

“Your country” Exports Infographic (landscape) see the OEC, (replace ecu with your countries

<https://atlas.media.mit.edu/en/profile/country/ecu/>



Write a summary of what is going on with Ecuador’s exports here, here is the citation and

<https://atlas.media.mit.edu/en/resources/permissions/>

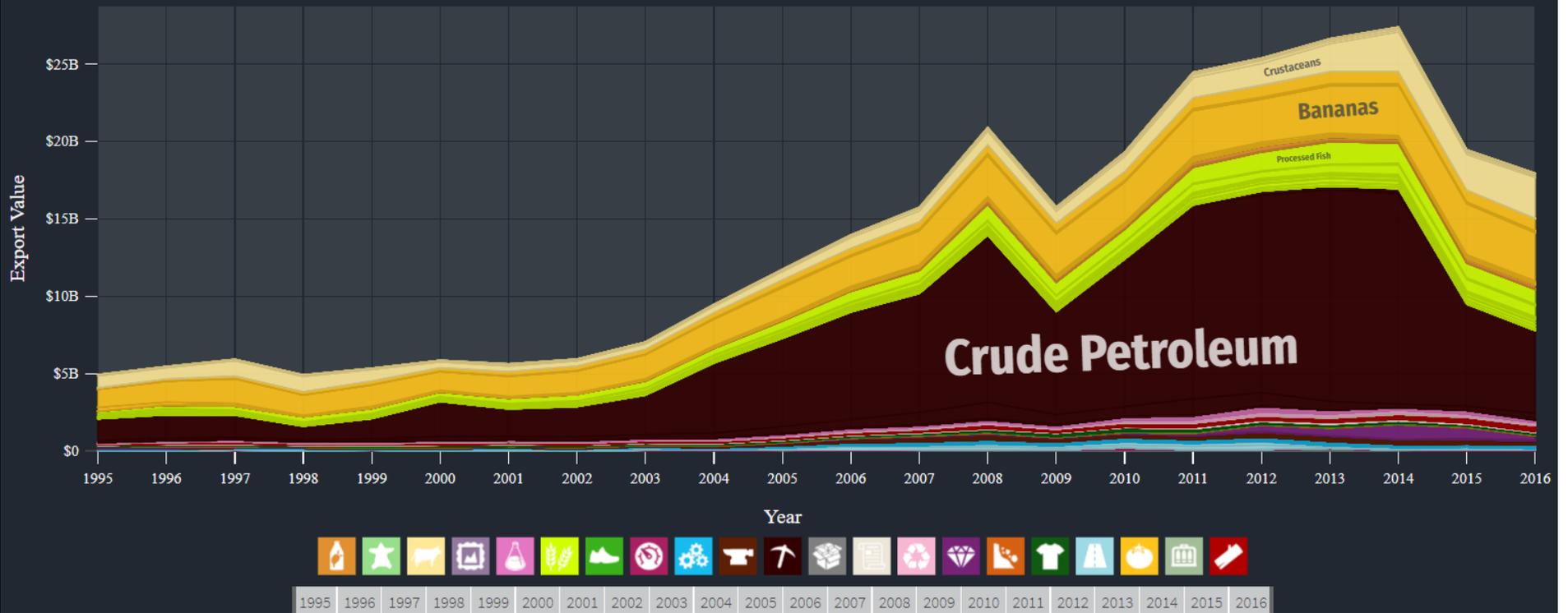
<https://atlas.media.mit.edu/en/resources/about/>

Or just the OEC, 2018, accessed on December 3rd see Simoes, JG CA Hidalgo (2011) The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development. Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence. (2011)

What is RCA? “revealed comparative advantage” [Wikipedia provides this example:](#) “in 2010, soybeans represented 0.35% of world trade with exports of \$42 billion. Of this total, Brazil exported nearly \$11 billion, and since Brazil's total exports for that year were \$140 billion, soybeans accounted for 7.9% of Brazil's exports. Because $7.9/0.35 = 22$, Brazil exports 22 times its "fair share" of soybean exports, and so we can say that Brazil has a high revealed comparative advantage in soybeans.

What does Ecuador export? (1995-2016)

TOTAL: \$299B



For additional information trade with projections see ECLAC, 2018 International Trade Outlook for Latin America and the Caribbean, see in particular chapter III on cross border e-commerce (limited in LatAm right now...). Digital ecosystems are emerging, but postal services are very bad (but you can order almost anything from Mexico via Ebay... so even NAFTA 1.0 has been working...

https://repositorio.cepal.org/bitstream/handle/11362/44197/4/S1800874_en.pdf

International Trade Outlook for Latin America and the Caribbean is an annual report prepared by the Division of International Trade

and Integration of the Economic Commission for Latin America and the Caribbean (ECLAC).

The production of the report was overseen by Mario Cimoli, Deputy Executive Secretary and Officer in Charge of the Division of International Trade and Integration of ECLAC. Keiji Inoue, Senior Economic Affairs Officer with that Division, was responsible for its technical coordination. José Elías Durán, Sebastián Herreros and Nanno Mulder, staff members of the Division, assisted in the preparation and drafting of the chapters.

Attack from the heir Ecuador's President Lenín Moreno tries to bury the legacy of his predecessor

A referendum is designed to stop Rafael Correa from making a comeback



Americas

Feb 2nd 2018 | QUITO

LESS than a year after electing a president, Ecuadoreans will vote on whether to bar a former one from returning to office. Seven questions will appear on the ballot in a referendum to be held on February 4th. The most important is whether to reinstate term limits for elected officials. If Ecuadoreans vote Yes, Rafael Correa, an authoritarian leftist who governed for ten years until 2017, will not be able to make the political comeback he is thought to be plotting.

The referendum is the result of a spectacular falling out between Mr Correa and his successor, Lenín Moreno, who narrowly won the presidential election in 2017. Mr Correa had expected his successor to carry on his programme of “21st-century socialism”. This amounted to spending lots of money on social programmes and infrastructure, and subjecting independent institutions like the press and the courts to control by the president.

Mr Moreno has disappointed him, in part because there is less money than there was during the oil bonanza that occurred during the early years of Mr Correa's presidency. Mr Moreno unmuzzled the press and stopped meddling in the judiciary. The chief prosecutor, Carlos Baca, once a Correa loyalist, used his new freedom to charge Mr Moreno's vice-president, Jorge Glas, with corruption. In December a court sentenced Mr Glas, who is widely regarded as Mr Correa's man, to six years in jail for "illicit association" with Odebrecht, a Brazilian construction firm. He and an uncle were convicted of taking \$14m in bribes from the company. The prosecution of corruption has helped make Mr Moreno popular. His approval rating in August was 77%, according to Cedatos, a pollster.

The referendum is in part Mr Moreno's attempt to bury his predecessor politically. As president, Mr Correa at first introduced a two-term presidential limit, then persuaded congress to scrap it. He decided not to run for re-election in 2017, probably because the economy was weakening. Mr Moreno became the nominee of his party, Alianza PAIS. Mr Correa moved to Belgium, his wife's home country.

Ecuadoreans will now be asked whether any elected official should be permitted to serve more than two terms. They will also vote on whether people convicted of corruption should be barred for life from holding public office.

Mr Moreno is also seeking the right to sack senior judges and prosecutors appointed by a supposedly independent board shortly before Mr Correa left office. The board was widely seen as beholden to the president, and the appointments looked like an attempt by him to keep control of the judiciary. Mr Baca, despite his recent show of independence, may be among those who lose their jobs if the question passes.

Some civil-liberties groups fear that Mr Moreno will use his new power simply to replace Mr Correa's control over the judiciary with his own. His answer to that worry is that his power of appointment will last only 12 months. After that, members of the board in charge of appointing judges, prosecutors and other officials with judicial and regulatory powers will be elected by popular vote.

The referendum includes unrelated questions, too. There are a couple on environmental issues: whether to bar mining in cities and areas under environmental protection, and whether to expand the part of a national park that is off-limits to oil exploration.

A question sure to get a lot of Yes votes is whether the statute of limitations on sex crimes against children should be ended. Cases of sex abuse in schools have been in the headlines lately. Ecuadoreans will also vote on whether to abolish a windfall property tax that provoked middle-class protests in 2015.

Mr Correa, temporarily back from Belgium, is on a lorry tour of the country to encourage Ecuadoreans to vote No on all the referendum questions. In some towns people have pelted eggs at him. His bodyguards have pelted back. But nearly 30% of the electorate plans to vote against term limits. That is a higher level of support for No than in any of the other referendum questions. It suggests that Mr Correa still has significant support.

If Mr Moreno triumphs in the referendum vote, as expected, his celebration will be short. He will face immediate pressure to speed up re-democratisation and economic reform. His critics point out that his cabinet is still stuffed with officials left over from Mr Correa's

administration. They want Mr Moreno to follow up a successful referendum campaign by clearing some out and strengthening checks on presidential power.

The economy has emerged from a recession but that is only because the government is still spending money at an unsustainable rate. “Debt seems to have become Ecuador’s new oil,” commented Credit Suisse, a bank. Mr Moreno is under pressure to reduce the budget deficit, which reached 5.9% of GDP last year. But he is loth to cut spending sharply while the economy remains fragile. His campaign to undo correísmo is making progress. But Mr Correa’s economic legacy remains a burden

From our textbook A&L, 2017 page 164-65 Chapter 6 The Political Economy of Latin American Development

6.4.4 Ecuador

The economy of Ecuador heavily depends on oil revenues, which account for over **half the country’s exports.??** Despite widespread market-friendly reforms in the 1990s, Ecuador suffered from a severe banking crisis in 1999. This was triggered by a number of adverse shocks, including domestic political unrest resulting from fierce internal opposition to the reforms and the 1995 Cenepa War—a boundary dispute with Peru. Moreover, and unlike neighboring countries, **Ecuador was incapable of coping with the contagious effects of the Mexican Tequila Crisis in the mid-1990s, partly because it coincided with a sharp decline in the price of oil.**

Perhaps more importantly, the Central Bank of Ecuador lost credibility, as it did not support the fiscal discipline dictated by the reforms. (note 32) With output contracting drastically and inflation increasing sharply, a new wave of reforms was introduced. One of the most important reforms consisted of abandoning the local currency—the sucre—and adopt the US dollar as legal tender in 2000. Dollarization brought inflation down to historical levels and helped to promote growth; the annual increase from 2002 to 2006 was around 5 percent, a high rate of economic growth that Ecuador had not experienced in approximately twenty-five years. (note 33)

Despite such a high growth spell and price stabilization via dollarization, the country continued to experience political instability to the extent that no president has been allowed to complete a four-year term in office since 1996. What seemed to anger the public the most was corruption—an endemic problem indeed. Note 34

In 2006, a charismatic left-wing politician, Rafael Correa, emerged from Ecuador’s middle class. Among his political assets was his fluency in the indigenous **language Quechua**, which is widely spoken, particularly among Ecuadoreans from lower quintiles. Unlike Evo Morales, Correa is a highly educated individual, well above average for Latin American standards. He earned a PhD in economics from the University of Illinois at Urbana-Champaign in 2001, but he is considered anti-American and anti-globalization.

Once elected, Correa prioritized economic growth and poverty eradication. He held on to his anti-imperialist manifesto, however, particularly with regard to using oil revenues for social programs. **Moreover, Correa defaulted on Ecuador’s foreign debt, and a considerable amount of total government expenditures—financed mostly from oil revenues and loans from China—have been devoted to social programs and public investments in infrastructure.**

According to recent World Bank estimates, total government expenditures as a percentage of GDP have increased from around 21 percent in 2002 to nearly 41 percent in 2012 [\[check this\]](#) Poverty has declined by approximately 12 percentage points, and extreme poverty has decreased by more than 8 percentage points. The number of Ecuadoreans joining the middle class was on the rise in recent estimates, and income disparities have decreased. As proxied by the Gini coefficient, income inequalities decreased from 54 to 48.

President Correa was reelected first in 2010 and then in 2013. Whether his redistributive policies can be sustained crucially depends on external vulnerabilities—most importantly, the price of oil (which has been falling steadily in recent years). Unlike Evo Morales, Rafael Correa is largely perceived as a populist. Ecuador under Correa shares common traits, albeit milder, with Venezuela under Chávez...???

<https://www.cepal.org/en/infografias/los-pueblos-indigenas-en-america-latina>

