The Persistence of Old Habits: 
Ecuador’s Return to Political Instability\textsuperscript{i}

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Abstract. As with many other governments during the 2000s, Rafael Correa’s Citizens’ Revolution (2007-2017) marked a ten-year period of nearly unprecedented political and economic stability, with hegemonic-party government, strong economic growth, a reduction in poverty, and an increase in state capacity. Yet, as Lenín Moreno’s presidency draws to a close, Ecuador is muddling through many of the same political and economic crises it did in prior decades: a crisis of representation and political fragmentation, a fiscal deficit and ballooning debt, and challenging governance. We argue that, as with other Latin American countries, these problems are merely the latest expressions of longstanding structural deficiencies in the political system that successive governments have failed to resolve. For its part, Correa’s Citizens’ Revolution reflected an illusory stability that depended on propitious political-economic conditions. After government revenue decreased and Correa left office in the late 2010s, the country’s political and economic pathologies began to re-emerge. Critically, this movement did not deepen democracy and was not able steer the country off its path dependency. Ultimately, the structural nature of these problems bodes unfavorably for future governability and democratic stability.

Keywords: Ecuador, Political crisis, Structural weakness, Citizens’ Revolution, Rafael Correa
In his novel *One Hundred Years of Solitude*, Gabriel García Márquez uses narrative repetition to emphasize the cyclical nature of history in the fictional town of Macondo, and by extension, Latin America. Characters find it difficult to learn from history and break free of their family’s behavioral paths, and they become trapped in fates that echo that long history. This often seems to be the case of politics as well. For instance, after the promise of reformist political leaders, stability, and favorable economic conditions in the 2000s and early 2010s, Latin America in the 2020s seems to have returned to the volatile twentieth century.

Since 2019, protests have erupted across the region, leading to or exacerbating government fragility: in Bolivia, demonstrations erupted after claims of fraud against President Evo Morales in the October 2019 presidential elections, eventually resulting in Morales forced resignation by the armed forces; in Chile, protesters voiced anger over the country’s fragile social safety net, low pensions, and police brutality, ultimately resulting in approval of a constituent assembly; and in Ecuador, popular protest against a law that would have lifted energy subsidies forced President Lenín Moreno to temporarily move the country’s capital from Quito to Guayaquil before he retracted the law. Protests abated during the height of Covid-19 lockdowns but reappeared again towards the end of 2020. In November, Peruvians demonstrated to remove interim president Manuel Merino following the lightning impeachment he had helped orchestrate against previous interim president Martín Vizcarra. Nearly every other country in the region has experienced anti-government protest during this two-year period.

Latin Americans’ dissatisfaction at the dawn of a new decade reflects the gap between the promises of their democracies and the realities of rampant corruption, economic and social inequality, street crime and the world’s highest homicide rates, and a lack of government responsiveness, among others. Alas, these challenges are familiar ones. They expose socio-
political shortcomings that governments have long failed to resolve—in most cases despite even serious attempts to do so. Remarkably, not even ambitious and popular reformers who enjoyed favorable economic conditions during the commodities boom of the 2000s were able to push their countries off their unfortunate path of weak democratic consolidation in a sustainable way. And although some offered order and stability—and the mirage of a break with the past—once they left office, their countries’ political pathologies returned. These are at the heart of citizen discontent.

Ecuador’s experience is instructive. President Rafael Correa’s Citizens’ Revolution (2007-2017) promised political, economic, and social transformation. His government promulgated a new, inclusive constitution to help achieve an institutional and political break with the past and touted a national plan of “good living” (“buen vivir” or “sumak kawsay”). As president, Correa projected a strong leadership style, enjoyed single-party government, high public acceptance, and favorable economic growth, and managed to reduce party system fragmentation and poverty while increasing state capacity [1]. Arguably just as impressive, he survived ten years in office in a notoriously political unstable place, more than doubling the tenure of any other president in the country’s history.

Nonetheless, Ecuadorian democracy today appears similar today to how it did in the decades prior to Correísmo. Since the mid-2010s, the country has suffered economic, political, and social crises, helping to erase the greatest economic boom in history. The party system is once again fragmented and volatile, the country’s largest party –Country Alliance (Alianza País, AP)– is divided into two bitterly opposed factions, and an inherited fiscal deficit and daunting external debt hamstrung the Moreno government’s policy options. The president’s October 2019 announcement of a package of austerity measures aimed at reducing the fiscal deficit included the elimination of a $1.3 billion gasoline subsidy, expected to result in a 25-75% increase in the price
of gasoline. Transport unions, student groups, and thousands of members of the country’s largest indigenous organization, the Confederation of Indigenous Nationalities of Ecuador (CONAIE), took to the streets, paralyzing roads around the country and demanding that the president step down [2]. Although he later rescinded the austerity measures and held on to power, the episode was reminiscent of the social protests that helped topple three presidents between 1997 and 2005.

Why, despite a decade-long period of stability and strong leadership, is Ecuador experiencing a recurrence of the worst political and economic moments of the last quarter of the 20th century? And if Correa was so strong and influential, why has the country seemingly regressed to its previous pathologies? We propose that even powerful reformists governing in privileged circumstances have difficulty transforming historical structures responsible for democratic disfunction. As in other countries in the region, Ecuador’s crisis is a function of these longstanding problems, including weak formal channels of representation, interbranch crisis, constantly changing institutional rules, commodities dependency, and patrimonialism. In this sense, the stability and apparent departures from the past under Correa were more illusory than permanent, dependent on propitious economic and political circumstances. Problems began to re-emerge as government revenue decreased and Correa’s strong leadership gave way to Moreno.

The Political Constants

While the Citizens’ Revolution dulled some longstanding political pathologies during the 2000s and early 2010s, they remained a latent threat. Three of these weaknesses include: 1) a crisis of the system of political representation, especially of the party system; 2) conflictive interbranch relations; 3) and institutional instability and persistent reforms.
Despite the transformations of the state, public policies, and relations between social and political actors from 2007 to 2017, the Correa presidency marked a period of unprecedented political stability. Undoubtedly, the president’s strength came from his broad electoral support. However, it was also a product not of structural transformations of the political system, but of the government’s model of personalistic, populist, and authoritarian leadership [1, 3]. Further, the central axes of change, such as strengthening state institutions and agencies and improving their capacity to regulate the economy and society, were only weakly consolidated [4]. This was a consequence of inefficiency, as in the case of reforms in education or science and technology [5, 6], and of centralization and personalization of the decision-making model through mechanisms that did not foster institutionalization [7]. Consequently, when Correa left power, his political successors were weakly equipped to continue his project [8]. Moreno’s subsequent reduction in the size of the state worsened conditions, as his government indiscriminately cut workers and budgets without a clear understanding of the implications for public policies and for the proper functioning of public agencies.

**Weak channels of representation**

Ecuador’s chronically weak party system has been a consistent impediment to democratic representation. Since re-democratization, it has suffered high levels of volatility, and poorly-rooted parties have proven unable to sustain electoral support over an extended period [9]. It is also one of the most fragmented systems in the world, with the effective number of seat-earning parties ranging from 4 to 8 and the effective number of vote-earning parties from 6 to 11 between 1979 and 2007. Predictably, Ecuadorians hold a low opinion of parties. According to surveys from the
Latin American Public Opinion Project (LAPOP), confidence in parties decreased from a high of 19% in 1996 to the single digits in the 2000s.

Despite changes in the contours of the party system, voters generally did not enjoy clear institutional channels of representation. Between 1979 and 1998, four parties accounted for about three-quarters of the vote: the Social Christian Party (PSC), the Ecuadorian Roldosist Party (PRE), the Democratic Left (ID), and Popular Democracy (DP) [10, 11]. However, these were generally weakly rooted across society and enjoyed low public approval. Beginning in 2002, other non-programmatic electoral machines emerged to siphon off votes from these traditional parties, including Álvaro Noboa’s Institutional Renewal Party of National Action (PRIAN) and Lucio Gutiérrez’s Patriotic Society Party (PSP).

Fittingly, a major platform of Correa’s 2006 campaign was the attack on what he called the “partyocracy” (partidocracia). The explicit objective was not merely to defeat the traditional parties but to eliminate them altogether. To this end, his nascent political movement did not present candidates to congress. Later, in the 2007 Constituent Assembly elections, AP gained a shocking 80 of 130 seats (61.5%) while the traditional parties obtained just 9 (PSC 5, ID 3, PRE 1), neatly illustrating AP’s ascension and the other parties’ fall. AP remained the dominant force in the National Assembly after the 2009 election with 59 seats, or 43% of the chamber. Of the nine national parties and 18 provincial ones with representation, the PSP ranked second with just 19 legislators (13.8%), and among the traditional parties, only the PSC enjoyed a slight increase—to just 11 legislators (8.5%).

During the 2010s, fragmentation finally decreased as competition restructured itself around a government-opposition axis. In the 2013 legislative elections, AP obtained 100 out of 137 seats (73%), marking the first time any party had earned a legislative majority since re-democratization.
The party’s unparalleled electoral success allowed it to pursue constitutional reforms, including indefinite reelection for the president and other popularly elected authorities [7]. The remaining 37 seats in the National Assembly were divided among ten organizations, headed by a new party called Creating Opportunities (CREO). Led by former banker Guillermo Lasso, who had finished second in the presidential elections, CREO positioned itself as the primary opposition party to AP, despite holding only 11 seats in the assembly and lacking solid proposals beyond radical opposition to Correa.

Consequently, the biggest threat to AP hegemony was internal. In the 2017 elections, the party won 74 of 137 seats (54%), although with only 39% of popular support, while Lenín Moreno defeated Guillermo Lasso only narrowly in the presidential runoff election, 51.2% to 48.8%. The party’s diminished fortunes reflected the fall in oil prices, a reduction in public spending, a concomitant decline in Correa’s popularity, and low enthusiasm for the Moreno-Glas binomial. Additionally, both the legislative majority and presidential victories were somewhat misleading. Of the 74 legislators, 24 (or 32%) were elected via electoral alliance, while Moreno’s victory concealed a split within AP that gave way to a public feud between Correista and Morenista wings and the breakdown of the AP bench. The defection of Correistas to the so-called Citizens’ Revolution movement left Moreno with just 46 assembly seats, ensuring governance only through ephemeral voting alliances with the center-right—like throughout much of the 1979-2006 period, when no popularly elected president finished his term.

After ten years of party system hegemony, AP is now weak, and the party system has again fragmented—resembling what it looked like prior to Correa’s arrival. The party’s inability to ensure its long-term success is owed partly to the fact that its electoral and political machinery were built from the state and its resources during Correa’s ten years. What is more, the Citizens’
Revolution was a top-down program with the president as the sole and unquestioned decision-maker, while other actors and institutions focused on fulfilling the objectives of Correa and his political project [12].

**Executive-legislative interbranch crisis**

The conflict between powers has been another enduring source of instability [11, 13, 14]. Significant interbranch conflict dates to at least the mid-20th century. Pyne [15, 16] argued that congressional opposition to the Ecuadorian executive in the early 1960s was much more than the standard formality it was taken to be, and that deteriorating legislative-executive relations contributed to the erosion of President José María Velasco Ibarra’s grip on power. Relations remained tense throughout the 1980s and 1990s, as the country muddled through minority government and presidential crises. Interbranch relations improved only during the period of AP dominance, when the president enjoyed his legislative majority and high public approval. However, Correa’s departure from office ushered in a return to the past.

Mainwaring and Shugart’s model [17] suggests that Ecuadorian presidents have been politically weak despite enjoying an institutional structure that favors them. This is a result of the shallow roots and poor articulation of parties, as well as the minority status of presidents (Correa being an exception). As Figure 1 shows, the share of seats in the assembly held by the president’s party remained below 50% until the Constituent Assembly of 2008. Presidents have often faced hostile legislatures and built coalitions through the distribution of pork and other perks, including the distribution of political and judicial appointments. This legislative majority-building system incentivizes the particularistic and instrumental use of public resources and also generates de-institutionalization.
AP’s bid not to present legislative candidates in 2006 was risky, since it guaranteed that the president would not enjoy the support of the legislature. But by not belonging to an established party, Correa came to power without the pressure of distributing selective incentives, or appointments to a political machine or to sectorial interests [18]. Moreover, he had accumulated fewer favors or pork-barrel demands to meet in the following elections, in which he obtained a near-majority that ensured legislative control and governability and also reduced inter-branch conflict. Correa likewise avoided confrontation with the legislature as a consequence of his high popularity and the development of a plebiscitary model of governance [19]. This structure of vertical legitimation and approval was a function of at least three conditions: 1) a system of political representation in crisis; 2) a president with high levels of acceptance; and 3) a president convinced that his own decisions—as a direct representative of the people—were above institutions and norms.
By contrast, the Moreno government almost immediately broke ranks and returned to old patterns of governance. Thanks to Correa’s control of the Constitutional Court and his party’s legislative supermajority, he left open the possibility of a re-election bid in 2017 before instead settling on a reform that would allow indefinite re-election beginning with his successor. Still, seeking continuity of his political project, Correa appointed his former vice presidents as candidates: Moreno for president and Jorge Glas Espinel for vice president, with the implicit intention that Moreno be a kind of straw man for a government controlled by Glas, with ministers and a legislative bloc loyal to Correa. However, once in power, Moreno pursued his own policy agenda, committing what Burbano de Lara [20] characterized as parricide and splitting Alianza País into Correista and Morenista factions. This of course left the president without a majority and forced him to return to the party-weakening practice of exchanging public resources in order to build legislative coalitions.

**Permanent political reforms**

Since Ecuador’s founding, its political class and citizens have viewed the country’s institutional design as a root cause of its political problems. Thus, in moments of crisis, elites have generally sought institutional and constitutional changes to alter the formal rules of the game. As a result, since independence, Ecuador has had 20 political constitutions and myriad electoral rules. In a sense, the country has incorporated constituent assemblies as a kind of re-start button once the country’s operating system crashes.

The has been especially true since re-democratization. After the legislative removal of Abdalá Bucaram in 1997, interim president Fabián Alarcón held a constituent assembly to curry favor with voters. However, the resulting 1998 Constitution lasted just ten years, with numerous
substantial reforms throughout. In 2007, voters gave Correa a mandate to “re-found” the country’s institutions, prompting him to call yet another constituent assembly. As in Venezuela in 1999 and Bolivia in 2009, this body and its work served as an instrument of reform and a mechanism of legitimation. It also marked a symbolic break with the past, serving as a manifestation of the popular will to overcome political and economic inequality, and proposing a new role for the state in the economy. Likewise, the plebiscite to ratify the constitution served as a legitimation mechanism for the president’s political project and ambitions.

Although Correa proclaimed that the new constitution would endure for 300 years, it proved unable to survive even ten without modifications. In fact, there were 23 changes in nine years, ranging from the correction of errors to the modification of citizens’ rights. Beyond their content, these reforms reflected a constant practice in the country’s political trajectory: the adaptation of rules to the needs of a particular government. As Burbano de Lara and De la Torre [21] point out, the Moreno administration used this same strategy of reform and institutional change in order to shift the country’s balance of power and guarantee a political base. With the purpose of “de-Correaizing” the state, Moreno utilized his unilateral powers to make sweeping changes to government personnel and the competencies of some agencies, and in early 2018 he held a referendum and popular consultation to help consolidate support for his political project—changing the rules once again.

**Economics: The Specter of Crisis**

Beyond the political realm, the economic crisis that began before the Covid-19 pandemic bears an uncanny resemblance to others in the country’s history. This is due not only to governance problems, but underlying weaknesses, such as a productive apparatus centered on raw materials
that makes the economy vulnerable to external shocks. Since 2000, this situation has been further aggravated by the lack of a national currency to carry out countercyclical monetary policy. Moreover, changes in the productive matrix model implemented under Correa did not resolve these weaknesses due to shortcomings in infrastructure and human capital investments.

**Oil dependence and debt cycle**

The Ecuadorian economy’s reliance on the export of primary products has made it vulnerable to exogenous shocks and macroeconomic instability. This was true when Ecuador was primarily an agricultural economy dependent on cacao and bananas, but especially so after the oil bonanza of the 1970s. The boom boosted per capita gross domestic product (GDP) and led to a massive increase in government spending and consumption. It also coincided with a period of military dictatorship (1972-1979) that used the oil windfall to redefine the state’s role. Much like what would happen in the late 2000s, oil revenue allowed the state to take an active role in the economy and to formulate its own development and modernization plan. The military government directed this increased spending to public sector wages, purchases of goods and services, and capital expenditures on large infrastructure projects [22].

Similar to what would happen under Correa, the subsequent fall of oil prices coupled with the effects of natural disasters (such as the 1982-1983 El Niño phenomenon, and a 1987 earthquake) underscored the economy’s fragility. Worse, the crash in oil prices was not accompanied by any substantial fiscal correction, and the government relied considerably on seigniorage as a source of revenue, contributing to inflation [22].

Annual inflation oscillated between 20% and 95% from 1982 to 2000, weakening the Sucre (the national currency), contributing to a stagnant per capita GDP, and exacerbating the country’s
chronic debt crisis [23]. During this time, foreign debt grew to 119% of GDP and interest payments made up 22.5% of public expenditures [24]. Ecuador signed 16 different letters of intent with the International Monetary Fund (IMF) between 1983 and 2003 that ultimately resulted in the adoption of a series of structural adjustment programs [25]. Attempts to strengthen the productive apparatus through “Sucretization” of the debt contracted by companies, a reduction in the size of the public sector, and deregulation of the labor and financial markets did not bear fruit.iv Instead, interest rates rose and capital outflows accelerated. Ultimately, the Ecuadorian version of neoliberalism resulted in bankruptcy of the financial system and dollarization in 2000 [26].

The economic crises and structural adjustments bore a high social cost. As a condition of receiving loans from the IMF, the adjustment plans increased fuel and utility prices, eliminated subsidies, and cut government expenditures, causing a great deal of pushback from labor organizations, the country’s increasingly vocal and powerful indigenous movement, and even the middle class. Meanwhile, political actors had difficulty in processing these conflicts, failing to meet social demands and generating political disaffection. Between 1997 and 2005, periodic political crisis and intense social mobilization and popular protest led to the removal of three elected presidents: Abdalá Bucaram in 1997, Jamil Mahuad in 2000, and Lucio Gutiérrez in 2005.

**Economic management during the Citizens’ Revolution**

Breaking with its immediate predecessors, the Correa administration promoted policies that highlighted the role and participation of the state in the economy, as well as increased public expenditures [27, 28]. Driven by historically high oil prices and oil revenues, central government expenditures jumped from an average of 16% of GDP between 2000 and 2006 to 23.5% between 2007 and 2017 [22]. One of the keys to this economic management was the renegotiation of oil
contracts, which increased the percentage of profits that the country received from exports, as well as growth in tax revenue. Per capita GDP rose and poverty fell thanks to the government’s redistributive policies. Moreover, the share of capital expenditures grew as the Correa administration made large investments in infrastructure, including roads, hydroelectric plants, schools, and health facilities.

However, to finance this, the average deficit jumped to 3.5% of GDP between 2007 and 2017 [27]. Since dollarization precluded the possibility of seigniorage to finance these gaps, the Correa government increased its domestic and foreign borrowing. Total foreign debt jumped from US$10.5 billion to US$31.5 billion between 2007 and 2017 and reached US$40 billion by 2020, while domestic debt grew fourfold [22]. The sources of foreign borrowing shifted as well. After the government defaulted on US$3.2 billion of its debt in 2008 –the eighth default in the country’s history and the fourth since its return to democracy– many foreign lenders became reluctant to extend new loans, pushing Ecuador to borrow from China under more onerous conditions.

Inflated public spending intensified the problem and a fall in oil prices aggravated it more. Additionally, the Correa administration’s economic model did not require high international reserves, in part due to dollarization and in part because when it required liquidity, the government could reallocate investment money from the budget to current expenditures. Nonetheless, this was insufficient to offset falling oil prices, a devastating 2016 earthquake, and the appreciation of the dollar, which made the country’s exports less competitive. In addition, the lack of government confidence, tax evasion, and above all a fear of exiting dollarization has resulted in a high level of capital flight. Faced with this situation, the Correa government borrowed from the pension and Central Bank reserves, raising the internal debt to US$17 billion [29]. Once the internal sources were exhausted, the government resorted to external borrowing.
Correa also strengthened the state, especially through growth in the size and powers of the bureaucracy [4]. The government set up a structure of fixed expenses and an administration tailored to the boom in raw materials, which compromised up to 43.6% of GDP. However, it could not continue to pay these expenses when income dropped and debt maturities came due. One of the measures adopted by the Moreno government was a 16.6% cut in the salaries of public employees linked to the executive branch. The intention is to save US$1 billion, or the equivalent of 10% of the US$10 billion wage bill that the Fiscal Policy Observatory sets for the entire public sector; however, this carries the latent cost of negatively impacting the state apparatus by semi-paralyzing its operation.

**Moreno’s management and a return to the debt cycle**

Moreno had vowed to continue the Citizens’ Revolution and maintain close economic ties with China, and he picked his vice president and cabinet from Correa’s own vice president and ministers. However, the government –laboring under a US$12 billion fiscal deficit, or approximately one-third of the national budget– changed course almost immediately after he assumed power. Moreno drew closer to the business sector, while taking an increasingly liberal turn on economic issues. One indicator of the government’s proximity to business was the inclusion of that sector’s demands in the new president’s first fiscal adjustment plan in August 2018.

Moreover, as previous presidents, Moreno committed to an agreement with the IMF and a process of renegotiating the terms with bondholders. As a part of this agreement, the government prioritized the payment of maturities in order to create confidence among investors, to facilitate the negotiation agreement, and above all to avoid the closure of financial markets. One of the
central points of the agreement was the elimination of fuel subsidies, which Moreno implemented via Presidential Decree 883 on October 1, 2019.

The measure immediately provoked outrage and social unrest. Inexpensive gasoline is a symbolic form of redistribution and attempts to eliminate the subsidies had previously resulted in anger and popular protest (for example, a similar measure in 1997 was the spark that set off the social mobilization that ultimately forced Bucaram from power). Among other grievances, supporters of the subsidy maintained that its elimination would make transportation more expensive.\textsuperscript{vi} As a result of the protests, the government was unable to implement either its economic reform plan or the agreements with the IMF, and it withdrew Decree 883 and the so-called “Economic Growth Law” that contained the reforms.

In short, Ecuador continues to suffer the same ills and apply the same old solutions. The country’s most serious problem— that of debt— is the same as it was in the 1980s and 1990s [23]. As shown in Figure 2, the country owes more than US$40 billion, as well as an additional US$17 billion in internal debt to the pension and the financial system. In addition, the state has pending payments in coming years that reach US$8 to US$9 billion annually, representing 25% to 30% of the state’s income. As the nominal GDP falls due to the economic slowdown caused by the pandemic, the weight of the debt on the general economy will also increase. Sadly, Ecuador has once again suffered a debt crisis without a productive model upon which to relaunch the system. Moreover, it again needs foreign bailout money in a context where unemployment has been growing steadily since 2016, putting at risk three decades of poverty reduction.
Political Corruption and Weak Rule of Law

The omnipresence of corruption represents another constant that has undermined economic development and political institutionalization as well as the rule of law. This is exacerbated by a weakly institutionalized and patrimonial state, in which authority rests with a leader who is the source of power and uses the state to mix public and private interests [32]. In Ecuador, the behavior of many politicians shows they view politics as a mechanism by which to appropriate public resources. Actors who engage in corruption represent a radical version of Acemoglu and Robinson’s [33] “extractive elites” who, when sufficiently powerful politically, extract resources from the many without generating wealth and often support economic institutions and policies inimical to sustained economic growth. However, corruption results in direct extraction through surcharges and commissions, and not only through beneficial rulemaking, undermining the rule of law and formal institutions.
Ecuadorian politics has often been transactional. Stories abound, for example, of cultivation of party adherents and votes through clientelism in Guayaquil [34], as well as legislative vote-buying by coastal caudillo Assad Bucaram [35]. Since the mid-1990s, six of the country’s seven presidents became targets of judicial investigations after leaving office, with four facing judicial proceedings on corruption charges: Abdalá Bucaram, Fabián Alarcón, Jamil Mahuad, and Gustavo Noboa [36]. Corruption has also manifested itself in the politicization of the judiciary—and more recently in the judicialization of politics. Since re-democratization, political actors have repeatedly sought to guarantee impunity in acts of corruption or, alternatively, to persecute opponents. Consequently, the courts have suffered high judicial turnover and been interfered with under almost all government administrations. Unsurprisingly, frustration with these different forms of corruption and patrimonialism helped propel Correa to the presidency.

Nonetheless, Correa did little to break the country’s path dependency along this dimension. Instead, his administration created an institutional structure that eliminated administrative controls in the context of high public spending driven by the oil boom, a breeding ground for scandal [37]. A number of high-ranking AP politicians have been convicted of corruption: Vice President Jorge Glas, a Correa ally, was sentenced to six years in prison and impeached in late 2017 after being found guilty of taking $13.5 million in bribes from the Brazilian construction firm Odebrecht. Nor were institutions safe, as Correa made a public and concerted effort to intervene in the judiciary ("meter mano en la Justicia"). Yet this failed to guarantee impunity. In 2020, a court found Correa, Glas, and more than a dozen other former officials guilty of bribery, illicit association, and influence-peddling in a controversial corruption case dubbed “Sobornos 2012-2016”. Attorney General Diana Salazar argued that the group misused their positions to extract US$15.5 million in bribes from companies in exchange for public works contracts, later funneling the illicitly obtained
funds to AP. As a result, the court sentenced Correa to eight years in prison in absentia and banned him from politics for 25 years.

Despite Moreno’s anti-corruption rhetoric and the arrest and prosecution of ex-officials allied with Correa, state capture for particularism, or as a mechanism of redistribution, persisted. In 2019, the Attorney General’s office opened an investigation into Moreno, his brother Edwin, and three others, in the so-called INA Papers scandal. The case revolves around several irregular purchases for the benefit of the president and his family, including luxury goods and real estate [38].

The Covid-19 pandemic has provided additional opportunities for overpricing and embezzlement. In 2020, prosecutors carried out dozens of raids across the country, detaining individuals tied to the capital city of Quito’s public water company, the ex-director of the Teodoro Maldonado Carbo Hospital in Guayaquil, and the prefect of Guayas province for overcharging for hospital and medical supplies, influence-peddling, and criminal organization. Police even arrested members of the Bucaram family, including ex-president Abdalá Bucaram, on charges of organized crime in relation to a probe into suspected embezzlement and overcharging [39]. Together, these acts have permeated the state and public life, undermining the rule of law and the courts, and generating electoral disaffection.

**Condemned to Repeat History?**

Evidence from the 2010s through 2020 supports the contention that vast economic resources, political reforms, and a strong and ambitious reformist leader were not sufficient to disrupt Ecuador’s institutional and political inertia. While some political pathologies vanished from view during the Citizens’ Revolution, they did not fundamentally change and lingered as latent threats.
Under the Moreno government they have shown themselves to be as salient as ever. Five important weaknesses are: 1) crisis in the system of political representation, especially in the party system; 2) poor interbranch relations, especially legislative-executive conflict and the judicialization of politics; 3) institutional instability and constant reform; 4) a productive apparatus based on the export of raw materials, which leads to boom-and-bust cycles that dictate both economic and political fortunes; and 5) a patrimonial vision of the state.

Importantly, beyond Rafael Correa’s inability to change the country’s trajectory, his government actually deepened some of the country’s weaknesses, such as institutional instability and patrimonialism. This may be because the legitimacy of some reformist leaders is based on the vices and pathologies which their strength of leadership and economic prosperity do not eliminate. Instead, it creates a vicious cycle, where structural weaknesses and dissatisfaction with the state of politics brings reformers to power. However, in their attempts to transform, ambitious and often personalist politicians fail to use institutions they (and citizens) do not trust, further undermining their potential. The result is that the institutional weakness persists.

Ecuador and Latin America’s difficulty in breaking their political path dependency does not condemn them to repeat history like the Buendía family in One Hundred Years of Solitude. Political life has improved for Latin Americans since the third wave of democratization. For instance, after myriad military dictatorships of the mid-twentieth century, the region is now largely governed by leaders who come to and leave power by democratic means [40]. Moreover, in most places, democracy has tended to bend in times of stress, but not break [41]. Nonetheless, the quality of democracy has stagnated throughout the region, undermined by weakly representative political parties, unbalanced powers of government, weak accountability, and more.
To a large extent, the demonstrations and attitudes of citizens reflect fatigue and anger, but they also show a commitment to improving the current system. By all indications, Latin Americans continue to believe in democracy—especially those who did not suffer the excesses of dictatorships in the region—but are simply dissatisfied with the low quality of democracy that prevails in their countries. In other words, the protesters in Santiago, La Paz, Quito, Bogotá, Buenos Aires, Montevideo, São Paulo, Port-au-Prince, Tegucigalpa, Guatemala City, and Lima are not calling for a return to authoritarianism but improvement in the democratic performance of their countries. It remains to be seen if political elites and policymakers can answer that bell.
References


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During the 2020 political crisis, some political actors have already raised the specter of a new constituent assembly to re-write the 2008 constitution.

“Sucretización” refers to when the Central Bank assumed about US$1.5 billion in private external debt in exchange for sucre-denominated debt. With subsequent devaluations, this policy was essentially a substantial transfer to private debtors.

Since the president cannot make a unilateral salary reduction, Moreno used a legal loophole to reduce each working day by two hours.

In reality, the subsidy is more beneficial to the middle and upper classes, which consume more fuels than the poor, while the country lacks energy self-sufficiency and actually imports most of the fuels it consumes and resells at below-market prices.