

QUICK POLICY INSIGHT

In Ecuador, a decisive victory for President Rafael Correa consolidates the 'Citizen's Revolution'

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Reaping the benefits of his popular policies to increase social expenditure and investment in the public sector, Ecuadorian President Rafael Correa was easily re-elected on 17 February 2013. With 97 % of the votes counted, Correa's tally stands at 56.9 % — an improvement over his 2009 results, when he received 52 %. Although the final composition of the National Assembly has yet to be confirmed, Correa's party, *Alianza País* (AP), has won more than two thirds of the seats. Such a majority will make it relatively easy for the government to institute its legislative agenda, including a number of controversial laws. Ecuador's election results also serve to confirm public support in a number of Latin American countries for politicians and policies favouring social expenditure and state intervention in the economy.

Results of the presidential elections

Ecuador's President Rafael Correa was re-elected for a third term with 56.9 % of the vote. His closest opponent, Guillermo Lasso, lagged far behind, with 22.8 %.

As opinion polls predicted, Correa emerged with a lead of more than 30 % over his closest rival, Guillermo Lasso of the Movement CREO (*'Creando Oportunidades'*, or 'Creating Opportunities'). Lasso obtained 22.8 % of the vote. CREO is a newly established centre-right movement, which ran a campaign focussed on individual liberties and a greater role for the private sector. This was the first presidential campaign for Lasso, a former President of the *Banco de Guayaquil*, who will henceforth lead the opposition to Correa and the governing AP.

Correa's victory is his second consecutive absolute majority. His 52 % of the vote in the 2009 elections marked the first time an Ecuadorian President was elected in the first round since the country returned to democracy in 1979.

Correa will remain president until 2017¹, at which point he would be Ecuador's longest serving president. This political stability contrasts markedly with the volatility that once characterised the country: in the ten years before Correa assumed office in 2007, Ecuador had seven presidents.

Correa's support can be attributed to his social policy. In power since 2007, he has weathered the economic crisis well, making use of financial reforms and high oil prices to subsidise public spending.

Correa's strong popular support likely derives from his active social policies and major investment in welfare programs. Due to a fiscal stimulus package, Ecuador was able to weather the worst of the international financial crisis and has since continued to increase public spending on education, healthcare and expanding a programme of government-subsidised housing credits — all under the banner of a 'citizen's revolution'.

President Correa has also gradually increased the minimum wage. The timing of a 9 % wage increase, announced on 22 December 2012, may have helped consolidate popular support in the last stretch before the vote. The government has also increased cash transfers to people living in poverty. Higher taxes and state transfers have contributed to reduce income inequalities. Poverty rates have declined in recent years: in 2011 it was estimated that 32.4 % of Ecuador's population lived in poverty, compared to 49.0 % in 2002. In general, the economy of the oil-exporting country has benefitted from high oil prices since 2008.

Table 1:
Results of the presidential elections (with 97.4 % of votes counted)

Candidate	Party/Movement	% of valid votes (votes)
Rafael Correa Delgado	<i>Movimiento Alianza Pais</i> (Movement Pais Alliance - AP)	56.9 % (4 770 796)
Guillermo Lasso	<i>Movimiento Creando Oportunidades</i> (Movement Creating Opportunities - CREO)	22.8 % (1 909 221)
Lucio Gutierrez	<i>Partido Sociedad Patriótica</i> (Party for a Patriotic Society, - PSP)	6.8 % (569 761)
Mauricio Esteban Rodas Espinel	<i>Movimiento Sociedad Unida Más Acción</i> (Movement United Society More Action - SUMA)	3.9 % (330 180)
Alvaro Noboa	<i>Partido Renovador Institucional de Accion Nacional</i> (Institutional Renewal Party of National Action - PRIAN)	3.7 % (310 185)
Alberto Acosta	<i>Alianza Unidad Plurinacional de las Izquierdas</i> (United Plurinational Alliance of the Left)	3.3 % (277 444)
Norman Wray	<i>Movimiento Ruptura</i> (Movement Rupture)	1.3 % (111 053)
Nelson Zavala	<i>Partido Roldosista Ecuatoriano</i> (Ecuadorian Roldosist Party - PRE)	1.2 % (101 270)

Source: Consejo Nacional Electoral (CNE)

¹ The 2008 constitution establishes that the President can be re-elected once (for a second four-year term). Correa took office in 2007, after being elected for the first time in 2006, and was re-elected in April 2009; however, this was his first term under the 2008 Constitution.

Results of the parliamentary elections

Alianza País (AP), Correa's party, won an absolute majority in the National Assembly. While the overseas vote remains to be counted, the AP is certain to obtain a two-thirds majority in the Assembly, allowing it to reform the constitution.

The elections for the 137 seats in the National Assembly have provided the AP an absolute majority of approximately 90 seats. With six seats representing Ecuadorians living abroad still to be allocated, there is no doubt that the AP will obtain a two-thirds majority in the Assembly. This will not only make it easier for the governing party to enact its legislative agenda, but will also give it the majority needed to amend the constitution.

Projected Composition of National Assembly following elections of 17 February 2013 (131/137 seats)



The chief opposition parties are the Movement CREO and the PSC, although they control together only 18 seats (about 13 %).

Opposition to President Correa and the governing AP will come mainly from CREO and the centre-right *Partido Social Cristiano* (Christian Social Party - PSC), which are believed to have won 12 and 6 seats, respectively. These parties were supported by Jaime Nebot, the influential and popular mayor of Guayaquil, the country's most populous city. The creation of an informal alliance between CREO, the PSC and Nebot's 'Madera de Guerrero' citizens' movement limited fragmentation among the parties to the right of the governing party, but the alliance's strength remains largely confined to the coastal regions.

To the left of AP, the *Alianza Unidad Plurinacional de las Izquierdas* (United Plurinational Alliance of the Left) obtained six seats. *Avanza*, a newly created social democratic party, obtained a surprising five seats. Considered close to AP, this party could bolster the governing majority.

Perspectives

The absolute majority for AP in the parliament will allow the passage of controversial proposals, including laws on communications and water resources.

Since the entry into force of the 2008 Constitution, the government has introduced a large number of legislative proposals in areas such as the oil and mining industry, education, market regulation and political organisations. Several proposals have stalled, however, due to the lack of a sufficient majority in the National Assembly.

The most sensitive piece of legislation is a proposed communications

law (*Ley Orgánica de Comunicación*) which establishes stronger control and regulation of the media, and which critics have branded as an attack on freedom of expression. The government argues the law is an attempt to create more diverse mass media. After his victory, Correa announced that the vote would encourage him to push for approval of the law in the first months of the new Assembly's mandate.

These proposals have provoked considerable resistance in the past.

A second proposal that has faced criticism, mostly on the left, is the planned reform of the penal code. Civil society groups have expressed concerns that provisions relating to terrorism, rebellion, sabotage and strikes could criminalise popular protests. These concerns, added to the technical complexity of the proposed law, have prevented its approval until now.

Another contentious proposal stalled by lack of support is the Water Resources Bill (*Ley de Recursos Hídricos*). Although the Constitution defines water as a strategic national asset, some 45 % of Ecuador's water resources have been privatised through legal concessions. The proposed law would allow existing concessions to remain and promote centralised, state management of water resources. There have been large scale protests in recent years against the proposed water legislation, which critics claim would consolidate private ownership of water resources.

President Correa's re-election is consistent with a trend of electing socially-minded presidents in Latin American countries. Yet Correa has said he will not seek re-election in 2017.

The AP is likely to use its absolute majority in the National Assembly to have these proposals approved.

Correa's victory — and the growing support for him over the last three elections — confirms the popularity of active social and redistributive policies and state intervention in the economy. His re-election follows those of political allies — Daniel Ortega in Nicaragua (November 2011) and Hugo Chávez in Venezuela (October 2012) — and is likely to be followed by the re-election of Bolivia's President Evo Morales in 2014. Unlike the Venezuelan President, however, Correa has announced that his new presidential term will be his last.