

# Ecuador latest test for Latin leftists

**Voters head to the polls Sunday to choose between a US-educated professor and a billionaire businessman.**

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**QUITO, ECUADOR** – One is a billionaire banana tycoon who puts cash in the hands of the downtrodden while on the campaign trail. The other presidential contender in Ecuador's runoff election Sunday says the poor don't need handouts; they need a new social order.

Alvaro Noboa, the richest man in Ecuador, and his opponent Rafael Correa, who has emerged as Venezuelan president Hugo Chávez's newest darling, have wildly different views on how to direct their nation's future. Mr. Noboa says he'll maintain close ties with the US, while Mr. Correa attacks anything that suggests US dominance in his country and the region.

While this oil-rich South American nation of 13.4 million is not a major player on the world stage, Ecuador's presidential outcome could shift regional geopolitical balances - from military cooperation to free trade. "Ecuador is in a strategic position in political, regional, and economic terms," says Polibio Cordova, a pollster at Cedatos-Gallup in Quito, the nation's capital.

Ecuador is the latest test of the strength of the leftward trend that seemed to be sweeping Latin America earlier this year. In elections in Bolivia, Mexico, Peru, and Nicaragua, close races between left-leaning leaders and more conservative opponents proved to be a battleground for leftist ideals championed by Mr. Chávez of Venezuela and a more free-market approach supported by the United States. Leftist leaders won in both Bolivia and Nicaragua, while more conservative leaders won in Peru and Mexico.

In Ecuador, the two visions of Correa and Noboa divided residents in a first round vote Oct. 15, with 13 candidates vying for a spot deemed too close to call. Noboa won 27 percent of votes and Correa 23 percent. Noboa surged after that, but recent polls show Correa has closed the gap to what is now a statistical tie.

While Noboa promises to attract foreign companies with tax breaks and to build 300,000 homes a year for the poor - virtually ending the nation's housing deficit - Correa, a leftist economist and college professor, wants a constitutional assembly to dissolve a Congress he calls a group of "political mafias." He says he would not renew contracts for a US military base in Manta, Ecuador or even consider a free trade agreement with the US.

### **The leftist professor**

Correa is articulate and charismatic, easily drawing laughs from crowds and admired even by his critics for his brilliant mind. He earned a doctorate from the University of Illinois, and served briefly as finance minister in 2005. He says free trade will ruin small farmers. "He is not the typical neoclassical economist," says Eduardo Gamarra, an expert on Latin America at Florida International University. "He is probably the smartest of all the populists; he's the only one with a PhD."

But his selling point is a pledge to end the country's rampant corruption. On the campaign trail, he frequently brandishes a belt, called *correa* in Spanish, and gives the political establishment a simulated "whipping."

Correa's aggressive rhetoric in the lead up to the first round scared international investors, most of whom would prefer a Noboa win. But Correa has softened his tone ahead of Sunday's run-off, quieting market jitters. "Clearly the markets have a favorite," says Gianfranco Bertozzi, a Latin American strategist at Lehman Brothers Holdings Inc. in New York, "but they are less anxious about it [than during the first round]. If Correa does win, on Monday, when the market opens, there will still be some volatility.... There will be people who don't feel particularly excited about Correa."

### **An old-school populist, from the right**

Noboa, an old-style populist who readily grants favors, puts on wild campaign events that often include live dance performances. During one recent rally in two of Quito's poorest neighborhoods, Noboa donated one computer and four wheelchairs. Indeed, the man who owns more than 100 companies, including Bonita, one of the largest banana plantations in the world, comes bearing gifts, including cash handouts of up to \$500, or hundreds of dollars worth of flour, for example, to build up a local bakery.

For the US, it's not Noboa's handouts that are attractive but his business vision. He wants to reignite a stalled free trade agreement with the US

and attract investment to create jobs, but it's the virtual barrier he'd form with Venezuela that many say the US really likes. "It would block eastern South America from western South America," says Larry Birns, of the left-leaning Council on Hemispheric Affairs in Washington. "You already have [conservative presidents in] Colombia and Peru in your pocket. You have Ecuador, too, if Noboa wins."

But voters here are increasingly skeptical of the political establishment, with 2 percent confidence in political parties, says Dr. Cordova of Cedatos-Gallup. Ecuador ranked just below Venezuela for most corrupt South American country by the watchdog group Transparency International's 2005 global ranking. "Every year it is worse," he says.

"If I had to vote right now, I'd be voting for the best of the bad," says Adriana Galarza, a business student. She says she has little faith that Noboa can manage the country well, but adds that she disagrees with Correa's stance on free trade. In the first round she voted for neither.

Says Cordova: "We have two populists, and with either of them Ecuador faces very difficult days in the future."