



The socio-legal and financial impact of the multilateral external public debt between the IMF and Ecuador

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ABSTRACT

The conditions under which a country can access a multilateral international loan financed by the IMF are very demanding. On many occasions, several countries that have made the

decision to borrow, while trying to comply with the conditions, have gone into bankruptcy, while others have tried to provide constant stability on the basis of the conditions imposed by the IMF. Therefore, the present study seeks to determine the socio-legal and financial impact produced by the external debt contracted through agreement between the IMF and Ecuador, studying approximately from 2017 to 2023. The realization of this research was possible in measure of the use of several methods such as the inductive-deductive, plus the analytical-synthetic that, starting from a qualitative approach and descriptive documentary type of research, it was prudent the collection of bibliographic sources of information, which determined as results the existence of evident impacts both positive and negative, predominating the negative characteristic in the socio-legal and financial areas that are part of the content of the study. Concluding, in the need for the creation of measures that adjust to the requirements of the citizenship based on their fundamental rights.

Key words: *external debt, IMF, Ecuador, economy, impact, consequences.*

INTRODUCTION

When undertaking a study where it is intended to know the impact that a certain action has maintained in a society, the current consequences of a social, legal and financial nature must be taken into account, these being the areas in which, to date, any society in the world maintains as the pillars of its local development structure. When there is conformity, progress, happiness, lack of complaints, suggestions or claims, good comments, these are considered positive opinions for the management carried out; Otherwise, when none of this happens, what is observed in society is the increase in crime, constant claims, strikes, associations that march against injustice, crisis of the prison system, among others.

Among the different actions that can generate considerable consequences in a society, are financial agreements. These can be contracted between natural or legal persons, without ruling out those that are contracted between State entities and international financial institutions. As is the case of financing acquired by a State, to project possible economic growth in the country (Baque, et. al., 2022), based on a financial agreement with international financial institutions such as the International Monetary Fund (hereinafter, IMF).

Ecuador, being a member of the IMF since 1945, has maintained a list of financial concessions that have increased the multilateral public external debt since 1983, when the first economic agreement with the IMF was established, these different economic agreements ceased between the decade of 2007-2016, with the government of Rafael Correa; however, by 2017, with the government of Lenin Moreno, the old relations maintained with the IMF, resumed again and that, to date, with the government of Guillermo Lasso, have been preserved (Paz y Miño, 2021).

These openings of "shaking hands" with the IMF, have led Ecuador to succumb to chaos, which is reflected in the streets, during social protests, in high crime rates, low rates of employment under dependency relationship, among others. In 2022 alone, the country closed the year with an amount of public external debt of 63,692.52 million USD, equivalent to 55.98% of GDP (Ministry of Economy and Finance, 2022); and, according to Estévez (2021), multilateral public external debts with international organizations and the IMF represent 28% of the value equivalent to GDP, that is, half of the percentage of the debt, belongs to these organizations.

Therefore, it is pertinent to carry out a study on the social, legal and financial impact, which has been generated from the financial agreement between the Ecuadorian State and the International Monetary Fund (hereinafter, IMF) that was signed in March 2019. Above all, knowing that when these agreements occur the IMF, usually places provisions that limit access to fundamental rights to many people in the population because public spending is limited, especially education, health and employment, inherent rights necessary for the survival of human beings.

The academic value provided by this research study goes far beyond knowing the consequences arising from the financial agreement between the IMF and Ecuador. This research offers an academic contribution, from which new ideas can be attributed to solve the internal social, legal and financial conflicts that Ecuador maintains.

In 2019, Weisbrot and Arauz decided to create a study with the theme "Obstacles to growth: The IMF program in Ecuador", this research aims to demonstrate that the IMF program is an obstacle to Ecuador's growth, to the extent of the existence of a fiscal adjustment impossible to cover by the country, that demands the State to accumulate deposits in the Central Bank, but for this they must stop covering the expenses of other areas, such as the reduction of jobs, or, the generation of price increases, in energy, for example. Situations that are not really sufficient to cover the fiscal adjustment required by the IMF, which aims to balance the economy of the lending country (Weisbrot and Arauz, 2019).

On the other hand, Baque et al. (2022) study the topic "External indebtedness and its impact on the country's economy, Ecuador case 2015-2020" (p. 403), which investigates the access to financial credits that Ecuador has maintained in recent years, emphasizing how the Organic Code of Public Finance Planning warns that public external debt, it cannot exceed 40% of GDP, however, as described in previous paragraphs, by 2022 the public external debt exceeds 50% of GDP, a situation that, according to this research, since 2017 this threshold was exceeded. In conclusion, the government must promote financial strategies that help the economy recover.

In a historical context, the work of Sarzosa (2021), called "The role of the International Monetary Fund in the economic policy of Ecuador, during the decade of the 80s of the twentieth century" (p. 1), which details the crisis that was experienced in the country during this decade due to the growth in large magnitudes of the public external debt, can be found as an investigative antecedent. and the results of the management of this crisis in conjunction with the IMF's implications. As a result, Ecuador handled the crisis in a deficient way because, the external debt instead of decreasing or ceasing increased at amplified steps. Concluding in the observation of the IMF as an institution that little observed the reality of the country, and that, it could be said that until today it maintains that strict characteristic.

Based on the above, the nature of the research problem is presented, reflected in the following question: What is the socio-legal and financial impact of the multilateral external public debt between the IMF and Ecuador during 2017-2022?; therefore, the general objective of this study will be to determine the socio-legal and financial impact of the multilateral external public debt between the IMF and Ecuador; which will cover knowledge of studying basic concepts about the IMF and multilateral public external debt; presenting a documentary study that will discuss the impacts that this agreement has maintained in

Ecuador, and the way in which the government has handled the situation, to establish new possible ideas for solutions to internal social, legal and financial conflicts.

STATE OF THE ART

International Monetary Fund

The antecedents of the creation of the IMF, start from the great depression generated in the 30s of the twentieth century; however, it originates legally with the global economic crisis that was generated by the Second World War (Sarzoza, 2021), at the Bretton Woods conference of July 1944, being constituted under two premises: that of creating liquidity through IMF assistance to member countries and, that of ensuring exchange rate stability, that is, a balance of payments balance of the member countries, so that the rise in prices is eliminated (Castillo, 2021).

This international financial institution, although initially collaborating with European countries, extended its collaboration to Latin American countries, which had a liquidity problem, trying to support them, but, at the same time, controlling economic policies that avoid currency devaluation (Ugarteche, 2010). All this in order that, those countries that joined as members of the institution, had the obligation to financially contribute a quota that would cover the financing of the organization, of course, that the quota depended on the economic weight of each country (Castillo, 2021).

The constitutive purposes of the IMF, focus on macroeconomic policy results, Article 1 of the Articles of Agreement of this institution indicates that it maintains six purposes: to promote international monetary cooperation; expand international trade in a balanced manner; promoting exchange rate stability; eliminate restrictions that hinder international trade, creating a system of payments between member countries; support member countries with financial assistance to balance balance of payments; and reducing balance-of-payments imbalances (IMF Articles of Agreement, 2011).

In all cases, the IMF seeks to balance the international economic system, but it is important that, each time a country requests a loan, it consults with the IMF to know if there is viability in its request, this request is presented through a letter of intent containing an end compatible with the purposes of the fund. The credits offered by the IMF can be concessional or non-concessional, as long as the international financial institution makes adjustments and economic policies in the country that receives the concession, these adjustments depend on the circumstances of each country (IMF, 2023).

These credits are concessionaires as long as the GDP per capita of the requesting country is equal to or less than 1,025 USD, so, for Ecuador, which maintains a current GDP per capita of 5,965.13 USD (World Bank, 2023), these credits are not concessionaires, which means that there is an interest rate according to the credit requested, and conditions to which this country is committed to comply, in this case, the adjustment of economic policies that, from the perspective of the IMF, help to overcome the problems that originated the request for the loan (FARO Group, 2020).

The adjustment of a country's economic policy is called the "Structural Adjustment Program", as a condition of the IMF that tries to correct the economic destabilization of the requesting country by adjusting the country's domestic consumption to its production capacity (Zabalo, 2023). This means that, through budgetary policy instruments, the public

deficit is reduced, by reducing public expenditure, for example: in employment areas, the number of public sector workers or their salaries must be reduced; in operation within areas of health or education, cuts to the budget of Universities; price hikes in public places used by citizens (public transport, bus); as well as rising fuel prices, as in the case of Ecuador.

Multilateral external public debt

According to the Ministry of Economy and Finance of Ecuador (2018), public debt in general, constitutes financial obligations contracted by the State, that is, in a centralized and decentralized way, all the entities that constitute the State are contracting of the public debt. The Constitution of the Republic of Ecuador (2008), in its article 289 determines that the guidelines on processes for issues of public indebtedness, will be regulated by the pertinent regulations, in this case, the Organic Code of Planning and Public Finance.

This regulation, in addition to regulating the economic development of the institutions that make up the State, exercises the budgetary programming of the same and of all existing public resources. Article 124 of the regulations establishes that "in no case may it exceed forty percent (40%) of GDP" (Organic Code of Planning and Public Finance, 2012, p. 40), referring to the total balance of public debt; Later, Article 126 specifies what will be the destination for indebtedness: financing of programs, investment projects, infrastructure and, for refinancing of external public debt. It will not be possible to make loans of public debt for permanent expenditure, these are: personnel expenses, consumer goods and services, bonds, pensions, financial expenses, other expenses such as the pension of the insured and retired (Ministry of Economy and Finance, 2015).

The latter premise maintains an exception with prior review by the President of the Republic, in the areas of health, education and justice; That is, indebtedness could be used in these three areas, if it is really required. On the other hand, it must be clarified that the debt is public, because it is expenditure destined to the public sector and, because it is contracted by the State; likewise, it is external because it is negotiated between a State and an international organization (they can also be with other governments, banks or international suppliers); However, what the detail gives is that public external public debt is multilateral and, in this term, only the Inter-American Development Bank (IDB), the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) enter, according to Estévez (2021).

METHODOLOGY

For the study in question, it was based on a methodological study with a qualitative approach and inductive-deductive method because, in addition to describing the phenomenon from the features that identify it, with the help of the methods both senses are studied, the particular cases and the generalization of the problem, to identify the impact that has maintained the external debt contracted by Ecuador and delivered by the IMF. Therefore, it was necessary to use the analytical-synthetic method, which helped to provide the data of each of the parts that make up the theme, and then study them in an integral way.

The type of research used was descriptive and documentary, indicating the characteristics of the variables included in the research, always using bibliographic sources as references for

the study; which leads to the instruments used, such as books, scientific articles, indexed journals, national and international legal regulations, agreements, agreements, journalistic reports, blogs, written public opinions, web pages, among others.

RESULTS

Being a documentary research, the results are based on the collection, analysis and synthesis of all those documents used as a reference for the deepening, understanding, clarity and understanding of the research topic. Therefore, it was necessary to compile a total of 35 bibliographic sources that were classified between: normative, reports, doctrine, reports. And its synthesis was made based on the year of publication, title, author, summary and main ideas of each document.

Based on the above, several sections could be detected to determine a discussion of a documentary nature, which are: 1. The need for adjustments in economic policies in Ecuador subject to the IMF loan; 2. Financial consequences of the adjustment of economic policies in Ecuador; 3. Socio-legal consequences of the adjustment of economic policies in Ecuador; and, 4. The possibility of adapting sustainable measures, subject to the fundamental rights of the population.

DISCUSSION

In this way, it is intended to discuss four sections that highlight the economic adjustments that have been made in Ecuador that, from 2017 to the present, have been materializing, due to the conditions imposed by the IMF, in exchange for the granting of money to balance balance of payments; to then establish the socio-legal and financial consequences, and the way in which they have had an impact in Ecuador. All this leads to a fourth section where it is intended to create the opening to discuss ideas about possible solutions to what is considered a latent social, legal and financial problem.

The need for the Structural Adjustment Program in Ecuador subject to IMF loan

Ecuador's economy was already deteriorating long before the pandemic (Covid-19); some scholars such as Salgado (2020) and, De la Torre (2020), affirm that this is a setback to exuberant levels of the country's economy, culture, history and society in general. The stagnation of the Ecuadorian economy was warned since the beginning of 2019, and the IMF even warned of several risks for 2020 (INFOBAE, 2019).

In fact, the country's economy has been presenting a period of paralysis since 2015, where there is a growth of just 0.1%, due to the fall in oil prices in 2014; although in 2017, with the increase in the price of hydrocarbons, the economy recovered by 2.4%, and the policies contracted by the IMF and implemented in 2019 during the government of Lenin Moreno, the paralysis of the economy returned (Salgado, 2020).

On the other hand, the conditions set by the IMF for countries that borrow with a GDP per capita greater than USD 1,025 are clear. If your application is approved, they must undergo a control and guidelines provided by the international financial institution, in a certain period of time, and must be met in order to access more loans in the future.

Ecuador: Medidas de Política Tributaria y Rendimientos Estimados (en porcentaje de PIB)	
	Rendimientos estimados
1. IVA	1.38
aumento de 3 puntos porcentuales de la tasa del IVA (con respecto al 12% actual)	1.25
Reducción de las exenciones del IVA para las universidades	0.02
Eliminación de la devolución del IVA para 3ª edad	0.11
2. Impuesto sobre la renta de personas físicas	0.65
Inclusión de los salarios 13 y 14 en la base del IRPF	0.09
Modificación de las categorías del IRPF para lograr mayor progreso	0.14
IVA acreditable contra el IRPF	0.40
Eliminación de la tasa reducida del IRPJ para los activos productivos	0.02
3. Impuesto sobre la renta de sociedades	0.10
Introducción de la depreciación acelerada.	-0.20
Impuesto a la salida de divisas acreditable con el IRPJ	0.30
4. Otros	0.39
Impuesto específico sobre la gasolina	0.04
Ampliación de la base del impuesto sobre las telecomunicaciones	0.10
Introducción de un impuesto ambiental sobre las emisiones de CO2	0.25
Aumento de los ingresos totales	2.52

Fuente: Ministerio de Economía y Finanzas y cálculos del personal técnico del FMI.

Illustration 1: Conditions imposed by the IMF on Ecuador 2020

Source: IMF Country Report No. 20/150

Since 2019 with the first financing of USD 2,000 million until the current 2023, a series of conditions imposed by the IMF have been maintained, based on the economic concessions granted to Ecuador, according to Country Report No. 20/150 granted by the International Monetary Fund (2020), the conditions (Figure 1) are as follows:

1. Increase VAT to 15%, reduce VAT exemption for universities, eliminate VAT refund for seniors; 2. Personal income tax, include the thirteenth and fourth in said tax, modification of categories, eliminate reduced income tax rate for productive assets; 3. Income tax on legal entities, include accelerated depreciation, credit the tax on the exit of foreign currency with income tax; 4. Gasoline tax (Elimination of subsidies), expand telecommunications tax, environmental tax on carbon dioxide emissions (International Monetary Fund, Country Report No. 20/150, 2020).

From this date there are several reports, until December 2022, where revisions are established under the extended agreement due to non-compliance with the execution criterion, in these documents the financing guarantees are approved and reviewed, indicating that Ecuador in 2021 recovered in the economy with 4.2% of GDP, and establishing that once the review is completed and part of the agreement has been fulfilled, Ecuador may be eligible to receive additional millions of USD (International Monetary Fund, Country Report No. 22/XX, 2022).



Illustration 2: Disbursement dates

Source: FARO Group, 2020.

It should be remembered that disbursements are made according to the total amount requested (USD 6,500 million over a period of 10 years), so Figure 2 shows the disbursements made by the IMF to Ecuador, in view of compliance with the conditions perpetuated by this institution, with the last disbursement of USD 400 million for December 2022.

In general, Ecuador has complied in recent years with the conditions imposed by IMF. Being considered a middle-income country, it has not been allowed to access loans without conditions, which has generated the need to adjust economic policies that have triggered social, legal and financial acts. Even more with the arrival of the pandemic, the Ecuadorian State has been obliged not only to comply with the conditions of the IMF, but to help the population to cover the emerging needs of health, education and work.

This last situation has not been covered to the real extent of what was agreed with the Ecuadorian people, according to the last presidential elections. The two situations cannot be covered successfully, one of the two must have a characterized low performance, and for obvious reasons, the deal with the IMF, according to the seven reviews, has been successfully fulfilled during the last years, it is understood that the situation regarding the basic rights of the population, are not being attended and guaranteed effectively.

Financial consequences of economic policy adjustment in Ecuador

It is necessary to start this section with a brief mention of the Covid-19 virus, and that, like the rest of the countries of the world, Ecuador had a profound impact on the economy. The mention of the pandemic that ended the lives of thousands of people around the world, according to the Central Bank of Ecuador (2021), for Ecuador in economic matters, generated the fall in GDP by 6.44% during the months of March to December 2020. The CDES Foundation (2021) confirms this data, indicating that by 2021 and 2025 a GDP of 22% will be necessary, that is, approximately \$ 22 million USD dollars, which would help cover the net external debt, plus the payment of interest and amortizations, all because of the pandemic. It is important to emphasize this fact because, as a country, after a long period of time, in 2017 deals began to be made again with the IMF, with the discourse that Ecuador was in debt, and that the previous government had left the country bankrupt, the idea of a new deal with the past arose. Beyond this, the pandemic in 2020 increased the need for financing to cover emerging needs.

Of course, the country already encountered economic problems dating back to 2016 (OECD, 2020), but the pandemic further stirred the hornet's nest of necessity, which makes clear a single premise: the country in 2023 continues to find itself in the same complex reality since 2016. It is true that in 2021 GDP grew by 4.2%, however, this barely covered and covered with the expenses above the multilateral public external debt contracted with the IMF, subject to conditions while, in reality there was a chaos of socio-legal characteristics in the state territory, a reality that still remains and, for more than 1 year, It is clearly observed on the streets of the country.

Currently, the World Bank (2022) in an overview of the economic and financial reality of the country, provides reviews on how Ecuador is 'trying' to mitigate effects derived from the pandemic, the war in Ukraine and other global challenges, including the strategies of the Cooperation Framework that it maintains with Ecuador (2019-2023), where it focuses on the

need to stabilize the country macroeconomically, protecting vulnerable sectors, and in turn, reviving sustainable growth.

According to this report, the results date from 2016, without having been updated to date, it can be corroborated that the strategies proposed for the period from 2019 to 2023 have not been fulfilled as thought. The last report of effective results dates from April 2016, with the disastrous repercussions generated by the earthquake in the province of Manabí, after this, no results are observed.

On the other hand, a report by the Central Bank of Ecuador (2022), states that Ecuador's economy slowed down by 1.7% due to the stoppages of June 2022. According to this report, 65% of GDP this year is represented by household consumption, which means that what generated the most money in the country was the consumption of basic services (water, electricity, internet, sewage, etc.). In terms of companies, the sectors most affected in the economy due to social unrest were the energy and hydrocarbons sectors (losses of USD 330 million); commercial sector (loss of USD 318 million); industrial sector (loss of USD 227 million); agricultural sector (losses of USD 80 million); and, tourism sector with losses of USD 56 million (Central Bank of Ecuador, 2022).

The Central Bank of Ecuador (2022), indicates that there is a growth of 0.1% of the country's economy by the end of 2022, being at levels close to those registered at the end of 2019 before the pandemic, which means an achievement for the State in terms of the financial impact generated by the adjustments of the economic policies that the IMF has conditioned from the loan granted.

Then, according to the words of Rubén Flores, Master in Economics and Dean of the Faculty of Economics of the Pontificia Universidad Católica del Ecuador, interviewed by Brenda Sempértegui, as of January 12, 2023, this professional refers to the fact that the outlook of the Ecuadorian economy depends a lot on external factors over the dollar. By not being able to maintain an exchange rate policy to face any external event, if the dollar is harmed, therefore, the country's economy will be harmed.

Finally, it refers that, according to the IMF, a slowdown in the global economy and a fall in production by 2.7% is expected, due to the military conflict between Russia and Ukraine, in addition to considerable inflation in the monetary issuance of the dollar, which would cause impoverishment throughout the world, and in countries with economies as fragile as Ecuador. this negative premise would be maintained that does not fit the country well at all (Sempértegui, 2023).

Socio-legal consequences of the adjustment of economic policies in Ecuador

As in any country, the financial consequences, whether positive or negative, come from the social and legal acts that may occur within society. For Ecuador they have been very difficult years in terms of the constant social unrest that has occurred, starting with the paralysis of 2019 caused by the indigenous sector of the country, which was joined by many movements and other communities, who presented their disagreements regarding the economic treatment made by Ecuador and the IMF.

Between October 3 and 13, 2019, the streets of the country were paralyzed. The reasons were notorious, the citizens of Ecuador did not want to succumb to poverty in the face of IMF conditions. Although, the State to date maintains a pre-pandemic economic level of growth at

0.1%, this is not really an achievement because, the fact that the economy presents such insufficient growth represents that, in the social part of the country, the situation is not going well at all, which was reflected in the first attempt not to fall into the impoverishment that the vulnerable sectors knew would cause by putting the conditions of the economy first. the foreign debt, to the rights of citizens.

This paralysis was the result of the announcement of the release of the price of diesel and gasoline, as part of the economic measures of the PAE issued by the IMF, President Lenin Moreno who announced this economic adjustment on October 1, 2019 through national chain (Izurieta, 2020), considered this action pertinent to give way to the rest of the measures that were part of the conditions provided by the IMF as a result of the credit disbursement of 6,500 million USD with a 10-year term with an interest rate of 2.9%.

So much was the disaster for two consecutive weeks, that the president had the need to choose to suppress his decision by executive decree, leaving repealed the initial decree 883. This can be included as a legal consequence, the creation and repeal of several executive decrees with the weight of law, which should become effective because they were issued by the executive function in tax matters, to which this function has access, by the attribution granted by the Constitution.

For 2022, a new paralysis was generated between June 13 and 30, again carried out by the country's indigenous peasant sector, due to repeated economic policies that created internal crises in the country, such as in the health sector, high fuel prices and the basic family basket. in addition to the security crisis, this demonstration had an estimated loss of 1,115.4 million USD (Villareal, 2022).

Another social and legal cause was that of the prison crisis, which to this day has been maintained in Ecuador, the last being on February 23, 2023, this event would be the twelfth, adding to a list of eleven prison massacres that have been carried out between 2020 and 2023, with a total of fatal deaths approximate to more than 500 inmates in different prisons in the regions of the country.

According to Lausch (2022), the violence that occurs in prisons is due to the increase in crime due to fights between members of organized crime that are inside these centers. However, the same author states that, different studies reveal that there is a multicausality in the generation of this crisis, at first, the cut of the economic budget to prisons, changes in the penitentiary model that affect coexistence and, penal reforms to the Organic Integral Penal Code (COIP) that drastically changes the finalist vision of the penal system, for a vision more attached to the punitive, due to the increase in penalties, inclusion of new crimes, and an evident excessive use of the precautionary measure of ultima ratio preventive detention (Lausch, 2022).

Therefore, the social consequences of the economic adjustment conditioned on Ecuador by the IMF, involve budget cuts to prisons, which has led to fatal deaths, riots, overcrowding, legal changes of penal reform to the COIP, with a different perspective on the purpose of the penal system; Not only is this what is included as part of the social impact, but also, the fact that the violence generated inside the prisons, has been manifested in the harsh repressions of criminals towards citizens in the streets of the country.

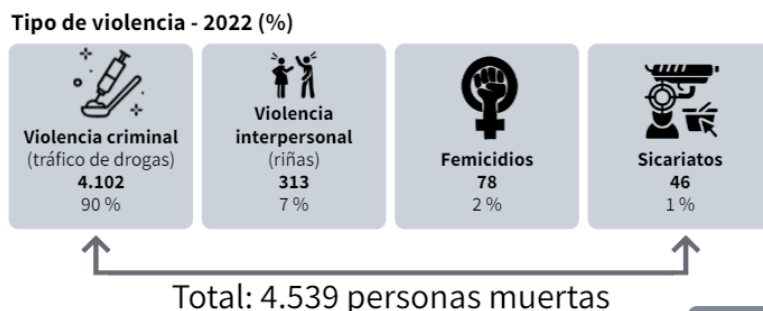


Illustration 3: Violence in Ecuador

Source: Diario EXPRESO, 2022

According to a newspaper report, and the official channels of Ecuador in figures as of December 29, 2022, the indicator grows to 25.5 deaths per 100,000 inhabitants, this is considered double the deaths in proportion to 2021 (ESPRESO, 2022), considering the worst fatality rate since 2009, while criminal violence for drug trafficking took the post during 2022, 7% of fights were reported, 78 femicides and 46 hired assassins (Figure 3), fatal deaths that represent an obvious social problem, and that criminal legal reforms will not be able to solve, because the problem derives from the economic part and the budget cuts that have affected all citizens, and that many have chosen to fall into poverty.

The possibility of adapting sustainable measures, subject to the fundamental rights of the population

It is clear that, Ecuador maintains a National Development Plan linked to public investment in infrastructure projects and programs or that have financial capacity to pay, this situation is emphasized because the money from the loan granted by the IMF, as indicated at one time, is intended for certain situations, but for permanent cats such as health, education, work, cannot be used. The purpose of this is that the country achieves programmed savings in the effective progress of these projects and programs that guarantee the economic development of the nation, and once the economic part is generated, the rest of the areas can cover themselves (health, education and work).

However, people who belong to Ecuadorian society cannot wait years for the projects planned by the two different governments that have already passed, since 2017. Human beings have been characterized by their historical and constant struggle to conquer peoples, in order to survive and feed their families, so it is impossible for people to wait so long so that the country's economy can have a positive impact that in the end dazzles in the other first-hand aspects they need.

The Opportunity Creation Plan 2021-2025 created by the government of Guillermo Lasso contains mandatory guidelines for public investment, with a long-term vision (10 years), and incorporates the challenges that must be faced post-pandemic, in addition to incorporating the guarantee of fundamental rights that must be taken into account as a priority due to the disastrous results left by the pandemic (National Secretariat of Planning, 2021). Beyond this, the intention of the loan granted by the IMF is reiterated, permanent expenses cannot be involved in the coverage of debts, and that is, because they do not provide a return of the

expenses generated by the country, and what the IMF intends is that the established conditions are met, together the requested loan is canceled.

In other words, the Opportunity Creation Plan cannot be fulfilled to the extent that it helps Ecuadorians in their fundamental guarantees as human beings, for this reason there are several negative social and legal consequences being necessary to establish adjustments, creating sustainable measures within a regulatory framework that helps meet the emerging needs of Ecuadorians.

Therefore, it is considered of vital importance to create an Opportunity Plan with distinction of public investment, only recreating the reality of citizens in all spaces, and that can be fulfilled from the economy generated from the collection of money that is intended to pay the external debt. What is the use of making loans to international banks, if in the end all the State does is dedicate itself to canceling the money, while the house collapses; returning to the decade of the 80's and 90's, where there was a cycle of "debt-repayment-debt", which is not sustainable for the future of the country (CDES Foundation, 2021).

For this reason, it is necessary to create two opportunity plans, one that focuses on public investment with the resources granted by the IMF, due to the purpose they have; and, on the other hand, the creation of a different Opportunities Plan, focused exclusively on the basic emerging needs of the population subject to the framework of the fundamental rights of good living, which maintains as resources those granted from the same work carried out by Ecuadorians, creation of new jobs, attention to the education of young people, so that they have the expectation of at some point generating decent jobs as a private sector; And, above all, special emphasis on health, as the main right, the country that is sick, can not devote itself to anything, therefore, can not pay debts.

CONCLUSIONS

According to the objectives set for the creation of this research, it is concluded that from the knowledge of the basic concepts of the subject, it is evident that there is a socio-legal and financial impact that has generated both positive and negative consequences, this last characteristic being the predominant in both cases, but especially in the social part, being that the economic situation in Ecuador as a result of the agreement with the IMF, has worsened social and legal stability where sudden changes have been caused as a result of demonstrations, prison crises, health, security and even labor and it is necessary to add to the food production sector, the latter two because of the demonstrations, which, Again, they are because of economic adjustments. Therefore, it was possible to discuss the way in which the government has handled the situation, between doing nothing about it, and keeping on paper a Plan of Opportunities that cannot be developed because permanent expenses cannot be covered by the IMF loan, it is considered by the researchers, the possible adaptation of two different plans to separate planning from the economic development of the country and to address the social situation by facing the problems and solving them through a different plan, focused on the fundamental rights of citizens.

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