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Ecuadoran Government to Focus on Energy in President Rafael Correa's New Term

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On May 24, Rafael Correa was sworn in for a new four-year term as president (NotiSur, March 15, 2013), promising to emphasize productivity. Until now, he said, the priority has been on social investment. The president's proposed new direction also involves the Asamblea Nacional (AN), since it will have to debate modifications to laws to facilitate investment and enable pending projects such as large-scale mining to move forward.

This is Correa's third presidential term. After winning first in 2006 (NotiSur, Jan 26, 2007), he won again in 2009 after the new Constitution was approved (Oct. 10, 2008), which allowed one re-election but applied only to subsequent elections (NotiSur, May 8, 2009). At this end of this term, Correa will have been in office for 10 years. Although he has indicated that he will retire at the end of this term, he has also said the opposite. "After four years, I will retire from the presidency and from public life. But if these mediocrities from the 'partiocracy' and the media continue bothering me, I will run for re-election again," said Correa in his weekly national broadcast after winning the Feb. 17 election.

"We’re moving toward an energy matrix"

The first six years of Correa’s presidency were characterized by heavy social investment, especially in educational infrastructure, health, housing, and roads. Investment in assistance programs for persons with disabilities, through Misión Manuela Espejo, led by then vice president Lenín Moreno, deserves special mention. Moreno, who chose to not accompany Correa in this new term, was replaced by electrical engineer Jorge Glas, who, as minister of nonrenewable resources, was responsible for energy and natural-resource extraction.

Glas said that his office would focus on energy production. He expects the country to produce 93% of its electricity needs and then produce electricity for export. "We will not only cover domestic demand but we will also export energy. We will now be exporters of services," said Glas in taking office alongside President Correa.

The centerpiece of electricity production will be the Coca Codo Sinclair hydroelectric complex, which will meet 47% of the country’s electricity needs. In addition to this complex, small hydroelectric plants will be built in several communities, despite residents' opposition, as occurred in San Pablo de Amelí in Ecuador's central highlands.

Glas also said that oil reserves must be increased as well as extraction and refining, which will require the eleventh oil-licensing round (Décima Primera Ronda Petrolera) in the southern Amazonia and construction of the Refinería del Pacífico in the coastal province of Manabí. "We will bring about public and private industrialization in Ecuador," said the new vice president.

Glas also mentioned foreign investment, which, he said, would have all the guarantees for firms to come to Ecuador, but "with respect for workers and the environment."
However, Glas’ remarks are contradicted by reality, since foreign investment is primarily from China, through state enterprises, which have already had confrontations with contracted workers, who have complained about mistreatment, bad food, nonpayment for overtime, and even sexual harassment. One example was the Chinese Sinohydro Corporation, which is building the Coca Codo Sinclair complex and which was hit by a strike of more than 400 Ecuadoran workers. The labor minister who tried to mediate the conflict argued that the problem was a lack of understanding of Chinese culture and that there was no strike since a formal strike declaration had not been presented. The workers were removed from their work stations and fired.

Although Glas has said that he will continue Lenín Moreno's work, he has raised many doubts among beneficiaries of Misión Manuel Espejo. "For the first time we were paid attention to; we hope that it was not the last time as well," said William Díaz, executive director of UNAMONOS, one of the many organizations of persons with disabilities that were strengthened by Lenín Moreno's work.

Environment ministry loses autonomy

The energy matrix is complemented by mining extraction, which has been unable to make the inroads planned by the government because of community opposition and the disinterest of major companies in signing contracts within a framework that is very beneficial for the state.

The president has offered to remove the obstacles that mining companies have run into; in particular, he has promised not to collect royalties until the companies have recouped their investment.

To make the extractive projects feasible, Correa’s new government structure has placed the Ministerio de Ambiente within the Ministerio Coordinador de Recursos Estratégicos, enabling the granting of environmental licenses necessary to implement these projects. The Ministerio de Ambiente thus lost its autonomy and will be at the service of energy interests rather than at the service of conservation and protection of the rights of nature.

President Correa justifies strengthening extractive policies on the grounds that it is the only way to continue social investment and bring the country out of poverty. "We cannot be beggars sitting on a bag of gold," said the president.

"To say that mining earnings will finance development is a fallacy, since all existing data shows exactly the opposite. Countries have been left poorer after the looting ended," says economist Pablo Dávalos, who was vice minister when Correa was economy minister in 2005 during the administration of President Alfredo Palacio (2005-2007).

AN joins the executive

To pass constitutional reforms and laws that make the energy and extractive policies viable, complete control of the Asamblea Nacional was necessary, which is precisely what Correa achieved in the last elections, with 100 of the AN’s 137 deputies belonging to his Alianza PAÍS, as well as 10 others from parties and political movements aligned with the president.

The governing party decided that the AN would be led by three women from its ranks, electing Gabriela Rivadeneira AN president and Roxana Alvarado and Maracela Aguiñaga first and second vice presidents. The three women have shown complete loyalty to the presidential project, Alvarado
as a delegate to the Asamblea Constituyente and as an AN deputy, Rivadeneira and Aguiñaga as government officials.

Former AN president Fernando Cordero, despite being re-elected as a deputy, resigned to direct the Instituto Ecuatoriano de Seguridad Social (IESS), an administrative position without much public presence.

Analyst Jorge León says Cordero was transferred to a position with a low national profile because of Correa's penchant for not wanting people around who might contradict him or who can forge their own political alliances. That is also purported to be the reason for his naming Deputy Paco Velasco, also re-elected for a new AN term, minister of culture, since Velasco has at times shown reservations about the presidential project.

The AN gave its first demonstration of loyalty to the presidential agenda by taking up a bill with more than 20 amendments to the mining law (NotiSur, Aug. 10, 2012), precisely in the terms announced by the president to improve companies' economic conditions. It also gave a green light to passage of the controversial communications law (Ley de Comunicaciones), which aims to regulate the communications media and prevent them from investigating the activities of governing-party politicians (NotiSur, Aug. 12, 2011). It incorporates an article to punish "media lynching," which no one understands but which is expected to prevent the media from disseminating information about any scandal involving a government figure or someone close to them. The two bills will be approved before the end of June, showing the alacrity with which the new AN conveys its loyalty to President Correa.

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