Rafael Correa, “Inaugural Address of the Honorable Economist, Rafael Correa, President of the Republic,” 15 January 2007

. . . However, the struggle now begins. November 26th was not a conclusion, but a point of departure. The Citizen Revolution has recently begun and no one will be able to stop it as long as we have a people united and determined to change.

Item One—Constitutional Revolution

The first focus of that citizen revolution is the constitutional revolution. The citizen mandate was clear: we want a profound transformation, our ruling classes have failed, we want a democracy where our voice is heard, where our representatives understand that they are our leaders and that the citizens are their commanders.

Ecuador’s political institutions have collapsed, some because of their anachronistic and irrelevant design, others because of the claws of corruption and political voracity. The distribution of power reflected in our current Constitution, through the politicization of authorities of control, the courts, etc., has destabilized and immobilized the country. The National Congress, supposedly the greatest expression of representative democracy, is not perceived by the citizens as their representative. On the contrary, its loss of credibility reflects the disenchantment of millions of men and women eager for change. The desired reforms cannot be limited to cosmetic changes. Latin America and Ecuador are not living through an epoch of changes, they are living through a true change of epochs. The historical moment of the Nation and of all the continent demands a new Constitution that prepares the country for the 21st century, once we overcome the neo-liberal dogma and the plasticine democracies that subordinated people, lives, and societies to the fantasies of the market.

The fundamental instrument for this change is the National Constituent Assembly. In a few more minutes, in compliance with the mandate which the Ecuadoran people handed me on this past 26th of November, I will convene a popular referendum so that the true sovereign, the Ecuadoran people, can direct or refuse the National Constituent Assembly the full powers that it seeks to overcome the political, economic, and social blockade that the country encounters.

Thanks to the majority support for our proposal for transformation, the resistance of some traditional political forces has given way to a consensus on acceptance of our project, without having engaged in any dark or clandestine agreements. I will not negotiate the dignity of the Country with anyone. The Country is not for sale. The dishonor of the historical past, with the sale of the flag or deals that exchanged votes for bribes, has ended forever.

Item Two—Struggle Against Corruption

The second focus of the citizen revolution is the struggle against corruption, badly rooted in our society, but also exacerbated by models, policies, and doctrines that extol selfishness, competition, and avarice as the engine of social development. . . .

Item Three—Economic Revolution
The economic policy followed by Ecuador since the end of the 1980s faithfully conformed to the dominant paradigm of development in Latin America, called “neo-liberalism,” with its own contradictions of corruption, the need to preserve economic subordination, and the demand for service of the foreign debt. This whole recipe book of policies followed the so-called “Washington Consensus,” the supposed consensus in which, to Latin America’s shame, we Latin Americans did not even take part. However, these “policies” not only were imposed, but also actively applauded, by our elites and technocrats.

The results of these policies are now apparent and, after 15 years of application, the consequences have been disastrous. Ecuador has scarcely grown in per capita terms during the last fifteen years, inequality has increased, and unemployment has doubled relative to the figures in the early 1990s, despite the massive emigration of our compatriots that occurred in recent years.

It reached the absurdity of defending as “prudent” the very policies that destroyed employment, like those applied in the years 2003-2004. The fundamentalism was so great that they denounced as “populism” anything that did not align completely with the neoliberal dogmatism. On the contrary, any empty babbling in the service of the market and capital was assumed to be technically proficient, producing a veritable “populism of capital.” We recall, by way of examples, autonomous central banks, without democratic control, the simplemindedness of the free market, privatizations, dollarization, and so many other barbarities.

These policies have been able to sustain themselves due to deceit and antidemocratic attitudes on the part of those who have benefited from them, with the full support of multilateral organizations, which disguised as science a simplistic ideology, and whose so-called scientific investigations appeared more like multi-million dollar ideological marketing campaigns rather than academic studies. These organizations also became representatives of creditors and executive arms of the foreign policy of particular countries, which, besides producing economic failure, also has diminished sovereignty and the representativeness of the democratic system, itself one of the primary sources of the country’s ungovernability, although obviously incomprehensible to the technocracy.

Happily, as General Eloy Alfaro used to say, the hour is darkest before the dawn and the nefarious neoliberal cycle has been definitively overcome by the people of our America, as the electoral processes in Argentina, Brazil, Uruguay, Venezuela, Bolivia, Chile, Nicaragua, and now Ecuador attest.

In this way, Ecuador’s new economic direction will prioritize a dignified and sovereign policy, that is, more than freeing markets, we will free our country from the atavisms and powerful national and international interests that dominate it; we will liberate the country with a clear preferential option for the poorest and marginalized, prioritizing human beings above capital.

However, Ecuador and Latin America should search for a new strategy and a new concept of development that does not just reflect the perceptions, experiences and interests of dominant groups and countries; that does not subject societies, lives, and people to the whims of the
market; where the State, planning, and collective action recover their essential role in the expansion of progress; where intangible, but fundamental activities like social capital are preserved; and where the apparent needs of the economy do not exclude and, even worse, contradict social development.

Sovereign policy of indebtedness and management of the public debt.

With respect to the foreign debt, one of Ecuador’s principal challenges is to conquer the culture of indebtedness that we have acquired over the years and which has brought us to a situation of excessive debt that is very costly to the country.

With the new policy of indebtedness the country shall use internal savings as much as possible and only borrow when it is strictly indispensable. To achieve this, debt policy will be renegotiated with multilateral organizations and governments and foreign loans will be used fundamentally for productive investments that generate revenue flows to repay them, while social projects will be financed from our own resources.

However, there will be no integral solution to the problem of debt so long as there is no reform of the international financial architecture, for which concerted action among debtor nations is necessary to redefine the criteria of sustainability of debt service, determine illegitimate foreign debt, and promote the creation of the International Court of Arbitration of Sovereign Debt. . . .

Human Labor.

As John Paul II’s encyclical *Laboren Exercen* says, human labor is not just a factor of production, but the very same goal of production. However, neoliberalism reduced human labor to nothing more than a simple instrument that has to be used or discarded as a function of the needs of capital accumulation. With this goal, forms of labor exploitation spread throughout Latin America, vaguely disguised with euphemisms like “labor flexibility,” “outsourcing,” and “hourly contracts.”

According to many studies, this “labor flexibility” has been one of the reforms that has produced the least results in the region, without generating greater growth, but it has produced a greater precariousness for the labor force and consequently greater inequality and poverty. But even if “labor flexibility” had produced greater growth, we cannot reduce the dignity of human labor to a simple commodity. Now is the time to understand that the principal good that our societies require is moral well-being and that labor exploitation, in the name of competition, is simply immoral. . . .

Neoliberal globalization, inhumane and cruel, which tries to convert us into markets rather than nations, which tries to make us merely consumers rather than citizens of the world, is very similar in conceptual terms to the savage capitalism of the Industrial Revolution, where exploitation had no limits until nations used collective action to secure domestic legislation to protect labor. . . .
My dear Ecuadoran ladies and gentlemen: the time has come. You need not be afraid. He who walked upon the water and calmed the storms also will help us overcome these difficult, but hopeful moments. We do not forget that the Kingdom of God must be constructed here on earth. Pray for me that the Lord gives me a heart large enough to love, but also strong enough to fight. Martin Luther King used to say that his dream was to see a North America where blacks and whites could sit together in school, at the table, and in the Nation. My dream, from the humility of my mixed race (morena) Nation is to see a country without poverty, without homeless children in the street, Nation without opulence, but decent and happy. A friendly Nation, shared by all men and women.

Now, with great heart I repeat to you: never will I defraud my compatriots and I will consecrate all my efforts, with the help of God and under the liberating shadow of Bolívar and Alfaro, to fight for my country, for that just, lofty, and sovereign Nation that we all dream about and deserve.

Monday, 15 January 2007