Ecuador

Ecuador- United States relations

After the withdrawal of Ecuador from Colombia in 1825, the United States established diplomatic relations with the new country in 1830. United States opened its embassy in the year 1847. Both countries share historical relations and a history of economic partnerships (Beittel, 2013). Their shared goals include working for economic prosperity, democratic supremacy and regional security. The present regimes in both countries are working to foster bilateral partnerships and enhancing mutual partnerships. Despite sharing warm relation and increased level of partnerships both governments had faced numerous challenges. Immigration remains one among the pressing issue among both countries.

# Bilateral Economic relations

The United States is one of the leading trading partners of Ecuador. United States export includes machinery, petroleum products, technology oriented equipment, organic substances and transportation related tools. United States has allowed duty-free access to Ecuadorian companies which in turn benefit the bilateral trade (Gallegos, 2016). From quite a long, both countries are experiencing unhindered supply of equipment, in result are securing financial gains. On other hand through the enactment of generalized system of Preferences, the United States has become the beneficiary of reduced taxes on its import including crude oil, bananas, shrimps, prawns and plantains. A tilt in the bilateral economic relations came in 2017 when the former government of Ecuador terminated around seventeen export-related agreements. This termination also impacted the bilateral investment treaty signed between United States and Ecuador (Gallegos, 2016).

The present administration in Ecuador has, however, showed keen interest in renegotiating a new agreement. Economically both governments are facing very low trajectory in their bilateral relations with Ecuador showing keen interest to enhance trade and financial relations in all fields. Both states have signed various commercial agreements also, which remains beneficial for both the United States and Ecuador. United States has invested billions of dollars in the manufacturing sector in Ecuador.

An interesting aspect of the relations came in 2000 when Ecuador became fully dollarized (Beittel, 2013). The impacts of dollarization remain dominant to date. To counter these aspects, the Ecuadorian government is introducing reforms to modernize the economy. The Ecuadorian government want to develop its economy to reap equitable growth. In March of this year, Ecuador remained successful in approving an IMF program which they believe will benefit them in making ‘new economic policy’.

Immigration issues

Although with the introduction of some laws pertaining to immigration in the United States, many Ecuadorians became successful in getting permanent residence in United States. However, with the passage of Immigration reform and control act of 1986 in Ecuador, the immigration from Ecuador to United States increased (Wiarda & Kline, 2018). At present many Ecuadorians who live in the United States work illegally and send money back via illegal channels. But compared to other immigrants in America, the Ecuadorians remain successful in getting legal permits and permanent residence status. Recently, both the governments have inked agreements to stop the illegal immigration from Ecuador via the border with Peru and via the sea routes (Wiarda & Kline, 2018).

# Financial relations

The United States and Ecuador share strong bilateral relations. However, for multiple reasons, Ecuador has remained fail in getting over the financial crisis, it faced from time to time. United States had various times helped Ecuadorian regimes financially. The United States Agency for international development (USAID), multilateral financial institutions of United States and Inter- American Development Bank have helped in supporting the foreign commercial finances of Ecuador. Along with this United States partners with Ecuador in multibillion-dollar projects to help the Ecuadorian economy. The United States Peace Corps and its institutions relating to fighting narcotics have invested around $70 million in Ecuador up till 2010 (Silva, 2016). The United States also remain principal trading partner of Ecuador. During the years 2010- 11, Ecuador exported goods of worth $6.04 billion to United States. From 2011 and onwards the financial relations between both countries have experienced 35 per cent increase. It is also one of the largest beneficiaries of the duty-free entry. It was successful in securing this via Andean Trade Preferences Act (ATPA) in 2002 (Silva, 2016). These benefits have witnessed increased renovations many times. From 2010 and onward the financial relations have experience manifold increase. The bilateral partnerships have risen to a level more than $5.4 billion.

# United States involvement in Ecuador

Ecuador’s northern border with Colombia has remained an epicentre of narco-trafficking and illegal activities. Both Ecuador and United States have shared concerns over illegal movements across their borders (Pineo, 2010). Historically, both United States and Ecuador have partnered in efforts to curb such elements. At present, both countries are linked through various bilateral agreements to ensure counter-narcotics and illegal trafficking of drugs and humans. The United States has helped in building the military capabilities of Ecuadorian army. Despite threats of human smuggling and narcotics United States have refrained from entering the conflict zones (Pineo, 2010). Rather, United States military is assisting Ecuadorian military to enhance their skills in countering conflicts. The political affairs in Ecuador have long remained in turmoil. Under this pretext there has been disturbance on the borders of United States and Ecuador. However, both states have remained limited to their borders. United States has always condemned political rhetoric’s which aimed at destabilizing the political regimes in Ecuador. Despite sharing such long political, economic and financial relations, both countries have limited history of political involvement in each other affairs. United Sates efforts for building the economy and reinforcing the financial structure of Ecuador suggests that, United States want strong neighbors and reliable partners.

# References:

Beittel, J. S. (2013). *Ecuador: Political and Economic Conditions and US Relations*. Congressional Research Service Washington, DC.

Gallegos, F. R. (2016). Political change, state autonomy, and post-neoliberalism in Ecuador, 2007–2012. *Latin American Perspectives*, *43*(1), 143–157.

Pineo, R. F. (2010). *Ecuador and the United States: Useful strangers*. University of Georgia Press.

Silva, V. (2016). *The return of the state, new social actors, and post-neoliberalism in Ecuador*. Sage Publications Sage CA: Los Angeles, CA.

Wiarda, H. J., & Kline, H. F. (2018). *A concise introduction to Latin American politics and development*. Routledge.

# 