Indian Protests Topple Presidency of Jamil Mahuad in Ecuador

LADB Staff
Indian Protests Topple Presidency of Jamil Mahuad in Ecuador

by LADB Staff
Category/Department: Ecuador
Published: 2000-01-28

A "popular and indigenous uprising" in Ecuador brought down the government of President Jamil Mahuad, but the victory was short-lived. The civilian-military Popular Government of National Salvation lasted only hours and was replaced by a government headed by former Vice President Gustavo Noboa. Although calm has returned to the streets of the capital and other major cities, the crisis is far from over.

Ecuador's problems were aggravated dramatically in recent months by a major economic crisis and accusations of corruption. Mahuad's approval rating had dropped to barely 7%, annual inflation topped 60%, and his plan to abandon the national currency, the sucre, and adopt the US dollar met major resistance (see NotiSur 2000-01-14).

The "uprising" began Jan. 15, as protesters, mostly Indians, converged on Quito to denounce the government's inability to respond to the deepening crisis. The protestors said Mahuad's government was corrupt, had mismanaged the economy, and did not serve the needs of the poor.

The Indians strongly opposed Mahuad's dollarization plan, which set the conversion rate at 25,000 sucres to the dollar, saying it would have devastating repercussions for the thousands of Ecuadorans whose savings are in sucres. A year ago, the sucre was valued at 7,000 to the dollar.

Poverty permeates Ecuador. Some 5.1 million live in poverty by World Bank estimates and the poor were appalled when told their currency would change and prices would now be in dollars. "I don't know what the dollar is," said Bolivar Pazmino, 67, who sells produce in the market in Quito. "Our life has become just terrible. The price of everything has tripled, and there are no customers. We can only eat once a day. I don't even shave because I can't afford a razor."

Some 15,000 indigenous people, campesinos, and members of grassroots organizations marched to the Defense Ministry on Jan. 19, where leaders met with Defense Minister Gen. Carlos Mendoza, head of the joint chiefs of staff, asking the military to take a stand on the current crisis. The protesters called for a new government comprising civil society, religious organizations, and the armed forces. Ecuador's military enjoys more respect than the military in most other Latin American countries. It is considered honest and has a much cleaner human rights record.

Last August, a poll showed that 65% of Ecuadorans thought highly of the military, while only 6% thought the same of politicians. The military had initially supported Mahuad, but called on him to resign as the crisis escalated. Mahuad refused, and the protest intensified.
Indians see victory thwarted

On Jan. 21, protesters broke through police lines and entered the Congress, which was not in session at the time. They then forced their way into the Supreme Court building. Antonio Vargas, president of the Confederacion de Nacionalidades Indigenas del Ecuador (CONAIE), which represents Ecuador's 4 million Indians, appeared at the congressional podium with army Col. Lucio Gutierrez. They said they no longer recognized the authority of Mahuad, Congress, or the Supreme Court and had formed a ruling junta along with former Supreme Court president Carlos Solorzano.

A short while later, Gutierrez said Mendoza would take his place on the junta. But within a few hours, and buckling to US pressure, Mendoza dissolved the junta and said Vice President Noboa would assume the presidency. Mendoza then resigned as head of the joint chiefs and as defense minister.

US threatens dire sanctions

With uncharacteristic speed, the US and the Organization of American States (OAS) condemned any attempt by the military or the indigenous movement to oust Mahuad.

The US threatened to cut off all aid to Ecuador and to block loans from multilateral sources, such as the World Bank and the International Monetary Fund (IMF), if the coup continued. "We are making the strongest possible condemnation of this illegal action," said US ambassador to the OAS Luis Lareedo. If the military takes power, "we will cease all bilateral assistance, other countries will probably act similarly, and we will lobby in the multilateral arena to stop all Inter-American Development Bank and World Bank loans to the country."

Peter Romero, US assistant secretary of state for Latin America, said Ecuador could expect "political and economic isolation carrying with them even worse misery for the Ecuadoran people." He warned Mendoza that if the coup continued Ecuador would end up "more isolated than Cuba."

After Mendoza capitulated, Noboa assumed the presidency, becoming Ecuador's sixth president in four years. Mahuad made a surprise appearance on television, condemning the coup but wishing his successor luck. "I ask you to give Gustavo Noboa the support you did not give me," Mahuad said. "The hours ahead for the president will be very hard. He has to make very important and very difficult decisions. He needs the country's support. I wish Gustavo Noboa the best of luck."

Mahuad stressed that he had not resigned. "A deposed president neither resigns nor abandons his post. He is deposed. Yesterday I was overthrown in a military coup." Hours after Noboa took over, Congress met in special session to ratify him as the constitutional president, justifying the action by saying Mahuad had "abandoned the presidency."

Analysts blame Mahuad and IMF for crisis

Mahuad's lack of leadership and failure to forge solid political agreements, his unpopular economic measures, and his unwillingness to recognize the seriousness of popular discontent precipitated the indigenous and military uprising.

©2011 The University of New Mexico, Latin American & Iberian Institute All rights reserved.
"Ecuador is paying for the consequences of a culmination of problems developed during the past years," said political analyst Simon Pachano. "Its distribution of wealth is among the worst in Latin America....It hasn't found an adequate political system to represent and process its problems and conflicts. All these crises came about in the last few years, not just now."

The World Bank's vice president for Latin America and the Caribbean, David de Ferranti, said Ecuador is a "clear and sad" example of a country that did not attack its root economic, political, and social problems. De Ferranti said Noboa should quickly resolve the problems of poverty, marginalization, and regionalism in the country.

But economic analyst Alberto Acosta said that what happened in Ecuador is also the result of "IMF blackmail." He said, while not discounting Mahuad's lack of ability, he is a victim of the IMF, which should have helped him rather than taking advantage of the crisis to force him to make more adjustments. He said Mahuad begged for more than a year and a half for the US$400 million IMF credit that never arrived, aggravating the social crisis that led to the coup.

**Noboa will change little**

Noboa, a 62-year-old former university president with little political experience, said he would continue Mahuad's economic policies, which caused much of the frustration that led to Mahuad's ouster. Specifically, he said he would stick with the plan to dollarize the country, which purportedly will curb inflation, bring down interest rates, and encourage investment. Before the coup, Congress had been expected to approve Mahuad's economic measures, including dollarization, and laws to privatize, deregulate, and open the economy.

While the IMF was cautious about the hasty dollarization plan, privatization and deregulation are classic IMF remedies for economic troubles despite the increased unemployment and higher prices that follow. Ecuador was scheduled to resume negotiations with the IMF on an agreement with "extended flexibility" and to initiate a process to restructure the US$16 billion foreign debt.

Noboa said his administration would have no room for "coup participants, bankers, or former Mahuad officials" except, of course, himself. He said he would attack corruption, a key source of Ecuador's ills, but all of the ministers he named initially are from the discredited traditional political class and none are from the armed forces or the indigenous community.

Noboa must deal with a Congress in which no party has a majority and, rather than being an expression of different ideologies or politic perspectives, reflects personal interests, agendas, and ambitions. Indians and many military unhappy with turn of events. The reversal of the would-be coup angered Indians. As the dust settled, accusations and counteraccusations abounded. Mendoza said former defense minister Gen. Jose Gallardo had urged Mahuad to carry out an "auto-coup" and assume dictatorial powers. Gallardo, in turn, said Mendoza had intended to remain on the junta that took over Jan. 21, and only withdrew when the army demanded it. CONAIE leader Vargas accused Mendoza of betrayal in withdrawing from the junta and bringing about its collapse. And he warned that although the Indians have returned to their communities, if major changes were not forthcoming, the country could find itself in a "civil war." "We do not accept that they have put
Noboa in the presidency," said Vargas. "He was Mahuad's vice president and took over without Mahuad's resignation."

Mendoza admitted that he knew days before the coup that Col. Gutierrez was conspiring against Mahuad. He said he only allied himself with the insurrection when it became clear that Indians and renegade officers would try to storm the presidential palace, and soldiers would respond with gunfire. His account lent support to Vargas' claims that the Indians had fallen into a carefully laid trap.

Ecuador's armed forces now face an institutional crisis and the discontent of mid-level officers following the coup. Their discontent is exacerbated by Mendoza's public support of the coup and agreement to participate on the junta, followed by a change of course in the name of "defending democracy." The new Minister of Government Francisco Huerta told the press those responsible for the coup would be tried by military justice and punished.

Influential retired Gen. Paco Moncayo, head of the armed forces during the last border war with Peru, said "the old political class" has begun a "witch hunt" against the social movements and the military that brought down Mahuad. He resigned his congressional seat and gave up his immunity following Noboa's assumption of the presidency.

In a Cotopaxi indigenous community, two hours from Quito, residents gathered to talk about the uprising and said they were disappointed with the outcome. Mauricio Chiliquinga said he was sad because after they had achieved a popular government, they ended up "with a government that benefits the same politicians and powerful people as always." [Sources: The New York Times, 01/21/00, 01/22/00; Reuters, 01/23/00; Inter Press Service, 01/20/00, 01/21/00, 01/24/00; Associated Press, CNN, 01/21-24/00; Clarin (Argentina), 01/22-24/00; The Financial Times (London), 01/24/00; The Miami Herald, 01/22/00, 01/24/00; Spanish news service EFE, 01/21-25/99]