8-5-2005

President Palacio Calls for Referendum on Constitution

LADB Staff

Follow this and additional works at: https://digitalrepository.unm.edu/notisur

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
President Palacio Calls for Referendum on Constitution

by LADB Staff
Category/Department: Ecuador
Published: 2005-08-05

The newly installed Ecuadoran government of Alfredo Palacio is seeking to reform the Constitution and the Congress through a popular referendum, but the parliament sent back Palacio's first proposal to do so on July 27. Since he was installed in April, Palacio's first 100 days have been marked by disputes with other Latin American governments and challenges from ousted President Lucio Gutierrez (2002-2005), though most of the former have been resolved and the latter have not received much support abroad or domestically.

Palacio struggles to form lasting government

President Palacio slowly filled out his Cabinet and gathered international support for his nascent administration following the April 20 ouster of Gutierrez (see Notisur, 2005-04-29). The Congress has purged many members implicated in corruption schemes that allegedly involved the Gutierrez administration. The legislative majority, composed of the Izquierda Democratica (ID), the Partido Social Cristiano (PSC), and the indigenous Pachakutik party, still seek to remove even more legislators accused of misconduct.

Some members of Pachakutik, however, have called for the party to distance itself from the ID and PSC, accusing them of being "neoliberal" parties that will not adequately address social demands. This has called into question how durable the majority bloc in Congress is.

The ex-president's brother Gilmar Gutierrez, a deputy in parliament, was among the accused legislators and chose to flee to Peru and to meet with Lucio there. Lucio Gutierrez argues that his ouster was illegal and that he is still the democratically elected president of Ecuador. Neither the UN nor the OAS, however, has recognized him as such.

OAS head Jose Miguel Insulza has refused to meet with Gutierrez because Gutierrez insists on meeting with Insulza as the constitutional president of Ecuador. Although he has received no support from the OAS, Gutierrez has repeatedly threatened to return to Ecuador, but an order for his arrest once he returns has kept him in exile.

On a July 31 visit to an Ecuadoran border crossing in the Peruvian region of Cancas, Gutierrez did not cross the border, saying he wanted only "to breathe Ecuadoran air," and his entourage left for "security reasons." During that visit to the border, a group of Gutierrez's supporters caused a disturbance in Aguas Verdes outside of Tumbes, Peru, where Gutierrez was staying.

His partisans attacked an Ecuadoran police car attempting to cross the border as well as journalists and opponents of the ex-president. The incident brought into question how much longer Peruvian authorities would permit Gutierrez to remain, despite the order for his arrest in his home territory.
The preventive-detention order was issued based on charges that Gutierrez threatened the stability of the country with statements he made in the foreign media.

The Quito Corte Superior issued the order, which lawyers for Gutierrez have appealed. The absence of a Corte Suprema de Justicia (CSJ), nonexistent since Gutierrez fired the justices it in the spring, makes such an appeal impossible at this time (see NotiSur, 2005-07-29).

**Reforms would create bicameral Congress, new authorities**

The Palacio government and the parliament have been setting up a process to restaff the CSJ, which Gutierrez dissolved in an effort quell protests against his administration (see NotiSur, 2005-01-07). When, in December 2004, Gutierrez removed nearly the entire CSJ, saying it was too politicized, it sparked a protest movement that brought an end to his government five months later (see NotiSur, 2005-04-22).

While the CSJ has been slowly coming together, political deadlock prevented the parliament from naming a new Tribunal Constitucional (TC) on July 28. There has been no TC since Congress dissolved it on April 26, and the body has 850 cases pending.

Quito newspaper El Comercio called the setback to naming the TC "the new failure by the political class."

In late July, Palacio called for a popular referendum to promote reforms to the Constitution. The referendum would include seven questions including ones regarding how to remove a president and how to create a new national electoral system. The referendum would also determine the formation of the judicial branch of government, the TC, the Tribunal Supremo Electoral (TSE), and would create a bicameral legislative system, replacing the 100-member unicameral Congress.

Palacio called an extraordinary session of Congress to approve the referendum. But 69 deputies voted to return the referendum to Palacio without approving or rejecting it, asking instead that he consult more closely with them. The decision leaves Palacio two options: either make a new effort to write a referendum for a popular vote or convocate an Asamblea Constituyente (constituent assembly) to rewrite the Constitution.

In a subsequent televised address, Palacio urged legislators to approve his reform package for the voters, saying it would be essential to "reconstruct" the state. He conjectured that the referendum would succeed at the polls, and he insisted that it should include several political reforms like a district-based lower house and the creation of a Senate to not lose sight of national objectives.

Another proposal of Palacio's is to return voting to a voluntary status, rather than being mandatory. Palacio said that there is no demagogy in his government and that he had put an end to interference by the executive in the Congress, the judicial branch, and the armed forces. He contrasts his government to Gutierrez's by saying it is sovereign and dignified, and he criticized the prior
administration for paying the nation's debt in an immoral manner by dedicating too much of the budget to foreign creditors.

In his address, Palacio announced the formation of a Science and Technology Ministry that would be financed with money that previously went into debt repayment. In his first days of government, Palacio and his ministers managed to pick small fights with a number of governments, first with Brazil regarding its decision not to extradite Gutierrez.

Brazil granted Gutierrez asylum in April, but he remained there just one month. Ecuador has made strong calls for the Colombian government to police its border more effectively as the conflict between rebels and the military has raged and various rebel encampments have been found inside Ecuadoran territory.

And a brief verbal skirmish broke out in June when Ecuador's Secretary-General of the Administration Luis Herreria characterized the government of Venezuelan President Hugo Chavez as "horrible" and "diabolical," one that "destabilized the institutions" of Ecuador and other countries. The foreign ministers of the two countries resolved the issue and were discussing Venezuelan energy aid to Ecuador by July.

Additional help from Venezuela may be jeopardized by Ecuadoran Economy Minister Rafael Correa's resignation on Aug. 4 regarding a disagreement with the president about his effort to see Ecuadoran debt to Venezuela.

Bond-rating services have lost some of their early jitters about the Palacio government, with the Emerging Markets Bond Index (EMBI) decreasing its country risk rating for Ecuador. The rating closed at 735 points at the end of July, a decrease of 69 points from the end of June when the rating stood at 804, according to the Banco Central (BC). At the end of May, the number was 875 points, 810 at the end of April, 660 at the end of March, and 632 on Feb. 28. The rating, a measure made by international businesses Bloomberg, JP Morgan, and Reuters of the risk of insolvency on sovereign debt, fell even further in the first week of August to 708 points.

The external public debt of Ecuador reached US$10.5 billion dollars in June, an equivalent of 32.9% of GDP. The Economic Commission for Latin America and the Caribbean (ECLAC) has estimated that the Ecuadoran economy will grow by 3.0% this year, in contrast with the 3.6% that the BC predicts.

-- End --