belonged to the Ecuadorian people. From here on even if an open discussion has never happened, the political exchanges between the two countries begun to freeze and one of the motivation of the freeze relays in the slow process of nationalization of the oil sector. In fact, Correa started the process undertaken by Venezuela in 2002 and lather by the Bolivian President Evo Morales but with the difference that the Ecuadorian case is not an open nationalization. The process was relatively slower end started by tighten the legislation on mineral extractions. The legislation risen taxes and royalties that foreign companies had to pay to the

Ecuadorian government, if they should not accomplish with the legislation, nationalization will be undertaken as a last resource. The legislation pushed the foreign companies (Repsol, Total, Eni and Agip just to cite some cases) to abandon gradually the country. Obviously, also the US companies were affected by the legislation. The returning of the companies under the state control coincided with the entrance of Chinese-government lead companies into the country.

ii. *Pursuing a common identity: Ecuador in the Latin American galaxy: the paralysis of the CAN and the promises of the ALBA and Unasur*

The relation with the USA, as we have seen, have been complicated but the same it is not true for the other countries of the continent. President Correa belongs to the leftist-wave, sometimes called “pink wave” to underlined not only the left-orientation but especially the populist not fully democratic methodology, other times called “red wave” to remark the socialist ideology. This period started at the beginning of the new millennium with the affirmation of the Workers’ Party (PT) in Brazil and the ascent of its leader, Lula and the beginning of the Bolivarian Revolution in Venezuela with the affirmation of the socialist Hugo Chavez. The wave reached Bolivia with the election of a left-oriented president with indigenous origins, Evo Morales historically and ideologically very close to the Correa’s experience (Evo Morales’ Movement to Socialism MAS was an instrument to strengthen popular indigenous movement in Bolivia, and the passage to the presidency had many similarities with the Correa’s AP) and Argentina with the two consequential presidencies of Nestor and Cristina Kirchner. In these years political and economic exchanges in the Latin American area became very dynamic and exclusivist (they tend to build a compact ideological block vis à vis the USA and the other US-oriented countries of the continent as Colombia, Mexico or Peru) and new alliances tend to emerge. In particular, there was the enforcement of the ALBA and the Unasur.

The Andean Community (CAN), after the Mercosur, represented the principal integration of the sub-continent, about 20% of commercial exchanges happens amongst the Andean states (Colombia, Peru, Ecuador and Bolivia) and it is the oldest regional organization of the Latin countries, it dates back to 1969 when the Latin Pact entered in to force. Correa is often accused of underestimating the importance the organization has for the Ecuadorian economy in fact, it is the most efficient way to penetrate regional markets giving a great help to maintain under control the commercial balance. But as mentioned before, the community started to lose internal coordination. The weakening of the CAN started in 2006 when Venezuela left the organization because of the free trade treaty signed by Peru and Colombia with the United States, here on the Andean countries

became to have serious difficulties to stand in the International Community as a single block. What happened during the 2009 negotiations with the EC expressed clearly the climax that was embedded the Andean nations. In effect, 2009 was a critical year for the organization: it went to an actual stalemate. The agreement signed by Colombia and Peru with the European Union provoked the resentment of the other two countries. Moreover, Ecuador decided to risen external tariffs towards the other two members exempting Bolivia (and the same happened also in 2015 when Ecuador increased its tariffs on import up to 40%, again excluding Bolivian products⁴⁷). The decision was interpreted as a kind of retaliation for the “banana deal”, but the smallest Andean republic explained its decision on the basis of the strong depreciation of the Peruvian Sol and the Colombian Peso. As a dollarized country, Ecuador had no power on the monetary policy so, the consequential appreciation of the dollar towards the other currencies should have undermined Ecuadorian products also amongst the same Ecuadorian people who would have been chosen cheaper Peruvian or Colombian goods. Many Ecuadorian economists considered the measure as a political decision that would have had the sole effect of endanger the Ecuadorian foreign trade especially towards Peru, country with which Ecuador was usually to have a positive commercial balance. Skirmishes between its member are seriously undermining the external action of the CAN, even if the four countries have similar economies their governments are enacting divergent policies (Bolivia and Ecuador have socialist governments whereas, Colombia and Peru have more liberal administrations), clashes are very likely to happen at least until one of them experiment a radical change in its politic communities (Colombia or Peru⁴⁸ should elect a socialist-oriented government or on the contrary, Bolivian MASP or Ecuadorian AP will lose next presidential elections). As a matter of fact, after the Angostura accident⁴⁹ Ecuador started to take distance from the Andean Community, in 2015 Correa declared more than once his perplexities about the CAN, without hidden his intention of leaving it⁵⁰. While the consideration of the Andean Community was

⁴⁷ On the issue see chapter 4.

⁴⁸ On 10 June 2016 Peru elected a new president. The centre-left former President Ollanta Humala (2011-2016), who at the beginning of his presidency declared its ideology akin to Chavez, Morales and Castro, was a moderate president and his policies did not cause a rupture with the past administrations. The right-oriented economist, Kuczynski, is the new president of Peru. His programme is centred on mining and investments. At the moment, a change in the Peruvian politics is very unlikely.

⁴⁹ Angostura is the border zone attacked by the Colombian army (2008) in an attempt of defeating a FARC leader who was hidden in the Ecuadorian border with Colombia. This accident as seen before, create a diplomatic crisis among Colombia, Ecuador and Venezuela. It solved only after the intervention of the OAS, that recognized the invasion of the Ecuadorian soil, and the mediation of other LA countries although Correa declared that the reestablishment of normal relations with Colombia would have required time.

⁵⁰ Correa made his declaration on February 2015, in front of national medias and Telesur. Once more, the debate was on trade safeguards towards Peruvian and Colombian goods, the CAN asked Ecuador to eliminate them and Correa declared that it was outside the CAN jurisdiction. Article on Telesur at:

diminishing, Ecuador joined the ALBA and the Unasur. The ALBA, which acronym stands for Bolivarian Alliance for the People of our America was funded by Cuban president Fidel Castro and the Venezuelan mandatory Hugo Chavez in 2005. It is still a regional organization without juridical personality in fact, at the base of its funding there are agreements between the two nations but not a constitutional treaty. In 2006 Bolivia joined Venezuela and Cuba and the alliance was enriched by a peculiar trade treaty: the TCP, which is the Spanish acronym for “*Tratado de Comercio de los Pueblos*”, People’s Trade Treaty. The ALBA-TCP is, even if still in phase of consolidation and subject to be used as a mean of propaganda, an innovative regional organization. Its core principle is the social development of the Latin American people, development which should be reached by solidarity and not by market profits. Until 2013 it counts on nine members: three from South-America (Venezuela, Bolivia and Ecuador from 2009), one Central-American republic (Nicaragua) and five from the Caribbean area (Cuba, Dominica, Antigua y Barbuda, Santa Lucia and San Vicente y las Granadinas). One of the pillar of its architecture is Telesur, which broadcasts information on the ALBA countries around the American continent but its reaches also Europe and other countries of the glob through its internet platform. Telesur born with the objective of giving a non-biased (in Chavez-Castro concerns the majority of continental and international media are manipulated by the right-US oriented-opposition) information that covers not only ALBA-TCP issues but all the meaningful news from all over the continent with the aim of replace the BBC, so the decision of choosing English together with Spanish is not casual (being a Latin-American media it would be expected of broadcasting in Portuguese instead of English, but the English choice shows its international ambition). Together with the television, fundamental for the enactment of its social programme is the Venezuelan oil company, Petrocaribe which operates especially in the Caribbean countries. The programme envisaged by the organization embrace the totality of social development: from health to education, from culture to fair trade. One of the success of the organization was the eradication of illiteracy in some ALBA countries by the programme “*Yo sí Puedo*”⁵¹ (through this project, opened also to non-ALBA countries, it was possible to reach a schooling tax of 98% in all the interested countries moreover, Venezuela,

<http://www.telesurtv.net/english/news/Ecuador-Considering-Withdrawal-from-Andean-Community-of-Nations-20150211-0023.html>

⁵¹ “Yes, I can” is a Cuban literacy method started in the isle in 2002. It fulfilled the aim of eradicate illiteracy among the Cuban population so, with the creation of the Alba it was exported, with success, to Venezuela. Few years later it was adopted by other ALBA countries obtaining excellent results also in Nicaragua and Bolivia. From here on it was exported to the others LA countries which adapted it on the specific needs of their populations. This way the programme entered in countries as Argentina or Uruguay. The effectiveness of the programme in widening schooling also in rural communities and in the eradication of illiteracy have been recognized by international organizations, in particular UNICEF admitted that it was fundamental in Uruguay, country in which illiteracy has been almost completely defeated.

Bolivia and Nicaragua become illiteracy-free) which is part of the Education programme together with the “*Proyecto Grannacional Alba Educación*” which has as aim the universalization of the secondary education including university (all the ALBA’s projects own the world “*grannacional*”, which is a world trick to over-national. It enshrines the Simon Bolivar’s dream of a united Latin American Nation, he fought to free south America from Spain, and funded the Reign of Grand-Colombia which was the union of the territories of current Venezuela, Colombia and Ecuador, *Gran Colombia* in Spanish so, the name is a clear evocation to the union of Latin American people). Another initiative that deserve to be mentioned is part of the Health programme. Also Health is under the Cuban impulse in fact, the Caribbean island has the best medics and surgeons of the sub-continent (it is recognized world-wide, also the World Health Organization considers the Cuban system as an example for all the countries that does not own a high income, it is centred to prevention more than cure. Moreover, its functioning goes along research and development. The infant mortality tax in Cuba is lower than in the United States and this is an evidence of the quality of the island health system); this is probably due to the long US embargo that pushed the island to be self-sufficient in the education as well as the health field (embargo included also some medicaments so, along the years Cuba developed an independent and effective health sector from pharmaceuticals to health structures). The “International Miracle Mission” (*Misión Milagro Internacional* in Spanish) promoted by Cuba and Venezuela started in 2005. Completely free eyes surgeries aimed to prevent blindness were received by indigents or low income people, in the period 2005-2014 more than three million people, nationals of all part of Latin America received eyes surgeries, contact lenses and eye glasses for free (Ecuadorian people were among the most benefitted by the programme, only in 2014 more than 140000 people received free surgery). Together with social projects as the two just mentioned, ALBA countries funded a development bank to undermine the western-led WB and IMF (the attempt of replace the IMF and the WB it is nothing new in fact other organizations constituted similar entities, one of the most recent example is the BRICS New Development Bank funded by Brazil, Russia, India, China and South Africa in 2014) and a virtual currency called Sucre (is the acronym of unitary compensation system for regional payments; Sucre was also the former Ecuadorian national currency which took its name from Mariscal Sucre, who was, together with Bolivar and San Simon, one of the national heroes that contributed to free South America from Spanish conquerors), established in 2009 through a constitutive treaty signed by Ecuador, Nicaragua, Bolivia, Venezuela, Cuba and Honduras. It is a virtual money used for commercial transactions among these countries and it is managed by countries’ Central Banks. The countries that used Sucre the most are Venezuela and Ecuador, only

in 2013 the 95,79% of commercial transactions between the two states were made using the Sucre⁵².

The ALBA is one of the most interesting experiment of social cooperation among developing nations, it was born to ameliorate the economic and social conditions of an entire sub-continent basing the exchanges more on the barter than on money and in the respect of the Mother Earth trying to “greenify” their productive processes. But it is important to stress that the principle good of financing is oil, mainly Venezuelan for the projects enacted towards the Caribbean countries and also Ecuadorian (even if for a small percentage) for continental plans. It seems very unlikely that these countries will become an example of ecological development if oil continue to be the pivot of the ALBA architecture. The Ecuadorian choice of introducing induction cooker in all of the country households (in 2015 the Ecuadorean government made mandatory the use of house induction hotplates, asking Ecuadorian people to buy new cooker instead of continuing to use gas tanks very diffused especially in the countryside. All the people I knew during my journey in the country did not understand the government initiative. In fact, taking aside the dangerousness of the tanks, the government described the old tanks as a cause of pollution but in Ecuador almost the totality of energy comes from oil so, what should be the difference in polluting terms between the two methods?) received a warm approval within the organization, an ALBA document was issued just to congratulate Correa for the green initiative. This is at odds with the Petrocaribe and all the initiatives enacted by the LA countries to drill oils and minerals. Moreover, the real risk of the ALBA is that it is used as a tool of propaganda from both sides: socialist-oriented countries used Telesur to attack the United States (for example if popular unrests happens, as in the 2015 manifestations against Correa or the unrest happened in Caracas in 2014, they are 100% caused by the neoliberal opposition backed by the northern continental super-power) and at the same time the United States and its continental allies (mainly Mexico and Colombia) used ALBA initiatives to undermine the credibility of the socialist countries of the block (for example, the “Miracle Operation” was described by Mexico and the USA as a very dangerous conspiracy to spread the red devil throughout the continent. Mexico accused Cuba and Venezuela to make the surgeries just to enact brain washing about the fairness and beauty of the Bolivarian revolutions to Mexican and Colombian patients).⁵³ Under the ALBA-TCP concrete initiatives have been undertaken but the ideology behind the alliance could be at the same time its strength and its weakness, trying to

⁵² SELA 2014.

⁵³ On the specific case see this article of “El país”: http://internacional.elpais.com/internacional/2010/12/18/actualidad/1292626822_850215.html

predict its future is very difficult, in fact a change in the Venezuelan government (not to talk about the Cuban regime) should endanger the entire architecture. After Chavez' death and Fidel Castro delicate health condition, Correa is acting as the ALBA spokesperson advertising the initiatives during his institutional travels (as happened for instance in his economic mission to Qatar or diplomatic travel to Suisse in 2015) but is very improbable that Ecuador will take the guidance of the alliance because it does not own neither the Cuban knowledge and know-how, nor the Venezuelan monetary capability (Venezuela oil reserves are significantly wider than Ecuador ones). Together with the ALBA-TCP, there is another regional organization that is becoming particular significant and that enshrines the necessity and desire of the region to act as a compact block at the intra and international level: this is the recent funded Unasur. Among the many LA organizations, the Union of the South American Nations, is the only one that is formed by all the South American states as an attempt to take together Mercosur and the CAN, it was funded in 2008 and Quito was chosen as the Secretary-General headquarters. Its internal structure is modelled on the EU experience, and it has as objective an "even closer union" of the South American people. In opposition to the CAN paralysis, the Unasur has intervened in many occasions to solve diplomatic crisis among its members (as in the aftermath of the Angostura attack) or within a national state (Unasur is very active in trying to create a confrontation between Maduro's government and the Venezuelan opposition) moreover, Unasur showed to be effective also in negotiations within other entities (others regional organizations, corporations etc.), for instance at the beginning of 2016, member states obtained, through negotiations between the Unasur and big pharmaceutical companies, an important cost reduction for some life-saving medicaments (as the therapies to treat the HIV or the hepatitis which were very expensive) ensuring this way effective treatments to the citizenship at an accessible price. The organization is also in charge of controlling the observation of democratic rules during political elections for instance an observing mission was displayed during the Peruvian 2016 election and the same was true for the elections in the Dominican Republic in April of the same year although the island is not part of the organization. The young organization seems to be the most stable and effective and this is because of its internal organization which seems not to be dependant to the internal political conditions of member states. As Correa expressed is discontent about the CAN, at the same time he pushed for an ever more active Unsur with a well-defined Ecuadorian role in it (for instance he is proposing a reform in the voting procedure, which is based on consensus, and in the event of the establishment of the South American School of Defence and Security Studies, he offered to install it in the Unasur quarter (in Quito) at least for the first years and ensure the involvement of the Ecuadorian government (in organization and monetary term) during all the phases of the project.

Correa gave to Ecuador a precise role in the American continent. During his first period as President of the Republic, he enacts all the reforms promised during the election⁵⁴, from the establishment of the new Constitution to the affirmation of the national sovereignty principle (not renewing the concession of the Base of Manta to the United States). In foreign policy he has been coherent during all his mandates (in 2016 he is still a protagonist of Latin American politics) but what about social and economic policies? The citizens' revolution is still in action? What about the post 2017 scenario, the democracy will last after Correa or the country will be caught again in the instability trap? The second part of this work has been thought to try to find an answer to these interrogatives.

⁵⁴With the only exception of corruption eradication in fact, even if Ecuador gained various position in world economic and social data (on the GDP, health system, poverty eradication), its corruption index is still very high.

Second Part

4. The second mandate: increasing political leadership

Correa's electoral mandate expired at the end of 2012 and new elections have been fixed in February of the following year. The mandatory popularity had not declined during the presidential years on the contrary, the AP leader although criticized by the industrial and banker elite, continued to be appreciated within the middle and lowest class. The social reforms enacted by Correa improved the conditions of the worst-off ensuring access to fundamental facilities as safe water, sanitation, health and education. Correa's detractors are usual to remark that other developing countries were able to obtain a higher level of growth during the period 2009-2012 (the financial crisis years 2007-2008 are often excluded by statistics because in a way the crisis affected almost the totality of world economies provoking in addition a remarkable decrease of the price of crude) causing at the same time an increment in citizens' revenues, what was not the case of the Andean Country. This objection is only partially true in fact, public wages were raised as well as a minimum wage fixed (before the AP government the minimum salary was not recognized so, the workforce was used to be exploited: people working in the third sector, with the typical eight hour working day, could receive just \$100 per month without working insurance nor working related rights) at \$350 for all the working categories. In a country characterized by the absence of any regulation in the working sector, it was a real step forward especially for the low income household. As demonstrated, the lowest and middle classes were the most benefited by the new social policies so, even if it is true that the increase of the GDP had never overcome the 8% ceil per year (the maximum level of growth was reached in 2011 with a +7.9% accredited by the World Bank), extreme poverty as well as illiteracy were more than halved. With these successes in mind Correa run for its third mandate, which should be its last one as the 2008 Constitution prohibits a third consecutive term⁵⁵. Notwithstanding the almost certain re-election, in 2012 he decided to resign for his vice-president Lenín Moreno⁵⁶, in order to involve himself for a full time presidential campaign.

⁵⁵ As specified in the first part of this work, the first presidential mandate (2006-2008) was regulated by the old Constitution so, albeit Correa started its Citizen's Revolution programme the counting of his presidency is made by 2009 when the new Constitution entered into force and new elections were held. On the point see chapter 2

⁵⁶ Lenín Moreno has been a very interesting and influential figure in the Ecuadorian political debate. He was Correa's AP run mate since the 2006 elections, and being paraplegic devoted all his government years to improve services for disabled people not only within Ecuador but also world-wide deploring the WHO which issued its first global report

The elections were not particularly interesting from a political point of view in fact, they deserved no surprises. What is very compelling in this second mandate it's the use Correa made of the past campaigns. His achievements seem to be used to cover current failures or policy stalemates, and as well as discontent started to appear, the use of communication got more and more heated.

As the first part denoted all the undeniable positive achievements of the Citizens' Revolution, this last part will focus on the most critical aspects of the socialist leader, especially underlying the "populist-shift" denoted by the use of medias and on a debatable oil policy.

a. Easy re-election and the use of mass medias: the Organic Communication Act

On 17 February 2013, the incumbent Correa obtained again the presidential mandate. Also in this occasion, as already happened in 2009, the first electoral round was sufficient to give Ecuador a new presidency. For the first time the elections were held under the new electoral law which was written with the aim of reducing Congress fragmentation, which was identified as one of the causes of the instability that has been the real character of Ecuadorian political history (as just written before, the 2008 elections were regulated by the "transitional measures" provided by the Montecristi Constitution). The new electoral law fulfilled the objective of limiting the number of electoral lists (the old electoral law allowed the candidature of presidential lists that obtained at least the 1% of electors' signatures, this provoked an elevated number of presidential candidates and lists which fragmented the electoral vote and led to the Congress a multitude of parties with a not clear political majority) in fact, the presidential candidates were only eight (in the past, having more than ten candidates was the praxis) although, excluding Correa, no one of them had a real chance of victory. The opposition resulted to be very fragmented and without a convincing political discourse so, Correa obtained his second presidency quite easily and without the necessity of a second turn. This event marked again the history of the country: Correa is the first president to obtain re-election and both times at the first round avoiding the ballotage. The result was partly due to have respected his past electoral programmes and the use he made of the medias, and partly to the organization (or better disorganization) of the opposition. In fact, Correa with his AP obtained the 57.17% of suffrages whereas the second positioned, Guillermo Lasso with his movement "CREO" obtained a mere 22.68%. The real losers of this campaign were Lucio Gutierrez and Alvaro Noboa that gained respectively 7% and 4% of electoral consent. Also this

on disability only in 2011. Maybe he is one of the few politicians (if not the only) which should compete with Correa in popularity terms but surprisingly enough in 2012 he declared his intention of abandoning politics. He should have been the best AP candidate for the next 2017 elections.

electoral turn was marked by old politicians incapable of giving new energy and ideas to the electoral discourse. The same Lasso is a well-known political figure, he worked for the Mahuad's and Gutierrez' governments occupying finance and foreign policy charge (he was designed by Mahuad as "super minister of Economy and finance" in 1999 with the intent of fight the financial crisis but he resigned after few months whereas, with Gutierrez he dealt with Ecuador-USA relations) his new movement CREO (it is another word pun: CREO means "I believe" and it is the abbreviation of the full length name of the movement Creating Opportunities) was established few time before by a coalition of a left-wing party with a centre-oriented party and some exponents of the industrial sector, maybe the good result reached in the elections is dependant of the ideological confusion of the movement. Where the electoral platform was mainly occupied by a populist military (Gutierrez) and the personification of the industrial class of Guayaquil (Noboa), the former head of the Ecuadorian Central Bank who had some government charges and was backed by a transversal, declared liberal coalition, should have appeared the best choice for the opponents of the socialist former president. In any case, the 2013 elections represented the affirmation of Correa and his Country Alliance party which obtained 100 over the total 137 seats available in Congress. The results of the elections for the Constituent Assembly were more than confirmed and the AP incremented its success election after election inducing to think that Ecuadorian political party system is the evidence of what Sartori⁵⁷ describes as a party system with a dominant party, if AP runs for elections its victory will be certain. It has been true for all the consultations held with Correa but the real challenge for the AP is its affirmation without Correa running for president. This is the uncertainty of the 2017 scenario.

At the basis of Correa's victory stands the achievements led by the government more than new ideas. In fact, the pivotal point of the political programme "*Gobernar para profundizar el cambio*" (governing to deepen the change) was the continuation of the Citizens' Revolution with all the social reforms enacted from 2009⁵⁸, the plus aspect was in the use of media and electoral propaganda. Correa who had the approval of the majority of low income classes but needed to capture also the middle classes, decided to left the presidency after the end of the mandate for a complete involvement in the political campaign around the entire country. Being the former

⁵⁷ Sartori, G. (1980). Sartori explained that the dominant party system is characterized by having more than two parties which take part in democratic elections but the dominant party wins all the time.

⁵⁸ In all the programme, a part a bench of new initiatives as the amelioration of the suburbs or the necessity for an agrarian reform, there was the intention of continuing the old ones with a direct use of past campaigns as "*vivienda digna*" or the elaboration of new claims to reaffirm past policies as "*la altivez del sur!*" (the Proudness of the south!) to re-establish the sovereignty principle also through south-south cooperation. The entire programme is available here: <http://www.archivoelectoral.org/documentos/programa-electoral-/594>

president he could take advantage from all the governmental medias to broadcast its electoral campaign: the public television even if indirectly, everyday proclaimed the government achievement as Telesur publicized articles mired to emphasize the change brought to the country undermining at the same time the other presidential candidates, the claim was: the country undertook a series of necessary reforms which gave dignity to all the population, the process needs to be accomplished and the only capable of doing this is the one that started it. The efforts of the electoral campaign, together with a lack of a real opposition candidate, as we seen allowed his re-election with a wide margin on his principal competitor. As discussed before, there is a clear cut between the two Correa's government. The first one was very effective, social conditions actually improved and Ecuador for the first time could experiment the healthy effects of political stability. The evaluation of the second electoral mandate is more controversial, government start to make massive use of propaganda to silent the opposition; Correa's verbal attacks to political opponents and to the press became more frequent and his political discourse get populist connotations. Moreover, political promises were not completely accomplished: in particular, one of his pivotal point was "*Todos juntos por el Yasuni*", "Together for the Yasuni", where Correa underlined the importance of leaving the oil in the soil for the achievement of energy independence through renewable sources. As written before, the Yasuni-ITT initiative was closed by Correa only few months after his re-election and exploring rights sold to oil companies.

The principal reform enacted by the new government is the new law on media. In his political manifesto the leader remarked the necessity of reforming the medias, giving the country a legislation which aimed to have unbiased means that enhance social inclusion. Actually, the will of enacting a new law to regulate all the media field was part of the Correa's 2009 electoral campaign but at that time the AP did not own the necessary majority to let pass it through the Congress; with its absolute majority, in 2013 the scenario had changed completely.

The new text, the Organic Communication act (*Ley Organica de Comunicación*) was published in June leaving with it exultances and protests. The law had as its objectives the improving of national productions (in terms of television format, movies, music and advertisements) the participation of the society in the media, and the social inclusion of disabled and indigenous people. Social inclusion was effectively fulfilled but there are many doubts on the real freedom of journalists (of the print as well as the television) and on the use the government made of public (but also private) media to its own advantage.

The organic law covers all the medias, the press as well as radio and television and should exclude the social networks or other web spaces where the citizenry acts freely⁵⁹ (art. 4 states “this law does not regulate the information emitted by private individuals on the internet..”) but this disposition, on the internet freedom, is not so clear in fact, if in article 4 is stated that the web is not regulated by this law (with the exception of internet newspapers and web-televisions), article 20, second paragraph, on the readers’ comments, seems not to coincide with which established before: “The readers’ comments left at the end of an article contained in legally recognized electronic medias, will be direct responsibility of the commenter” furthermore, to leave a comment is necessary that the reader is registered in the newspaper web site not only by an e-mail address and general data but also by introducing his/her identity card number. This last provision obviously discourages citizens to comment political articles because they could be object of legal persecution if not respecting all the norms contained in the organic law. But what kind of norms are we talking about? The law, at the first glance appears very liberal, it contains all the democratic and liberal principles which are typical of free multicultural democracies inviting to include and defend minority cultures and protecting the rights of expression of journalists and media communicators. For instance, art. 16 “Transparency principle” invites all the media to made public their editorial and informative policies together with their deontological codes remarking through art. 39 the freedom of the media communicators who are entitled to the conscience clause: the communicator cannot be sanctioned if he denies to undertake an action which is in conflict with the media deontological code or the ethic of communication and for the same reason he can refuse to sign an article which had been modified or censored by his/her chief. Art. 17 guarantees the right on “Free expression and opinion” for all the individuals in any mean of communication and art. 18 forbid censorship. Moreover, the “equal time” principle during the electoral period is established in art.72 with the objective of ensuring a complete information about the candidates, parties and policies to the audience. These articles are generally contained in all the media legislation of western countries but a further lecture of the law is necessary to catch all the controversial principles which seriously undermine the democratic view enshrined in the previous norms.

In fact, proclaimed as a democratic and inclusive legislation, the organic law has the power to became a real weapon in the hands of the government. First of all is necessary to introduce two of

⁵⁹ The 2013 Organic Communication Act, *Ley organica de Comunicación*, is available on the web-site of the Ecuadorian government at: <http://www.presidencia.gob.ec/wp-content/uploads/downloads/2013/08/LeyDeComunicacion-espaniol.pdf>

the most debated, and pivotal point, of the reform: the duty to respect the honour and the reputation of people (art. 10. 1a on the deontology norms) and the prohibition of media lynching (*linchamiento mediático* art. 26 states: “the diffusion of any kind of programmed and/or reiterated information, could it be direct or made by the use of third persons, which aim is to reduce the prestige or the political credibility of an individual, is forbidden). The latter is overused by Correa to undermine journalists and opponents when moving any criticism to the government but the contrary is not true. In fact, the AP leader communication is characterized by an extensive use of epithets when referring to political competitors or journalists, for example Guillermo Lasso who is one of the most credible candidate to the next presidential election, which will be held in 2017, is describe by Correa as a “compulsive layer”⁶⁰but this is only one of the many examples. Generally, when attacked he accused the opposition of organizing a diffused operation of lynching, and if the alleged “lie” comes from a journalist he asks for the “Right of rectification” contained in the article 23 of the law. The article states that in case of publication (or broadcasting) of an incorrect piece of information, the accused person has the right of declaring his/her version and the mean that spread the news has the obligation of publishing the counter-declaration in the same space and at the same time of the previous scoop (in case of newspapers the rectification will be published in the same section of the precedent news whereas, in case of television programmes the rectification will be given in the same television programme and at the same time of the alleged incorrect information). Actually, for Ecuadorian tabloids (El Universo or El Comercio just to cite the two principal national newspapers) containing a daily rectification is getting the norm. The mandatary exerts frequently his right on rectification but when called to rectify some declarations released during interviews or national broadcasted speech he very often denies; the case of the military schools and the incorrect numbers given by Correa is become well known in Ecuadorian press: during a usual “television chain” (exactly as the Venezuelan “*Aló Presidente*”, also in Ecuador there is a daily “*cadena*” in which the President of the Republic or a member of the government, talks about the achievement and the goals of the administration. The chains are broadcasted every day and contemporaneously in public as well as private televisions. This is another novelty introduced by the organic law in article 74) the president accused the naval marine of favouritism towards militaries’ sons. The Marine Commander in Chief, accused of favouritism, asked for a rectification of the president but this never happened⁶¹. Other problematics of the organic law are

⁶⁰ See the article on “El Comercio” <http://www.elcomercio.com/actualidad/correa-niega-error-procedimiento-isaias.html>

⁶¹ Article of El Comercio: <http://www.elcomercio.com/actualidad/comandante-marina-gobierno-rectificacion-rafaelcorrea.html>

based in the difficulty for a reporter to investigate about a story, especially if involved political exponents, because the use of eavesdropping without the consent of the interested person is forbidden, as well as the publication of documents which are considered private and covered interviews (art. 31 on the right of protection of personal communication); the right of privacy is not under discussion but in order to realize reportages on criminality and corruption, the publication of “not transparent” documents is essential. If in Ecuadorian television (as well as in newspapers) the broadcasting of reportages is almost inexistent, one explication relays in the text of this article. The law distinguishes among private, public and communitarian (communitarian medias are defined by article 85 as local media whose property belongs to no profit social groups, organization, or local communities) medias but all of them have the same obligations: they have to dedicate the 5% of their daily programming to the promotion of minority cultures (art.36) and under governmental request they have to suspend their programming to broadcast (the private media have the obligation to broadcast the governmental news without any monetary compensation) nationally governmental chain, moreover the public channels have to reserve at least one our per day to governmental programs on education, culture, health and job rights (art. 74-75). Obviously, the right to “equal time” which should be ensured in electoral periods results completely undermined by the electoral campaign of the party-government which could use the national chains not just to give relevant information but also for a simple electoral purpose. Last but not least, the freedom of the press as well as the right to receive a non-biased, precise information is at any time in real danger in fact, article 77 states that the President of the Republic can “Suspend the liberty of information” during a declared state of exception which is regulated by ordinary law. Finally, the new law on media hides some real menaces to journalists and reporters which are not at all free to conduct their job and it should be considered as a real weapon in the hands of government. Government which not only is entitled to broadcast propaganda nationally and at any time but also, is part of the guarantee organs that should observe and regulate the media environment (art. 47 establishes the Council of Regulation and Development of Information and Communication which is presided by a member of the executive and art 55 establishes a technical organ of surveillance, the Superintendence of Information and Communication, SECOM, whose president should be elected by the Council of Citizens Participation and Social Control among three candidates chosen by the President of the Republic). For medias that do not respect the rules of communication the guarantee organs, after having analysed the case, should issue monetary sanctions which consists on a 10% fine on the media prevents realized on the previous trimester (this is regulated under article 23 and 24 on the right to rectify and on the right on replication) or in case of personal responsibility of the journalist the fine should amount from 10 to 20 basic

unified salaries without excluding penal responsibility (it is established under article 30 on restricted information, it is the same norm that forbid eavesdropping and the diffusion of personal documentations without the previous agreement of the inquired person). From 2014, years in which the law entered completely into force, some newspapers were forced to close after continuing sanctions, this is the case of famous printed newspapers as Hoy, la Hora and El Meridiano, also persecution over journalist get a real issue. The case of the journalist Fernando Villavicencio had international resounding. The journalist was sanctioned for defamation towards the President of the Republic (together with a political activist and a member of the opposition) to eighteen months imprisonment more than a public apology and a fine of \$140000. The computers of the journalist, which were found in his private home, were seized by the police and, as the newspaper El Universo published a cartoon to denounce the irregular irruption, it was condemned by the Superintendence of Communication to pay a fine for the infringement of article 25 (medias have to abstain to give their opinion when a lawsuit is in action). The cartoonist Xavier Bonilla was called by president Correa as an “ink assassin” during a television interview broadcasted well before the judgment against el Universo. The Ecuadorian organization of the free press *Fundamedios* from 2013 registered hundreds of governmental verbal attacks against the press and denounced an astonishing increase of trials and fines against journalists. The same watchdog of the press is under the strict attack of the government which issued a number of lawsuit against it and it is put under a constant government attack, for instance in June 2016 the Government emitted a communique to ask the organization to cease immediately the publications of alerts: “the National Communications Secretariat (Secom) pressed *Fundamedios* to comply with current legal regulations and the rules of its own statute, claiming that the dissemination of alerts, messages and essays is evidence of clearly political positions that attempt against the social development that is stated as the main objective of this social organization”. After the communique the Secom started a lawsuit to dissolve the organization, the lawsuit was finally dismissed but the organization continue to be menaced by the governmental organs⁶².

Reporters without Borders and the Freedom House classified the country as one in which the freedom of press is not guaranteed (Ecuador is among the Latin countries with the worst performance on freedom of press and expression: Cuba, Venezuela and Mexico) so, the decision of Rafael Correa to give asylum in the Ecuadorian Embassy in London, first to Assange and then to Sneddon appears at odd with his way of understanding the media issue. In Ecuador the Asylum

⁶² Fundamedios own his web page in where is possible to find all the threats and lawsuits against the journalists ant the media sector. For further information, visit <http://www.fundamediosbajoataque.org/>

to Assange become a real “media” case, with many uprising performing all over the country: if our journalists are prosecuted, why our president is giving asylum to a journalist who acted illegally for our legislation? (art. 2 on the organic law asserts that media operators have to abstain to obtain information and images through illicit methods, as the publication of documents is forbidden, the decision of president Correa of conceding asylum to the co-founder of Wikileaks appear to be a foreign policy manoeuvre and not an act enacted to protect the freedom of press). The Assange’s case was used by Correa as a bare mean of foreign policy to remark the dangerousness of the United States in fact, Assange declared that the alleged accusation of sexual abuses moved by Sweden are in reality an organized CIA plan to take him to the United States (Wikileaks is accused by the USA of having attempted to national security) where he could be sentenced to life imprisonment. Ecuador resulted to be a country in which the freedom of press is seriously undermined and there is abundance of evidences of the critical relationship that Correa has with journalists so, the protection of Assange is a way to hidden the country uneasy situation to the world and the use of anti-USA dialectic is a confirmation of the foreign policy enacted during his first period.

Together with the daily use of “national chains”, Correa spread his personal messages through a massive use of Twitter. With his public account, @MashiRafael, he does not limit himself to inform about institutional visits or country achievements but his tweets are focused to undermine the political competitors. The dialectic he uses on Tweeter, if possible, is even more explicit and hard then the one used during interviews and the recalling to the “mercantilist print” (in his word “*Prensa Mercantilista*”) is an omnipresent claim. His account his very active, almost every day there are new tweets, and curiously enough, through his Twitter page he follows only 6 accounts (the Pope, the Argentine former president Christina Fernandez de Kirchner, the Colombian president Santos, the Venezuelan death president Chavez and the actual president Maduro and his political party Alianza País), this should be a signal to understand the use he made of the social network: it is not a forum to seek confrontation but a direct way to spread his propaganda. In fact, if in the newspaper website the typical section “leave a comment” is almost disappeared because of the limitation of the Organic law which impose the identification of the commenter with a personal document, the tweets of the president own numerous comments, the majority of them are made by Correa’s electors but there are also who dissent with his messages. Correa (or more probably his communication staff) never replies but let his admirers to take his defence. This is a smart move to obtain young voters loyalty, this way citizens fell more active and passionate to the AP political discourse.

To sum up, the Organic Law on communication own a bench of democratic principles, the most interesting is the commitment to defend and enhance minority cultures, especially the numerous indigenous communities established in the Sierra and Orient regions. The obligation of public television of broadcasting also in indigenous idioms and of dedicating a percentage of their programming to documentaries or reportages about minorities cultures is an effective method to fight discrimination and obtain social inclusion but the means of communication resulted to be partially dependant from who exerts the executive function , this is especially true for public television which have the entire programming under the control of the Council of regulation which can censured television programmes more than imposing the spread of government propaganda but also private televisions and newspapers as shown before, are constantly under the government attention and the rigid ontological code impedes the realization of free and accurate reportages and news. The evidence is in the daily television and radio news, during my stay in the country I had never listened nor watched a political debate or a news on some initiative proposed by a party different from the Alianza País. All the programming on the free emittances contained mainly soap operas, trash shows and television news, these latter broadcast only information about local crime (especially thefts perpetrated in Guayaquil), car accidents and interviews to witnesses of a crime scene. As far as foreign information is concerned, the only focus of television news is on accidents (for instance airplane tragedies, train disasters, cruel homicides) and on the Venezuelan international and national situation. Politics is inexistent a part from the “national chains” and government propaganda: interviews to enthusiastic people that could access freely to health care or mothers satisfied to have sent their children to school without facing with the high expenses of textbooks and school material. The country situation on the freedom of press is not any reassuring; local newspapers reflect the same symptom of non-pay per view television channels: a piece of good news is very difficult to find because the Organic Law is so restrictive that the only articles which are possible to publish without the fear of any retaliation are about gossip, international scandals, accidents and small crime. More reliable and qualitative newspapers (albeit with the limitations described before) are the ones delivered at national level (as La Hora, El Comercio, El Universo) but in small cities or remote villages and communities finding a national newspaper is quite hard, newsstands and little shops are filled with local dailies, the majority of them freely distributed. This undermine the consumer’s (or better the citizen’s) choice to elect the source from which take information about his/her community, nation and the world. To escape from the ties of legislation, journalists and media operators begun to extend the use of the web, not only thorough the on-line version of national newspapers (that as we have seen are under the regulation of the Organic Law on Communication) but especially through blogs and social networks. But again, the

access to the web is generally facilitated to educated people who have a real interest in searching information beyond the propaganda broadcasted by the government. The same educated (generally young) people are the targeted audience of @MashiRafael Twitter account in fact, the majority of the followers and commenters of the president are young people, from 20 to 40 years old, familiar with the use of the net and who could easily find counter-information through unofficial medias or international dailies (especially the Spanish “El País International” for obvious language and cultural reasons). Censorship, as remarked in article 18 of the Communication Law, is forbidden because the medias “have the duty to cover and broadcast all the issue of public interest”, but what happens in the country is exactly the opposite to that simple principle. Unbiased, accurate and free information is very difficult to find because of the continuous attacks to the media operators that are often put under civil and penal lawsuits so, what really happen in the country is a sort of “preventive auto-censorship”: critical articles on politics or reportages on political and administrative corruption are simply avoided.

b. *The ecological failed revolution: from withdrawal of the Yasuní-ITT initiative to the Pacific refinery*

Together with the reform of communication, another important point of the 2012 Electoral Programme was the achievement of the energetic sovereignty (it is the fourth proposal of the AP electoral programme “¡Soberanía Energetica!) together with the fulfilment of the Yasuní-ITT initiative contained in the paragraph of the “Ecologic Revolution” with the slogan “Leave the oil in the soil”, Correa underlined the importance of reaching a full energy independence. In fact, even if Ecuador is an oil exporting country his revenues are produced by crude exportation but as far as refined oil and chemical products are concerned, the country relays on import because of the lack of refineries. Moreover, the production of energy from renewable sources (mainly hydroelectric and geothermic) is not reliable, the power plants are obsolete and not sufficiently developed to ensure a massive electric production: the communities that receives electricity from sources different from oil or gas are subject, and this was especially true for the past decade, to “*apagones*” which are brief but continuous blackouts. The AP energy design is about the construction of new ecologic power plants other than the recuperation of the old ones, the starting of new refineries project as the “Refinery of the Pacific” (*Rafineria del Pacifico* should have been one of the biggest refinery of South America, it was an ALBA project undertaken with the Chavez’s auspices. It was not the only project of a refinery promoted by the Bolivarian leader in fact, also in Bolivia and

Puerto Rico there were similar projects and all of them remained incomplete) and the national exploitation of mines for the extraction of minerals used in the technology industry: do not export the minerals but using them in the country to produce electronic pieces to resell abroad having an increment on the export price instead of continuing to sell only rough material and the same was true for the oil. Correa's aim is producing refined oil (which cost is by far superior then the simple crude) to reserve the 40% for national energy consumption and the rest to export. In any case, a real intention of renouncing to the oil did not appear in any section of the electoral programme. One of the last proposal is the "Ecological Revolution" in which is inserted the initiative to protect the Yasuní by leaving the oil in the soil. The initiative evidently, is at odds with the exploitation of the oil needed to reach the energetic independency as well as to improve the commercial balance (being the Yasuní soil particularly rich in fossil fuels). From this point of view, the announcement made by the President of the Republic the 15 of August 2013 should not be so unexpected for a well-informed spectator. In fact, exploring and extractive activities in the Yasuní National Park were already carried out in blocks 31 which is very close to the ITT (block 43). Even if the ITT-Initiative was abandoned in 2013, a year before *Petroamazonas* started the construction of a road to reach the block 31, road that affects also the ITT. The building of the road begun without the previous consent of the Congress (and maybe the same Government was ignorant about it. As the entire project was made without full transparency, being sure about the government involvement in the construction of the incriminated road is almost impossible. There are no documents that can support the ignorance as well as the involvement thesis. What is sure and well documented is that since 2007 a partnership between Ecuadorian companies and the Chinese government through the Chinese Developing Bank⁶³ and Chinese companies as *Sinotech* were well established) and the entire project did not respect the Environment Impact Study (EIS) that the company inherited in 2009 after the renounce of the Brazilian oil company Petrobras (so, years after the launching of the Yasuní-ITT project the government conceded oil exploration contracts in blocks adjacent to the ITT, in 2007 Petrobras realized a low-impact project to drill the oil in the National Park. One of the pivotal point of the EIS was the construction with cutting-edge technology of a pipeline which should be run outside of the national park together with the exclusion of the building of an access road to transport the crude between the processing facilities and drilling platforms: it would be done through air transport with the lowest environmental impact) moreover, in documents sent

⁶³ The Guardian published the proposal made by the Chinese Investment Bank to the Ecuadorian government on 19 February 2014, the document was took down for pending investigation after two days from its uploading and finally restored in March of the same year. Currently is available at: <http://www.theguardian.com/environment/interactive/2014/feb/19/china-development-bank-credit-proposal-oil-drilling-ecuador1>

after Congress many requests, the company denied the breach of the EIS, the road was maintained hidden to the public opinion until environment organizations and researchers of the University of Padua revealed the images of the road to the world. On October 2013, the Congress approved with an absolute majority of 108 against 25 the proposal of exploiting the ITT block. Part of the concession was given to Petroamazonas (which is a national company in joint venture with the Chinese Sinopec and Petroecuador) which received the same approvals of the block 31. The preoccupation of environmentalists is about the praxis of not respecting the EIS with serious impacts on the environment and on the indigenous populations that live in the Yasuní⁶⁴, in fact the concessions for the exploitation of the ITT were conceded on the basis of the block 31 agreement and without investing about the real environmental impact that the project is having in the Ecuadorian Amazon. Moreover, studies conducted by the University of Padua and ONGs such Amazon watch discovered that the oil contained under the Yasuní National Park own the same quality of the Lago Agrio reserves: there is a high percentage of water in it. In Lago Agrio the country had experienced one of the most famous world ecological disaster committed by an oil company for not having respected the environmental impact agreement contained in the drilling concession. The lawsuit between Ecuador and the Us-company Chevron (which relived the responsible Texaco) under the US-Ecuador BIT agreement is in place since 1993 (it is important to remark that ICSID do not own the jurisdiction of the case because of the withdrawal of the Andean state from the ICSIS convention notified in July 2009). After long trials the controversy is still in action and Chevron had never accepted to recognized the environmental damage provoked by the mismanagement of oil effluents. The perspective of another Lago Agrio like disaster is just around the corner if the public authority does not put the company under a strict surveillance.

The withdrawal of the Yasuní-ITT initiative had a high resonance nationally and internationally. President Correa, as mentioned before, justified his decision by the inconsistency of the donation collected in the trust fund. Ecuador needed oil revenues to implement the Citizens' revolution, the world failed with the Yasuní forcing him to enact the sadly famous "*Plan B*": the drilling of the ITT block. In recent times emerged documents stipulated between the Ecuadorian Government and China showing that well before 2013 the government was taking in serious consideration the hypothesis of starting the drilling in the ITT. The document published by the Guardian dated back May 2009, few months before the Copenhagen Conference on Climate Change where, the Yasuní-ITT initiative was considered one of the only concrete proposal discussed during the conference⁶⁵.

⁶⁴ Pappalardo, De Marchi et al, 2014

⁶⁵ Falconi, F. 2010

The negotiations started on the 2nd April and the first round closed at the end of May, Ecuador obtained from the Chinese Investment bank a loan of \$1000 million (in 2013 the trust fund collected just \$200 million well under the threshold auspicated by Correa and the immediate liquid flow obtained by the CIB) in exchange of 36000 barrels of oil per day for two years (with the possibility of extend the loan) moreover, to the pre-agreement was joined a last second clause: the Ecuadorian Government commits itself to favour Petrochina and Andes Petroleum in the exploration of the Yasuní ITT and 31 blocks⁶⁶. The Yasuní oil deal had a high impact on public opinion and it represents the principal deception of the AP government. In fact, all the negotiations which have been maintained hidden to the public opinion for the longest time possible, had seriously undermined the Montecristi Constitution that officially recognizes and protects the Rights of Nature causing the breach of article 71:

“To the Nature or Pacha Mama, where life is produced and realized, is entitled the right to be protected. Everyone have to respect her right of preserving integrally her existence without altering her vital cycles, structure, functions and evolutionary processes. Every person, community, population or nationality shall require from the public authority the accomplishment of the rights of the nature [...]

The State will incentive all the private and juridical person, and all the Collectives to protect the environment, and it shall promote the respect towards all the elements that are part of an ecosystem”.

In defence of the Yasuní was created a world movement “Yasunidos”, which as its principle move started to collect the necessary firms to call for a referendum: the Ecuadorian law establishes that to call for a referendum the collection of at least 5% of the electoral body signatures is required. The petition campaign started on October 2013, only few days after the Correa’s announcement. The exact number of required signatures amounted to 583 324 and in only three weeks the movement collected around 400000 signatures and it had time until April 2014 to reach the legal number⁶⁷. The initiative was publicized also in newspapers as El Comercio, but in an interview

⁶⁶ Document on the Guardian. See note 63

⁶⁷ The declaration was made by Antonela Calle, one of the spokesperson of the Yasunidos Movement. For more info visit the article on “El comercio” at: <http://www.elcomercio.com/tendencias/yasunidos-concluyo-campana-de-recoleccion.html>

released to another newspaper (closer to the regime), “Ecuador Inmediato”, the mandatory declared that the information contained in the article and in the online leaflets to promote the petition initiative was incorrect, in fact there was a print error, also recognized by the movement, in the calculation of the hectares that would be affected by the oil exploitation. Correa stated that will be exploited only 200 hectares of the national park and all the signature collected by the article or leaflets containing the false information are simply not valid because, on his words “If someone signs a document on the basis of a false information it is illegal. This is very dangerous because they are presenting a false information”. Moreover, in a national chain he stated that “those children” (in referring to the activist of the Yasunidos movement) were desperate because they knew that would have been impossible to reach the exact amount of signature because the total majority of the country sided with the president and they knew that an infinitesimal exploitation of the Yasuní would generate uncounted benefits for all the Ecuadorian population. The mandatory enlisted the benefits that the exploitation will bring to the Country and ended the interview with words that should not leave any doubt about his intention: “Why do I have to ask for a consult when I have the power to decide?”⁶⁸

The interview coincided with the end of the signature campaign, the signatures were deposited to the Electoral Tribunal (CNE), the organ which should control them before to proclaim the referendum. It found some irregularities in the collection process and Yasunidos activists denounced violent acts committed by the militaries and the police to stop their pacific manifestation after the CNE decision. In a press release on the Yasunidos website, the movement explained its denial of continuing the initiative within the national borders: the government demonstrated clearly not to be open to a confrontation and the same CNE is under the government control, in any case they will do all the necessary to defend the signatures also by bringing the initiative to the international attention⁶⁹. The initiative left the Ecuadorian borders and the movement joined other environmentalists NGOs but at the national level the initiative went to a stalemate and the government in 2014 started to drill in the ITT block. The above mentioned constitutional article on the right of the *Pacha Mama* was breached by the same party which inserted it in the innovative Montecristi Constitution. This is, without any doubts, one of the biggest failures of the Correa administration which declared the *Buen Vivir* as the pivot of the Ecuadoran Revolution, it built two

⁶⁸ The interview released to Ecuador Inmediato is available here: http://www.ecuadorinmediato.com/index.php?module=Noticias&func=news_user_view&id=2818758664

⁶⁹ Yasunidos press-release available on the website of the organization at: <https://yasunidosinternacional.wordpress.com/press/press-releases/>

electoral campaigns on the necessity of leaving the ITT oil in the soil to protect one of the most biodiverse areas of the world but, as all the low income country generally do, also the Citizens' Revolution ceded to the possibility of receiving a fast cash flow by foreign loans (mainly from China) which tied the government to give oil at a low real price for years.

As seen before the oil was at the centre of Correa's 2013 presidential campaign, Ecuador have to export crude oil because it does not own refineries to transform the crude in petrochemicals and refined fuels as gasoline or diesel. This evidence not only undermines the position of Ecuador within the OPEC but also is a real impediment to the complete exploitation of the rare resource. In the AP electoral programme is remarked the proposal of completing once and for all the Refinery of the Pacific (*Refinería del Pacífico Eloy Alfaro Delgado*). The project started in late 2007 by a bilateral agreement between Venezuela and Ecuador, the project should be developed by a joint venture between the Ecuadorian Petroecuador and the Venezuelan PDVSA. An environment monitoring centre for the implementation of the project was opened in 2008 near the coastal city of Manta, in fact the refinery should have been realized in El Aromo, a municipality near the principal city of the Manabí province. In 2013 The Commercial Bank of China and China National Petroleum ended the negotiation with the Ecuadorian government to finance the project. The refinery should have been completed in 2017. The megalithic construction required a very high financing (about \$10 billion) that Ecuador should realize without the participation of the Venezuelan oil company (with a share of almost the 50% of the joint venture) which withdraw from the project in 2015 (due to the harsh economic-political crisis that is shaking the country, crisis that started in 2011/12 but after the Chavez' death become even more unbearable), Ecuador looking for the participation of the CIB and Sinotec, and the conclusion of the entire refinery had been once more postponed to 2019. In 2013 Ecuador received \$703 million of foreign direct investments, (the majority of them from China, Spain and Italy) a part of them was used to start the project⁷⁰. Official declaration about the current cost of the infrastructure, as well as the amount of the loans, are not available but the independent anti-government journalistic forum, *4Pelagatos*, calculated the starting cost of the project at \$1200 million⁷¹. Notwithstanding the national propaganda the project is still at his initial phase.

The refinery would be very important for the country economy but at least for the moment it seems very unlikely that the deadline for its construction will be respected moreover, it requires a big

⁷⁰ Eclac 2013 report on FDI in Latin America and the Caribbean

⁷¹ The critic article on the mega construction is available here: <http://4pelagatos.com/2016/05/24/en-el-paraiso-de-glas-la-refineria-del-pacifico-es-una-flor-mas/>

amount of investment which is really unbearable for the finance of the small Andean country. The risk of depending from China loans on the long period is not so remote in fact, China through his banks or government managed company is the only country which seems to be available and able to have consistent cash flows towards the country, and there is no reason to believe that future loans will not undertake the well-established Chinese model: money now for facilities (generally crude, in this case petrochemicals or refined oil) now and tomorrow. The restructuring of green energy power plants project seems to be more feasible, it would require a lower monetary investment and the maintaining works will not take decades until to be finished moreover, it could ensure to the population an effective service independent from energy imports. The real question is if the citizenry really feels the need to abandon fossil fuels for household consumption, and if the government have a real will of converting the national energy sector. Electric bills in Ecuador are very low, a typical family composed by four members, in Guayaquil pays around \$16 per months so, the population is not adverse to the exploitation of the national oil (as the importation of electric energy which in any case has an actual low impact on the household management) moreover, an effective conversion of the energetic system would take some years and for a period would be necessary either an increment of the energetic bill (to cover the cost of new plants, infrastructure and so on), or the rising of taxation. Both measure would be very unpopular, and generally governments avoided to undertaken unpopular decision especially when they are in a period of turmoil.

5. Is this the last presidential mandate?

The presidential mandate will expire in 2017, the elections have been fixed by the Electoral Council on the 19 February. As the 2008 Constitution limits the number of consequential mandates to two, Rafael Correa cannot present his candidature to the presidency. The Alianza País will be able to run for the elections without his charismatic leader and founder?

Correa last mandate have been more complicated than his initial phase, the international oil price in 2014 began to decrease and the growth of national economy started to decelerate as well. Notwithstanding the uneasy situation, the government never stopped to ensure social services as free health and education moreover, for the first time in country history the foreign debt, in 2015, was completely repaid. In order to allow the country to maintain all the services enhanced with the Citizens' Revolution and at the same time honouring the external debt, for the first time the government had to enact fiscal measures which creates a real malcontent in the country: an inheritance tax (finally applied in 2016) and the application of external tariffs on imported goods. This last manoeuvre led to an important upsurge in the prices of electronics and electric goods, as will be examined in the chapter, the president motivated the manoeuvre with the necessity of maintaining the Dollar in the country, stimulating at the same time national production. In any case, the period 2014-2015 has been particularly "fragile" in terms of Correa's popularity. The mentioned measures were used, especially by the Mayor of Guayaquil, to oppose to the entire AP government programme. In these years, popular unrest began to spread in all the biggest city of the country: the trigger of social protest was not in Guayaquil, as one could expect, but in the capital city, generally close to the government. As well opposition attacks became more frequent and popular upheavals were getting more participated, at the same time Correa's image began to change. He took all the maximum advantages from the new law on legislation, governmental spots in national chains were broadcasted every day, and he reiterated harsh personal attacks towards opposition and the media. The aim of this chapter is the examination of the current situation in the country trying to answer to the biggest interrogative of this work: Is this the last mandate? Without the charismatic leader is political stability at stake? What about democracy?

a. Fiscal measures and the foreign debt: it is all about “aranceles”?

Since March 2015 the climax in the Andean country was completely polarized by the debate on external tariffs. This should be a technical measure, generally not debated among common people whose attention is on the daily services as for example the correct functioning of social structure and public services as well as direct levy and taxation. In fact, an increase of taxes directly affects the daily life of inhabitants and a worsening in public services implies a major request for private ones which has a direct effect on the monthly expenses of common citizens. From the beginning of the Correa’s era Ecuadorian economy boosted, infrastructures improved and social services which were not accessible to inhabitants of remote communities and to the country worst-off in general were subjected to the elimination of any access barrier: this was true especially for education and the health system. This kind of public policies generally affect the long period: in just few months is impossible to build new roads, hospitals and schools, the process is longer but once completed the positive outcomes are visible on the long run. The social reforms undertaken from 2008 on words, in 2015 were fully implemented. The road system was almost completed as well as the construction of new health structures and advanced university poles as the Yachay Tech University⁷² (in 2012 the City of Science project was undertaken. Yachay is a technological university based on the functioning of the MIT. The university is situated in Pichincha province, to reach the nearest city, Quito, takes two hours so, the project is the building of an entire technological city that surrounds the university) that in 2015 inaugurated its first academic year.

Looking at this fact, understanding the general malcontent on the new tariffs on trade is almost impossible. Again an approach from the inside is beneficial to analyse the phenomenon from a different perspective. The president made his announcement in the beginning of March. All the local televisions, newspapers and radios were on the news stressing the attention especially on the incremental of the price of imported food⁷³. The external tariffs hit from 5 to 45% the prices of imported good. Even if Correa remarked that the measure would not affect basic products and school material, in reality the tariffs were directed to the totality of imported goods with the sole exception of medicaments⁷⁴. If it is true that Ecuador is a great producer of fruits and food in

⁷² The University has the ambition of becoming the incubator of Ecuadorian innovations. The institutional site is available here: <http://www.yachay.gob.ec/yachay-area-academica/>

⁷³ El universo describes the panic of owners of little food shops, very diffused in the country: <http://www.elcomercio.com/actualidad/arancel-alimentos-importados-ecuador-balanzadepagos.html>

⁷⁴ The government decree with the list of products subjects to the external tariffs is available on the Ecuadorian Government website: <http://www.comercioexterior.gob.ec/wp-content/uploads/2015/03/Resoluci%C3%B3n-011-2015.pdf>

general, is also true that it depends completely on imports because its economy is mainly based on the primary sector: agriculture and fish farming, and rough materials as oil and minerals. National industry is mainly active in the textile and food sector so, incrementing the price of Chilean fruits as well as Colombian condensed milk is not a negative move for internal consumption: Latin American countries produce more or less the same goods, in period of internal crisis is understandable that governments chose to facilitate internal production and consumption. Unlikely enough Ecuador (as Bolivia, Venezuela, Colombia and the majority of LA countries) had not an advanced industrial sector and for all the assembled products it relays completely on imports: this is the case of computers, mobile phones and technology in general as well as chemicals (from paints to fertilizers) and materials for construction (floors, tiles, and furniture in general). This kind of goods before the external tariffs which were implemented in April, costed almost the double than in the US or Europe: for instance, the price of a smartphone considered a “old model” for the European market (for the specific case the Samsung Galaxy Prime, which price in Italy, in march 2015 was around €100), in one of the main electronic retailers was available at a price that the European market reserved for the medium-high band products, the same observed Samsung phone was sold at more than \$210. More the double of the price found in European (as well as North American shops). Electronic goods were subjected to an increment of the 45%, so in April the same non-cutting edge mobile phone reached an unthinkable price: more than a basic salary (which is around \$300). That is the motivation of the extreme opposition to the increase of the tariff on trade (which affected also the building materials). Correa motivated the move with the need of maintaining the dollars in the country borders: as Ecuador do not issue a national currency it is dependant to the decisions of the U.S Federal Reserve, the appreciation of the dollar together with the plumed of the cost of the crude were endangering the economic situation of the country. Moreover, the increment of the price of non-basic goods (as food, medicament and all the public services) should push the Ecuadorian industry to produce assembled goods by its own. The freed of university education, on Correa’s taught, had exactly this aim: forming new talents to develop the national industrial sector. The new technological university of Yachay (which in Quechua means knowledge) it is a real investment towards the production change. But exactly as the Pacific refinery, the cost of all the project is unbearable in a period of economic stagnation, the university starts to function in 2015 but the City of Science is still a project, in the time of writing the university stand alone in the middle of former corn fields and the same university services do not works perfectly because of the lack of investments. A Spanish professor who thought for a brief period in the university, Fernando Albericio, declared to the IBS times that the cutting edge project is suffering from mismanagement of public funds, laboratories are out of work because of the lack

of electricity and the administrative structure is in a stalemate as well⁷⁵. This is another important project for the country which destiny is to remain incomplete if the ruling administration do not raise the necessary investments moreover, it is very dependant from Correa's will. The realization of a scientific pole which could attire the best national talents is a dream of him, in the event of the election of a new government politically far from the AP, the renounce to collect the necessary money to end the work is almost certain. In any case, the development of national technologies is a policy that would generate its outcomes in the long run, years maybe decades. In the meantime, the exorbitant price of electronics provokes an increment of private debts and small thefts. In fact, almost every Ecuadorian people own a computer, tablet as well as a smartphone but the only way to obtaining technologic products legally, is by obtaining credit (generally by payment installing which are very diffused or by credit card) or asking people living abroad to bring the technology stuff to Ecuador (almost every Ecuadorian family has some relative that emigrated to the US or Europe. That is the explication why the majority of the electronic devices carried in the streets of Ecuadorian cities are models available only in the European or US markets, or are set to the European time zones). The government to hinder this phenomenon has restricted also the custom norms: citizens with an Ecuadorian passport cannot introduce in to the country more than a new device. The same restriction is for Ecuadorian families, is allowed the import of different devices but only one of the same kind for the all family: for instance, if a family composed by four member carries four new phones, three of them will be sequestered (or charged with the import duty) by the custom officials but they can carry one phone, one personal computer, one television and one tablet. This caused a high increase of robberies, in Guayaquil is impossible walking when talking to the phone or simple taking it to watch the time because pickpockets are around the corner. In zones as the "Bahía", a covered market in the centre of Guayaquil, is installed a well-organized black market where is possible to find all the technologic devices at reasonable prices (even if one is able to left the market without being the subject of an assault), devices especially smartphones which are obtained through the street thefts and assaults.

Together with the "*aranceles*" case, as the tariffs on import are called in Spanish, another measure that provoked the hostility of the public opinion is the entrance in to force of an inheritance tax. It is important to remark that the tax is proportional, its value from 2.5% to 70.5% of the inheritance would affect only patrimonies above \$35400⁷⁶. Even if the majority of people would not be affected

⁷⁵ The interview released to the US newspaper is available here: <http://www.ibtimes.com/ecuadors-silicon-valley-quito-bets-big-be-south-americas-next-high-tech-powerhouse-2196602>

⁷⁶ The official document presented by Correa on the application of the tax is available on the national newspaper El Comercio: <http://www.elcomercio.com/actualidad/impuesto-herencia-correa-tasas-donaciones.html>

from the new tax, the simple announce of it spread the panic throughout the country. Even if the government do not explain the real motivation of those two financial measure (apart from the alleged necessity of boosting internal production and the partly true reason of the appreciation of the U.S Dollar), it needed to raise money to repaid the foreign debt. As explained before, after the default and the extreme move to repaid the bonds at the halving of their value, Ecuador was maintained outside the bond market, but its 2015 bonds were recognized as legitimate by the ad hoc financial commission called to obtain the restauration of the debt. So, the 2015 bonds were regularly in the international financial market and in December the government repaid all the bond honouring the debt and regaining in international credibility. The repayment process was very difficult because of the economy distress so, the rising of taxes had been an effective measure to restore the state finances.

In these last years (2014-2015) street protests, became to pervade the country and the opposition parties used the debated financial measures against the country administration as a hole. The opposition manoeuvre had resonance in the whole country and the citizenry became to manifest its dissent towards the government. The problem of that dissent is that the sentiment of indignation towards the Correa's government is only about questions such the tariffs on imports. The government had to repay its foreign debt so in this case the Machiavellian famous quote "the end justifies the means" fits perfectly. The real problem of the Correa administration is the strong opposition to free press and the lack of a real opposition recognized in the country as a whole. In fact, what happens is that opposition is fragmented and it is not only a concern of party fragmentation but especially territorial fragmentation. The centre and the periphery have always been separated through the established Quito-Guayaquil fracture, with the consequential formation of local parties and movements. Correa with his AP represented the first case of a party (and a leader) with a national vocation, well established party as for instance the Social -Christian Party, has a precise territorial base (in this case Guayaquil) beyond which is very difficult to have the same strength.

The fracture Quito- Guayaquil is very critical for the unity of the country and the instauration of really recognized countries. This was true from the independency of Ecuador from Spain. The process of state-building was quite fast because the predominance of Quito was never questioned but Guayaquil thanks to its port and to a favourable climate developed industries and big plantations export-oriented in all its regional zone (the Guayas province). The economic centre begun to attire people from all Ecuador, transforming in few years Guayaquil in the most populated city of the country. Its municipality developed infrastructures and city projects (as for example the

Malecón 200 build under the administration of León Febres Cordero, which is together with Jaime Nebot the most appreciated mayor of the last decades) to affirm its identity and pushing towards state decentralization. More than the 20% of the country GDP is produced in Guayas, region which also guess the majority of the banks of the country. The financial power is in Guayaquil, as well as a great amount of the country food industry. Guayaquil presents all the problems of the industrial cities of developing countries: overpopulation, over pollution, traffic and social imbalances. Rich “*ciudadelas*”, that are small urbanization with all the necessary services including private vigilance, practically form a kind of “country in the country” are build few steps from “*barrios*” poor suburbs characterized by a significant level of crime and all sort of social problems deriving by poverty. Having this aspect in mind, is easy to understand the importance of Guayaquil in country politics and why social unrest generally begun here (with the exception of the 2015 manifestation against Correa which had more sounding in Quito) moreover, the malcontent in Guayaquil is all about economic measures without a real political concern because, from a cultural point of view, the city is quite silent. One of the principle indicator of the lack of incentives to improve political and social culture is in the absence of bookshops: citizens of Guayaquil are not used to read books, this is not true only for university students. In all the cities there are less than ten bookshops (the majority of them are situated in the biggest commercial centre but sell mainly romances and stationary products, the only shop outside a commercial centre is the library and bookshop of the Spanish Institute Miguel de Cervantes). The situation in Quito is completely different, bookshops are in all the street of the city, also far away from the university poles. If upheavals towards government measure for the Yasuní as well as for the freedom of press begun in Quito is certainly due to the higher cultural and political conscience of the inhabitants of the capital. The two cities are different in many aspects, and the formation of political parties which could be able to satisfy the needs of both are very difficult to emerge. Maybe the political platform CREO is the only one which could question the AP power especially in the event of a dismissal of Correa.

b. *Ecuador after Correa: what type of regime?*

The Correa administration, with its up and its down, is quite come to an end, only one year left to new elections. Notwithstanding the current upheavals and the massive use he makes of the mass media, the Ecuadorians generally approve all the path undertaken by the country since the first Correa’s apparel in the Carondelet Palace. Social conquests are undeniable, and for people living in villages or small cities is very difficult to find a real reason not to trust Correa and his party. In big cities, where information is easier to find (through the internet as well as national and

international newspapers) the situation is different. Dissent towards the government proliferate in big cities as Quito and Guayaquil (even if sometimes for different reasons), especially in that middle classes that were the soul of the 2005 “*forajidos*” protests which lead to the affirmation of the Movimiento País as a national and stable reality. The middle classes took advantages from the implementation of social and public services but they are the principle target of the economic crisis which is menacing today Ecuador.

Ecuador lived decades of turbulence, where instability was the principle characteristic of the regime and military dictatorship a praxis. Correa inaugurated a new époque, his administration was the first one to finished an entire mandate in almost twenty years. With stability the country could enact important reforms gaining also in international credibility. In the first presidential period the quality of democracy was implemented favouring the exit from the so called “Banana Republic”: brief governments, mainly not democratically elected that follow neoliberal policies often induced by external forces, but without having a solid economy to motivate the policies. A regime which welcomes foreign investors and multinationals without receiving a real advantage from them and continue to relies on exports of rough materials and not processed goods mainly fruit, from there the connotation of Banana Republics, being bananas the principle export source of this regimes.⁷⁷ The social condition of population was ameliorated, poverty halved and illiteracy almost eradicated. But all the achievement of the first period are likely to be undermined by the phenomenon that Sanchez Parga describe as the “Democracy of Caudillos”⁷⁸. Democracy of Caudillos is similar to the concept of hybrid regimes elaborated by Morlino⁷⁹: a partly free regime that had exit from a dictatorship period but the democratic context is uncertain. The difference from a transition period and a hybrid regime is in the time lapse in fact, a transitional period to democracy last no more than ten years. An example of a country which had a transitional phase is Chile after the end of the long Pinochet dictatorship. The transitional period last until the nineties and was essential to the establishment of a full and stable democracy as the one that current Chile own. Ecuadorian case is different, in fact from the end of the seventies and the establishment of the “Democratic era”, the small country *the facto* has never had a real full fledged democracy. Correa took a country which do not know the meaning of political stability and had a series of consecutive dictatorships. The country entered in a new era, its regime is classified by Freedom House as partly free but it seems unlikely that it could develop to a free regime. In fact, Correa government own

⁷⁷ Correa R. 2009, Ecuador: de Banana Republic a la No República.

⁷⁸ Parga, S. J. 2009

⁷⁹ Morlino, L. 2011

all the characteristic of a “Democracy of Caudillos”: there is a high use of mass media which have effectively replaced the debate in the Congress, the leader can account on a high approval from public opinion which is used to hinder the debate with the Congress minorities moreover, political ideologies tend to disappear and the political debate is centred on the figure of the leader. The leader’s political party is entirely identified with his figure.

Parga description fits perfectly with the charismatic Ecuadorian leader and the country situation in general. Is very difficult to imagine a stable future for the little Andean country without Correa. The Alianza País has strengthened its party structure but none of his deputies emerged to effectively ruling the country. The current debate is around Lenín Moreno, the former vice-minister who run with Correa in the presidential election. He resigned in 2013 excluding a further political commitment. He seems to be the best candidacy for the AP and the party is waiting for his definitive decision. The other candidatures seem not to capture the attention of the public opinion and in any case until now only three candidature were officially deposited: a well-known political figures as Alvaro Noboa, the son of the former president Bucaram, Dalo Bucaram which is backed by a new funded party, the “Fuerza Ecuador” and the opposition leader Guillermo Lasso with his CREO. Among them the one with has the high chance of reaching the second turn is Lasso because is credibility is almost recognized. For the AP Correa suggested the nomination of Moreno, if he would return in politic, and his vice-president Jorge Glas but the possibility of a further candidature of the same Correa is still in place. In fact, after his attempt to change the Constitutional article that forbids a third mandate (the amendment was approved but without retroactive effects so, it will be enacted from the 2017 maintaining Correa out of the next election run) a pro Correa committee “*Estoy contigo Presidente!*” (I’m with you President) is in charge of collecting the 5% electoral body signature necessary to ask for a referendum. If Correa will be allowed to present his candidature, his victory is almost certain but if he could not run, the worsening of the economic crisis will put under pressure whatever government rules the country with a high possibility of a new political turmoil period.

Conclusion

The Ecuadorian history is characterized by political instability, in a century it has own only two decades of stable governments. The election of Rafael Correa with his young movement was the country reaction to a period which represents by far the worst economic crisis afforded by the country. The new millennium was marked by the most intense migratory wave from the colonial independency. Correa presented a socialist programme aimed to reconstruct the social fabric of Ecuador, starting from a more inclusive and liberal Constitution. The socialist leader started to affirm the credibility of the country at a national as well as international level. The small Andean nation, mainly unknown to the world public opinion became to have a say in the international community. The initiative centred to the international effort to protect one of the most biodiverse zones of the world, enacting the long discussed sustainable development principle of “equal but differentiated responsibilities” had international resonance for a long period moreover, the operation enacted to repaid international bonds through a partial default, even if was an unusual move involving the declaration of the state failure, was a first move to improve the international credibility of the country. Latin American country, as the same Ecuador in the eighties and nineties, are famous for their default cases (Argentina is the most known example) but it was the first time that a country of the region enacted a financial operation to repay if only in part, the big external debt accumulated through the years.

The first period is also marked by the fulfilment of all the social policies that allowed the country to have a significant economic and social boost. The reforms of the health system and education had a tremendous impact. New structures were built and old ones restructured, poor people for the first time saw access barriers to school and education completely removed: free services and nation-wide. These were fundamental social conquests moreover, a more efficient road infrastructure was more than reformed, entirely rebuilt. If president Correa was elected twice and at the first turn is due to all the electoral promises that were fulfilled in few years: all the “Revolutions” were enacted.

Correa popularity achieved the highest point in the period 2009-2013 but as well as popularity increased also the “caudillo” connotation became to emerge. During his second period at the Carondelet Palace there were oils shocks and the country started to have problem in the public balance. Correa reacted to the financial problems in the worst way possible: reinforcing his political figure by putting under a harsh attack political opponents and journalist. In 2013 a very restrictive Organic Law on Communication was enacted and journalist persecuted. Moreover, the big error was ideological. In fact, if the pivot of his “Socialism of the XXI century” is the full sovereignty of the nation he failed totally in reaching it. He focused the foreign policy in the distinction between south-south cooperation

and freedom from the old powers: the dichotomy South America (especially left-oriented countries) vis à vis the European Union (the old colonialist empire) and the United States (the not-new hyper-power which along the century impeded the free development of Latin American countries). The choice to privilege the ALBA towards the USA free trade agreement or the EU free trade treaty is coherent with his ideology as well as the withdrawal of the concession to the US government of the Manta Military Base and the call for a Latin Military School regulated by the Unasur. What is really at odds with his ideology is rejecting the authority on its soil of an old empire (the United States) to replace it with a young empire, The People's Republic of China. Correa made the same error of his fellow "*compañero*" the Venezuelan president Chavez: having the illusion of being free from external old power ambitions but falling in the net of new economic rich powers. They both chose to have money now but at the price of giving more than the half part of their oil industry away. The lenders for oil are never really convenient for the oil owner because the oil that has to be furnished to the lender is greater by far than the money received and it embeds the oil production for years.

Albeit the great impact of the new social reforms, Ecuador's principal revenue is crude oil. His economy is tied to the fluctuation of the price of the crude, fluctuations which are outside the control of the small state. Starting to differentiate his economy by improving the industrial sector and taking advantage from the beauty and diversity of its territory to attract ecological tourism is the only key not to cede to the political-economic instability trap.

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- El Comercio, Quito

- El País, Madrid
- El Universo, Guayaquil
- The Guardian, London

The Correa Factor: a new democratic future of Ecuador?

The outcomes of Citizens' Revolution: an inner approach

Abstract

The object of this work is the analysis of the Correa's government in Ecuador. Ecuador is a small Andean state which has been characterized by political instability and financial problems, in 2007 the leader of a new formed political movement after winning the presidential election started the Citizens' Revolution: on the social movement waves that was embracing the Latin American states, Correa tried to bring a new form of socialism also in his country. His was the first stable government in almost twenty years. This work is realized through the analysis of the policies enacted by his government and on "researches on the field", the writer visited the country to collect political and sociological data. The approach used is mainly historical and sociological, the study of the Ecuadorian society was essential to capture the main aspects of the Correa's communication style. Through the examination of national as well as foreign policy and the analysis of the leader's communication, this work tries to understand what kind of democracy is the one bring by Correa, and what will be the future of the country.

Ecuador is one of the smallest and maybe less known South-American states. Inlayed in the Andean region it has been condemned to have much less international appeal than its neighbours. The international community has been kept an eye on Colombia or Bolivia because of the drug traffic; on Brazil, Argentina and Venezuela because of the European communities (especially from Spain, Portugal and Italy) established there as a consequence of the two World Wars and for their economic relevance (Brazil and Argentina are the two biggest economies of the region, only recently challenged by Chile); on Chile because of the 1973 coup d'état which established the Pinochet cruel dictatorship passed in the history to be one of the world longest and bleeding ever.

For years Ecuador has been considered not interesting, maybe irrelevant and what happened into the country did not leave its borders. Albeit its territory is characterized by an impressive biodiversity and it is petrol rich, generally public opinion, but also scholars, forgets that is the only OPEC member country together with Venezuela to belong to the western hemisphere. It started to gain resonance only in 2007, when in a session of the UN General Assembly, the just elected president of the Republic of Ecuador made his announcement of the Yasuní- ITT initiative: it was the proposal of not starting oil explorations under the soil of a region known for its biodiversity: there are more animal and vegetal species there than in the entire American or European continent. In so doing, the small Andean country gained momentum, at least for the following months.

The Citizens' Revolution led by Rafael Correa is seen as a phenomenon linked to the left-wave movements that have been shaking the southern hemisphere of the American continent from the beginning of the new millennium (Lula and the PT in Brazil, Chavez in Venezuela, Evo Morales in Bolivia, the Kirchners in Argentina and for some extent the Chilean Socialist Party with president Bachelet).

During the initial years of the presidency, Correa and his cabinet promoted a real change in the country: high investment in public services and infrastructures (a modern highway, which connect the entire country, was completed in few years) and the cut of the external debt helped Ecuador to avoid the impact of the 2007-2008 financial crisis. Moreover, extreme poverty was really relieved (for example, through the *Vivienda Digna* Campaign, social housing was significantly improved).

During his second mandate the president could not count on the high oil price which lasted for the entire period of his first term so, a real decline in Ecuador GDP is a serious menace: what actions (if any) have been undertaken to react to the likely lower oil price? Due to Correa's strong personality and his high popularity, are democracy and political stability in danger again? Did the Citizens' Revolution has fulfilled its aims?

In order to answer to the above mentioned questions, the choice of dividing this dissertation into two main parts seemed to be the most effective. In fact, more than a continuum, the two consequential mandates mark a real regime shift. Shift that is reflected in public policy: the analysis of the presidential figure and the evolution of an Ecuadorian democratic regime could be easily understood thanks to this periodization.

The work is divided into two parts. The first one is divided into three chapters devoted to the new, end in a sense cutting-edge, 2008 Constitution and on the public policy choice with a special focus on the Ecuador infrastructure development: a brief journey around Ecuador through the policy propaganda.

Then, the attention will be focused on the second mandate of Rafael Correa. At the time of writing only two years left for the conclusion of his role as President of the Republic. This part is divided into two major chapters: chapter 4 contain the examination of the main policies enacted after 2013 whereas, in chapter 5 there is a wide examination of the current social situation in the country. President Correa is all along his second mandate but the population is hugely divided along the consensus/opposition line. Opposition is directed from Guayaquil and this should not be a surprise because a cleavage Quito/Guayaquil that characterized the country from its independence from Spain.

As mentioned above, Correa's presidency marked a real change in the country political life so, a brief illustration of the socio-political and economic situation of Ecuador before 2006 results useful to have a more precise idea of the improvement introduced especially in the first period.

The republican history of Ecuador started with a pact between the three most important cities: Quito, Guayaquil and Cuenca. This was the first imprinting of the current political organization: making Ecuador a Unitarian Republic organized into four main regions: Costa (cities located in the Pacific Coast headed by Guayaquil), Sierra (the urbanizations developed along de Andes where

the two main cities were and still are Quito and Cuenca), Oriente (mainly the north-eastern part of the country where there is the Amazon Forest) and the Galapagos Islands.

Maiguashca, one of the most prominent scholars in this field, asserts that the principal problem anchored to the Ecuadorian state-building process was the territorial fracture. In fact, the pact among Quito, Guayaquil and Cuenca not represented the real will of unity of a populace but the attempt of sharing power amongst the most influential cities maintaining at the same time their personal identity. So, even if the capital was established in Quito the other two have been opposing a strong state control from the centre. In the XIX century, Guayaquil already was the economic pole of the reign of Great Colombia and this characteristic endures until now. From here on, all the political history of the country is marked for “*guayaquileños*” (inhabitants of Guayaquil). The same Correa comes from the Coastal city.

Ecuador, since his independency started to suffers from political instability: military coups and weak presidencies had been the praxis of the political life so the development of a stable economy as well, has been impossible. Its growth was an asset in the rare periods of political stability and at the same time economic downturns happened when instability pervaded the country. The most relevant example is situated amidst the ‘90s. It was the worst crisis Ecuador has ever experienced. The Andean state suffers from severe drawbacks such as the collapse of the banking sector (where not just investors but common citizens lost the totality of their investments and savings), the hyperinflation and the following choice of dollarization (which made insignificant the low amount of savings that were rescued from banks) not to mention the impressive amount of the external debt (Correa considered it illicit and its repudiation was one of his first acts as President of the Republic). Even if there are few studies on the Ecuadorian 90’s crisis, it is gaugeable with the ones suffered by Argentina, Venezuela, Mexico or Uruguay and some influential economists described it as “one of the most destructive financial crisis in Latin America in term of its financial cost and institutional breakdown”. The financial crisis endured almost a decade and recovery started only in 2000 with the dollarization. Also the choice of dollarizing the country was the fruit of a bad decision because of the lack of the necessary economic measure to prepare the economic fabric to adopt a new currency (and the respective loss of the monetary policy function) but in this case “good luck” helped Ecuador to exit the crisis. In fact, exactly at the same time of the dollarization oil price soared and an agreement with the IMF was finally reached. Ecuador exited the crises but with a very high price: his development came back to the level of the twenties and as a consequence the period 1998-2000 was marked by the biggest migration wave of the entire Ecuadorian history

(emigrants were directed especially towards the United States and Spain, only in a second moment towards Italy).

After nine governments in eleven years (most of them not elected), the 2007 elections marked a tremendous turning point. Rafael Correa with its left-wing young party “Alianza País” not only gained the ballot suffrage democratically but for the very first time in years was able to build a stable and widely recognized government. Recognition at the national level, gave him the necessary strength to enact reforms and to negotiate with foreign political and economic actors. His movement took force by the “Forajidos” a popular revolt born with the intent of leaving political parties aside and reaffirming the rights of the citizenship over corruption, bribery and scandals through a new Constitution. Correa was able of representing all he country malcontent and when in power tried to realize the protesters’ claim: first of all a new Constitution for Ecuador. Only after the constitutional process, a new government, legitimized by the Constitution, should have been elected, so he call for a Constituent Assembly and after the popular approval of it a new presidential and congressional election was called.

Once re-elected, Correa had the opportunity to enact his political programme: the “*Revolución Ciudadana*” (The Citizens’ Revolution) could make his first step. In his inaugural speech Correa defined the concept of Citizen’s Revolution around five axes, each of them considered necessary to trigger the change: Constitutional Revolution through the call for a Constituent; Economic Revolution through the withdrawal of the neo-liberal paradigm; the Reaffirmation of country Dignity and Sovereignty through an effective foreign policy; Revolution on Education and Health by promoting free education and enhancing the health system and finally, the Fight Against Corruption.

The approval of the new constitution opened a new era for the Andean Country. Rafael Correa during his first mandate under the Montecristi Constitution had the chance to enact a series of changes that actually “revolutionized” the small Andean Stat. The new constitution is very innovative because enhances social rights as the recognition for homosexual couples of the same rights of heterosexuals, free reproduction life, the parity between the sex and the value of nature. This is the only world Constitution to recognizes the rights of the mother Earth and its pivotal concept is the *Sumak Kawayay*, the “fair living” between man and nature: all the citizens have the right to a decent live but always respecting the environment and natural rules (for instance GMOs are forbidden because they do not derive from natural practices but from sophistication).

In the first phase of his political life Correa enacted all the reforms enlisted in his “five revolution axes” (constitutional reform, health and education, social dignity and a sovereign foreign policy) with the only exception of corruption which is still diffused in the country especially among public functionaries (especially the police). This period, notwithstanding the high public spending was marked by economic growth and an increase of social conditions, especially for the worst-off. Taking into account international institutions as the WB, IMF and Celac statistics, Ecuador together with Bolivia, was among the developing country which realized the highest economic growth (from a mere 0.9% registered in 2009 to a 7.9% in 2011) and the same is true for poverty reduction: from 2006 to 2014 the number of people living under the poverty threshold of \$3.10 a day halved (it passed from 8% to 4%) and the extreme poverty, which is calculated under \$1.90 a day dropped as well (from 10% in 2007 to 4.4 in 2013). With the enactment of those reforms basic social services were accessible to the entire population: hospitals and health structures were built also in remote villages, all the public structures offered free sanitary services, free education was ensured life long and free text books distributed to elementary and high schools and last but not least, all the road infrastructure was implemented. Also in foreign policy the country marked a step forward.

Ecuador was almost unknown before the election of president Correa; if the situation changed many is due to initiatives as the Yasuní-ITT which had an international resonance and to the clear messages sent to the United State. Historically Ecuador has been “US-friendly”, the continental super-power has never perceived its interests in the country at risk, neither during the military periods. But the decision of openly approve the Chavez’s and Fidel Castro’s regimes provoked a new international consideration. The first action of his regional foreign policy was undertaken in 2009, when the concession of the Manta Military base was not renewed to the United States, from here on some diplomacy controversy have characterized the US- Ecuadorian relations: from the expulsion of the US diplomatic body to the Colombian military attack backed by the US to a FARC group in the Ecuadorian border. Moreover, the country refused to negotiate a free trade agreement not only with the continental power but also with the European Union. The foreign policy was oriented to stabilize a south-south cooperation, the denial of any sort of agreement with the two western powers is a clear affirmation of that will. In fact, Correa established a closer relation with Cuba, Venezuela and Bolivia affirmed with the join of the ALBA. This is a pact through the country based on the idea of the barter instead of the money: Cuban medical assistance for Venezuelan or Ecuadorian oil. The alba is an agreement moved by political ideology with no

organizational structure or a funding treaty. The discourse is different for the Unasur, organization which has its headquarters in Quito and unite all the LA countries.

Correa in 2012 run for its second consequential mandate under the new Constitution, the electoral victory for the president was quite easy because of the wide approval he has throughout the country. The reforms enacted in the first period (other than the ones mentioned before, a minimum wage of \$350 was fixed and working insurance made mandatory) bring a big social change in the country and people manifested the will to carry on the Revolution. At the basis of Correa's victory stands the achievements led by the government more than new ideas. In fact, the pivotal point of the political programme "*Gobernar para profundizar el cambio*" (governing to deepen the change) was the continuation of the Citizens' Revolution with all the social reforms enacted from 2009, the plus aspect was in the use of media and electoral propaganda. The principle reform of the period is the approval of a new Law on Communication. At a first glance it seems to be a liberal text but the liberty of media resulted really endangered because of the centrality of the government (through committees which should regulate television programming and control over the respect of the articles of the law: both organs are controlled by the government). One of the most critical article is on the prohibition of media lynching ("the diffusion of any kind of programmed and/or reiterated information, could it be direct or made by the use of third persons, which aim is to reduce the prestige or the political credibility of an individual, is forbidden") that became to be overused by Correa to undermine journalists and opponents when moving any criticism to the government. Moreover, the law introduces the "national chains", the government has the right to broadcast interviews or presidential speech when it is considered necessary on any television (public and private) and at the same time. The national chains are broadcasted every day. In this period the finance of the Ecuadorian state was not in a healthy situation because of the great investments made for the enactment of the social reforms moreover, the price of the oil plummeted. Correa was obliged to undertake unpopular measures as the rise of taxes on imports: the cost of imported goods, especially technology, had an increment between the 4% and the 45%. The first symptom of discontent became to pervade the country and Correa tried to silent the opposition by a massive use of mass-media and also twitter. The censorship, even if prohibited by the Organic law, became to be very strong, journalists persecuted also in penal tribunals and social unrest halted by violence (this is the case of the Yasunidos movement, in 2012 Correa declared to start oil drilling in the Yasuní National Park, a big national movement was constituted to collect signatures to ask for a referendum to stop the drilling, after the end of the signature campaign the electoral tribunal

declared a number of signatures invalid. The activists protested against the decision but the police reacted with violence).

This last period is also marked by an oil deal: documents shows that when Correa launched the world initiative to preserve the biodiversity of the Yasuní National Park by leaving its oil in the soil, the government started to sell exploitation rights to foreign companies, especially to Chinese institutions. After having renounced to the initiative, the drilling started also in the ITT protected block, and concession were given to the Chinese Investment Bank: Ecuadoran government obtained a conspicuous lend from China, but he had to refurnish China with high daily quantity of oil barrel for a renewable period of four years. Evidently the country tied his economy to the Chinese one in fact, Chinese loans were useful also for other project as the Refinery of the Pacific. Ecuador is the only OPEC country that does not own refineries to transform the crude in petrochemicals or gasoline, a project for the building of a big refineries were realized in 2007 with the participation of the Venezuelan government: it was the establishment of a joint venture company between the national oil companies of the two counties used to enact the project. The works begun in 2012 but Venezuela step out due to the difficult country situation so, Ecuador was looking for a new partnership to raise the necessary funds to enact the project: again it could account on China money. Until now the project is in a stalemate, it would have been finished in 2019, but the accomplishment of the entire structure is very unlikely.

Ecuador lived decades of turbulence, where instability was the principle characteristic of the regime and military dictatorship a praxis. Correa inaugurated a new époque, his administration was the first one to finished an entire mandate in almost twenty years. With stability the country could enact important reforms gaining also in international credibility. In the first presidential period the quality of democracy was implemented favouring the exit from the so called “Banana Republic”: brief governments, mainly not democratically elected that follow neoliberal policies often induced by external forces, but without having a solid economy to motivate the policies. A regime which welcomes foreign investors and multinationals without receiving a real advantage from them and continue to relies on exports of rough materials and not processed goods mainly fruit, from there the connotation of Banana Republics, being bananas the principle export source of these regimes. The social condition of population was ameliorated, poverty halved and illiteracy almost eradicated. But all the achievement of the first period are likely to be undermined by the phenomenon that Sanchez Parga describe as the “Democracy of Caudillos”. Democracy of Caudillos is similar to the concept of hybrid regimes elaborated by Morlino: a partly free regime that had exit from a dictatorship period but the democratic context is uncertain. The difference

from a transition period and a hybrid regime is in the time lapse in fact, a transitional period to democracy last no more than ten years. An example of a country which had a transitional phase is Chile after the end of the long Pinochet dictatorship. The transitional period last until the nineties and was essential to the establishment of a full and stable democracy as the one that current Chile own. Ecuadorian case is different, in fact from the end of the seventies and the establishment of the “Democratic era”, the small country *the facto* has never had a real full fledged democracy. Correa took a country which do not know the meaning of political stability and had a series of consecutive dictatorships. The country entered in a new era, its regime is classified by Freedom House as partly free but it seems unlikely that it could develop to a free regime. In fact, Correa government own all the characteristic of a “Democracy of Caudillos”: there is a high use of mass media which have effectively replaced the debate in the Congress, the leader can account on a high approval from public opinion which is used to hinder the debate with the Congress minorities moreover, political ideologies tend to disappear and the political debate is centred on the figure of the leader. The leader’s political party is entirely identified with his figure.

Parga description fits perfectly with the charismatic Ecuadorian leader and the country situation in general. Is very difficult to imagine a stable future for the little Andean country without Correa. The Alianza País has strengthened its party structure but none of his deputies emerged to effectively ruling the country. The current debate is around Lenín Moreno, the former vice-minister who run with Correa in the presidential election. He resigned in 2013 excluding a further political commitment. He seems to be the best candidacy for the AP and the party is waiting for his definitive decision. The other candidatures seem not to capture the attention of the public opinion and in any case until now only three candidature were officially deposited: in fact, a well-known political figures as Alvaro Noboa, the son of the former president Bucaram, Dalo Bucaram which is backed by a new funded party, the “Fuerza Ecuador” and the opposition leader Guillermo Lasso with his CREO. Among them the one with the high chance of reaching the second turn is Lasso because his credibility is almost recognized. For the AP Correa suggested the nomination of Moreno, if he would return in politic, and his vice-president Jorge Glas but the possibility of a further candidature of the same Correa is still in place. In fact, after his attempt to change the Constitutional article that forbids a third mandate (the amendment was approved but without retroactive effects so, it will be enacted from the 2017 maintaining Correa out of the next election run) a pro Correa committee “*Estoy contigo Presidente!*” (I’m with you President) is in charge of collecting the 5% electoral body signature necessary to ask for a referendum. If Correa will be allowed to present his candidature, his victory is almost certain but if he could not run, the worsening of the economic

crisis will put under pressure whatever government rules the country with a high possibility of a new political turmoil period.

The country economy, notwithstanding the improvements led by the Citizens' Revolution, still relies on the export of crude oil: oil is subject to market fluctuations moreover, is not infinite. Ecuadorian economy needs to find other sources outside the oil. The project of the refinery is unbearable for the country finances but the recuperation of old renewable power plants would constitute an important stimulus to make the domestic energy independent from the crude. If Ecuador do not develop a national industry and would not be capable of differentiate its economy, escaping from the middle-income trap seems impossible especially because it would be unable to be economically independent in fact, the refusal of the Us economic dominance leads to the Chinese control over a significant amount of its oil production. Ecuador passed from the control of a country to another. Correa innovated the social fabric but this innovation is destined not to last forever if a new economic sources will be not found.

