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Quito Mayor, Wealthy Grower to Face Off in Ecuador's Presidential Runoff

by LADB Staff

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Less than 50% of Ecuador's eligible voters turned out for the May 31 general elections. With official results still not in, Quito Mayor Jamil Mahuad of the Democracia Popular (DP) came in first in the presidential race with 34.9%, followed by Alvaro Noboa of the Partido Roldosista Ecuatoriano (PRE) with 26.6%. Former president Rodrigo Borja of the Izquierda Democratica (ID) followed in third place with 17.1%, and Freddy Ehlers of the Movimiento Nuevo Pais (MNP) received 14.7%. Since no candidate received more than 50% of the vote, Mahuad and Noboa will now compete in a runoff July 12, and the winner will take office Aug. 10. In elections for the 121-seat unicameral Congress, the Partido Social Cristiano (PSC), the largest party in the country, will continue to play a pivotal role in the legislature, but it is unclear whether the party will remain the largest bloc in Congress.

Projections for 20 national deputies include six for the PSC, four for the DP, three each for the PRE and the ID, MNP-Pachakutik with 2, and the Partido Conservador (PC) and the Movimiento Popular Democratico (MPD) with one each. Four blocs will dominate the new Congress: the PSC, a possible alliance between the ID and the DP, the PRE, and the fourth comprising several smaller parties or independents. To a large extent, it will fall on the new Congress to recover some of the prestige lost during the past few years filled with political scandals. The track record of the legislature, however, causes many Ecuadorans to expect little change in the way the political system works.

Negative campaign tied to Bucaram

"We didn't let our fear paralyze us," said Mahuad after his victory. "When threats arise, one must maintain a cool head. I have beaten the largest checking account in Ecuador." The campaign became increasingly negative as election day neared. Noboa accused Mahuad's brother and campaign treasurer, Eduardo, of business dealings in 1993 with a drug trafficker who is now in prison. "This irresponsible person has no idea of the harm he has caused the country, behaving like an adolescent elated at being a presidential candidate," Mahuad said, adding that former president Abdala Bucaram was directing the smear tactics.

Mahuad, who is suing Noboa for the slur, stressed his political experience, with six years as mayor of Ecuador's capital, and his opponent's ties to Bucaram, who was forced out of office for "mental incompetence" six months after his election (see NotiSur, 02/07/97 and 05/30/97). Mahuad was part of the movement in January 1997 that ousted Bucaram. He accuses Noboa of being Bucaram's "messenger boy," pointing to the former president's radio and TV campaign messages of support for Noboa. Bucaram is in Panama, where he sought exile to avoid corruption charges against him and his family.

Some of Mahuad's television ads compared the Bucaram clan to the "Addams Family," which have brought threats of a lawsuit from Bucaram. Although considered the wealthiest person in Ecuador, Noboa took up Bucaram's populist style and message, promising 200,000 houses and 1 million jobs

if elected. He emphasized that he will run on his own in the second round, without support from Bucaram. Opponents said Noboa "realized that his ties with Bucaram hurt him immensely." Noboa "is united to the Bucaram family and will never stop being their candidate," said Mahuad, adding that Noboa's decision distance himself from Bucaram was "a calculated electoral move."

Mahuad favored in runoff

In a poll by the firm Cedatos in the first days after the election, 55% of respondents said they would vote for Mahuad, compared with 37% for Noboa. Mahuad has received the support of the ID, the PSC, and the MNP. Most of Ecuador's political class is expected to support Mahuad if for not other reason than because of their intense opposition to Bucaram. While two million of the country's nearly seven million eligible voters belong to the Quichua, Shuara, and other smaller indigenous communities, they did not unite for the May elections and may remain divided during the runoff.

The leaders of the Confederacion de Nacionalidades Indigenas del Ecuador Confederation of Indigenous Organizations of Ecuador (CONAIE) supported center-left candidate Ehlers. They have not announced who they will back for the runoff. Although Indians account for one-third of Ecuador's inhabitants, neither presidential candidate fully supported their demands. During the past three years, the indigenous communities have been fighting for recognition of their collective rights, their system of territorial community organization, recognition of their leaders as public authorities, and their common-law practices. They also call for changes to the Agrarian Law to provide greater access to land and resources for agricultural production.

Most pressing at this point is whether the new government accepts the constitutional amendments approved by the National Constituent Assembly earlier this year (see NotiSur, 01/16/98 and 05/22/98). The amendments, which are pending congressional ratification, include several proposals on the Indians' collective rights. Winner will have difficult job The winner of the presidential runoff will inherit a country ravaged by El Nino storms and economic chaos exacerbated by the turbulent Bucaram administration.

Fabian Alarcon, the interim president appointed by Congress, has not fulfilled the expectations that Ecuadorans had when he took over. Alarcon has introduced some unpopular austerity measures, and his privatization efforts have failed. In addition, Ecuador is suffering significantly from the worldwide drop in oil prices, since oil is a mainstay of its economy, along with bananas, shrimp, cacao, and coffee. Twice already this year the government has had to revise forecasts for growth and inflation. While it blamed oil prices and El Nino, it took no action to cut spending.

Economists say official estimates of 1998 growth of between 2% and 2.5%, inflation between 35% and 38%, and a budget deficit of 2.5% of GDP are still too optimistic. "More realistic economic forecasts would be 40% inflation, 1.5% economic growth, and a 4.5% fiscal deficit," said Fidel Jaramillo, who quit as head of the Central Bank in April after differences with Alarcon. Business leaders have said that Alarcon did not take the tough economic steps needed to respond to the slump in crude-oil prices and the ravages of El Nino. "This is one of Ecuador's worst ever economic crises, the result of the lack of foresight of successive governments that never think about what will happen following the end of their terms in office," said Patricio Aguilar, president of the Quito Construction Industry Chamber. [Sources: Associated Press, 05/27/98, 05/30/98; El Nuevo Herald (Miami), 05/30/98; Notimex, 05/31/98, 06/01/98; CNN, 05/31/98; Inter Press Service, The Miami Herald, 06/01/98;

Reuters, 05/28/98, 06/01/98, 06/02/98; Clarin (Argentina), 06/01/98, 06/02/98; Spanish news service
EFE, 06/01-03/98]

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