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Strategy Flash – Ecuador

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Ecuador Strategy Flash

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A recent poll by Clima Social takes a look at the possible outcome of a snap election, pointing at a very open race with correism as the current favorite. The poll took place in Pichincha, the province which holds Quito, the capital of Ecuador. It also presented two lists of candidates, one where the candidate for Revolución Ciudadana (correism) was Mr. Arauz, the party’s candidate for the 2021 elections, and another where Mr. Correa is heading the ballot for correism. The results between the two scenarios were significantly different, even as the second scenario is currently not possible for legal reasons. Looking at the first scenario, compounding null votes (25.6%), votes for Other/ a new candidate (12.6%), and Undecided (10.1%), nearly half of the polled (48.3%) either don’t know or don’t want to vote for any of the existing candidates. Of the remaining 51.7%, 16.5% of the polled would put their ballot in favor of Mr. Arauz, presenting him as the slight favorite in this context. Then, he is escorted by two indigenous candidates, Mr. Leonidas Iza, president of the CONIAE, with 8.4% of the votes, and Yaku Pérez, with 7.4%. As a close fourth came Mr. Hervas, of the ID, with 6% voting intention. The rest of the candidates poll in the 3.5%-1.7% range, with Mr. Lasso coming almost dead last, with a 1.8% voting intention.

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The scenario where Mr. Correa is allowed to run however presents a different result, as he would obtain nearly 40% of the votes, with the undecided camp being slashed to 35.4%. This scenario would see the indigenous candidates lose some ground, with Mr. Hervas coming in a very far second, with 5% of the votes, followed closely by both Mr. Iza (4.4%) and Yaku Perez (4%). In this scenario, the rest of the candidates would not see significant changes in their voting intentions, and the correist victory looks much more clear cut. However, due to legal reasons, Mr. Correa is not allowed to return to Ecuador to run for president, leaving correism without its most competitive candidate.

The poll showcases the strong uncertainty surrounding a possible election, while also suggesting correism’s ceiling and some potential competitive candidates if Mr. Lasso is ousted.

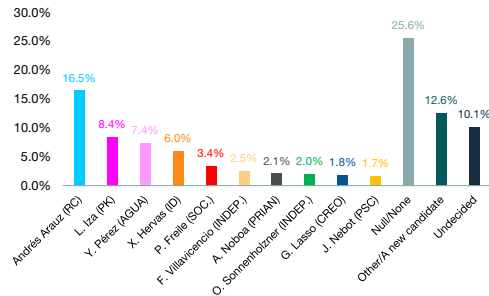
The poll showcases the strong uncertainty surrounding a possible election, while also suggesting correism’s ceiling and some potential competitive candidates if Mr. Lasso is ousted. With an extremely high number of uncertain voters, it is clear that between one-third to half of the polled would like to opt for a different option. This opens up the field for a new political force to emerge, as the current state of Ecuadorian politics would give new candidates fertile ground to grow, amidst strong pushback against the current political parties. However, in the event of a snap election, such an emergence would lack time to consolidate and galvanize support around a new candidate. It looks more likely the voters would divide their support among a large number of existing candidates, presenting a scenario of high volatility and uncertainty, ending with a strongly atomized Assembly.

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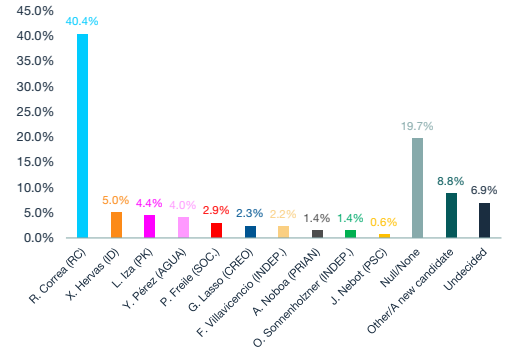
The poll also hints at two of the main problems of correism: (i) lacking a more competitive candidate (ii) being slight favorites, but not having enough support to take the election home. Even with RC being the party with the most support in both scenarios, Mr. Arauz does not seem nearly as competitive as Mr. Correa, hinting at the lack of competitiveness of the average correist candidate. In this context, correism has its best candidate sidelined and would have to face the election with a less popular figurehead. In addition, Mr. Correa showcases the party’s ceiling, currently enjoying 40% of support. We believe that even if Mr. Arauz does not come close to said popularity levels, Mr. Correa’s voting intention is a good proxy of correism’s polling power in a second round. While very competitive for a first round, said ceiling could cause a second round like the one in 2021, as even being the party with the most support currently, Correism does not seem to have the votes to secure a second-round win, especially against a candidate that is able to galvanize both the support of the indigenous movements and anti-correist voters.

Figure 1: Recent polls showcase the prospects for a snap election look very muddled

Voting intention | Scenario I



Voting Intention | Scenario II



Source: TPCG Research based on Clima Social

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Finally, looking at the rest of the existing political spectrum, the indigenous movements currently seem as slight favorites to enter a second round with correism. The poll conveys the indigenous movement continues to be competitive, with two alternatives. On the one hand, Mr. Iza presents a more radical political platform, him being the figurehead of last year’s manifestations that paralyzed the country. On the other hand, Mr. Perez holds a more moderate position, having led the party to a very solid election in 2021. Both are presented as competitive candidates by the current poll. It will be interesting to see if the indigenous movement splits, presenting various candidates, as this could provide a more conservative anti-correist candidate with a better chance of getting into a second round. However, a unified Pachakutik with a central candidate would probably be very competitive in a snap election. Of the rest of the candidates, Mr. Hervas seems as the one with the best chance of gaining some traction, as he currently enjoys marginally more support than the rest of his competitors. And finally, as expected, Mr. Lasso does not seem to be a competitive alternative for the reelection. All in all, it is still too soon to envisage how a possible snap election could go. Uncertainty and volatility are extremely high, and it is unlikely the political dynamics of the country would present a close race between two main competitors, but favor a myriad of small parties, fragmenting a possible Assembly and possibly compromising governance.

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