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# ECUADOR



Capital: Quito  
Area: 283,560 km<sup>2</sup>  
Population: 10,490,000  
Population density: 37/km<sup>2</sup>  
Urban population: 55%  
Per-capita GDP in USD: 1,120 (1988) (a)  
Life expectancy at birth: 66 years (b)  
Infant mortality rate: 60‰ live births (1990) (c)  
Illiteracy: 13.1% (d)  
Population under poverty line: 65.2% (1988, urban)  
90.6% (1982, rural) (e)  
Human Development Index 1992: 0.641 (77th) (f)<sup>1</sup>

## The challenges of productive change, overcoming poverty, and shaping a multiethnic society

In the 1980s and early 1990s, Ecuadoreans experienced the effects of one of the severest economic crises in the country's history, a crisis accompanied by stringent stabilization and structural adjustment policies. The social costs of the crisis and those policies have been very high: a loss in the buying power of wages, an increase in unemployment and underemployment, the spread of the informal economy, greater social inequalities, and the rupture and dismantling of social policies adopted during the 1970s. All this has particularly affected the urban poor and peasants; a large proportion of the latter are indigenous people (40% of the population is Quechua-speaking). In recent years, in consequence, there has been a widely recognized sharpening of social conflict in various social sectors, including indig-

enous peoples who, in 1990, led a strong protest movement against their long-standing marginalization and deterioration in living standards.

Following the elections of July 1992, which were won by Sixto Durán, a conservative, the gradualist approach to structural adjustment was abandoned and the pace of liberalization and deregulation of the economy quickened. The "package" of adjustment measures launched by the new administration had an immediate effect on the population because of its major increases in prices and the consequent fall in the purchasing power of wages. Labor and social unrest increased during the final months of 1992 as a result. In sum, Ecuador faces the enormous challenge in the 1990s of meeting the basic needs

of a huge majority of its population, which is now poor and marginalized.

The crisis was preceded by almost a decade of economic boom, as in 1972 the country began to export oil, which soon became its main export product and today represents 54% of export revenues. Foreign exchange revenues from oil exportation transformed the country, which rose from being among the poorest in Latin America in the 1970s to become one considered "of middle-level income" at the start of the 1980s. The economic boom caused by oil encouraged accelerated industrialization and unprecedented concentration of the population in urban areas as a result of countryside-to-city migration, which also had roots in the state of abandonment and chronic poverty in rural areas. In the context of an expansive economic policy fed by oil-produced foreign exchange revenues, social policy was expanded, though at the same time its paternalistic and charitable nature was reinforced. Social outlays grew by 35.9% annually between 1973 and 1981, and in the latter year represented 6.5% of the gross domestic product (GDP)—the highest proportion in the decade.

Since the beginning of the 1980s, the country has confronted a fall in international oil prices and a high external debt, contracted during the 1970s, which have made the fragile basis of the previous decade's economic boom clear. The "debt crisis" exploded in 1982 and recession began. During the administration of León Febres Cordero, from 1984 to 1988, an agreement was established with international financial agencies under which 34% of export revenue would be allocated to external debt payment. As a result, social expenditure began a precipitous fall and inflation (between 23% and 75% annually since 1983) became a daily factor in the country's economic and social life. The crisis was sharpened by a new, 50% fall in oil prices in 1985 and 1986, as well as by natural disasters, such as the 1983 floods, which affected almost all agricultural production in coastal areas, and the March 1987 earthquake which, by destroying the trans-Ecuadorean oil pipeline, paralyzed oil exports. In 1986, a general strike gave voice to the dis-

content of large segments of the population with the effects of the crisis and adjustment. When Rodrigo Borja's administration took office in 1988, the external debt amounted to USD 11,000 million, unemployment stood at 15%, and the budget deficit represented 17% of the GDP.

The Borja administration continued to apply adjustment measures and fiscal reforms, the result of which was to stabilize inflation at about 50% annually and restore positive economic growth rates. In part this was due to a favorable international market, and in particular to successive increases in oil prices and flourishing banana exports. Despite such improvements, the enormous external debt which had accumulated continued to burden the country's economy and it was impossible to reverse the impoverishment of the population since real wages continued to decline. In this context, the drug-trafficking economy (production and marketing of coca and foreign-exchange laundering) has taken on an increasingly important role, so much so that, according to various estimates, it represents 18% of the foreign exchange entering the country and is equal to about 25% of legal exports.

### **The employment situation and the labor market**

The Ecuadorean labor market has been affected by the economic recession and low utilization of productive plant. In manufacturing, for example, only 67.4% of installed capacity is used. Because of such factors, capacity to absorb labor has gradually diminished. Other useful indicators of the weakness of the Ecuadorean economy in providing jobs to the population are the impact of the "family" or household sector and of "formal" wage earners on national accounts. In 1982, the "family" sector generated 44% of incomes, while the remaining 56% came from the state and the private sector. There has been an increase in this trend in recent years. As well, the impact of wage earners on the GDP, in a period in which

the GDP declined, fell from 30% in 1981 to 12.7% in 1990.

Unemployment rose from 5.7% of the economically active population (EAP) in 1980 to 14% in 1989, though governmental sources placed it at 8.5% in the latter year. This means that between 300,000 and 500,000 of the country's people lack work. It is estimated that underemployment also affects a large segment of the work force—perhaps 40% to 50% of the EAP, or about 2 million people.<sup>2</sup>

The deterioration in real wages and high unemployment and underemployment have led family units to practice varied survival strategies in the informal sector. According to the most recent estimates, 36% of Ecuadorean workers were in the informal sector in 1989.<sup>3</sup>

On the basis of demographic projections by the Latin American Demography Center (CELADE), it is estimated that during the coming 20 years, at least 5 million jobs, or about 230,000 jobs a year, will have to be created to offset population growth and solve present unemployment and underemployment. To achieve this goal, the country should achieve an economic growth rate of about 10% yearly. This goal is extraordinarily difficult, and impossible to fulfill in the short term. The economy grew by 1.9% in 1991, a percentage that barely offset population growth and did not bring about a decrease in unemployment and underemployment.

### **The social dimension of the crisis: the poverty situation and social policies**

Ecuador has not escaped the impoverishment that Latin America has experienced. Even at the beginning of the 1980s, 40% of the urban population had unmet basic needs. Estimates by the Inter-American Institute for Agricultural Cooperation (IICA) are that 65% of the rural population (2,781,000 people) lived in poverty and 20% (856,000) lived in extreme poverty in 1980.<sup>4</sup> Other estimates, by the United Nations Economic Commission for Latin America and the Caribbean

(ECLAC) and the United Nations Development Program (UNDP), are that 67.2% of the country's population in 1982 had unmet basic needs. According to these data, poverty affected 43.4% of the urban population and 90.6% of that in rural areas.<sup>5</sup>

Although rural poverty has remained dominant, urban poverty experienced a bigger increase during the 1980s. Whereas between 40% and 43% of the urban population was considered poor in the decade's early years, data from the National Household Survey of 1988 revealed that the proportion of the urban poor had reached 65.2% in that year.

According to that survey, 27.2% of the urban population were "chronic poor," or those considered the poorest because they lack adequate income and are unable to meet other basic needs. These are people who also suffer, in whole or in part, from ramshackle housing, illiteracy, lack of potable water and sanitary facilities, and no access to health services. Of those surveyed, 27.7% lived in "recent poverty"; they are also called the "new poor." These are households pushed into poverty by deteriorating incomes or real wages in a process of "downward mobility" stemming from the crisis and adjustment. Their incomes do not allow them to meet the cost of the basic basket, but they can satisfactorily meet other essential needs—housing, education, water, and sanitation—"inherited" from earlier times when they still had satisfactory incomes. The remaining 10.3% of the population were "inertial poor," or those families that, though their incomes were above the poverty line, had one or more unmet basic needs, such as housing, stemming from a worse earlier situation.<sup>6</sup>

Differentiating among the "new poor," "chronic poor," and "inertial poor" is useful in formulating varied policies to deal with poverty. Thus, while the "new poor" only need to recover their lost purchasing power, sectoral policies dealing with specific shortfalls in housing, infrastructure, and education are needed for "inertial poverty." Finally, the "chronic poor" require

comprehensive policies which deal simultaneously with the many facets of their situation.

Inflation and resulting loss of buying power were factors that caused the number of poor and their proportion in the entire population to grow during the decade. Real wages dropped by 13.8% in 1981, 10.4% in 1982, and 11.5% in 1983. Between 1984 and 1986 they stabilized and even increased slightly (by 1.2% in 1984 and 3.3% in 1986) but, starting in 1987, they again fell heavily (7.3% in 1987 and 16.1% in 1988).<sup>7</sup> In 1979 sucres, the real wage declined from ECS 3,756 in that year to ECS 1,131 in 1991, which means a cumulative reduction of 60% during the 12 intervening years. As a result, the legal minimum wage, fixed at ECS 44,000 in 1991, covered only 41% of the monthly food basket and 16% of the basic needs of a five-person family, according to calculations by the Central University of Ecuador.<sup>8</sup>

Because of the deterioration in real wages, households whose incomes were near the poverty line and which depended on wages were pushed into the "new poor" category, which grew quickly during the 1980s and, as noted above, represented almost a third of the urban poor in 1988.

The Social Democratic administration of Rodrigo Borja, from 1988 to 1990, created various programs to pay the "social debt" by confronting poverty and its manifestations in the areas of health, nutrition, and employment. Among them were the Child Development Community Network and the Child Development and School Breakfast Program, both aimed at children; the New Jobs Program, to create jobs through infrastructural works; and the National Corporation to Support People's Economic Units (CONAUPE) and the National Economic Solidarity Program, intended to create, promote and support small businesses.

These programs and funds represent a different approach in social policy. In contrast to the universality and charitable approach of the policies implemented in the 1970s, an attempt has been made to develop a strategy focused on sectors with less income and greater concentration of poverty. Nevertheless, it has been noted that,

despite this approach, the proportion of the budget allocated to social expenditure declined during that period. Paternalism and a charitable approach have also persisted, and the multiplication of initiatives has resulted in fragmentation and lack of coordination of policies, as a result of which the desired results have often not been achieved.

### **Health, environmental sanitation, nutrition, and food security**

It is obvious that the health conditions of Ecuadorians have experienced the effects of the crisis and adjustment policies. They have been manifest in deterioration of coverage, services, and equipment as well as in the growing demands of a population in greater vulnerability. A significant indicator is the change in resources allocated to health care. State expenditure on this sector has been in clear decline. In 1981, expenditure on health care represented 7.7% of public expenditure and 1.3% of the GDP. In 1990 it was only 4.2% and 0.6% of the GDP. Because of natural disasters, there were slight recoveries in 1983 and 1987. In 1991, because of the cholera epidemic, there may again have been a rise.<sup>9</sup>

Ecuador's health care system is composed of the Ministry of Health's services and establishments, which cover about 70% of the population, the Ecuadorean Social Security Institute (IESS), the Charities Board, the Armed Forces, and private bodies. At the end of 1986 there were 2,567 health establishments, of which 369 were hospitals and 2,198 were outpatient clinics, which covered different areas of care. The Ministry of Health had almost half of the total. The IESS had nearly 30%, and the Armed Forces and Charities Board accounted for close to 10%. The remaining 11% were in private hands.

There is also a significant nonformal health system, especially in indigenous and rural areas. This covers a sizable segment of the population, especially in obstetric care.

IESS coverage has increased steadily in recent years. In 1970 it covered 14.8% of the EAP, in

1980, 21%, and in 1988, 25.8%. When compared with the total population, however, its coverage is much less—around 13.4% of Ecuadorians in 1988. The social security system is characterized not only by its low overall coverage but also by its poor efficiency, since 22% of its expenditures are administrative, compared with an average of 2% in industrialized countries, and its hospital bed occupancy rate is only 58%.<sup>10</sup> According to Inter-American Development Bank estimates, expanding the coverage of the present system to the entire population would require increasing expenditure from 3.7% to 39% of the GDP, something that shows that reform is needed and imaginative formulas must be adopted in order to expand coverage without major spending increases.<sup>11</sup>

At the basic care level (first aid, the most common disorders, clinical emergencies, community health activities), there are 220 health posts and 859 health subcenters, the latter in rural areas, which belong to the Ministry; 43 type B and C dispensaries and 298 auxiliary dispensaries belonging to IESS; 396 Peasant Social Security dispensaries covering around 400,000 people, and 73 Armed Forces dispensaries. At the next level, outpatient and hospitalization care is provided in the basic specialties: deliveries, surgical and medical emergencies, and elective surgery of medium complexity. For this purpose the Ministry of Health has 54 urban health centers, 82 cantonal hospitals, and 20 provincial hospitals; IESS has six type A dispensaries and 15 local and provincial hospitals, and the Armed Forces have 12 brigade hospitals and polyclinics. Finally, at the third level there are hospital centers that care for clinical and surgical conditions of greater complexity.

The Ministry has one specialized hospital and 15 hospital units specializing in various pathologies. IESS has two regional hospitals in Quito and Guayaquil, and the Armed Forces have the National General Hospital in Quito. The Charities Board of Guayaquil has four establishments at this level.

Among health establishments, 55.2% are in the Sierra, 36.4% are in coastal areas, 8% are in

Amazonia, and 0.4% on the islands. By province, the largest concentrations of hospitals are in Pichincha (19%), Guayas (15.2%), and Manabí (8.3%). The provinces with fewest hospitals are Galápagos, Zamora Chinchipe, Pastaza, Bolívar, and Carchí, which have between 0.4% and 2.2% of the total. It is thought that 71% of rural parishes have health care units of some kind. The coastal region has the highest proportion of health units with physicians (77%), while the Amazonian region has the lowest (52.8%).

Despite the apparent extent of health services, there are serious problems that limit their effectiveness and development possibilities. They are quite centralized and bureaucratic,<sup>12</sup> there are major shortcomings in record-keeping and planning, and the ratio of beds per thousand population is 1.78, which is well below the two beds the health authorities believe would guarantee minimal coverage. The greatest inadequacies in these indicators occur in rural and the most remote areas (Amazonia, for instance). Medicines and other medical inputs (e.g., radiological ones) are chronically in short supply and staff wages are very low, which has created serious labor conflicts that have repeatedly paralyzed medical service. There are more physicians than nurses, and the number of dentists is extremely small. Personnel are concentrated in Pichincha, Guayas, and Azuay, to the detriment of the most backward rural areas. As for social security's medical service, in addition to its legal obsolescence, its coverage is small and there is a serious imbalance between contributions and services provided.

Although the mortality rate has fallen from 12.7‰ inhabitants to 5‰ inhabitants today, Ecuador has both what have been called "diseases of underdevelopment" and those of developed countries. This translates into high child morbidity and mortality rates, mostly due to communicable diseases, and also an increasing importance among causes of death of chronic and degenerative conditions related to urbanization and industrialization, such as ischemic heart disease. The incidence of such diseases multiplied fivefold between 1960 and now. The rate of hospital

discharges for gastric and cervical cancer grew fourfold during the same period, and gastric cancer had the most pronounced increase. The incidence of deficiency disorders (malnutrition, avitaminosis, and anemias) has also been increasing.

Other health problems affecting the population at large are malaria, dengue, taeniasis, and cysticercosis. Malaria continues at high levels: it increased at mid-decade until it reached 76,000 cases in 1984. Fifty-three thousand cases were recorded in 1988. Although there was a significant reduction in Esmeraldas, the main area affected, the number of cases increased in 12 other provinces. More than 23,000 cases were reported in 1989, though it is thought that, because of labor problems, there was 40% underrecording in that year. Sucumbíos, Los Ríos, Esmeraldas, Manabí, and Guayas are the most affected provinces.<sup>13</sup> Inadequate spraying coverage and the persistence of malarial foci indicate that a large number of cases will continue to be reported in the future.

There was a major epidemic of dengue in 1988 in Guayaquil and other Pacific areas whose combined population was about 3 million. The index of affected houses remains at 4% in parts of Guayaquil. Teniasis and cysticercosis exploded between 1983 and 1987, from 0.13 to 1.73 cases per 100,000 population for cysticercosis and from 0.86 to 299.5 cases for teniasis.<sup>14</sup> The incidence of AIDS is relatively low, with 179 cases in 1991. In most cases, the disease is transmitted homosexually or bisexually, though heterosexual transmission is increasing.<sup>15</sup>

Cholera has become a serious public health problem. At the end of 1991 the cumulative number of cases was 44,126, which put Ecuador in second place in Latin America, after Peru, in the incidence of the disease. Rural areas are those most affected. Unboiled water and foods handled without proper precautions are the most common transmission routes.<sup>16</sup>

Maternal mortality dropped from 2.4‰ to 1.7‰ live births between 1960 and 1989. The proportion of professionally attended births grew between 1980 and 1989 from 73.2% to 78.7% in

urban areas and from 20.2% to 28.1% in the countryside. Complications resulting from illegal abortions are an increasing cause of maternal hospitalization and mortality. Only 5% of pregnant women have been immunized against tetanus.

In 1989, infant mortality was 66‰ live births, and in 1990, 60‰. Mortality in children less than five years old decreased from 185‰ live births in 1960 to 85‰ live births in 1989. The two indicators still represent very high levels. The leading causes of death in this age group are communicable diseases, especially acute diarrheal diseases, respiratory infections, which account for 43% of the causes of child morbidity, and diseases preventable by immunization. In 1989, immunization coverage of infants less than one year old was only 66%. In fact, the incidence of diarrhea in children aged 0 to 5 years is 4.1 episodes per child per year; this indicator is one of the highest in developing countries. The period between 6 and 35 months of age is that most affected since children in that range have from 6.5 to 7.1 diarrheal episodes a year. The greatest incidence occurs in poor children. As for neonatal mortality, the leading causes are low birth weight and prematurity. Both have increased due to deterioration in the coverage of perinatal health services and low coverage of pregnancy and delivery control. The deficient nutrition and health of a large number of mothers is also related to this fact.

Because of the differences in child mortality between rural and urban areas, a child born in Quito has twice the chance of living as an indigenous one in a rural area. There are also differences between regions. It was estimated in 1984 that child mortality was 48.7‰ in the Sierra and 38.3‰ in coastal areas. The Sierra provinces with the highest child mortality were Cotopaxi, Chimborazo, Imbabura, Tungurahua, and Bolívar, while along the coast they were Los Ríos and Guayas.

The high incidence of malnutrition is one of the most serious problems facing Ecuadorean society and children. Several indicators clearly show this. First, the low weight of newborns,

which affects 11% of them, shows that the problems of child malnutrition often originate during the mother's pregnancy. Second is the weight-height-age ratio. According to United Nations Children's Fund (UNICEF) data for 1980-1989, moderate to severe weight insufficiency of less than 75% of the average for a given age in children under five years affected about 17% of the children in that age group, while moderate to severe shortness affected 39%.<sup>17</sup>

Overall, and according to a recent national survey, 49.4% of Ecuadorean children less than five years old suffer from chronic malnutrition, 37.5% from general malnutrition, and 4% from acute malnutrition.<sup>18</sup> In absolute terms, this means that there are more than 623,000 children with height deficiencies, 473,000 with weight deficits, and 50,000 who are weight-deficient in relation to their height. Andean rural areas are those that have the highest proportion of child malnutrition, which affects 30% younger than six months and 60% younger than five years.

Although per-capita food production increased by 9% between 1979 and 1989, daily calorie consumption at mid-decade was 89% of that required. The increase in malnutrition is related to the great loss of purchasing power of the population's wages and incomes more than to a reduction in the availability of foodstuffs for domestic consumption in the country. During the 1980s the proportion of imported foodstuffs in total consumption increased slightly, from 9% to 12%.<sup>19</sup> Nevertheless, external dependence on cereals, which did not exist in 1980, grew strongly since in 1990, 27.7% of cereals consumed in the country were imported.<sup>20</sup>

During the decade, the availability of potable water and sewerage increased significantly in rural areas, though overall coverages dropped because of the increase in population. In urban areas, deterioration in environmental sanitation and the growth of marginal neighborhoods was very noticeable. In 1980, 79% of the population in cities had potable water; in 1988, the proportion was only 60%. Between those two years the proportion of urban population with sewerage decreased from 73.1% to 55%. In 1980, 80% of

rural dwellings lacked water, while 63% did in 1988. Sewerage availability doubled from 17.2% of dwellings in 1980 to 34% in 1988.<sup>21</sup>

According to Pan American Health Organization (PAHO) estimates, 60% of the population of the main cities has waste collection service. The basic problem in this area is open-air dumps. A national program has been instituted to convert dumps into sanitary landfills.<sup>22</sup>

### Housing, basic services, and urban marginalization

It is estimated that in 1991 the deficit in dwellings, including those that did not meet housing standards, was about a million units. The trend was upward during the decade since, in 1980, according to governmental data, the deficit was 683,000 dwellings and in 1985 it was 885,000. One of the reasons for this was the slowing pace of the construction sector, which experienced strong negative growth rates, falling by 7.6% in 1983, 14.1% in 1988, and 4.9% in 1990. Today this is one of the country's most serious problems.

The cities that face the greatest problems of urbanization, lack of housing, and related services are those that have received the largest numbers of migrants. Guayaquil, with 2 million people, is the city with the greatest problems of urban marginalization since it has a housing deficit which affects 30% of its inhabitants, and more than 50% lack sewerage and somewhat more than 40% do not have potable water service. Of Quito's 1.5 million residents, 14.1% lack adequate housing, 15% do not have potable water, and 32.7% lack sewerage services. Cuenca, the country's third largest city, has a housing deficit of 14%, does not provide potable water to 4.2% of its residents, and 30% lack sewerage.<sup>23</sup> Marginalization has different forms. Thus, while Guayaquil has marginal areas in its suburbs, a large proportion of Quito's marginal population lives in slums (*tugurios*) inside the city.

Various demographic projections<sup>24</sup> estimate that in 2025, Quito's population will be between 3.5 and 4.3 million, while that of Guayaquil will be between 4.7 and 5.7 million. The coastal areas have grown more rapidly than other parts of the country. Santo Domingo de los Colorados, which, it is estimated, will grow from 72,000 residents in 1982 to 720,000 in 2025, illustrates these trends. This will mean that housing, water, and sanitation requirements will be much greater. It is estimated that the potable water deficit in Quito will be 243,600 cubic meters daily in 2000 and 455,000 in 2025. In Guayaquil, the deficit estimated in 2025 is 605,500 cubic meters. The same problems exist in sewerage. The conditions stemming from the crisis and adjustment make it difficult to deal with these problems, despite their present magnitude and the fact that their social and health consequences may be much more difficult to resolve in the future

### **Ethnic and cultural conditions and problems**

One of Ecuador's unsolved structural problems as a multiethnic country is the situation of its indigenous people. This problem has existed throughout the country's history, from the period of the Conquest, but has assumed greater importance in the national agenda because of the mass uprising led by the indigenous communities in 1990

Around 1980, the indigenous peasant population of Ecuador numbered more than 3 million, distributed in 22 ethnic groups and constituting 60% of the country's small farmers. Around 40% of the population is Quechua-speaking. For decades, indigenous communities have experienced the negative effects of capitalist modernization of Ecuadorean agriculture and, in particular, gradual fragmentation of the traditional peasant economy and dissolution of peasants' societal standards and communal ways of living. The result was expulsion of the indigenous population from rural areas, a population that migrated to

marginal urban areas, and deterioration of its living standards in general.

During the 1980s this situation worsened. The average size of a small farm dropped from 0.68 hectares in 1974 to 0.29 hectares in 1985. Credit support for small producers, from which indigenous peasants benefited, has also fallen significantly. Forty percent of the National Development Bank's agricultural portfolio was invested in small producers in 1985, but in 1991 that proportion was only 27%. The prices of agricultural inputs increased at the same time that prices for agricultural products were declining. Unemployment in sectors that traditionally required indigenous labor, such as construction, grew as a result of the crisis.

This situation exploded in May and June 1990, when 10 indigenous groups revolted in a strong grievance movement protesting their age-old neglect and the deterioration in their living standards. The movement, led by the National Indigenous Confederation of Ecuador (CONAIE), revolved around the following grievances: fulfillment of the Saracuyu agreements; recognition of land rights and agrarian reform; control and limitation of oil prospecting and drilling on Indian lands; a halt to timber concessions in Amazonia; bilingual education; expulsion of the Summer Institute of Linguistics (SIL);<sup>25</sup> recognition of customary indigenous law; demands for basic infrastructure in communities (health care, water, education); legal recognition of indigenous medicine, better living standards (prices, wages, etc.); and constitutional recognition of Ecuador's multiethnic nature.

The Social Democratic administration, despite having been the first to articulate tentatively a more open and clear policy dealing with the indigenous question, reacted to the uprising with traditional rhetoric and armed force, which polarized the confrontation. Rounds of dialogue later began between the Government and indigenous leaders in which the main matters raised by the latter were included in the agenda. Apart from a few land grants, these conversations have not yet achieved concrete results. A major point of friction has been the trial of a thousand indige-



nous persons for their participation in the uprising.

It must be noted in this context that the indigenous movement, which is still vigorous, is not free from internal contradictions and is going through a phase of defining its proposals. The future of the indigenous question is thus uncertain. Andean integration will create new pressing matters in the country's political agenda, as a result of which the dialogue may lose relevance.

### The education situation

Education has also been affected by structural adjustment and, particularly, reduction in social spending. Only in 1981 was the constitutional mandate to allocate at least 30% of governmental spending to education (4.9% of the GDP) fulfilled. The proportion actually allocated decreased during the decade until, in 1990, only 17% (2.4% of the GDP) was assigned to education. This decline has particularly affected investments, since today 91% of the education budget goes to operating expenses and between 3% and 4.6% to buildings and equipment.<sup>26</sup>

The effect of adjustment on education has not only been deterioration of teaching services. School attendance has also worsened since many children and youths have had to enter the labor market early, thus dropping out of school or attending it under very difficult conditions. This reality has also affected teachers because of their low wages.

Despite such problems, education indicators show some progress. The enrollment rate in primary schools grew from 113.1% to 116.8% between 1980 and 1988, while in secondary schools it increased from 46.8% to 47.5%. The continuance rate also improved, increasing from 77% to 79.9% in primary schools and from 46.8% to 47.5% in secondary schools.

Intermediate-level instruction requires changes and reforms to bring it more up to date and match it to occupational and higher education needs, specifically by increasing and diversifying the technical diploma course.

The quality and institutional structure of university education deteriorated at the same time as the number of faculties and centers increased and problems of mass education became widespread. The number of faculties doubled, from 97 in 1978 to 192 in 1988. There is almost no research activity.

Illiteracy affected 17% of the population in 1985 (15% of males and 20% of females). Adult literacy campaigns were conducted during the decade, promoted by the Christian Democratic administration from 1981 to 1984 and the Social Democratic administration from 1988 to 1992. The latter campaign had limited results since illiteracy was reduced from 16.4% to 13.1% of the population.<sup>27</sup> Non-formal education promoted by the Government has produced useful results, however, in organizationally strengthening marginal urban sectors and rural indigenous communities.

### The situation of women

Ecuadorean women have experienced the effects of the crisis, adjustment, and poverty in ways different from men, and they additionally suffer from the problems of discrimination characteristic of a society dominated by patriarchal cultural patterns. The female unemployment rate is double that of men, sexual harassment at work is common, and the average pay women receive is less than that of men in similar work categories and jobs. The view that household tasks are not "work" persists, as a result of which 80% of women are considered "inactive."

Many women from low-income households have been forced to join the labor market because of falling family incomes. According to Central Bank data, the participation of women in "poorly defined activities" and "new jobs," categories merely representing the informal sector, grew significantly, from 24.6% of the female EAP in 1983 to 28.7% in 1987.

In rural areas, the role of women in productive tasks has increased because of male emigration to cities or abroad. This growing entry of

rural women into work has not resulted in an improvement in their social esteem. In this vein, it has been noted that the traditional "woman-home" role is less exploitive than the "woman-home-production" role. This has also been called the "double work day."

In education, the number of women in intermediate and university teaching grew during the decade. The secondary school enrollment rate of females is higher than that of males, and university matriculation has been "feminized," though women continue to choose curricula with less occupational prestige and associated with their traditional roles.

Traditional cultural behaviors persist that affect demographic behavior, such as the early age at which women marry and religious taboos related to birth control. Abortion is illegal and, as noted above, one of the main causes of maternal death

### **Situation of children and youth**

Ecuadorean children are affected by both the deficient health and nutrition conditions already described and early entry into the job market. Girls have to care for their brothers as "substitute mothers" when the latter join the active population. Children contribute to production and trading in family businesses as "unpaid family workers" or enter the street economy in various kinds of informal jobs. In the latter instance, work days are usually extremely long. For a child's psychological development, this means an "induced precocity" which shortens childhood. Household or productive work, together with schooling, form a twofold psychological pressure which is often a prelude to the physical mistreatment of children.

These difficult conditions are also reflected in the unemployment indices of young people. In 1987, youths between 12 and 14 years had a 10.8% unemployment rate; those aged 15 to 19 years, 17.9%. and those 20 to 24 years old, 16%. These rates stand in contrast to those of

adults: 4.71% in the 25- to 44-year age range and less than 2% among those older than 45 years. It has thus been said that social and occupational marginalization and poverty have both a female as well as a youthful nature.<sup>28</sup>

### **The environment and vulnerability to disasters**

Eastern Ecuador, which is part of the Amazonian basin, is today at serious ecological risk because of the activities of oil and, to a lesser extent, lumber companies. The activities of Petroecuador (a state company), British Petroleum, and CONOCO in a 630,000-hectare concession region (together with another 3 million hectares under negotiation) represent a threat to various protected areas and the habitat of the Indian communities in the region in particular and to biodiversity in general.

Ecuador's geographic and geological configuration and its environmental problems result in a high degree of risk of floods, earthquakes and seaquakes, volcanic eruptions, and landslides. Some of these phenomena occurred during the past decade, resulting in victims and large economic losses

Almost all of Ecuador is earthquake-prone, and there is also a risk of volcanic eruptions. Maximum seismic intensities have occurred in the provinces of Bolívar, Chimborazo, Cotopaxi, Esmeraldas, Manabí, and Tungurahua. Despite the limitations of this kind of study, Esmeraldas and Manabí are, according to the Organization of American States (OAS), classified as areas of high seismic risk for both earthquakes and tsunamis caused by seaquakes. Jama faces a probability of more than 90% of experiencing an earthquake with a magnitude of 7 or higher on the Richter scale before 2000.<sup>29</sup> Ecuador has seven active "short-cycle" volcanoes on the mainland which have erupted during the past century (Reventador, Guagua Pichincha, Antisana, Cotopaxi, Quilotoa, Tungurahua, and Sangay). The Galapagos Islands have Fernandina and nine lesser volcanoes, and Isabela has six others

In 1982 and 1983, coinciding with a period of severe recession and adjustment, the El Niño current caused heavy flooding in coastal areas. A third of the country's farm production and much of its agricultural infrastructure were lost—losses estimated at USD 640 million, or about 5.1% of the GDP. This worsened the external deficit until it amounted to USD 1,120 million, which forced the Government to adopt a still more severe adjustment policy. Prices of foodstuffs increased by 50%. All this had very negative consequences for the socially most disadvantaged.

Among the causes of the recurring and devastating floods is Ecuador's extensive deforestation. Although 53% of the country is still forested, the annual deforestation rate is 2.3%, which is one of the highest in Latin America and the Caribbean and only behind those in Costa Rica, Haiti, Nicaragua, El Salvador, and Jamaica.<sup>30</sup>

A major earthquake hit large parts of northeastern Ecuador in March 1987. In addition to its direct effects on the local population, the disaster again adversely affected the export sector, in this instance, oil. The destruction of the trans-Ecuador oil pipeline paralyzed crude exports for five months, which resulted in the loss of USD 500 million in revenue. Because of the loss of state oil revenues, the budget deficit amounted to 14% of the GDP, and USD 700 million in foreign exchange reserves were lost. These losses again led to contracting international banking emergency credits and a deepening of the adjustment process.

During the early months of 1992 the country's eastern region experienced a prolonged drought that affected the power plants at Paute and Pisayambo, which led to cutbacks in the supply of electricity. Later, the El Niño current again caused heavy rains and flooding along the coast which resulted in major losses that are still difficult to estimate.

Despite the recurrence of such phenomena, very little has been done in the areas of planning, prevention, and preparing the population for disaster situations. Civil Defense has carried out

very limited activities and lacks financial resources to conduct its work.

### **The impact of development assistance and cooperation policies and institutions**

Most multilateral and bilateral development cooperation agencies, as well as a large number of local and international nongovernmental organizations (NGOs), operate in Ecuador.

According to UNDP data,<sup>31</sup> multilateral agencies contributed USD 66.4 million in 1990. Most of that—a USD 46.5 million loan—came from the World Bank (WB) and was to implement policies stemming from structural adjustment, especially in agriculture, industry, social development, and "economic management" or economic reforms in the adjustment context. United Nations agencies contributed significantly through "nonreimbursable credits" or subsidies for development activities, especially in the social area: the World Food Program (WFP), USD 7.5 million; UNDP, USD 5.9 million; UNICEF, USD 2.4 million, and PAHO and the World Health Organization (WHO), USD 1.2 million.

Regional multilateral agencies and organizations have also been of major significance. IDB granted loans and subsidies totaling USD 152 million, most of which were in the areas of industry, agriculture, energy, transportation, and natural resources. The European Community (EC) awarded another USD 10 million, and there were lesser contributions by the OAS, International Migration Organization (IMO), and the Latin American Energy Organization (OLADE).

More than 600 NGOs in Ecuador have been identified. They provide major resources of their own and particularly external resources, and they have become important in social development. Eighty-three percent are local and 15% are international. They have multiplied in recent years as they have taken over activities by the state, which is increasingly less able to act socially because of austerity measures. Their fields of

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activity are quite varied though, according to UNDP,<sup>32</sup> the areas of social development, urban development, and cultural activity are those in which the largest number of NGOs operate. They

commonly coordinate and/or collaborate with state institutions. NGOs sometimes execute state policies.