Ecuador Protests

What is the issue?

- In Ecuador, the indigenous groups are protesting a roll back in fuel subsidies, this have brought the country to a standstill.
- In an important breakthrough, they have arrived at an agreement with the government.

What is the story behind?

- Ecuador had been roiled by unrest since the beginning of October 2019, when President Lenín Moreno enacted austerity measures following a $4.2 billion loan from the International Monetary Fund (IMF).
- Under the deal reached between the government and protesters, Moreno will now withdraw the IMF package and reintroduce fuel subsidies.
- On 7th October 2019, the protests forced Moreno to shift the government from Quito, the nation's capital, to the coastal city of Guayaquil.
- Although the protests were peaceful when they began, a spate of violent incidents caused Moreno to order a 24-hour curfew in Quito, and to deploy the army in its streets.

What led to the resentment?

- In March 2019, the oil-dependent Ecuador secured a $10.2 billion bailout package from the IMF and other institutions, of which $4.2 billion were to come as a loan from the IMF.
- The bailout package was necessitated by poor economic growth and deficits ever since oil prices dropped a few years ago.
- The country's growth slowed from 2.4% in 2017 to 1.1% in 2018.
- Lenín Moreno, who defeated left-leaning mentor-turned-rival Rafael Correa in the presidential elections of 2017, has been trying to make Ecuador's economy more market-oriented.
- To meet the IMF's targets, Moreno on 1st October, 2019 announced a rollback of fuel subsidies that were in place in the Andean nation since the 1970s.

How were the protests?

- **Course of the protest** - After the government cancelled the fuel subsidies,

petrol and diesel prices shot up, and a massive backlash followed on the streets.

- Apart from clashes with security forces, protesters even entered some of Ecuador's oil fields.
- Several officers were taken hostage in different parts of the country.
- The government had to be shifted from capital.
- Indigenous people who led the protests make up more than a quarter of Ecuador's population.
- Facing stiff resistance, including calls for resignation, President pinned the blame on organised crime.
- He also accused his predecessor Rafael Correa of plotting a coup against him, which was denied by Correa.
- **Result** - On 14th October 2019, protesters who had been calling for the withdrawal of fuel subsidy cuts secured a major victory, as Moreno was forced to give in to their demands.
- A new law will now be passed aiming to stop the misuse of fuel subsidies.

Source: The Indian Express

