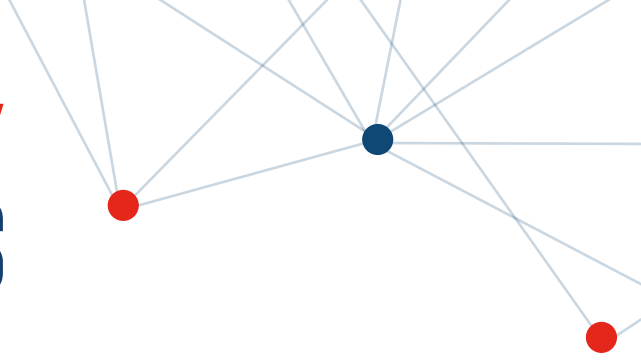




LABOR OBSERVATORY OF THE AMERICAS



DATA SHEET ECUADOR

2023



Surface Area:

256,370 km² ¹



Population 2023

16.938.986
inhabitants

(last official
census 2023)



Economically Active Population

(August 2023):

65,1%
8.507.480
inhabitants



Gross Domestic Product (GDP) 2022:

115,049 million
US dollars²



GDP 2023:

In the second quarter
2023, GDP recorded 3.3%
growth compared to the
same period of the
previous year.

Composition of the population

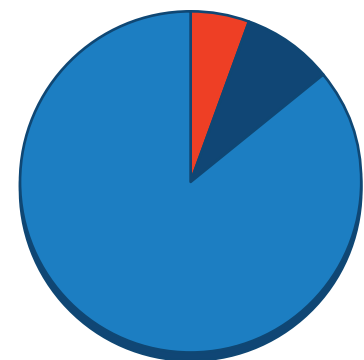
(as of the 2023 official census):



51,3%
WOMEN
8.686.463



48,7%
MEN
8.252.523



77.4% identify as a mestizo
population, 7.7% are indigenous and
Montubia, and 4.9% belong to the
Afro-Ecuadorian community.

¹ The information in this data sheet has been mainly obtained from the National Institute of Statistics and Censuses of Ecuador.

² <https://statistics.cepal.org/portal/cepalstat/perfil-nacional.html?theme=2&country=ecu&lang=es>



Analysis of the socio-economic situation

Employment (August 2023):

The employment rate was 62.8% (8,211,821 people) with a variation of -0.8 percentage points compared to the same month in 2022 (63.6%).

Inactive population (August 2023):

4,562,457 people, representing 34.9% of the population.

Unemployment (August 2023):

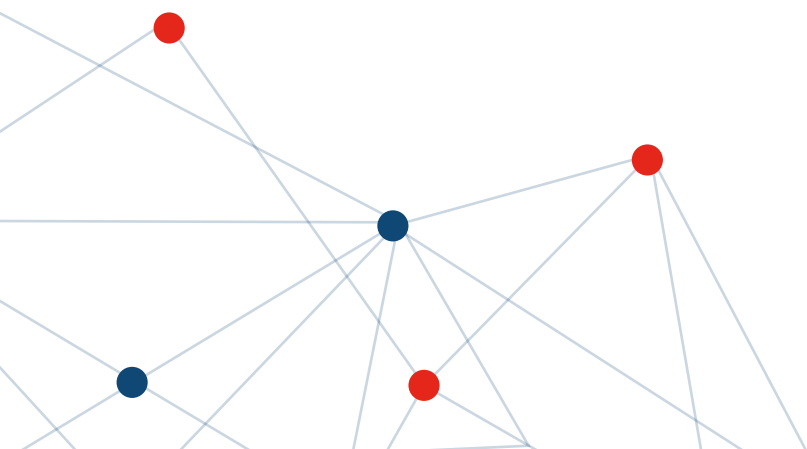
The unemployment rate was 3.5% (295,660 people), which represents a decline of 0.5 percentage points compared to 2022 (4.0%). The unemployment rate was 4.2% for women and 3.0% for men.

Informality/underemployment (August 2023):

54.6% of the employed worked in the informal sector of the economy.

Poverty:

As of June 2023, monetary poverty at the national level stood at 27% and extreme poverty at 10.8%.



Highlights of the 2023 Scenario

As a result of the impeachment trial carried out by the National Assembly of Ecuador against President Guillermo Lasso for misappropriation of public funds, the constitutional measure of “crossed death” was decreed by executive order. This legal figure simultaneously entails the dissolution of Congress and the end of his presidential mandate, and, in turn, anticipated presidential and legislative elections to replace both branches in a maximum period of 60 days.

As stipulated in the Constitution, since the implementation of the decree in May, Lasso would have six months to remain in office and during which time he will be able to issue urgent economic decrees and laws. During June and July, Lasso remitted three decrees to the Constitutional Court related to the promotion of free zones, tax reform and relief of education debts. Analysts, social organizations and trade unions have expressed their concern about these proposed decrees, as they increase tax exemptions and free trade measures, thereby benefiting the economic elites. It is im-

portant to keep in mind that Lasso's government has been made up of business leaders of oil transnational corporations, commerce federations and private banks, who were in charge of the ministries of Economy, Energy & Mines, and Production & Foreign Trade.

Lasso's midterm departure is a defeat of neoliberal policies that do not guarantee fundamental rights in the face of insecurity and the economic and political crises that beset the country. That defeat was expressed in the elections for mayors and chiefs of police in February, when the candidates of the Citizen Revolution party won in the most populated municipalities and provinces of the country, including the main cities of Quito and Guayaquil, while the ruling CREO Movement party did not achieve any major victories. Also Lasso's referendum to change the constitution on issues of security and 'democratic reforms' was frustrated by the ballots.



Luisa González of the Citizen Revolution party was the candidate with most votes in the first presidential round with 33% of the votes, positioning herself over businessman Daniel Noboa (with 23%) of the National Democratic Action coalition, with whom she competed in the second round in mid-October to define which of the two will govern until 2025, year in which Lasso would have ended his presidential term.

Despite the trends of the first electoral round that favored the candidate of the Citizen Revolution party, the candidate Daniel Noboa of the National Democratic Action coalition managed to prevail against the candidate Luisa González in the elections held on October 16, 2023. Therefore, Daniel Noboa, the Guayaquil businessman of a family of right-wing businessmen, will take office in December 2023 and his mandate will last only until May 2025, until the presidential term of Guillermo Lasso has been completed, having obtained 52% of the votes, surpassing the Citizen Revolution candidate by approximately four percentage points.

Security is one of the core issues of national concerns as a result of the rise in homicides, which in the last 5 years increased from 5.8 to 25.6 intentional murders per 100,000 inhabitants - the highest figure in the country's history. Much of the social and political violence relates to drug trafficking that has taken hold in recent years as a result of the growing intervention of cartels, mainly Mexican and Colombian, that see Ecuador as a country with a strategic geographical position for drug trafficking, and due to the alliance of local gangs with foreign mafias and the internal dispute for control of that illegal economy.





The wave of violence also affects the world of politics. Estimations indicate that, so far this year, at least six political figures - including candidates, assembly members and local leaders - have been murdered at public events and, according to statements from the prosecutor's office, such crimes are linked to the actions of drug trafficking groups. On August 9, ten days before the first round of elections, presidential candidate Fernando Villavicencio was murdered, who had reported death threats that he attributed to a local criminal organization related to the Sinaloa Cartel.

Parallel to the first presidential round, Ecuadorians voted in two citizen initiative plebiscites. The first was of a national nature and the cessation of oil exploitation activity in the Yasuní National Park located in the Ecuadorian Amazon was approved with 58.9% of the votes. However, the Minister of Energy & Mines, Fernando Santos Alvite, who had previously been a lawyer for transnational oil corporations, declared before the media on August 23 that President Lasso would not abide by the result of the plebiscite and oil exploitation

could continue normally. The second plebiscite was only for the inhabitants of the metropolitan district of Quito who, with 68% of the votes, prohibited metal mining on any scale in El Chocó Andino, a high biodiversity reserve with mining concessions covering 10,780 hectares where the exploitation phase had not yet begun.

With the electoral result, it will be important to stay focused on Ecuador to see how the government transition will occur and what takes place until May 2025.

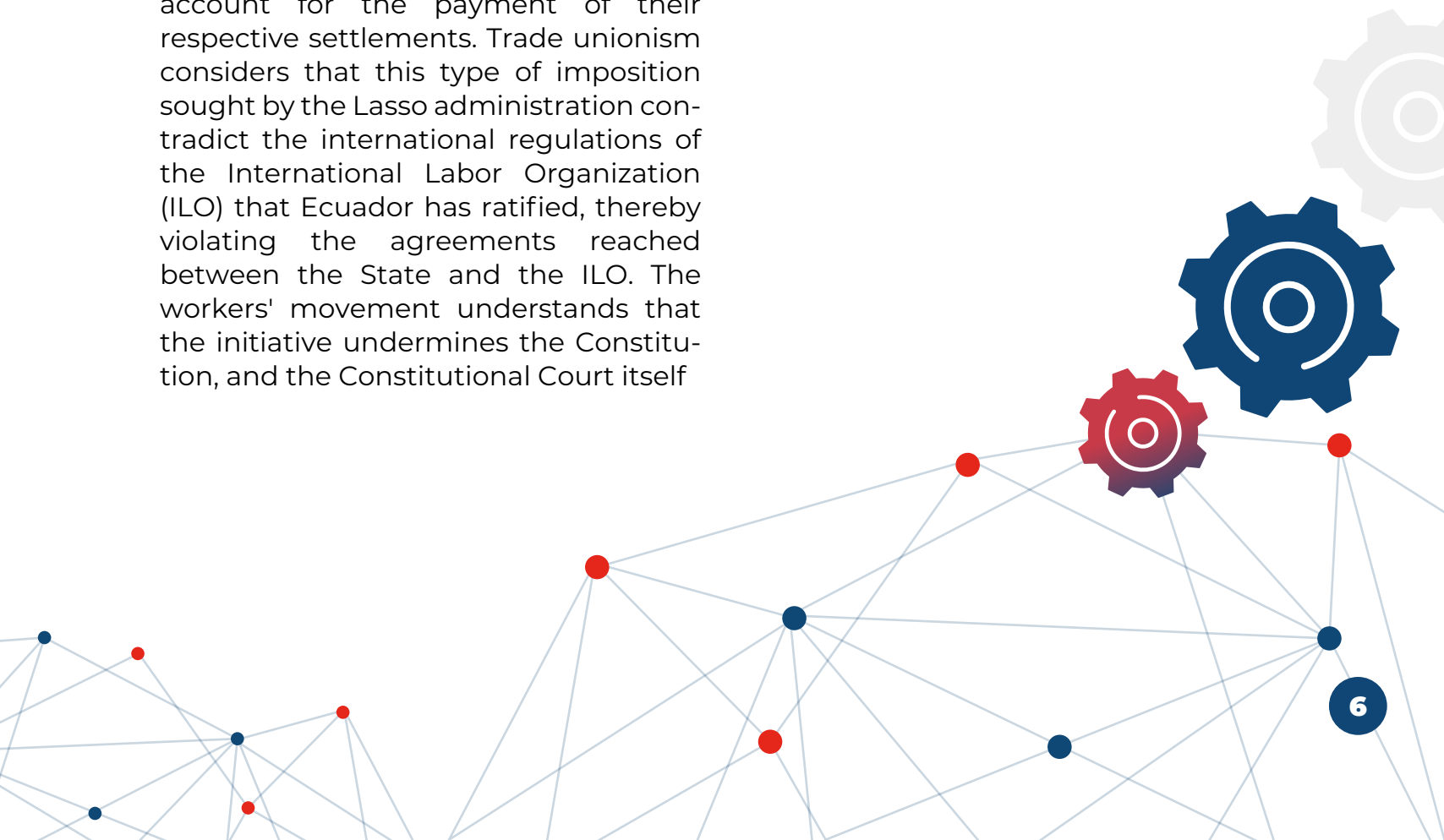




Actions of the Trade Unions and Other Social Sectors

In the **framework of labor, equal opportunity and treatment, and the economic dimension and employment opportunity, Ecuadorian trade unionism** spoke out against the decree on Business Restructuring that president Guillermo Lasso presented to the Constitutional Court and which proposes that companies in crisis cancel their debts with their employees through a financial institution. For the trade union movement, the law forces workers to agree on the formula proposed in the decree, and if the worker decides not to participate, they will not be taken into account for the payment of their respective settlements. Trade unionism considers that this type of imposition sought by the Lasso administration contradict the international regulations of the International Labor Organization (ILO) that Ecuador has ratified, thereby violating the agreements reached between the State and the ILO. The workers' movement understands that the initiative undermines the Constitution, and the Constitutional Court itself

rejected the decree by ratifying that it has no legal basis in accordance with constitutional norms, and that it has no urgent economic nature. Trade union leaders pointed out that their movement's position has always been proactive, supporting small and medium-sized companies by calling for a reduction in the interest on loans made to this type of company to one digit to avoid their closure, keep jobs and give space to the creation of new business initiatives, while the initiatives of decree/law are contrary to the wellbeing of the workers.



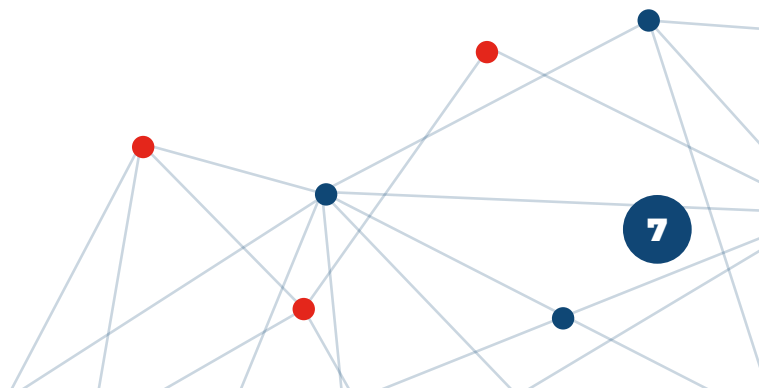


Faced with other decrees proposed by the Lasso administration, the trade union movement, based on its **political action and construction of social alliances**, has pointed out that Minister Santos Alvite - who has also been denounced for criminalizing the struggle of social organizations in the Ecuadorian Amazon - called a working meeting with managers and CEOs of companies such as Eléctrica Ambato, Eléctrica Azogues or Eléctrica Quito, where he delivered guidelines for the creation of a *payment administration trust for the electricity sector*, revealing the administration's intentions of reforming the country's electricity sector. A reform of the electricity sector would affect the budget of the institutions, directly impacting user rates and opening the doors to a privatization process that workers categorically reject.

An important national mobilization action took place in September, when the union movement acted together with other social sectors of the country - housewives, retirees, campesinos, among many others - in defense of the Ecuadorian Social Security Institute (IESS), an action based on the **social dimension**, in defense of **social security**. The government's debt with the IESS is cause for much concern, hence trade unionism has proposed that an agreement based on a monthly and annual payment schedule so that the IESS receives the necessary funds to achieve balance in its finances, without

affecting the reserves. The specific proposal raised by the union movement is that, for the next two years, the government commits to deliver double the budget allocation to cover the current year and a portion of the amounts due.

Regarding **labor** and action for **freedom of association, collective bargaining** and **labor relations**, the trade union movement demanded job stability and the immediate reinstatement of the leaders and workers dismissed by the transnational corporation Arca Continental (Coca Cola). They vehemently denounced the abuse suffered by 3 trade union leaders of said corporation, who were illegally and unjustly dismissed. Trade unionism emphasized that freedom of association, contracting and collective bargaining are rights gained by all workers, and cannot be violated by any corporation, in addition to being regulated by ILO Conventions 87 and 89, ratified by Ecuador.





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Contents and Writing - Danilo Urrea

Review and editing - TUCA team

Translation - Victoria Brown

Graphic design and layout - Gervasio Della Ratta



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