

COUNTRY FACT SHEET 2021



Ecuador



AREA

283,560 km²



POPULATION (2020)

17.643.060¹



ESTIMATED POPULATION (BY SEPTEMBER 2021)

17.794.262 people²



COMPOSITION OF THE POPULATION

The 2010 population census generated a self-identification process in Ecuador that resulted in the following figures: 71.9% mestizo, 7.4% monotubian³, 7.2% Afro-Ecuadorian, 7% indigenous, 6.1% white.



ECONOMICALLY ACTIVE POPULATION (MAY 2021)

8,500,000 people.



GROSS DOMESTIC PRODUCT (GDP) 2020

Ecuador's GDP in 2020 was 66,308 million dollars, which represents a 7.8% drop compared to the previous year.



GDP SECOND QUARTER 2021

In the second quarter of 2021 the national economy grew by 8.4% compared to the same period in 2020.

¹ Source: *Banco Mundial*

² The compilation of statistical figures presented here is the product of an updated search in the National Institute of Statistics and Censuses (INEI) of Ecuador, Ecuador in Figures and the Central Bank of Ecuador.

³ Monotubio/as are peasants from the Ecuadorian coast that are mainly dedicated to agricultural work.

Overview of the socio-economic situation

EMPLOYMENT

In September 2021, the gross employment rate stood at 63.4% nationwide, which means there was an increase of 3.5 percentage points with respect to employment in September 2020, when it was at 59.9%. In April 2021, the national gross employment rate for women was 50.6%, while for men it was 73.6%. In the same month of 2021, the adequate/full employment rate was 38.7% for men and 26.5% for women.

UNEMPLOYMENT

In September 2021, the unemployment rate was 4.9% nationwide. With respect to the same month in 2020, there was a decrease in unemployment of 1.3 percentage points, since in September 2020 it stood at 6.2%. In September 2021, the unemployment rate stood at 6.2% for women and 3.9% for men.

ECONOMICALLY INACTIVE POPULATION

Considering the working-age population in Ecuador, 4,200,000 people are economically inactive, which amounts to 33.3%.

INFORMALITY

According to the Ministry of Labor, by the end of 2020 the national informal employment rate stood at 51.1%, which implies that 3,927,221 people ended the year in work situations which lay outside the social security framework, without the necessary conditions to enjoy full employment. It should be noted that, according to the statistics presented by the INEI, by May 2021 informality and inappropriate employment prevail in Ecuador.

POVERTY

In Ecuador a person is considered poor when the per capita family income is less than USD 84.71 per month, which means USD 2.8 per day. Extreme poverty is reached when a person receives less than USD 47.37 per month, equivalent to less than USD 1.6 per day. This methodology calculates the per capita income by adding up all the income of a family unit and dividing it by the total number of family members.

Thus, according to INEI statistics, by June 2021 32.2% (5,700,000 people) were living in poverty; within this group, 2,600,000 people live in extreme poverty, a figure that is equivalent to 14.7% of the total population of the Andean country.

It is important to say that almost half of the rural population of Ecuador lives in economic conditions of high deprivation; poverty and extreme poverty are present mainly in the rural population.

Urban poverty stands at 24.2%, while poverty in rural areas, at 49.2%. In urban areas, extreme poverty is 8.4% and in rural areas it is 28.0%.

Highlights of the 2021 situation

1 Pandora Papers are more than twelve million leaked data from fourteen sources of information, which were obtained by the International Consortium of Investigative Journalists (ICIJ). Around 600 journalists and 140 media outlets from around the world participated in the investigation. Like Pandora in Greek mythology, these journalists opened a box containing "all the evils of the world": a complex plot that shows how numberless politicians, millionaires, heads of state and other personalities have concealed large fortunes in offshore accounts for years. Taken from: [Los Papeles de Pandora](#)

2 More information at: [Telesur](#)

3 For more information, you may consult: [rtve.es](#)

4 Source: [Deutsche Welle](#)

This year has been one of important changes in Ecuador. After the 2019 uprisings, through which the Ecuadorian population expressed their discontent with the attempts of domination arranged by the IMF and the International Financial Institutions in complicity with the government of Lenin Moreno, as of May 2021, when neoliberal Guillermo Lasso was elected president of the Andean country, social protests and mobilizations against the government's economic policy have been reactivated.

Indigenous movements, trade unions, transporters' unions, and many others declared a national strike in the last days of October, which may have significant consequences for the country, considering how this strengthens the opposition to the path defined by the right-wing Lasso. The social movements demand the repeal of three decrees, namely 1054, 1158 and 1183, all of them linked to fuel prices. But the political background of the situation has several other and varied elements.

A. The IMF demands that Ecuador ensure free fuel prices and apply economic measures that affect the already deteriorating domestic economy, difficulties that are worsened by the global health crisis and the COVID-19 pandemic. The IMF's demands aim at the passing of laws that grant more benefits to transnational companies and promote casual labor. In addition, budget cuts are threatening the rights of the Ecuadorian people, while guaranteeing payment to transnational companies for arbitration awards.

B. As stated in the general information of this Profile, in Ecuador the levels of poverty and of extreme poverty are increasing. In a few months, the popularity level of the Lasso government has fallen dramatically, and no solutions are in sight for the social crisis that the country is experiencing, nor is it possible to envisage a clear strategy to reactivate full employment.

C. The "Pandora Papers" have revealed that President Lasso concealed aspects of great importance in the race for the country's presidency. According to what they revealed, the now president had 14 companies in tax havens, which are directly related to his responsibility for tax evasion².

D. This year in Ecuador an unprecedented prison crisis broke out. More than 200 murders have been reported inside prisons. The handling of weapons within prisons is also proof of the corruption processes within Ecuadorian state institutions³.

And, to add to the social and institutional crisis that is raging in the country, on October 18 the government declared a state of exception throughout the national territory due to serious internal commotion. The armed forces are mobilized to allegedly control criminal acts that may take place in the country and deal with the violence resulting from drug trafficking⁴. Social movements point out that this is a strategy to use public force to defend the program imposed by the IMF.

Actions and complaints from (national and international) trade unions and from other social sectors

The trade union movement of Ecuador has filed complaints and made calls for mobilization due to the high cost of fuel and demanding education reforms. The union sector has reported that Lasso's government intends to promote casual forms of employment which do not respect labor rights, mainly for the most vulnerable sectors. They denounce the labor law called "chambita," with which they want to create this type of job for more than 1,800,000 people who are in poor employment situations.

Social movements have reported that the government intends to obtain economic benefits by handing over control of strategic economic areas to private (transnational) companies, especially in the areas of oil, telecommunication and public banking. Recently it has been reported that President Lasso intends to sell Ecuador's public bank.

It has also been reported that the government owes 5 billion dollars in the area of social security, a sum of money that should be released to benefit the Ecuadorian people.

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

In the name of fallacious ideas, saying for example that the labor legislation is too old, the government has been attacking rights which had been historically conquered by the working class, and is seeking a reform that will create greater labor flexibility. However, it should be noted that there have already been reforms that have affected trade unionism and forms of organization, such as raising the minimum from 15 to 30 people to start a trade union organization.

Measures to obtain labor flexibility are not new in the country, and the arguments based on the need to modernize the law are aimed at deepening modifications that affect the working class and that give more power to private and transnational companies. In addition, it is necessary to consider that the measures imposed due to the COVID-19 pandemic destroyed more than a million jobs, which is reflected in the current poverty rates.

Proposals for labor reforms are made without union participation, and they include differentiated remuneration and precarious contracts which do not guarantee rights or stability; the proposals do not consider labor rights nor employer responsibility, and aim at eliminating workers' access to company profits.

Also, a strategy which aims at creating a division within the population presents those who have a job as privileged and as usurpers of the possibilities of those who are unemployed. Great numbers of workers have been dismissed in the public and private sectors with the obvious intention of promoting the disappearance of the union organization.

To strengthen collective bargaining and freedom of association, the country needs clearer strategies and the construction of progressive and non-regressive legislation

–such as the laws that the Lasso government intends to pass with the excuse of modernization. CEDOCUT (Ecuadorian Confederation of Classist Organizations for Workers' Unity) believes it is necessary to organize a national campaign for freedom of association to contribute to organizational growth.

UNION PROPOSALS AND INITIATIVES

CEDOCUT supports political training and union education as the basis for the construction of socio-political unionism and with a view to consolidating unity processes to prevent divisions which may arise within the workers during electoral periods. The training and education strategy makes possible the generation of political coherence and consistency.

With the participation of the Ecuadorian trade union movement, it was possible to bring together social and trade union organizations to create a national collective that will struggle to promote a permanent popular parliament; these types of organizations have worked successfully in the country at the moment of confronting corrupt governments, sometimes leading even to their removal.

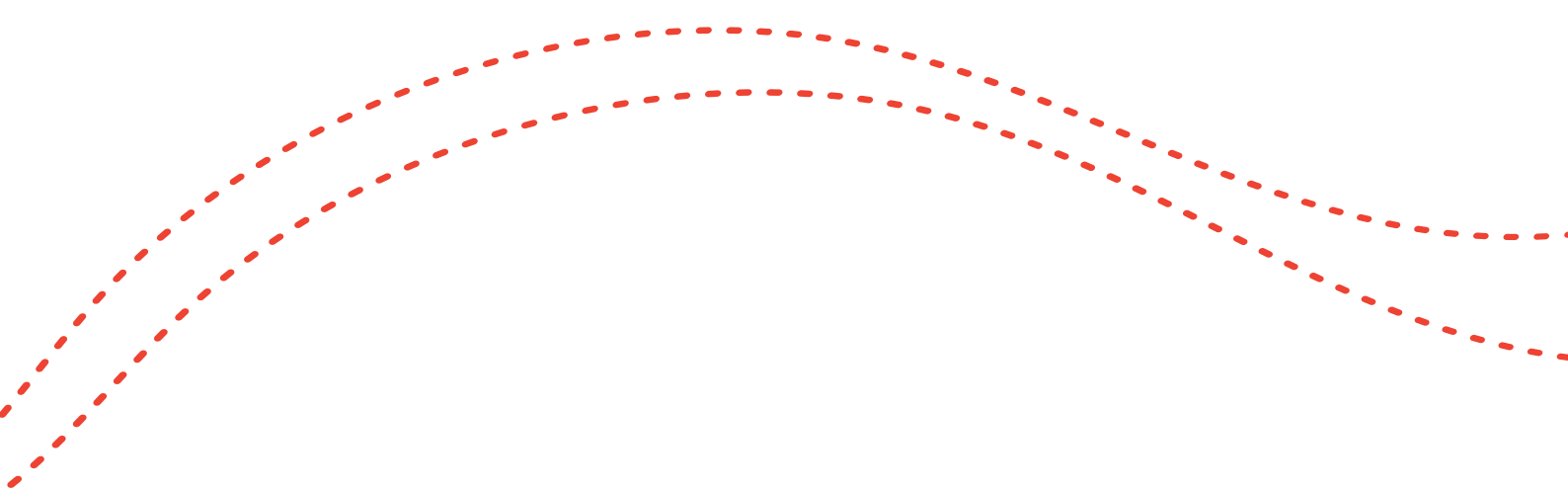
The trade union movement points out that the release of funds by the IMF, which will be close to a million dollars, should be conditional on the strengthening of small and medium-sized enterprises (SMEs) and small businesses and on the reactivation of the labor market in a process of recovery after the most complex restrictions on mobility and the loss of jobs which resulted from the pandemic and the disastrous role of the previous government.

Trade union organizations demand that social security be under the effective control of workers, peasants, women and all contributors, since Lasso's government is using security funds to obtain political benefits, and is transforming social contributions into the State's petty cash to do business which will favor private companies.

It is required that 6% of the GDP be spent on public education.

In addition to all this, considering the global health crisis and the social and political consequences that it has brought to Ecuador, the government is required to advance with the vaccination of all Ecuadorians, and to stop playing politics with the right to vaccination.

To CEDOCUT the issue of gender equality is fundamental, and as relevant as training, organization and communication as pillars for the advancement of the union movement.





OBSERVATORIO LABORAL DE LAS AMÉRICAS



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