

# The country ecuador

Countries



Ecuador, a country smaller than the size of Nevada, is located in western South America. It borders the Pacific Ocean at the Equator and is a tropical region. The capital of Ecuador is Quito. Quito is located in Northern Central Ecuador. One interesting fact about Ecuador is that it contains the highest active volcano in the world, Cotopaxi. The volcano is located just below the capita, Quito. Due to their new constitution the economic status of Ecuador, a Third World country, is rising.

The GDP is \$58. 7 billion. The GDP per capita is \$4, 800. Only 35% of the population are below thepovertyline. The lowest 10% of income is shared by 2. 3% of the population and the highest 10% are 37. 6%. The foreign debt is \$12. 5 billion. 12% of people who live in Ecuador experience wide spread unemployment. Their industrial production growth rate is 2. 4%. The budget in Ecuador is \$5. 1 billion, not includingmoneyfrom private organizations.

Ecuador produces a range of products to be exported. They export 30% petroleum, 26% bananas, 16% shrimp, 2% cut flowers, and 1. 9% fish. They export to the United States (39%); Latin America (25%); EU countries (22%); and Asia (12%). Ecuador imports \$2. 9 billion worth of products. These include transport equipment, consumer goods, vehicles, machinery, and chemicals. They import from the United States (32%), EU countries (19%), Latin America (35%), and Asia (11%). Ecuador" s industrial force produces: petroleum, food, textiles, metal work, paper products, wood products, chemicals, plastics, fish, and lumber. Ecuador" s agricultural production

includes: bananas, coffee, cocoa, rice, potatoes, manioc, plantains, sugar cane, cattle, sheep, pigs, beef, pork, dairy products, balsa wood, fish and shrimp.

Ecuador's social indicators are really not too disturbing. The infant mortality rate is 30.69 deaths/1,000 live births. This is not a very high rate compared to many other Third World countries. The average life expectancy for an Ecuadorian is 72.16 years. The average for a male is 69.54 years, and for females the life expectancy is 74.9 years. The population growth rate is 1.78%. This is not a great increase. The literacy rate for the total population is 90.1%. This is outstandingly high. The main religion in Ecuador is Roman Catholic, which includes 95% of the population.

Petroleum, fish, and timber are Ecuador's three main natural resources. The climate in Ecuador is mainly tropical along the coast, and as one moves inland it becomes much cooler. Arable land makes up 6% of land, along with permanent crops (5%), permanent pastures (18%), forests and woodland (56%), and other areas (15%). Ecuador faces many natural hazards, which include frequent earthquakes, landslides, volcanic activity, and periodic droughts. Deforestation, soil erosion, desertification, water pollution, and pollution from oil production wastes are some of the environmental issues facing Ecuador.

The government of Ecuador is a unitary republic. Their system is set up much like the United States. The government contains three branches- legislative, executive, and judicial. The people elect the president and vice-

president by casting only one ballot. In congress, the representatives are limited to four-year terms. Impeachment of a

president, would require support of one-fourth of representatives. In order to actually remove him or her from office it would take a vote of two-thirds of the representatives.

On August 10 1998, President Jamil Mahuad took his term as Ecuador" s president, and the new government brought forth a new constitution.

Primary and secondary education will be free to everyone, in the new constitution. Universities will not be included in this; students also will be required, much like in the United States, to pass admissions requirements before entering the university. Education is a major factor in helping the poor of Ecuador, by being educated one can start to help themselves by finding better jobs that pay more.

Under the new constitution, the state must now try to sustain economic growth. The new constitution stops the state from changing contracts that have been already signed if the law was not enacted previously. Having this will create more private investment, which will help Ecuador obtain foreign capital.

Since the establishment of the new government in 1998, the congress has been receiving pressure from citizens to pass a balanced budget and tax reform. Special interest groups and many other interest groups have slowed the progress of congress by raising questions about how this is going to happen and disagreeing with congress" s plans. Congress has been

threatened by numerous associations to get the budget bill passed.

Questions on whether a legislature should remain are arising.

Ecuador is also having problems paying their debt. They have defaulted on their interest payments on Brady and Eurobonds. With the already weak financial system, some analysts believe this may cause bankruptcy for new institutions.

Electricity prices have always been a sore spot in Ecuador. Since the lack of enforcement of the new budget and tax reform, outrage is even more prevalent. CONELEC, the National Electricity Council, has been pressed with the issue of how to implement the higher taxes. Many ideas have been brought to the forefront. One idea is to base the price of electricity off the price of the exchange rate of the United States dollar. Another idea is to not enforce the increase until January and then increase the price 34%. After January keep increasing the price monthly until Ecuador breaks even.

Ecuador has a new government and with that comes conflicts. They have an excellent government system working for them, but as in every society someone wants to change that. Ecuador is working on convincing some of the old institutions that the government they have now is good. The government is doing good things for the economy by helping reduce the number of the poor. Ecuador's economy will probably thrive as soon as the bugs are worked out of the system.

A volcano threat in Ecuador has forced many individuals to leave their homes. The Tungurahua volcano, located about 120 miles south of Ecuador's capital Quito, blanketed the area with ash. The Tungurahua volcano is 5, <https://assignbuster.com/the-country-ecuador/>

000 meters high and it spews about 10, 000 tons of vapor a day. Many experts believe there is an 80% chance that the

Tungurahua volcano will erupt. Only minor eye irritations and respiratory problems have been reported as a result of the volcanic gases and activity.

Economic development seems to be doing well along with the reduction of poverty since the new constitution was established in 1998. Although I would have liked to have a law that even though primary and secondary education is free-that it is required one attends until a certain age. With a lot of Ecuador" s economy based on agriculture I am concerned that even though education is free, one" s children may not be able to attend due to the need to be on the farm. Education coincides with poverty reduction so I find that the two go hand in hand. Poverty can not be solved in one day, but I do think that education is the right approach. I think there should programs set up to go to the older population and help educate them as well so that they understand why it is important for their children to receive and education.

Ecuador is a complicated country with many strong attributes. The country essentially is starting over with a new government, which will take time for everyone to adjust. Ecuador" s economic data and social indicators look good for Ecuador" s future.