



Special Update: Ecuador

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Colombian Conflict Impacts Ecuador

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Representative Sonny Callahan (R-AL) suggested in April that if Ecuador does not agree to allow U.S. troops stationed at its air base in Manta to expand its mission from strictly anti-drug surveillance to inclusion within the war on terrorism, U.S. aid to Ecuador should be cut.¹ Rep. Callahan's statements sum up the fears of both Ecuadorian citizens and many in the Ecuadorian Congress regarding the very real danger that Ecuador is vulnerable to becoming both a military target and a military player within the Colombian conflict. Ecuador has always had a low profile on the international stage and for years has been perceived by all actors within the Colombian conflict as neutral. Now with the establishment of U.S. troops at its coastal air base in Manta and the violence between the paramilitaries and guerillas increasing at an alarming rate on its northern border with Colombia, Ecuador's position in the region is slowly losing the appearance of neutrality. Whether it wants to or not, Ecuador may eventually become an active regional player on the stage of both the Colombian conflict and the U.S. war on terrorism.

Recent Socioeconomic and Political Developments in Ecuador

Ecuador, a country about the size of the state of Tennessee, has a population of just under 12 million. Although small, it is rich in both environmental and ethnic diversity. Divided into three main geographical regions, the Sierra or Andean region, the Coastal Region, and the Amazon Basin, its economy and politics are mostly determined by a sometimes antagonistic alliance between the country's largest city, Guayaquil, on the coast and the capital city of Quito, located in the Sierra. In addition to the general *mestizo* population, it is also home to 12 indigenous nations as well as coastal and Sierran Afro-Ecuadorian cultures. Its major export production includes bananas, shrimp, flowers and petroleum.

Ecuador has seen a decline in its economic and political stability over the last five years. In 1998 Ecuador's banking system entered the worst crisis in its history. Of the 44 banks existing in 1996, only twenty-three continued to operate by the end of 1999. Much of the crisis was

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brought on by mismanagement and corruption, with many bankers using depositors' money to invest in their own business initiatives — some of which were actual non-existing “ghost” companies under different names. By the end of 1999, the banking crisis had cost Ecuador an estimated \$2.7 to \$4 billion, approximately 23 to 34 percent of the GDP (gross domestic product) for that year. That figure does not include the social and economic costs to the public for the freezing of bank accounts and accelerated inflation. The government froze accounts in all banks to prevent a run on the banks and a total decapitalization of the banking system. This freeze directly affected an estimated 65 percent of Ecuadorian homes and businesses.²

On January 9, 2000 President Jamil Mahuad signed legislation that authorized the dollarization of the Ecuadorian economy. The sucre, which had served as the national currency for 117 years, was replaced by the United States dollar. Dollarization results in the loss of autonomy in making monetary and exchange policy due to its dependency on a currency the value of which is determined by the policies of another nation. Such dependency on a foreign currency may bring serious consequences for the country. Ecuador's three main sources of dollars are the balance between the value of exports and imports, loans (mainly from multilateral lending organizations), and foreign investment and aid. The first depends on reactivating and improving the capacity of the productive sector. The second source, loans, only increases the burden of external debt, 89 percent of the GDP in April 2001. The third, foreign investment, depends on implementing serious reforms of the financial and judicial sectors. A fourth source, which has recently become the second-greatest source of external income, is remittances from Ecuadorians working abroad. However, this benefit is accompanied by the disruption of families and communities and the loss of skilled labor. According to several economists, the jury is still out regarding the long-term effects of the dollarization of Ecuador although the government claims that it has resulted in the stabilization of the national economy.

On January 21, 2000 an indigenous uprising led to the taking of congress and the establishment of a “triumvirate” ruling coalition of a lower echelon military officer, the president of the national indigenous federation, and a representative of the national coalition of social movements. The presidency of Jamil Mahuad was overthrown and the “triumvirate” lasted for some 24 hours until the Joint Chiefs of Staff, under pressure from various sectors including the United States, decided to enforce the Constitutional Order of Succession and facilitated the placement of the then-vice president, Gustavo Noboa, into the presidency. This 24-hour coup followed on the heels of the citizen ousting of President Abdalá Bucaram from office only two years earlier. Both the legislative and executive branches continue to be distrusted and challenged by the general populace and neither hold sway over or function well within Ecuador's current context.

Such political and economic instability took place on top of worsening quality of life indices over the last half of the 1990s. The lack of effective governing and distribution structures is coupled with one of the highest incidences of corruption in Latin America (Transparency International has placed Ecuador as the third most corrupt country in the region). These factors, plus an intransigent ruling class, and an external debt which makes up the highest percentage of any Latin American country's GDP, have created one of the worst overall statistical pictures of Ecuador since national statistics have been reported.

Carolina Reed, a social scientist, provides a few statistics in Issue No. 5 of *Quantum Magazine* which point to cause for concern regarding the recent economic history of Ecuador. In 1995, 19 percent of Ecuador's urban population lived in poverty. In 1999, that percentage

reached 42 percent. Over the same period of time, rural poverty rose from 56 to 77 percent. One of the most marginalized communities in Ecuador, the indigenous community, saw their rates of poverty rise from 69 to 95 percent during that period. At the same time, while quality of life statistics improved in quite a few Latin American countries throughout the 1990s, the combination of increasing poverty with decreased spending by the Ecuadorian government on public social services led Ecuador to fall precipitously in the quality of life rankings within Latin America.³

One of the results of the profound economic crisis in which Ecuador finds itself is the emigration of thousands of its citizens to Europe and the United States. It is calculated by Caritas Spain that some 350,000 Ecuadorians have emigrated to Spain in the last few years. Putting that number together with statistics from the United States and other European destinations, Ecuadorian journalist Angel Rojas estimates that 20 percent of the Ecuadorian population has left to try their luck in other parts of the world.⁴ Sociologists and other medical professionals have testified to the long-term effects such migration has had on families and communities as children have been left behind so that parents might make enough to send home to support the extended family.

The economic and political crisis which continues in Ecuador has as a backdrop the dynamic along its northern border with Colombia. The combination of an economically and politically unstable country with the presence of a civil war worsening at its back door has raised alarm in many both inside and outside Ecuadorian society. At the same time, Ecuador continues to be a low priority within the world of foreign affairs and concerns. It is a backwater given little attention by the countries in the North or even by its Andean neighbors.

United States-Ecuadorian Relations

On May 14, 2002, *El Comercio*, a principal newspaper in Ecuador, published an article on the see-saw relationship Ecuador has had with the United States over the years. Most recently, many are saying that the relationship is at an all-time low. This downturn was most noticeably marked in the Ecuadorian reaction to the 2001 State Department *Report on Global Patterns of Terrorism*.⁵ The recently released report card on the world's cooperation with the U.S. fight on terrorism includes comments on countries throughout the world. The report had no more than three paragraphs on Ecuador, but the last three sentences of those paragraphs created a maelstrom of public comments and editorials declaring the U.S. State Department simply wrong in its assessment of Ecuador and the report's tone extremely unjust.

The report ended by stating that Ecuador has not improved control over its porous borders, has failed to adequately crack down on illegal emigration and that the United States has cause for concern over the country's weak financial controls and its reputation as a strategic corridor for the transportation of arms, ammunition and explosives destined for Colombian terrorist groups. The reference to weak financial controls appears to allude to Ecuador's position as one of the principal countries for money laundering in the Andean region. Many international professionals living in Ecuador state that what the report contends is true, but also point out that the fact that the report contains no recognition of the actions Ecuador *has* made in cooperation with the United States indicates the seeming lack of importance Ecuador plays in U.S. foreign relations. In the way the report was written, it appears that the United States made little effort to use diplomatic language which might have more successfully maintained positive relations between the two countries.

Foreign policy analysts in Ecuador point out that not only is Ecuador a low priority for the United States in terms of foreign relations, but that also, Ecuador has not prioritized nor focused on the need to develop a clear policy regarding its relations with the United States. Both of these facts appear strange when considering the hemispheric dynamics now taking place in the Andean region which clearly involve both Ecuador and the United States as key players. Ecuador shares its northern border with Colombia and has been profoundly affected by increased conflict in southern Colombia as well as the implementation of Plan Colombia in that same region. The United States has a treaty with Ecuador for the use of the Ecuadorian navy base in Manta and is now utilizing part of the base as a forward operating location (FOL) for anti-drug reconnaissance flights. The United States was highly involved in the Ecuador-Peru peace process, after which USAID provided substantial funding to the joint development of Ecuador's border with Peru and is now providing funding for what USAID calls "preventative development" on Ecuador's border with Colombia. Despite such U.S. activities and key U.S. interests in Ecuador, there has been no U.S. ambassador assigned to Ecuador since July 2001 and the relationship between the two countries appears to be becoming less defined and less coherent.

Ecuador's Border Dynamics

The situation along the northern border with Colombia is deteriorating rapidly, as the impact of Colombia's worsening internal violence spills over into Ecuador. The problems along the border are further aggravated by the present economic crisis — which has hit the border region particularly hard — and Plan Colombia itself. U.S. pressure to militarize the northern border and the presence of the FOL in Manta have altered the dynamics between the two countries, as the Ecuadorian security forces begin to play a role in the implementation of the U.S.-backed Plan Colombia.

A recent series of articles written by Colombian journalist German Castro Caycedo documents the dark reality taking shape in the border province of Sucumbios, across the river from the Colombian department of Putumayo.⁶ Throughout Colombia's conflictive history, Sucumbios, like other provinces along Ecuador's border with Colombia, has served for Colombian guerrilla groups as a place for rest, relaxation and resupply. Guerrillas in civilian dress passed their time in Ecuador peaceably, often with the disinterested knowledge of the Ecuadorian military. Now, according to Caycedo, their presence is not so peaceful nor innocuous. Lago Agrio, the largest population center of Sucumbios province, serves as a place for information gathering for both the guerrillas and the paramilitaries. The groups often "settle scores" against one another on the Ecuadorian side. In an interview with paramilitary "officers" residing in Lago Agrio, Caycedo quotes them as stating that they see it as their job to keep the guerrillas from getting supplies from Ecuador. They state that they have taxi drivers and other Lago Agrio citizens working for them as informants regarding guerrilla movements in the area. Caycedo states that the guerrillas, too, have their informants in Sucumbios. Lago Agrio, and its environs, have no more than some 50,000 residents. However, sixty eight murders took place there in May 2002 alone. Police point out that around sixteen unidentified cadavers arrive every month at the city morgue. As with most border towns, Lago Agrio has its share of illegal activities. However, over the past eighteen months, kidnappings, extortion, car jackings and murder have increased greatly.⁷

Ecuador's economic crisis, the closing of coca harvesting as a job opportunity on the other side of the border due to fumigation, the increase in violence among all armed actors in southern Colombia and the arrival of Colombians into Ecuador competing for limited economic resources have all added to a potent mix across Ecuador's northern border,⁸ resulting in increased crime and instability. The Ecuadorian military, pressured by both the United States⁹ and internal political dynamics, has been transferring troops from the interior of the country to newly-constructed outposts all along the northern border, with 100 to 250 troops stationed at each outpost.¹⁰ General Oscar Ish, the commander of the Ecuadorian Joint Chiefs of Staff, recently stated that anti-guerrilla training for its border troops is the Ecuadorian military's number one priority. It is his stated impression that Colombia's southern border is now mostly under the control of irregular armed groups, rather than the Colombian military, and that the paramilitary organization, the AUC, has mostly displaced FARC and ELN control along the entire border. He states that Ecuador is doing its best with the resources it has to respond to the worsening border situation and complains that the United States has not yet provided any material aid to the Ecuadorian military.¹¹ Another officer stationed on the northern border complained about the illogic of the U.S. implementation of Plan Colombia. He wondered why it was that the United States chose to fumigate and support a Colombian military push into southern Colombia before assuring that Ecuador's northern border was shored up and prepared. He stated that it should come as no surprise that the border situation is worsening because the Ecuadorian military is now caught scrambling to respond a day late and a dollar short.¹²

Although the Ecuadorian military perceives that more U.S. aid to their efforts at the border would strengthen its ability to respond to an expansion of the Colombian conflict, most international and national analysts see social development and economic relief as a much stronger deterrent to such expansion. The economic crisis, most acutely affecting border communities, makes the Ecuadorian population all the more vulnerable to considering participation in illicit activities, such as coca cultivation, drug processing and recruitment by armed groups, for economic survival. The militarization of the border has also greatly complicated an already difficult reality. Human rights abuses have increased and civil-military relations have deteriorated as the civilian population is often treated as "suspect" by both Ecuadorian military and police.¹³ Ecuadorian NGOs have responded to such reports and other border developments with efforts to organize national and local coalitions in order to work toward a coordination of resources and initiatives.

U.S. assistance to Ecuador's northern border to date has consisted of modest amounts of USAID funding for development projects along with equipment and training for security forces. The development assistance has focused on infrastructure projects such as water, roads, and bridges. The United States committed \$8 million for development in FY2001, \$10 million for FY2002, and proposed \$16 million for FY2003. Security aid for Ecuador (narcotics law enforcement support and port security and control) totaled \$1.65 million in FY2001. For FY2002, the U.S. government has allotted \$14.3 million for law enforcement efforts in Ecuador, and for the first time included \$5.8 million for a northern border security program. Close to triple the FY2002 amount, \$15.2 million is slated in the budget request for 2003 for northern border security out of a total proposed budget of \$20.25 million. The U.S. State Department's Bureau of International Narcotics and Law Enforcement (INL) states that the northern border security project will provide counternarcotics assistance to the Ecuadorian military and improve its coordination with the national police. It also includes funding for communications equipment, ground

transportation, small coastal patrol craft for the navy, fuel and operational support for Ecuadorian army helicopters, and counternarcotics training courses for the military.¹⁴

The fumigation taking place in southern Colombia under the U.S.-backed Plan Colombia, has received much attention from Ecuadorian NGOs. Ecological Action (*Acción Ecológica*), the Council of Indigenous Nations of Ecuador (CONAIE) and the Civil Society Assembly of Sucumbios (ACIS) have all made efforts to study and document the effects of fumigation on Ecuadorian border residents and have shared the studies among themselves and publicly. An Ecuadorian indigenous group, living directly on the border, has pressed a lawsuit now being heard in a Columbia District court against DynCorp (a private U.S. defense contractor based in Reston, Virginia) for health damages caused by fumigation. The reports and the lawsuit document the harmful physical effects as well as agricultural damage experienced by Ecuadorians living just over the river from where the fumigations took place. Many in the communities decided to leave rather than risk even more damage to their health or more loss of agricultural production, as the fumigations are planned to continue throughout the year. Their displacement to the town of Lago Agrio adds to the growing competition for scarce economic opportunities.

A national coalition organized around border concerns, OIPAZ (International Observatory for Peace), has been functioning for almost two years. Its membership includes a permanent coordinator in each of the border provinces who works with community base organizations, three national coordinating NGOs (the Regional Institute for Support in Human Rights, INREDH; the Service for Peace and Justice, SERPAJ; and the Ecumenical Committee for Human Rights, CEDHU), and the Andean Simon Bolivar University. OIPAZ has produced a study documenting the situation along the border based on a year of data collection and conversations with border communities (*Testimonios de Frontera*) and a report developed by U.S., European and Latin American participants in an international mission to the northern border. The coalition is now entering into formal agreements with ACIS (which is made up of citizens, local authorities, the Church and base organizations such as workers unions, etc.) and the Human Rights Committee of Carchi to develop ongoing training and activities in prevention and response to the worsening border situation.

Over the last four months, more than 37,000 Colombians crossed into Ecuador via its northern border. There are various reasons for Colombians to cross into Ecuador, such as commercial trade, family or tourism. However, the numbers crossing have increased dramatically and much of that increase represents those fleeing the worsening violence on the Colombian side. In 2002, Ecuador accepted 719 Colombians as refugees. The United Nations High Commission for Refugees (UNHCR) has offices in all three border provinces through which Colombians can submit applications for refugee status. As of May 2002, the Ecuadorian government had 1,362 applications waiting to be considered for refugee status. According to the Catholic Church, which coordinates its pastoral work in migration with the UNHCR, there are thousands more Colombians arriving and living in Ecuador who have not or cannot apply for refugee status but who feel that it is unsafe for them to return. At the same time, the numbers crossing the border are not nearly as high as originally expected when Plan Colombia was first announced. Also, ironically, many of the Colombians crossing over into Ecuador have commented that they are surprised at how difficult it is to survive economically in Ecuador. Despite the violence from which they fled, the standard of living for Colombians fleeing into Ecuador was higher in their home country. Their move to Ecuador has made it more difficult to feed their families as well as

adding to competition for the scarce resources available in Ecuador's difficult economic context.¹⁵

The U.S.-Sponsored Forward Operation Location (FOL) in Manta, Ecuador

The Ecuadorian navy has had an airbase in Manta, a city on Ecuador's coast, since the 1940s. Over the years, through the use of eminent domain, the Ecuadorian navy has slowly acquired 24,000 hectares in the Manta area, taking over farmland and displacing local residents along the way. Two years ago, the Ecuadorian Foreign Ministry signed a treaty with the United States, giving it military access to the Manta military complex with exclusive rights to the eight hectares encompassing the runway and the airbase itself. The treaty allows for up to 475 U.S. troops to operate on the base. The United States spent millions of dollars upgrading the base to its standards and now flies intelligence reconnaissance flights six times a week along the coastal areas of Ecuador, Peru and Colombia to search for drug-carrying planes and boats. There is no U.S. interdiction of suspicious planes or boats at this time — all physical interdiction is under Ecuadorian control.

The United States-Ecuador treaty on the use of the Manta airbase has been controversial from the beginning. A major constitutional debate surrounds the actual legality of the treaty. According to constitutional lawyers in Ecuador, the treaty is illegal because it was not presented for congressional approval as required by the Ecuadorian constitution for all international agreements. A formal legal challenge was developed and presented by a coalition of NGO and constitutional attorneys. The challenge was eventually rejected in the Ecuadorian high courts. A congresswoman has a proposal before the Ecuadorian Congress to put the treaty to a congressional vote as is constitutionally required. While her proposal has support from some sectors within the Ecuadorian Congress, it has not yet been put on the table for consideration as other congressional concerns have taken priority.

The other debate surrounding the FOL has to do with the concern that the United States will eventually use the Manta base for anti-subversive initiatives in its fight against terrorism in Colombia. The treaty is very clear that U.S. actions out of Manta are to be limited to anti-drug initiatives only and the Ecuadorian government has stated repeatedly that it will not allow the United States to go beyond the terms of the treaty. At the same time, it would be impossible for the Ecuadorian military to monitor the kind of surveillance being done by U.S. planes on their reconnaissance flights and therefore almost impossible to enforce strict adherence to the terms of the treaty.

When it was made public that DynCorp was contracted for services to the FOL, concerns regarding the United States expanding its activities to include anti-terrorism initiatives became even more pronounced. Because of their knowledge of DynCorp activities in Colombia, congressional representatives called in the Ecuadorian minister of defense to testify on DynCorp's presence in Manta. He clarified that, according to the treaty, the United States has the right to hire whatever corporation it chooses to perform services on the base. He also assured the congress that the United States has hired DynCorp for non-military work only: accounting, administration, meal preparation, custodial services, ground maintenance and cargo transport. The fact that the DynCorp contract became an issue at the level the Ecuadorian Congress indicates the depth of concerns and debate surrounding the presence of the U.S. FOL in Manta.

Finally, one of the most profound concerns awakened by the presence of U.S. military on Ecuadorian territory is the perception that Ecuador is no longer perceived as neutral concerning the Colombian conflict. Where originally all armed actors in Colombia (military, guerrillas and paramilitary) saw Ecuador as a non-issue — as mostly a place for rest and relaxation — the presence of the U.S. military in Ecuador now creates the perception that Ecuador has chosen sides. Many feel that the Manta Base treaty has made Ecuador into a potential “theater of operations” for the United States in its fight against terrorism. The ramifications of such a position, in a war which is taking on a regional character and whose stakes seem to be rising alarmingly, have become cause for concern in Ecuador.

The Crude Oil Pipeline (OCP)

In Esmeraldas and Sucumbios, two of the three northern border provinces, petroleum plays a major role in the lives of the citizens. In Esmeraldas there is a major oil refinery serving the state-owned pipeline referred to as the SOTE. Sucumbios is located in the Amazon basin where the majority of the nation’s oil is found. The oil is extracted in several locations throughout Sucumbios and then transported through the SOTE to the refineries. Ecuador is now undergoing the construction of another, privately-owned pipeline, the OCP, which will bring new complications to Esmeraldas and Sucumbios, as well as other provinces found along its route.

In February 2001, Raul Gangotena published an editorial in *El Comercio* entitled, “The Other Pipeline,” where he refers to his youth in the 1970s during the “oil boom” which promised to provide new resources to Ecuadorian citizens.¹⁶ However, at the time, it appeared that two pipelines were being constructed side by side — the pipeline which brought out the oil, and the other “pipeline” that diverted oil dollars into commissions for intermediaries, to arbitrary bureaucratic layers and to political pay-offs. On February 15, 2001 the Ecuadorian government approved the construction of a new national pipeline, the OCP, which it says will take Ecuador into a new and prosperous twenty-first century. Gangotena states that in the 20 months that it takes to build the OCP, the government must also construct yet another “pipeline,” one which, this time, will transfer resources evenly across the Ecuadorian population and which will put into place efficient and effective mechanisms to provide the populace with their basic needs. Without such a simultaneous construction, the resources generated by the OCP will go the same way as those which have been brought in since the 1970s by the SOTE.

Many in Ecuador are seriously questioning how Ecuadorians will truly benefit from the new pipeline. The SOTE continues to be government-owned and operated. The OCP is being constructed and will be operated by a consortium of foreign petroleum companies: the U.S. companies Occidental and Kerr McGee (now selling to a French petroleum company), Alberta Energy out of Canada, Repsol from Spain, Italy’s Agip, and an Argentine company in the process of merging into a larger conglomerate still lacking a formal name. The government will receive royalties for the oil that is pumped as well as taxes on profits made. However, the consortium will have total control over the use of and access to the pipeline.

The pipeline’s route, which received approval from the Ecuadorian ministry of environment, runs through nature reserves and private property whose access has had to be negotiated by the consortium. There have been organized protests trying to block the construction of the OCP. Particularly strong opposition has been organized in the Cloud Forest region called Mindo. International environmentalists have joined with Ecuadorians to buy scores of hectares lying in the

path of the pipeline going through Mindo. While construction was halted due to the new owners refusing access, the consortium appealed to the Ministry of Environment and eventually won the right to continue construction of the OCP through the protested area.

In the border province of Sucumbios, where there already is a large petroleum presence and where the state-owned SOTE presently functions, there have been multiple controversies. Many whose land is needed to make way for the pipeline have accused the consortium of not offering fair prices to easily exploited illiterate farmers and for making specific offers to other landowners and then not delivering the amount to which all parties committed. There have also been serious charges of threats and manipulations toward those residents who have refused to sell their land to OCP (forcing payments on debts to the national bank, taking charge of the land in the absence of owners and even causing physical violence). Workers on the pipeline construction throughout the country have also accused OCP of not paying for medical care when accidents occur on construction sites as well as not paying salaries on time or paying less than promised. OCP has responded to all charges by demanding documentation for the accusations and offering to open their files to public inspection.

The construction of the OCP continues and many are beginning to question: If the pipeline is ever finished, with all that the consortium has had to contend, the cost of construction itself, and the small amount of heavy crude actually in Ecuador, will a profit ever be made? Will the Ecuadorians ever see any benefit and was the risk to its environment worth the concessions made?

Ecuador's New Regional Role?

Much has changed for Ecuador over the last five to seven years. Its economy and political institutions have become even more unstable, the violence on its northern border has increased as it is directly affected by the worsening conflict in neighboring Colombia and it now hosts a U.S. military operation on its coast. With such major changes, many in Ecuador are concerned by the government's apparent lack of a clear domestic or international strategy to confront these major dynamics. Moreover, the situation on the northern border is likely to deteriorate further as the conflict in neighboring Colombia escalates. The breakdown of the peace talks, president-elect Uribe's announced frontal assault on the guerrillas, escalating abuses by the insurgents, plans to dramatically increase aerial fumigation of coca in the southern part of the country, and the Bush administration's proposed shift from a purely counternarcotics to a counterinsurgency strategy all point to an escalation of the war with the potential for increased spill-over into neighboring countries. Presidential elections are also looming on the horizon in Ecuador, as campaigning gets underway for the October vote. The next president will inherit a complicated and difficult situation along the border. With regard to Ecuador's foreign policy — vis-à-vis Colombia and the United States in particular — the new president will have to quickly assert a more comprehensive and solid approach or the country will risk being swept up in international conflicts beyond its control.

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¹ Skorneck, Carolyn. "Terrorists Operating in Ecuador." The Washington Post. 18 April 2002.

² Marconi, Salvador R., editor. Macroeconomía y Economía Política en Dolarización. Abya-Yala/UPS - ILDIS – UASB: Quito, Ecuador.

³ Sandra G. Edwards with Thomas E. Edwards, "Update on Ecuador: First Phase of the Strategic Plan for Ecuador for the Andean Regional Office of Lutheran World Relief." Lutheran World Relief, May 2001.

⁴ Rojas, Angel F. "Sudacas Ecuatorianos." Editorial. El Comercio. Quito, Ecuador, 4 May 2002.

⁵ United States. Department of State, Counterterrorism Office. Patterns of Global Terrorism 2001, 21 May 2002. www.state.gov/s/ct/rls/pgtrpt/2001

⁶ A series of articles by German Castro Caycedo on Ecuador's northern border. Caycedo, German Castro. El Comercio. Quito, Ecuador, 29-30 May 2002.

⁷ El Comercio. "68 Asesinatos Fueron Selectivos." Quito, Ecuador, 18 May 2002, sec. A:6.

⁸ Ecuador's northern border consists of three provinces: Sucumbios (neighbor to Putumayo, Colombia); Esmeraldas (neighbor to Tumaco, Colombia); Carchi (neighbor to Nariño, Colombia).

⁹ USAID has stated that they will not fund further social development projects on the border without security guarantees. This translates into more military presence.

¹⁰ There are eight permanent military battalions based along the northern Ecuadorian border. In addition to the existing battalions, there are seven recently constructed military outposts (one in Esmeraldas, five in Carchi and one in Sucumbios). The military is constructing two more new outposts in Sucumbios.

¹¹ El Comercio. "FFAA Ubicó las Zonas de la Guerrilla." Quito, Ecuador, 5 May 2002, sec. A:3.

¹² Interview by author, November 2001.

¹³ Testimonios de Frontera, Efectos del Plan Colombia en la Frontera Colombo-Ecuatoriana. Observatorio Internacional por la Paz (OIPAZ): Quito, Ecuador, May 2002, p 84.

¹⁴ All of the statistics in this paragraph are from the following source: United States. Department of State, Bureau of International Narcotics and Law Enforcement Affairs. Fiscal Year 2003 Budget Congressional Justification. Washington, DC, 2002.

¹⁵ All statistics received from the United Nations High Commission for Human Rights (UNHCR) office in Quito, Ecuador.

¹⁶ Edwards and Edwards, *op. cit.*