Decoding the Ecuador Elections: Examining Candidates’ Strategies and Their Impact on Security and the Economy

Part 1
Decoding the Ecuador Elections:
Examining Candidates’ Strategies and Their Impact on Security and the Economy

Part 1

Acknowledgments

This report was prepared by Global Americans. The report was written by Caio Pereira (Program Coordinator, Global Americans) and Scott Brasesco (Program Associate, Global Americans). The authors thank Benjamin Jaimes (Intern, Global Americans), María Calderón (Intern, Global Americans), Miguel Ángel Melián Negrín (Intern, Global Americans), Paola Salomé Valdivieso (Intern, Global Americans), and Vanessa Guaraca (Intern, Global Americans) for their guidance and research assistance.

The analysis and views expressed herein are those of the authors.

Global Americans is a modern-day take on the traditional think tank. Through our website, theglobalamericans.org, we provide up-to-date research and analysis on key issues affecting the countries of the Americas—democracy, human rights, social inclusion, and international relations. Our goal is to provide policymakers, academics, civil society leaders, and Western Hemisphere enthusiasts with the tools needed to promote change and build more prosperous Inter-American relations.
Introduction

This report provides a detailed and comprehensive analysis of the current political situation in Ecuador, with a specific focus on the upcoming presidential elections, which hold great significance for the country. The second round of the Ecuadorian presidential runoff is scheduled for October 15, 2023. This runoff is occurring because none of the eight candidates who participated in the first round of elections in August were able to secure more than fifty percent of the vote. As a result, the runoff has become a highly anticipated and closely watched political event. The two candidates who have advanced to the second round are Luisa González from Revolución Ciudadana (Citizen Revolution Movement) and Daniel Noboa from Acción Democrática Nacional (National Democratic Action). These candidates come from opposite ends of the political spectrum, adding to the anticipation surrounding the election. The outcome of this election will significantly impact Ecuador's future, as the winning candidate will shape and determine the country's direction for the next two years.

The main objectives of this report are to analyze the candidates’ strategies and evaluate their implications for the security and economy of the country. By conducting an in-depth analysis, the report aims to provide a detailed understanding of the various factors that led to the decision for early elections, shedding light on the significance of former president Guillermo Lasso's invocation of the Muerte Cruzada (Crossed Death) mechanism. Furthermore, the report extensively examines the political strategies employed by the candidates and assesses their potential repercussions on the country's security and economic development. The report also explores the far-reaching consequences that the election results may have on Ecuador’s diplomatic ties with other nations in the region and across the globe. By providing a comprehensive and detailed examination, this report offers valuable insights into the complex landscape of the country's political and diplomatic spheres.

Qualitative research methods and secondary sources were used to collect information and conduct a comprehensive analysis. The main goal of this report is to provide valuable insights and analysis that will enable stakeholders to monitor the potential outcomes of the elections and understand their possible effects on Ecuadorian society. By examining the candidates’ policies and their potential impact, this report aims to contribute to a better understanding of the future direction of the country.
Understanding Ecuador’s Political Climate

Ecuador’s political landscape is constantly evolving. The country has experienced a decline in economic growth since the COVID-19 pandemic, as well as political instability. Throughout its recent history, Ecuador has struggled with an unstable political system, from the controversial ten-year populist presidency of Rafael Correa (2007-2017) to the turmoil and social unrest during Lenin Moreno’s governance (2017-2021). This instability persists with the interrupted presidency of President Guillermo Lasso (2021-present) due to the dissolution of the National Assembly.

Since taking office, Lasso’s popularity has been low. In the 2021 elections, he only received 19.7 percent of the first-round vote and his party, CREO, won just 12 out of 137 seats in the National Assembly.1 His success in obtaining the presidency was mainly due to a coalition of electoral forces opposed to the Correista movement, rather than his own genuine popularity. Despite this, he has attempted to govern by utilizing the powers of the Executive, implementing neoliberal and anti-Correista reforms in Ecuadorian institutions and regulations. This shift to the right has been met with dismay by left-wing deputies in the National Assembly and voters attuned to Correa’s earlier method of governance. In 2023, Lasso’s approval ratings dropped below 20 percent.2 The president has struggled with increasing crime, rising homicide rates, and inflation in food and fuel prices. Ecuador has also seen a surge in narco-trafficking gang violence, especially in Guayaquil, a major hub for cocaine trafficking and kidnapping.3 Lasso has implemented "state of emergency" decrees and curfews, but there has been little evidence of improved security.4 Lasso has undergone two impeachment trials during his presidency. The first, in December 2021, was due to tax fraud exposed in offshore statements known as the "Pandora Papers."5 The second, in June 2022, resulted from political unrest during a national strike led by indigenous movements. While Lasso survived both trials, his government has more recently been accused of mismanaging public companies and having connections to Albanian mafia groups involved in cocaine trafficking.6

In May 2023, however, Lasso’s government was finally impeached with 88 deputies in favor, 23 against, and 5 abstaining.7 In response, the president invoked Article 148 of the Constitution, triggering the Muerte Cruzada or “Crossed Death” mechanism for the first time in Ecuador’s history.8 While more common in parliamentary systems than presidential ones, the Muerte

---

Cruzada is a constitutional measure that is intended to give the Executive and Legislative branches a check on one another’s power. This political arrangement means that both the president and the National Assembly have the constitutional ability to dismiss each other under certain circumstances. In the past, political trials against presidents resulted in the early termination of their terms, but not in the dissolution of the National Assembly as happened in May of 2023 with President Lasso. Scholars remain mixed on whether the use of Muerte Cruzada will spur further political crises or serve as a constitutional release valve for the political pressure built up over Lasso’s term. As a result of Muerte Cruzada, Lasso has governed by decree for the remainder of the year, and new elections were called to take place before the end of his presidential term.

The upcoming elections and the parties’ response to the results will largely determine if a sense of normalcy and stability can be restored to Ecuadorian politics. For the Correista opposition, Lasso’s rule by decree has become ideal campaign material, as it enables comparisons between the center-right president and the military dictators of the country's past. Lasso's neoliberal reforms, which have continued to escalate since he started ruling by decree, have further polarized the nation and strengthened support for left-wing alternatives among voters.

In August 2023, eight candidates were nominated to compete for the presidency after Muerte Cruzada. The elected candidate will serve as president until 2025, completing Lasso’s presidential term. Following the first round of elections on August 20, 2023, Daniel Roy-Gilchrist Noboa Azin from Acción Democrática Nacional (National Democratic Action) and Luisa Magdalena González Alcivar from Revolución Ciudadana (Citizen Revolution Movement) emerged as the top two candidates. They will now compete in a runoff election for Ecuador's presidency, scheduled for October 15, 2023.

Luisa González is a 45-year-old assembly member who held various positions during Rafael Correa's presidency, including serving as his Secretary of Public Administration in 2017. González has stated that if she is elected, Correa would be her primary political adviser. She was the sole female candidate in the presidential elections. Daniel Noboa is a business administrator in the banana company founded by his father, Álvaro Noboa, who has run for president six times. In a surprising turn of events, Daniel Noboa advanced to the run-off elections, moving from sixth to second place in the polls prior to the elections.

---

Candidates' Security Policies and Implications for Ecuador

The initial round of voting revealed that insecurity and unemployment are the most concerning issues for Ecuadorians. Ecuador is currently facing a surge in drug trafficking and violent crime, resulting in a rapid increase in the homicide rate. In 2017, the rate stood at 5.84 per 100,000 people, which was one of the lowest in Latin America. However, by 2022, it had risen to 26.1 per 100,000. As a result, Ecuador now ranks fourth in Latin America for its homicide rate, behind only Venezuela, Honduras, and Colombia. The rise in homicides can be attributed to drug trafficking and gang-related crime, as rival gangs vie for control over drug smuggling routes. This has also led to a nationwide prison security crisis, marked by deadly riots.

The impact of violence on Ecuadorian politics became even more pronounced when the presidential candidate Fernando Villavicencio was murdered just ten days before the first-round elections. In spite of this tragedy, Ecuador's National Electoral Council (CNE) decided to proceed with the elections. The elections resulted in Luisa Gonzáles and Daniel Noboa emerging as the two highest-voted candidates, receiving 33 percent and 23 percent of the votes, respectively.

Luisa Gonzáles has promised a “return to past days” when crime rates and the wave of violence were not as prominent as they are now. If elected president, her primary strategy will be strengthening the police force by providing them with better weapons and protective equipment. Rather than focusing solely on security, Gonzáles is also concerned with addressing the root causes of crime. She has proposed various measures inspired by Correa's previous welfare-centered strategies, such as offering financial support and job training to unemployed youth and negotiating the peaceful disarming of gangs. Among her proposals, she has suggested reinstituting the Ministry of Security and the Ministry of Justice. She also suggests strengthening the country’s judicial powers and allocating USD 2.5 billion to the public sector for investment in employment and the fight against crime.

---

Daniel Noboa has considered multiple approaches to dealing with the security issue. However, his current strategy appears to center on improving intelligence capabilities related to narco-trafficking at ports and airports, as well as investing more in police training and de-escalation. Like González, security has been a secondary aspect of his policies, with a primary emphasis on the economy. Noboa has highlighted plans for generating more jobs and attracting higher levels of foreign investment. He has promised to improve police training and implement community watch programs. Both candidates have expressed their openness to collaborating with the United States to enhance their security capabilities. Noboa has also suggested designing strategies to improve the socioeconomic development of the Ecuadorian people, avoiding the imitation of tactics employed by Nayib Bukele in El Salvador, as proposed by other right-wing presidential candidates.


Candidates’ Economic Plans and Impact on Key Sectors

In the short-term, González’s security plan would likely have a significant impact on reducing the number of young people being drawn into street gangs and therefore dampening violence. However, increasing funding for police equipment would not solve the long-term issue of a lack of professionalism within Ecuadorian security services. To address the root causes, a USD 2.5 billion injection into the economy, with heightened funding for small businesses and education, could provide young, unemployed Ecuadorians with an alternative to relying on criminal gangs. However, this plan also risks repeating the overspending seen during the Correa years, which could scare away foreign investors and potentially increase the national debt instead of reducing it. There is a possibility that with another election on the horizon in just over a year and a half, Gonzalez may prioritize immediate spending to boost domestic support without fully considering the consequences. This approach could have the potential to reduce the crime and violence in Ecuador’s ports and cities, but it may have implications for the country’s economy, possibly leading to another recession and debt crisis.

On the other hand, Noboa is expected to continue many of the neoliberal policies implemented by President Lasso. Noboa has proposed policies to support small business owners, attract foreign investment, and promote job creation, with the aim of fostering long-term economic growth and reducing the likelihood of young people joining gangs instead of the workforce. However, considering the tight time frame between the current and upcoming elections in 2025, it is uncertain if Noboa will be able to fully implement his policy goals, especially with a potentially hostile legislature. He is expected to face similar challenges as Lasso did before invoking Muerte Cruzada, facing opposition-controlled institutions while the country's economy and security situation continue to deteriorate rapidly.

In the long term, González’s policies could potentially result in an increase in Ecuadorian government debt, which may impact foreign investment. On the other hand, Noboa’s emphasis on

promoting economic growth through business development and international investment could offer a more stable foundation for long-term economic growth without heavy reliance on oil revenues. However, in the interim, González enjoys sufficient support within the legislature to implement her policies effectively. Hence, her proposed cash injection and police militarization may be viewed as the most plausible potential strategy to bolster Ecuadorian security until the 2025 election.

International support will play a significant role in both candidates’ ability to address the security crisis caused by the transnational drug trade. The cocaine that passes through Ecuadorian ports is produced in Colombia and Peru, with a large portion being sold in the United States and Europe. Before the narco-infighting resulting from the 2016 FARC peace agreement, security was not a significant concern in Ecuadorean politics. In fact, Ecuador was unique among its neighboring countries in expelling the U.S. military as an anti-imperialist gesture and limiting the powers of its own police force to increase accountability for human rights violations.

These policies, which were widely seen as beneficial for Ecuador in the 2000s, have now become a problem for the country. The Ecuadorean state lacks the necessary resources to combat deeply entrenched narco-traffickers effectively. This issue is worsened by the political turmoil of the past two presidencies, which has resulted in constant changes within the state’s security and justice agencies based on political interests. Ecuador requires the assistance of an international partner to support a comprehensive reinvestment and restructuration of its entire security services.

Regarding involvement in Latin American security, the United States is one of the first stakeholders to be considered. Both González and Noboa have been asked whether they would work with the U.S. to improve security conditions, to which both have answered affirmatively, expressing openness to a partnership with the U.S. on the issue. It would be natural for Noboa to form an alliance with the U.S., as his campaign goals largely align with American interests in the country, encompassing both security and the economy. However, considering that González has repeatedly emphasized Correa’s role as one of her chief advisors, it is prudent to question how


deep of a relationship she would be willing to develop. Given that Correa oversaw the expulsion of the U.S. military from Ecuador in 2008,\(^4^5\) it seems unlikely that a deep partnership involving American involvement on the ground would be an option. González would be reluctant to make voters question her anti-imperialist credentials right before the next election in 2025.

The upcoming elections also create challenges for international partners to get deeply involved due to the risk of wasted investment if an opposition regime comes into power and expels invested foreign actors. This places the next president in a difficult position regarding both security and the economy. Foreign partners will likely wait until 2025 to begin implementing any planned initiatives during the next presidency. The most probable international partnerships for the next president to establish would be with neighboring Andean countries, Colombia and Peru.\(^4^6\) These countries share a common interest in immediately combating the drug trade and its impact on Latin American security.


Conclusion

Understanding Ecuador’s political environment in recent years is crucial for assessing its current and future challenges. Over the past fifteen years, there has been a significant conflict between the Correista and anti-Correista electoral forces and governments. Many policies implemented after Correa’s presidency weakened the Ecuadorian justice and security services in an effort to depersonalize and professionalize the institutions that were under Correa’s influence.\textsuperscript{47} This resistance against Correa continues to shape politics today, with analysts predicting that Noboa’s potential victory in the upcoming election will be a result of anti-Correista unity rather than Noboa’s political popularity.\textsuperscript{48}

With an abstention vote of nearly 7 percent and a close percentage of votes between the two candidates, the winner of these elections will face challenges in uniting a polarized and weakened state.\textsuperscript{49} Regardless of which candidate wins on October 15, they will need to demonstrate their ability not only to dismantle poorly run institutions but also to build new, capable ones that can address the current crises. A critical factor in achieving this will be their success in coalition-building domestically and in finding allies internationally. Without unity within the country, passing the necessary legislation to lay the foundation for real change will be nearly impossible. Additionally, without support from the international community, the Ecuadorian state would struggle to effectively counter the transnational criminal groups that control its coastal cities.\textsuperscript{50}

The aftermath of the election should provide some clues about the country’s direction in the near future. If polarization and hyper-partisanship prevail, it is likely that another two years of state inaction await. Since the candidates will encounter different challenges in governance, additional research and analysis will be required after the elections to assess the likelihood of the next government finding a viable path to address Ecuador’s economic and security challenges.


Decoding the Ecuador Elections: 

Examining Candidates’ Strategies and Their Impact on Security and the Economy

Part 1

This report was prepared by Global Americans. The report was written by Caio Pereira (Program Coordinator, Global Americans) and Scott Brasesco (Program Associate, Global Americans). The analysis and views expressed herein are those of the authors.

October 12, 2023