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Protests of Andean Free Trade Agreement

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Protests paralyzed the northern and central regions of Ecuador in mid-March, as indigenous opponents to the government signing the Andean Free Trade Agreement (AFTA) blockaded highways. The movement brought down President Alfredo Palacio's Interior Minister Alfredo Castillo, the latest to resign from the Cabinet since Palacio came to power less than a year ago. On March 21, Palacio declared a state of emergency and ordered troops to remove blockades from the nation's roads.

North, central provinces shut down

The provinces of Cotopaxi, Tungurahua, Chimborazo, and Pastaza were left incommunicado as dialogue between the government and the Confederacion de Nacionalidades Indigenas de Ecuador (CONAIE), the country's main indigenous umbrella group, broke down. Protestors were demanding a rejection of AFTA and the expulsion of US-based Occidental Petroleum Corp, as well as calling for the company to pay back taxes it allegedly owes the government (see NotiSur, 2004-09-10). Carchi, Imbabura, Picincha, and Azuay provinces also saw many blockades along the Pan-American Highway and other secondary roads, as protestors laid rocks, tree trunks, and burning tires across them.

The Associated Press reported that blockades were set up in 11 provinces in all. Thousands of police and soldiers were deployed to clear blocked highways on March 22 after the government declared a state of emergency in four provinces. The measure, announced late the night before, suspended constitutional rights to public assembly and gave police and the military broad powers to impose curfews and make arrests in Chimborazo, Cotopaxi, Imbabura, and Canar provinces, as well as the towns of Tabacundo and Cayambe.

About 1,500 Indians and students marched peacefully through the capital, Quito, on March 22, chanting, "We don't want to be a North American colony!" and "Get out, Occidental." The demonstrators dispersed when police prevented them from approaching the government palace. No confrontations or arrests were reported at that protest. Minor skirmishes between rock-throwing Indian protesters and police were reported in Imbabura, north of the capital, but the road clearing in other parts of the highlands occurred without serious incident.

In Cotopaxi and Chimborazo provinces, south of the capital, local media reported sporadic tie-ups from blockades. "Violent repression" wounds dozens By the week of March 20, many of the provincial blockades had come down, but CONAIE was making efforts to transport indigenous protestors to the Carondelet presidential palace in Quito. Indigenous leaders said 30 of their members were injured in clashes with police.

Prior reports from the Federation Internationale des Ligues des Droits de l'Homme (FIDH) denounced "violent repression" during indigenous protests. An FIDH communique from the group's Paris headquarters expressed "concern for the violence with which these demonstrations were repressed by the Police and Army." As of the March 17 date of the communique, more than 15 people had been seriously wounded, among them elderly people and a child less than one year old. The group called on the Ecuadoran government to "resolve social conflicts by means of dialogue" and not through the "untoward and violent repression that has been used up to now." Police also fired tear gas at dozens of Indian demonstrators trying to reach the government palace on March 20 to protest AFTA talks in Washington that week.

The protests sought to draw thousands of opponents to the capital, although government forces attempted to block the movement of busloads of people heading there. Leaders in CONAIE are calling for a popular referendum where all Ecuadorans could vote on whether Ecuador would join the AFTA. Luis Macas, leader of CONAIE, said on March 20 that the protests would continue unless the government abandoned a final round of negotiations scheduled to start on March 23 and put the free-trade pact to a national referendum. The Indian movement has threatened a "takeover" of the capital to press its demands.

Cesar Umajinga, the Indian governor of the highland Cotopaxi province, said that "some 7,000 comrades" from his region planned to head to Quito. The confederation accuses the US of exercising too much influence in the region and contends that Ecuadoran farmers and small-scale Indian producers cannot compete with inexpensive, frequently subsidized US agricultural imports. President Palacio's administration, however, has strongly supported the free-trade agreement. The government finds itself in a position of damned if it does and damned if it doesn't approve AFTA.

The Andean Trade Preference Act (APTA) had offered access to the US market to create economic alternatives to illicit-drug production, but APTA is expiring. AFTA is designed to replace the preference program, but Ecuadoran social movements absolutely reject it. A March for Employment organized by businesspeople mobilized about 2,000 demonstrators in favor of AFTA on March 17, to show that not all Ecuadorans oppose the deal, according to organizers from different chambers of commerce.

In February, protests and sabotage paralyzed petroleum production in Ecuador, resulting in the militarization of several oil facilities and a state-of-emergency declaration (see NotiSur, 2006-02-24).

Interior minister steps down

Interior Minister Castillo resigned on March 15 as the protests spread from the Andean highlands to the oil-producing southeast jungle, where police were again clashing with demonstrators. In the face of the growing unrest, President Palacio went on national television and urged Ecuadorans to "close ranks" to defend the country's democracy. Palacio said the protests were "the culmination of deceptive politics that seeks to perversely tear apart the nation." Castillo's decision came a day after he warned that protests by indigenous people, oil workers, and jungle residents could lead to "another coup." The official did not offer a public explanation for his resignation, but it followed widespread criticism that his comments appeared to support the protesters and showed

disloyalty to Palacio. Palacio's Cabinet has seen a very high rate of turnover since he rose from the vice presidency in April 2005 (see NotiSur, 2005-09-23). Felipe Vega became Castillo's replacement.

On March 22 Vega told Channel 4 television that security forces had been deployed overnight to clear "each of the 20 points" around Ecuador's highlands where roads were blocked. "We have already opened a large number of areas," he said. "We are opening roads. We must guarantee the rule of law so that people have food to buy, have the ability to circulate, [and] go to their jobs." Television broadcast images of soldiers firing tear gas to disperse a small group of protesters in the jungle province of Pastaza. The protesters had tried to seize the facilities of Agip Oil Corp. to demand more government spending in their area. The protesters also seized 15 soldiers in Puyo, about 160 km southeast of Quito, Red Cross spokeswoman Maria Elena de Mantilla said. About 30 people, including civilians and military personnel, were treated for injuries.

In Quito, police used tear gas to force back dozens of protesters who tried to reach the government palace. CONAIE has threatened to overthrow Palacio's government if he signs the free-trade pact with the US. CONAIE also has demanded that Ecuador cancel the oil concession granted to Occidental. The confederation accused Palacio of reaching a "compromise with the nation's oligarchies" and "committing the country to a process of no return with the signing of a free-trade deal with the US."

Government spokesman Enrique Proano said the protesters' demands to expel Occidental and immediately withdraw Ecuador's free-trade negotiators from a final round of talks did not "merit consideration." He added, "It would seem what they seek is a destabilization of democracy."

Negotiators, led by chief negotiator Manuel Chiriboga, were in Washington, DC, during the protests, attempting to finalize negotiations. Palacio has said that he may also travel to the US to push talks to an end as Colombian President Alvaro Uribe did for his country in February.

Deputy interior minister Felipe Vega told reporters that Palacio was seeking meetings with protest leaders to explain the government's position on the trade talks. Palacio also sought meetings with jungle residents to consider their demands for more government spending, Vega said. CONAIE leaders did not think Palacio's request for a meeting merited consideration and they refused negotiations.

CONAIE denies getting Venezuelan funding

Opponents of the anti-AFTA movement have accused groups like CONAIE of receiving funds from Venezuelan President Hugo Chavez, a claim that CONAIE and the Chavez government both disavow. The Venezuelan government frequently comes under attack in official US government and military circles for attempting to "destabilize the region." Yet the same accusation might apply to Washington, as, for example, one headline in Bolivian daily newspaper La Razon implied, saying that the AFTA debate "threatens the weak stability of Ecuador." US pressure to open trade for US and multinational corporations has inflamed the protest movement in Ecuador probably much more than any amount of clandestine payoffs to indigenous organizing groups could.

Quito daily newspaper Hoy published a March 17 opinion piece titled Fear of the FTA, long with a cartoon that could reasonably be described as racist. It depicted a pair of Ecuadoran native people panicking at the sight of a descending UFO labeled "TLC," the Spanish acronym for free-trade agreement. The opinion piece suggested the native peoples protesting the deal were in a state of fearful ignorance about the trade agreement and its effects, misled by their leadership. "CONAIE has tried to recover prominence with radical speech against AFTA and has mobilized indigenous people of the Andean zones, without informing them that the fruits and vegetables that they produce have many more opportunities in an open US market," it said.

Yet many economic analysts concur with the CONAIE viewpoint that liberalization especially removing trade barriers between developed and underdeveloped countries can harm agrarian sectors in the underdeveloped nations.

Joseph Stiglitz, former chief economist at the World Bank, and Andrew Charlton, a research officer at the Center for Economic Performance at the London School of Economics, wrote in their 2005 book Fair Trade For All about the situation that indigenous and other poor peoples in Ecuador may be facing. "Concern that trade liberalization will lead to increased unemployment is perhaps the most important source of opposition to liberalization," they said.

Proponents of increased trade argue that reduced trade barriers will lead to more efficient use of the labor force, but Stiglitz and Charlton say, "Unfortunately, most of the models which attempt to address questions of welfare gains from trade liberalization assume full employment." They say that the redeployment of workers from low-productivity, protected sectors into more efficient industries may not happen in developing countries with high-unemployment rates, "and the concerns [about increases in unemployment] are particularly relevant in countries where there is no unemployment insurance and weak social safety nets."

Unemployment in Ecuador is down from a high of 14.4% in 1999 to just below 10% in 2004, according to figures from the Instituto Nacional de Estadísticas y Censos de Ecuador (INEC). The Economic Commission for Latin America and the Caribbean (ECLAC) reported an urban unemployment rate of 11.0% for 2004 in the cities of Quito, Cuenca, and Guayaquil.

AFTA will increase poverty in Colombia over short term

The current opinion of the World Bank foresees a short-term increase in poverty in Colombia once AFTA is put in force, especially if the government does not quickly develop the necessary infrastructure to make the country competitive. Current chief economist at the World Bank Guillermo Perry said the treaties like AFTA will have a long-term positive effect, but, "in the short term [the treaty] may increase inequality if it is not accompanied by other measures, like the increase in access to education, infrastructure, and credit."

Ecuador will be especially stressed as its low growth rates may be overwhelmed by double-digit inflation. Economy Minister Diego Borja said that 2006 could end with inflation of 11%.

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