



ECUADOR

Republic of Ecuador
República del Ecuador



CAPITAL: Quito

FLAG: The flag consists of three horizontal stripes, the yellow uppermost stripe being equal to the combined widths of the blue center stripe and the red lower stripe; coat of arms superimposed at center of the flag.

ANTHEM: *Salve, O Patria (Hail, O Fatherland).*

MONETARY UNIT: The sucre was replaced by the US dollar (US\$) as the official currency as of March 2000 at a rate of 25,000 sucres for US\$1. The dollar of 100 cents is a paper currency with a floating rate. There are coins of 1, 5, 10, 25, and 50 cents and 1 dollar, and notes of 1, 2, 5, 10, 20, 50, and 100 dollars.

WEIGHTS AND MEASURES: The metric system is the legal standard, but local and old Spanish units also are used.

HOLIDAYS: New Year's Day, 1 January; Epiphany, 6 January; Labor Day, 1 May; Battle of Pichincha, 24 May; Simón Bolívar's Birthday, 24 July; Quito's Independence Day, 10 August; Guayaquil's Independence Day, 9 October; Columbus Day, 12 October; All Saints' Day, 1 November; All Souls' Day, 2 November; Cuenca's Independence Day, 3 November; Foundation of Quito, 6 December; Christmas Day, 25 December. Movable holidays include Carnival and Holy Week.

TIME: Mainland, 7 a.m. = noon GMT; Galápagos Islands, 6 a.m. = noon GMT.

1 LOCATION, SIZE, AND EXTENT

The fourth-smallest country in South America, Ecuador is located on the west coast of the continent and is crossed by the equator (the country gets its name from the Spanish word for "equator"). It has a length of 714 km (444 mi) N-S and a width of 658 km (409 mi) E-W. Ecuador borders Colombia on the N, Peru on the E and S, and the Pacific Ocean on the W, with a total boundary length of 4,247 km (2,639 mi), of which 2,237 km (1,398 mi) is coastline. (Ecuador has lost about two-thirds of the territory it once claimed to Colombia and Peru.)

The Galápagos Islands, a province of Ecuador with an area totaling 8,010 sq km (3,093 sq mi), are approximately 1,130 km (700 mi) off the coast on the equator at 89° to 92°W. The total area of the republic and its territory is estimated at 283,560 sq km (109,483 sq mi). Comparatively, Ecuador is slightly smaller than the state of Nevada. Ecuador's capital city, Quito, is located in the north-central part of the country.

2 TOPOGRAPHY

Ecuador is composed of four distinct regions: the coast; the highlands, or Sierra; the eastern interior lowlands, or Oriente; and the Galápagos archipelago, which lies 780 kilometers west of the mainland. The coast, except for a hilly area west of Guayaquil, is a low alluvial plain from 32 to 185 km (20 to 115 mi) wide, comprising about one-quarter of the national territory. It extends from sea level to the base of the Cordillera Real of the Andes, at an elevation of about 460 m (1,500 ft). The Guayas in the southwest and the Esmeraldas in the northwest form the principal river systems and serve as important arteries of transportation in their respective regions.

The highlands constitute another fourth of the country. This region is formed by two parallel ranges of the Andes, from 110 to 290 km (70 to 180 mi) wide, and the intervening narrow central plateau, nearly 640 km (400 mi) long. This inter-Andean plateau is divided into 10 basins at altitudes from 2,400 to 2,900 m (7,800 to 9,500 ft), some draining east and some west. The Andes are studded with massive snow-capped volcanoes, the highest of which are Chimborazo, 6,267 m (20,561 ft), once thought to be the world's highest mountain; Cotopaxi, 5,897 m (19,347 ft), the world's third-highest active volcano; Cayambe, 5,790 m (18,996 ft), the highest point on the equator; Antisana, 5,705 m (18,717 ft); Altar, 5,320 m (17,454 ft); Iliniza, 5,266 m (17,277 ft); Sangay, 5,230 m (17,159 ft); and Tungurahua, 5,016 m (16,457 ft).

The Oriente, forming part of the upper Amazon Basin, begins at the base of the Andes at about 1,200 m (4,000 ft). The land at first drops quickly and is segmented by rushing torrents escaping from the cold highlands. At about 260 m (850 ft), the forests become almost level, and the streams suddenly widen into sluggish, meandering rivers as they begin their journey down the Amazon system to the Atlantic.

Ecuador is located on the South American Tectonic Plate, near the Nazca Plate off the western coast. As such, it is an area of frequent, though usually moderate, seismic activity. One of the worst earthquakes in history occurred off the coast of Ecuador on 31 January 1906. An 8.8 magnitude quake triggered a tsunami that reached as far north as San Francisco and as far west as Japan. Between 500 and 1,500 people were killed by the event. More recent quakes have been significantly less destructive. An earthquake of 5.7 magnitude occurred east of Quito on 9 November 2005.

3 CLIMATE

The climate varies with the region. Most of the coast consists of wet, tropical forest, increasingly humid toward the north. The cold Humboldt Current (also called the Peruvian Current), which flows northward along the coast of Peru and then heads out into the Pacific off the coast of central Ecuador, limits the rainfall on a strip of the coast extending from as far north as the Bay of Caraquez and widening to include most of the coastal lowlands south of Guayaquil. In the Guayaquil area there are two seasons: a hot rainy period, lasting from January to May; and a cooler dry season, during the rest of the year, when sea breezes modify the equatorial heat. The tropical forests of the Oriente, east of the Andes, are more humid than the coast; there, temperatures are high, and rain falls year round.

The climate of the central plateau is governed mainly by the altitude. The capital, Quito, at 2,850 m (9,350 ft), has perpetual spring, with an average temperature of 13°C (55°F) and about 127 cm (50 in) of rainfall annually. The highlands are cut by numerous deep valleys, which bring subtropical climates to within a few miles of the more temperate areas. Cold and wind increase as the slopes surrounding the central plateau ascend to form the páramo, or highland meadow. The higher areas rise to peaks above 5,200 m (17,000 ft) that are perpetually covered with snow.

4 FLORA AND FAUNA

The arid savanna strip along about half of Ecuador's coast, with occasional low shrubs and isolated ceiba trees, contrasts sharply with the northern coast and the inner portion of the southern coast. In these humid regions, the typical dense growth of the tropical jungle abounds, extending as wet mossy forests up the Andean slopes to over 2,400 m (8,000 ft) in some places. Beyond the moisture barrier formed by the Western Cordillera, the high mountain slopes above 3,000 m (10,000 ft) are covered with wiry páramo grass and, in the northern province of Carchi, with a mulleinlike plant, the *fraylejón* (*espeletia*).

The highland valleys, at an altitude between 2,400 and 3,000 m (8,000 and 10,000 ft), support most of the temperate-zone plants; potatoes and corn, for example, have been raised there for thousands of years. There are few native trees in the highlands; eucalyptus was introduced in the 1860s and has been planted widely. The World Resources Institute estimates that there are 19,362 plant species in Ecuador. In addition, Ecuador is home to 341 mammal, 1,515 bird, 419 reptile, and 428 amphibian species. The calculation reflects the total number of distinct species residing in the country, not the number of endemic species.

Ecuadoran forests support the usual smaller mammals, reptiles, and birds. In the highlands, the condor and a few other species of birds are found. There is relatively little wild game because of the density of the population and the intensive use of the land. Indigenous groups still make some use of the llama in southern Ecuador. Throughout the highlands, indigenous and some mestizo citizens raise cavies (guinea pigs, called *cuyes* in the Andes) in their homes as an important source of meat.

In 2010 researchers confirmed the discovery of a new species of bat found in the western slopes of the Andes in northwestern Ecuador. The *Myotis diminutus* is a small brown bat that weighs only 3.5 grams. It is recognized as the smallest of more than 100

species of myotis bat, 6 of which are found in Ecuador. The bat was found in the forest surrounding the Rio Palenque Scientific Center, a private protected reserve.

5 ENVIRONMENT

Ecuador's major environmental problems are erosion in the highland areas; deforestation, especially in the Oriente; and water pollution. The Ecuadorian Institute of Water Resources estimated that the amount of arid land increased by 31.5% between 1954 and 1979, when 7.5% of the coastal lowland and Sierra were classified as arid. Between 1981 and 1985, 340,000 hectares (840,000 acres) of land were deforested annually. By the 1990s, Ecuador had lost over 30% of the original mangrove area, which covered over 117,000 hectares. From 1990 to 2000, the annual rate of deforestation was about 1.2%. Intensive farming practices have been blamed for most of these problems, but oil development has also played a role in the clearing of forests. A program for reforestation and maintenance of existing forests was initiated in 1979, but only 4,000 hectares (10,000 acres) were reforested annually during the early 1980s. Ecuador's principal environmental agency is the Ministry of Natural Resources and Energy. Land erosion is accelerated by deforestation.

On 4 December 2010, the volcano Tungurahua, located about 85 miles (135 kilometers) southeast of Quito, began spouting a massive amount of ash, resulting in a cloud that reached about 1.2 miles (2 kilometers) high. Seismic activity around the volcano no rapidly increased, creating flows of hot gases and heated rocks along the sides of the mountain and leading authorities to evacuate much of the area, including the tourist town of Baños. The volcano has been in an active phase since 1999, when an eruption forced the evacuation of 15,000 people. Following that eruption, residents were not able to return to their homes for nearly one year.

Flooding and desertification are related problems that have damaged or eliminated valuable soil, particularly in the western coastal region. Water pollution is a problem due to the influx of domestic, industrial, and agricultural contaminants. The World Resources Institute reported that Ecuador had designated 6.26 million hectares (15.48 million acres) of land for protection as of 2006. Water resources totaled 432 cu km (103.6 cu mi) while water usage was 16.98 cu km (4.07 cu mi) per year. Domestic water usage accounted for 12% of total usage, industrial for 5%, and agricultural for 83%. Per capita water usage totaled 1,283 cu m (45,309 cu ft) per year. The United Nations (UN) reported in 2008 that carbon dioxide emissions in Ecuador totaled 29,964 kilotons.

The Galápagos Islands and Sangay National Park are natural UNESCO World Heritage Sites. There are 13 Ramsar Wetland Sites. The expansion of Ecuador's population centers threatens its wildlife. According to a 2011 report issued by the International Union for Conservation of Nature and Natural Resources (IUCN), threatened species included 43 mammals, 73 birds, 24 reptiles, 171 amphibians, 50 fish, 48 mollusks, and 1,837 plants. Endangered species in the Galápagos Islands included the dark-rumped petrel, Galápagos dark-rumped petrel (a subspecies), black petrel, African ass, two species of turtle (green sea and hawksbill), and the Galápagos giant tortoise and 11 of its subspecies. A subspecies of Galápagos giant tortoise is extinct, and another may be. Darwin's Galápagos mouse, the Fernandina Galápagos mouse,

Charles Island tortoise, and the Duncan Island tortoise have become extinct.

Ecuador's natural attractions could lead to increased tourism and benefit the economy. However, environmental problems, including further endangerment of native plants and animals, could be exacerbated without careful management of tourist areas.

6 POPULATION

The US Central Intelligence Agency (CIA) estimated the population of Ecuador in 2011 to be approximately 15,007,343, which placed it at number 65 in population among the 196 nations of the world. In 2011 approximately 6.4% of the population was over 65 years of age, with another 30.1% under 15 years of age. The median age in Ecuador was 25.7 years. There were 0.99 males for every female in the country. The population's annual rate of change was 1.443%. The projected population for the year 2025 was 16,600,000. Population density in Ecuador was calculated at 53 people per sq km (137 people per sq mi).

The UN estimated that 67% of the population lived in urban areas, and that urban populations had an annual rate of change of 2%. The largest urban areas, along with their respective populations, included Guayaquil, 2.6 million; and Quito, 1.8 million.

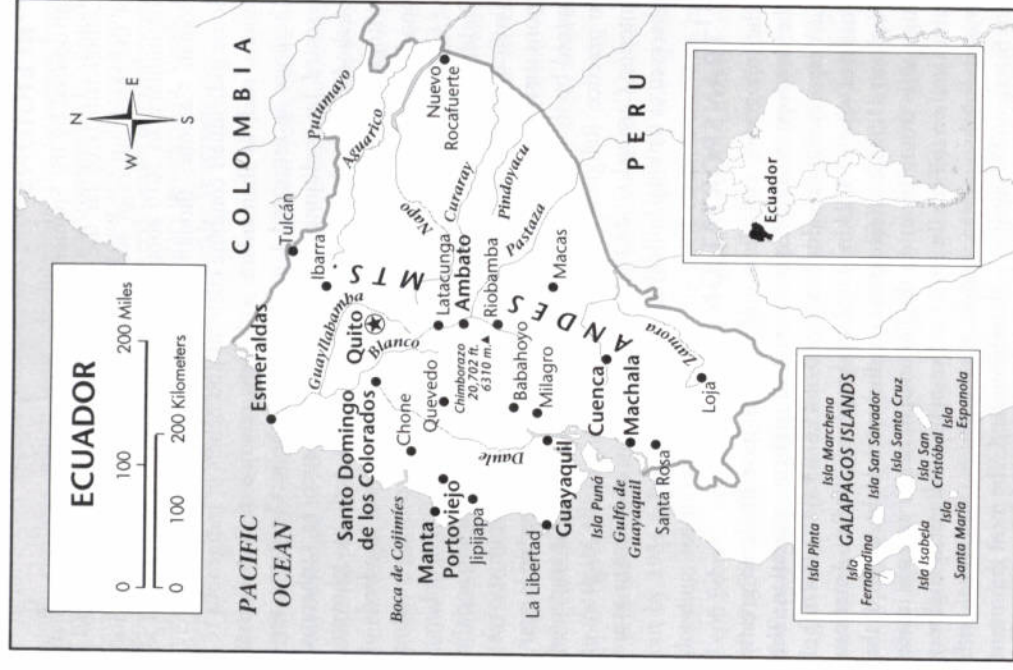
7 MIGRATION

Estimates of Ecuador's net migration rate, carried out by the CIA in 2011, amounted to -0.52 migrants per 1,000 citizens. The total number of emigrants living abroad was 1.15 million, and the total number of immigrants living in Ecuador was 393,600. Ecuador has had also accepted 11,526 refugees from Colombia. Ecuador has had no large-scale immigration since the colonial period, and emigrants generally have outnumbered newcomers. There was an influx of European refugees in the late 1930s. In 1959 a modest attempt was made to colonize the northern coastal province of Esmeraldas with Italian families. Within Ecuador, the largest migration is from rural areas to cities, as urban employment opportunities widen. There has also been a growing movement from the overpopulated highlands to the Oriente and the coast.

About one-third of emigrants immigrated to Spain, and over 600,000 Ecuadorians were in the United States, most in the New York City area and many from Azuay and Canar provinces.

8 ETHNIC GROUPS

According to self-reporting in the 2010 census, 72% of the Ecuadorian population is mestizo (mixed indigenous and Spanish heritage), 7% montubio (coastal peasants of mixed indigenous, Afro-Ecuadorian, and Spanish heritage), 7% indigenous, 7% Afro-Ecuadorian, and 6% Spanish. Indigenous organizations contend that the nature of the census resulted in an undercounting of the indigenous population. The dominant indigenous group is the Kichwa, located both in the highlands and eastern Amazon. The highland Kichwa are broken into different "pueblos" or peoples: the Chibuleos, Karankis, Kayambis, Kisapinchas, Kitus, Otavalos, Panzaleos, Pastos, Puruhaes, Quisapinchas, Salasacas, Saraguros, Tomabelas, and Warankas. In addition to the Kichwa, seven different indigenous nationalities, the Achuar, Cofán, Huaorani, Secoya, Shuar, Siona, and Zápara, live in the Amazon. The Awá, Chachi, Epera, Manta, Tsáchila, and Wankavilka are on the coast. In 1986 these indigenous peoples and nationalities organized



LOCATION: 1°26'30" N to 5°1' S; 75°11'44" W to 81°1' W. BOUNDARY LENGTHS: Colombia, 590 kilometers (368 miles); Peru, 1,420 kilometers (887 miles); Pacific coastline, 2,237 kilometers (1,398 miles). TERRITORIAL SEA LIMIT: 200 miles.

themselves into the Confederation of indigenous Nationalities of Ecuador (CONAIE). Afro-Ecuadorians are concentrated primarily in the northwestern coastal province of Esmeraldas and in the Chota Valley in the northern highland province of Imbabura.

9 LANGUAGES

The official language of Ecuador is Spanish, spoken by over 90% of the population. The Spanish of the coastal areas is similar to that of the other lowland areas of Latin America, maintaining something of the Andalusian characteristics, especially the dropping or slurring of the consonants represented by s and d. In the isolated highlands, a more precise Castilian pronunciation is found, but many words and even some of the singsong intonations of Kichwa, an indigenous language, have crept into the Spanish. A small percentage of the total population speak only Kichwa, a variation of the broader pan-Andean Quechua language. Some speak Kichwa in addition to Spanish. The 2008 constitution recognizes Kichwa and Shuar as official languages for intercultural relationships, as well as other ancestral languages for official use by indigenous peoples in the areas where they live.

10 RELIGIONS

Introduced by the Spaniards with the conquest in 1540, Roman Catholicism is by far the dominant religion and has been one of the three pillars of society, along with the government and the military. In 2010 about 85% of the population identified as Roman Catholic, though only 15% were practicing actively. Some individuals combine customs and beliefs of indigenous religions, such as shamanism, with their practice of Catholicism. There are an estimated 1 million non-Catholic Christians, represented by traditional Protestant groups, such as Lutherans, Methodists, Presbyterians, and Baptists, as well as Jehovah's Witnesses, Mormons, and Rosicrucians. There are hundreds of nondenominational evangelical churches and a growing number of Christian mega churches (with more than 10,000 members). Buddhists, Baha'is, Hindus, Jews, Muslims, Scientologists, and the Unification Church have small communities. Some animistic religions survive among the indigenous. Freedom of worship is guaranteed by the constitution, and this right generally is respected in practice. Religious groups must register with the Ministry of Interior. Carnival, Good Friday, All Souls' Day, and Christmas are observed as national holidays.

11 TRANSPORTATION

The topography and climate of Ecuador have hindered greatly the development of adequate means of land transportation. The CIA reports that Ecuador has a total of 43,670 km (27,135 mi) of roads, of which 6,472 km (4,022 mi) are paved. The Pan-American Highway (1,076 km/669 mi in Ecuador) extends the length of the highlands from Tulcán on the Colombian border to Loja in the south and on to Peru. In 1970 the five-nation Bolivarian Highway was undertaken, as were east-west routes linking the Oriente with the Sierra, and Guayaquil with its hinterland. The most important lateral route connecting the highlands and the coast runs from Latacunga, crossing a pass in the Cordillera Real over 3,650 m (12,000 ft) high, to Quevedo in the lowlands.

Modern port facilities to serve Guayaquil were opened in 1963 on an estuary 10 km (6 mi) from the Guayas River. The Guayas River basin is important for transportation in the coastal provinces. Other international ports are Esmeraldas, Puerto Bolívar, and Manta; La Libertad and Balao can accommodate oil tankers. In 2008 Ecuador's merchant marine consisted of 37 ships of at least 1,000 gross registered tonnage (GRT), with a total GRT of over 241,403. Ecuador has approximately 1,500 km (932 mi) of navigable waterways.

Railways, all government owned, are of decreasing importance because of their poor condition and competition from highways. Floods in 1983 damaged much of the system, and by 1986 service had been restored on only some sections. Periodic and repeated attempts to restore service as a tourist attraction have had only partial success.

Ecuador's rugged topography has hastened the growth of air travel. According to the World Bank, in 2009 Ecuador had 428 airports that transported 2.9 million passengers. A total of 103 airports had paved runways. There were also two heliports. The airports at Guayaquil (Simón Bolívar) and Quito (Mariscal Sucre) provide international service.

12 HISTORY

Archaeological explorations indicate that the coastal regions of present-day Ecuador supported corn-cultivating communities as early as 4500 BC. In the first few centuries AD, the population was divided into dozens of small groups. By AD 1000, the highland groups had formed a loose federation. The Inca Empire expanded northward in the late 15th century, finally defeating the Caranqui after a brutal 17-year war. Atahualpa, son of the conquering Inca Huayna Capac and a Quito princess, became emperor, but by then the Spanish forces under Francisco Pizarro were gaining a foothold on the coast.

Pizarro's pilot, Bartolomé Ruiz, the first European to see the Ecuadorian coast, arrived in 1526 on a scouting expedition. The actual conquest reached Ecuador in 1531. Except for a few emeralds (from which their first landing place took its name—the city and province of Esmeraldas), the Spanish found those shores valuable only as a stopping place on their way to the riches of the Peruvian Incas. Sebastian de Belacázar, a lieutenant of Pizarro, extended Spanish dominion northward from Peru after defeating the Inca general Ruminahui. Belacázar found the northern capital of the Inca Empire left in ashes by the retreating Incas, and on that site in 1534, he founded the city of San Francisco de Quito, later to become the capital of the republic.

The Spanish governed the region as the Audiencia of Quito, part of the Viceroyalty of Peru. Quito, in the cool highlands, soon had a flourishing culture with ornately decorated churches and monasteries. Guayaquil, the principal seaport, grew slowly because of its unhealthy tropical climate and did not become a major city until much later. The Spanish colonial period was a time of ruthless exploitation of the indigenous communities as well as bickering and bloodshed among the Spanish in the struggle for power and riches.

Republic of Ecuador

The early stirrings of Ecuadorian independence were spread, in part, through the writings of the 18th-century satirist Francisco Javier Eugenio de Santa Cruz y Espejo. Abortive revolts against Spanish rule came in 1809 and in 1811. The decisive struggle began on 9 October 1820, with the proclamation of an independent Guayaquil. Finally, on 24 May 1822, with the Battle of Pinchincha, the Spanish were defeated. This victory unified the liberation movements of the continent. Simón Bolívar and José de San Martín met in Guayaquil in 1822 to consider the future of newly freed areas. Liberated Ecuador became part of Bolívar's dream, the Republic of Gran Colombia, consisting of modern Ecuador, Colombia, Venezuela, and Panama. In 1830, when this union collapsed, the traditional name Quito was dropped in favor of La República del Ecuador, "The Republic of the Equator."

The Republic's first president was Juan José Flores, one of Bolívar's aides. The 15-year period of Flores's domination was noted for iron-handed conservative rule. In 1832 he occupied the Galápagos Islands in a comic-opera invasion witnessed by only the giant tortoises native to the islands. Then, from 1845 to 1860, Ecuador went through 11 presidents and juntas. The nation was split between pro-clerical Conservatives and the more secular Liberals as regional strongmen vied for power.

From 1860 to 1875, the fervently religious Conservative Gabriel García Moreno, Ecuador's first great statesman, ruled Ecuador. He sought peace and consolidation for his torn country through a rigid, theocratic government. His administration granted special privileges to the Roman Catholic Church, even dedicating the Republic to "The Sacred Heart of Jesus" by act of congress in 1873. Beyond his religious zeal, García Moreno was known for developing roads and public education, beginning the Guayaquil-Quito railway and putting Ecuador on a firm financial footing. However, his relentless conservatism caused bitter strife, culminating in the dictator's assassination in 1875. In the ensuing period of confusion, the Conservatives were not able to carry on the program of García, nor could the opposition take command until the emergence of General Eloy Alfaro, who ushered in the Radical Liberal era with the revolution of 1895. He and the succeeding Liberal presidents counteracted much of García's program. Church and state were separated, and liberty of thought, worship, and the press was established. The Guayaquil-Quito railway was completed, uniting the coast and the highlands commercially.

The Liberal era continued until 1944, with numerous interludes of violence and crisis. The economy rose and fell with world prices of commodities such as cocoa. Territory was lost to Brazil in 1904, Colombia in 1916, and Peru in 1942. The border dispute with Peru, originating in the colonial period, came to a climax when Peru invaded Ecuador's southern and Oriente (Amazon Basin) provinces. The Río de Janeiro Protocol awarded Peru the greater part of the Amazon Basin territory claimed by Ecuador.

In 1944 José María Velasco Ibarra came to power as a nationalist denouncing the Río agreement. Velasco, who served as president during 1934-35, ruled for three years until he was sent into exile. After three ineffective presidents in less than one year, Galo Plaza Lasso (1948-52) was elected president. Plaza, later chief of the Organization of American States (OAS), ruled for four years. In 1952 Velasco returned to office for four years and was again elected in 1960. In his inaugural address Velasco formally renounced the Treaty of 1942 and embarked on an economic program of "growth through inflation."

In 1961, with Ecuadorian currency in a slump and consumers heavily taxed, the air force revolted and sent Velasco into exile, thus ending Ecuador's unprecedented streak of elected governments. Vice President Carlos Julio Arosemena Monroy assumed the presidency on 7 November 1961. Arosemena lasted less than two years, and in July 1963 the military arrested him for "drunkenness" (a charge that could have been substantiated throughout his presidency) and sent him into exile.

Military governments

A four-man military junta headed by Captain Ramón Castro Jijón took over and ruled until March 1966. Elections were scheduled and held in October 1966 for a constitutional assembly. Otto Arosemena Gómez, cousin of Arosemena Monroy, became provisional president. In 1968 new elections were held for the presidency, and Velasco won yet again. On 22 June 1970, following a fiscal crisis, Velasco suspended the 1967 constitution and assumed dictatorial power. He dissolved Congress, reorganized the Supreme Court, and ruled by executive decree.

In June 1971 Velasco promised new presidential and congressional elections, which were scheduled for the following June. However, on 15 February 1972, Velasco was overthrown in a bloodless coup after he refused demands by senior army officers to postpone elections. The following day, General Guillermo Rodríguez Lara was installed as head of a new military government. Velasco, deported to Panama, was granted asylum by Venezuela.

Return to elected government

The regime of General Rodríguez lasted for four years before he was ousted on 12 January 1976. A three-member Supreme Council assumed power, and presidential elections took place in July 1978, but because none of the candidates received the required majority, a runoff election was held in April 1979. The winner was Jaime Roldós Aguilera, a populist running under the banner of the Concentration of Popular Forces. Christian Democrat Osvaldo Hurtado became vice president. Both were inaugurated on 10 August 1979, the day Ecuador's current constitution went into effect. Roldós was killed in a plane crash on 24 May 1981, whereupon Hurtado became president until 1984.

Hurtado's term was marked by modest gains in the economy, but by 1984 a flagging economy, caused in part by widespread flooding, led to calls for change. The 1984 election was won by León Febres-Cordero Rivadeneira, a conservative Social Christian who advocated free-enterprise economic policy. Febres-Cordero formed a coalition government and pressed his platform of reducing state intervention in the economy and making it more responsive to market forces. Just as it appeared that Febres-Cordero's fiscal policies were about to bring widespread benefits to the populace, Ecuador was dealt two staggering blows: the 1986 plunge in world oil prices and a devastating earthquake in March 1987. His term in office was also plagued by charges of human rights abuses, stemming from government repression of those who opposed his conservative policies.

In presidential elections held 31 January 1988, Rodrigo Borja Cevallos of the Democratic Left (ID) Party and Abdalá Bucaram Ortiz of the Roldista Party (honoring ex-president Jaime Roldós) won the most votes in a field of 10 candidates. Borja won the runoff election and took office alongside a strong contingent in congress. The government made improvements in Ecuador's human rights record, which opened political space for a large indigenous uprising in June 1990 that demanded recognition of indigenous presence and concerns. Economic troubles, particularly inflation, continued, and the ID lost half its congressional seats in midterm elections in 1990. In 1992 voters elected a conservative government, headed by President Sixto Durán-Ballén of the Republican Unity Party (PUR) and Vice President Alberto Dahik of the Conservative Party (CP). Durán-Ballén imposed severe economic measures to improve Ecuador's situation but also exacerbated economic inequalities and triggered widespread protests.

On 26 January 1995, the longstanding border dispute with Peru sprang to life once again when Ecuadorian troops attacked a Peruvian post. A full-fledged war began, which lasted until March 1, causing some 80 casualties and leaving 200 wounded. Although the war created further economic difficulties for Ecuador, it also stirred national pride, and Durán-Ballén's popularity rose on the tide of fervent patriotism. By the fall of 1995, however,

Durán-Ballén had once again fallen from favor due to charges of political corruption against himself and Vice President Alberto Dahik. Dahik fled the country, and Durán-Ballén served the remainder of his presidential term with little support.

In July 1996 Abdalá Bucaram was elected president. A showy and eccentric populist, Bucaram quickly alienated most of the political establishment. Bucaram described himself as "El Loco," or the madman, and citizens began to believe that he was indeed unwell. On 6 February, Congress declared Bucaram mentally incompetent, charged him with corruption, and ousted him from office. Bucaram was accused of absconding with between \$100 million and \$300 million in public funds during his brief presidency. Vice President Rosalia Arteaga and Fabian Alarcón, the congressional leader, claimed the presidency. Bucaram finally fled to Panama, and Arteaga briefly held the presidential seat until conceding the position to Alarcón, who served as interim president until the next presidential election in 1998. Through most of the 1990s, Ecuador suffered double-digit inflation as high as 50–60% annually. By 1999 the economy had contracted by 7.5%, and over 62% of Ecuadorians lived in poverty. Many of the country's Pacific Coast communities were battered by El Niño storms during early 1998, causing millions of dollars in damage.

Presidential elections were held in May 1998, with Harvard-educated Jamil Mahuad facing Álvaro Noboa, a banana tycoon and reputedly the richest man in the country. With promises for political stability and economic recovery, Mahuad prevailed at the polls and took office in July 1998. The next month, extensive constitutional reforms approved by a National Constituent Assembly took effect. Reforms gave unprecedented new rights to the country's indigenous peoples, who had become more vocal about their rights during the 1990s. In 1999 Mahuad and Peruvian president Alberto Fujimori formally ended their border dispute. Ecuador gained a sliver of land and navigation rights on some Peruvian rivers. The peace accord was seen as a defeat within Ecuador, where the military resented its loss of power and resources and was embarrased by territorial concessions to Peru.

In 1996 the leaders of 11 indigenous groups joined with women, ecologists, and human rights workers to found the Pachakutik ("change" or "revolution" in Kichwa) political movement. Under this new political umbrella, indigenous leaders urged massive social changes and won several seats in congress. By late 1999, the indigenous community had grown disenchanted with Mahuad. Indigenous leaders accused him of lacking sympathy for the economic hardships of indigenous citizens. Mahuad also had overseen a \$1.2 billion bailout of 18 corrupt banks. The financial scandal only widened after a jailed banker claimed he had given \$3.1 million to Mahuad's presidential campaign. In the meantime, Mahuad was unable to bring the economy under control and was making political enemies.

In January 2000, Mahuad announced plans to replace the sucre, the national currency, with the US dollar to stabilize the economy and end chronic inflation. Indigenous groups grew angry at the plan because it undermined socio-economic interests. The sucre had been pegged at about 8,000 per dollar only a year earlier but now stood at 25,000 per dollar. On 21 January, thousands of indigenous people marched to protest dollarization of the economy and called for Mahuad's ouster. With the aid of the

military, they occupied the empty congress building and Supreme Court. Mahuad fled the government palace as a Junta of National Salvation formed by CONAIE president Antonio Vargas, Colonel Lucio Gutiérrez, and former Supreme Court president Carlos Solórzano—symbolizing a union of indigenous peoples, soldiers, and the law—briefly took power. Under pressure from the United States, defense minister General Carlos Mendoza pulled rank on Gutiérrez and replaced him in the junta but then promptly resigned, collapsing the provisional government and handing power over to 62-year-old vice president Gustavo Noboa Bejarano. Noboa, a respected former academic, carried out the dollarization of the economy. By giving up its currency, Ecuador turned its monetary policy over to the US Federal Reserve.

In the October 2002 presidential elections, Lucio Gutiérrez came in first place, with slightly over 20% of the vote in a field of 11 presidential candidates. He won the runoff election with 58.7%, easily defeating Álvaro Noboa, the candidate favored by the outgoing president. Gutiérrez assembled a loose coalition of smaller parties and indigenous groups and campaigned against established parties. Although he used a populist rhetoric to win the election, after his inauguration he sought to reassure foreign investors and international lending institutions. He maintained the economic policies of his predecessors and softened his criticism of the dollarization initiative.

Political tensions increased in 2004, and Gutiérrez showed signs of losing control. Despite strong economic growth, unemployment and underemployment remained high, and the cost of living—exacerbated by the dollarization scheme—continued to hurt the poor. Gutiérrez was often authoritarian and disrespectful of political opponents; he was viewed as widely ineffective. The failed effort by Gutiérrez to replace Supreme Court justices with friendlier faces was used by opponents to denounce Gutiérrez's authoritarian tendencies. Opposition against his government, combined with Gutiérrez's effort to undermine the Supreme Court, was sufficient to provoke new protests against the government. Gutiérrez resigned on 20 April 2005 in what came to be known as the Rebellion of the *Forajidos* ("outlaws"), a derisive term Gutiérrez used for his opponents, which they took up as a rallying cry. Vice President Luis Alfredo Palacio, who had fallen out with Gutiérrez shortly after taking office, was appointed president. In 2005 Gutiérrez was arrested and detained on charges of endangering national security. He was released in 2006 after a judge dismissed the charges.

In March 2006, nationwide protests broke out over a proposed free trade agreement with the United States. That June, Ecuador canceled the operating contract of the US oil firm Occidental Petroleum after it allegedly sold part of an oil block without government permission.

In November 2006, Rafael Correa defeated Álvaro Noboa to win the presidential election. He pledged to institute sweeping reforms. Correa promised a "citizens' revolution" to benefit the poor, and in pursuing such a goal, he aligned himself with left-leaning Latin American leaders such as Hugo Chávez of Venezuela, Fidel Castro of Cuba, Evo Morales of Bolivia, and Daniel Ortega of Nicaragua. These leaders forged diplomatic and economic alliances with other major states as a way to bypass US hegemony. Correa refused to renew a treaty with the United States, which

expired in 2009, that allowed the US military to use Manta Air Base on Ecuador's Pacific coast as a staging point for drug surveillance flights.

In the October 2007 election, Correa's Alianza Pais party won 80 of the 130 seats for a new constituent assembly. In its opening session, the constituent assembly voted to dissolve congress. This action gave the assembly the legislative powers of congress while it debated a new constitution over the next eight months. Correa was reelected in April 2009 under the new constitution. His Alianza PAIS party maintained control of the legislature.

In 2009 Ecuador joined the Bolivarian Alternative for the Americas (ALBA), the regional organization established by Venezuelan president Hugo Chávez in 2005 as an alternative to the US-proposed Free Trade Area for the Americas (FTAA). The purpose of the group was to encourage integration and cooperation in Latin America and the Caribbean through a socially oriented trade union, rather than one based on deregulated profit maximization. The group encouraged barter-style markets between countries and has begun a process toward adopting a common virtual currency backed by oil reserves, to be known as the sucre.

In 2010 members of the police force and low-ranking military officers staged a protest strike by occupying several barracks throughout the country. A new civil service law had raised police and military salaries but also curtailed bonuses and lengthened the time between promotions. When President Correa attempted to confront one group at an army barracks, members of the police force fired tear gas at him. The president was rushed immediately to a nearby police hospital, where officers held him for 12 hours before members of the special forces freed him. Correa labeled the protest a coup attempt and promised that those responsible for staging the rebellion would be found and punished. A few days after the incident, a senior government minister said that parts of the law might be rewritten. Both sides urged a return to dialogue. Six police officers, including the former head of security for Ecuador's congress, were tried and convicted of crimes against the state in 2011 for their roles in the unrest.

13 GOVERNMENT

Since 1830 Ecuador has had 20 different constitutions. The constitution in place in 2011 came into force in 2008, replacing one drafted just 10 years earlier. The document, which voters overwhelmingly approved in a 16 October 2008 plebiscite, rejected neoliberalism and embraced increased resource allocation to education, social services, and healthcare. It expanded democratic participation, extending the vote to those between 16 and 18 years of age, foreigners residing in the country for more than five years, and immigrants living outside the country. It also employed gender-inclusive language. The constitution defended the rights of nature, indigenous languages, and plurinationalism (in a highly symbolic gesture), as a way to incorporate indigenous cosmologies into governance.

The 2008 constitution established five branches of government, the executive (president and cabinet), legislative (unicameral National Assembly), judicial (National Court of Justice, constitutional court, provincial courts, ordinary civil and criminal judges, prosecutor general's office), electoral (national electoral council,

electoral disputes tribunal), and transparency and citizen participation (citizen participation council, oversight authorities).

The assembly has 124 seats, with members elected through a party-list, proportional representation system for four-year terms. Fifteen members are elected as representatives of the country as a whole; two members are elected for each province; one additional member is elected for every 200,000 inhabitants; and six additional members are elected for Ecuadorians living abroad (two each for North America, Europe, and South America).

The president and vice president are elected for a four-year term and are allowed reelection for one additional consecutive term. As is traditional in Ecuador, the president initiates the budget and appoints the cabinet, as well as provincial governors, many administrative employees, and diplomatic representatives. The president also controls the armed forces and can declare a state of siege. Voting is compulsory for literate people aged 18 to 65 and optional for those 16–18 and older than 65.

14 POLITICAL PARTIES

The constitution guarantees the right of democratic activities of political parties and movements. A party must gain a minimum of 5% of the vote to remain in the electoral registry and retain its legal standing. The constitution also allows candidates without party affiliation or party backing to run for office.

Three major parties played dominant roles prior to the 1960s. The Conservative Party (Partido Conservador—PC), which held sway during the first half of the republic's history, was the political representative for the Roman Catholic Church, and its support came from the large landowners of the highlands. The principal opposition, the Radical Liberal Party (Partido Liberal Radical—PLR), which rose to power in the revolution of 1895, was supported by businessmen and the newer city elite. It sought scrupulous separation of church and state, especially in public education, and called for the development of industry and the attraction of foreign capital. The Ecuadorian Socialist Party (PSE) was founded in 1926 and on occasion ruled as a junior coalition partner with the liberals.

Parties on the right have included the Social Christian Party (PSC), the Republican Unity Party (PUR), and the Ecuadorian Conservative Party (PCE). Centrist parties include the Popular Democracy Party (DP) of former President Hurtado; the traditional Ecuadorian Radical Liberal Party (PLRE); and the Radical Alfariista Front (FRA). Leftist parties include the ID, linked to the Social Democratic Movement.

Ecuador's populist tradition has given rise to many parties, organized along highly personalist lines, such as the Roldista Party (PRE), formerly headed by Abdalá Bucaram, the Popular Revolutionary Action (APRE), and the Concentration of Popular Forces (CFP).

The socialist left in Ecuador has been beset by factionalism and governmental intrusion. In the 1920s, the original Ecuadorian Socialist Party split into the Socialist Party and the Communist Party. Further splits occurred with the advent of the Cuban revolution. Communists were divided between the pro-Soviet Ecuadorian Communist Party (PCE) and the Maoist Communist Party of Ecuador/Marxist-Leninist (PCMLE). The Popular Democratic Movement (MPD), the Revolutionary Socialist Party

of Ecuador (PSRE), the Broad Front of the Left (FADI), and other parties have competed for the socialist vote.

In the 1996 national elections, Pachakutik sponsored candidates for offices on the national, provincial, and local levels. Pachakutik candidates won eight seats in congress as well as several mayoral positions in cities throughout the country. Their successes, although small on the national scale, increased the voice of indigenous people in Ecuadorian politics and prodded the traditional political parties to give more attention to long-neglected indigenous concerns. Lucio Gutiérrez allied with Pachakutik for the 2002 election and appointed some of the party's leaders to his cabinet. But the influence of the indigenous movement was limited by Gutiérrez's personalist leadership and the party's limited political power, a product of its small parliamentary delegation. Gutiérrez's demise began when Pachakutik legislators withdrew their support from the government in 2004.

In the April 2009 elections, the PAIS Movement (AP) won 59 seats, the January 21 Patriotic Society Party (PSP) 19, Social Christian Party (PSC) 11, Institutional Renewal Party of National Action (PRIAN) 7, Democratic People's Movement (MPD) 5, Pachakutik Plurinational Unity Movement (MUPP) 4, Ecuadorian Roldosist Party (PRE) 3, ID 3. The remainder were won by other smaller parties. The next election was to be held in 2013.

Rafael Correa, the founder of AP, won the 2009 presidential election with 51.99% vote, the first time in Ecuador's history that a candidate won the election in the first round.

15 LOCAL GOVERNMENT

The three levels of local government—province, canton, and parish—are controlled by the central government in a fundamentally unitary system. Ecuador has 24 provinces, including the Galápagos Islands. The provincial governors, appointed by the president, are responsible to the interior ministry. Each province is divided into cantons, which in urban areas are subordinate to the coinciding municipality. A municipal council is popularly elected and in turn elects its officers. In the larger towns, a mayor is popularly elected. The municipality is unique in that it lies somewhat outside the unitary pattern and is less subject to national control than other units of local government. The rural canton, of little importance in the sparsely populated Oriente and northern coast, is significant in the more developed highlands and coastal provinces of Guayas and Manabí. The highest official of the canton, the political chief, is appointed by the president on the recommendation of the provincial governor.

16 JUDICIAL SYSTEM

Traditionally, the judicial function has been carried out by five levels of tribunals. The parochial judge, the political lieutenant appointed by the president to supervise the affairs of the parish, handles only minor civil cases. Cantonal courts, at least one in each canton, try minor civil and criminal actions. Provincial courts handle all but a few criminal cases and more serious civil and commercial suits. Superior courts handle appeals from lower courts and have other administrative duties in the district; they may try original cases only if they relate to the affairs of their district. The Supreme Court has 21 justices elected for nine-year periods.

Although citizens are afforded a wide range of freedoms and individual rights, shortcomings in the judicial system—which is susceptible to political pressure—remain. Police officers are tried only in closed session before police courts; convictions for abuse or other violations are rare. Despite laws restricting arbitrary arrest and detention, violations continue to occur in practice. Modernization of the court system began in 1993. In 1998 a new Judicial Council, with the power to administer the court system and discipline judges, began operations. Because Ecuadorians distrust the judicial system, reports of citizens taking the law into their own hands by lynching or burning criminal suspects have become more common. The 2008 constitution recognizes traditional indigenous judicial systems.

Efforts at reforming the judicial system have been motivated primarily by short-term political gains.

17 ARMED FORCES

The International Institute for Strategic Studies reported that armed forces in Ecuador totaled 58,483 members in 2011. The force is comprised of 46,500 from the army, 7,283 from the navy, and 4,200 members of the air force. The Army's equipment included over 30 main battle tanks and 150 light tanks, over 90 reconnaissance vehicles, 130 armored personnel carriers, and more than 156 artillery pieces. Major naval units included 2 tactical submarines, 2 frigates, and 6 corvettes. The Air Force had 22 combat-capable aircraft. Paramilitary forces consisted of a 270-member coast guard. Armed forces represented 1% of the labor force in Ecuador. Defense spending totaled \$1 billion and accounted for 0.9% of gross domestic product (GDP).

18 INTERNATIONAL COOPERATION

Ecuador is a charter member of the United Nations, having joined on 21 October 1945; it belongs to the Economic Commission for Latin America and the Caribbean (ECLAC) and several specialized agencies. Ecuador is also a member of the Inter-American Development Bank, G-77, the Latin American Economic System (LAES), the Latin American Integration Association (LAIA), Latin American Energy Organization, the Andean Community of Nations, the OAS, ALBA, and the Rio Group. Ecuador received full membership in OPEC in 1973. It left in 1992 but rejoined in 2007. The country holds associate status in Mercosur.

Ecuador is part of the Nonaligned Movement and a signatory of the 1947 Rio Treaty. Ecuador is also a part of the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (OPANAL). In environmental cooperation, Ecuador is part of the Antarctic Treaty, the Basel Convention, the Convention on Biological Diversity, Ramsar, CITES, International Tropical Timber Agreements, the Kyoto Protocol, the Montréal Protocol, MARPOL, the Nuclear Test Ban Treaty, and the UN Conventions on the Law on Climate Change and Desertification.

19 ECONOMY

Ecuador is the world's leading exporter of bananas. It also exports flowers, cocoa, coffee, tuna, and shrimp, and is developing export markets for other tropical fruits and vegetables. Tourism has become one of the country's largest earners of foreign exchange, along with oil and remittances from expatriates. Since the 1970s Ecuador's economy has been dominated by oil. In 1993 indigenous

peoples sued Texaco (now Chevron) for the environmental destruction of their Amazonian communities in a convoluted court case that continued during the 2000s. Ecuador's average annual GDP growth rate exceeded 9% in the 1970s, due largely to high oil prices. As oil prices fell in the early 1980s, debt began to increase. Furthermore, a major earthquake in 1987 interrupted oil production and exports. The average annual GDP growth rate between 1988 and 1998 was 2.9%. Growth stemmed mainly from increased petroleum production and expansionary fiscal policy.

The late 1990s brought a border dispute with Peru, shortages of electric power, and high interest rates that restrained GDP growth. Large parastatals discouraged foreign investment. Growth fell, inflation soared, and government corruption was rampant.

At the turn of the 21st century, Ecuador suffered a severe economic crisis that resulted in a 6% contraction of GDP, a collapse of the banking system, and a significant increase in poverty. The government responded by enacting a series of economic reforms, including adoption of the US dollar as legal tender. Dollarization helped to stabilize the economy, and the country enjoyed its highest growth rate in 25 years, even though growth was unevenly distributed across society. The potential for the Ecuadorian Oil industry was hindered by mismanagement, lack of investment, and corruption in the state-owned oil sector. Poverty and inequality remained a problem, although it had decreased since Correa took office in 2007.

In 2010 Ecuador's central bank reported that the nation's foreign debt fell 19% from 2008 to 2009 (\$16.97 billion to \$13.7 billion).

20 INCOME

The CIA estimated that in 2010 the GDP of Ecuador was \$115 billion. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of the exchange based on current dollars. The per capita GDP was estimated at \$7,800. The annual growth rate of GDP was 3.2%.

As of 2011 the most recent study by the World Bank reported that actual individual consumption in Ecuador was 71% of GDP and accounted for 0.16% of world consumption. By comparison, the United States accounted for 25.44% of world individual consumption. The World Bank reported that in 2009, household consumption in Ecuador totaled \$37.7 billion or about \$2,515 per capita, measured in current US dollars rather than PPP. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding the purchases of dwellings. It was estimated that household consumption was growing at an average annual rate of 2.3%. The World Bank also estimated that 19.9% of Ecuador's GDP was spent on food and beverages, 13% on housing and household furnishings, 4.4% on clothes, 5.0% on health, 10% on transportation, 3.2% on communications, 4.3% on recreation, 2.1% on restaurants and hotels, and 2.8% on miscellaneous goods and services and purchases from abroad.

The average inflation rate was 3.3%. It was estimated that agriculture accounted for 6.4% of GDP, industry 35.9%, and services 57.7%.

According to the World Bank, remittances from citizens living abroad totaled \$2.5 billion or about \$167 per capita and accounted for approximately 2.2% of GDP.

In 2010 about 33.1% of the population subsisted on an income below the poverty line.

21 LABOR

As of 2010 Ecuador had a total labor force of 4.645 million people. Within that labor force, CIA estimates in 2005 noted that 8.3% were employed in agriculture, 21.2% in industry, and 70.4% in the service sector.

Although most workers in Ecuador have the right to organize and join a union, legal protections have been insufficient. In addition, members of the armed forces, the police, and most public sector employees cannot join a union, engage in collective bargaining, or strike. In 2011 only 1–3% of the nation's labor force was affiliated with a labor union.

The labor code provides for a 40-hour workweek and two consecutive rest days each week. Overtime is limited to 12 hours per week at premium pay rates. The legal minimum working age was set at 15 years for all types of work. Also, minors are limited to working six hours per day and five days per week. Minors also are prevented from working in environments where there are hazardous conditions (mines), dangerous machinery, and where there are toxic or dangerous substances. In spite of these laws, child labor remains a significant problem. The minimum monthly wage plus mandatory bonuses equaled about \$240 per month in 2011. However, this wage does not provide a satisfactory standard of living for a family, though most earn more than this proscribed amount. Health and safety standards are established by the Labor Code.

22 AGRICULTURE

Ecuador's main economic activity has long been agriculture. Throughout the 1970s, agricultural development was neglected because of the emphasis on oil exploitation, and the sector showed negative rates of growth, declining by 5.4% in 1978, 2.8% in 1979, and 2% in 1980. During 1985–90, however, agriculture (along with fishing and forestry) showed an average annual increase of 4.8%. Agricultural production had an average annual growth of 1.7% during 1990–2000. But during 2002–04, crop production was down 2.8% from 1999–2001.

The land census of 1974, which covered a much larger area than the previous census of 1954, showed that the number of agricultural units had grown by 172,810 during the preceding 20 years. This increase was the result of agrarian reform and colonization initiated in 1964. Ceilings imposed on the maximum size of holdings ranged from 800 hectares (2,000 acres) of arable land plus 1,000 hectares (2,500 acres) for pasture in the Sierra region, to 2,500 hectares (6,200 acres) plus 1,000 hectares (2,500 acres) of pasture in the coastal region. The 1975 plans of the Ecuadorian Land Reform and Colonization Institute called for the redistribution of 80,000 hectares (198,000 acres) of land in the coastal region.

Traditionally, agricultural products included bananas, coffee, tea, rice, sugar, beans, corn, potatoes, and tropical fruit. Exported products of more recent prominence included roses and carnations, strawberries, melons, asparagus, heart of palm,

in 1992, Ecuador rejoined OPEC in 2007. Production totaled 485,593 barrels per day in 2011.

The most productive oil fields are located in the northeast corner of Ecuador, with Occidental's Eden Yuturi the nation's largest oil field. Ecuador has two major oil pipelines: the 499 km (310 mi) Sistema Oleoducto Trans-Ecuadoriano (SOTE); and the 483 km (300 mi) Oleoducto de Crudos Pesados (OCP). The two pipelines can transport 400,000 barrels per day and 450,000 barrels per day, respectively. SOTE is frequently affected by natural disasters. In March 2004 oil shipments via SOTE were halted due to a landslide, and in 1987 a large section of the pipeline was taken out by an earthquake, which cut Ecuador's oil output by more than 50% that year. Ecuador has three oil refineries, the largest of which is the Esmeraldas facility located on the Pacific coast. The construction of the Transandean Heavy Oil Pipeline (OCP) slated the petroleum industry for further growth.

In 2010 Ecuador implemented a law that established state ownership of the entire oil and gas sector. The law gave the government exclusive ownership of the oil and gas produced in the country. Foreign oil companies, which produced roughly 44% of Ecuador's total oil output, received compensation for services rendered rather than revenue earned. Foreign companies that rejected the terms of the contract would be forced to leave the country with fair compensation for their operations.

Ecuador gets approximately 63% of its electric power from hydropower sources, with conventional thermal plants providing the remainder. However, the country's heavy reliance on hydroelectric power has resulted in periodic power shortages during the dry season, which runs from October to March. In 1995 a serious drought affected hydroelectric generating capacity and daily blackouts became common. When drought struck again in 2001, the government declared an energy emergency, urging the public to conserve energy. More than 60% of the country's hydroelectric generating capacity comes from the Paute plant, located in the eastern part of the nation.

The World Bank reported in 2008 that Ecuador produced 18.6 billion kWh of electricity and consumed 15.3 billion kWh, or 1,022 kWh per capita. Roughly 84% of energy came from fossil fuels, while 9% came from alternative fuels. Per capita oil consumption was 767 kg.

28 INDUSTRY

Ecuador enjoyed a period of prosperity in the 1970s, due in large part to a boom in oil. A decline in international oil prices, an earthquake in 1987, and political difficulties hampered industrial development during the 1980s. During 1988–98, manufacturing output increased by an annual average of 2.5% per year. A default on external debt in 1999 resulted in a 70% depreciation of the currency, which negatively impacted the industrial sector. The subsequent dollarization and rise in oil prices in the early 2000s caused a rise in export revenue.

The most promising sectors, outside of oil, are linked to agriculture and natural resources. In the agricultural sector, expansion has come from processed foods and nontraditional agricultural products, such as flowers and fresh tropical fruits (mango, babaco, and passion fruit) and vegetables (asparagus and heart of palm). Other major manufactured items include canned seafood, automobiles, processed coffee, and cocoa. Ecuador has also increased

its production of automobiles. Other industries included textiles, chemicals, wood products, metal work, paper products, and plastics.

29 SCIENCE AND TECHNOLOGY

In 1996 Ecuador had 20 agricultural, medical, scientific, and technical learned societies and research institutes, most notably the General Directorate of Hydrocarbons, the Institute of Nuclear Sciences, the Ecuadorian Institute of Natural Sciences, and the National Institute of Agricultural Research, all in Quito; the Charles Darwin Research Station in the Galápagos Islands; and the Naval Oceanographic Institute in Guayaquil. Ecuador has 19 colleges and universities offering degrees in basic and applied sciences. In 1987–97, science and engineering students accounted for 27% of college and university enrollments.

The World Bank reported in 2009 that there were no patent applications in science and technology in Ecuador. Public financing of science was 0.15% of GDP.

30 DOMESTIC TRADE

The major commercial centers are Quito, Guayaquil, Cuenca, and Santo Domingo de los Colorados. Importers may have headquarters in these locations, with retail branches and warehouses throughout the country. Most buyers prefer to make retail purchases directly from manufacturers.

Rural domestic trade among the *campesinos* (indigenous farmers) is limited by deep levels of poverty and underdevelopment. The (mostly urban) middle class is moderate in size and suffered major declines in purchasing power during the 1980s and 1990s, when economic growth faltered. Unemployment and underemployment have stimulated the growth of an informal domestic economy.

In the highlands, businesses are generally open from 8 a.m. to 6 p.m., with a two-hour midday break; lunch hours are longer along the coast during the hottest months (December–April). Banks are usually open from 9 a.m. to 1:30 p.m. and from 2 to 6 p.m. during the week. Urban and suburban factories typically operated from 7 a.m. to 4 p.m.

31 FOREIGN TRADE

Ecuador's trade balance is generally positive due overwhelmingly to its oil exports, about half of which goes to the United States. Ecuador's oil reserves and refineries account for slightly over half the country's commodity exports. Agricultural exports included bananas and plantains, shellfish, coffee and cocoa, and fish. Principal imports included raw materials, consumption goods, capital goods, fuel, and lubricants. Ecuador imported \$17.65 billion worth of goods and services in 2008, while exporting \$17.37 billion worth of goods and services. Major import partners in 2009 were the United States, 25.4%; Colombia, 10.6%; China, 7.2%; Venezuela, 6.5%; Brazil, 4.5%; and Peru, 4.5%. Major export partners were the United States, 33.6%; Panama, 14.3%; Peru, 6.8%; Chile, 6.6%; Colombia, 4.9%; Russia, 4.4%; and Italy, 4.2%.

32 BALANCE OF PAYMENTS

Ecuador's balance of payments showed repeated deficits on current accounts until the vast increases in petroleum exports during the 1970s; only in 1974 did the net balance finally register a

Principal Trading Partners – Ecuador (2010)

(In millions of US dollars)

Country	Total	Exports	Imports	Balance
World	38,006.0	17,415.0	20,591.0	-3,176.0
United States	11,467.4	6,077.5	5,389.9	687.6
Panama	3,124.2	2,139.2	985.0	1,154.2
Colombia	2,743.1	793.1	1,950.0	-1,156.9
Peru	2,313.2	1,335.6	977.6	358.0
China	1,767.1	328.7	1,438.4	-1,109.7
Venezuela	1,484.9	974.0	510.9	463.1
Chile	1,380.5	846.6	533.9	312.7
Japan	1,054.9	402.0	652.9	-250.9
Brazil	857.2	51.4	805.8	-754.4
Italy	842.0	582.4	259.6	322.8

() data not available or not significant.

(n.s.) not specified.

SOURCE: 2011 *Direction of Trade Statistics Yearbook*, New York: United Nations 2011

surplus of \$26.7 million. International reserves rose steadily from \$57.3 million in 1967 to \$64.7 million in 1971, increased dramatically (with the rise in oil exports) from \$143.4 million in 1972 to \$1 billion by December 1980, and then dropped (as the oil market softened) to \$304 million at the end of 1982, but were up to \$500 million by 1987.

The 1998 peace agreement with Peru assuaged the balance of payments deficit, but by that time the flight of private capital due to the unstable political situation had precipitated a negative turn in the economy. Capital flight still remained a problem in the early 2000s, due to a difficult investment climate, a fragile banking system and continued economic and political uncertainty.

External debt was approximately 80% of GDP in 2000 (at approximately \$14 billion in debt), an improvement over 1999 when the debt-to-GDP ratio was 100%, due in large measure to the depreciation of the sucre prior to dollarization. Though Ecuador's debt had risen to \$18.1 billion by 2005, the debt-to-GDP ratio had dropped to roughly 60%. In 2010 Ecuador had a foreign trade deficit of \$1.3 billion.

33 BANKING AND SECURITIES

The Central Bank of Ecuador, founded as a private bank in 1927, was declared an organ of the state in 1948 by the Monetary Board. The Central Bank issues and stabilizes currency, holds and manages foreign-exchange reserves, issues import and export permits, and regulates international transactions. The Monetary Board supervises government monetary, financial, and exchange policies. In 2009 the Ecuadorian congress curtailed the Central Bank's autonomy in an attempt to make it more responsive to executive branch mandates. In 2002 there were 22 private banks operating in Ecuador. The five largest banks included Banco Popular, Filanbanco, Banco del Progreso, Banco del Pichincha, and Banco del Pacifico.

In 2010 the discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 8.68%.

The government-owned National Development Bank (BNF) was founded in 1928 to provide credit for agricultural and

industrial development. Other major government-owned financial institutions are the Bank of the State (BEDE), the National Finance Corporation (CFN), the Ecuadorian Housing Bank (REV) and the Development Bank of Ecuador (BEDE).

In 2000, President Mahuad decided to dollarize the economy at 25,000 sucres per dollar. Although he was ousted in a coup d'état on an anti-dollarization platform, incumbent President Naboa went ahead with the plan anyway.

Trading in securities is relatively minor. Ecuador has two stock exchanges, one in Quito and the other in Guayaquil, both established in 1969. By 2004 there were 30 companies listed on the Guayaquil Stock Exchange. Purchase and sale of government and some private securities are functions of the National Financial Corp., which, along with several hundred business people, owns the two stock exchanges. This autonomous agency, founded in 1964, deals in mortgage bonds issued by banks for agricultural and industrial development and seeks to mobilize funds for technical assistance to industry.

In 2009 microfinance lending experienced a surge in the Caribbean and Latin America. Ecuador was ranked as second in the region in value (after Peru) with a loan portfolio of \$1.7 billion, according to a survey conducted by the Multilateral Investment Fund of the Inter-American Development Bank. The average loan size for the entire region was \$1,178 in 2009, with an average annual interest rate of 28.6%.

34 INSURANCE

The principal branches of insurance are fire, marine, and vehicular, with some growth in aviation and aircraft. Other branches, including life, are still undeveloped. Work-related injuries and insurance are required to be insured.

Insurance is governed closely by legal provisions determining necessary reserves and security funds and requiring a percentage of investments in government securities. The Superintendency of

Balance of Payments – Ecuador (2010)

(In millions of US dollars)

Current Account		
Balance on goods	-1,504.0	-1,785.0
Imports	-19,641.0	
Exports	18,137.0	
Balance on services	-1,537.0	
Balance on income	-1,054.0	
Current transfers	2,309.0	
Capital Account		23.0
Financial Account		670.0
Direct investment abroad	...	
Direct investment in Ecuador	167.0	
Portfolio investment assets	-721.0	
Portfolio investment liabilities	-10.0	
Financial derivatives	...	
Other investment assets	582.0	
Other investment liabilities	652.0	
Net Errors and Omissions		-119.0
Reserves and Related Items		1,211.0

() data not available or not significant.

SOURCE: *Balance of Payment Statistics Yearbook 2011*, Washington, DC: International Monetary Fund, 2011.

Banks periodically examines insurance operations and authorizes the formation of new companies. In accordance with the General Insurance Law of 1965, all insurance companies must apply to the Bank Superintendency for authority to operate.

35 PUBLIC FINANCE

The central government, 24 provincial and more than 100 municipal governments, and a large number of decentralized autonomous agencies constitute the public sector of the Ecuadorian economy. Central government budgets in the late 1970s and early 1980s grew expansively from one year to the next, with oil the key source of income. Economic reforms instituted in 1992 rose domestic fuel prices and utility rates, eliminated subsidies, and balanced the government budget. These changes helped eliminate the budget deficit by 1994. The government maintained budgetary control in 1995 when faced with increased military expenditures because of the border conflict with Peru, with a deficit of only 1.4% of GDP. However, the 1996 balance ran a deficit of 3% due to increased public spending. A growing fiscal deficit in the late 1990s—due to declining oil prices, El Niño damage, and the inefficiencies of the public sector—fostered the removal of several political leaders. The extreme financial crisis during 1999–2000 caused the total public debt to rise from 64% of GDP in 1997 to 116% of GDP in 1999.

In 2010 the budget of Ecuador included \$14.48 billion in public revenue and \$18.21 billion in public expenditures. The budget deficit amounted to 6.3% of GDP. Public debt was 23.2% of GDP, with \$14.73 billion of the debt held by foreign entities.

36 TAXATION

Ecuador's tax structure includes an income tax, a 12% value-added tax (VAT), a stamp tax, a real estate tax, a transfer tax, municipal taxes, and inheritance and gift taxes.

As of 2011 the basic tax on corporate income was 25%, although this rate was scheduled for a reduction to 22% by 2013. A reduced rate of 15% was available on reinvested profits. A withholding tax of 25% is also imposed on certain payments made abroad. These include royalty payments for technical assistance to nondomiciled companies and nonresident persons; payments to nonresident persons for services performed; payments made to nondomiciled firms for professional services performed abroad; or occasional services performed in Ecuador. Dividends received and certain capital gains were not taxed. Personal income tax was assessed according to a progressive schedule ranging from 5 to 35% in 2011. Additional rates and surcharges were applicable to certain classes of income. A stamp tax was levied on almost all commercial and legal documents. Estate, inheritance, and gift taxes varied according to the amount involved and the closeness of family relationship between donor and recipient.

A special consumption tax was imposed on cigarettes, alcoholic beverages, soft drinks, motor vehicles, aircraft, helicopters, and ships. A 5% tax on cellular phone calls was implemented in 2011.

37 CUSTOMS AND DUTIES

Most import duties range from 0 to 20%, although there is a 35% duty applied to imported automobiles valued at more than \$40,000. In 2011 cigarettes had the highest duty at 150%. The average tariff rate was 13% ad valorem, as a result of Ecuador's accession to the

World Trade Organization (WTO) in 1996. Ecuador has a common external tariff (CET) with Colombia and Venezuela, ranging from 5% on raw materials and capital goods, 10% to 15% for intermediate goods, and 20% for consumer goods. A 12% VAT on imports based on CIF plus duty and all other taxes is placed on imports, with exemptions for agricultural inputs, petroleum development equipment, medicines, and books.

Ecuador is a member of the Andean Pact and LAIA. Ecuador also has bilateral free trade agreements with Colombia, Bolivia, Venezuela, and Chile. All accord preferential duty treatment. Five free trade zones were established in 1991, including the Zona Franca de Esmeraldas, Zona Franca del Pacifico S.A., Zona Franca Centro Ecuatoriana CA, Zona Franca Manabi, and Parque Industrial de Cuenca CEM.

38 FOREIGN INVESTMENT

The government welcomes foreign investment and has substantially decreased regulatory barriers, though Ecuador's economy retains a considerable statist and protectionist orientation. As a member of the Andean Pact, Ecuador's foreign investment policy is governed largely by the parameters of Andean Pact Decisions 291 and 292 of May 1991, which provided for equal treatment of foreign and domestic investors and unrestricted remittance of profits overseas. As of 8 January 1993, foreign investment was allowed without previous authorization in virtually all sectors of the economy that were open to domestic private investment, with total repatriation permitted.

In 1997 the government passed a law promoting foreign investment. Investment in telecommunications and electricity were opened in 2000, when the government announced plans to sell half its rights in each sector. In 2001 a mining law went into effect to spur increased foreign investment in Ecuador's considerable untapped mineral reserves. The law provides for 30-year, renewable concessions of up to 5,000 hectares (12,355 acres)—with no limit on the number of concessions per investor—with exploration and production covered by a single license and environmental regulation under a single, central authority. Licensing fees are called "conservation patents" and increase over the life of the concession. Concessions can be both transmitted (passed on to heirs) and transferred (rented, leased, or sold). Four major mining companies were awarded concessions in 2002.

Foreign direct investment (FDI) in Ecuador was a net inflow of \$316.5 million according to World Bank figures published in 2009. FDI represented 0.55% of GDP. Major investors included the United States, Italy, Spain, and Argentina. Ecuador's good relations with the United States, plentiful natural resources, low wages and property costs, and membership in the Andean Community all serve to attract FDI. Detracting from these advantages, however, are the skills shortage, legal insecurity, and a small, infrastructurally underdeveloped business sector.

39 ECONOMIC DEVELOPMENT

In 1992–93 a major macroeconomic adjustment program was introduced, featuring a sizable currency devaluation (35%) and substantial increases in domestic fuel and electricity prices. Free trade agreements with Colombia, Venezuela, and Bolivia were signed, and new investment regulations were adopted to open up the economy to foreign investment and eliminate previous

bureaucratic impediments. In 1993 Ecuador qualified for Andean Trade Preference Act benefits and became a member of the WTO in 1996.

High debt service obligations and external payments arrears to commercial banks impaired Ecuador's economic growth during the rest of the 1990s. The economy fell apart in 1999, despite aid throughout the decade from multilateral donors. In 2000 Ecuador accepted a \$600 million loan from the IMF, IBRD, and the Andean Development Corporation; while it rescheduled loan payments on \$600 million with the Paris Club. This was part of a \$2 billion package from multilateral aid agencies to be dispersed over a period of three years. In order to receive the money, the government was required to undertake a privatization program and increase the price of petrol by 60%. Total external debt in 2001 reached \$14 billion, most of which was in default. The country adopted the US dollar as legal tender in 2000.

In 2003 Ecuador negotiated a 13-month, \$205 million standby arrangement with the IMF. The government pledged to eliminate arrears, resolve remaining problems with closed banks, and modernize state-owned enterprises. Completion of a new Transandean Oil Pipeline was seen as a sign of potential output growth.

Economic growth during 2002–06 averaged 5.2%, the highest five-year average in a quarter century. Since 2006 growth has been uneven, fluctuating with changes in oil prices and the health of the global economy. A push toward nationalization of some industries in 2009 discouraged private foreign investment.

40 SOCIAL DEVELOPMENT

Ecuador's social security program is administered through the Ecuadorian Social Security Institute. The government funds the Bono de Desarrollo Humano program, which provides assistance to the elderly and disabled. Old-age pensions, disability and survivorship benefits are funded through employee and employer contributions, depending on the type of occupation. Unemployment benefits for public and private employees are provided by individual severance accounts and a social insurance program. There is a minimal family allowance for impoverished mothers with at least one child under 18 years of age.

Despite equal legal status, women have fewer educational and employment opportunities than men. There are fewer women in the professions, and salary discrimination is common. Social, economic, and cultural change is promoted by the Ecuadorian Women's Permanent National Forum. The Law Against Violence Affecting Women and Children criminalized domestic abuse, including psychological abuse. It also created family courts and gave authorities the power to remove an abusive spouse from the home. However, domestic abuse remained widespread in 2011, with 83,000 reported cases of violence or other abuse against women.

Indigenous peoples in the Amazon area have demanded that the government recognize their interests before making decisions that affect their land. Human rights organizations reported cases of mistreatment of detainees and incommunicado detention. The judicial system is slow, and pretrial detention may be lengthy.

41 HEALTH

Health facilities are concentrated in towns and are both too expensive and too distant for most of the indigenous population. Hospitals are operated by agencies of the national government, the municipalities, and private organizations or persons. As of 2011 there were 15 physicians, 17 nurses and midwives, and 15 hospital beds per 10,000 inhabitants. The country spent 5.7% of its GDP on healthcare, amounting to \$255 per person.

The total fertility rate in 2011 was estimated at 2.42. As of 2007, 65.8% of married women used contraception. The infant mortality rate in 2011 was 19.65 deaths per 1,000 live births. In 2008 the maternal mortality rate, according to the World Bank, was 140 per 100,000 births. According to the CIA, life expectancy in Ecuador was 75 years in 2011. In 2007 immunization rates for children were tetanus, 94%; polio, 77%; and measles, 66%.

Malnutrition and infant mortality were the country's two basic health problems. Malaria was still prevalent as of 2007. In that year there were 131 cases of tuberculosis per 100,000 people. Two antituberculosis organizations have reduced the mortality rate of the disease, which earlier was responsible for one-fifth of the nation's deaths. Cholera still persisted; but less than 1% of people who get cholera die. Other health problems were largely being controlled. Yellow fever was eliminated by the efforts of the Rockefeller Foundation. Approximately 71% of the population had access to safe drinking water and 59% had adequate sanitation.

The HIV/AIDS adult prevalence rate was 0.4% in 2009. As of 2006, there were 57 cases of dengue hemorrhagic fever, with four deaths in that year alone. Due to previous exposure to classic dengue fever, many Ecuadorians were at risk of developing dengue hemorrhagic fever.

42 HOUSING

In 2011 Ecuador had a housing deficit of about 18%. Some 72% of all housing units were detached, single-family homes, 9% were apartments, and 4% were *ranchos* or *covachas*, dwellings of wood, stone, or brick covered with palm leaves, straw, or other vegetation. About 20,085 dwellings were *chozas*, temporary shacks or huts. Owners occupied 67%. About 18% of the population live in inadequate housing structures. Almost all rural homes and many city dwellings on the coast are made with split bamboo siding and a palm thatch or corrugated iron roof.

A housing development bank, Banco de la Vivienda, was established in 1961.

43 EDUCATION

Education is free and compulsory from ages 6 to 15. Primary education is six years, followed by three years of basic secondary school. This is followed by a diversified secondary program with students opting for two or three years of study in humanities, science, or technology. A two-year vocational program is also offered. The academic year runs from October to July. The primary language of instruction is Spanish.

In 2005 about 77% of age-eligible children were enrolled in some type of preschool program. In 2009 the World Bank estimated that 97% of age-eligible children in Ecuador were enrolled

in primary school. Secondary enrollment for age-eligible children stood at 59%.

After taking office in 2007, Rafael Correa implemented the Cuban literacy program *Si Se Puede* (Yes You Can) in which about 420,000 people learned to read and write, lowering the illiteracy rate from 9.3% to 2.7% (for a literacy rate of 97.3%). The "Manuela Sáenz" program, directed toward the mestizo population, distributed 500,000 course books distributed in Spanish; the "Dolores Cacuango" program, for indigenous and rural communities, provided instruction in Kichwa. As a result of the program, UNESCO declared Ecuador to be free of illiteracy in 2009.

Tertiary enrollment was estimated at 42%. Of those enrolled in tertiary education, there were 100 male students for every 115 female students. The Central University of Ecuador dates from 1594. There are three Catholic universities, in Quito, Guayaquil, and Cuenca. The National Polytechnical School in Quito offers degrees in industrial science and mechanical engineering, while the Polytechnical School of the Littoral in Guayaquil provides training in naval and petroleum engineering and in the natural sciences.

The Ministry of Education is the principal authority for all educational programs except higher education, which is supervised by a national technical council.

44 LIBRARIES AND MUSEUMS

The oldest and most important library in Ecuador is the Central University Library in Quito. Founded in 1586, it has 170,000 volumes. Other important collections are maintained at the Cuenca University Library (more than 63,000 volumes) and at the National Library in Quito (over 70,000 volumes). Libraries also are maintained by other universities; the municipalities of Quito, Guayaquil, Cuenca, and Riobamba; the Central Bank of Ecuador (48,000 volumes); and other organizations, including the Ecuadoran Culture House, which holds the Laura de Crespo room of National Authors. The Jesuit-run Biblioteca Aurelio Espinosa Polit and Museo de la Medicina in Quito also have important collections. The library of the Pontificia Universidad Católica del Ecuador in Quito contains about 119,854 books and serves as a depository library of the UN.

A number of museums in Ecuador preserve and display paintings, sculpture, coins, records, and artifacts of historic and scientific interest. One of Ecuador's best collections of Inca and pre-Inca objects is found in a privately owned museum near Cuenca. Quito has the National Museum and Archives, the Museum of Modern Art, the Archaeological Museum and Art Galleries of the Central Bank of Ecuador, the Jijón and Caamaño Archaeological and Historical Museum, and the museum of the Ecuadoran Culture House, as well as other smaller collections in schools and government agencies. There are municipal museums in many smaller cities, as well as ethnographic and historical museums.

45 MEDIA

Ecuador's telecommunications system has expanded but remains basic. Between the main cities and towns, there are radiotelephone links. Quito is connected by telegraph with Colombia and Peru. In 2009 there were some 2 million main phone lines and

an additional 13.6 million mobile cellular phones in use. Mobile phone subscriptions averaged 100 per 100 people. International service is provided by a single Intelsat satellite ground station. Domestic facilities are generally unreliable and inadequate.

In 2010, the country had 67,975 Internet hosts. Internet users numbered 15 per 100 citizens.

In Quito the leading newspapers, with their estimated daily circulations in 2010 as available, were: *El Comercio*; *Hoy*; *Últimas Noticias*, 60,000; and *La Hora*, 12,000. In Guayaquil leading papers include *El Extra*, 380,000; *El Universo*, 143,000; *La Segunda*, 60,000; *Expreso*, 60,000; and *El Telegrafo*, a pro-government publication. In Cuenca the conservative daily *El Mercurio* had a circulation of 18,000 in 2004.

The government requires all mass periodicals to participate in literacy and adult education campaigns. There is no censorship of newspapers or of radio and television stations, as ensured by Ecuador's constitution; however, in May 2011, voters narrowly approved a referendum on a series of political reforms, including one provision that gave the government more power to regulate and restrict media content.

46 ORGANIZATIONS

There are about 7 chambers of commerce and industry and at least 10 employers' organizations. Workers' and business organizations include the National Association of Cocoa Exporters, Textile Industry Association of Ecuador, and the National Association of Coffee Exporters.

Trade unions include the Confederation of Ecuadorian Workers (CTE), Ecuadorian Federation of Classist Organizations (CEDOC), and the Ecuadorian Confederation of Free Trade Union Organizations (CEOSL). The National Union of Teachers (UNE) maintains a particularly strong presence.

The outstanding contemporary learned society is the Ecuadoran Academy, founded in 1875, and the second academy in Spanish America. It is a correspondent of the Royal Spanish Academy. The Ecuadoran Culture House prints works of contemporary Ecuadoran writers, encourages the investigation of scientific and social problems, and conducts discussions on cultural matters. The Andean Institute of Popular Arts, based in Ecuador, is a multinational organization that promotes interest and study in the arts through special programs and scholarships.

The Federación Médica Ecuatoriana (Medical Federation of Ecuador) promotes research and education on health issues and works to establish common policies and standards in healthcare. There are also a number of associations dedicated to research and education for specific fields of medicine and particular diseases and conditions. Professional networking and educational associations exist for many other fields as well.

Fraternal organizations and service clubs in Ecuador include the Masons, Rotary clubs, and Lions clubs. The Scout Association of Ecuador and the Girl Guides have active programs. There is a Junior Chamber Program promoting leadership development for youth. Sports associations are active in supporting amateur competitions in a number of pastimes. Many social and charitable organizations are sponsored by the Roman Catholic Church.

The Charles Darwin Foundation for the Galápagos Isles, with multinational interest and membership, is based in Quito. Golondrinas Foundation is another environmental conservation organization. The World Conservation Union has a regional office in Quito.

An organization called Ecuador Volunteer supports a number of service organizations throughout the country. The International Red Cross, Caritas, UNICEF, Habitat for Humanity, the Society of St. Vincent de Paul, and Amnesty International are active in the country.

47 TOURISM, TRAVEL, AND RECREATION

Ecuador's highlands—reached by air, by the spectacular railroad, or highway—are rich in natural beauty. Quito, the second-highest capital in the world, has modern hotels and transportation. Its churches and monasteries, with their delicately carved doors and altars, and an abundance of exquisite paintings and sculptures, make Quito, in the words of a 1979 UNESCO citation, a “cultural patrimony of mankind.”

An important part of Ecuador's cultural life is the feria, or market day, which takes place weekly in many towns. The town of Otavalo, about 100 km (60 mi) north of Quito, is well-known for its colorful Saturday fairs. The Galápagos Islands, world-famous for their unusual wildlife, have become a popular site for ecotourism.

Tourism has grown due to natural attractions as well as architectural and historical sites. Further development of ecotourism must be managed carefully to avoid a negative impact on Ecuador's environment.

Tourists need a valid passport. Tourist facilities on the coast include modern resort hotels and fine beaches.

The *Tourism Factbook*, published by the UN World Tourism Organization, reported 968,000 incoming tourists to Ecuador in 2009, who spent a total of \$674 million. Of those incoming tourists, there were 735,000 from the Americas. There were 120,456 hotel beds available in Ecuador. The estimated daily cost to visit Quito, the capital, was \$265. The cost of visiting other cities averaged \$161.

48 FAMOUS PERSONS

Ecuadorans claim Atahualpa (1500?–33), the last emperor of the Incas, as the first renowned figure in their country's history; during the civil war between him and his half-brother, Huáscar, his administration of the Incan empire was based in what is now Ecuador. The 16th-century indigenous general Rumiñahui is remembered for his heroic resistance to Spanish conquest. During the colonial period, Quito produced notable artists and sculptors. Among these were Miguel de Santiago (d. 1673) and the indigenous figures Manuel Chile (Caspicara) and Pampite. Francisco Javier Eugenio de Santa Cruz y Espejo (1747–95), the national hero of Ecuador, inspired much of the independence movement through his political writings. Espejo advocated complete emancipation from Spain, autonomous government for each colony, and nationalization of the clergy. Although he did not live to take part in the War of Independence (he died in prison for his political activities), he was an important figure in its philosophical development.

Vicente Rocafuerte (1783–1847), an early president, made significant contributions to the development of the republic. Another president, Gabriel García Moreno (1821–75), was the first to achieve national consolidation; he also contributed to the literary development of the nation. Juan Montalvo (1823–89) bitterly and brilliantly opposed conservatism in his essays and other works. Eloy Alfaro (1841–1912), another outstanding president, was noted for the honesty of his administration.

Among Ecuador's literary figures were Numa Pompilio Llona (1832–1907), a poet-philosopher, and Juan de León Mera (1832–94), a poet and novelist. Outstanding Ecuadorans of the 20th century include the poets Gonzalo Escudero (1903–71), Jorge Carrera Andrade (1903–78), César Dávila Andrade (1918–67), and Benjamin Carrión (1897–1979); the novelist Jorge Icaza (1906–78); the painter Oswaldo Guayasamin Calero (1919–99); José María Velasco Ibarra (1893–1979), who served five times as president of his country; and Galo Plaza Lasso (1906–87), a former president of Ecuador and of the OAS.

49 DEPENDENCIES

Ecuador's only territory, administered as a province since 1973, is the Archipelago of Columbus (Archipiélago de Colón), more commonly known as the Galápagos Islands, after the Spanish name for the large land tortoise found there. The six largest islands of the group (with their earlier names in parentheses) are Isabela (Albemarle), Santa Cruz (Indefatigable), Santiago (San Salvador or James), Fernandina (Narborough), Floreana (Santa María or Charles), and San Cristóbal (Chatham). Lying on the equator, this cluster of 60-odd islands is scattered over nearly 60,000 sq km (23,000 sq mi) of ocean and has a total land area of 8,010 sq km (3,093 sq mi). The center of the group lies at about 90°W, some 1,130 km (700 mi) from the coast of Ecuador and about 1,600 km (1,000 mi) southwest of Panama.

Most of the islands are small and barren. The largest, Isabela, which is 121 km (75 mi) long and makes up half the land area of the group, has the highest volcano (now only slightly active), reaching 1,689 m (5,541 ft). The climate of these tropical islands is modified by the cold Humboldt Current, which keeps the mean annual temperature as low as 21°C (70°F). Desertlike low-lying areas contrast with mist-shrouded heights at 240 m (800 ft) and higher elevations that have considerable rainfall.

Charles Darwin visited the islands in 1835 during his voyage on the *Beagle*, and his observations there made an important contribution to the development of his theories of evolution and natural selection. The unique forms of plant and animal life found on the various islands include 15 species of giant tortoise, considered to be the longest-lived creatures on earth, with a life span of about 150 years and a maximum weight of more than 225 kg (500 lb). In the mid-1980s, their number was estimated at 10,000. The Galápagos have 85 species of birds. In 1959 Ecuador declared the Galápagos a national park to prevent the extinction of the wildlife. The islands have since become one of the world's most noted focal points for naturalist studies and observations. About 21,000 visitors come to the islands each year.

Early indigenous navigators, traveling on balsa rafts, frequently went to the Galápagos for the excellent fishing, but there is no evidence of any permanent settlement. Bishop Tomás de Berlanga of Panama landed at the Galápagos in 1535; he was the first of a

series of Spaniards to visit the islands. In 1832 the first president of Ecuador, Juan José Flores, declared the islands a national territory. Several were used from time to time for penal colonies, but the practice was discontinued in 1959. The administrative seat is San Cristóbal. Only four of the islands are inhabited, and the estimated population numbers 6,000.

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