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FEATURED Q&A

Why Is Ecuador's President Pushing a Referendum?



Ecuadorian President Guillermo Lasso announced last week that he will attempt to place a referendum on the ballot to ask voters to approve a slate of reforms. // File Photo: Ecuadorean Government.

Q Ecuadorian President Guillermo Lasso said last week that he will seek to place a referendum on the ballot to ask voters to approve reforms including a reduction in the size of the National Assembly, allowing the military to aid police in fighting drug trafficking and creating a new system to protect sources of water. How likely is such a referendum to be put before voters, and would voters support Lasso's initiatives? What are the most significant initiatives Lasso is pushing through the referendum, and would they achieve his goals if approved? Why is Lasso seeking to put the package before voters instead of seeking legislative approval for it?

A Daniela Chacón Arias, executive director at Fundación TANDDEM and former Quito vice mayor and city council member: "It is baffling that a president with an approval rating of less than 20 percent would push for a referendum that will likely be an opportunity for voters to evaluate his term. It can only be understood as a political strategy to recover some credibility under the pretense that the questions will address citizens' main concerns (especially security) and that it will help his ailing government. But if this is the president's strategy, it is even more perplexing given that many constitutional experts have said that several questions are not likely to pass the review and approval of the Constitutional Court. The court has 20 days to issue its opinion, and only then will Ecuadoreans know which questions remain. The other problem this referendum could face is that citizens will go to the polls on the same day to vote for municipal authorities and members of the Council for Citizen Participation and Social Control (which has the

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TODAY'S NEWS

ECONOMIC

Guyana Launches Tender to Choose Marketing Agent for Oil Exports

Guyana's government on Thursday launched a tender to choose a marketing agent for its share of exports from the Liza oil field.

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BUSINESS

Brazil's Bradesco Eyes Acquisitions in Health Care

Brazil's Bradesco is looking for new acquisitions and is focusing on the health care sector, according to the bank's chief executive officer.

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POLITICAL

IDB Board Reportedly Votes to Recommend Firing Head

The board of directors of the Inter-American Development Bank reportedly voted unanimously on Thursday to fire the bank's president, Mauricio Claver-Carone, for alleged ethical misconduct.

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Claver-Carone // File Photo: Inter-American Development Bank.

POLITICAL NEWS

IDB Board Votes to Recommend Firing Leader: Report

The board of directors of the Inter-American Development Bank voted unanimously on Thursday to recommend the firing of the bank's president, Mauricio Claver-Carone, after an independent ethics investigation concluded that he engaged in misconduct, Reuters reported, citing three sources familiar with the vote. The issue now goes to the bank's board of governors, which is expected to vote between today and Tuesday on whether to fire Claver-Carone, who took office in 2020. Thursday's vote followed an investigation conducted at the request of bank directors that concluded Claver-Carone violated ethics rules at the bank by favoring an aide with whom he was purportedly involved in a romantic relationship, the Associated Press reported. Claver-Carone has denied wrongdoing, saying that the allegations against him amount to "clearly fabricated information," the AP reported.

At Least Three Killed in Fire at Argentine Oil Refinery

At least three people were killed Thursday in a fire that erupted at a storage tank at an oil refinery in southwestern Argentina, the Associ-

ated Press reported. The fire began early in the morning at a storage tank of the New American Oil refinery and spread quickly throughout the complex, with video coverage showing an initial explosion. The refinery is located in Plaza Huincul, a city in the oil-producing province of Neuquén that is approximately 120 kilometers (75 miles) from the provincial capital of Neuquén city. Plaza Huincul Mayor Gustavo Suárez confirmed that three deaths resulted from the fire, while firefighters said the cause of the fire is under investigation. In response to the incident, the Private Oil Workers' Union of the Río Negro, Neuquén and La Pampa provinces announced a strike saying, "urgent measures must be taken to put an end to the permanent disregard for the lives of workers, as if they were interchangeable resources," according to Argentine daily newspaper La Nación. In separate news, Argentine President Alberto Fernández spoke with business leaders on Wednesday in Houston, where he highlighted the potential of the country's Vaca Muerta formation, which holds large amounts of shale oil and gas and is largely located in Neuquén province.

ECONOMIC NEWS

Guyana Launches Tender to Choose Agent for Oil Exports

Guyana's government on Thursday launched a tender to choose a marketing agent for its share of Liza crude oil exports, Reuters reported. The tender follows the expiration of a contract with a unit of Saudi Aramco. Guyana's government receives and exports its share of profit oil separately from that sold by the private sector operators in the country, a consortium of ExxonMobil, Hess and China's Cnooc. Companies interested in becoming the marketing agent must submit bids on Oct. 11 for a 12-month contract to begin in the last quarter of the year, according to the report. Guyana is fast becoming a significant oil producer, netting about \$1.25 billion this year from

NEWS BRIEFS

Multilateral Cease-Fire Could Happen Within Days: Colombia's Petro

Colombian President Gustavo Petro said Thursday that a cease-fire between the government and various armed groups could happen "in a matter of days," according to Colombia Reports. Petro added that peace talks with the ELN rebels could also resume within days.

Nicaraguan Government Removes CNN en Español From Cable Systems

Nicaragua's government abruptly took CNN en Español off the air on Wednesday evening, the cable news channel's parent company, CNN, reported Thursday. The government has not explained why it removed CNN's Spanish-language service, and the cable operators carrying CNN en Español in the country did not comment on the move. Many Nicaraguan journalists have been forced into exile, and there remains "practically no independent media within the country," said press freedom group Reporters Without Borders.

Venezuela Seeks Arrest of 23 Former Executives of Petrochemical Company

Venezuelan Oil Minister Tareck El Aissami said Thursday that authorities have requested international warrants for the arrest of 23 former executives of a Colombia-based petrochemical company that is a unit of Venezuelan state-owned petrochemical company Pequiven, Reuters reported. The unit, Monomeros Colombo-Venezolanos, was taken over in 2019 by Venezuela's opposition, led by Juan Guaidó. Venezuelan President Nicolás Maduro's government said this week that it recovered control of the subsidiary. The announcement followed the re-establishment of diplomatic relations between Maduro's government and Colombia, led by new President Gustavo Petro.

CORRECTION

Because of an editing error in the Featured Q&A of Wednesday's Advisor, the final sentence of a commentary by Christopher Mitchell appeared as: "Continued drift in public education greatly mars Abinader's scorecard of accomplishments." The sentence should have read: "Continued drift in public education would greatly mar Abinader's scorecard of accomplishments."

the sale of its oil share and royalties, up 30 percent from a prior estimate. Speaking this week at the General Assembly meeting of the United Nations in New York, Guyana's president, Irfaan Ali, said that because electricity demand is growing globally and only 50 percent of supply is expected to be comprised of renewables, nonrenewable energy sources will continue to be needed, according to the U.N. press office.

BUSINESS NEWS

Brazil's Bradesco Eyes Acquisitions in Health Care: CEO

Brazilian financial services institution Bradesco, the country's second-largest private bank, is shopping for new acquisitions on the heels of its recent entry into Mexico's retail banking market, CEO Octavio Lazari told Reuters Thursday in an interview. Lazari said that the company is focusing on possible acquisitions in the health care sector, and its insurance unit is analyzing potential investments in hospitals or making other acquisitions in order to compete with rival companies that offer health services and insurance. Bradesco has one of the largest health insurance operations in Brazil with more than four million beneficiaries, and the acquisition of hospitals and health care providers would help it to manage the impacts of inflation. Earlier this year, the company was in talks to acquire UnitedHealth Group's unit in Brazil, although negotiations fell through, and Bradesco is also seeking partnerships with hospital operators and beginning to build its own hospitals. Earlier this month, the bank announced its expansion into retail banking in Mexico through the purchase of Mexican payment platform Ictineo Plataforma for an undisclosed amount, LexLatin reported. Until then, Bradesco's Mexican subsidiary, Bradescard, had only offered credit cards and consumer financing options for retailers, and the acquisition will allow it to operate as a digital bank.

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power to appoint heads of state agencies). The necessary public debate will be shadowed by the other decisions that we have to make, and the results will depend even more on the campaign that the president will have to carry out. This government lacks skilled spokespeople, and it is difficult to see who will lead the call to vote yes. Finally, nobody understands why the government has not included in the questions any of the legislative initiatives that were promised (mainly labor and economic issues). With that said, it is still unknown if the referendum will happen."

A Adam Isacson, director for defense oversight at the Washington Office on Latin America:

"The referendum question getting the most attention is President Lasso's proposal to give the military a permanent role in 'complementing' civilian policing, without first having to declare a state of emergency. This is a controversial topic throughout Latin America, where a 40-year process of asserting democratic civilian control over the armed forces is being rolled back as country after country gives the military a more prominent role in day-to-day crimefighting. Other examples this month include Mexico's rapid insertion of its 'civilian' National Guard into the military chain of command and Chile's decision to prolong emergency military powers in regions where a Mapuche Indigenous movement employs violence. Crime in Ecuador, while low by regional standards, has surged recently, especially in Guayaquil. As a result, there is some likelihood that, despite President Lasso's low standing in opinion polls, a 'law and order' measure like further militarizing policing could receive the votes necessary to pass. If approved, this new power could also mean a greater use of the military in responding to social protests, like the Indigenous-led protest movement that shook the country in June. Giving the military a more permanent internal crimefighting and crowd control role raises concerns not just for civil-military

relations but also for human rights. Too often in Latin America, the blurring of military and police roles means that soldiers trained to defeat enemies in combat are forced to operate alongside the population under very different rules of engagement. Armed forces are often uncomfortable with this new role, as lethal mistakes and excesses take a toll on the institution's legitimacy and standing."

A Marc Becker, professor of history at Truman State University:

"It has become common (some critics say it has become way too common) for leaders in Latin America to bypass institutionalized legislative systems to appeal directly to the citizenry to reshape a country's institutional framework. A variety of presidents over the past several decades in Ecuador have used this mechanism. What is important is what the leader intends to accomplish with a referendum. In this case, Lasso's call for a referendum emerges from

“Lasso's call for a referendum emerges from a position of weakness rather than strength.”

— Marc Becker

a position of weakness rather than strength. He has never had a majority legislative or popular mandate, and he has been further weakened through the sustained popular protests in June against his neoliberal economic policies. Proposals to reduce the size of the National Assembly and militarize civil society are part of Lasso's attempts to undermine the most democratic aspects of the progressive 2008 constitution. Questions such as that on the extradition of those accused of drug trafficking and organized crime distracts from, and misrepresents, the most important and pressing central issues that the country faces. As a result, the

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referendum becomes political theater and a diversion rather than a serious proposal to address urgent social and economic issues. Lasso has very few paths left open to him to regain the initiative for his unpopular right-wing agenda, but this referendum could further weaken his hold on power.”

A César Coronel Jones, founding partner at Coronel & Pérez in Guayaquil, Ecuador: “In recent years, Ecuador has seen an unprecedented escalation in crime and violence pushed by drug cartels. President Lasso’s referendum seeks reforms to address this pressing security problem, most significantly by allowing the military to assist security forces and by permitting the extradition of high-ranking cartel members. Other significant proposed reforms include reducing the size of the National Assembly and changing the process by which some high-ranking public servants are selected in order to fight corruption. The probability that Lasso’s referendum will be presented to the public is very high, with one caveat. Before a referendum can happen, the Constitutional Court would have to approve the questions. While most experts believe the court will greenlight the referendum, there is always the possibility that it will object to it. Lasso’s referendum has very good possibilities of succeeding. Most of the questions put on the ballot are polling high, and many see them as ‘common sense’ reforms. Nonetheless, several factors could reverse this. To begin with, Lasso is suffering from a crisis of popularity, with more than 80 percent of Ecuadoreans discontent with his administration. Furthermore, it is expected that the opposition party, UNES, which has control of the National Assembly, will direct a massive campaign against the referendum in order to deny President Lasso a potential political victory. As such, there is the real possibility that the referendum will fail, not because of

the content of the questions per se, but rather because of the politics surrounding it.”

A Grace Jaramillo, professor at the University of British Columbia and Simon Fraser University: “President Lasso has been unsuccessful at trying to convince the National Assembly to approve most of his reform bills, let alone build a multiparty coalition to spearhead reforms in key democratic institutions, such as the Council for Citizen Participation and Social Control (CPCCS in Spanish), the office of the attorney general or the security apparatus. Hence, the referendum. However, it is important to state that the referendum is more a political strategy to boost popular support for Lasso’s administration after June’s Indigenous mobilization that triggered a National Assembly confidence vote than a true channel for institutional reforms. Even if all his questions are approved—as opinion polls currently suggest they will be—the road to actually implementing the most crucial ones—eliminating the CPCCS’ foothold on the selection of authorities upholding horizontal accountability in the Ecuadorean democracy, involving the military (again) in combating narcotics and criminal operations or even allowing the extradition of criminals—would have to go through a long process of constitutional and legislative codification or even legal challenges to those approvals before reforms can be implemented on the ground. Lasso’s referendum is a significant bet for the last two years of his presidency, and it will drown his remaining political capital if the issues that most concern Ecuadoreans now, insecurity and unemployment, are not properly addressed.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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