

# ECUADOR COUNTRY REPORT



BY ANA GONZALEZ, CARLOS FELLMANN, JAVIER LAREQUI, JORGE KLINNERT AND RODRIGO ASTURIAS.

NAVARRA CENTER  
FOR **INTERNATIONAL**  
**DEVELOPMENT**



---

**Download PDF** UPDATED IN MAY 2022

# INDEX

1. Country Overview

2. Demography

3. Macroeconomics

4. Trade

5. Public Finance

6. Financial Markets

Special topics

7. Competitiveness and Doing Business

8. Education

9. Health

10. State of Democracy

11. Corruption

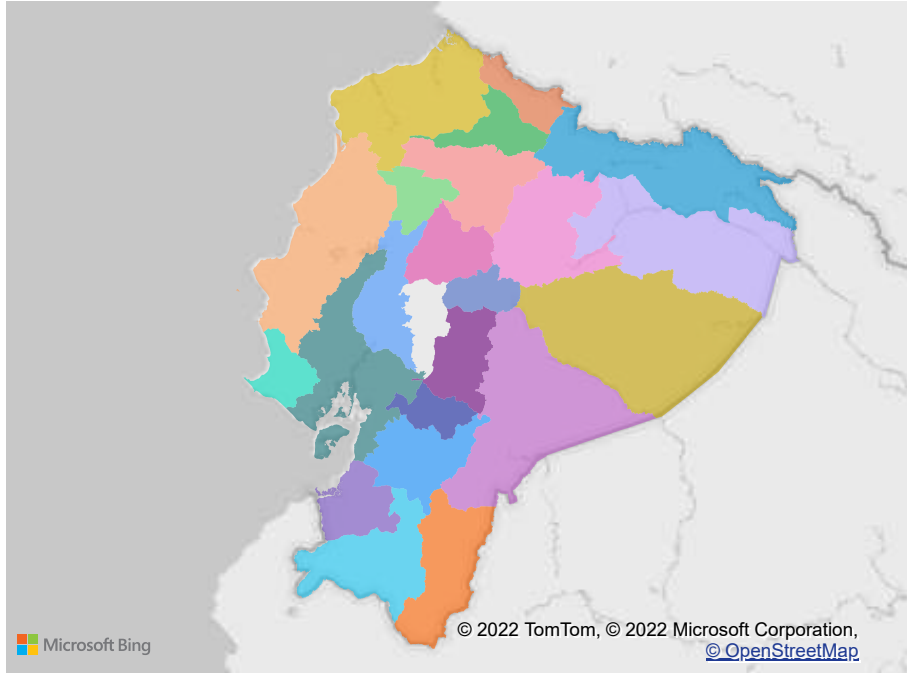
12. Geopolitics

13. Crime

14. Guillermo Lasso Challenges

15. Malnutrition

# 1. COUNTRY OVERVIEW



## TERRITORIAL ORGANIZATION

The Republic of Ecuador is a South American country divided into four main natural regions: Coast, Sierra and the Amazon in addition to the Galapagos Islands. These comprise a total of 24 provinces. Quito, Ecuador's capital, is located only 15 miles away from the equator line being the closest major city to the Equator on the planet.

**ECUADOR COUNTRY REPORT**  
**NCID**



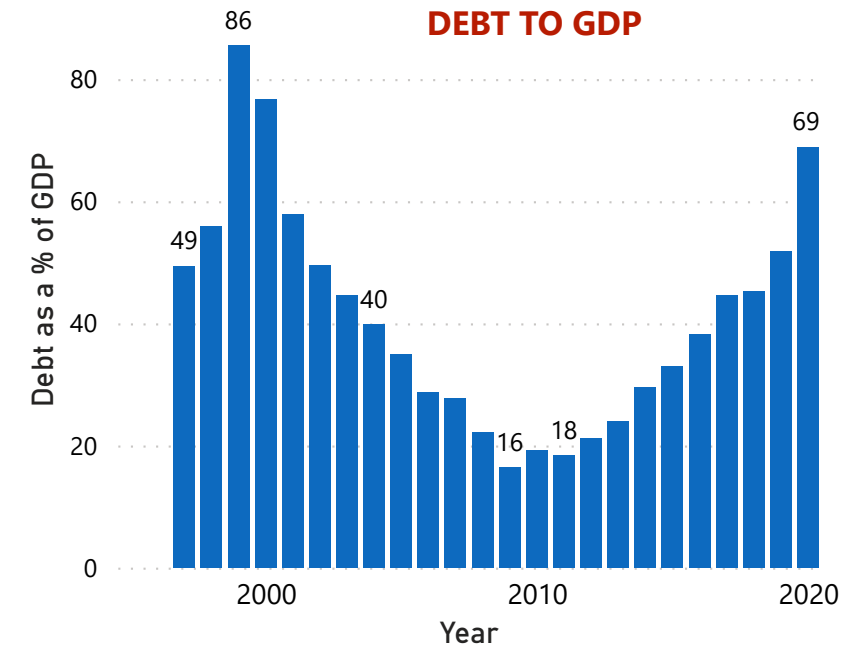
## PRESIDENT

Guillermo Lasso (2021 - 2025)  
CREO party: liberal and conservative party



## POLITICAL SYSTEM

Presidential Republic



## ECONOMY

"Despite the effort made to balance its economy, Ecuador is still in need of rebalancing its public finances to avoid an unsustainable increase in debt as it strengthens trust in macroeconomic stability and dollarization".

In terms of government debt to GDP, the 2020 percentage (68.9%) is higher than that of 1999 (55.9%) when the country suffered one of the major financial crises of its history.

Source: [World Bank](#)

Source: [Datos macro](#)



# 1. COUNTRY OVERVIEW

## MAJOR MILESTONES

**1531 - 1822**

Colonization period.

**1830**

Ecuador becomes fully independent after leaving "la Gran Colombia"

**1963**

Agrarian reform is implemented after a military junta deposed President Carlos Arosemena

**1966**

Interim government takes over after military junta is accused of implementing violent procedures and retaliation

**2000**

Ecuador adopts the US dollar as its national currency as a response to the major economic crisis of the country's history.

**2013**

Parliament approves law to create an official body with powers to redistribute broadcasting frequencies and directly sanction media.

**2016**

7.8 magnitude earthquake causes the death of over 400 people and leaves more than 2700 injured

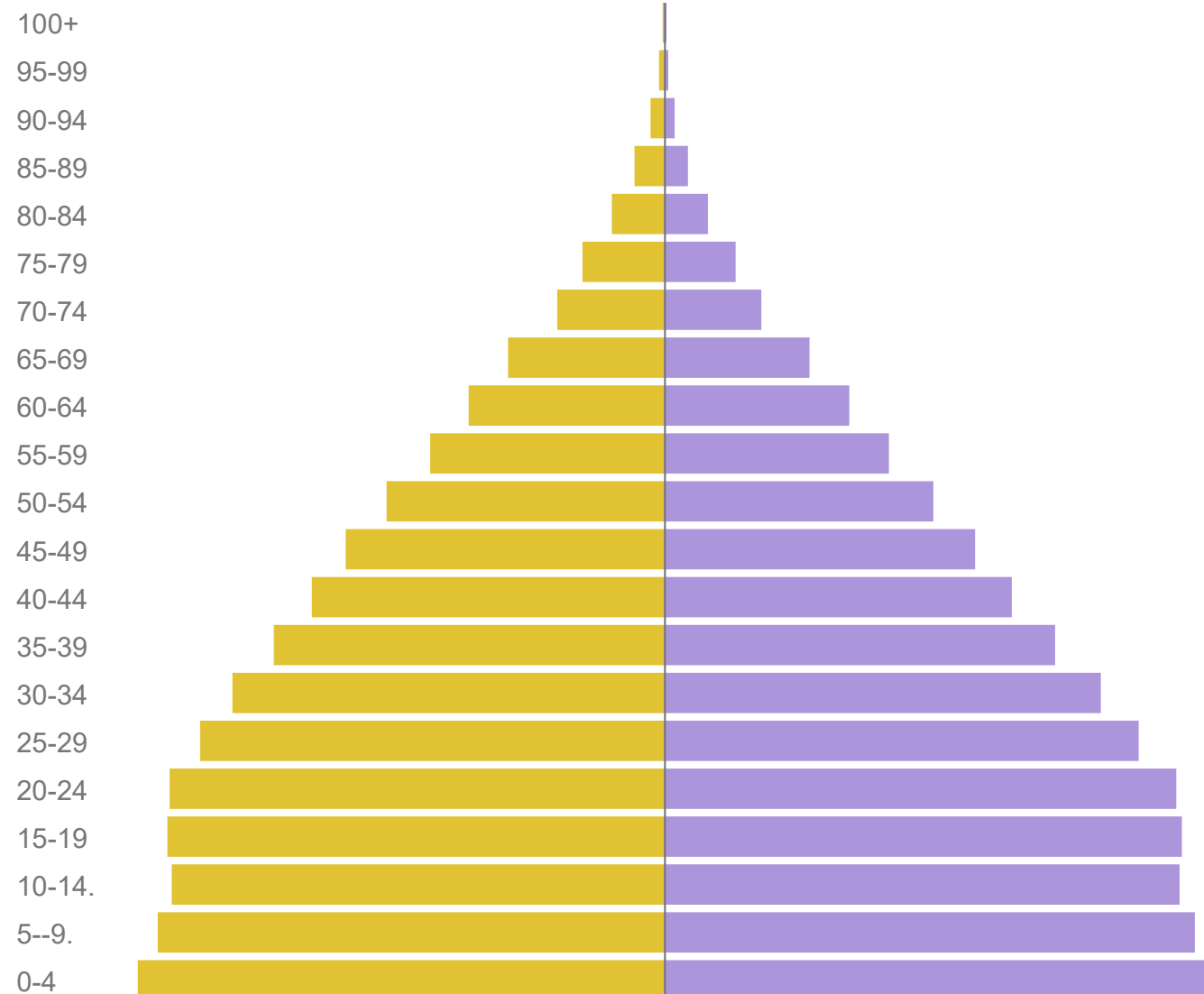
**2020**

In March, the pandemic and restrictions caused by COVID-19 are announced.



## 2. DEMOGRAPHY

POPULATION PYRAMID



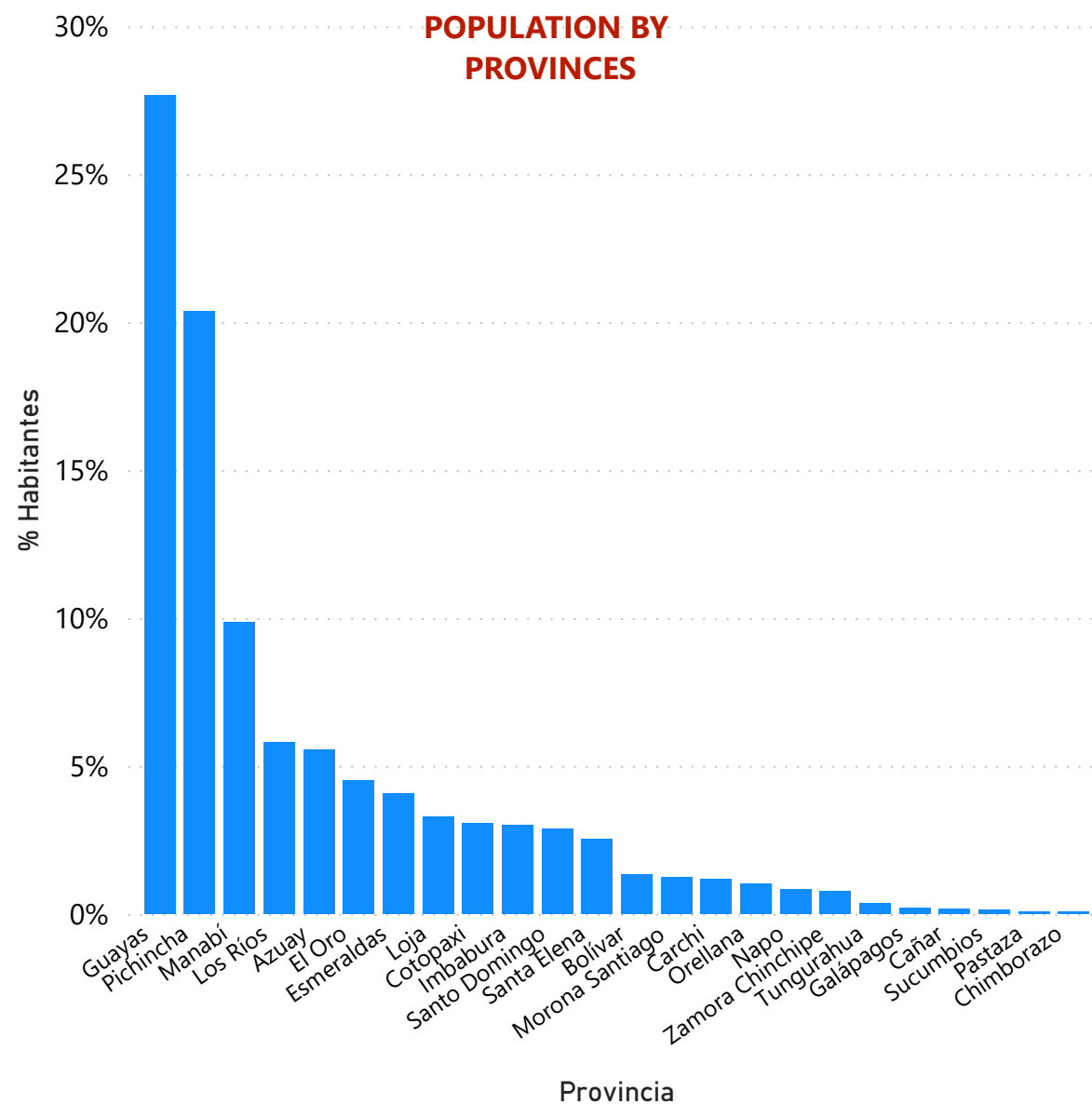
**TOTAL POPULATION**  
• 17,888,474 people.

**Population growth:**  
1.62% (2020)

**Gender:**  
**Male: 50.02%**  
**Female: 49.98%**



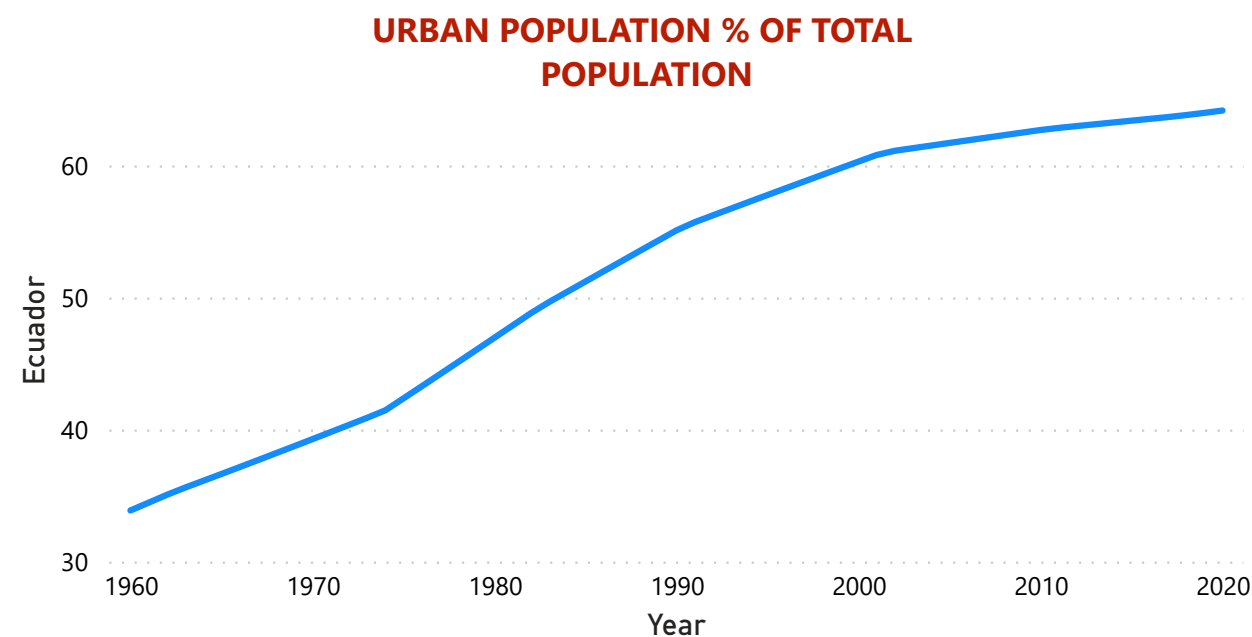
## 2. DEMOGRAPHY



**ECUADOR COUNTRY REPORT**  
**NCID**

The two provinces with the higher concentration of population are the two most important provinces in economic terms: **Guayas and Pichincha**. These provinces host the leading cities of the country, **Quito and Guayaquil**.

The current urbanization rate of Ecuador: **65%** is **5% lower than the average 70%** urbanization rate of Latin American countries.

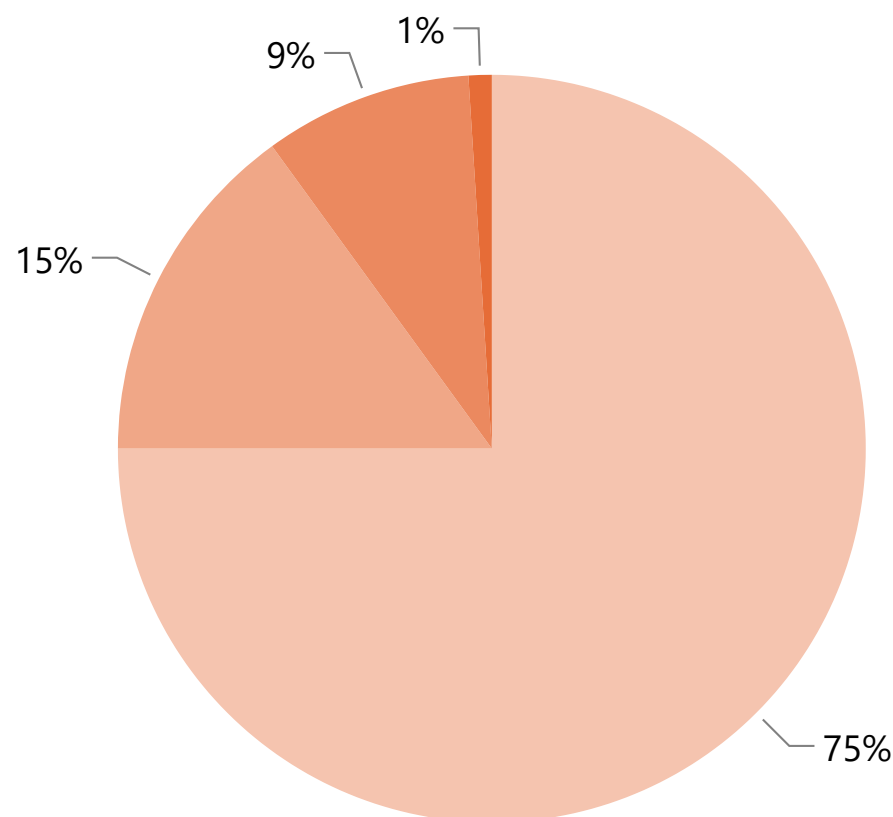


Source: [World Bank](#)



## 2. DEMOGRAPHY

### RELIGIOUS AFFILIATION



Approximately **92% of Ecuadorians** have an specific-religious affiliation.

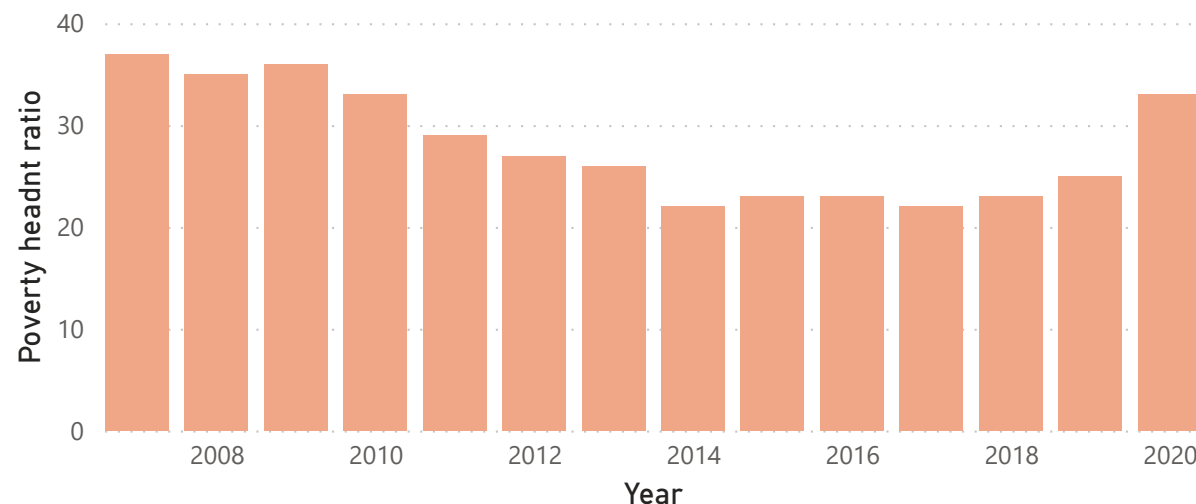
**0.8% of Ecuadorians** define themselves as atheists

**Religious Affiliation** ● Catholic ● Evangelical ● Non Specific- Religious Affiliation ● Jehovah's Witnesses



## 2. DEMOGRAPHY

### POVERTY



- The graph shows the poverty headcount ratio has increased since 2017. A significant increase can be observed from 2019 to 2020. **In 2019 the ratio estimated a total of 25% of the population while the poverty ratio of 2020 was estimated at 33% with a total difference of 8 points.**
- The latter has been registered as the largest percentage change of ratio values of the decade.

### POPULATION (IN)...

International poverty line 3.3% (1.2 US dollars)

Lower middle income class poverty line 9.7% (2.1 US dollars)

Upper middle income class poverty line 24.2% (24.2 US dollars)

Multidimensional poverty measure: 4.7%



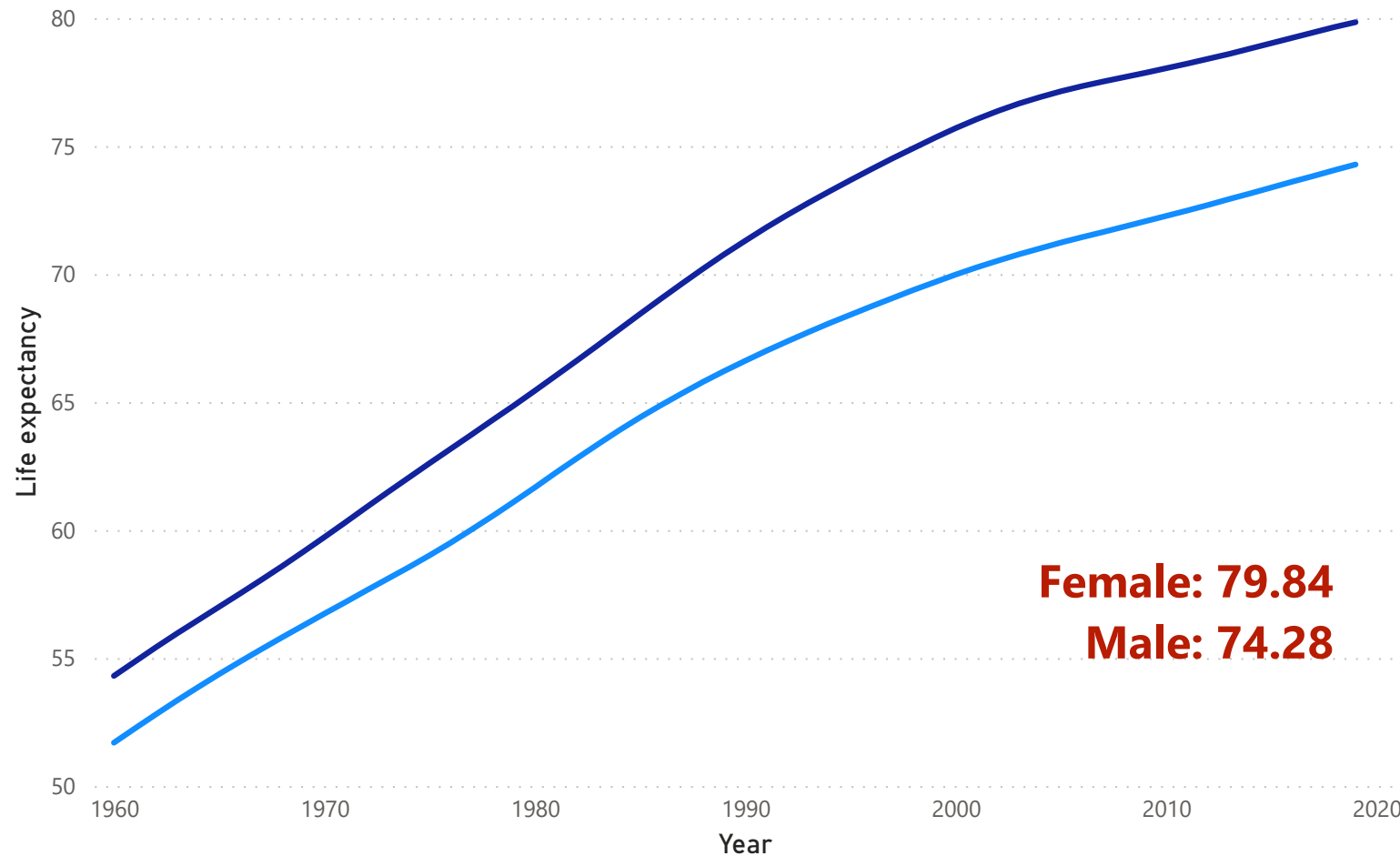
## 2. DEMOGRAPHY

Year   
All

To select more than one year use the  
combination ctrl + click.



### LIFE EXPECTANCY



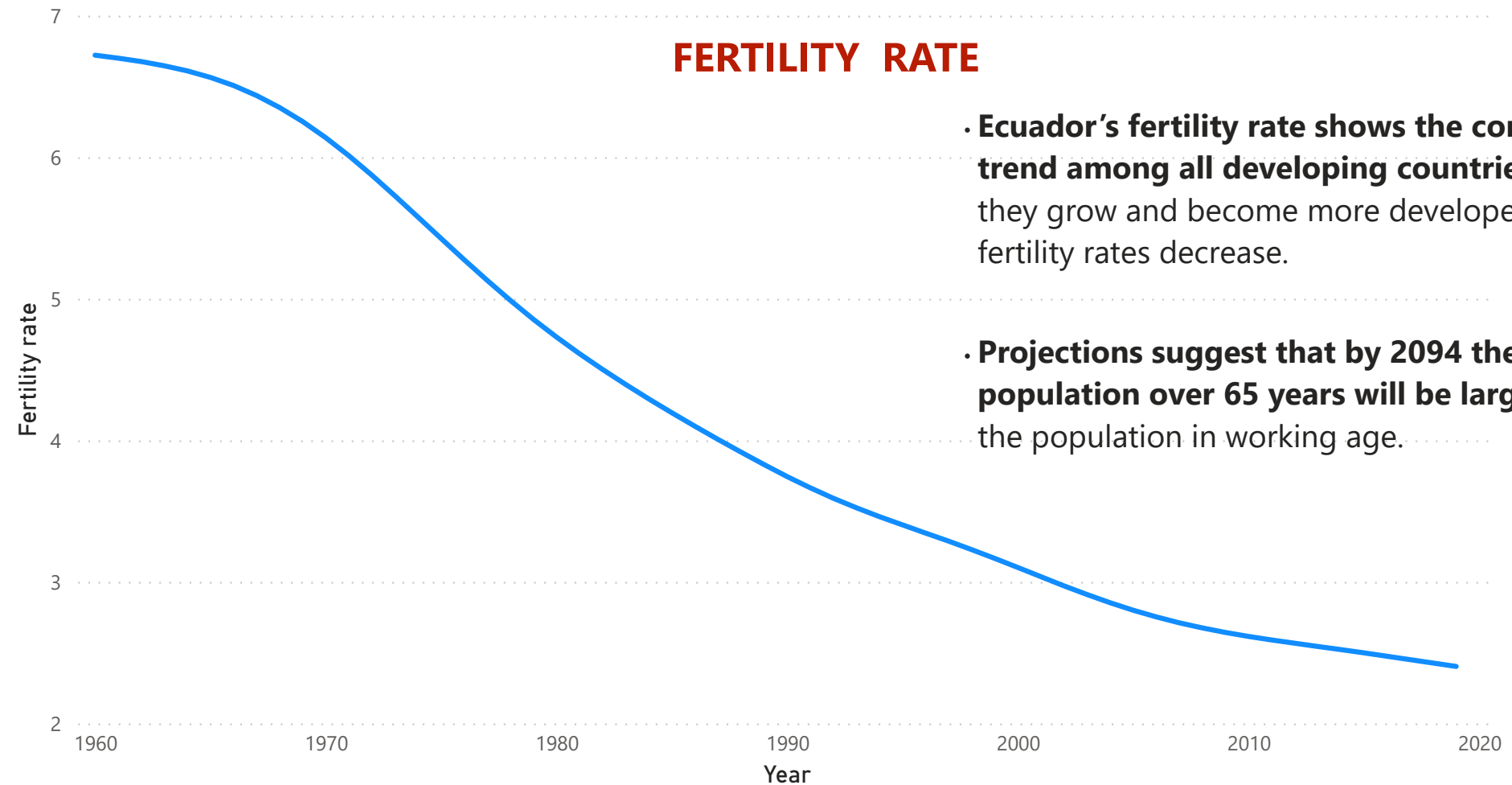
Life expectancy in Ecuador has **been on the rise since the 1960s.**

**This, in part, reflects the country's modernization,** which has allowed a larger share of its population to have access to clean water and health resources

## 2. DEMOGRAPHY

Year

To select more than one year use the combination ctrl + click.



- **Ecuador's fertility rate shows the common trend among all developing countries:** as they grow and become more developed, their fertility rates decrease.
- **Projections suggest that by 2094 the population over 65 years will be larger than the population in working age.**

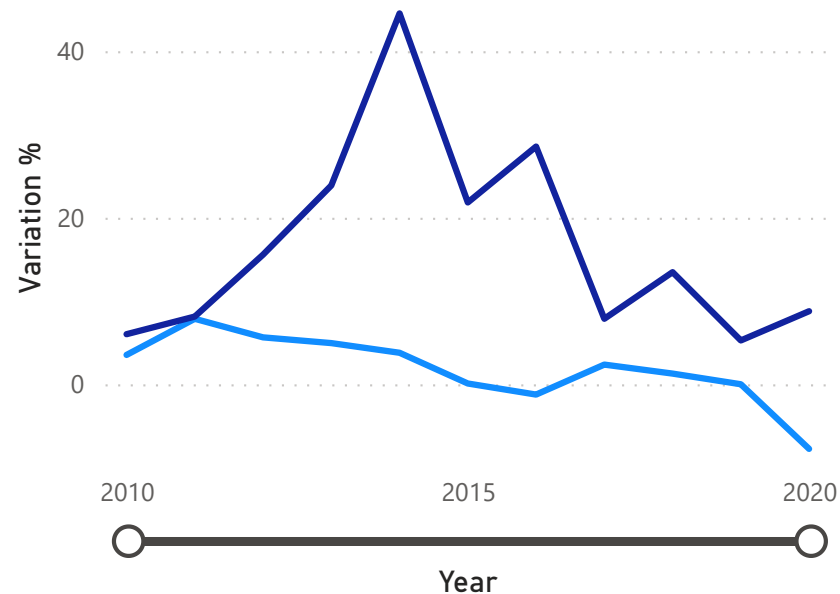
# 3. MACROECONOMICS

Year  
All



## GROWTH AND DEBT RATE

● GDP growth (annual %) ● National Debt growth (annual %)



1.87

Average GDP growth (a...

16.72

Average debt rate (%)

## GROSS DOMESTIC PRODUCT



The average growth rate for the period between 2010 and 2020 was 1.87%.

Ecuadorian authorities, as well as the IMF expected growth to be -7.51% in 2020, due to the impact of the pandemic. **Though the real impact of the pandemic was harder (-7.75%),** the estimate proved to be accurate, which means that Ecuadorian authorities had time to prepare a contingency plan to absorb the crisis.

A crucial year for the Ecuadorian economy was 2014 because of a fall in the price of oil, a major export of Ecuador. As a result of this event, exemplified in the graph, debt grew higher than GDP. Since then debt growth has maintained its levels over those of GDP growth. In 2018 there is a slight change of tendency resulting from the efforts made by the government to rebalance its budget.

Nevertheless, with the arrival of Covid -19 pandemic these efforts were lost due to the closure of many economic sectors in the country and the high levels of expenditure required to face it. The impact of the sanitary crisis has been significant for both debt and GDP growth which can only be compared to those of 1999 Ecuadorian economic crisis when GDP annual percentage growth was calculated at -4,74%. Being the latter even lower than GDP's percentage annual growth of 2020 -7.75%.

The graph plots the **growth rates of Ecuador's economy over the last 10 years**. It is important to note that debt growth is plotted alongside GDP growth, so that the resulting figure shows the real growth rate. **If debt is higher than growth,** then that means that growth is being drowned by debt. Whereas, on the other hand, if growth is higher than debt, then that means that the money taken in the form of debt is being invested in a productive way.

# 3. MACROECONOMICS



**The idea to plot GDP per capita growth alongside inflation** is to have a measure of the change in the average Ecuadorian's earnings against how much have his living expenses changed. If inflation is higher, then the basic basket of goods increases at a price that the average individual cannot keep up with.

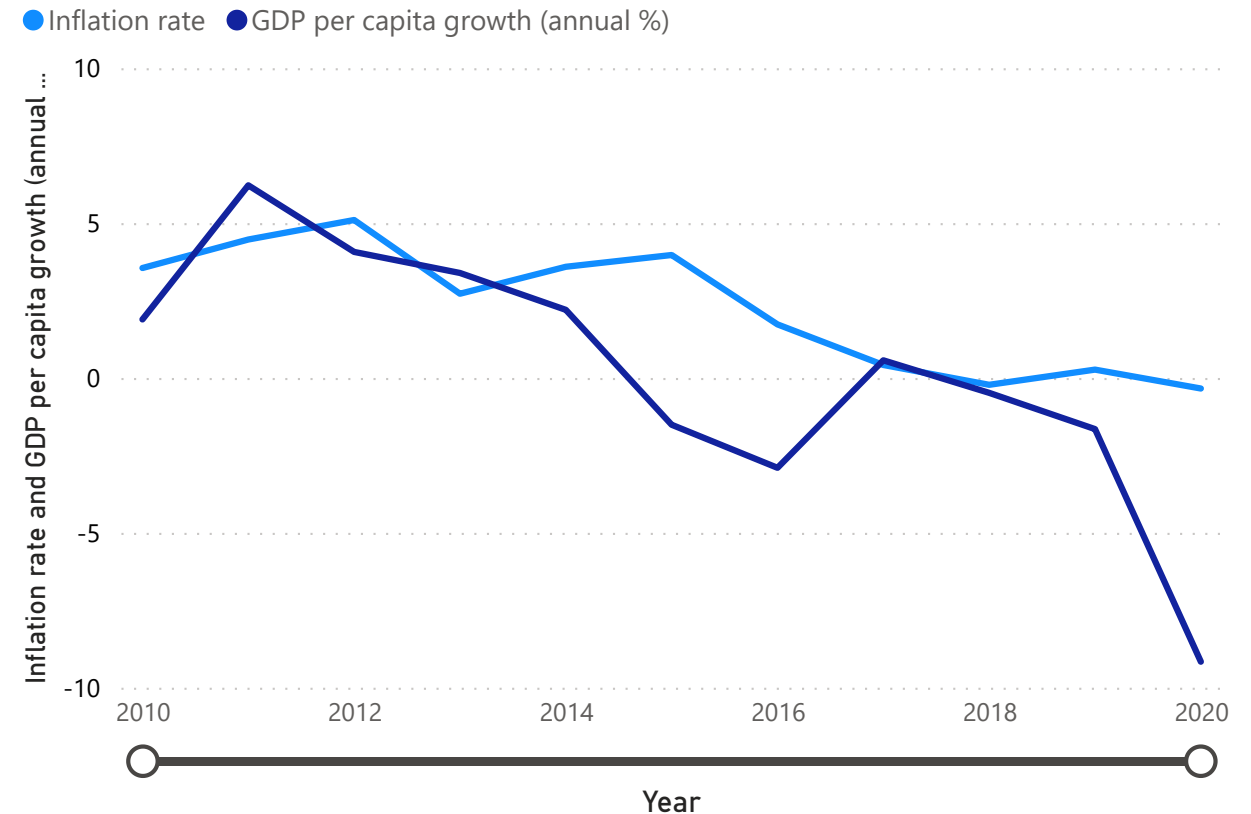
**This graph shows another face of the vulnerable situation Ecuador is at right now. For 10 years, GDP per capita growth has had the tendency to decrease.** This means that the average Ecuadorian has seen his income decrease substantially.

According to the World Bank report, the management of public expenses related to the Covid 19 pandemic will be key to reestablishing public financial order in the country.

Year  
All



## GDP PER CAPITA AND INFLATION GROWTH



0.24

Average of GDP per capita

2.30

Average inflation rate (%)

# 3. MACROECONOMICS

## GDP BY SECTOR

(% OF GDP)

Year		Services		Industry		Agriculture
2010	→	51.15	→	34.72	↑	9.73
2011	↓	49.31	↑	37.63	↑	9.60
2012	↓	48.98	↑	37.76	↓	8.64
2013	↓	49.25	↑	37.15	↓	8.77
2014	↓	49.35	↑	36.78	→	9.13
2015	→	51.37	↓	31.87	↑	9.45
2016	↑	51.55	↓	32.02	↑	9.52
2017	→	51.23	↓	32.52	→	9.33
2018	↑	51.44	↓	32.54	↓	8.95
2019	↑	51.80	↓	32.70	↓	8.80
2020	↑	52.63	↓	32.00	↑	9.80

**Ecuador's economy is highly reliant on the service sector**, which represents around 50% of GDP. The other large sector is that of industry, which represents around 35% of GDP. Last, agriculture represents around 10% of GDP.

As the graph above shows, these proportions have remained fairly constant over the years.

**Exemplified in the graph we can see the GDP distribution by provinces.** It can be seen that most of Ecuador's economic activity is concentrated around the provinces of Guayas and Pichincha. Guayas is the host of the country's second largest city, Guayaquil, a city of around 2.7 million people. Pichincha is the host of the country's capital, Quito.

**ECUADOR COUNTRY REPORT**  
**NCID**

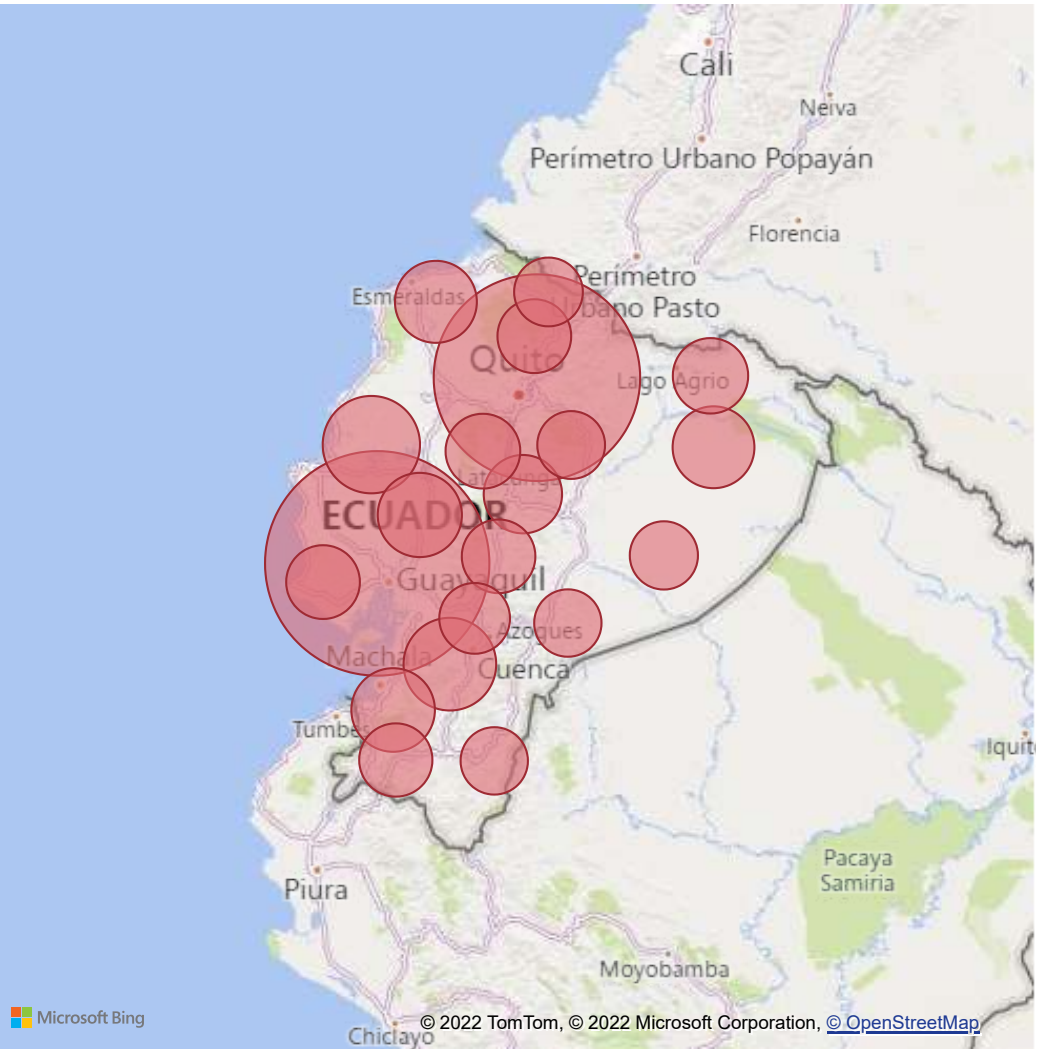
Year

All

To select more than one year use the combination ctrl + click..



## % OF GDP BY REGION



Source: [BCE](#)  
Source: [STATISTA](#)

# 3. MACROECONOMICS

Year

All

To select more than one year use the combination ctrl + click

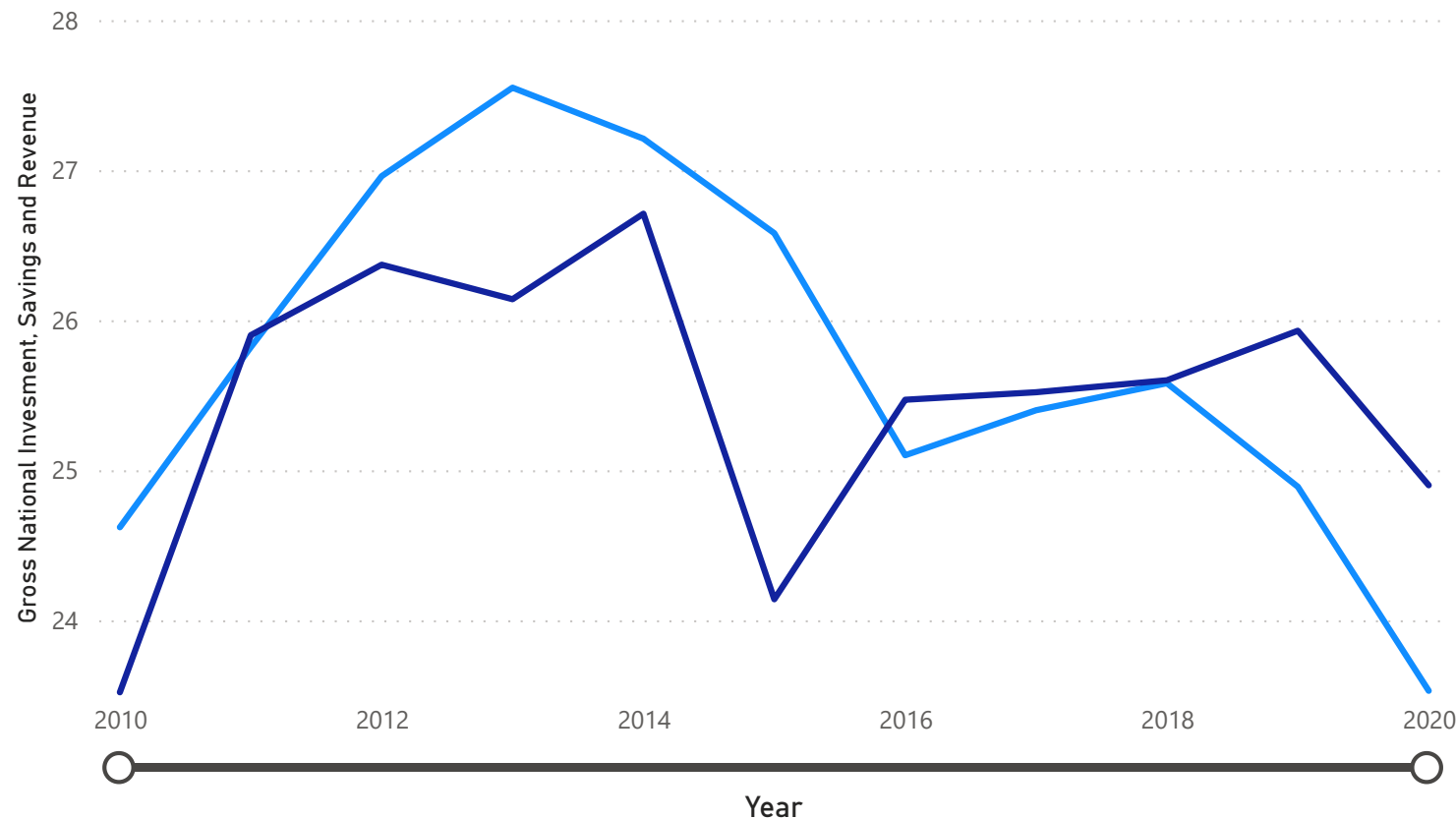


## DEBT AND CREDIT RISK



### GROSS NATIONAL INVESTMENT, AND SAVINGS, AS % OF GDP

● Investment to GDP (annual %) ● Gross domestic saving (% GDP)



Exemplified in the graph we can see how 2015 had a minimum in national savings in comparison to other years. **This may be related to the drop in oil prices in 2014, which would have pushed Ecuadorians to make use of their savings to compensate for the loss of income.** The savings rate did not recover from the shock, and after 2015 it did not reach previous levels.

**The investment rate also had a significant drop in 2016.** Given the lower availability of funds in 2015, investment falls in 2016. This drop also corresponds with the contraction of the overall economy, which in 2016 was 1.5%. **This is due to the fact that the price of oil failed to return to its pre-2014 levels, and moreover, in January 2016 it hit a low of \$38.83 per barrel**

# 3. MACROECONOMICS

Year

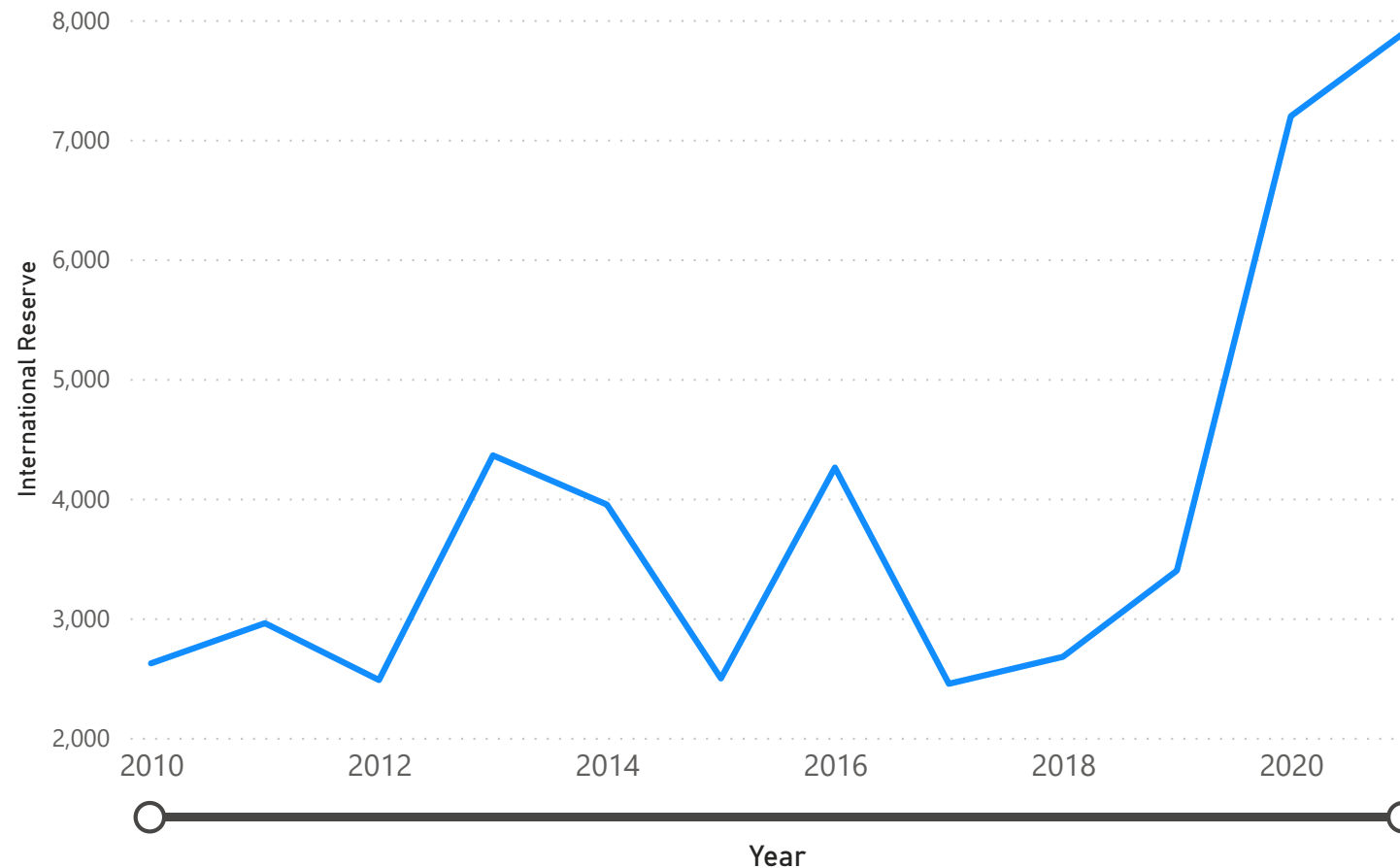
All



## DEBT AND CREDIT RISK



### NET INTERNATIONAL MONETARY RESERVES (Million of USD)



The following graph shows the fluctuations of net international monetary reserves from 1981 to 2020.

In order to better understand the variations exemplified in the graph, these can be divided into two time periods.

The first from 1980 to 2000 corresponding to the last two decades prior to the adoption of the US dollar as the national currency and from 2000 up to date, after the dollar's adoption. It is clear that, although variations have not been scarce in any of the two time periods, those from 2003 up to 2019 present higher levels of volatility.

**Especially from 2007 to 2017. The latter is also known as Correa's political period characterized by high levels of public expenditure resulting from left-wing driven policies.**

**In March 2020, international monetary reserves reached the minimum recorded for the last 50 years** with a total of \$1990 millions in reserves resulting from the covid health crisis.



## 4. TRADE



### AGREEMENTS

- **Multilateral Agreements: Ecuador is a participant member of the WTO since 1996**
  - **Free Commerce Agreements: In 2018 Ecuador signs an inclusive economic association agreement with the (AELC).** In 2020 the inclusive economic association agreement with (EFTA) comes into force. EFTA includes the following country members: Iceland, Liechtenstein, Norway and Switzerland.
  - **Customs Unions: Country member of the Andean Community (CAN) since 1969.** This international organism works under the objective of achieving integral development through the unification of andean countries. As a member of the CAN, Ecuador is party to commercial agreements with MERCOSUR.
- **Preferential Commercial Agreements:**
    - Partial trade agreement with Guatemala since 2013
    - Bilateral trade agreement with Chile since 2010
    - Treaties not yet in force: The free trade agreement subscribed in 2019 with the United Kingdom has not yet entered into force.
  - **Current Negotiations:**
    - Ecuador is currently negotiating a free trade agreement with Mexico and South Korea



# 4. TRADE

Year

All

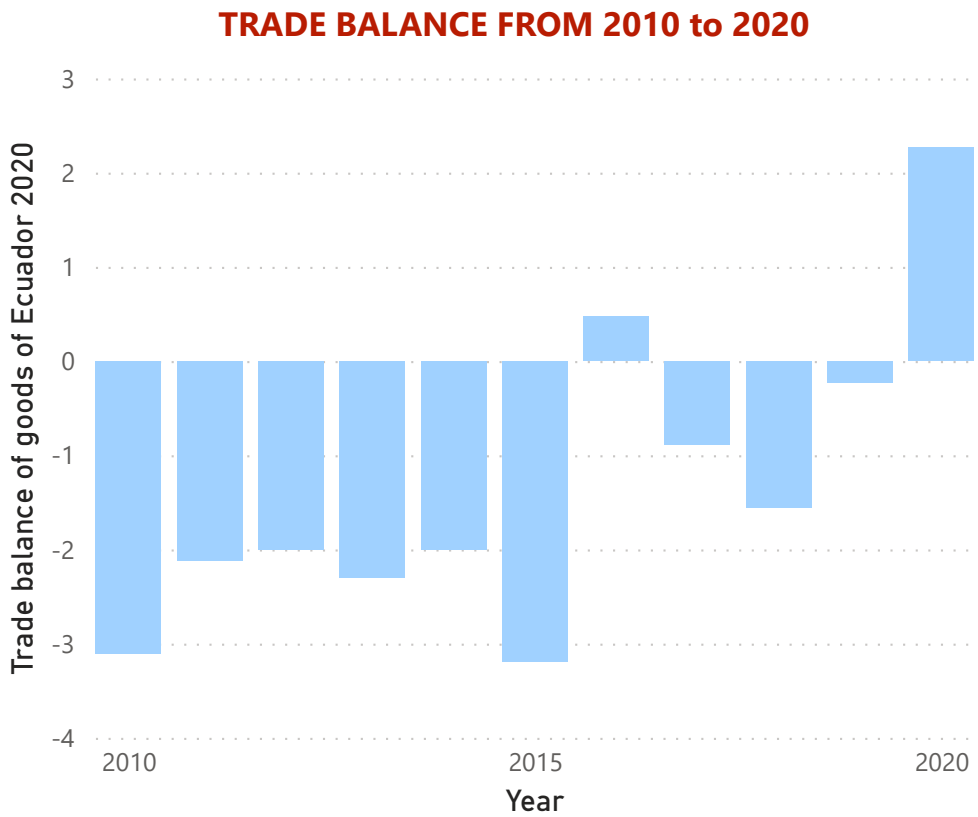
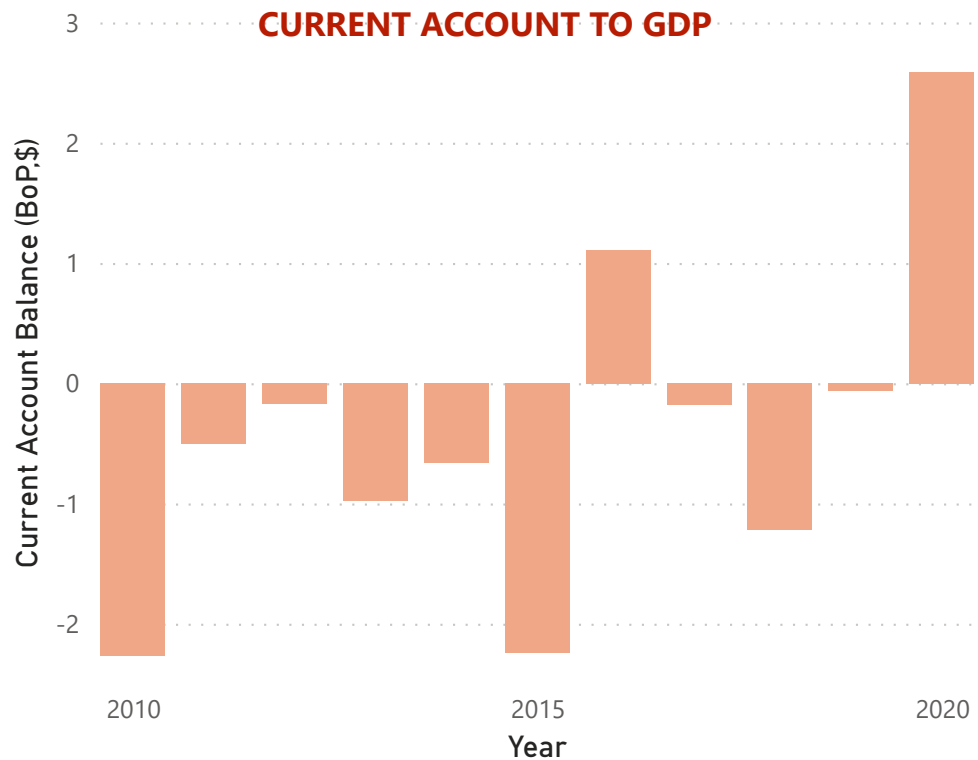
To select more than one year use the combination ctrl + click



Up until the end of the **XXth century Ecuador's BoP presented a deficit in their CAB defining the country as a -debtor-.**

As shown in the graph, this trend changed in 1999 and has significantly varied until the present. During the first trimester of 2021 the CAB reached a record level of surplus with a total of \$726.8 millions, where \$791.2 millions correspond to the **Trade Balance Account** and **\$801.7 millions to the Secondary Income Account** compensating for the deficit of \$520.7 millions in the Service Account and \$345.4 millions in the Primary Income Account.

Specifically, the surplus belonging to the Trade Balance Account resulted from an increase in crude petroleum exports. Furthermore, crude oil barrel price also increased from \$39.2 (price 1st trimester 2020) to \$54.2 (price 1st trimester 2021)..



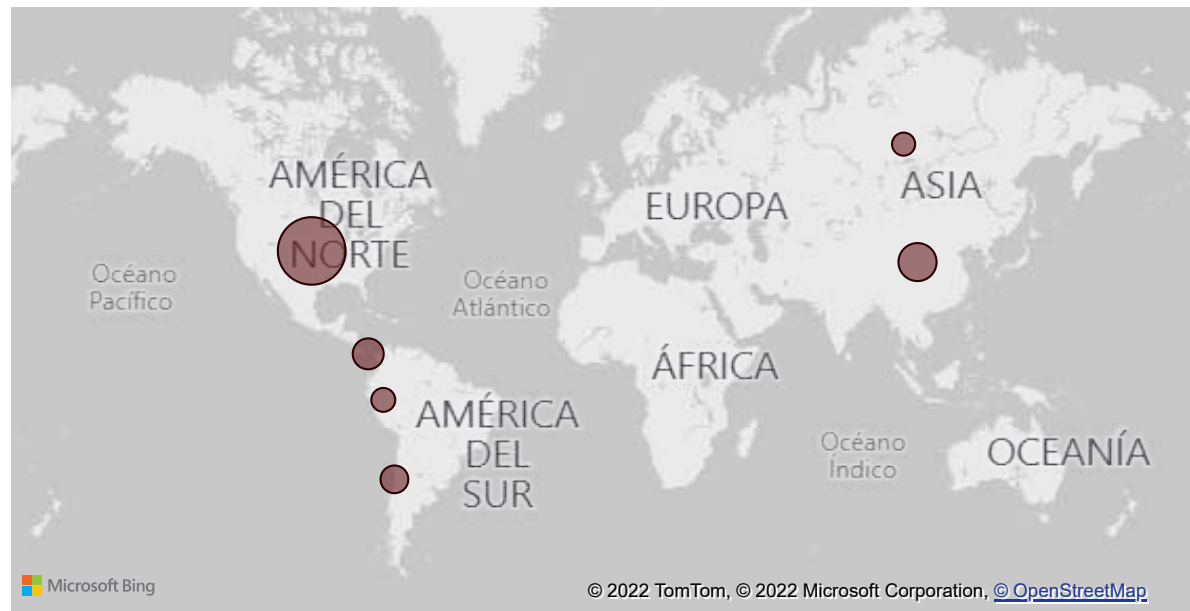
## 4. TRADE

### EXPORTS

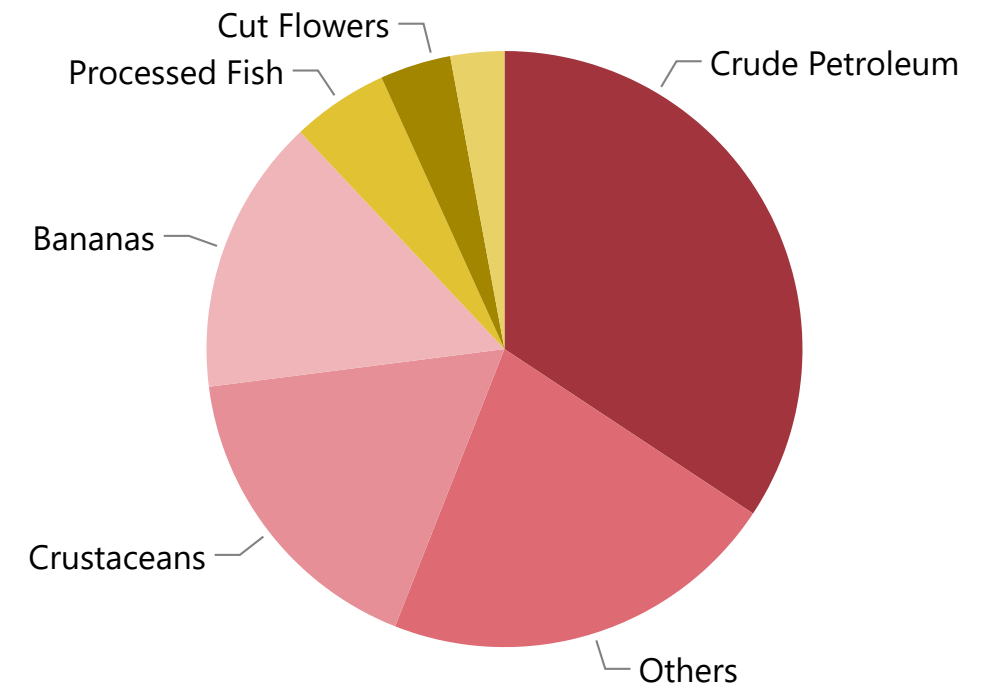
Ecuador's main exported goods are **crude petroleum (\$7.5 billions)** followed by **crustaceans (\$3.89 billions)** and bananas (\$3.43). It is recognized in 2019 as the world's biggest exporter of bananas in the world.

**Exports growth from Dec 2020 to Dec 2021: 3.62%**

**MAIN DESTINATION  
BY COUNTRY  
(2020)**



**EXPORTS  
BY PRODUCT  
(2020)**



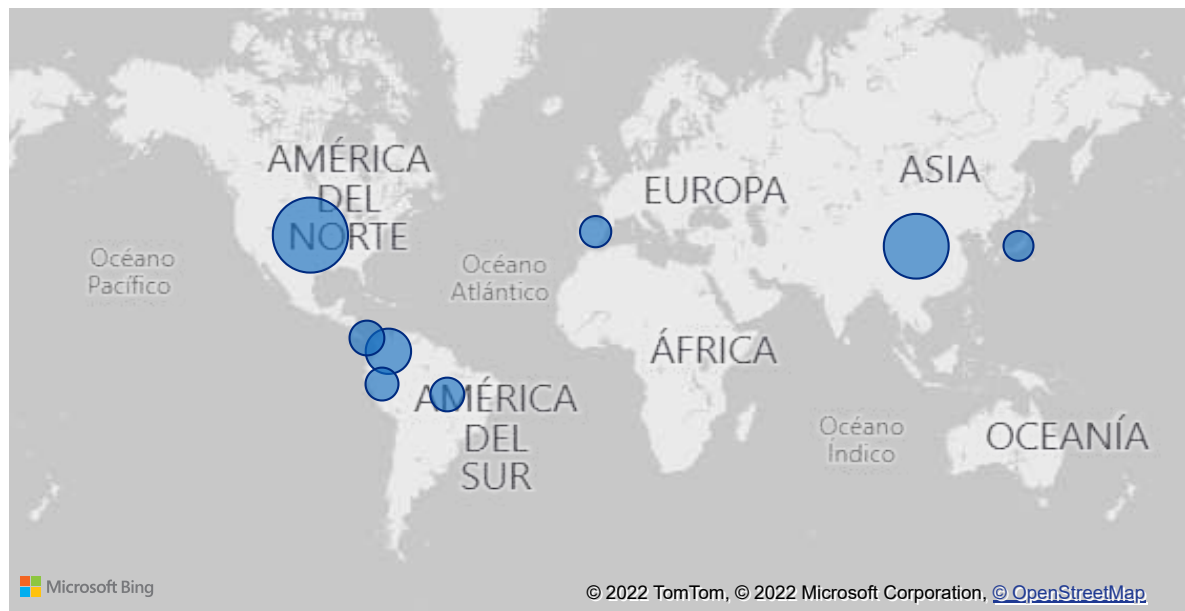
## 4. TRADE

### IMPORTS

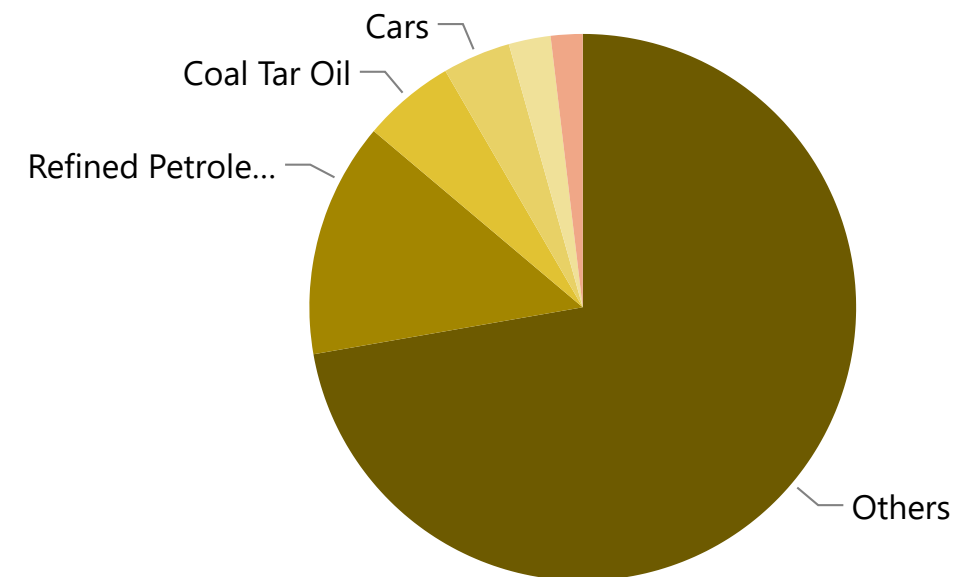
**Ecuador's main imported goods** are refined petroleum (\$2.97 billions), coal tar oil (\$1.17 billions), cars (\$855 millions) and medicaments (\$528 millions).

**Imports growth from Dec. 2020 to Dec. 2021: 29.3%**

**MAIN IMPORT  
BY COUNTRY  
(2020)**



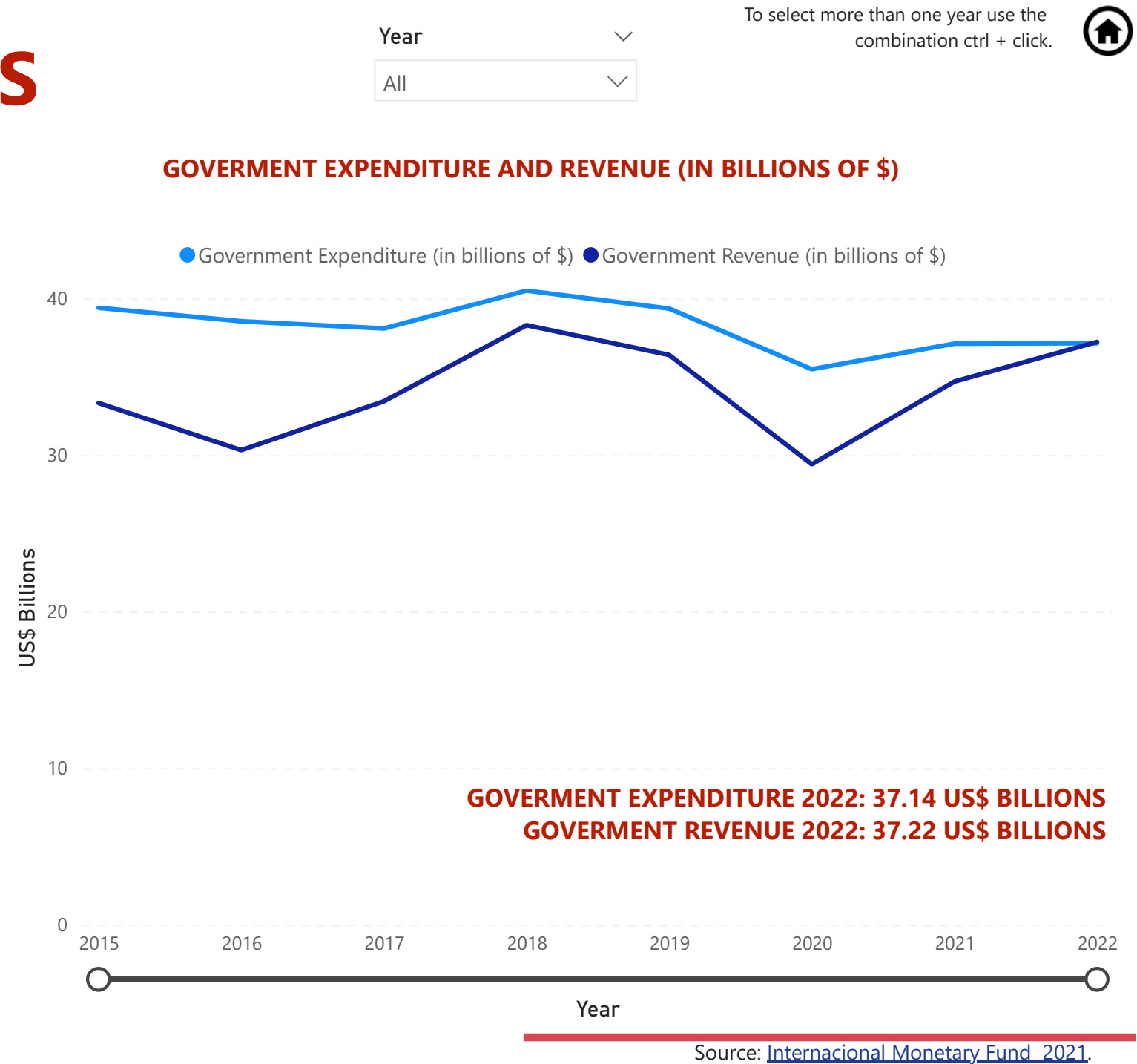
**IMPORTS  
BY PRODUCT  
(2020)**



# 5. PUBLIC FINANCES

The government account graph presents a worrisome feature of the Ecuadorian economy: over the last 10 years, the government has spent more than it receives as income. This, of course, means that the difference must be filled by debt. An increase in debt is not necessarily negative if its investment supposes growth.

The situation in Ecuador, though, signals the opposite: as the graph shows, debt has been undoing the progress achieved by growth. This graph confirms that fact, and moreover, it shows that the government will have small room to maneuver in aiding the recovery of the crisis, since it is already spending more than it has.





# 5. PUBLIC FINANCES

## GOVERNMENT BUDGET (in millions of dollars 2019)

### Government Expenditure US\$ 34,895 M

- 1. Education → \$4,887.42 M
- 2. Administrative → \$321.45 M.
- 3. Urban Development → \$304.91 M
- 4. Department of Health → \$ 2,800 M

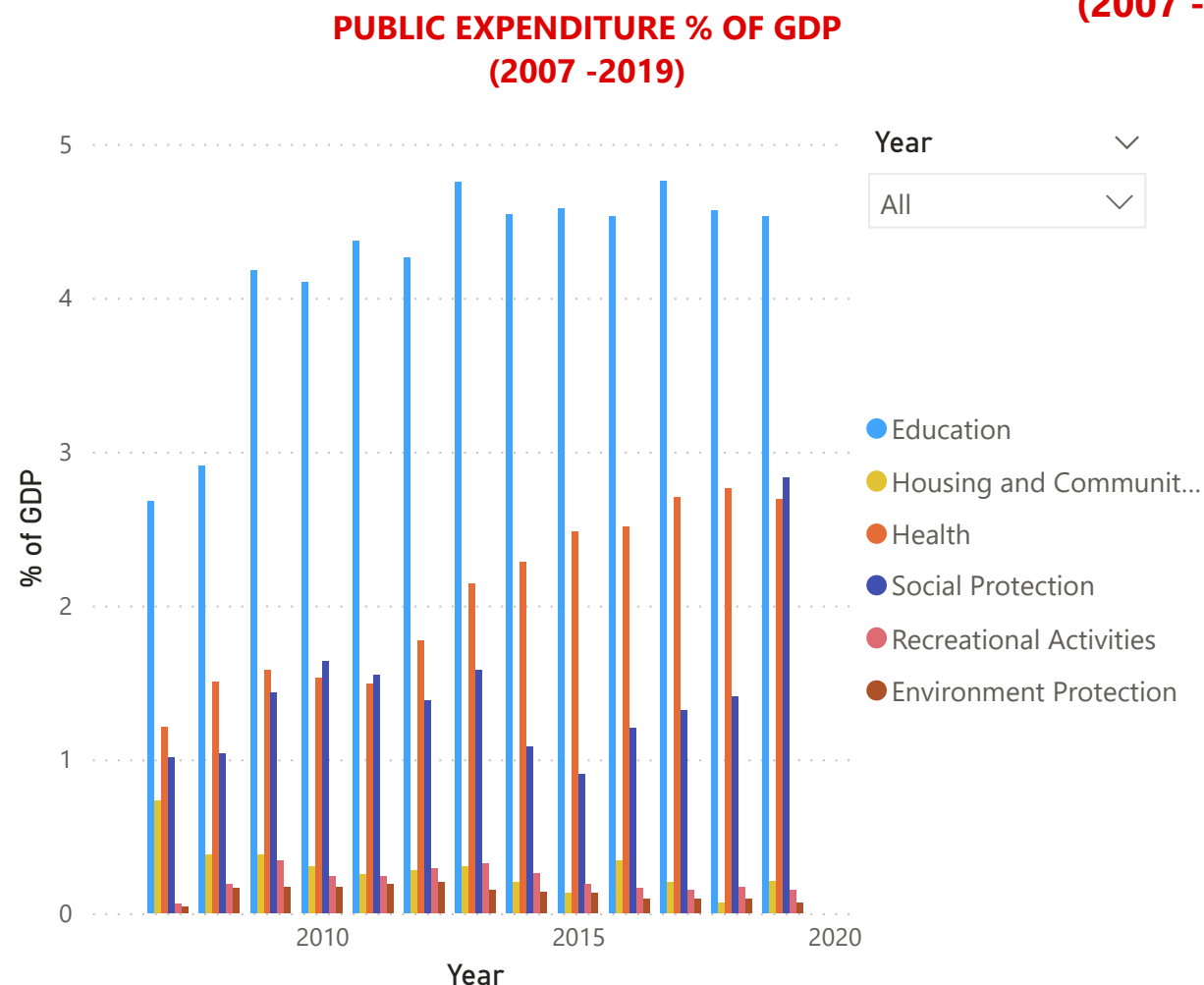
- 5. Department of National Defense → \$1.577,59 M
- 6. Department of Social Welfare → \$1.121,27 M
- 7. Department of Internal Affairs → \$1.717,90 M
- 8. Communication → \$349.73 M

**In 2020 public spending decreased by 11.45% with respect to that of 2019.** In terms of public spending to GDP, in 2020 (35.9%) we observed a decrease of 0,5 points in relation to 2019's (36.4%).



# 5. PUBLIC FINANCES

## PUBLIC EXPENDITURE (2007 -2019)



### Description of public expenses to GDP:

As it is shown in the public expenses to GDP graph, since 2007 the education sector has experienced higher levels of public investment in comparison to the other sectors exemplified in the graph.

**The second sector with the highest expenditure level: health, escalated in 2020 (3.5%) as a result of the COVID-19 health crisis. According to the CEPAL, Ecuador spent less than the regional average in terms of health expenditure to GDP.**

Additionally, we should remark on the appearance of government spending in environmental protection officially in 2007 with a total of 0,04% reaching its highest level in 2013 (0,15%).



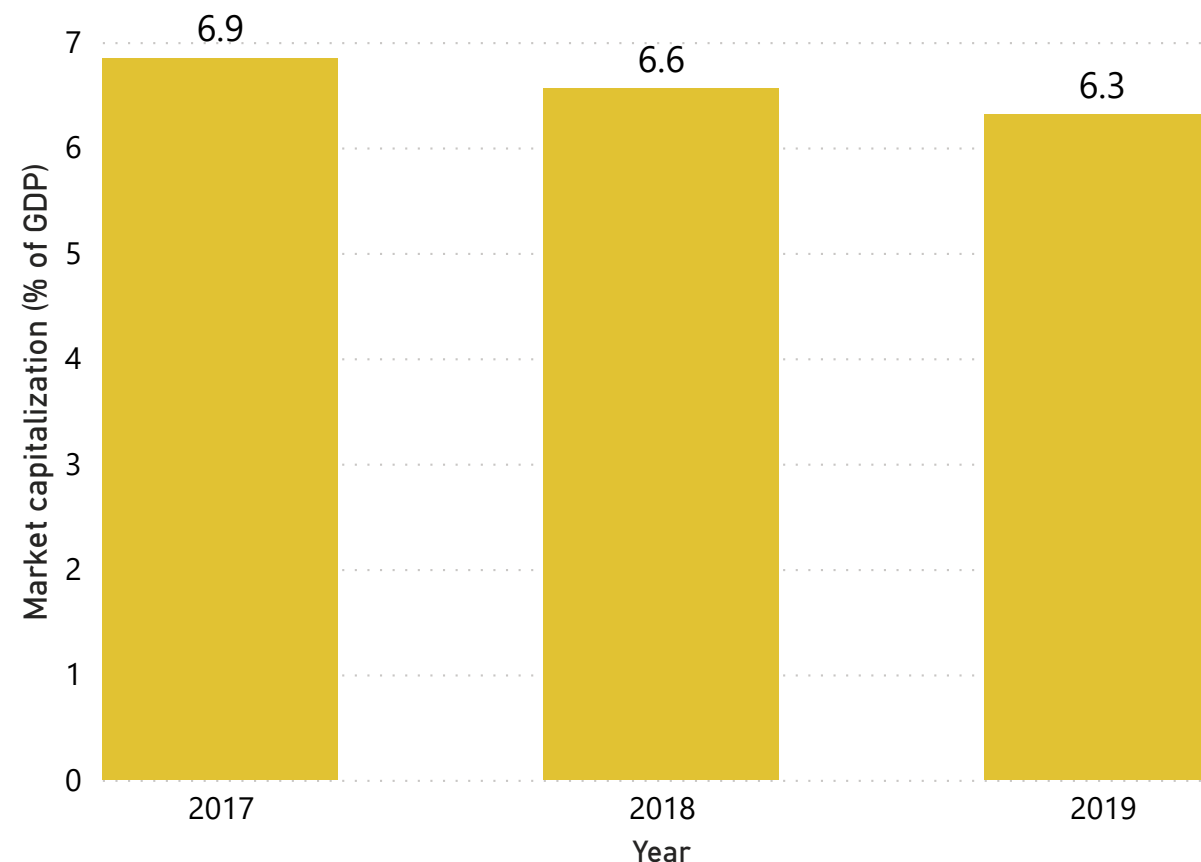
## 6. FINANCIAL MARKETS

**Financial markets in Ecuador have not yet fully developed.** The largest of them all, the Bolsa de Valores de Quito, has 332 enlisted companies. With 10 billion dollars of capitalization in 2020, it does not reach the level of the largest financial markets in Latin America. The ranking is composed of Mexico, Brasil, Colombia, Argentina and Chile.

**Among fixed income securities, treasury certificates are the most traded assets in the Ecuadorian market, with 4 billion dollars in 2021 so far.**

**Year to year growth rate since 2017: -4.04%**  
**World median: 24%**

**MARKET CAPITALIZATION (% of GDP)**



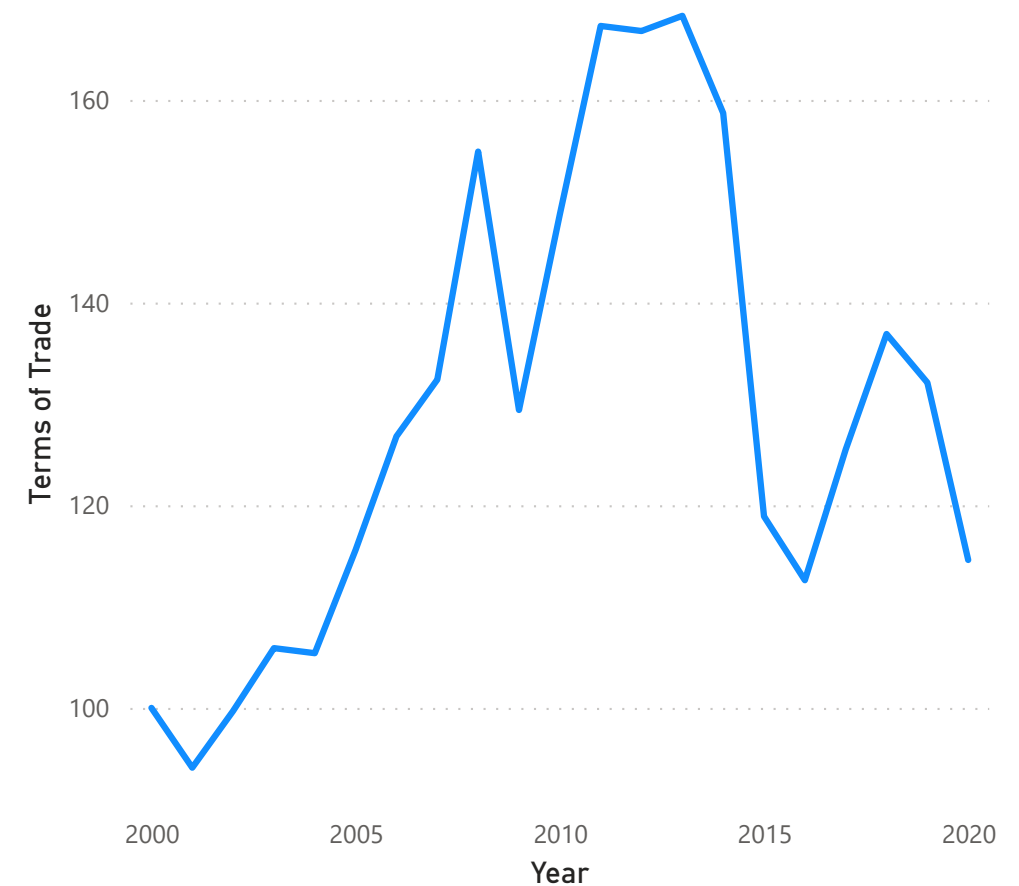


## 6. FINANCIAL MARKETS

*The terms of trade ratio measures the value of exports relative to the value of imports in a country. If the ratio is higher than 100, it means that the country's exports are, monetarily speaking, worth more than the country's imports. This means that the country accumulates capital with exports. On the other hand, if the ratio is less than 100, it means that the country's imports are worth more than its exports, so the country is losing capital.*

**The graph shows the terms of trade ratio for Ecuador.** There is a clear break between 2014 and 2015, which is when the price of crude oil dropped dramatically. **Given crude oil represents 34% of Ecuador's total exports**, a drop in its price affects the terms of trade significantly. It is important to see, though, that Ecuador still manages to accumulate capital through trade despite the loss of value of its main export. **This is a healthy sign, meaning that Ecuador is not so highly dependent on oil exports**, but has managed to diversify its export portfolio.

### TERMS OF TRADE (2000 = 100)







## 6. FINANCIAL MARKETS

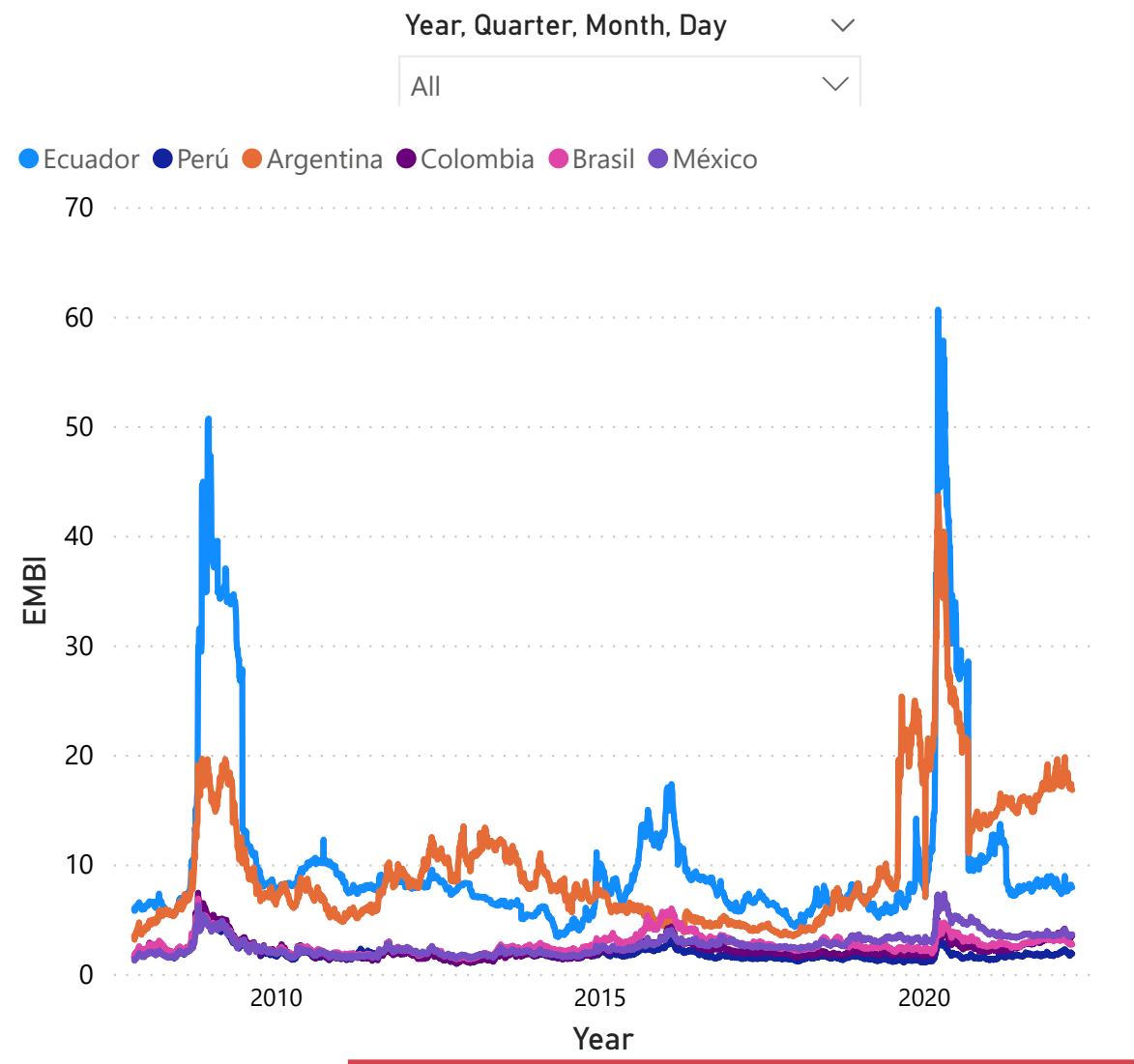
According to a report by the Spanish institute for commerce (ICEX) Ecuador's country risk is highly correlated with the price of oil. Therefore, Ecuador's access to international financial markets is highly dependent upon its ability to extract the benefits of oil.

This graph shows the risk premium, with respect to the United States debt, paid by Latin American countries for their debt. **The data comes from JP Morgan's Emerging Bond Market Index EMBI.** The graph shows that among Latin American countries, Ecuador pays the highest premium. This is related to its high oil dependency. According to the Commerce Institute of Spain, this dependency is harmful to the country.

**Another clear point that can be seen is the default Ecuador made on its debt in 2008.** This caused Ecuador to be shut off from international markets for a while, but its sovereign risk did not disappear.

Ecuador is currently in a vulnerable situation due to surging levels of debt which question short-run fiscal sustainability resulting in a worrisome environment for investors.

### RISK PREMIUM ON LENDING



Source: [Invenomica](https://www.invenomica.com/)



# 7. COMPETITIVENESS AND DOING BUSINESS

## GLOBAL COMPETITIVENESS INDEX

The category that has experienced on average the best performance is **human capital with a score of 73 followed by enabling environment with a score of 59.75**. As for the best performing sector, health scores a total of 85 points which positions it 50th in the world's rank of Global Competitiveness Index. It is important to note that these results do not reflect the effects of Covid-19 health crisis, for instance health's subcategory will most probably experience significant variations in the future.

On the contrary, **innovation ecosystem experienced the worst performance on average with a total score of 39.5**. Belonging to the same category, innovation capability scored 33 points positioning it as the worst scoring subcategory.

The Global Competitiveness Index measures national competitiveness on a scale from 0 to 100. In 2019 Ecuador received a score of 55.7, 0.1 lower than that of 2018.

**GLOBAL POSITION: 90/140**  
**SCORE: 56/100**

GCI	Score over 100 points.	Rank out of 140 countries
▲		
Business dynamism	46	130
Financial system	56	89
Health	85	50
ICT adoption	48	92
Infrastructure	69	62
Innovation capability	33	88
Institutions	48	106
Labour market	52	116
Macroeconomic stability	74	92
Market size	54	68
Product market	43	130
Skills	61	76



# 7. COMPETITIVENESS AND DOING BUSINESS

## National Competitiveness Index

The ICP index measures competitiveness among provinces in Ecuador considering the following indicators:

### Enabling Environment

- Civilians security
- Infrastructure
- TIC adoption
- Macroeconomic stability

### Human Capital

- Health
- Education

### Market

- Globalization, openness to international markets and market size
- Natural resources
- Labor market
- Financial system

### Innovation and Development Ecosystem

- Innovation, science and technology
- Business administration and business dynamism

Provincia	ICP 2014 (%)	ICP 2017 (%)	ICP 2018 (%)
+ Azuay	45.00	44.90	49.30
+ Bolívar	29.10	30.50	32.50
+ Cañar	36.10	37.30	42.60
+ Carchi	37.50	35.90	39.40
+ Chimborazo	36.20	38.30	36.70
+ Cotopaxi	33.90	34.70	37.20
+ El Oro	38.90	39.40	39.80
+ Esmeraldas	32.80	33.00	34.80
+ Galápagos	49.80	53.90	54.30
+ Guayas	53.10	52.10	50.10
+ Imbabura	39.90	40.00	39.10
+ Loja	43.30	40.60	42.40
+ Los Rios	31.20	30.50	31.90



# 7. COMPETITIVENESS AND DOING BUSINESS

## DOING BUSINESS INDEX

**In comparison to other economies from the region, Ecuador's score for doing business (57.7) is lower than the average score for Latin America** and the Caribbean (79.6). Its closest neighbors Colombia and Perú also score higher than Ecuador in the Doing Business Index with a total of 87.0 and 82.1, respectively.

**Resolving insolvency is the indicator with the lowest score (25.5), the latter considers** "time, cost, outcome and recovery rate for a commercial insolvency as well as the strength of the legal framework for insolvency".

**On the contrary, getting electricity scored the highest (72.3) in the Doing Business Index. In relation to other countries of the region, Ecuador is one of the few countries that generates more than 90% of the energy it uses.** Specifically, Ecuador produces 92% of energy demanded by the Ecuadorian market.

**GLOBAL POSITION: 129/190**  
**SCORE: 57.7/100**

Index	Ranking out of 140 countries	Score (0-100)
Dealing with Construction Permits	114	66.40
Enforcing Contracts	96	57.50
Getting Credit	119	45.00
Getting Electricity	100	72.30
Paying Taxes	147	58.60
Protecting Minority Investors	114	44.00
Registering Property	73	67.70
Resolving Insolvency	160	25.50
Starting a Business	177	69.10
Trading across Borders	103	71.20



## 8. EDUCATION

The Human Development Index is a composite measure that uses four indicators as dimensions of human development: mean years of schooling, expected years of schooling, life expectancy at birth and gross national income per capita, scoring each country from 0 to 1.

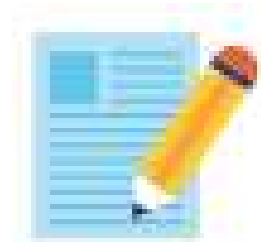
Ecuador experienced its minimum in 1980 with a **total score of 0.698** and its **maximum in 2020 with a total score of 0.759**. In comparison to other countries, Ecuador's score is higher than the world average (0.724) which accounts for 185 countries.

According to the UNDP, the average **literacy rate in adults (15 years and older) for the last decade represents 92.8%** of the Ecuadorian population, lower than the average literacy rate in adults of Latin America and the Caribbean for the last decade: 93.7%. Still, under the Human Development Index considerations, the former is closer to a high human developed **literacy rate (94.8%)** than to a medium human developed literacy rate (73.8%).

### HUMAN DEVELOPMENT INDEX

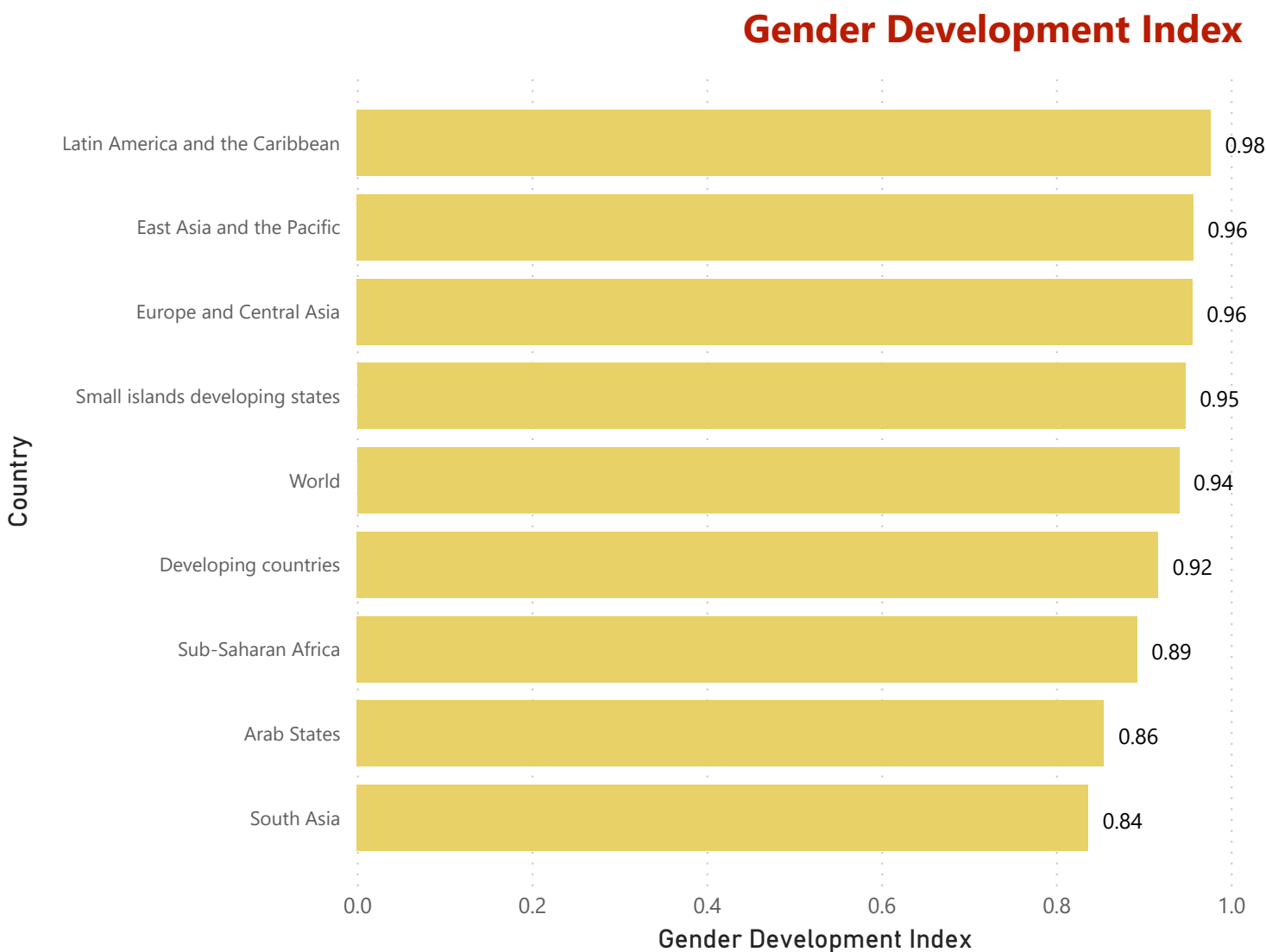
EDUCATION INDEX SCORE 0.759/ 1

RANKING 84/ 185





# 8. EDUCATION

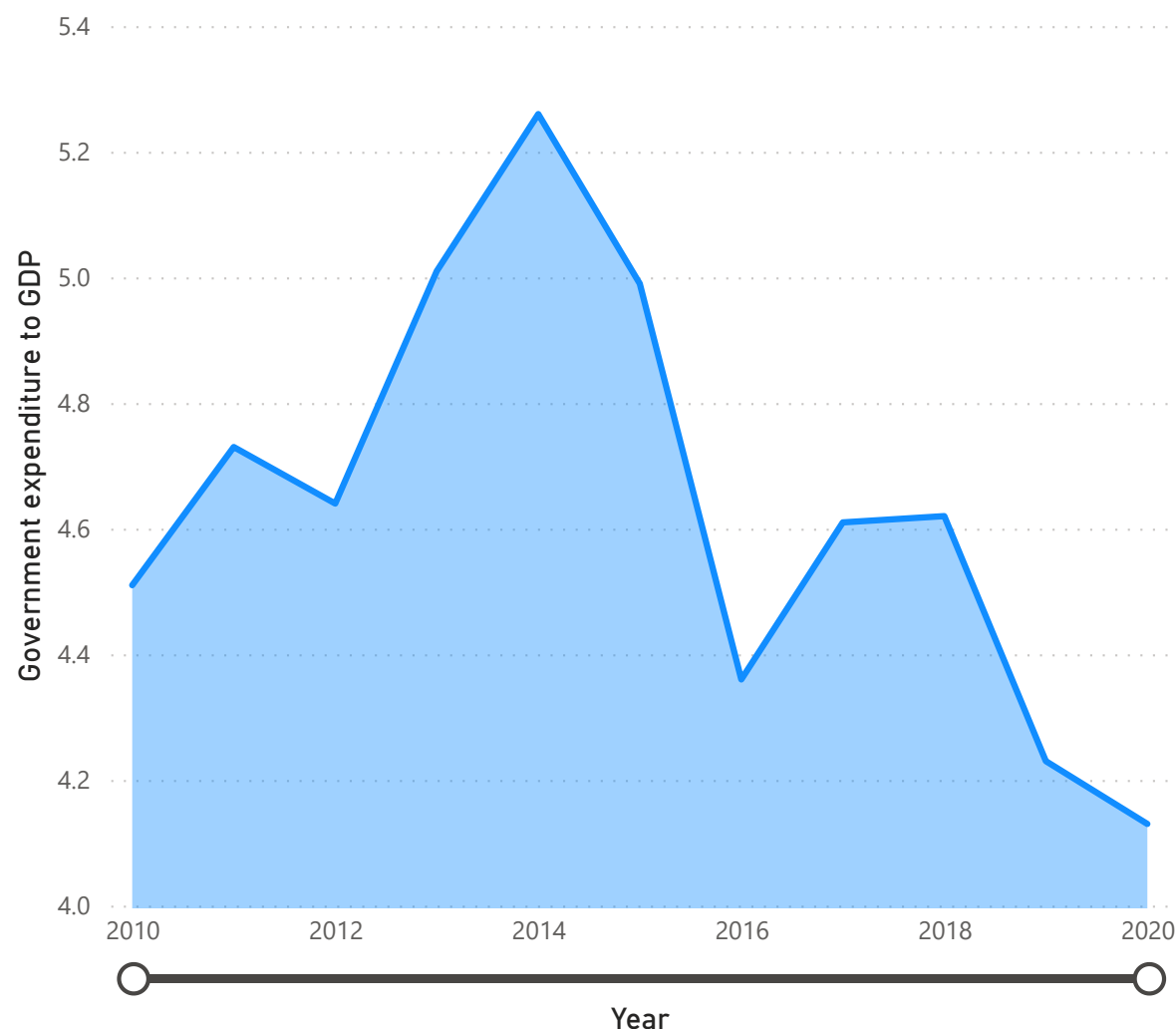


Regarding gender equality, the expected years of schooling for women have increased from **13.5 in 2010 to 14.9 in 2019**. The aforementioned being higher than that of men which has increased from **13.0 in 2010 to 14.3 in 2019 according to data retrieved from UNESCO**. UNDP research results show that on average men receive 0.6 more years of schooling than women, still this might differ from state to state.



## 8. EDUCATION

### Government expenditure on education as % of GDP



As shown in the graph, since 2014 government expenditure on education as a percentage of GDP has decreased. **The maximum registered was in 2014 with 5.26% of GDP and the minimum registered was in 2020 with 4.13% of GDP.** Correa's political period has been registered to be the time period (2007-2017) where the highest investment in education has been made in the last 50 years. **Public expenditure in education as a percentage of GDP grew by more or less 400% from 2001 (0,85% of GDP) to 2009 (4,34% of GDP).**

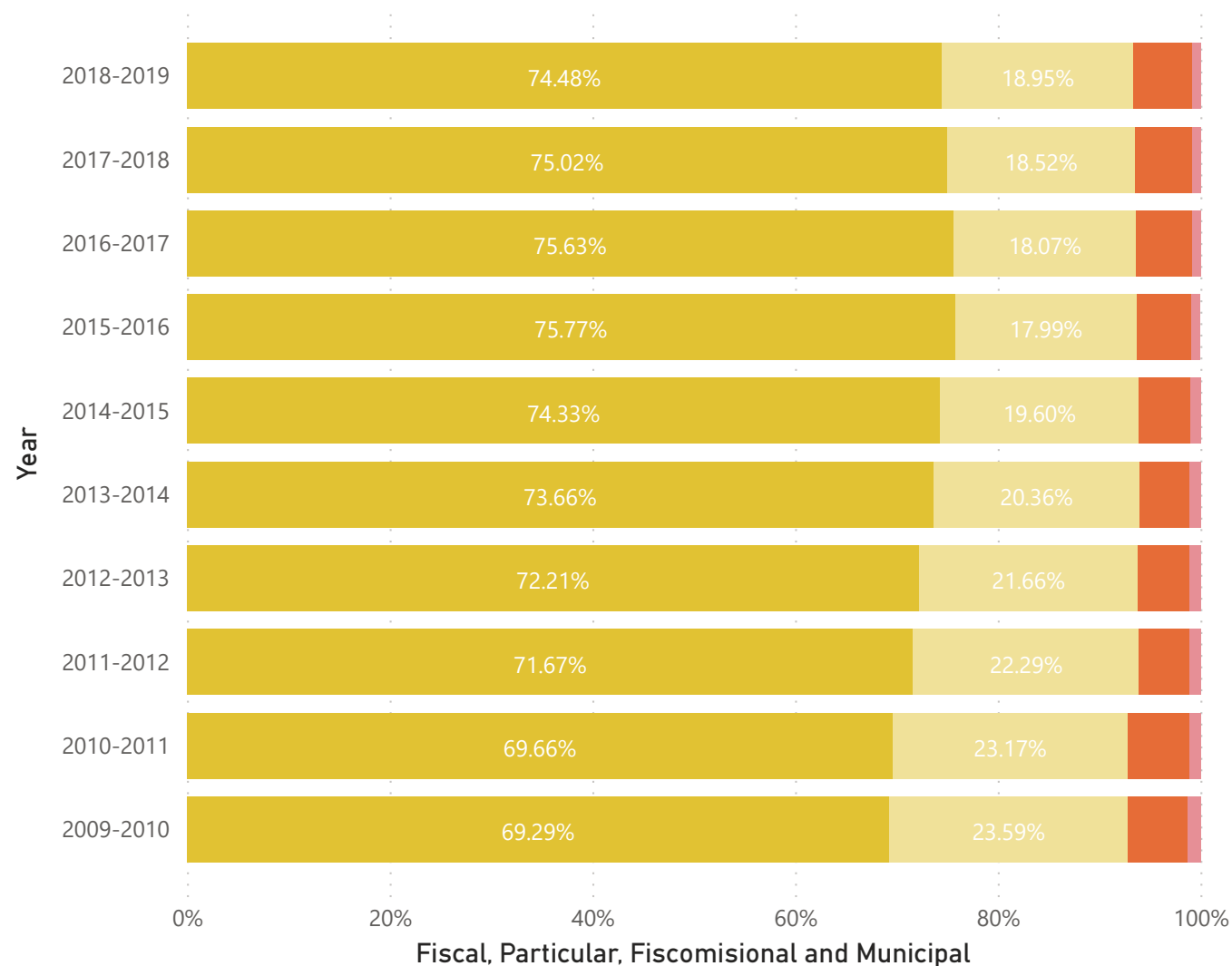
**Although Alianza País political party argued this to be a proof of ex-president Rafael Correa's mandate success,** some scholars differ with this argument. For example, the researcher in quantitative and qualitative methods Pablo Núñez Da Silva from the University of San Francisco de Quito affirmed that although there was a clear increase of investment in education during the presidency of Rafael Correa, it is important to analyze how efficient this spending on education really was. **According to him, this expenditure was clearly inefficient and can be even compared to a white elephant with no real impact on education.** Furthermore, he described this kind of spending as a waste of public resources that represent extremely high social opportunity costs driven by populist policies.



# 8. EDUCATION

How do students finance their education ?

● Fiscal ● Particular ● Fiscomisional ● Municipal



**Fiscal: Public schools financed by the State**

**Fiscomisional: Institutions financed partly by the State and partly through tutions payments**

**Municipal: institutions financed by municipalities.**

**Particular: private institutions**





# 8. EDUCATION

## EARLY SCHOOL DROP OUT RATE

The primary school drop out rate in Ecuador has significantly decreased since 1995 from 26.6% to 18% in 2014 and 1.4% in 2017. The latter classifies into the very high human developed category of the human development index.

According to a study made by UNICEF, **16% of children enrolled in secondary schools in Ecuador presented depression symptoms caused by the pandemic in 2020.**

Let us remember that government intervention focused on education has greatly varied from country to country during the sanitary crisis as it is dependent on many factors such as: budget capacity, demographic definition, population needs between others.

Number of students affected by school closure amidst the Covid-19 pandemic in Ecuador as of August 2020, by education level:

**Pre-primary:** 638,551 students

**Primary:** 1,932,261 students

**Secondary:** 1,891,648 students

**Total: 4,462,460 students**

## GOVERNMENT INTERVENTION COMPARISON WITH NEIGHBOR COUNTRIES

Country	Tools for students	Media			Parental Guide	Description
		Online	Radio	TV		
Ecuador	Online platforms to disseminate materials for students	yes	no	no	yes	Resources for parents available online
Colombia	For students with no access to internet, home learning kits where provided	yes	yes	yes	yes	Resources to engage families in home learning
Perú	School materials available online and on tv	yes	no	yes	yes	Constant online publications on home schooling



# 9. HEALTH

## KEY HEALTH DATA

Indicator	Ecuador	Latin America and the Caribbean
Health expenditure (% of GDP)	7.80	7.96
Mortality rate, infant (per 1000 live births)	11.60	14.20
Private health care spending as a % of total health care spending	38.13	49.04
Health expenditure per capita US \$	486,492.00	662,036.00

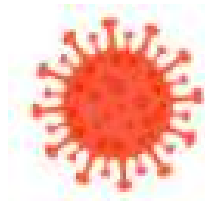
## HOSPITAL PREPARATION

Indicator	Ecuador	Latin America and the Caribbean
Hospital beds (per 1000 people) (2016)	1.39	1.87
Physicians (per 1000 people) (2017)	2.22	2.98

**Ecuador's health system has universal health coverage which provides all** of its citizens with the right to receive free health assistance in public facilities financed by the State, including emergency care.

**In 2021 Ecuador earned its spot as having the 25th most efficient health care system** in the world according to the Health Care Index analysis, scoring overall 48.27 points.

# 9. HEALTH



## COVID-19



**Ecuador confirmed its first Covid-19 case on the 29th of February, 2020.** Since then, 35 412 lives have been lost. According to the WHO the actual death total sum from Covid-19 is likely to be higher than the actual number of confirmed deaths as a result of problems in the attribution of the cause of death.

Regarding vaccination, most doses were administered between July 1st, 2021 and September 1st, 2021. **As of April 21 of 2022 data retrieved from Our World in Data shows that 79.4% of the Ecuadorian population** is fully vaccinated and 6.4% of the population has not yet received the second dose.

In comparison to other countries concerning complete doses vaccination, Ecuador occupies the 37th spot in the world. **On top of Ecuador is Costa Rica (36th) with a total percentage of its population fully vaccinated of 76.62%** and underneath it is Taiwan (38th) with a total percentage of its population fully vaccinated of 76.36%

### DAILY UPDATE

COVID	CASES / PEOPLE
Confirmed cases	866,925
Deaths	35,528
Fully vaccinated people	13,859,195
Vaccines administered	34,006,476

COVID	% OF PEOPLE
% Fully vaccinated people	79.40 %



# 10. STATE OF DEMOCRACY

In comparison to the regional rank of the **Democracy Index**, Ecuador scored below the average of the region (5.83) with a difference of 0.12 points. Out of the 24 countries of the region, Ecuador occupies the 16th place in terms of democracy.

## DEMOCRACY INDEX 2021

**SCORE: 5.71/10**

**RANKING: 81/167**

Topic	Score
Civil liberties	6.18
Electoral process and pluralism	8.75
Functioning of government	5.00
Political culture	2.50
Political participation	6.11



Ecuador

5.71



El Salvador

5.72



Honduras

5.10



México

5.57



Paraguay

5.86



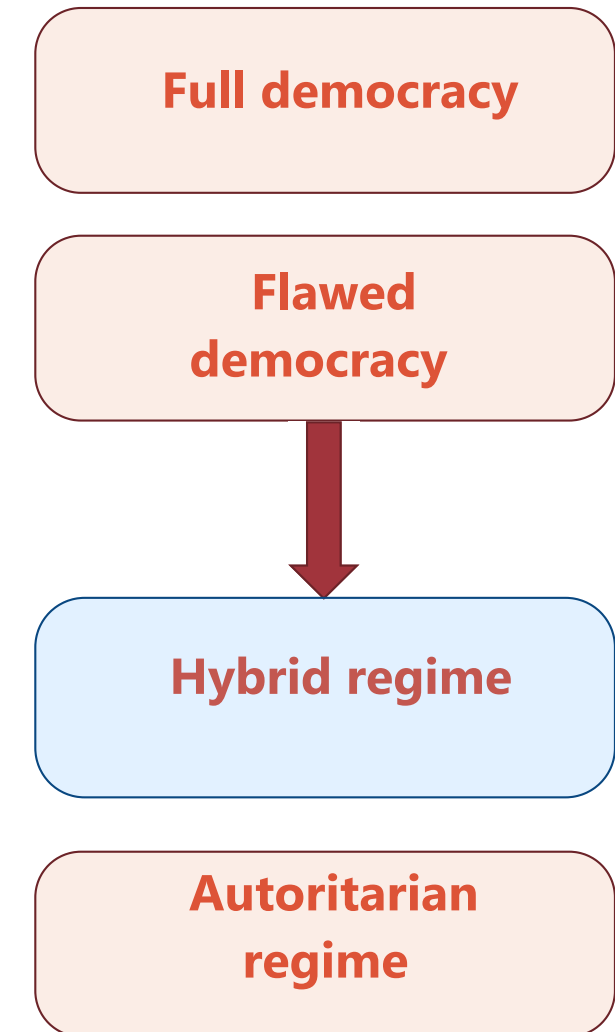
# 10. STATE OF DEMOCRACY

**During the pandemic Ecuador, lost its status of flawed democracy to a hybrid regime as well as Mexico,** Tunisia and Paraguay. According to The Economist, Ecuador, Chile, Perú and Honduras electoral year 2021 was characterized by high levels of political polarization. Specifically for Ecuador, this was the reason for its regime categorization decline.

**Ecuador's political polarization level significantly increased** as a result of political party's completely opposing policy agendas. Furthermore, this decline in category to a hybrid regime was highly influenced by the political culture score **Ecuador obtained due to increased popular support for strong authoritarian leaders.**

According to academics, there are three main arguments which support this behavior:

1. **Extreme party fragmentation**
2. **Chronic corruption**
3. **Decline in government trust as a result of experiencing one of the worst Covid-19 outbreaks.**





# 10. STATE OF DEMOCRACY

## Main Events 2020:

- Ecuador featured one of the **highest infection rates of the region during the Covid-19 pandemic**
- Numerous scandals involving public health expenditures resulted in the investigation and condemnation of many public figures.
- Ecuador's former president **Rafael Correa is accused of different corruption allegations** and is convicted of overseeing bribery schemes during his mandate.
- Ecuador's ex-president Rafael Correa is found guilty and **condemned to eight years of prison.**

**Freedom house (2022): 71/100 (free)**

**Political rights: 31/40**

**Civil liberties: 40/60**



# 10. STATE OF DEMOCRACY

Electoral process average score: 3.5/4

Political pluralism and participation average: 3/4

Functioning of government: 2.3/4

Freedom of expression and belief : 3.25/4

Associational and organizational rights: 3 /4

Rule of Law: 2/4

Personal autonomy and individual rights: 2.5/4

**According to Freedom in the World one of the most preoccupying issues Ecuador faces is the limitations its laws,** policies and practices have on guaranteeing equal treatment among different segments of the population, especially those belonging to vulnerable groups such as migrants.

**This problem has become increasingly evident since Ecuador became one of the main hosting countries of Venezuelan** migrants in South America. Proving itself incapable of economically and legally supporting this vulnerable group.

According to the UNHCR, in 2020 over 415 000 Venezuelans entered Ecuadorian territory.



# 10. STATE OF DEMOCRACY

## WORLD PRESS FREEDOM INDEX 2021

**SCORE: 32.83/100**

**RANKING 96/180**

## WORLD PRESS FREEDOM INDEX 2020

**SCORE: 32.62/100**

**RANKING 98/180**

**The World Press Freedom Index (2021)**, in comparison to previous years, continues to ameliorate for the Andean country. As reported by Reporters without Borders, during Moreno's political term (2017-2021) the tension created by former president **Rafael Correa between the government and privately-owned media decreased significantly.**

Characterized by low media freedom and continuous attacks against journalists, Correa's political term (2007 - 2017) scored the minimum recorded in press freedom for the last two decades. Although things have improved since then, attacks and intimidations against journalists intensified in 2019, especially during protests.

**As for 2020-2021, this sector was greatly affected financially due to the pandemic and also human-wise after many journalists lost their lives after contracting the virus.**





# 10. STATE OF DEMOCRACY

## GLOBAL PEACE INDEX 2021

**SCORE: 2.004/5**

**RANKING 88/163**

**The Global Peace Index measures harmony** achieved through the absence of fear of violence and the absence of violence itself, comprising 23 indicators divided into two main categories: internal and external peace.

*As of the 2021 GPI regional comparison conducted by the IEP, South America has experienced the second largest regional deterioration driven* by an increase in violent demonstrations and worsening relations among countries of the region. Out of the 11 countries considered 6 presented deteriorations and 4 improvements. Ecuador is one of the countries which have ameliorated its scores in the 2021 GPI along with Argentina, Paraguay and Perú. Ecuador is ranked as the 6th most peaceful country of the region with a score change of -0.023.

**Ongoing domestic and international conflict domain: 1.420**

**Societal and safety domain: 2.697**

**Continued economic cost of violence to GDP: 6%**

**Economic cost of violence in millions (2020, PPP): 19 198.9**

**Economic cost of violence ranked by % of GDP: 83**



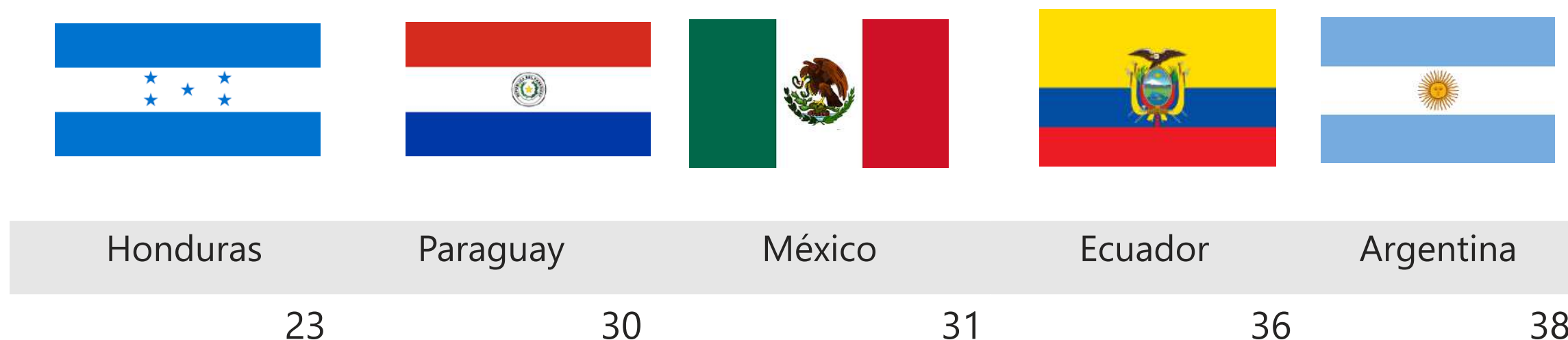
# 11. CORRUPTION

## CORRUPTION PERCEPTION INDEX

SCORE: 36 /100

RANKING: 105/180

In 2020, **Ecuador's score in the Corruption Perception Index has decreased by 3 points.** In 2021 CPI Ecuador was ranked 105, same as Cote d'Ivoire, Moldova, Panamá and Perú which have also scored 36 out 100 points.





# 11. CORRUPTION

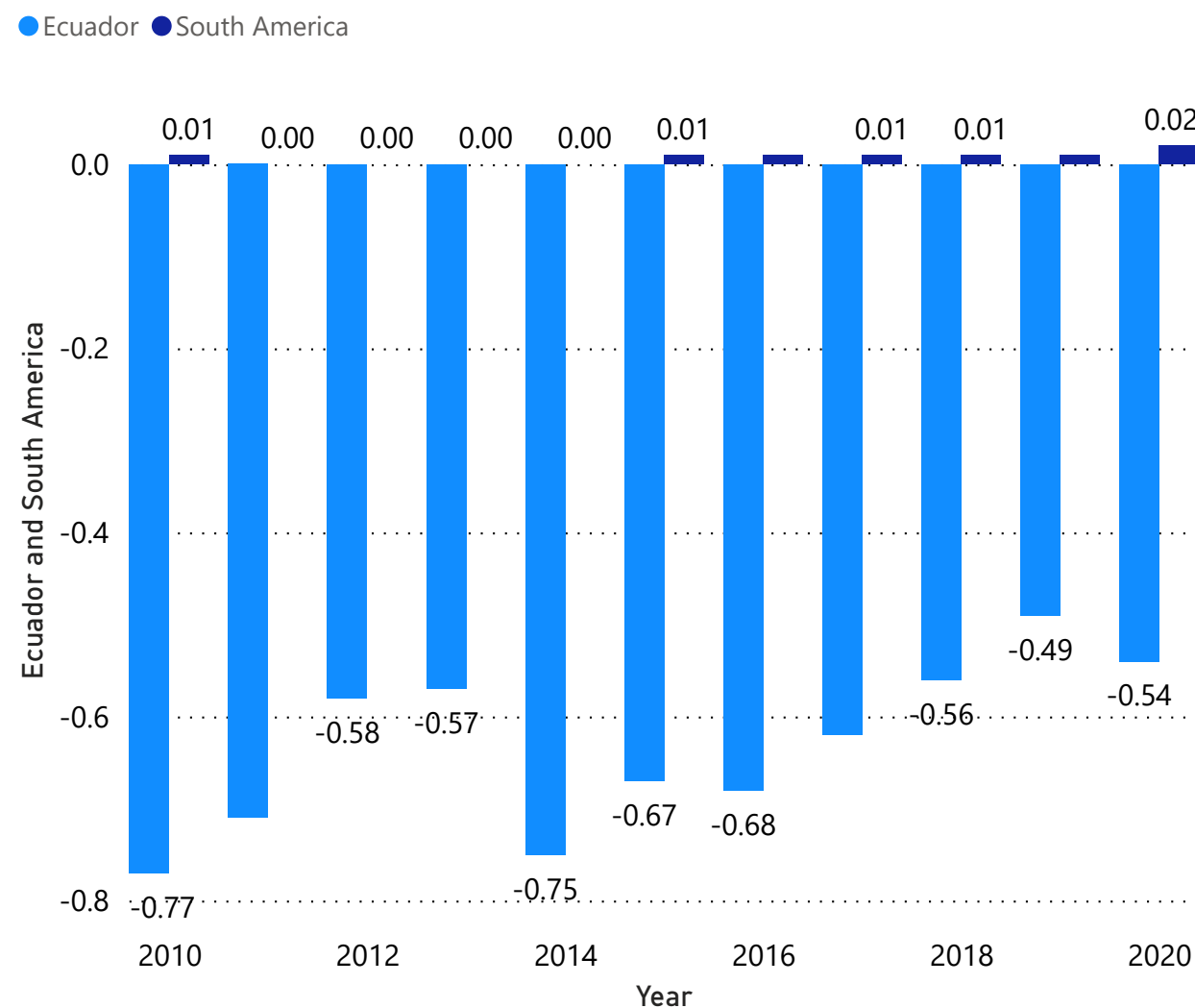
**The Control of Corruption Index by the World Bank** measures perceptions of the extent to which public powers favor private profit, as well as state decisions in favor of political and economic elites. The results of this indicator range from -2.5 (no control of corruption) and 2.5 (control).

We can see the variations from 1996 to 2020 of the Corruption Control Index for both Ecuador and the region. **The regional trend and that of Ecuador differ greatly. The Control of Corruption average value for South America** does not show significant variations since 2004, maintaining constant levels close to 0. This is due to the fact that of the 12 countries considered, Chile and Uruguay present values close to or greater than 1 during the time period from 1996 to 2020, while none of the other 10 countries have had a value greater than 0 during the last two decades.

**As for Ecuador, its Control of Corruption index trend remains under that of the region with a difference of -0.5 average points** since 1996, showing high levels of volatility. Compared to the 2019 value (-0.49), the 2020 value (-0.54) shows a decrease in corruption control of 0.05 points, similar to the CPI value in 2018 (-0.56).

**ECUADOR COUNTRY REPORT  
NCID**

## CONTROL OF CORRUPTION



Source: [World Bank](#)








# 11. CORRUPTION









According to the World Bank, the bribery depth percentage of public transactions in 2006 was calculated at 10.6%. Meaning that 10.6% of public transactions were a gift or there was an informal payment requested for it. In comparison to the regional average of Latin America and the Caribbean (more or less 5%), Ecuador surpassed its figure by more than 5.6 percentual points.

There is no data available for Rafael Correa's political period from 2007 to 2017. **This can be explained by its regime nature (XXIst century Latin American Populism) distinguished by high levels of information and media control.**

The latest update of the bribery depth percentage of public transactions indicator was in 2017 with a total of 4.5%.

## ECUADOR'S CORRUPTION REPORT

Low  Moderately Low  Moderate  Moderately High  High 

Judicial System	
Police	
Public Services	
Land Administration	
Tax Administration	
Customs Administration	
Public Procurement	
Natural Resources	

Ecuador's corruption report of 2020 considers 10 categories classified as highly corrupted, moderately high corrupted, moderate corrupted, moderately low corrupted and low corrupted. Out of which 6 were classified as highly corrupted, 2 as moderately highly corrupted and 2 with no classification: the legislation and civil society.

According to the report, Ecuador counts with an anti-corruption legal framework, however it is poorly and rarely enforced allowing government officials to engage in corruption with impunity..



# 12. GEOPOLITICS

## GEOGRAPHY

---

**Ecuador's latest military conflict initiated in 1995 against Perú** put an end to almost 50 years of continuous political attacks between these two countries. Although military speaking, Ecuador resulted victorious in the war against Perú, there are still Ecuadorian territorial rights not materialized up to date. The 29th of Oct. 1998, the Acta de Brasilia was signed by Ecuador and Perú establishing the territorial limits of each country.

**On May 22 of 2012, the National Assembly approved the addition of Ecuador to the Convention of the United Nations CONVEMAR.** This act ratified Ecuador's sovereignty over 200 maritimal miles surrounding the Galapagos Islands and bordering Costa Rica.

On April 21 of 2014, Ecuador signed an agreement with **Costa Rica defining maritime borders.**

# 12. GEOPOLITICS



To select more than one year use the combination ctrl + click

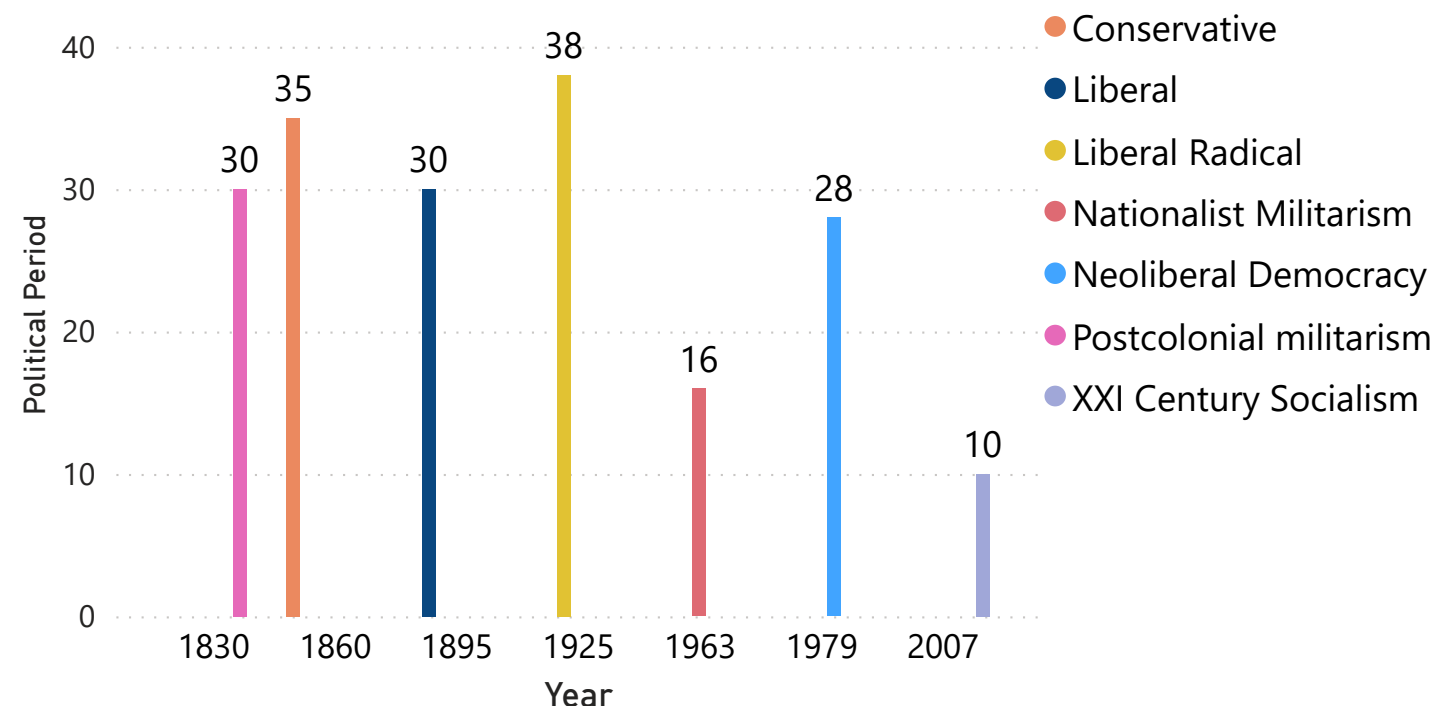
## POLITICS

From 1830 until 2020 Ecuador has had **111 presidents without considering the former President of the Republic Guillermo Lasso**. Out of these, 24 were elected by popular vote and 44 have been constitutional presidents. In total 79% of the Ecuadorian mandataries were either directly elected by the assembly or the congress, the result of military and civil revolts or temporarily elected to cover up for any voluntary resignation.

**Ecuador's permanence average in presidency has been recorded to be 1 year and 8 months per president shedding light** to a clear issue of political instability. The generalized political unrest experienced in Ecuador since 1830 has often resulted from controversial interests of predominant groups from Quito and Guayaquil, the two most important cities of the country.

**The following graph created by Cesar Durán, ex director of the Military Geographic Institute of Ecuador**, shows different political periods based on historic tendencies that last more or less 30 years:

**POLITICAL PERIOD IN ECUADOR FROM 1830 TO 2017**



Conservative	Liberal	Liberal Radical	Nationalist Militarism	Neoliberal Democracy	Postcolonial militarism	XXI Century Socialism
--------------	---------	-----------------	------------------------	----------------------	-------------------------	-----------------------



# 12. GEOPOLITICS

**After 10 consecutive years of ex-president Rafael Correa's mandate (2007 - 2017)** also referred to as the Correismo political period, Lenin Moreno was elected as president of the Republic in 2017.

**The importance of this event relies in that it marked the end of the XXI century populism regime in the country. Moreover, with Guillermo Lasso's** election as former president of the Republic in 2021, Ecuador has changed its regime to a completely opposite one as a member of the center right Partido Social Cristiano party. Some regional scholars believe this will bring consequences in terms of South American geopolitics, violence and defense upon the country.

Especially because of how the 2022 Colombian and Peruvian elections are looking like. **Recent national surveys from these countries show a high probability of left wing parties winning this year's elections.** If this is to happen, for the first time since democracy was re-established in the Andean Community, Ecuador would find itself in a disadvantageous position outnumbered by left wing regimes.

**ECUADOR COUNTRY REPORT**  
**NCID**

**Andean Community members Ecuador, Colombia, Perú and Bolivia**

**Right wing regimes (last elections) Ecuador (2021)**

**Left wing regimes (last elections)**

**Colombia & Perú (2022), Bolivia (2020)**



# 13. CRIME

The Global Organized Crime Index is composed of the following indicators, which are assigned a score according to the country's current situation:

**Criminal market score:** represented by the pyramid base size

**Criminal actor score:** represented by the pyramid height

**Resilience score:** represented by the panel height

## Scores obtained

**Criminal market score: 6 / 10**

**Criminal actor : 6.5 / 10**

**Resilience score : 5.71 / 10**

**Resilience rank: 43th/193 countries**

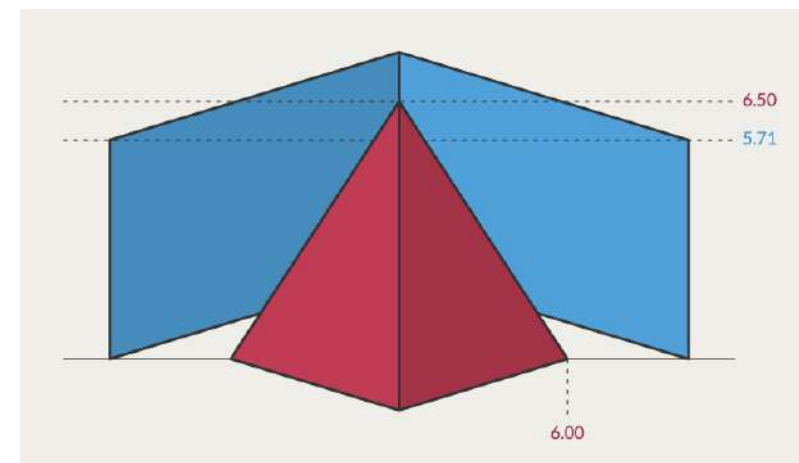
**South America Resilience rank: 5th/12 countries.**

**Global score of criminality: 4.88/10**

**Criminality score: 6.25/10**

**America rank: 10th/ 35 countries South**

**America rank: 6th/12 countries**







# 13. CRIME

**In reference to criminal markets, Ecuador scored the highest in arms trafficking with a total score of 7.5/10.** The reason for this is that different transnational crime structures are known to use Ecuador as a corridor to smuggle high-tech weapons from Mexico and the US to Colombia. The second indicator with the highest score is cocaine trade with a total score of 7/10.

Ecuador has scored this high in the cocaine trade indicator because, although it is not a producer of the product itself, local gangs have teamed up with major Mexican and Colombian cartels to transport cocaine from Ecuador to the US. Cartels pressure on Ecuadorian gangs is very high because of its geographical location between the two main producers of cocaine in the world, Perú and Colombia.

▲	CARACTERISTICS	SCORE
	ARMS TRAFFICKING	7.50
	CANNABIS TRADE	4.00
	COCAINE TRADE	7.00
	CRIMINAL ACTORS	6.50
	CRIMINAL MARKETS	6.00
	CRIMINAL NETWORKS	5.50
	FAUNA CRIMES	6.00
	FLORA CRIMES	6.00
	FOREIGN ACTORS	7.50
	HEROIN TRADE	6.00
	HUMAN SMUGGLING	5.50
	HUMAN TRAFFICKING	6.00
	MAFIA-STYLE GROUPS	6.50
	NON- RENEWABLE RESOURCE CRIMES	6.50
	STATE-EMBEDDED ACTORS	6.50
	SYNTHETIC DRUG TRADE	5.50



# 13. CRIME

RESILIENCE	SCORE
ANTI-MONEY LAUNDERING	7.00
ECONOMIC REGULATORY CAPACITY	5.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.50
INTERNATIONAL COOPERATION	6.00
JUDICIAL SYSTEM AND DETENTION	5.50
LAW ENFORCEMENT	6.00
NATIONAL POLICIES AN LAWS	6.50
NON-STATE ACTORS	7.00
POLITICAL LEADERSHIP AND GOVERNANCE	5.00
PREVENTION	5.00
TERRITORIAL INTEGRITY	4.50
VICTIM AND WITNESS SUPPORT	5.00

**ECUADOR COUNTRY REPORT  
NCID**

**The highest indicator score Ecuador received included in the resilience category was 7/10** in anti-money laundering and non-state actors.

## Regional Comparison

Ecuador scored 0.74 points more than the criminal overall average of South America (5.51). Similarly, the country scored 0.84 points more than the region's resilience average (4.87).

**5.71  
RESILIENCE SCORE**

**43<sup>rd</sup> of 193 countries**  
**7<sup>th</sup> of 35 American countries**  
**5<sup>th</sup> of 12 South American countries**

Source: [The Global Organized Crime Index](#)



# 14. GUILLERMO LASSO CHALLENGES

**On May 24th, 2021 Guillermo Lasso was sworn in as President of the Ecuadorian Republic.** Lasso assured the presidency after defeating the Correa candidate, Andrés Arauz, after obtaining more or less 52% of the votes.

Main presidential challenges (2021)

**High levels of political polarization**

**Low parliamentary representation of CREO political party 12/137 seats**

**Debt as a % of GDP 63% (more or less \$80.000 millions)**

**No liquidity: \$400 millions in reserves which represent only 20% of what the government spends monthly**

**Only 34% of jobs in the country meet at least the minimum legal hours or wages.**

**Covid-19 sanitary crisis**



**PRESIDENT**

Guillermo Lasso (2021 - 2025)  
CREO party: liberal and  
conservative party



# 15. MALNUTRITION

## GENERAL INFORMATION

The **problem of malnutrition is, even today, one of the main causes of infant mortality and morbidity in the world.** One third of the deaths of children under 5 years of age, equivalent to more than 2.5 million children, is related to malnutrition.

**Most of these deaths occur in low- and middle-income countries.** To make matters worse, between 2000 and 2016, nearly 200 million children under the age of five were stunted or wasted.

The **most pressing concern in Ecuador** is chronic malnutrition in children.

1. When it comes to chronic malnutrition, **treatment must be given before children are 2 years old.**
2. Otherwise, brain development is **permanently affected because this is the peak growth period for this organ.**
3. **Its most visible symptom is growth retardation.** If a child's height is less than 70 and 80 cm at the age of 1 and 2, respectively, they are most likely chronically malnourished.

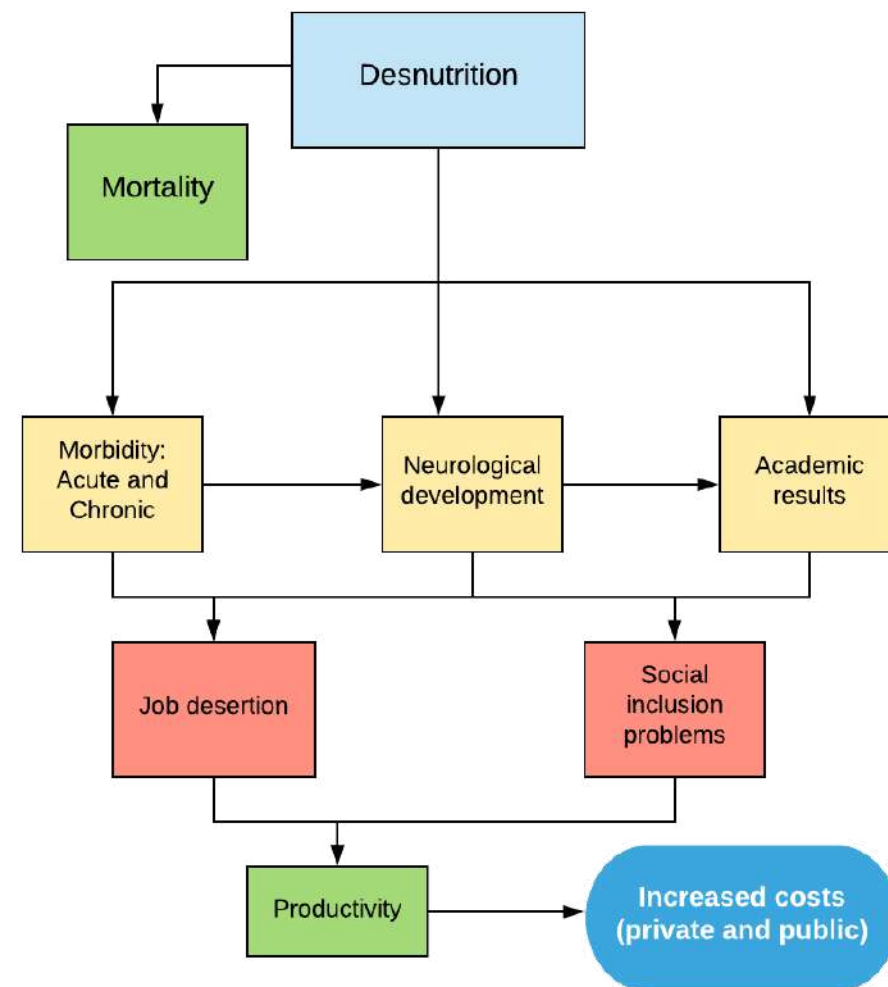


# 15. MALNUTRITION

## CONSEQUENCES

The **consequences of chronic malnutrition** are not limited to **childhood**. It has **permanent consequences**.

1. **Short-term** consequences related to mortality, morbidity and disability.
2. In the **long term**, the consequences will be: lower height, cognitive capacity, economic productivity, and vulnerability to metabolic and cardiovascular diseases.
3. **Intergenerational** consequences, since undernutrition can become a circle that can transcend between generations, from a health perspective to the medium and long-term economic effects for households.





# 15. MALNUTRITION

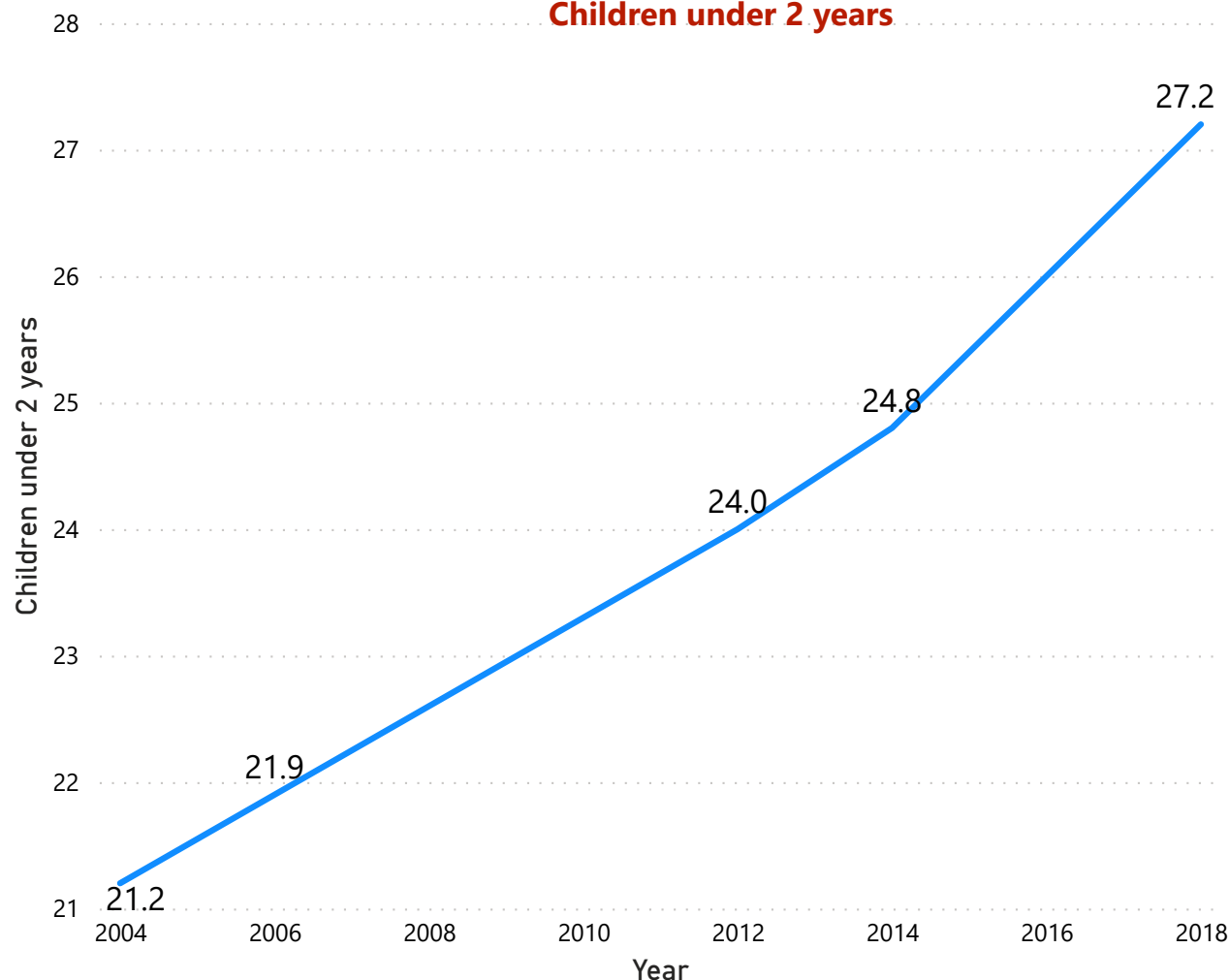
## ECUADOR EMERGENCY

**In Ecuador born approximately 330,000 girls and boys a year 23 out of every 100 - girls and boys- suffer from chronic child malnutrition before the age of 5.**

**Since 1993, Ecuador has carried out around 12 programs related to health and nutrition,** but the chronic malnutrition curve in children under five has hardly moved. **Between 2014 and 2018, it even increased from 24.8% to 27.2%** in children under two years of age and one in four children under five years of age in Ecuador.

### CHRONIC MALNUTRITION

Children under 2 years



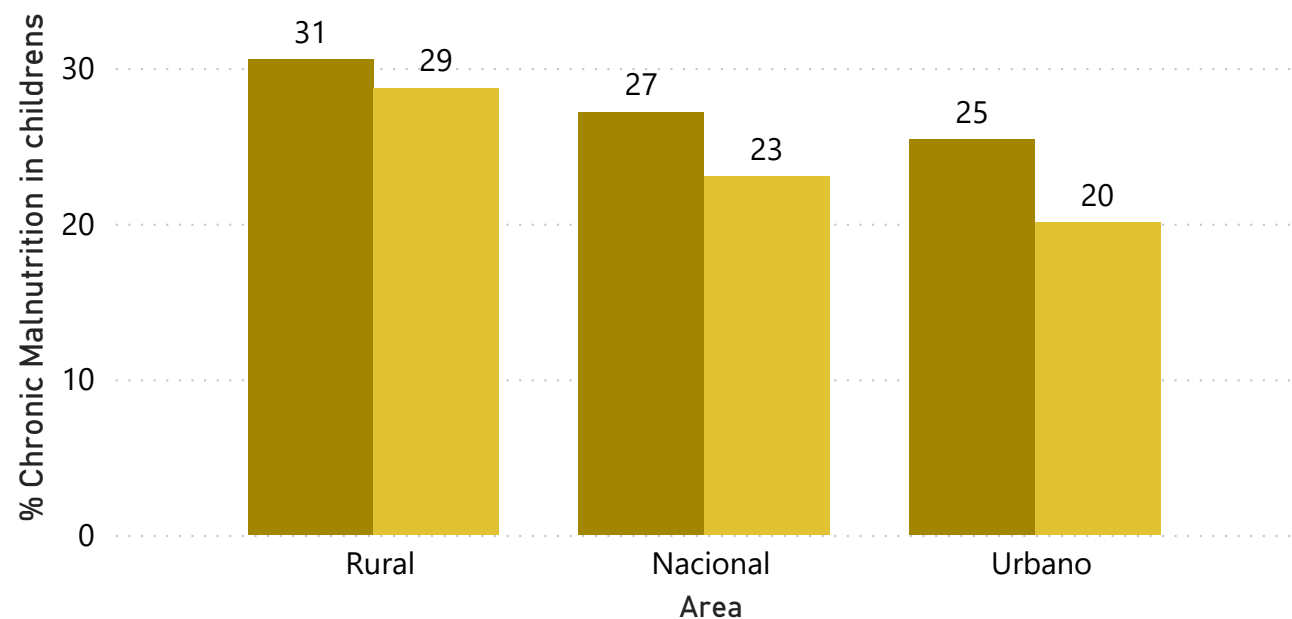


# 15. MALNUTRITION

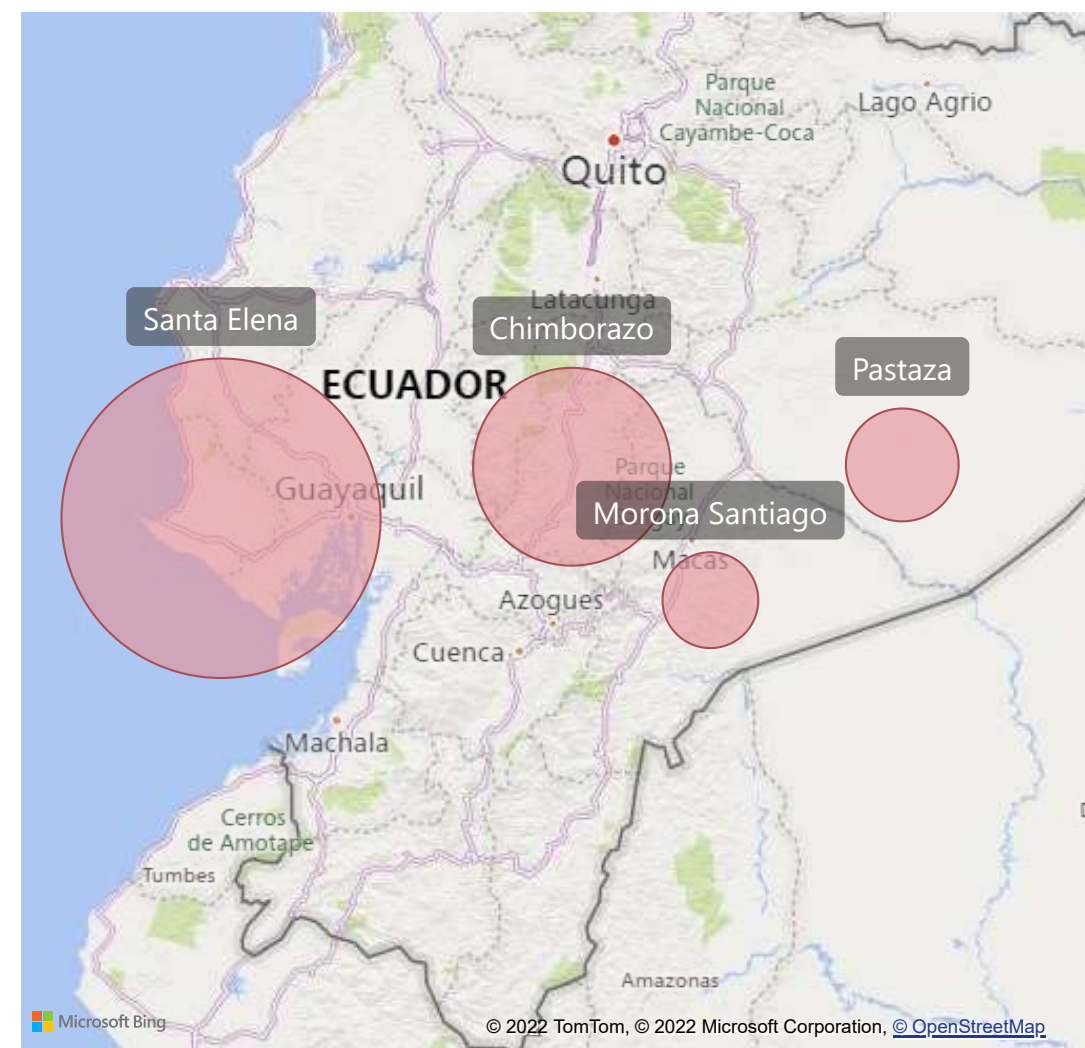
The provinces with the highest rate of chronic malnutrition in Ecuador are: **Santa Elena (36.4%), Chimborazo (35.11%), Pastaza (34.21%), Morona Santiago (34.03%).**

The rural area continues to present the highest rates of malnutrition in **children under 2 and 5 years.**

● Chronic Malnutrition in childrens under 2 years ● Chronic Malnutrition in childrens under 5 years



## PROVINCES WITH HIGH CHRONIC MALNUTRITION





# NAVARRA CENTER FOR INTERNATIONAL DEVELOPMENT

**MAY, 2022.**

<http://ncid.unav.edu/>



**Download PDF**