

Interview with Cynthia Viteri

Social Christian Party Candidate for the President of Ecuador

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On October 15, 2006, Ecuadorians will vote in the first round of presidential and legislative elections. With nine presidents since February 1997 and three ousted in the last ten years by popular protests, the 17 presidential candidates face a fragile political environment.

The Americas Society and Council of the Americas (AS/COA) interviewed one of the leading presidential candidates, Cynthia Viteri of the Social Christian Party (PSC), to understand her views on free trade, investor security, spillover effects from the Colombian guerrilla conflict and presidential priorities. Dr. Viteri was twice-elected Deputy in the National Congress, representing the province of Guayas from 1998 until she renounced her post in May 2006. She served as First Vice-President in Congress from 2005 until her resignation. The AS/COA will seek interviews with other candidates in the coming months.

AS/COA: Aided by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), the U.S. currently receives more than 55 percent of Ecuador's world exports. Given that exports account for 35 percent of Ecuador's gross domestic product (GDP), trade with the United States makes up a substantial portion of the country's economy. With the ATPDEA due to expire at the end of 2006 and free-trade agreement (FTA) negotiations at a standstill, how do you propose maintaining or increasing trade between the U.S. and Ecuador?

Viteri: Our country recognizes the U.S. as its main commercial partner. We have a long history of friendly economic and political relations. We have been important allies, both in the past and present; during World War II, Baltra, an island of the Galapagos Archipelago, was used as a military base to prevent an attack on the U.S. Today we have a military base in Manta to help combat drug trafficking.

The country's fight against drugs, humanity's true poison, has been really efficient. Large drug shipments have been incinerated, and we have jailed many drug traffickers. These elements are fundamental to the conversation that, once elected, I will have with President Bush. This is necessary to overcome any diplomatic or economic differences that might have arisen between the U.S. and my country.

Luckily, I am a woman who believes in dialogue and building consensus. That is how I will ensure that we overcome any misunderstanding, sign the FTA and continue with the ATPDEA.

AS/COA: The May 2006 decision to revoke Occidental Petroleum's operating contract and take over its oil fields has resulted in decreased oil output while generating uncertainty among current and potential foreign investors in Ecuador. How would a Viteri administration continue or exceed past oil output levels while regaining the confidence of investors who are wary of potential contract termination?

Viteri: My government, with strict adherence to the law and previous accords, will maintain and improve our relations with the hundreds of companies that today work in the country, as well as with those that will surely come. Investors should not be worried that contracts will be unilaterally terminated unless they are breaking the law or violating existing contracts.

Under my administration, Ecuador will be a source of investment. We are going to give permission for more exploration and oil drilling, and we are going to sign a contract to construct a new refinery. Furthermore, gas from the gulf will be put to its proper use: electrical generation. We will construct great hydroelectric power stations. Our vision is to establish the basis for sustainable development.

AS/COA: *In recent years, Colombian helicopters have allegedly entered into Ecuadorian territory in search of members of the Revolutionary Armed Forces of Colombia (FARC) who have erected guerrilla camp units within the country's borders. Ecuador has chosen to remain neutral in the conflict between the guerrilla army and the Colombian government despite the eminent border security threat stemming from this civil war. What do you see as the best course of action for Ecuador in this continuing conflict?*

Viteri: Our own army has dismantled the camps established within the Ecuadorian territory. But such a large forest can hardly be controlled down to the centimeter. Guerrillas captured in our country have been deported as a result of their illegal immigration status and engagement in illegal activities. The diplomatic principle of non-intervention has been maintained and will be upheld under my government.

If, under the pretext of looking for guerrillas, some country brings its troops into our territory, this move will be denounced and condemned. Unfortunately, we are the country most affected by the Colombian conflict. The number of Colombian refugees in our country exceeds our capacity for helping them adequately, which is why the United Nations must have a more effective presence in the region.

AS/COA: *Ecuador faces challenges on various fronts, including substantial outflows of the working age population and a fragmented political party system. Every previous government that has attempted to implement austerity programs has been met with crippling protests. What will be your economic, fiscal and reform priorities should you become president?*

Viteri: My government's priority will be to reactivate production and to generate jobs. We will invest a sizable amount of new oil income in the construction of houses, credits to farmers and small industrialists, and tourism support. We will eliminate indirect and inefficient taxes. We will present constitutional reforms to the public, and if approved, we will send them to Congress for final approval.

AS/COA: *Real GDP growth is forecast to decrease from 3.9% in 2005 to 2.9% in 2006. What fiscal reforms do you see as necessary to stimulate growth in Ecuador?*

Viteri: The latest economic information, based on new oil income, indicates that GDP will not fall and will actually see a slight gain. Reforms that must be implemented are related to investment credit costs, electric and telephone service fees, and the collection of taxes and tariffs. If this improves the country will be on the path of development.

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