

AN UNWELCOMED DEJA-VU: ECUADORIAN POLITICS IN 2021*

Un deja-vu no esperado: la política ecuatoriana en 2021

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ABSTRACT

This paper explains the configuration of the political scenario in Ecuador after the 2021 general elections. The pandemic left a challenging economic and social aftermath that created policy challenges for the new government. Guillermo Lasso won the elections securing support from the *anticorreísmo* front. However, this electoral coalition did not translate into the legislative arena. Lasso addressed policy challenges using political strategies widely used in Ecuador by minority governments during the nineties. We focus on Lasso's attempts to push economic reforms to show how his legislative strategy adapted to the prevailing political conditions, namely: 1) aimed for less ambitious policy goals; 2) used his institutional prerogatives to shape the legislative agenda; and, 3) crafted short-lived and informal agreements in exchange for (political) pork. Complex executive-legislative relations can limit the government's ability to address economic and social problems in the future, which could lead to political and economic instability, as in the past. De facto coalitions are necessary for Lasso yet come at a cost for a government quickly losing support. We also provide an overview of other social problems and policy responses relevant throughout this year.

Keywords: fragmented legislature; executive-legislative relations; minority government; coalitions; Guillermo Lasso.

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RESUMEN

Este trabajo explica la configuración del escenario político en Ecuador tras las elecciones generales de 2021. Las consecuencias sociales y económicas del primer año de pandemia representaron un importante desafío para el nuevo gobierno. Guillermo Lasso ganó las elecciones con el apoyo del anticorrelésmo, pero este apoyo no se trasladó a la arena legislativa. Lasso asumió los desafíos de política pública recurriendo a estrategias ampliamente utilizadas en Ecuador por gobiernos minoritarios durante los años noventa. Este artículo se centra en los intentos del presidente por sacar adelante sus iniciativas de reforma económica para mostrar de qué manera su estrategia legislativa se adaptó a las condiciones políticas. Específicamente nos enfocamos en explicar cómo el gobierno 1) terminó por configurar una propuesta económica menos ambiciosa, 2) utilizó sus prerrogativas institucionales para moldear la agenda legislativa, y 3) configuró acuerdos informales de corto plazo a cambio de prebendas en la Asamblea Nacional. La complejidad de las relaciones entre el Ejecutivo y el Legislativo limitaron la capacidad del gobierno para resolver los problemas sociales y económicos. Como ocurrió en el pasado, esto podría conducir hacia un escenario de inestabilidad política y económica. Las coaliciones de facto fueron necesarias para Lasso, sin embargo, estas tuvieron costo importante para un gobierno que perdió rápidamente el apoyo de la ciudadanía. Adicionalmente, repasamos los problemas sociales más relevantes de 2021 y la política pública generada para abordarlos.

Palabras clave: fragmentación legislativa; relaciones Ejecutivo-Legislativo; gobierno de minoría; coaliciones; Guillermo Lasso

I. INTRODUCTION

Ecuador faced a complicated social and economic scenario in 2021. The measures implemented to stop the spread of COVID-19 aggravated the already faltering economy. Corruption scandals plagued previous administrations, the burden of the pandemic on the health system was stark, and political polarization made for a contentious field (Abad Cisneros and Calerón 2020; Castellanos Santamaría et al. 2021). The year started with general elections. The legislative elections and the presidential first round took place in February, and the presidential run-off in April. Multiple parties and a pre-electoral coalition achieved seats in the legislature, resulting in a fragmented legislature. The ruling party, CREO, only secured 9% of the legislative seats, while its main opposition, UNES, secured 36%. The rest of the legislature was split between Pachakutik (19%), *Izquierda Democrática* (12%), *Partido Social Cristiano* (12%), and small parties and independent candidates. As discussed in this paper, the fragmented legislature posed important challenges to the newly elected President, Guillermo Lasso, and his party. Lasso and CREO had to rely on informal and costly coalitions and executive powers to advance policy and deal with the socio-economic effects of the pandemic.

This fragmented legislature is reminiscent of the Ecuadorian Congress from the 1990s and early 2000s. The consequences are an unwelcome *deja-vu* of a time of institutional deadlocks and instability (Freidenberg and Pachano 2016). As we argue in this paper, this *throwback* legislature prompted the President to opt for a *throwback* governing strategy: using informal (ghost) coalitions to pass

legislation (Mejia Acosta 2009; Mejia Acosta & Polga-Hecimovich 2011). Nevertheless, this strategy has been costly and only partially successful.

The main political challenges encountered by Lasso and CREO arose from the difficulty of consolidating stable governing coalitions. Lasso was able to win the run-off (after being 10 points behind his contender) by joining forces with unlikely political partners under an *anticorreísmo* umbrella. Still, the meeting points were scarce and did not translate into long-lasting agreements. The few working coalitions the government created at the legislature quickly broke down. Being part of the *anticorreísmo* camp did not ensure similar policy preferences across parties. For example, the market-liberalization position espoused by CREO is at odds with the left and center-left positions of Pachakutik and Izquierda Democrática on the issue. CREO created a temporary coalition with these two parties to select and appoint multiple key positions within the legislature in the early days of the government. However, the coalition broke down as their policy positions clashed. Currently, these two parties are part of the opposition in the National Assembly.

To advance policy Lasso has employed two different strategies. First, it has used the ample executive powers granted by the Constitution to circumvent the fragmented legislature. Second, it has the same strategies employed by previous governments: Lasso has forged short-lived “ghost” coalitions, with strange bedfellows; for example, a coalition with UNES, Correa’s backed party. Ultimately, the use of these strategies has led to some policy changes, despite the economic and social turmoil in Ecuador.

The government faced policy challenges in the context of reduced fiscal and political space. With these conditions, the government had a mixed record of policy success. Among the initiatives that Lasso successfully carried out in his first year was the vaccination campaign. After a slow and controversial rollout of the vaccines in the previous government, Lasso’s administration was able to meet the vaccination goal by September 2021. Nevertheless, Lasso could not make use of this success to solidify his standing within the population. The general discontent regarding the deficiencies in the national health system, the corruption scandals across the board, and the government’s inability to appropriately respond to a penitentiary crisis made his “honeymoon” period a short one. Other policy initiatives, such as changes to the tax code or labor laws, have been met with opposition from parties in the legislature or have been considerably watered down to have a possibility of approval.

In this paper, we analyze the configuration of the current political landscape. Section two describes the economic and social challenges that the new government had to face coming into power. Section three explains the electoral process; section four discusses the consequences of the resulting fragmented National Assembly. Section five delves into the policy challenges posed by this relation, primarily for economic policy. Lastly, we present a brief discussion and conclusion.

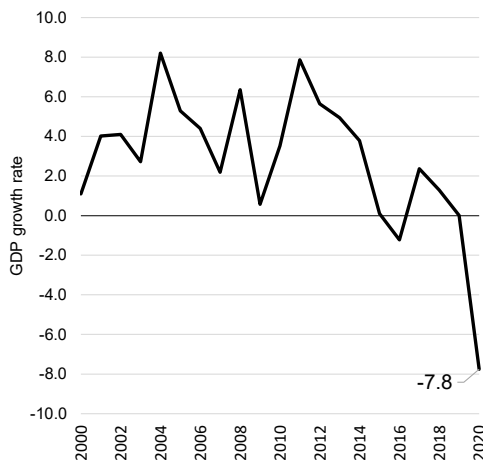
II. THE ECONOMY AT THE BEGINNING OF 2021

The country's economic, social and fiscal circumstances can impact any government's policy objectives and shape domestic politics. Thus, understanding the challenges faced by Lasso's government requires the review of these conditions for 2021. Overall, the Ecuadorian economy was hit hard by the pandemic, with a substantial contraction in output and a deterioration in social indicators, including employment and poverty. In addition, the president faced a chronic fiscal deficit inherited from previous governments that had to be addressed. This section describes these challenges in more detail.

Economic and Social Conditions

The social-isolation measures adopted by Moreno's Government to contain COVID-19 in 2020 significantly deteriorated Ecuadorians' living conditions (Olivares y Medina 2020; Abad Cisneros 2021; Castellanos Santamaría *et al.* 2021). The pandemic hit hard the already sluggish growth of the Ecuadorian economy. The country has not had consistently high economic growth rates in the last 30 years (see Figure 1). Ecuador had an average growth rate of 3% for the 1990-2019 period. Furthermore, growth rates showed a declining trend from the early 2000s, despite a few spikes. The restrictions that accompanied Covid-19 led to negative growth. According to preliminary figures from the Central Bank of Ecuador, the country experienced a 7.8% decline in economic growth for 2020 (see Figure 1), its most significant contraction in more than three decades. Thus, while the economy grew by 3%, on average, from 1990 to 2019, it experienced a contraction of 7.8% in 2020.

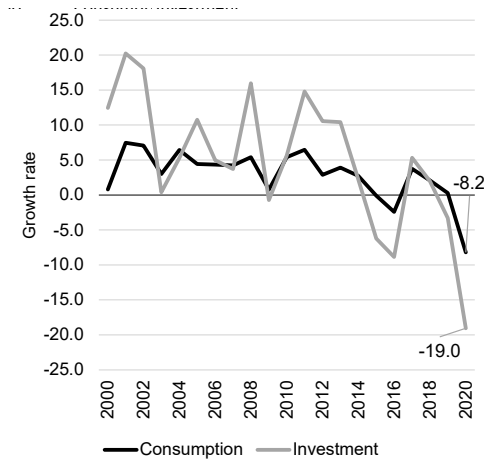
Figure 1. The economy was hard hit by Covid-19 (GDP growth rate)



Source: Central Bank of Ecuador.

Ecuador's 2020 GDP contraction shaped its social and political life. Investments and consumption, components of the GDP, were hardest hit by the pandemic. The restrictions on mobility and gatherings first led to a supply-side shock as firms adjusted their operations to the restrictions. The 19% decline in private investment in 2020 reflects this shock. Notably, as firms re-sized, a reduction in employment and other inputs led to a demand-side shock, leading to an 8.2% reduction in private consumption (see Figure 2). Covid-19 created a complex economic scenario that –it could be argued– affected other politically-relevant domains.

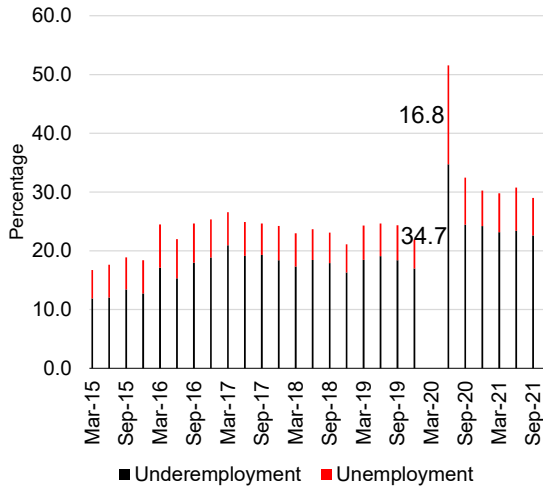
Figure 2. Private Consumption and Investment had severe declines (growth rate).



Source: Central Bank of Ecuador.

Employment was one of the main social and economic domains affected by the pandemic. As already mentioned, firms adjusted to the new conditions, which required laying out workers. As a result, underemployment and unemployment increased considerably; underemployment and unemployment are two categories that reflect the employment status of the economically-active population who do not have adequate employment. More than half of the working population was underemployed or unemployed by June 2020, approximately three months after the initial confinement measures. To put these numbers in context, note that by December 2019, 17% of the population was underemployed, and 4.9% was unemployed. By June 2020, underemployment and unemployment reached 34.7% and 16.8% of the population. While employment figures recovered quickly, employment and underemployment remain higher than their pre-pandemic levels (see Figure 3).

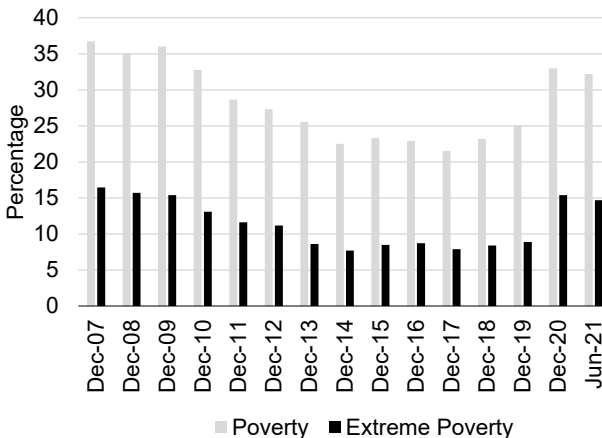
Figure 3. Underemployment and Unemployment increased (%).



Source: Central Bank of Ecuador, National Institute for Statistics and Census.

The other side of the economic coin is (income) poverty (Figure 4). Not surprisingly, social indicators deteriorated with a decline in output and shrinking working opportunities. Poverty and extreme poverty increased during 2020. Poverty levels rose by approximately seven percentage points from December 2019 to December 2020; extreme poverty doubled within that same period climbing to double-digit figures. Thus, one of the most pressing tasks that Guillermo Lasso’s Administration faces is to promote economic and social recovery.

Figure 4. Income Poverty and Extreme Poverty increased (%).

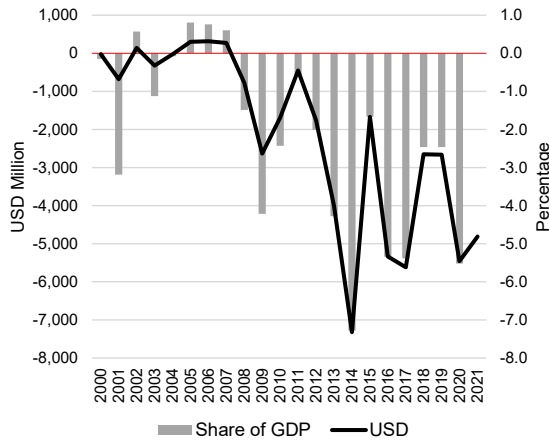


Source: National Institute of Statistics and Census.

Fiscal Conditions

The state of public finances is perhaps one of Ecuador's biggest challenges. Ecuadorian governments have had more than a decade of fiscal deficits. As Figure 5 shows, from 2008 onwards, the Ecuadorian government spent more resources than it created; this placed the country in a challenging fiscal position in need of correction. Increasing government expenditures for salaries, consumption, and investment, has led to an unsustainable path; that is, government spending is growing faster than revenues and economic growth. Since expenditures are not flexible and taxes are not widespread, Ecuadorian governments have heavily relied on debt (internal and external) to make ends meet. Lenin Moreno partially alleviated this through debt renegotiation (from 2017 to 2021). However, this "solution" is no longer an option for Lasso. Issuing new sovereign debt or rolling existing debt are tools that the Ecuadorian government has not announced. Further, they are not part of Ecuador's agreement with the IMF. Lasso's government will require a combination of higher revenues and a reduction in expenditures to correct Ecuador's fiscal mismanagement. The country needs to fix the state of public finances if it wants to renew its access to resources from International Financial Institutions (IFIs) and international markets.

Figure 5. Fiscal Balance as a share of GDP (%) and USD (millions).



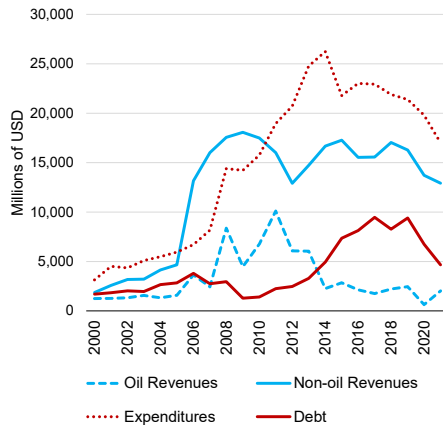
Source: Central Bank of Ecuador.

Overall, we know that expenditures and revenues increased from 2000 onwards (see Figure 6). Nevertheless, there are several nuances in their growth rate and decline. Moreover, it is important to pay attention to the years in which changes occur. Public expenditures grew faster after 2007 compared to the early 2000s. There was a three-fold increase within seven years, from 2007 (the year Rafael Correa took office), until 2014, when expenditures reached their peak (during Correa's third term). Since 2014, total expenditures have

consistently declined. While oil and non-oil revenues also increased since 2000, their growth rate did not follow the pace of growth of expenditures. In fact, oil revenues have declined since 2011, and non-oil revenues have taken a more stable trajectory since 2014.

Furthermore, debt payments (including capital and interests) rose more than seven times from 2009 (one of its lowest levels) to 2017 (its peak). The considerable increase in debt payments illustrates the difficult path public finances took. Given the economic context, in early 2021, the state of Ecuadorian public finances required a reform—this shaped Guillermo Lasso’s first months in power. The following section discusses who won the elections (Guillermo Lasso) and how his Administration has endeavoured to take on the required reforms.

Figure 6. Government’s Revenues and Expenditures (millions of USD).



Source: Central Bank of Ecuador.

III. ELECTIONS AND POWER CONFIGURATION

In early 2021, Ecuadorians voted with the discussed complex fiscal, economic, and social conditions as a backdrop. They chose 137 representatives to the National Assembly, five representatives for the Andean Parliament, and, after the run-off, a new president. Over 2200 candidates registered for a position. There were 87 parties with candidates for the legislature. In 2021, the number of political organizations with a presidential candidate reached a historical high. Sixteen candidates were running for the presidency (double the number of candidates from the previous election). Table 1 provides an overview of the fragmentation and competitiveness in presidential and legislative elections in the last 25 years.

For years, the number of political organizations competing for representation has been high in Ecuadorian politics. Except during Rafael Correas' decade of Government (2006-2017), in the last 25 years, all presidents were elected in a run-off election after facing a crowded field. At the legislative level, given the myriad of parties running for a seat, legislatures have had significant levels of fragmentation. The Effective Number of Parties ranged from 1.83 to 7.54. The fragmentation of the legislatures has consistently limited the executive-legislative relations, particularly their output. Until 2006, the lack of coordination between the executive and the legislators led to high volatility in the number of bills presented (by legislators) and a limited number of bills approved. In contrast, the highly disciplined years of the *correísmo* saw fewer bills proposed (by legislators). However, more bills were approved (Vallejo Vera 2021).

Table 1. Fragmentation and Competitiveness in Presidential and Legislative elections 1996-2021

Election year	Presidential election					Legislative election***			
	Nº Presidential Candidates	Vote concentration 1 st round	Victory margin 1 st round	Ballotage	Winner % Votes	Legislature size (Nº of Seats)	Nº of parties with candidates	Nº of parties with elected representatives	Effective Number of Parties in Parliament (ENPP)
1996*	9	535	0.9	Yes	54.5	82	27	11	5.06
1998*	6	61.5	8.4	Yes	51.2	121	18	9	4.92
2002*	11	37.8	3.1	Yes	54.4	100	76	20	7.54
2006	13	49.7	4.0	Yes	56.7	100	67	12	5.84
2009	8	80.2	23.8	No	52.0	124	103	28	3.76
2013	8	79.6	33.7	No	56.7	137	43	11	1.83
2017**	8	67.5	11.3	Yes	51.2	137	81	28	2.7
2021	16	52.5	13.0	Yes	52.4	137	87	15	4.76

* None of the elected presidents finished their periods.

** APAIS split at the beginning of 2018, leaving the Government with 42 seats (30%).

***Does not consider legislative coalitions

Source: Authors with data from CNE, PDBA, and OIR

Ecuador held elections under a new set of rules that aimed to strengthen partisan politics, increase gender and age representation and improve the proportionality in the National Assembly.¹ The reforms included

¹ The National Assembly reformed the electoral regime (Code of Democracy) in January 22, 2020. The new Code can be consulted here: <https://www.gob.ec/regulaciones/ley-organica-reformatoria-ley-organica-electoral-organizaciones-politicas-codigo-democracia>

1. a change in how voters could elect legislators – from a free list proportional representation system to a closed-list proportional representation system,²
2. a change to the seat allocation formula, from D’Hondt to Webster for all plurinominal constituencies,
3. an addition to the zipper gender quota that requires 15% of women to head parties’ lists,
4. a requirement to have candidates under 29 years of age in each list; these must represent at least 25% of the total candidates in a list.

The pandemic forced a partly online campaign due to the restrictions imposed by the Electoral Authority - *Consejo Nacional Electoral* – (CNE 2021). These restrictions focused on limiting in-person events and their size. The new regulations caused parties and candidates to stream, tweet, and most generally “post” about their campaigns. A crowded field, complex socio-economic conditions, and a polarized electorate shaped an aggressive (and partly online) electoral campaign (Abad Cisneros et al. 2021).

The parties’ campaigns focused on two sets of appeals: programmatic and symbolic (Mustillo 2016). Programmatic appeals focused on economic-related policies covering unemployment, vaccination programs, and stopping corruption. Symbolic appeals focused on the candidates ability to deliver on their promises (Abad Cisneros et al. 2021). Towards the end of the first round and, most evidently during the second round, Rafael Correa occupied the center of the debate. Candidates and their allies urged voters to consider their position in favor or against the former President before casting their ballot.

Table 2 provides an overview of the electoral results of the first and the second round. Despite the considerable number of parties and candidates competing, electoral preferences gathered around five parties, political movements, and a pre-electoral coalition. These were: *Unión por la Esperanza* (UNES), a pre-electoral coalition formed by two political parties, *Movimiento Centro Democrático* and *Movimiento Revolución Ciudadana*, used by supporters of former president Rafael Correa; *Movimiento Creando Oportunidades* (CREO) founded in 2012 to accompany Guillermo Lasso’s first bid for the presidency; *Partido Social Cristiano* (PSC) a traditional party founded in 1951 well known for its right-leaning policies and for having held power directly or indirectly in Ecuador between 1979 and the early 2000s (Freidenberg 2001); *Movimiento de Unidad Plurinacional Pachakutik* (Pachakutik) the first Indigenous party founded in the country in 1996; and *Izquierda Democrática* (ID) another traditional party with a long history of power in the country, founded in 1978. These five political organizations concentrated 87.5% of the presidential vote and 90% of the legislative vote.

² See Mustillo and Polga-Hecimovich (2018) for an overview of the effects of free-list proportional representation systems on vote aggregation.

Table 2. Summary of the 2021 Election Results

Party or Coalition	Presidential Candidate	% Vote 1st round	% Vote 2nd round	% Legislative seats won
UNES	Andrés Arauz	32.7	47.64	36.5
CREO	Guillermo Lasso	19.7	52.36	8.8
Pachakutik	Yaku Pérez	19.4		19.0
PSC	--	--		11.7
ID	Javier Hervas	15.7		12.4
Alianza PAIS	Ximena Peña	15.4		0.0
Others	--	10.9		10.2

Source: Authors with data from CNE

The first-round *winner*, Andrés Arauz (UNES), moved easily to the run-off with 32.72% of the votes. In comparison, soon-to-be President Guillermo Lasso (CREO) received 19.74% of the national vote, making him the runner-up. However, his move to the second round was not smooth. The second runner-up, Yaku Perez (Pachakutik), received 19.39% of the votes. Perez and his followers denounced a supposed electoral fraud arguing vices in the vote-counting procedures. The close margin between both presidential candidates (Lasso and Perez) and the fact that Pachakutik won the second legislative majority with 27 of the 137 seats were used to support their claims. Eventually, Lasso was named the rightful runner-up despite the accusations and joined Arauz at the run-off. Arauz lost his initial advantage during the run-off. Lasso won the election with 52.5% of the votes.

During the first round, CREO and UNES followed an expected campaign route. Both emphasized their party's brand and presidential candidate but left programmatic offers less developed. CREO's campaign during the first round centered on the slogan "the ability to change (*capacidad para cambiar*)."¹ The slogan was often displayed alongside the candidates' names and the party's brand. CREO stressed its position as a possible agent of change while highlighting its distance from Correa and its supporters. However, CREO's legislative candidates did not elaborate on their programmatic agendas. UNES developed a similar campaign strategy, having legislative candidates emphasize the presidential hopeful *and* their links with former president Rafael Correa. The candidates who served during Correa's administration highlighted their experience and connections to him while leaving programmatic appeals undiscussed. Programmatic appeals were absent in close to 50% of all campaign events. The candidates did not mention any form of policy proposals at these events. This glaring absence highlighted that programmatic appeals were not at the center of UNES's campaign.

The other main contender parties, Pachakutik and ID, had different strategies. Pachakutik and Yaku Pérez focused more on the party's programmatic offers than the other parties. However, their campaign was not organized entirely around programmatic offers. The party employed diverse appeals to engage

its voters, often highlighting the presidential candidate, the party's brand *and* mentioning programmatic content. The crucial difference was that, compared to UNES and CREO, Pachakutik included programmatic content at more campaign events than these two parties. *Izquierda Democrática* (ID), in turn, relied more heavily than any of the other parties on the party's brand content.

During the second round, the campaigns shifted slightly. UNES and its candidate Arauz re-emphasized their connection to Rafael Correa. Arauz's campaign consistently referenced the success of the Citizen's Revolution and the *década ganada* (Abad Cisneros et al. 2021). He presented himself as a continuation of Correa's administration. Campaign ads heralded Arauz as the "true" successor of the *correísmo*. These ads indirectly highlighted that Lening Moreno was not (and had not been) the successor of *correísmo*. Lenin Moreno, who campaigned as Correa's successor in 2017, distanced himself from Correa and denounced his predecessor after winning the election (Wolff 2018).

Lasso, by contrast, had for long built its campaign along the lines of being the opposition to Correa and *the* response to *correísmo*. While Lasso emphasized this, the campaign also argued he was a candidate who could unite multiple groups within the electorate. CREO's campaign slogan changed during the run-off. The "ability to change" slogan was replaced with one emphasizing unity "Ecuador together (*Ecuador del encuentro*)." During the second round, Lasso's camp also started reaching out to women and youth organizations that had not been part of this party's campaign during the first round.

The debate for the run-off revolved around the *correísmo-anticorreísmo* division. Critics of Rafael Correa's regime called for joining forces to defend the country against "the tyrant's return." Correa's defenders focused on how Arauz's victory would make the country return to better times (Abad Cisneros et al. 2021). Public opinion during the electoral campaign became polarized around what each candidate symbolized, i.e., being in favor or against Correa. For example, an analysis of the campaign on Twitter shows two distinctive networks, one composed of pro-Correa/pro-Arauz (UNES) users and the other of anti-Correa/pro-Lasso (CREO) users (Abad Cisneros et al. 2021).

On April 11, Lasso received 4 million 600 thousand votes (52.4% of the national vote). Voters and critics viewed his triumph as a partial victory against *correísmo*. As mentioned already, while CREO secured the presidency, it had less success at the legislative level. In the following section, we discuss how the outcome of the elections, a highly fragmented legislature, and a president likely unable to create a government coalition played up.

IV. CONGRESS AND EXECUTIVE-LEGISLATIVE RELATIONS

CREO was able to bolster electoral support by exploiting the *correísmo-anticorreísmo* divide. Lasso's support came from different sources. On the one hand, CREO

had joined an electoral coalition with PSC. On the other hand, CREO received support from diverse and unlikely allies. This kind of support was not based on policy agreements but on being part of the *anti-Correa* camp. The electoral coalition did not translate into a legislative coalition. Similarly, those supporting Lasso outside the electoral coalition did not create a legislative coalition with the party as their policy interests were on opposing ends. Further, the fragmented legislature made negotiations complicated and limited the use of the toolkit available to the president. In what follows, we analyze the effect of the legislative composition on the legislative-executive relations and the failed coalitions.

Legislative Composition

While CREO could secure the Presidency, the party only achieved 9% of legislative seats. Correa-supported UNES won 36% of the seats, obtaining the plurality of the seats but falling short of a majority (with or without a coalition). As mentioned in the introduction, executives without legislative majorities (and often unable to build one) are not new to the Ecuadorian political system. Table 3 presents the final distribution of seats in the legislature. This highly fragmented National Assembly is reminiscent of the pre-2008 legislative compositions (see Table 4). For example, the PSC and ID achieved more seats in 2021 than in the last 15 years. PSC in 2006 got 13 seats (and subsequently had fewer seats in the following years). ID, in turn, achieved more seats than it had achieved since 1996. Nevertheless, not everything is reminiscent of old times. The number of Pachakutik's legislators is a new achievement. Since its formation, the party held a maximum of 14 seats in 2002 (including seats achieved with electoral alliances) and a minimum of 4 seats in 2009 (Davila Gordillo 2021).

Table 3. Distribution of legislative seats in the Ecuadorian Assembly, 2021-2025.

<i>Party / Movement / Pre-electoral coalition</i>	<i>Number of Seats</i>	<i>% of Seats</i>
<i>Unión por la Esperanza (UNES)</i>	49	35.7%
<i>Movimiento de Unidad Plurinacional Pachakutik (PK)</i>	27	19.7%
<i>Partido Social Cristiano (PSC)</i>	18	13.1%
<i>Izquierda Democrática (ID)</i>	18	13.1%
<i>Movimiento Creando Oportunidades (CREO)</i>	12	8.8%
<i>Movimientos Provinciales (AP / Minga / AC)</i>	3	2.2%
<i>Movimiento Ecuatoriano Unido (MEU)</i>	2	1.5%
<i>Partido Avanza</i>	2	1.5%
<i>Alianza Honestidad</i>	2	1.5%
<i>Unión Ecuatoriana</i>	1	0.7%
<i>Partido Sociedad Patriótica</i>	1	0.7%
<i>Movimiento Construye</i>	1	0.7%
<i>Democracia Sí</i>	1	0.7%

Source: Authors with data from CNE

Table 4. Executive-Legislative configuration 1996-2021.

Election year	Elected President	Ruling party	% Seats Ruling Party	1st plurality party	% Seats 1st plurality party
1996*	Abdala Bucaram	PRE	24.4	PSC	31.7
1998*	Jamil Mahuad	DP-UDC	28.8	DP	28.8
2002*	Lucio Gutierrez	PSP/MUPP	23.0	PSC	24.0
2006	Rafael Correa	MPAIS/PS-FA	0.0	PRIAN	28.0
2009	Rafael Correa	MPAIS	47.6	MPAIS	47.6
2013	Rafael Correa	MPAIS	73.0	MPAIS	73.0
2017**	Lenin Moreno	MPAIS	54.0	MPAIS	54.0
2021	Guillermo Lasso	CREO	9.0	UNES	36.0

* None of the elected presidents finished their periods.

** APAIS split at the beginning of 2018, leaving the Government with 42 seats (30%).

Source: Freidenberg and Pachano (2016) and data from CNE

Legislative Dynamics and Conflict: the consequences of fragmented legislatures

For a generation of young voters, the current situation represents a stark contrast to the legislative majority that Rafael Correa's party, Alianza Patria Altiva I Soberana (Alianza PAIS or AP), held between 2007 and 2017. For older voters, the legislature's fragmentation is an unwelcomed *deja-vu*. The current legislative composition is reminiscent of when executives would rule without majority support (1979-2007). During that period, governments relied on short-lived coalitions (Mejía Acosta et al. 2008; Mejía Acosta 2009)³ and often faced institutional deadlocks (Conaghan 2003). As discussed in this section, this configuration and behavior were repeated in 2021.

To understand the challenging relationship between Lasso's government and the fragmented legislatures, it is necessary first to discuss how the Ecuadorian legislature is set up. The legislative rules of the Ecuadorian National Assembly endow the largest party or coalitions with disproportional agenda-setting power (Cox 2006). As in most Latin American legislatures, members of the majority coalition can secure important legislative posts, e.g., the presidency of the legislature and committee chairpersonships. These posts allow them to restrict the policy options available to other assembly members. Majority coalitions can affect the type of legislation debated and, ultimately, voted on (Amorim Neto et al. 2003).

³ Mejía Acosta (2009) suggests that "ghost coalitions" emerge in institutional settings with mechanisms for cooperation; for example, where the benefits from supporting a policy position make legislators liable *vis-a-vis* their constituency. In Ecuador, for example, the executive would offer a cabinet position to a legislator. The legislator would accept the post as an individual (rather than as a party member). The ministerial appointment would later help gather votes from their party and frame the decision as a "coincidence of interest" rather than a negotiated agreement (Mejía Acosta 2009: 13).

Procedural rules in the Ecuadorian Assembly push governments to build majority coalitions to expedite and control legislative work. CREO, as expected, tried to build a coalition to ensure the control of those critical positions. However, building these coalitions has proven difficult. The natural ally of CREO is the Partido Social Cristiano (PSC). This traditionally conservative party gained 10% of the seats, campaigned with Lasso, and located itself at the extreme of the anti-Correa camp. However, the two parties had an early fallout. PSC proposed a majority coalition with UNES to secure leadership (gate-keeping) positions within the National Assembly at the beginning of the term (e.g., president of the Assembly, committee chairs). This proposed coalition fell through but had important effects on forming a legislative coalition: the ideal partners (CREO and PSC) were no longer an option.

Lasso and its party had an alternative option. The party campaigned on an *anticorreísmo* platform rather than a policy-oriented platform (Abad Cisneros et al. 2021). This strategy, in theory, opened the door to coalitions with parties that located themselves within this camp. All other legislative blocks holding more than ten seats situated themselves as part of the anti-correa camp during the electoral campaign. In theory, this opened up the doors for CREO – located at the extreme of the anti-Correa continuum – to build working coalitions with those within the camp. However, while *anticorreísmo* was a meeting point, the unlikely partners, such as Pachakutik and Izquierda Democrática, had different policy preferences. For example, the market liberalization goals espoused by CREO contradicted the policy position of Pachakutik. Thus, governing coalitions amongst the *anticorreísmo* camp were difficult and unstable, but not entirely impossible.

After CREO's fallout with PSC, the government party tried a more unlikely coalition with center-left party Izquierda Democrática (ID) and the second-largest left-leaning party Pachakutik (PK). The agreement between the three parties was short-lived. It lasted enough for CREO to garner the votes necessary to secure a post at the *Consejo de Administración Legislativa*⁴ and three chairpersonships. However, the biggest winners were PK and ID. PK obtained the presidency of the Assembly, the chairpersonship of the Committee of Economic Regime, and the chairpersonship of four other committees. ID got one vice-presidency, the chairpersonship of the Justice Committee, the Security Committee, and the Health Committee.

On the whole, the fragmented legislature in 2021 presented multiple challenges to the ruling party. As table 4 shows, only one legislative block had a natural upper hand in forming a majority: UNES. However, as this pre-electoral coalition located itself within the pro-Correa camp, its possible partners were scarce. Thus, even though UNES was the largest party in 2021, it did not

⁴ The *Consejo de Administración Legislativa* is a committee presided by the President of the Assembly. It is in charge of judging the legal merits of a bill and deciding to which committee a bill is assigned.

count on legislative allies during the initial allocation of critical appointments in the legislature. Arguably, this was due to the polarizing 12 years of *correísmo*, which meant parties were unwilling to join forces with them (of course, PSC was an exception during the early days of the legislature). As 2021 drew to a close, it was clear that UNES could not translate its relative electoral success into a commensurate power in the National Assembly. In turn, the government found itself with only a minority legislative coalition, *Bancada del Acuerdo Nacional* (BAN).⁵

Policymaking in a fragmented field

Both the presidency and the positions of chairs grant gatekeeping power in the National Assembly. For example, while there is a technical committee in charge of suggesting the topic and the legal merits of a bill, it is ultimately the discretion of the president to determine whether to assign them to a committee or not. Once assigned, rules require committees to debate all bills. However, committee presidents can always delay debates indefinitely (*cajonear*) (Vallejo Vera 2021). Hence, the short-lived agreement allowed the National Assembly to start working – with positions allocated. However, it also left the president’s party with limited agenda-setting power.

At the same time, UNES has benefited from the size of its legislative block in one crucial aspect. UNES has become a reactive player within a fragmented legislature, unstable coalitions, and leadership positions distributed among opposing political parties. UNES legislative block’s size serves as a potential hurdle to advancing bills proposed by the executive. Specific bills requiring qualified majorities, such as partially vetoed bills or Constitutional amendments, would need the support of UNES. Hence, UNES has been able to negotiate piecemeal deals with the executive when it sees fit. One illustrative example of this behavior was the debate over a tributary reform sent by the executive in the category of an urgent economic bill (see Section 5.3). Urgent economic bills require the legislature to debate and vote on the bill in less than 30 days. Suppose the bill is not approved or archived with a majority of the votes. In that case, the executive can publish the bill through the Ministry of Law. The controversial bill, framed by the executive as part of Lasso’s campaign promises, was opposed by PSC, ID, PK, and UNES. Given the political climate, the legislature was likely to kill the bill. However, after various drafts, committee debates, and the eventual splitting up of the bill, members from UNES abstained from voting. The bill was never going to be approved. Nevertheless, the political maneuver from UNES allowed the president to publish the bill through the Ministry of Law.

⁵ The Bancada del Acuerdo Nacional (BAN) is a legislative coalition made up of the 12 CREO legislators and 13 “independent” legislators. The 13 independent legislators have an eclectic background. For example, five members (Mariano Curicama, Marco Troya, Hugo Cruz, Pedro Velasco, and Elías Jachero) had been previously affiliated to Alianza País; four members left their party once in the legislature and joined BAN.

We discuss in more detail the ramifications of the executive-legislative relations in the next section.

Beyond these temporary agreements, CREO has been unable to create a governing coalition. CREO has turned to “independent” legislators from diverse backgrounds (local political movements and party switchers) to form a legislative coalition (National Accord Caucus – BAN). This makeshift (and shaky) coalition barely includes 20% of legislative seats. It has little consequential legislative power without the other parties in the Assembly.⁶ Ultimately, CREO can only rely on ad hoc agreements,⁷ costly pork-barreling, and executive powers to advance policy proposals. We discuss this in the next section.

Nevertheless, the Ecuadorian Constitution gives ample legislative powers to the president.⁸ Thus, it is crucial to analyze Lasso’s legislative activity in terms of executive-legislative relations. Different threads of academic literature can help frame the legislative politics of Lasso’s first few months in office. Research suggests that a presidential regime with proportional representation is prone to tensions and political gridlock (Mainwaring and Shugart 1997). In a fragmented legislature and limited party presence (Lasso’s party holds less than 10% of seats), a President could rely on his institutional powers to push for legislation (Morgenstern and Nacif 2002). As Sections 5.2 and 5.3 describe, Lasso used his prerogative to send economically urgent bills to shape the legislative agenda. Lasso sent three bills to Congress from May through December 2021. Two of them were economically urgent bills, but only one was approved. Lasso has used this strategy proportionally more than Correa and Lenin Moreno during their first years in power. Correa, in 2009, did not send any economically urgent bills, and in 2013 he sent two (out of a total of 11 proposed bills during his first twelve months in office). Lenin Moreno, in turn, sent two economically urgent bills (out of 7, within the same timeframe).

Another way to frame Ecuador’s executive-legislative relation is to use the Presidential Toolbox concept. This approach proposes that presidents have access to various tools that they can use to push legislation: institutional powers, cabinet positions, partisan strength, fiscal strength, and informal institutions (Chaisty *et al.* 2012; 2018). We know that in the past, executive-legislative relations were shaped by the fiscal context in which presidents operate (Aldaz Peña 2021). Nevertheless, this tool might not be fully available for President Lasso, given the fiscal constraints. The following section discusses how Lasso tried to push economic reforms and how his low partisan strength, inability to build a formal and stable coalition and the country’s fiscal conditions shaped his actions.

⁶ Note that the dimensions of political conflict are not always intuitive. Leaders of CREO and UNES, for example, agree on limited abortion rights, which has allowed for some negotiations on this front.

⁷ For example, during the election of presidents and chairs at the beginning of the 2021 legislative period.

⁸ For example, Ecuadorian presidents can introduce line and complete vetoes, has the monopoly of legislative initiative on specific policy areas and can shape the legislative agenda (e.g., economically urgent bills).

V. POLICY CHALLENGES

For the 2021 election, CREO presented a government plan with three broad axes: social, economic, and institutional. A content analysis of this document shows that the social axis highlighted education, health, and social security as critical issues. The economic axis focused on business, development, and employment. The institutional axis emphasized corruption and foreign policy. The government plan included social and institutional proposals that revolved around 1) improving public services' quality and scope and 2) strengthening state capacities by improving bureaucratic processes, fighting corruption, and seeking international cooperation. However, these proposals had few actionable points. That is, they primarily focused on general claims of improvement.

Economic policy proposals made up 49% of the government plan and were more specific and ambitious. Most of them required passing legislation through the National Assembly as they intended to:

1. reform the financial system to allow operations of international banks, and improve financing conditions,
2. reform foreign trade regulations to reduce exports and imports, transaction times and costs,
3. reform the tax system to improve the progressiveness of taxes and reduce taxes, and
4. reform labor law to ease hiring requirements, stimulate recruitment and reduce unemployment

In addition, the institutional axis entrusted the diplomatic service to promote international investments and commercial agreements. As for public finances, the proposal was to reduce public expenditures, focalize energy subsidies (gas and gasoline), and continue with the extraction and commercialization of hard commodities (petroleum, minerals, and energy).

Although COVID-19 vaccination was not included in this document, towards the end of the campaign for the first round, Lasso announced he would immunize nine million people during the administration's first 100 days. Once in office, the President focused on this, portraying vaccination as "the most important economic program" (Lasso, May 31, 2021). Setting this aside, on the whole, the new government concentrated on economy-related policies. At the same time, the social agenda played a secondary role. However, social demands and a security crisis put Lasso in check once his government achieved the vaccination goals.

This section explains Lasso's economic initiatives and the political maneuvers executed to achieve them in light of the fragmented National Assembly. Also, as a final point, the section briefly addresses the vaccination rollout key points, unmet social demands, and the security crisis.

Economic Reforms: The First Attempt

Lasso's Government aimed to pass a comprehensive economic reform with two main objectives: fiscal and productive. In the fiscal arena, the president wanted a tax reform that could increase income taxes, especially at the right tail of the income distribution. A tax increase would have reduced the persistent fiscal deficit. Importantly, this was part of Ecuador's agreement with the International Monetary Fund (IMF). To address the concerns of the productive sector, the reform also aimed to provide more flexibility to the labor market (e.g., allowing fixed-term contracts, extending the working week, and limiting the formation of unions). The attempt failed.

In September 2021, the president sent a bill proposal to the Assembly (*Ley Orgánica Creando Oportunidades*). Lasso sent the bill as an economically urgent proposal, a presidential prerogative that shapes the timing of the decision-making process. The Ecuadorian Constitution and the Organic Law of the Legislative Function state that presidents can present to congress economically urgent proposals. The Assembly, in turn, has to vote on the bill within thirty days; otherwise, the bill automatically becomes a law. However, while an economically urgent bill can increase its probability of approval, the reforms presented by Lasso were not politically feasible. The progressive income tax rate should have resonated with center and left-of-center parties (e.g., ID, Pachakutik, UNES). Nevertheless, it brought up opposition across the political spectrum. Most legislators openly opposed the tax reform, arguing a defense of the middle class.

We can compare Lasso's planned reform to attempts carried out by the previous presidents. Lenin Moreno, Lasso's predecessor, decided to eliminate fossil fuel subsidies in 2019. While this reform did not require congressional approval, it sparked widespread opposition in the streets. Two days after the announcement, the *Unión de Transportistas* (Transportation Union) declared a strike. The Confederation of Indigenous Nations of Ecuador (CONAIE), the largest indigenous organization in Ecuador, followed suit soon after. After three weeks of confrontation, the president had to step back and opt for a less ambitious reduction of subsidies (Olivares and Medina 2020). By contrast, Rafael Correa increased tax revenues by increasing the value-added tax rate by two points, and by creating a one-off contribution from the net worth of the country's largest firms and contributions from workers' salaries. This was carried out after the 2016 earthquake. Despite the increase in the overall tax burden, Correa was able to push these changes, partly thanks to the qualified majority his party had in the legislature (Meléndez and Moncagatta 2017). These two cases exemplify the challenges of pushing difficult economic reforms in Ecuador and the importance of the control of the legislature.

Lasso also attempted to reform Ecuador's Labor Code. He did not succeed. Legislators argued that such reforms would undercut labor rights. On September 29, only a few days after receiving the proposal, the *Consejo de Administración Legislativa* returned the proposal to the president. The Council argued

that the bill contained different policy areas, something that is not constitutionally allowed. Since this relatively comprehensive bill did not succeed, Lasso was forced to adopt a less ambitious objective, splitting the bill into smaller reforms.

Political Support for Economic Reforms

Lasso has nonetheless found ways to pass some legislation playing up his executive powers and also finding himself with strange bedfellows. Lasso managed to approve his original public budget by leveraging his executive powers. The Assembly made several observations and significant suggestions to the budget proposal received. Legislators suggested increases to the budget of the Ministries of Health and Education; however, the executive did not include these changes. While the Assembly insisted on them, the president got away with the original budget version, given the limited budget prerogatives of the legislature. According to Ecuador's Constitution and public finance laws, the president may or may not include congressional observations in the budget. Lasso opted to follow the latter and passed the initially proposed budget. This decision came at a cost: mainly limiting and undermining his relationship with parties in the legislature.

Trying to push for the tax reform, Lasso found support in what perhaps was the least likely group. Lasso sent another economically urgent proposal in October 2021. The proposal included an increase in the income tax rate and a reduction in tax deductions. The reform also included a tax on individuals with a net worth higher than one million dollars. The government expected to collect approximately USD 950 million per year, which would benefit public finances but not lead to a positive fiscal balance. The legislature's Economic Committee produced two reports for the house to vote on. On the last day of the allowed period, legislators voted on the report produced by the committee instead of the bill itself. The alternative to the president's bill did not reach a majority of votes thanks to the abstention of UNES. While UNES distanced itself from the bill, Lasso's tax reform came into place ultimately thanks to the *correísmo*.

The new tax reforms will likely impact at least two political fronts: the government and the *correísmo*.⁹ For the government, the tax reform represents having a line of communication open with IFIs and access to their resources. Increasing tax revenues in 2022 was one of the agreements signed by Ecuador and the IMF. While the government has faced difficulties following many conditions of the agreement, it has been able to hit some targets while continuing to have IFIs support. This ensures access to additional resources in the following years.

⁹ The implementation of the new tax regime began in January 2022. In theory, an income tax and a net worth tax would reduce disposable income, and with that, private consumption and investments. Thus, GDP could decrease, holding constant other factors. However, whether this theoretical expectation has empirical support or not will only be evident at the end of 2022.

Further, it means - potentially - lower financial costs if the country opts to issue sovereign bonds in the future. The Ministry of Finance has been able to find a complex equilibrium balancing weak support for their fiscal plan, opposition from most parties and former allies (business leaders), and a continuing negotiation with IFIs.

UNES' silent support for Lasso's reform can have further implications for the *correísmo*. Within and outside the *correísmo*, many critical voices condemned UNES' actions in the legislature. Former Correa supporters publicly voiced their opposition to UNES legislative behavior. Within what many considered a united front, these differences suggest the beginning of more profound changes within the party (e.g., the possible formation of factions). These divisions will likely become more visible during the 2023 local elections. We might still be far from asserting that a dislocation occurred in the party system (Roberts 2002). However, it seems reasonable that the government's need to push for economic reforms and its strategies – securing support from unexpected partners – could re-shape the allegiances that voters showed in 2021. As left-of-center parties support part or some of Lasso's policy agenda, their voters might leave them.

Vaccination, Penitentiary Crisis, and Other 2021 Issues

One of the key actions that Lasso successfully pursued was the vaccination of the Ecuadorian population. The first shipment of COVID-19 vaccines arrived in Ecuador during the height of the 2021 electoral campaign on January 21. The arrival of a small box with 8000 doses (enough only for 4000 people) caused indignation amongst the population. Lenin Moreno's administration started its vaccine rollout with a small number of doses. Shortly after the program's start, a series of complaints suggested a possible influence-peddling case on the first vaccination list. The scandal, called "vaccinated VIPs," included the mother of the then-Minister of Health, several public figures, and the Rotary Club members. By the end of Moreno's term (May 2021), less than 500 thousand Ecuadorians were fully immunized, and the president left with only 4% of approval. Lasso and his followers used the issue to both criticize the outgoing government and frame the actions of his future administration: immunization was the first step towards the reactivation of the economy.

The "Vaccination Plan 9/100" began in June when 57% of the population considered Lasso's Administration to be good or very good (The Americas Barometer LAPOP 2021). The government met its vaccination goal by September. Thanks to a collaborative approach that included social organizations, the private sector, and international cooperation, the vaccination rollout was fast and efficient. These public and private actors were fundamental blocks for vaccine purchasing, vaccination logistics, and promotion. As Cyr, Bianchi, and Gonzalez (2021) show, in Latin America, collaborative governance strategies where the national government included other actors as key to the contention of the

pandemic have been more successful than those that only used State capacity. Ecuador is an example of such a case.

The implementation of this policy reduced social anxieties regarding the pandemic. Public opinion surveys carried out between December 2020 and February 2021 showed that the vast majority of Ecuadorians (70% and 96%, respectively) disapproved of Moreno's performance during the pandemic and were very dissatisfied with the health system's capacity to deal with the sanitary crisis (Abad Cisneros 2021; Castellanos Santamaría et al. 2021). However, by September 2021, 96.3% of the population considered that the vaccination pace was "good" or "very good," 74% approved Lasso's government, and 59% thought that the country was going in the "right way" (CEDATOS 2021).

The government tried to capitalize on the success of the vaccine program rollout. All official communication channels emphasized how the "government of unity (*gobierno del encuentro*)" managed to put forth an ambitious, efficient, and "transcendental" initiative that would open the door for economic reactivation. However, Lasso's public support was rapidly undermined. Problems in the Public Health System, namely shortages of medicines, delays in payment to suppliers, and budgetary issues with the Ecuadorian Social Security Institute, started affecting the most vulnerable population. These problems showed that despite the successful vaccine program, structural issues of the Ecuadorian health system remained unattended.

Although not necessarily involving the executive, corruption scandals damaged the image of all politicians and public servants. During the sanitary emergency, several legislators and government officials were involved in corruption networks related to the construction of public hospitals, and overpriced sanitary supplies (Abad Cisneros 2021; Castellanos Santamaría et al. 2021). In December 2020, there were reports of at least 196 open cases for bribery, embezzlement, and organized crime (El Comercio 2021). 2021 was no exception. The Attorney General's office investigated five corruption plots involving public servants from the Comptroller General, the Police, Petroecuador, and other public institutions (Primicias 2022). According to Transparency International's Corruption Perception Index, in 2021, the country ranked 105 among 180 evaluated countries, while in 2020, it ranked 92.

Finally, the worsening of the prison system crisis highlighted the government's slow reaction, lack of experience, and inability to handle pressing issues and structural deficiencies. In 2018 human rights organizations acknowledged a crisis in the Ecuadorian Penitentiary System. According to the Permanent Human Rights Committee in 2018 and 2019, prisons represented a considerable risk for those deprived of liberty. The organization denounced acute overcrowding, acts of extreme violence, and torture inside the country's most important detention facilities (CDH 2019). The situation exploded on February 23, 2021, with the assassination of 79 inmates during riots that occurred in the

penitentiaries of Guayaquil, Cuenca, and Latacunga, which “host 70 percent of Ecuador’s prison population” (Vivanco 2021).

Lasso did not put actions toward the jails at the center of his work. This was not entirely unexpected as even though the February events took place after the presidential first round, the problem did not reach the center of the electoral agenda. Security was not a prominent issue among the leading candidates during the 2021 electoral campaign. CREO, UNES, Pachakutik, and ID programs focused mainly on education, economics, health, and social justice. Further, Lasso’s inaugural address did not mention internal security or the Penitentiary System.

In July 2021, another penitentiary riot took place, leaving 22 inmates dead. Lasso declared a state of emergency within the prison’s perimeter. The decree allowed the mobilization of military personnel to control the violent actions of criminal organizations related to drug trafficking. According to the government, these organizations were fighting for prison control (Maydeu-Olivares 2021; Vivanco 2021). The state of emergency proved insufficient. The government faced similar episodes in September, October, and November, thus challenging its capacity to maintain order.

In November, the National Assembly unanimously approved a report on the situation of the penitentiary system. The document recognized that the penitentiary population surpassed the installed capacity by 40%. The system was not complying with international standards regarding detainee care, such as separation of inmates according to age, type of crime or security levels. It concluded that Ecuador did not have a criminal policy with a human rights approach (El Universo 2022). The year ended with a general escalation of violence: official records registered the assassination of 300 inmates and more than 2000 homicides, twice the number registered in 2019 (El Universo 2022). In response to the situation, the government expanded the state of emergency to various provinces. It also established an international Pacification Commission and proposed a national security bill widening the scope of action of the police and the military.

Human Rights activists and organizations pointed to the reactive nature of these initiatives. They emphasized the measures did not address the main problems of the penitentiary system. According to the UN High Commissioner of Human Rights, Ecuador’s “highly punitive war on drugs, insufficient budget and personnel, absence of appropriate statistics, inadequate separation of inmates,” along with the violent confrontation between rival criminal gangs are the factors exacerbating the problems within the detention centers (OHCHR 2021).

By December 2021, only 38% of Ecuadorians from the four major cities (Quito, Guayaquil, Manta, and Cuenca) considered that the government was doing a “good” or a “very good” job (Perfiles de Opinión 2022). This significant decline in citizens’ satisfaction with the government pointed to the end of a rela-

tively short (barely six months long) honeymoon. At the same time, there was a change in the official discourse regarding executive-legislative relations. In September, the president publicly stated that he would call for a Constitutional Referendum if the National Assembly blocked governmental initiatives. In October, he refused to clear his involvement with the Pandora Papers in the plenary of the Assembly. Lasso's attitude towards the legislature changed once more in December. As we explained in previous sections, after the National Assembly denied the government's first economic attempt at reform (Ley Creando Oportunidades), the president was forced to comply and seek support inside the legislature.

VI. DISCUSSION AND CONCLUDING REMARKS

Ecuadorian politics in 2021 resemble a return to the past. Pressing policy challenges within a politically fragmented scenario characterized the year. The economic and social aftermath of the pandemic was the background of the 2021 general elections and created economic and social demands for the new government. Guillermo Lasso was elected president partly based on a platform that gathered the *anticorreísmo* side of the electorate. Those within that group (e.g., ID and Pachakutik) found a meeting point that fostered a short-lived coalition. This coalition helped the government's party, and the coalition members to secure their appointment as authorities in the legislature. Yet, the coalition dissolved shortly after. The policy differences within the *anticorreísmo* camp halted Lasso's economic reforms. Lasso opted for less ambitious and costly policy changes with limited success. This scenario resembles the executive-legislative relations of the 1990s and early 2000s: pushing reforms in a fragmented congress with limited tools for political cooperation.

The political dynamics observed in Ecuador throughout 2021 account for eroding executive-legislative relations. These phenomena favored old political practices: the formation of informal and temporary alliances to carry out governmental policies in exchange for narrow interests of parties and legislators. Given Ecuador's polarized political environment, coalition building within the National Assembly moving forward will depend on the short-term arrangements and *quid-pro-quo* among political parties that do not see eye-to-eye in most policy areas. The current scenario is reminiscent of the pre-2008 congresses, characterized by high fragmentation, *ghost coalitions*, non-programmatic agreements, *camisetazos* (party-switching), and instability (Mejía Acosta 2009).

The current institutional design gives the president powers that allow him, to some extent, to overcome blockages in the legislature, but at a cost. The primary tool available to the president is the ability to govern by decree and approve legislation on urgent economic matters by the Ministry of Law. With the positive results from his political maneuver to pass his major tax reform, it seems likely that Lasso will resort again to the same strategy. However, there are significant constraints. First, the executive can only use decrees for economic leg-

isolation; the president would still need to secure a majority in the legislature if he wants to push legislation in other areas (e.g., higher education, security). Second, the extensive use of decrees can antagonize the legislature, and the formation of potential coalitions can become less likely. With local elections on the horizon (February 2023), the negotiation to build coalitions will become increasingly complex. As the executive manages its political capital, parties will calculate the costs of supporting a minority government.

Parties and the party system in Ecuador could also be affected. From the perspective of Lasso's government and party, governing through a crisis with limited political and fiscal space could lead to future electoral defeats. UNES (*correísmo*), PK and ID, three arguable left-of-center parties, have not been able to use their legislative positions and programmatic proximity to advance a policy-driven agenda. Hence, three of the four parties with higher legislative representation could have electoral problems in the upcoming elections. In turn, this could lead to new electoral allegiances and a volatile party system, again.

Complex executive-legislative relations and limited capacity to address social demands can have further political implications. In the short run, this situation reduces the probability of legislative cooperation for the remaining years of Lasso's term, as discussed above. On a longer horizon, there might be more difficult problems ahead. In the nineties, the *modus operandi* described in sections 4 and 5 led the country to significant political, economic and social crises. The instability caused successive presidential interruptions (none of the presidents elected between 1996 and 2003 completed their tenure), the erosion of traditional political parties, and limited the state's capacity to govern the economy (Mejía Acosta, *et al.* 2009; Basabe Serrano, *et al.* 2010). Today, we can expect similar outcomes. In perspective, Correa's 10-year period can be seen as an oasis of political stability and policy changes between periods of instability and limited resoluteness. Given that Ecuador adopted a new Constitution in 2008, the current phase of instability might not have to do with institutional design alone but with other factors that have yet to be explained. In any case, this is an unwelcome *deja-vu*.

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