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'The deep divisions in the left camp were decisive'

Instead of a victory for the Left, Ecuador now has an arch-conservative and neoliberal president. Constantin Groll in Quito explains what happened

After the first round of the presidential elections in Ecuador, we witnessed a clear swing to the Left. Now Guillermo Lasso, an arch-conservative, neoliberal banker who belongs to Opus Dei, has won the presidency in the second round. What happened?

In fact, no one expected such a clear victory for Guillermo Lasso after the first round. He now won 52.36 per cent of the valid votes cast, but had entered the run-off with only 19.74 per cent and a lead of only 32,115 votes over the third-placed candidate Yaku Pérez of the indigenous party Patchakutik. His opponent was the winner of the first round, Andrés Arauz, who had achieved 32.72 per cent. He ran for the leftist UNES led by former President Raphael Correa.

The starting position for Guillermo Lasso, who had already failed twice in the past, was therefore conceivably bad. Despite a much improved “feel-good” campaign for the run-off, however, the victory can be explained less by the candidate’s popularity or his programme than by the reasons why his left-wing rival Arauz failed. In particular, the deep divisions in the left camp were decisive here. Although left-wing parties were able to win a majority of seats in the People's Assembly in the first round of elections, Arauz, who was pale and lacked charisma in the campaign, showed himself unable to take advantage of it in the second round.

Moreover, Raffael Correa, who is ever-present in the background, was a highly polarising figure. Arauz's attempts to reach out to the left parties were not very credible and only reinforced the widespread anti-Correeísmo in the left camp. Thus, many voters followed the call of Yaku Pérez and Patchakutik and cast an invalid ballot. This vote, known as a *voto nulo*, accounted for 16.3 per cent. In this way, they expressed their rejection of both candidates.

Ecuador is in the midst of an economic crisis and Covid-19 is also taking a heavy toll on the country. How does Guillermo Lasso intend to lead the Andean republic out of the crisis? Are austerity policies and neoliberalism about to make a comeback?

The governing programme on which Lasso and his coalition ran contains an almost classic neoliberal reform programme: flexibilisation and deregulation, especially of the labour market and labour legislation for young workers. Lasso cultivates a fetish for a lean state and the primacy of the free market even in essential areas like public services. This includes tax cuts, the abolition of taxes on international capital transfers, and proposals to privatise social security or state enterprises.

He also plans the expansion of resource extraction, even against civil society opposition. In view of Ecuador's high debt and liabilities to the International Monetary Fund (IMF) and bilateral donors such as China, as well as stagnating oil prices, we can expect strict austerity as part of such a programme. Lasso's declared goal is to open the domestic market, including a free trade agreement with the US and deeper regional integration within the framework of the Pacific Alliance.

In contrast to the strong recovery policies in Europe and the US, Lasso's camp hopes to achieve economic recovery through the forces of a free market alone. However, given the lack of a government majority in the People's Assembly and the expected resistance from social and indigenous movements, it is questionable whether this programme can be implemented.

So Lasso does not have a majority in parliament – does this threaten Ecuador with more years of political instability, as has so often been the case in the past?

The incoming government truly does not face an easy challenge. Ecuador is in a triple crisis: the economy is on the brink, the pandemic has hit the country hard and the health system is on the verge of collapse. In addition, numerous scandals, corruption and failed policies of the outgoing Moreno government have severely damaged trust in politics and political institutions.

In view of the weak performance in the first round of elections, the ruling coalition is only a minority faction in the People's Assembly, which is dominated by more left-wing parties. It has to fight for majorities. Moreover, Lasso had to soften his positions in the run-up to the second round, promising, for example, to increase the minimum wage in order to win over broader sections of the electorate. This has raised expectations that must now be satisfied. Nevertheless,

because of the strength of the executive in Ecuador's presidential system, the president has “carrots and sticks” to win over individual parliamentarians to his policies and break the weak cohesion of the opposition faction. As before, there will certainly be some who switch sides.

However, neoliberal rule faces opposition in the power of the streets. The protests in October 2019 in particular have shown that Ecuadorian society can mobilise against austerity policies. We may hope that the new government does not fall into the same pattern as in Chile of criminalising peaceful civil society protest and confronting it with repression.

This interview was conducted by Claudia Detsch.



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