## **Doctoral (PhD) dissertation**

## UNIVERSITY OF PUBLIC SERVICE Doctoral School of Public Administration Sciences

Stefany Mercedes Cevallos Cevallos:

# The role of Locality in Public Service Management, Theory and Practice of Urban Marketing approaches in Ecuador

Doctoral (PhD) dissertation

**Supervisor:** 

Prof. Dr. TÓZSA István PhD

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Thuken

**Budapest**, 26<sup>th</sup> February 2024

#### **Declaration**

I, Stefany Mercedes Cevallos Cevallos, declare that the PhD thesis entitled 'The role of Locality in Public Service Management, Theory and Practice of Urban Marketing' is the product of my own work. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Any previously published materials that have been used in this thesis, to the best of my knowledge, has been duly acknowledged. Unless otherwise referenced or acknowledged.

26<sup>th</sup> February 2024

Signature Date

#### **ABSTRACT**

The candidate highlights an overview of the role of locality in the unique image of the fourth smallest country of South America, located in the Andean Mts and foothills constructed on the foundations of an ancient Inca kingdom. Undeniably, the single-country study of Ecuador attempts to stand out as a significant example that integrates new thinking on the image, marketing, and branding at all levels, from local governments to private actors and civil society, and of the cultural products and people associated with Ecuador, thereby bridging the 'country' and 'place' nation branding.

The chapters explore interdependencies among the role of locality in Ecuador and urban marketing, country of origin research, cross-cultural consumer behavior, international arena, nation branding, and the local Ecuadorian government's role.

The research's interdisciplinary expertise and approach make it a comprehensive reference for European researchers, Ecuadorian managers, entire world consultants, and local or international students alike in areas from urban marketing, place management, Ecuadorian implementations laws, and tourism to communications, social psychology, urban spectrum, and Regional studies.

The candidate finds that upward comparisons in factor analysis may lead to an understanding process in the society-state relationship, expressed in the approximation of civil society to the government through new forms of participation and representation. Eminently, urban marketing approach shall promote it.

The outlook of the Ecuadorian State towards a democratic pluralist and participative construction of the social group is given depending on the "analysis of the public policies" orientated to perceiving the State with less consecration or reverence. Initially, the candidate examines the country's identity by rethinking the comprehensive nation branding development in Ecuador. Social sciences, particularly sociology, shall develop the connection between the symbolic image of Ecuador and its country branding by presenting an unstable tradition of reputation management. Alongside, the candidate attempts to highlight the political discourses too that involve propaganda at one end of

the spectrum with a wide variety of concepts and notions that Ecuadorian inhabitants normalize everyday life.

In this vein, the study uses methodology derived from existing literature written in Spanish and English to assess Ecuador's image. Primary and secondary data. Therefore, Factor Analysis and Structural Equation Modelling (PLS-SEM) analysis include both Ecuadorian and international respondents to emphasize both internal and external validity and ensure both relevance and applicability of the findings.

Through this investigation, the candidate poses the following questions:

1.- What is the role of locality in Public Service Management of Ecuador?

The candidate's investigation reveals urban marketing, nation branding or Marca País differences as both an expression of the politico-temporal one-sidedness of power and a means to consolidate and contest that power. Certainly, the candidate points out that the role of Locality in Public Service Management, Theory and Practice of Urban Marketing dialect in Ecuador is a political momentum.

2.- What are the potential impacts of locality in the framework of urban marketing?

Using a combination of ethnography, the author explores the socio-cultural dimensions of the socio-political processes that produce the urban Corporate Identity of Ecuador.

3.- How can good governance manage the international instruments and local policies for the construction of urban marketing in Ecuador?

A new scientific finding of the dissertation is that due to the factor analysis and the PLS-SEM analysis applied in this research, it contradicts the predominant view that urban marketing difference is a natural outcome of economic unevenness—or, more specifically in the case of Ecuador, marketization from center-periphery. Rather, Ecuadorians institutions such as diplomatic missions, or the Ministry of Tourism constitute tools of coordination and discipline mobilized to expands state power and depoliticizes that expansion through its representation as a technical question of market relations.

#### **ABSZTRAKT**

A jelölt rávilágít arra, hogy milyen szerepet tölt be a helyszín a Dél-Amerika negyedik legkisebb országának egyedi arculatában, amely az Andok hegységben és hegylábain fekszik, és egy ősi inka királyság alapjaira épült. Tagadhatatlan, hogy ez, az Ecuador helyi közigazgatását országos szinten vizsgáló doktori kutatás jelentős példát jelent arra, hogyan lehet integrálni a hely imázsról, a helymarketingről és a helyek márkaépítésről szóló új gondolkodást minden szinten; a helyi önkormányzatoktól a magánszereplőkön át a civil társadalomig. Vizsgálja továbbá az Ecuadorhoz kapcsolódó kulturális termékek és emberek szerepét, ezzel összekötve a "helyek" és az "ország" nemzeti márkaépítését.

A disszertáció fejezetei az ecuadori lokalitás szerepét, a városi helymarketinget, a helyekhez köthető termékeket tekintik át, valamint a kultúrák közötti fogyasztói magatartás, a nemzetközi kapcsolatok, a nemzeti márkaépítés és az ecuadori helyi kormányzat szerepe közötti összefüggéseket vizsgálják.

A kutatás interdiszciplináris háttere és megközelítése átfogó referenciává teszi a disszertáció tervezetet nem csak az ecuadori menedzserek és diákok, hanem az európai kutatók, a várospolitikával foglalkozó szakemberek, valamint a nemzetközi diákok számára is a városmarketing, a helymenedzsment, a közigazgatási szabályozás, a turizmus, a kommunikáció, a szociálpszichológia, a városirányítás és a regionális tanulmányok területén egyaránt.

A jelölt úgy találja, hogy az általa alkalmazott faktoranalízisre alapozott következtetések a társadalom-állam viszonyban egy olyan megértési folyamathoz vezethetnek, amely a civil társadalomnak a kormányhoz való közeledése révén, a részvétel és a képviselet új formáin keresztül fejeződik ki. A disszertáció tervezet városmarketing szemlélete ezt szándékozik elősegíteni.

Az ecuadori állam kilátásai a társadalmi csoportok demokratikus, pluralista és részvételre alapozott fejlődése irányában a "közpolitikák elemzésének" függvényében adottak, melyek az államot kevésbé megközelíthetetlenül, vagy megkérdőjelezhetetlenül kívánja felfogni. Kezdetben a jelölt az ország identitását vizsgálja az ecuadori átfogó

nemzetmárka-fejlesztés újragondolásával. A társadalomtudományok – különösen a szociológia –, Ecuador szimbolikus képe és az országmárkaépítés közötti kapcsolatot a hírnév-menedzsment instabil hagyományának bemutatásával fejlesztik ki. Ezzel párhuzamosan a jelölt megkísérli kiemelni a politikai diskurzusokat is, amelyek a propagandát foglalják magukba a fogalmak és fogalmak széles skálájával, amelyekkel az ecuadori állampolgárok normalizálják a mindennapi életüket.

Ennek szellemében a doktori disszertáció tervezet a meglévő spanyol és angol nyelvű szakirodalomból származó módszertant alkalmazza Ecuador imázsának értékelésére. Elsődleges és másodlagos adatforrásokat alkalmaz. Ezért a tényezőelemzés és a strukturális egyenletmodellezés (PLS-SEM) elemzése mind az ecuadori, mind a nemzetközi kérdőíves válaszadókra kiterjed a belső és külső validitás hangsúlyozása, valamint a megállapítások relevanciájának és alkalmazhatóságának biztosítása érdekében.

A kutatás során a jelölt az alábbi kutatási kérdéseket vizsgálja:

1. Mi a szerepe a lokalitásnak, a helynek, az ecuadori közigazgatásmenedzsmentben?

A jelölt kutatása során a városmarketinget, a nemzeti márkaépítést, vagy a Marca País (országmárkázás) különbségeit a hatalom politikai-időbeli egyoldalúságának kifejeződéseként, valamint a hatalom konszolidálásának ill. megkérdőjelezésének eszközeként mutatja be. Természetesen a jelölt rámutat arra, hogy a hely szerepe a közszolgáltatás-menedzsmentben, a városmarketing dialektus elmélete és gyakorlata – Ecuadorban – politikai momentum.

2. Melyek a lokalitás lehetséges hatásai a városmarketing keretében?

A szerző etnográfia segítségével vizsgálja az ecuadori városi, vállalati identitást létrehozó társadalmi-politikai folyamatok szociokulturális dimenzióit.

3. Hogyan tudja a jó kormányzás kezelni a nemzetközi kapcsolatokat és a helyi politikákat a településmarketing építése érdekében Ecuadorban?

A disszertáció tervezet új kutatási eredménye, hogy a faktoranalízis és a PLS-SEM elemzés módszerével végzett kutatás nem igazolja azt az uralkodó nézetet, miszerint a településmarketingben érzékelhető különbségek a gazdasági egyenlőtlenség – vagy Ecuador esetében pontosabban a központ-periféria piacosítás – természetes következményei. Az ecuadori intézmények, mint például a diplomáciai képviseletek, vagy az

Idegenforgalmi Minisztérium, inkább az államhatalom kiterjesztése érdekében mozgósított koordinációs, szabályozási eszközöket alkalmaznak, és ezeket az eszközöket a piaci kapcsolatok technikai kérdésként való reprezentációján keresztül próbálják depolitizálni.

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#### **CHAPTER I**

#### INTRODUCTION

# 1.1. Significance of the Study: About the urban marketing influence in the role of locality in Public Management. Evidence from nation branding of Ecuador

The purpose of this thesis is to explore the role of locality in public service management, theory and practice of urban marketing approaches in Ecuador. In Chapter I, three simple, basic questions guide the author's reflection and the structure of this dissertation: 'What is the role of locality in public service management of Ecuador?', 'What are the potential impacts of locality in the framework of urban marketing?', and 'How can good governance man-age the international instruments and local policies for the construction of urban marketing in Ecuador?'. The author states the Ecuadorian outline and introduces its central government as the most critical actor complying with its national and local government strategies to collaborate with the private sector and twin cities in the search for the nation's reputation. Emphasising for centuries, countries around the entire globe have been working to create and maintain a strong national reputation, yielding quality services and local products.

The author then defines, in Chapter II the state of art to outline the connection between locality and urban marketing and its theoretical basis. Overall, governance and metagovernance approaches to explain the dynamic world that constantly replacing traditional, hierarchical models of public administration of States with market-driven models. While the author research is concerned with responding to changing external international conditions. In Ecuador, public policies since the period of socialism of the 21st century have been established in such a way as to be able to be enforced appropriately, to further the welfare population, and to produce efficient outcomes. Therefore, the author justifies in particular reasons the role of the Ecuadorian Republic's Constitution (2008) in taking charge of the construction of national policies orientated towards public investment, intending to promote the reform of the State, and representing a new country's image with urban marketing as an asset.

In Chapter III the author introduces Ecuador, in particular its anchor in the field of public service management. The author explains that ideally the Ecuadorian government should always take advantage of every opportunity to acknowledge and promote its country's products, representing the population and their culture's image or national characteristics Drucker (1964). Furthermore, local governments are critical in international growth since they incorporate their experience with private entities to create, develop and operate a public infrastructure and service era. A determining factor for this global project is the competitiveness that Ecuador may have in international markets, as well as its ability to significantly improve its branding to allow it to commit itself to achieve the goal of effectively allocating its resources.

More broadly, the advantages of the Ecuadorian role under the umbrella of the United Nations (UN) and the United Nations Conference on Trade and Development in Latin America and the Caribbean (UNCTAD) as an intergovernmental body to allow it to comply with international guidelines such as the Sustainable Development Goals (SDG) 2030. Thus, global economic forces make developing a good brand more important than ever. Therefore, further research is needed, complementing the existing information derived from different academic surveys. Indeed, the Andean country of 17.08 million inhabitants adopted a new constitution in 2008 after having an unstable democracy for a decade; the country is, to quote former President Rafael Correa, "not in a period of change, but in a change of period." Ecuadorian historical processes led to the achievement of democracy in both the public and private spheres. Public Private Partnership (Association Público Private) figure in Ecuador looks like is experiencing growth in almost all the South American Region. In Ecuador, the decree N° 582 Public Private Partnership (PPP) in 2015 is the most crucial document for future investors. This relationship consists of shared and compatible objectives and an acknowledged distribution of specific roles and responsibilities among the participants, which can be formal or informal, contractual or voluntary, between two or more parties. The implication is a pooled investment of resources, joint risk-taking, sharing of authority, and benefits for all partners Lewis (2002). In this case, the Interorganizational relationship; Shared objectives; Mutual investments, Risk sharing, and Benefit-sharing are the main characteristics of PPP. The significance of structural and locational characteristics on the prices guarantees the interest in the countries D DiPasquale &WC Wheaton (1996). Furthermore, the Constitution of the Republic of Ecuador that was adopted in 2008 is the strategic framework for good governance or "Being Well" (Buen Vivir or Sumak Kawsay), project outlined in the 2008 constitution of Ecuador and the National Plan for Being Well (Plan Nacional para el Buen Vivir). The analysis of the Ecuadorian public policies takes the set of strategies as an object of study shaped for the collective aims that the State considers to be desirable or necessary (including the process of definition and formation of these), total or partially, for an institution or governmental organization, and the results of these actions, including so much the consequences wished as the unforeseen ones Roth (2007). But, promoting good governance goes beyond the local government, including the private sector and civil society interaction. There are two moments: the rule of law, so much as the constitutional state from which it emanates is subject to the rights of individuals, and the second is the recognition of several normative systems different from the law and produced by the parliament. In this case, public private partnerships have been in force in Ecuador since late 2015.

In Ecuador there are medium-sized cities of international rank that can position itself in global cities passage as centre of attractiveness based on the quality of urban life as their main competitive advantage Precedo Ledo et al. (2010). The application of urban marketing mainly depends on the construction, communication, and management of the city's image Mihalis Kavaratzis and G. J. Ashworth (2015). Urban marketing research is a young field of study. The author emphasizes that there are several new dimensions and theoretical contributions to this concept. Since the late 1980s, when Ashworth (1989) first analysed the urban tourist phenomenon to begin to understand tourism in the city and embrace urban studies and its theoretical critiques G. Ashworth & S. Page (2011). Nevertheless, the literature on urban tourism continued to grow in the 2000s. So, there is a necessity for comprehensive city brand management G. Ashworth & M. Kavaratzis (2007).

Insightful involvements from top scholars reflect fresh critical appraisal of conventional wisdom by contrasting challenging methodologies and theoretical assumptions. The author's commitment is to market the Ecuadorian image. Initially, the author points out that in Ecuador local governments consider combining local and international public and private investment, including official development assistance and foreign direct investment (FDI) to mobilize investment and create jobs. However, there is a heated debate about the effects of FDI on development Willem et Velde (2003). Proponents argue that FDI is suitable for development and therefore perceive the rapid expansion of FDI in Latin America is seen as manna from heaven Vodusek, Z. (2002). On the other hand, in some cases, critics contend that FDI increases poverty, isolation, and neglect of local capabilities Vial, J. (2001). This study focused on the image of Ecuador under the relationship between economy and society; for example, the nature of economic transactions becomes mutually con-

stitutive D Hiebert, J & Rath, S Vertovec (2015). Moreover, the relationship between public management and urban marketing shall be analysed as an attempt that is made to situate contemporary urbanization processes within the capitalist mode of production AJ Scott & ST Roweis (1977). Effective local government can catalyse development Herrera (2013). This stipulation has also been taken up into a specific law: Código Orgánico de Organización Territorial, Autonomía y Decentralization (Organic Code for Regional, Autonomous and Decentralized Organization) – COOTAD. Decentralized Autonomous Governments with the support of the Association of CONGOPE (Consortium of Provincial Governments of Ecuador) Regions and the Association of Ecuadorian Municipalities (AME). Understanding, the competence of managing international cooperation by diplomatic issues was transferred to the sub-national level in 2011 through Resolution No. 0009 of the National Council of Competences, which resolved to: "transfer and implement the competence of managing international cooperation for obtaining grants and technical assistance in order for Decentralized Autonomous Governments to comply with their competences" COOTAD.

The author dares to add some context in CHAPTER III and CHAPTER V that shall be helpful for introducing urban marketing in public service management in Ecuador, in the national centre of excellence for the research of public administration that meets the highest standards of the international scientific community. Hanna et al. (2008) challenges of branding the multidimensional construct 'place' especially in relation to stakeholder engagement. But, to deepen knowledge about political legitimacy and good governance in the local governments of Ecuador, nation branding is seen as a significant effort that signifies spending money on urban marketing strategies is crucial in regional management and development.

Kotler et al. made a series of proposals on managing an effective image of the territories, and with relevance to other areas. Global statistics show that countries spend public funds on branding strategies to attract FDI. Based on this access and the advantages compared to the country, Ecuador developed several export industries in the 1990s of commodities with the possibility of FDI. In addition to the oil industry, the services sector offers the most significant immediate potential, especially infrastructure services such as telecommunications and electricity distribution. The participation of FDI in the privatization productions of these industries has periodically stimulated FDI inflows in several Latin American countries, including Ecuador. Furthermore, Ecuador has stable and prosperous policies that offer confidence and benefits to foreign investors to attract FDI.

Most importantly, CHAPTER V investigates the most critical factors influencing the decision of companies to build projects in Ecuador. For example, quality of housing, local services, living environment, cultural and political inclination, and transportation conditions.

Besides investigating the reasons for the urban marketing approach, it is also the aim of the study to examine the impact of the international arena in Ecuador. The author studied and compared the impact of the European countries in Ecuador. Gefen et al. (2000) states the theory of planned behaviour is a leading theoretical model of cognitive determinants of behaviour that has been shown to predict knowledge sharing.

The author critically includes quantitative outcomes to set the concluding data of this research. The study used the latent variable of Ecuador's Country Image to examine factor analysis. Data were collected about nine scales/variables from the inhabitants of Ecuador. Henseler et al. (2009) state the use of partial least squares path modelling in international marketing, and Gefen et al. (2000) point out, SEM has become de rigueur in validating instruments and testing linkages between constructs. In this framework, CHAPTER VI is divided into two panoramas. The first one includes quantitative data, deeply analyzing in different international scenarios and the dynamics of creating perspectives for the development of Ecuador in the social, economic, political, cultural, and technological aspects that shall be exposed about Ecuador. The second section assess Soft Power in attracting Foreign Direct Investment, which is possible through constructing an Ecuadorian nation branding or Marca País in Spanish language.

Finally, the study contributes to the analysis of public management in Ecuador, focusing on the field of urban marketing dilemmas of local governments and its relationship with other sorts of corporate political anchors at the level of public-private investments.

### 1.2. Research Questions

### 1.3. Problem Statement

#### Table 1 Research Plan

Aim of the research	Research questions	Hypotheses
The candidate points out the importance of the role of Locality in Public Service Management, Theory and Practice of Urban Marketing dialect in Ecuador.	What is the role of locality in Public Service Management of Ecuador?	First Hypothesis Urban marketing is successful in terms of theory and practice when local governments are involved in the process as main actor to activate the Ecuadorian economy.
Using a combination of ethnography, the author explores the sociocultural dimensions of the sociopolitical processes that produce the urban Corporate Identity of Ecuador.	What are the potential impacts of locality in the framework of urban marketing?	Second Hypothesis Local governments are the key factors for translating investments revenues to sustainable economic development.
As factor analysis and the PLS-SEM analysis is concerned to this study. This contradicts the predominant view that urban marketing difference is a natural outcome of economic unevenness—or, more specifically in the case of Ecuador, marketization from centre-periphery. Rather, Ecuadorians institutions such as Diplomatic Missions or the Ministry of Tourism constitute tools of coordination and discipline mobilized to expands state power	How can good governance manage the international instruments and local policies for the construction of urban marketing in Ecuador?	Third Hypothesis Good governance and social-economic development in Ecuador are expected by the enforcement of urban marketing in Public Service Management according to its sociological spectrum.

and depoliticizes that expansion through its representation as a technical question of market relations.

#### 1.4. Research Objectives and Propositions

#### 1.4.1. Methodology of the Research

The contemporary study of epistemological problems guides this research. In this case, the author Carnap (1963) rescues the inductive logic. Popper (1959), on the other hand, argues that start from deductive reasoning and critical examination and establishes knowledge not as a state but as a generic structural process.

Piaget (1971) develops generic epistemology, in which this author considers knowledge not as a state but as a structural genetic process.

Bachelard (2004) is concerned with reflecting on the philosophy implicit in scientific practices and introduces the notion of epistemological rupture, opposes positivist traditions to recognize that there is a mixed science of intuition, errors, points, and ideologies.

The scientific revolution consists of changing an old paradigm or disciplinary matrix for a new one; the old matrix is embedded in the new one. And this restructuring represents the development of science.

#### 1.4.1.1 Qualitative methods

Berg (2008) and its works offer the most comprehensive coverage of qualitative techniques. The author's central purpose is to drive researchers to navigate into qualitative data to organize new thinking ethic collections of data.

Berg (2008) considers seven different data collection strategies in detail.

Exploratory and case studies focus on complexity of organizational phenomena. In this context, Aaker, Kumar and Day (2001) states that: "this type of research is used when a deeper understanding of the general nature of a problem is sought, the possible decision alternatives and the variables relevant that need to be considered".

Table 2 Research fact sheet

Type of study	Scoping and casuistic
Analytical unit	Country branding in Ecuador and urban marketing
Country	Ecuador
Drawing	Public Institutions and local governments in Ecuador
Methods	<ul> <li>Official Documents in Spanish</li> <li>Papers written in English and Spanish</li> <li>Direct Observation</li> <li>Participant Observation</li> </ul>

#### 1.4.1.2 Quantitative methods

#### 1.4.1.2.1 Factor analysis

The study used the latent variable of Ecuador's Country Image. The author collected and adapted nine scales from Lala et al. (2009) to measure Country Image for the chapter of Factor Analysis.

Table 3 Methodology

Questionary	SurveyMonkey
Respondents	Public Servants and University students
Data	SPSS to conduct factor analysis

#### 1.4.1.2.2 Structural Equation modelling (PLS-SEM) analysis

The author applied partial least squares – structural equation modelling (PLS-SEM) analysis to evaluate Soft Power and its relationship with FDI.

#### 1.4.1.3 Methodological approaches

Organized into fourth parts:

The **first one** approaches the particularities of urban marketing, the role of locality, and the single country study methodology as a methodological tool: its history, problems, and some general thoughts.

The **second part** examines the recent bibliography on local governments in Ecuador and discusses the use of this method in these works.

The **third part** work on the latent variable of Ecuador's Country Image to analyse factor analysis.

The **last part** single country study canalized final reflections focus on the casuistic discussion studies.

#### 1.4.2. Research Design and Motivation

As described in the previous section, this research focuses on the role of locality in Public Service Management. Therefore, the purpose of this research is both Exploratory and Explanatory. In the immediate future, this research shall identify the academic function of the state and government to demonstrate better ways for the market to pull it towards sustainable development goals that are highly relevant in the case of Ecuador.

In Ecuador, the construction of a paradigm of "equitable socioeconomic development" has allowed the birth of public policies that place inside a normative frame of a constitutional State governed by rights, with the configuration of a constitution of righteousness that proposes itself a National Development Plan for the search of "Sumak Kawsay" or "Well Being."

National Development Plan for the search for "Well Being" is focused on the equitable distribution of wealth and sustainable management of natural resources, expiring with the

first central element for the existence of general politics and the implication of the government.

In all aspects of public and private life, country branding, or in Spanish well known as Marca País, is a significant effort that signifies spending money on urban marketing strategies crucial to regional management and development of Ecuador in terms of socioeconomic matters.

#### 1.4.3. Research Problem

Like many other countries in South America, Ecuador tries to increase the influence of Foreign Direct Investment (FDI) on its development, attracting it in larger quantities and benefiting from it in the areas of technology, employment, exports, qualifications, and general competitiveness. The country has many attractions for foreign investors, which can be transformed into opportunities with appropriate policies. First, it has abundant natural resources, including oil and mining. Non-renewables such as oil, new minerals, and renewable resources, including bananas, flowers, fish, shrimp, and the biological resources of its vast rainforest located in the Amazon Region. Due to the Ecuadorian climate, many of these resources are particularly interesting due to several harvests per year and the high quality of many of their agricultural or fishery products. On the other hand, its workforce is competitive, with high productivity rates, which compare favourably with those of neighbouring countries. As a result, Ecuador has economic competition and sometimes preferential access to large regional markets and international lines with others Andean countries, UNASUR, MERCOSUR, the United States, and the European Union.

Based on this access and the advantages of the country, Ecuador managed to develop several export industries in the 1990s of commodities with the possibility of FDI. In addition to the oil industry, the most significant immediate potential is offered by the services sector, especially infrastructure services industries such as telecommunications and electricity distribution (BCE 2022).

Furthermore, Ecuadorian image in the international market has stable and prosperous policies that offer confidence and benefits to foreign investors to attract FDI. Investment Promotion Agencies are the institutions responsible for promoting foreign investment in a specific area. These institutions may be governmental, non-profit organizations, and even private entities run by boards of directors, including government officials and business managers. Therefore, one of the main activities of an Investment Promotion Agencies is posi-

tioning the country in the international market with the country bureaucratic apparatus abroad as embassies of Ecuador. This task implies the construction of a favourable image and, with this, the creation of a "Country Brand."

#### 1.4.4. Goal of the research

The urban marketing approach examines a country profile that expects to outline the current trends of Ecuador in the framework of economic perspective and social and political attempts. The image of Ecuador is bound to happen and is needed in the international arena in terms of reputation.

The role of locality in public management emerges as public policies in Ecuador and governance initiatives are pitch pillars for constructing an image of Ecuador. Most importantly, the objective is to identify the main factors influencing the decision of companies to build projects in Ecuador. For example, housing quality, local services, living environment, cultural and political inclination, and transportation conditions.

This research proposes a better understanding of the urban marketing via factor analysis structural equation modelling and some related theories, as well as the most critical initiatives to attract foreign investors. This research is guided by three main questions and the hypothesis that will be answered in the thesis.

#### 1.4.5. Description of the Study Area

rule of law.

In the Republic of Ecuador since 2017, for the first time in a decade, economic freedom has made a dramatic turn in Ecuador's previous socialist government momentum. Former President Lenín Moreno was narrowly elected to a four-year term in 2017, succeeding former President Rafael Correa (2007-2017). In a stunning rebuke of his predecessor's legacy, Moreno has adopted a pragmatic foreign policy, re-established close relations with the United States, and moved his country toward the political centre.

Ecuador, the world's largest banana exporter, remains a significant narco-trafficking transit country. Its dollarized economy depends substantially on petroleum, which accounts for more than half of export earnings and approximately 25 percent of public-sector revenues. The president Guillermo Lasso (2021) is implementing structural reforms to attract new investment, and it shall also need to make a significant push to strengthen Ecuador's weak

#### 1.4.6. Data Collection Tools and Process

The study uses the Survey Research Method for data collection. As indicated above, primary Data collection techniques would include field surveys and in-depth interviews with the target respondents.

#### 1.4.7. Questionnaire Survey and Interviews

#### 1.4.7.1. Survey Research

A structured questionnaire will be created, an online document that consists of a set of standardized questions with a fixed scheme for gathering information from respondents.

#### Language and adequacy:

It is more likely that with respect to the target population, the language of the questionnaire would be Spanish.

#### **CHAPTER TWO**

#### THE STATE OF THE ART

Before embarking on the locality and urban marketing literature in public management, the author shares the prominent theories and approaches surrounding validating this scientific work. Specifically, the main differences between this work and these urban marketing approaches are Ecuador's virtuous social-political loop composition. Another difference is the post-socialism of the 21st-century era and its effects on the bargained authority's decision. Finally, another difference is the ideological nature of the government of the moment and its political orientation of local government coalitions.

## 2.1. A Review of Literature on Locality and Urban Marketing in Public Management

In Public Management, urban marketing is a new dimension that is not exclusively the advantage of the private sector to attract Foreign Direct Investment. Following the trend, the implementation of urban marketing to local governance. This chapter is divided into five parts; the first part examines the literature on the concept of Branding and its solid theoretical connotations, including the differences between place, image, and Branding.

The second part reviews the role of locality in Public Service Management. This part intends to broaden the understanding of how urban marketing has evolved as an approach and what affects it to be pursued, especially in the international arena.

The theoretical relevance of this chapter contributes to a better understanding of specific components and effects of Branding in the socio-economy framework of Public Service Management of Ecuador.

The third part demonstrates the main scholarly arguments for analysing the importance of public diplomacy and urban marketing in Ecuador.

To finish, the fourth part clarifies the conceptual framework of urban study, and the chapter is summed up.

#### 2.1.1. What Is Branding?

Branding references systematic research methods. Explaining how these techniques to aid in understanding traditional issues must reveal how they might be applied to answer emerging theoretical and practical questions.

#### Table 4 Branding Phase

BRANDING PHASE

- 1. Auditing phase of urban marketing
- 2. Auditing the local values (the city or the place). This product is composed of natural, social, cultural, economic values and services.

2. Local government and the market segmentation to define the potential "buyers" as target groups in your city marketing

3. Image audit

How do the local population see your city?

How do other people (other citizens in the country or tourists) see your city? or Corporate Identity.

How do the representatives of your Twin City local government see your city?

Selling the city process Source: Autor's figure The image audit is made up of four groups.

First, Corporate identity (CI) is lent from marketing science, and this abbreviation stands for the image or brand. This is the image of a town to be sold as a product. According to the author Tózsa I. (2011) Selling the City – Introduction to Urban and Regional Marketing:

- The inner CI is the awareness of the local population's identity. In other words: how can they identify themselves with their settlement? The local population is the most important (the very first) customer in urban marketing, so their role is dealt with in a separate sub-chapter.
- The outer CI means what the population and entrepreneurs of other settlements think about the territory. What is the image or brand like in their minds? It should be explored, especially in the case of primary competitors. What kinds of vision do the municipal parliaments members, entrepreneurs, investors, and decision-makers Knowing this is important for further value finding, image creation, brand design, and strategy making.

The external CI is not only the competitors' image of cities or countries, but also is potential buyers' image. Therefore, if the local governments want to carry out effective urban marketing, they need to know the outer CI must always reduce and eliminate the harmful elements in them.

• The partner CI is the image of different settlement as it lives in the communities and developers of the territories, which, in principle, are not competitors in the urban competition. These are the so-called. Twin cities are often situated too far away to be city competitors. The external CI, which they are aware of, can also have a helpful and well-meaning critical image that helps to consciously design the image of the community to potential target groups. Unfortunately, twin cities are often different dimensions because in choosing them, the informal connections of the mayors play an essential role.

Twin Cities exchange groups of visitors in culture (folk dance, choirs, sport, arts) and during the summer vacation of their students. Twin cities, first, should not be

settlements of very different dimensions because they will not share common problems and operational functions. When the twin cities belong to the same urban extent, their bodies of local governments should be asked respectively to fill in forms describing each other's settlements. Thus, a real partner CI could be obtained.

Bell and Hindmoor (2009) state the twint governments are approaching each other to establish collaborations and be able to fulfill their work plan, which is why their constituents or voters elected them. The reasons are capital and, in effect, being able to renew their period as political authorities. The coordinated support strategy is unique and more effective than the central government. They know Ecuadorian diplomacy has yet to bring historic moments regarding nation branding.

Corporate Identity is a very premature effort being evaluated in governments with weak political stability. The Ecuadorian population does not believe in the corrupt government of their country, according to surveys carried out by the Institute of Statistics and Censuses. For the CI, nation branding must be the ideal model so that everything transmitted in large lobbies of commercial and cultural meetings at an international level reflects the population and has a sense of belonging and credibility that their country has the potential to attract investors, to tourists, to people who want to know about the competitive advantages of the fourth smallest country in South America.

#### 2.1.1.1. Place, Image and Branding

#### 2.1.1.1.1. Place: "there is a product"

Territory, infrastructure, educated people, and identical governance systems constitute place branding products.

Thousands of places are driven by business, and global economic forces make developing a good brand more important than ever. Indeed, in the context of the 2030 Agenda for Sustainable Development,<sup>1</sup> the Paris Agreement, and global development agreements and frameworks, urban marketing should be the source of solution tools UN-Habitat (2016a). Certainly, city branding is about influencing and managing how cities are admired and

recognized by foreign, domestic, and internal audiences.

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<sup>&</sup>lt;sup>1</sup> Urbanization has been a major development and poverty reduction driver. Governments can respond to this key development opportunity by promoting a new model of urban development. https://habitat3.org/the-new-urban-agenda

There are indexes and resources, but the most important are essential prerequisites for attracting and retaining tourists, traders, investors, students, residents, and skilled migrants.

Table 5 Future

#### **Brand Country Index**

1	Japan
2	Norway
3	Switzerland
4	Sweden
5	Finland
6	Germany
7	Denmark
8	Canada
9	Austria
10	Luxembourg
11	New Zealand
12	United States

Source: Future brand Country Index

In light of this, countries as products are ranked according to importance. The nation brand strength methodology includes the results of the Global Soft Power Index and bestowing to the chart above there has been no movement in the top 10 according to Brand Finance 2021, a British cabinet that evaluates the national image of the brands measured both domestically and internationally. Brand Finance 2021 concludes nations' brands across the globe are slowly recovering from the Covid-19 pandemic by 7% year on year.<sup>2</sup>

It highlights as Estonia is the world's fastest-growing nation brand of 2021 because the

It highlights as Estonia is the world's fastest-growing nation brand of 2021 because the government of Estonia had invested in digital infrastructure long before the Covid-19 pandemic hit the earth. Not new news that Switzerland is the world's most vital national brand. But breaking the Western monopoly nation branding, United Arab Emirates has been named the world's 11th strongest nation brand. And Ecuador joined and slipped to 80th.

In point of fact, taking a closer look, the relevance and impact of country branding are impossible to ignore. Therefore, governments should significantly assess to improve their brand strength to unlock its potential and seize opportunities otherwise missed.

Table 6 Top 10 Most Valuable Nation Brands

1	USA
2	China
3	Japan
4	Germany

<sup>&</sup>lt;sup>2</sup> The Global Soft Power Index is the world's most comprehensive research study on national brand perceptions.

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5	United Kingdom
6	France
7	India
8	Canada
9	Italy
10	South Korea

Source: Nation brands 2021

The literature on place tourism continued to grow in the 2000s. However, there is a necessity for comprehensive city brand management G. Ashworth & M. Kavaratzis (2007). To fathom the reputation of Japan, urban marketing requires an understanding, and strategic marketing is precisely how actors in civil society in the entire world make their place decisions. It would be better if they were allied with the government or even the local government for business decisions. There are features such as rebuilding infrastructure, stimulating local business entrepreneurship and expansion, creating a skilled labor force, developing strong public/private partnerships, identifying, and attracting "place compatible" companies and industries, creating distinctive local attractions, building a service-friendly culture, and promoting these advantages effectively Per Laegreid (2007).

#### 2.1.2. Image: an image is reputation

The very first impression delivers a Message about their value. Since nations or states today need to re-engage popular support. They should use the power of branding.

The government may promise a better world, and it strives to deliver one, and its constituents eagerly look forward to embarking on the road to development, peace, and social stability.

It is considered that the application of urban marketing depends significantly on the construction, communication, and management of an image of a city. This is the case of medium-size cities as Ecuador, which can position themselves in the global city system as centres of attraction based on the quality of urban life as their main competitive advantage.

There are two processes: image and branding, which are experiencing more remarkable growth in urban marketing for the development of cities and countries. Consequently, in the case of local projects, a valuation is taking place in intangible assets. This is when new political and social participation processes are implemented. Urban marketing is definitely an asset for image construction to ensure the development of its entire concept, from strengthening the city image to that mainstream integrated quality in the country, leading to good governance practices.

#### 2.1.3. Branding: planning to manage reputation

Branding is a product or service, in planning and designing to build or to manage reputation. Nations, Regions, and cities have brand images that usually are branded Gábor et Bozsó (2016). In that sense, identity logo, image reputation, purpose, and external promises are shared values and equity or goodwill. For branding, it is essential to emphasize that the trademark is not the owner of one brand because the image resides in the consumer's mind in a remote location. So, the main target groups in urban marketing are tourists, citizens, students, and employees.

- The tourist board promotes the country to holidaymakers and business traveller's Gilberto Capano, Michael Howlett & M Ramesh (2015).
- Agencies, Fairs, and international scenarios promote the country to foreign companies and investors.

- From a cultural perspective, the cultural institute builds cultural relations with other countries and promotes its cultural and educational products and services Levi (2003).
- Furthermore, the Ministries present their policies to the overseas public in the best possible light and sometimes attempt to manage the national reputation.
- Other bodies, special interest groups, non-governmental organizations (NGOs), and companies are all promoting their version of the country.

It's important to emphasize is that they are working in isolation. However, working collectively would be desirable for knowledge acquisition and development skills Lynn (2010).

## 2.1.4. Conceptual Framework of the Study

This study considered urban marketing and the role of locality – a sin case study of Ecuadorian public management. Based on the overview of relevant literature regarding urban marketing, branding, general management, and governance. This section introduced a theoretical framework appropriate for this research study.

This conceptual framework addressed the relationship between governance and socioeconomic development. Therefore, the hypotheses proposed for this study were based on good governance and socioeconomic development in Ecuador expected by the enforcement of urban marketing in public service management. Moreover, local governments are critical in translating investment revenues into sustainable economic growth.

Urban marketing is successful in terms of theory and practice when local governments are involved in the process as the leading actor in activating the economy of countries. In this conceptual framework, this study proved that good governance of urban marketing should be a condition for socio-economic development in Ecuador.

Understanding the relationship between locality, urban marketing, good governance, and socioeconomic development this study provides a clear overview of the role of locality in Public Management of Ecuador.

Good governance in the role of locality emerges as a philosophical principle. This study argues that pursuing urban marketing in the local sector make certain socioeconomic development in the country. Local sector governance in the case of Ecuador leads to two social pathways. First, the national economy reflects that the local's economy and accounts depend on the government budget, which is highly limited. The other approach is if the

local governments lead to the initiative curse in which the country generates long-term revenue for the local population.

#### 2.1.4.1. Theoretical Framework

Conducting ethnographic research brings to the author of this dissertation ethical considerations. As former public servant the author states governance has become a central concept used by designers' politicians and politicians at the local, national, Regional, and global levels and by social sciences. Mostly, international organizations spread preponderant criteria of good governance from a neoliberal approach to a regulationist Waylen (2008).

The influence of globalization on the international scheme and national political practices has been considered in establishing levels of governance. Governance is ultimately the way of regularizing the interactions between societal actors that can be democratic or authoritarian and makes it possible to exterminate how activities and political processes have attracted FDI.

While it is true that there is no model of good governance, it is also necessary to emphasize the measurement of results for ideological reasons. The system of governance determines the interactions of the actors. It influences the institutional system, under legal instruments of accountability, of decision making, which help according to the case that the reductions are more constructive and less conflictive.

Central government coordination is fundamental to intergovernmental relations in the context of public and social policies. Thus, smart cities are organized with Information and Communication Technologies (ICT) to deploy such policies.

New Public Management of Ecuador has provided an in-depth diagnostic of access, guarantee, and long-term strategy to attract Foreign Direct Investment for developing countries. Indeed, the local government has become over-extended in the economy. After several years of centralized territorial planning, there is competition between cities and territories in the national and international arena. The competition is open to attract private investments of multinational companies. Nowadays, it is considered the main objective of many local governments. In this context, the theory and practice of the New Public Management approach are seen as a greater engagement with governance to explain some of the processes and patterns of Foreign Direct Investment (FDI) and Public Private Partnership (PPP) for the development of cities.

Urban marketing studies shall be fundamental support for these. Citizens, businesses, governments, and employees are a policy priority because cities are critical factors for the new industrial scenario to converge all segments of society.

At least examining the liberalization process in the context of reflecting on the challenges facing Latin America post the Socialism of 21<sup>st</sup> century and possible lessons that can be learned from the experiences of other emerging market economies.

## 2.1.4.1.1 Urban Marketing and its Theoretical Basis

Urban marketing has evolved from a marketing discipline. The first definition of urban marketing is given by Ashworth (1990), and one of the most up-to-date textbooks of marketing science is Kotler's work (2003).

Urban marketing is a unique field of marketing expertise and is part of its system. Place, the city, the Region, or the country are exceptional products – in marketing terms. Marketing activity is usually directed at the so-called '4 P-Mix' in its simplest form.

- 1. Product (goods or services, and in case of a place, it is the city itself)
- 2. Price
- 3. Place (location changes via transportation during the sale)
- 4. Promotion (advertising, marketing activity)

In the economic field of urban marketing, a price and vacancy gap between urban centers and the periphery is, therefore, likely to widen even further in the wake of the current economic slowdown.

There are several recent dimensions and theoretical contributions to urban marketing. These developed from the late 1980s, when Ashworth and Voogd, h. (1990), in Selling the City: marketing approaches in public sector urban planning, first analysed the urban tourism phenomenon to begin to understand tourism in the city and adopted urban studies and its theoretical critiques G. Ashworth & S. Page (2011).

Many progressive investigations conclude that branding in cities supports the meaning of development and evolution Green et al. (2016). Furthermore, it is considered that the application of urban marketing depends significantly on the construction, communication, and management of the city's image Mihalis Kavaratzis G. J. Ashworth (2015). This is the case of intermediate cities ECLAC (1998) of international rank, which can position them-

selves in the global city system as a center of attraction based on the quality of urban life as their main competitive advantage Precedo Ledo et al. (2010).

The relationship between local governments and urban marketing is understood as the opportunity and advantage of having an image of a country and a specific city and the mechanisms by which that image can result in a favourable reputation for Ecuador. According to Prats (2001), "local governance must be understood, essentially, as urban governance." With this, in turn, as mentioned by Vásquez (2014), it should be possible to "identify and recognize the different needs of the locality and its translations in a city-brand, the result of a collective agreement and commitment, which It must not only seek to position the city abroad through its image but also guarantee the strengthening of the local identity. In this sense, the participation of local governments is at the level of the "city brand," which in turn can also have a higher impact on the country brand.

For the local governments of developing countries, a positive association with the governments of other countries, companies, and international organizations, marks a milestone in projection and reputation. In this sense, by ensuring its economic position, Ecuador like other South American countries, seeks to increase the influence of FDI in its development. This search occurs not only by attracting FDI in large amounts of money; but also, by benefiting in areas such as technology, employment, exports, qualification, and general competitiveness.

Greg Ashworth was one of the first to write about place marketing. In 1988, he published their first article about urban tourism with Henk Voogd, and in 1990. They published the book, Selling the City. Greg Ashworth has a tremendous track record of publications on urban tourism, urban marketing, and place branding. Furthermore, the author elaborates briefly, giving an adept general understanding and raising different ideas and thoughts. For example: Country branding as an instrument for place management recognizes that place products remain places with the distinct attributes that accrue to places, such as spatial scale and hierarchies, resulting in scale shadowing, the inherent diversity and vagueness of goals, product-user combinations, and consumer utilities. The principal author Kotler Philip started to introduce cities going bankrupt, states running large deficits, and nations stuck in high debt and stagnation. Altogether, Philip Kotler, Donald Haider, and Irving Rein argue that thousands of "places" - cities, states, and nations- are in crisis and can no longer rely on national industrial policies. This theory clarifies the reality of Ecuador and its neighbouring countries as Venezuela and Colombia.

## **2.1.5. Summary**

#### 2.1.5.1. Building back best

There is a risk of stagnation by not attempting a new foreign policy where the country's image is made visible as attractive to the international community. For governments, nation branding could be a crucial door of opportunities once the innovation and sustainability strategy is opened. In the framework of Socialism of the 21st century in Ecuador, civil society voted overwhelmingly for a new constitution that gives rights to nature, its mountains, rivers, forests, air, and islands, legally enforceable rights to "exist, flourish and evolve. It is the first country in the world to do so. For decades, the Ecuadorian government has experienced that environmental services should not be subject to appropriation and regulation.

Ecuador is the first country to recognize the Rights of Nature in its Constitution. It is a significant first step for humanity toward a paradigm change. This action was taken in the context of the Socialism of 21st century. Ecuador should manage its international image to improve or enhance its reputation among overseas audiences Fan (2010). Considering the psychological process of perception by audiences, C. L. Wang et al. (2012) define a country image as the social imagination of a country and its people, including cognitive beliefs of the country's economic and technological development stages, as well as the affective evaluations of its social and political systems or standpoints.

All persons, communities, peoples, and nations can call upon public authorities to enforce the rights of nature. The principles outlined in the Constitution shall be observed to enforce and interpret these rights as appropriate.

The State shall give incentives to natural persons, legal entities, and communities to protect nature and promote respect for all the elements comprising an ecosystem.

Article 72. Nature has the right to be restored. However, this restoration shall be apart from the obligation of the State and natural persons or legal entities to compensate individuals and communities that depend on affected natural systems.

In those cases of severe or permanent environmental impact, including those caused by the exploitation of nonrenewable natural resources, the State shall estab-

lish the most effective mechanisms to achieve the restoration. Furthermore, it shall adopt adequate measures to eliminate or mitigate harmful environmental consequences.

Article 73. The State shall apply preventive and restrictive measures on activities that might lead to species extinction, the destruction of ecosystems, and the permanent alteration of natural cycles—article 74. Persons, communities, peoples, and nations shall have the right to benefit from the environment and natural wealth, enabling them to enjoy a good way of living.

This definition goes beyond the smallest country in South America. Indeed, these aspects have been the subject of numerous studies in the field of marketing, with some scholars comparing the impact of both cognitive and affective components in different circumstances, for example, product evaluation and purchase intention during rational and experiential purchases D. Li et al. (2014).

Country image for public management would see news channels as follows:

- 1. those regarding the overall image of a country,
- 2. those about countries as a point of origin of certain products, and
- 3. those concerned exclusively with the image of products with a focus away from the country they are produced in.

Thanks to tourism, this approach can be offered for sale in your country and worldwide to audiences that now become prospective consumers. Country branding aimed at reconstituting nationhood through marketing and branding paradigms Kaneva (2011) in technical-economic, political, and cultural issues.

Culture is the greatest attraction in Ecuador because tourism niches are its most significant brand characteristic as part of the Inca empire and a plurinational and multicultural country.

Public diplomacy allows the nation to be involved in country branding strategies. If countries such as Ecuador implement the instrumentalization of international broadcasting for country image management, its purposes will also be linked to a larger agenda of creating soft power. Soft power influences other countries to follow one's policies by attracting and co-opting rather than coercion Nye (2004).

Local governments anticipating to changes in the image of their countries direct their messages to audiences that are often considered culturally uniform passive receivers Szondi (2010).

# **CHAPTER THREE**

#### LOCALITY IN PUBLIC SERVICE MANAGEMENT OF ECUADOR

Meta-governance plays a significant role in place marketing. Meta-governance emphasizes that government rules determine new leadership mechanisms and ensure consistent diversification characteristics. In other words, urban marketing benefits tourist planning and the interoperability of different governance mechanisms. Authors point out that in the context of increasingly active transnational economic flows Menglong L(2019).

The local government has become over-extended in the economy. After several years of centralized territorial planning, there is competition between cities and territories in the national and international arena. The competition is open to attract public and private investments of multinational companies. Nowadays, it is considered the main objective of many local governments, and this connotation is the core of this research. Our current understanding of the role of locality in public management describes the theory and practice of urban marketing as a greater engagement with governance to explain some of the processes and patterns of Foreign Direct Investment (FDI). Urban marketing is a fundamental support for these. Citizens, businesses, governments, and employees are a policy priority because cities are critical factors for the new industrial scenario to converge all segments of society. In addition, Ecuador, as a single country, studies from a sociological spectrum to recognize the social impacts on social groups within a community before the decision-making process, such as housing quality, local services, living environment, cultural and political inclination, and transportation condition.

Public policies are setting clear goals for the country's economy. Urban marketing needs the role that none of the conventional disciplines of public diplomacy Stephenson (2013) or sectoral promotion can perform alone Börzel (2020). Urban marketing is not the only option but the most accurate to determine the way the world sees it and treats it Stock et Burton (2011).

To have a clearer vision of the definitions above, place-based branding has a very ancient history. There is evidence of packaging in the place of manufacture dating back to 4000 years ago, e.g., in Egypt and China Fejes – Sulyok – Szalai (2019).

For centuries, countries have been working to create and maintain a strong national reputation for producing quality products. Indeed, companies will need to recognize their government as the final arbiter on issues of a brand and contribute to and comply with its strategy. Countries should collaborate with other companies and competitors to promote the nation's reputation. A country of origin represents the country or countries of manufacture production, design, or brand origin. Indeed, the government should never miss an opportunity to acknowledge and promote its products representing the population and their culture as an image or the nationality bias Drucker (1964).

Ideally, public policies should be sustainable over time, but they respond to changing external conditions. In Ecuador, public policies after the Socialism of the XXI century were established to be enforced appropriately, pursue the general welfare, and produce efficient

outcomes. Taken from a comparative perspective, nowadays, Ecuadorian policies have demonstrated that the State's ability to maintain policy stability and continuity over time is a dimension negatively affected if the survival of policies is contingent on political swings or idiosyncratic changes in policy preferences (IDB 2015).

With 17 million inhabitants, the Andean country adopted a new decree N° 582 Public Private Partnership - PPPs (Asociación Público Privada) in 2015. This relationship consists of shared and compatible objectives and an acknowledged distribution of specific roles and responsibilities among the participants, which can be formal or informal, contractual or voluntary, between two or more parties. The implication is that there is a joint investment of resources and, therefore, joint risk-taking, sharing of authority, and benefits for all partners (Lewis, 2002).

Ecuador is an excellent base in the Andean Market, with oil and high mineral potential, agricultural resources provider, and energy affluent. Therefore, the strategic framework for good governance is "Living Well" (Buen Vivir or Sumak Kawsay) and New Public movements. The idea of being in harmony with nature, characterizing Buen Vivir, promotes discussion on environmentally friendly alternatives.

Sumak Kawsay in Quechua, Buen Vivir in Spanish, and the English version of Well-Being is not explicitly defined in the constitution but appears 25 times:

Preamble,

Section 2 (Rights to Well Living)

Section 6 (The Good Living Regime)

and Section 7 (Development Regime)

Article 3.5 articulates "The duty of the State includes planning national development, eliminating poverty and promoting sustainable development and the equitable redistribution of resources and wealth to allow the good life."

The principles of Well-Being are applied in the constitution to articulate the rights to inclusion, equity, education, health, social security, housing, cultural diversity, sustainable development and the conservation of biodiversity, among others.

One of the most innovative institutional achievements of Ecuador's constitutional reform was *The Constitution also declares Ecuador a plurinational State, recognizing ethnic, racial, gender, regional, sexual, disability, migratory status, and generational diversity.* 

In the context of the Constitution of Ecuador (2008) the government of the new socialism of Ecuador adopted three national development plans that integrate the principles of Well-Being:

- 1. National Development Plan 2007-2010
- 2. National Plan for Good Living (PNBV) 2009-2013
- 3. PNBV 2017-2021

The plans above described the political objectives and the working new era towards longterm structural changes in Ecuador. In effect, for over a decade, they have promoted the rights written in the constitution with the participation of different social sectors of the country.

These plans expanded the State's ability to ensure equitable change. The planning of Well-Being was accompanied by developing political architectures and initiatives that established new procedures, forms of redistribution, and dynamics between the State and citizens, targeting measures for development and sharing with the world the new image of Ecuador.

Indeed, it is essential to emphasize that the Republic's Constitution (2008) takes charge of the construction of national policies orientated to public investment, to promote the reform to the State and free economy and a new image of the country, and urban marketing is an asset.

The Ecuadorian government promotes PPPs and establishes that national and foreign investors must be treated equally before the law and should be granted the same rights. Therefore, every investor can apply for a contract with the Ecuadorian State, which gives stability for 15 years, extending to an additional 15 years. According to the PPPs organic Law in Ecuador, the minimum investment amount of the contract is US \$ 250,000 during the first year.

Under the premise of decentralization, the current context in Ecuador is very favorable for designing a tool to measure the effectiveness of urban marketing under the figure of FDI at the local level for the following reasons:

Ecuador has a Law Executive Decree No. 793. includes regulatory amendments relating to taxation matters for applying the Law on Incentives for Public-Private Associations and Foreign Investment. Income tax exemption on dividends paid by companies incorporated for purposes of PPA projects is applied during the first ten years after operating income is generated.

Sub-national governments have already had experience working with international cooperation agencies, through which contributions have been made to local development processes. For example, the United Nations Conference on Trade and Development (UNCTAD) and its Investment Promotion Agencies. The Constitution of the Republic of Ecuador and the corresponding legal framework state that the management of international cooperation is a competence of sub-national governments. Besides investigating the reasons for the urban marketing approach, the study aims to examine the impact of public management in Ecuador. The impact of public policies and the role of locality can also be visible in the economy and social life in the country. To understand urban economic development and the limitations of urban marketing, we need to understand the question: the urban question denotes how the means of collective consumption (e.g., housing, roads, and schools) is provided, managed, and distributed in cities Castells (1978). The main objective of urban marketing is to create a strong relationship between public policies and consumer require-

ments to make the functioning of the urban system more efficient. Hubbard and Hall argue that local government is not only a provider of welfare services but also tries to promote and encourage regional growth and economic development.

Nevertheless, a growing theoretical approach uses the marketing concept to illustrate that Western cities apply marketing ideas from the economic sphere in the urban context Millington et al. (1997). Based on this access and the advantages of the country, Ecuador managed to develop several export industries in the 1990s of commodities with the possibility of FDI. However, the most significant immediate potential, in addition to the oil industry, is offered by the services sector, especially infrastructure services industries such as telecommunications and electricity distribution.

The participation of FDI in the privatization programs of these industries has periodically stimulated FDI inflows in several Latin American countries, including Ecuador. Indeed, Ecuador has stable and prosperous policies that offer confidence and benefits to foreign investors. Investment Promotion Agencies are the institutions responsible for promoting foreign investment in a specific area. These institutions may be governmental, non-profit organizations, and even private entities run by boards of directors, including government officials and business managers. Therefore, one of the main activities of an investment promotion agency is positioning the country in the international market. This task implies the construction of a favorable image and, with this, the creation of a "Country Brand".

The theoretical basis of the dissertation bet by a new model of information system in order to support local decision-making. One of the main objectives of this research is to analyze the Role of Locality in Public Management as a valuable tool for decision-making and policy strategies for local and rural government development. According to the Urban Marketing approach, the social impact of eGovernment in the construction of cities to attract Foreign Direct Investment (FDI) will significantly contribute to developing cities. Public management plays a fundamental role in creating different programs in digitalization services to generate viable solutions and improve the quality of life of its inhabitants—for instance, accountability for business purposes. The effective use of the knowledge developed by the Local Information Systems is essential for cities to make informed decisions, stop the most severe corruption processes, and continue caring for the citizens' basic requirements through targeted policies. In this context, Urban Marketing allows the interaction of a Decentralized Autonomous Organization with the territory's citizens, aiming to access, col-

lect, store, and transform data and relevant information for local and national planning and public planning management.

Until the end of the seventies and 2015, Ecuador was a country whose prosperity was typical of a petroleum-producing country. Nowadays, governments of all levels, whether national, provincial, or municipal, face multiple and interdependent challenges in managing scarce assets to create opportunities for all citizens, reduce poverty, and improve the population's living conditions. Accordingly, Ecuador is one of those countries where local governments are creating opportunities to exercise political pressure.

The Republic's Constitution (2008) provides for an executive branch headed by the nation's president, elected to a four-year term. The Ecuadorian Constitution promotes private economic investment and stimulates free competition and competitive markets. It also stipulates the protection of private property and guarantees good levels of contract enforcement. On the other hand, domestic and foreign investors from the private sector, through concessions or privatization of state-owned companies, are allowed to acquire responsibilities in matters such as the construction and management of public works such as roads and ports, among others, and supply essential services: drinking water, electricity, and telecommunications; the same ones that the State currently manages.

Ecuador provides various incentives to investors.

- The country has one of the lowest income tax rates in South America.
- Reduction of 10 points in the income tax rate for reinvestment in productive assets.
- Exemption from paying the minimum price in the advance on income taxes for five years for the new companies constituted in the country.

# 3.1. Public Service Management in Ecuador

# 3.1.1. The State of Ecuador in the 21st Century

The State in its modern conception corresponds to a cultural and ideal process by means of which the idea of a not individualized power. (Roth et Noel, 2007) Indeed, the State plays a very important role in the provision of services, as guarantor of the rights entrenched in the Constitution: this is its foremost duty.

Table 7 The State of Ecuador. Bresser (2001)

Ecuador			
Political regime:	Social liberal State		
Public administration:	New Public Management (NPM)		
Highlights: accountability is a primary re	equirement in developing countries.		

In Ecuador, there was a change in the political and ideological views that was embodied in the constitution of Ecuador from the predominantly neoliberalist wave in the nineties that focused on the Regional level, the country shifted toward a model in which the State strongly intervenes and participates in the economy, and its institutions are endowed with legitimacy to exercise their powers. This political, historical process with a socialist hue is known as neo-developmentalism. Neo-developmentalism is part of capitalism, but it maintains the life of the neoliberal Cypher (2014). Article 1 of the Constitution of the Republic of Ecuador reads: "Ecuador is a constitutional State of rights and justice, a social, democratic, sovereign, independent, unitary, intercultural, multinational and secular State" (Constitution of the Republic of Ecuador, 2008).

Article 275: "The development structure is the organized, sustainable and dynamic group of economic, political, socio-cultural and environmental systems which underpin the achievement of the good way of living (Sumak Kawsay)." (Constitution of the Republic of Ecuador, 2008).

The State of Ecuador is responsible for guaranteeing the basic needs of its citizens, according to Article 314: "The State shall be responsible for the provision of the public services of drinking and irrigation water, sanitation, electricity, telecommunications, roads, seaport and airport facilities, and others as established by law" (Constitution of the Republic of Ecuador, 2008).

In this context, since 2008, the legal structure and the way of operation and provision of public services changed. Rafael Correa boosted the constituent process, and a Constituent Assembly was held in Montecristi in the province of Manabí, which concluded with the issuance of the Constitution of Ecuador in 2008.

Indeed, the Constitution of Ecuador changed the State model by establishing a Constitutional State of Rights and Justice, which places human beings over the capital and where human rights are protected by the constitution, without the need to mediate any Law for recognition Ferrajoli (2002). In Ecuador, the Constitutional State of Rights and Justice; is the guarantee and humanist model, in which; there is a true subjection and fulfillment of the Law and of the fundamental rights Ferrajoli (2002).

## 3.1.2. New Public Management

New Public Management<sup>3</sup> in Latin America arose in the Region as a system that meets the feasibility requirements for carrying out reforms that contribute to more efficient and flexible public administrations.

The principal institution is the Latin American Center of Administration for Development (CLAD), which is seen as an international public body. Its core objective is the modernization of public administrations as a strategic economic and social development factor.

The mission of the CLAD is to encourage analysis, exchange of experiences, and knowledge related to State reform and public administration modernization. This mission is carried out through different activities such as international meetings specialized on these subjects, publications, document and information services, research, and technical cooperation activities of its members and actors from other Regions (CLAD, 2020).

Table 8 Member states in the Latin American Centre of Administration

Member countries:	Andorra, Argentina, Bolivia, Brasil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Salvador, Spain, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Portugal, Republic of Dominica, Uruguay, Venezuela
Observer member:	Angola

Note: Adapted from Latin American Center of Administration for Development (CLAD). Retrieved from https://clad.org/documentacion/cedai/

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<sup>&</sup>lt;sup>3</sup> The New Public Management offers two types of provision of a public service. First, the direct provision of public service that is carried out by government institutions, either those of the central government or autonomous entities that are responsible for compliance or legal persons created by the administration to provide that service. Secondly, the service is indirectly provided when the public administration decides to grant a delegation. However, it is necessary to point out that this administrative act of authorisation becomes a kind of permission that the State grants for individuals to carry out their activities under a regulatory umbrella that allows the State to intervene and suspend that activity (in order to avoid disputes in case that activity is rendered improperly).

NPM is the result of two important documents: A New Public Management for Latin America (1998) and the Ibero-American Charter for the Public Service (2003). A New Public Management for Latin America arose from the need to introduce reforms in Latin American public administrations, and the Ibero-American Charter formalises the agreement made by a broad set of countries in the Region regarding the organisational guidelines to adopt tools and processes that shall contribute to the improvement of its efficiency. In the framework of CLAD, NPM in Ecuador is constituted by public services that provide tangible or intangible goods to citizens, with quality and warmth care, in order to guarantee constitutional rights and aimed at the construction of the Living Well regime.

NPM offers two types of provision of a public service: the direct provision of public service that is carried out by governmental institutions, whether they are those of the central government or by autonomous entities Fernández (2010). On the other hand, the benefit is indirectly configured when the public administration decides to grant a delegation. A public service is provided by an individual, for example through a concession or authorization regime, such delegation also carried out directly by the law. However, it is necessary to point out that this administrative act of authorization becomes a kind of permission that the State grants for individuals to carry out their activities under a regulatory umbrella that allows the State to intervene and suspend that activity in order to avoid disputes in case that activity is rendered improperly.

Besides, there is a specific section about strategic sectors: telecommunications, non-renewable natural resources, transportation and refining of hydrocarbons, biodiversity and genetic heritage, radio spectrum, water, and others determined by law. The Constitution of the Republic of Ecuador:

Article 315 reads: "The State shall set up public companies for the management of strategic sectors, the provision of public services, the sustainable use of natural resources or public assets and the exercise of other economic activities".

In this context, having considered a strategic sector implies a reservation in favour of the State, who has full capacity to intervene in those sectors to regulate, control and manage them in a way that is the most convenient. The management of these sectors has a constitutionally defined model, it must be carried out through the constitution of public or mixed-economy companies.

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<sup>&</sup>lt;sup>4</sup> Constitution of the Republic of Ecuador, 2008. www.asambleanacional.gob.ec/sites/default/files/documents/old/constitucion\_de\_bolsillo.pdf (Downloaded: 09.06.2021)

In Ecuador, the delegation of the management of strategic services to the private sector The Organic Code of Production, Commerce and Investments provides that only exceptionally, by a presidential decree, and when it is necessary and appropriate to satisfy the public interest; when there are no technical or economic capacities for that; or when a service cannot be provided by public or mixed companies.

# 3.1.3. Decentralisation

Ecuador is a unitary State, with a two-tier structure of decentralisation. The country is divided into 24 provinces (Provincias) which are formed by one or several cantons.

Table 9 Province of Ecuador

Province	Capital	Foundation
Azuay	Cuenca	1824
Bolívar	Guaranda	1884
Cañar	Azogues	1880
Carchi	Tulcán	1880
Chimborazo	Riobamba	1824
Cotopaxi	Latacunga	1851
El Oro	Machala	1882
Esmeraldas	Esmeraldas	1847

Galápagos	Puerto Baquerizo Moreno	1973
Guayas	Guayaquil	1824
Imbabura	Ibarra	1824
Loja	Loja	1824
Los Ríos	Babahoyo	1860
Manabí	Portoviejo	1824
Morona-Santiago	Macas	1952
Napo	Tena	1959
Orellana	Puerto Francisco de Orellana	1998
Pastaza	Puyo	1959
Pichincha	Quito	1824
Santa Elena	Santa Elena	2007
Santo Domingo de los	Santo Domingo de los	2007
Tsáchilas	Colorados	
Sucumbíos	Nueva Loja	1989
Tungurahua	Ambato	1860

According to the Constitution of Ecuador (2008), these provinces may also gather to create an autonomous Region, but only those of geographical significance. The lower level consists of 221 municipalities called Canton or Municipios (INEC, 2020). These entities are further subdivided into around 1500 parishes (parroquias) which are small politicoterritorial divisions that may be classified into rural or urban parishes. They are under the authority of a municipality which has the power to create or modify them. This subsidiary tier of decentralization aims to be an intermediary between the people and the municipalities<sup>5</sup>.

The Constitution of Ecuador (2008) is dedicated to decentralisation, as the government launched an Organic Code for Regional, Autonomous and Decentralized Organization (COOTAD 2016). in the frameworks of the Living Well program for the reinforcement of the democratic State in Ecuador; it aims to deepen the decentralization and deconcentration processes.

The administration, decentralisation and development model of the Decentralized Autonomous Governments is determined, within the framework of planning and other State regulations of the national level, According to the Constitution of the Republic of Ecuador: Article 1 reads: "This Code establishes the political-administrative organization of the Ecuadorian State in the territory: the regime of the different levels of decentralized autonomous governments and special regimes, in order to guarantee their political, administrative and financial autonomy. In addition, it develops a model of compulsory and progressive decentralization through the national system of competencies, the institution responsible for its administration, the sources of financing and the definition of policies and mechanisms to compensate for imbalances in territorial development." (Constitution of the Republic of Ecuador, 2008).

It is important to emphasise that in Latin America the best example of decentralisation is Mexico. However, Ecuador's decentralisation is not in the executive level but in all gov-

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<sup>&</sup>lt;sup>5</sup> Organic Code for Regional, Autonomous and Decentralized Organization (COOTAD). www.defensa.gob.ec/wp-content/uploads/downloads/2016/01/dic15\_CODIGO-ORGANICO-DE-ORGANIZACION-TERRITORIAL-COOTAD.pdf (Downloaded: 09.06.2020)

ernment levels. Centralism in Ecuadorian history caused that public management is in the three largest cities of Ecuador: Quito, Guayaquil and Cuenca. In 1563, the Royal Audience of Quito was created, with three main centres of authority: Quito, Guayaquil and Cuenca. In 1830, the Republic and its first Constitution enshrined that the department are the same three Ayala Mora (2003).

Indeed, before 2007 the decentralisation of the executive branch was based on the vertical Regionalisation of the country, which divides it into natural Regions: Pacific Region, Andes Region, Amazon Region and Insular. However, this Regionalisation fails to overcome centralised management in Quito, Guayaquil and Cuenca being the most important provinces of Ecuador. Furthermore, since 2008 Ecuador is governed within the framework of a new political-citizen agenda, which is embodied in the Constitution of 2008. Indeed, in total there are 9 zones, 140 districts and 1,134 administrative planning circuits for the organization of the executive in the territory. Administrative levels of planning are also the levels of deconcentration.

In this context, the recovery of the public is prioritised as the basis of the democratic transformation of the State, which aims to generate a change in distribution and redistribution of wealth based on a new development model outlined in the first National Development Plan (2007–2010).

The deconcentration from the executive branch in Ecuador allowed this renewed way of thinking about development, guided by the principles of dignity and solidarity, rescuing first of all the collective sense of Well Living for the making and consolidation of a democratic State in which all citizens can trust and refine its mechanisms and competences based on the recognition of territorial diversity and culture.

#### 3.1.4. Public Servants

In the 2007 Constituent Process the idea of meritocracy was installed in Ecuador under the umbrella of the Ibero-American Charter of the Public Service in order to bet on a better State project and professionalisation of its public function (public service or civil service). In addition, the idea is established that citizens are the ones who supervise and control the provision of the service as continuous users, and citizen participate in its exercise through mechanisms such as accountability. It is also established that in the New Public Manage-

ment the services must be characterised by efficiency, quality and "warmth" Martínez Moscoso (2016).

As for the regulation related to the civil service career of the public administration, this is the Management of Human Talent in the public sector. In Ecuador its action is regulated in the Organic Law on Public Service, (L.O.S.E.P. 2010) Article 229 reads:

"Public servants shall consist of all those persons who in any way or under any category, provide services or hold an office, function, or dignity in the public sector." (L.O.S.E.P. 2010.

The rights of public servants cannot be waived. The law shall determine the executive body in charge of human resources and remuneration for the entire public sector and shall regulate admittance, advancement, promotion, incentives, disciplinary system, job security, salary scale and termination of duties of its employees.

In Ecuador, the rights and guarantees are inalienable, indivisible, interdependent and of equal hierarchy, fully justifiable, directly and immediately applicable by and before any public, administrative or judicial server, without the need for compliance with conditions or requirements not provided for in the Law; however, there may be laws that limit the exercise of rights which should be considered ineffective. The rights of the people are not only those established in the Constitution and in international treaties, but they can include those derived from the "dignity of the people". The highest body of constitutional control and interpretation is the Constitutional Court, that is also responsible for administering constitutional justice. [18: 14] Indeed, the Constitution itself requires that public, administrative, or judicial servants, in the field of human rights, make the interpretation that is most convenient for the effectiveness.

#### 3.1.5. National Management for Results

National Management for Results in Ecuador was a challenging process. There were two scenarios: the first was when former President Rafael Correa attended a meeting at the national firm Petroecuador to a workshop where progress and management were exposed through a tool called Company By Results (EPR) and the second moment was the continuous improvement of public management versus inefficiency and bureaucracy.

In October 2010, the Presidency of the Republic signed a consulting contract with the Ecuadorian company, e-Strategia Consulting Andes, for the "Implementation of a Government Methodology for Results and Computer System" (OAS, 2014).

Since 2010, when this National Management for Results entered in force in Ecuador, the method prescribed control by parameters of results, and allowed to evaluate the performance of the institution semi-annually or annually, whether or not it reached the objectives set, or the level of progress expected of them; and in case of failure, it can be known clearly what indicator failed, and thus one can investigate the causes that led to a misguided decision, and modify the structure to improve the quality of service provision.

Chronologically, the coining of terms related to management by results, goes back to the Austrian author of "management" Drucker (1964). However, its heyday, when its application took a greater momentum in the public sphere, was the New Public Management in Britain in the eighties, which strongly influenced the Latin American countries.

In this context, CLAD and the Inter-American Development Bank (IDB) in the framework of the project on Management for results and Monitoring and Evaluation, were considered that Management by Results is more effective because they produce better results, are more innovative, flexible and have a higher assurance.

However, it appears that one of the main risks that arise from a results-based management policy is that the public administration does not know how to previously define objectives, or still worse, these objectives are not clear and not duly socialised to their citizens. In fact, putting aside participation and transparency, which would be basic in the New Public Management.

#### 3.1.5.1. Public diplomacy

Some preconceived images contribute to undermining and legitimate the acceptance of countries by international media outlets.

For the history of South America from the 18th century, the U.S. searched for a territorial expansion which Monroe reinforced by the Doctrine, assuring its territorial interests in Latin America under the ideology of "America, for the Americans." The United States, through the Monroe Doctrine, took the floor in Latin America and considered its sphere of influence.

From its beginning, the imperialistic and hegemonic content of the Monroe Doctrine was narrowly linked to the political isolationist that the government and the North American congress were supporting as foreign policy. Nevertheless, North American isolationism was not a dogma, but a politics of interest, which could be modified when the circumstanc-

es like that needed it. This point can be visualized in the expansionist politics of the United States at the beginning of the 19th century.

The Monroe Doctrine would be the base for the North American interventions in internal matters of Hispanic America. The consequences of applying the Doctrine in foreign policy topics have left a bitter flavor for many Latin-American countries, especially those of the Caribbean and Central America, that have suffered constant political, economic, and even armed interventions, for example, Ecuador in 1941.

The politics of intervention from the Monroe Doctrine established a political beginning used as a base for the justification and foundation of foreign policy decisions. The need for a Doctrine that was transforming and adapting to the political, economic, and historical realities of the future interventions of the United States and to plant it firmly on the national North American conscience; though, change became evident in the First Pan-American Congress realized in Panama in June 1826, summoned by Simón Bolívar and whose end was to assemble all the continent's nations. However, the delegation of Washington glimpsed the danger that the Hispanic-American integration might cause to its expansionist plans and moved back, affirming American political isolationism.

In this context, to build a branding process in practice, most public administration comprises a mix of foreign affair policy.

In Ecuador, when the politicians in power come to exercise their control, they come with their own work or government plans. Its working team is a new brand, and its vision of change is wholly attached to ideologies. The ideology of the political party to which they belong is the one that governs the state of the country for four years. Without the importance of nation branding, the budget to activate the economy is very far from a structured line of what urban marketing means.

Ecuador has yet to work efficiently with the other political and administrative apparatuses of the government. Diplomacy as an international mechanism does not transmit the message of local governments as the highest representatives of the 24 provinces of the country. Each local government between Municipalities and Prefectures works independently to attract Foreign Direct Investment. In short, the weakness of the state apparatus expands internationally.

It is only a small contribution to its overall public diplomacy. It would be traditional diplomacy through official communication channels, such as ambassadors and the Ministry of foreign affairs; however, after covid-19, international broadcasting engages with foreign diplomacy Cull (2019).

There are examples of hegemonic narrative and propaganda persuading the audience. However, public diplomacy is about listening to the other side and developing a mutual understanding relationship.

This work expects to share the Ecuadorian panorama of public diplomacy to enable the Hungarian and European reader to come up with a perspective of the context of Socialism of the 21st century in Ecuador and the South American Region. It begins by emphasizing the concept of Nye, repeated by the academy. Soft power is the ability through your traction persuasion. Soft power is in public diplomacy, the ability to communicate with the State, and the understanding that public policies can change with the administration or leader, but culture and values tend to be longer. Hence, it is clear that intelligent power strategy combines hard and soft power in separate ways, according to Joseph Nye (2008).

This work deals with that part of diplomatic success referring to the management and projection of Ecuador's image or country branding, specifically, to that practice that is included in what is recognized as public diplomacy. In this sense, it shall include the dimension of urban marketing as an instrument of international projection that has had difficulty in being used by most of the actors in the governmental system. Explanations about the slow spread and adoption of public diplomacy are not easy to propose or generalize, nor are they the main object of this paper. However, it is important to record how its study has been developed and how it is possible to launch urban marketing in the fundamental aspect of Ecuador's foreign policy.

Diplomacy is understood as the art of negotiating amongst States using practices and methods that seek to communicate and exert influence between one and the other directly.

The term was used in 1965 with the Edward R. Murrow Center for Public Diplomacy establishment at Tufts University in Boston Nieto & Peña 2008).

Indeed, public diplomacy as an international term date from the mid-1960s and is a specific moment in the thinking of the evolution of foreign policy in the United States around the Cold War Cull (2008).

The contemporary practice of public diplomacy is frequently justified by referring to the concept of soft power developed by Joseph Nye (2008) at the end of the Cold War, which emphasizes the usefulness it gives to an international actor admired for their values or culture.

In practice, most of the academy in this field has positioned Latin America only as a target for public diplomacy and as propaganda for others. The best example is the American Dream. In fact, in its purest beginnings, the term propaganda was coined during the Counter-Reformation by Ignatius of Loyola as part of his conceptualization of the scope of the Church.

Public diplomacy is defined as the conduct of international relations by governments, private individuals, and groups through public media communications, trying to influence the perception of the country's image abroad positively. Technological progress and globalization have heralded the improvement of communication strategies among states.

Public diplomacy seeks to exceed governmental communications exclusively. Therefore, it is possible to understand the nature of propaganda of public diplomacy since, using various means, the State or private persons (stakeholders) seek to influence attitudes and decision-making processes directly or indirectly in politics locally and internationally Signitizer, cited by Gilboa (2001).

Public diplomacy is defined as the conduct of international relations by governments, private individuals, and groups through public media communications, trying to influence the perception of the country's image abroad positively. Technological progress and globalization have heralded the improvement of communication strategies among states.

In this way, States have introduced specific means to promote an excellent international presence. It is an image, using the media and broadcasting, as well as carrying out the promotion of cultural and sports events, in addition to encouraging the organization of academic exchanges with the central objective of promoting the construction of a relationship between States and citizens of other countries, beyond government relations Nye (2008).

#### 3.1.5.2. This set of actions is what some authors call "public diplomacy."

The soft power function of public diplomacy is reflected in its ability to promote the national interest and influence foreign audiences through interaction based on understanding and mutual understanding. Specifically, public diplomacy is generally underpinned by values, ideals, and policies that shape the country's image, making public diplomacy and soft power complementary. As the leading exponent of soft power and renowned internationalist Joseph Nye Jr. points out, this power attenuates the military and economy. It focuses on a less coercive aspect of power, such as influence in the international system. Besides, agreeing to Nicholas J. Cull's definition, it is "an actor's attempt to manage the internation-

al environment through engagement with a foreign audience" Cull (2008). Unlike traditional diplomacy, which has as its central objective governments and organizations (that is, conventional subjects of international law), public diplomacy is directed at civil society.

# 3.1.5.3. Marca País or country branding

Rendering to the line of conceptual analysis of the Socialism of the 21st century: There is no image without identity. Building the image means communicating the identity by all means and resources.

In the context of the period 2007 – 2017, its greatest exponent was the former president Rafael Correa Delgado, considered the greatest communication asset of the Government of Socialism of the 21st century; a leader who made it clear that overexposure did not bother him and concentrated all the channels for sending messages to their constituents by using social media: Facebook and Twitter. Academic, cyclist, revolutionary, charismatic leader with long aptitudes. He was the cornerstone of any strategy, a character who exploited the media rhythms to control the agenda or to attract it when the issues no longer referred to its government. He began to experience this way of occupying the communicative dimension of Ecuador's public and political aspects when he was a candidate and ended up consolidating it in power. Incorporating the publicist Vinicio Alvarado, owner of the Creacional agency, and the Mexican firm Cuarto de Guerra S.C., owned by José Adolfo Ibinarriaga, an executed proposal with significant creative potential was developed Ávila (2016).

As Ávila maintains, an electoral communication strategy was established that combined tradition with modernity in a hybrid format typical of Latin American political culture. They were atypical and challenging television spots that appealed to the values of popular culture, which managed to insert a discourse of change and passion for the country through the so-called "revolución ciudadana" (2016). As the president was elected, its target was his constant and careful communication strategy, which has not presented problems in adapting over recent years to the new platforms of court interaction digital technology, hand in hand with the accelerated entry into the Ecuadorian market of mobile devices and smartphones. At times accused of extremely polarizing climates of opinion, directly confronting the media or exacerbating national myths, appropriating transversal signifiers of the population, and what was evident is that beyond the intensities that the Government has promoted since it came into power, political communication has had a permanent stamp on

the official apparatus. The communication structure was not established spontaneously but as a media-amplifying engine of government actions.

Television has been a must of great importance for former president Rafael Correa, especially in the first period of his government, when the digitalization of communications still needed to be consolidated on a massive level or did not translate into the intensive use of cell phones or social media. Since 2006, permanent and expeditious interaction at the time of establishing popular contact like his former partner president of Venezuela, Hugo Chavez, through his program "Alo President". An interesting aspect of his audiovisual and radio proposal called "Enlace Ciudadano" or "Citizen outreach" TV program he hosted. It was characteristic of the activation of popular networks of his government, which prepares the issues, solutions, and messages with the communities themselves very well arranged in advance Elórtegui (2013).

The power of his speech was displayed in a language that goes through different states of mind from the grand narratives of salvation, thus sacralizing its politics and the government project: "They are secularized theological concepts put to work to create a profound mystical-salvific bond between the ruler and the ruled" Pérez (2010).

After a decade and with economic indicators that appealed to the growth of the country and greater access to connectivity, the Government had more points of contact available with citizens, so it was strategic political communication had to evolve and become more professional, assuming the political contexts and the promulgation of the Organic Law of Communication in 2013 and historically resisted in the private media industry.

## 3.1.5.4. Frame setting

Political agendas and the establishment of frames are part of a symbolic and power dispute in which the local news and its coverage transcend national borders and try to impact foreign media. For this reason, Entman (2008) refers to the concept of mediated public diplomacy, as "the organized attempts by a president and his foreign policy team to exercise as much control as possible over the framework of the politics of a country in foreign media". One of the relevant functions of mediated public diplomacy is the dissemination of frames, defined as the act of selecting and highlighting some aspect of a certain situation or topic, with the purpose of promoting a particular interpretation. Entman (2004) points out that the interpretation is given, generally, by a discourse that includes a definition of the problem

that generates a defined policy, the analysis of its causes, a moral evaluation of the actors involved and a possible solution.

#### 3.1.5.5. Method

To better develop this topic, the methodology considered the review of 116 items corresponding to the tweets published by the Twitter account of Rafael Correa (@Mashi Rafael) | Twitter, in 2016. The data obtained in the sample were systematized and coded through an analysis sheet that considered four quantitative and two qualitative variables, divided into categories such as repercussion-impact on Twitter, the topic of the item, strategic objectives, geographical objectives focus, personalization, communication resources, and interpretations.

Subsequently, the results were analyzed with the statistical computer program SPSS Vinacua (1997), which facilitates understanding and interpretation. The methodology used in analyzing Correa's tweets was the analysis of contingency tables, "a technique aimed at studying the relationship between two or more qualitative or categorical variables measured at the nominal and ordinal level" López-Roldán & Fachelli (2015).

#### 3.1.5.6. Research findings

The main aspects shown are the following: Rafael Correa Delgado's account was actively used and ranges from receiving congratulations for his mandate: the most clever and handsome president in the history of Ecuador, hatred too, and accusations or complaints by citizens. Their messages were written logically but with a revolutionary spectrum. Undeniably, their messages connect easily with the civil society of Ecuador, with interests of the South American Region, and with foreign groups that feel closer to the Latin American socialist project.

Having consolidated the Citizen Power model and the sense of national purpose in the Ecuadorian population. In the same context of the Socialism of the 21st century, several public diplomacy projects were carried out, among the most relevant:

# 3.1.5.7. The national return plan in Ecuador "Bienvenido a casa" "Wellcome home"

Through diplomatic missions worldwide, the Ecuadorian government executed the Return Plan through the Embassies abroad. In addition, the National Migrant Secretariat provides the necessary assistance to Ecuadorian professionals who will benefit from the Return Plan for teachers. The initiative offered them the opportunity to return to Ecuador with a temporary work contract until they pass the merit-based competition that, once approved, will lead to obtaining a permanent position within the teaching profession or the highest authority of the Ministry of Education.

The National Return Plan, which has been presented in the cities of Barcelona, Madrid, and Murcia, where the most significant number of Ecuadorian migrants reside, was intended to provide a solution to the difficulties that professional and non-professional Ecuadorians were living in Spain, as well as to strengthen the educational system of Ecuador with skilled professionals.

# 3.1.5.8. Project Yasuní-ITT (CGY)

The failed Ecuadorian project Yasuni initiative wanted henceforth to avoid the emission of 407 million metric tons of Carbon Dioxide (CO2) by forgoing extraction and burning of fossil fuels in the extensions of the Amazonian Region of Ecuador.

Nevertheless, initial approaches of soft power went around the world. Countries included France; through the General Council of Meurthe et Moselle of France, Yasuní-ITT Guarantee Certificate (CGY) received the contribution of 53,763 US dollars to the Trust Fund of the Yasuní-ITT initiative according to BCE (2012). The Council also promoted the creation of the French association "Viva Yasuní" from November 2010 until its Constitution in September 2012.

The environmental project proposed by the former Government of President Rafael Correa aims to protect life in the Yasuní National Park, the most biodiverse place on the planet, and to respect a minimum living space for people in voluntary isolation. In this context, Ecuador 2008 became the first country in the world to recognize nature as a legal entity. Furthermore, it enshrined the right of people to live in a healthy environment in its Constitution.

## 3.1.5.9. Rights of Nature

Ecuador was the first country in the world to recognize the Rights of Nature—article 71. Nature, or Pacha Mama, where life is reproduced and occurs, has the right to integral respect for its existence and the maintenance and regeneration of its life cycles, structure,

functions, and evolutionary processes. All persons, communities, peoples, and nations can call upon public authorities to enforce the rights of nature. The principles outlined in the Constitution shall be observed to enforce and interpret these rights as appropriate. Furthermore, the State shall give natural persons, legal entities, and communities incentives to protect nature and promote respect for all the elements comprising an ecosystem.

Article 72. Nature has the right to be restored. This restoration shall be apart from the obligation of the State and natural persons or legal entities to compensate individuals and communities that depend on affected natural systems. In those cases of severe or permanent environmental impact, including those caused by the exploitation of nonrenewable natural resources, the State shall establish the most effective mechanisms to achieve the restoration. It shall adopt adequate measures to eliminate or mitigate harmful environmental consequences.

The indigenous matrix of the history of Ecuador is shared in its daily life with Kichwa indigenous terms for a change of vision about the world and its dynamics of difference. Sumak kawsay, or Well-being, in addition to being a criticism of the idea of development, is a political conception of organizing the life of Ecuadorians under two central premises: harmony with nature and community values.

The rights of nature stated in the National Constitution of Ecuador to have defenders of the natural physical space where Ecuadorians settle down. The high rates of destruction of biodiversity and the effects of climate change have led States and international organizations to work for the search and formulation of legal actions to avoid irreparable damage that affect biodiversity and, in the future, putting at risk the existence and survival of human being and the environment that surrounds people. Thus, it is essential to expose the environmental guarantees that have been established in legal systems to protect nature, understanding this as a more protective factor due to the regulatory mechanisms of the national Magna Carta and the obligations of citizens, whether natural or legal entity; due to the marginality to which it is subject.

Although it is true that Ecuador, to build a nation branding engaging with local governments, it is necessary for global legal systems to continue working hard to recognize and guarantee human rights. Indeed, it is also essential to give visibility to nature and the environment since there are risk, serious effects, and degradation that occur dangerous to social development, biodiversity, and life worthy of human beings in Ecuadorian territory.

But also, in Ecuador, as in most countries in the region and probably in the world, there is an increasing wave of repression and criminalization against land defenders, pro-nature, and pro-territories.

Based on this characteristic, the rights of nature open new scenarios of territorial defense, recognize the role of defenders, and allow us to reflect on the activities that destroy nature. The Ecuadorian National Constituent Assembly of 2008, within the framework of the recognition of the rights of nature, granted amnesty to 600 people who had been criminalized, recognizing that those leaders and communities were accused of being terrorists and of sabotage to resist exploitation projects (Asamblea Nacional del Ambiente, 2009).

Thus, a pro-rights country is established that contributes to changing the sense of general interest, managing to cultivate in the citizen consciousness the idea that the "general interest" is precisely nature.

In Ecuador, despite the magnificent Constitution, at the institutional level, all the laws that have been issued since its creation have undermined the rights of nature. There are Australian and Canadian companies that are attracted by the natural resources of Ecuador but that are also guided by the Mining Law of 2009, which allows large-scale mining even in fragile areas; the Organic Law of Water Resources, Uses and Exploitation of Water of 2014, which allows a kind of privatization of water and does not respect the ecological flow of the rivers; the Organic Law of Rural Lands and Ancestral Territories of 2016, which reduces nature to mere environmental services; the Seed Law of 2017, which weakens protected areas and is relatively permissive with companies.

At the judicial level, the outlook could be better, too. In general, cases that appeal to the rights of nature and confront activities that destroy nature have yet to be accepted due to the lack of judicial independence.

In this sense, the rights of nature have quickly permeated the social processes of indigenous communities; they have burst into the agendas of many social movements in Ecuador, in various analyses of academia and society in general.

A first assessment of the route is that nature is now more visible to attract investors world-wide. It is slowly entering the training programs of schools and academia and the discourses of public administration; it is more frequently expressed in art and on social networks before the world, and, above all, it is very present in the social movements that fight for natural resources. Furthermore, capitalism invades life's corners, it remains alive, resists, and reorganizes. For this reason, these expressions of resistance or recovery of relationships must be strengthened, protected and recognized in the relationship with the State.

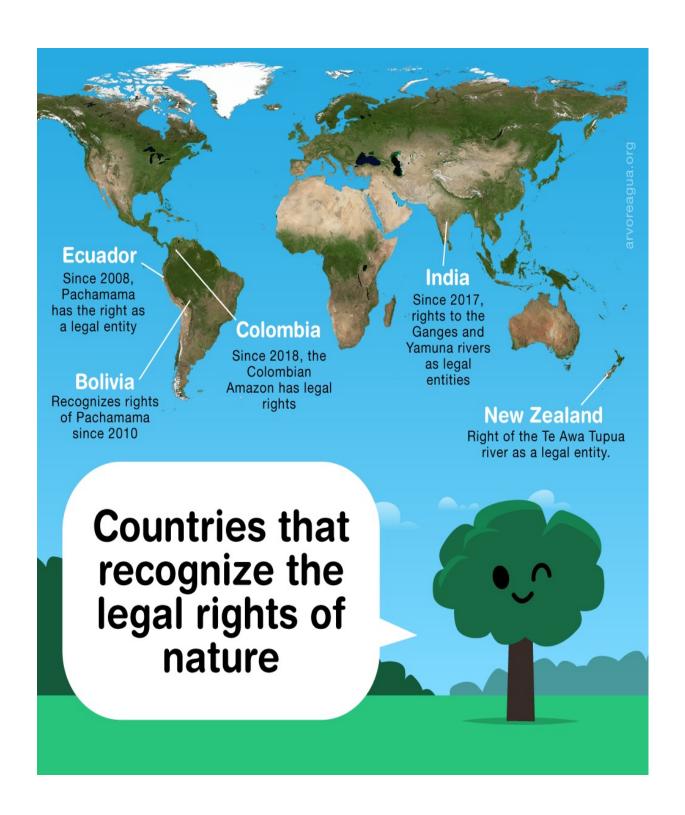


Illustration Legal Rights of Nature

Article 73. The State shall apply preventive and restrictive measures on activities that might lead to species extinction, the destruction of ecosystems, and the perma-

nent alteration of natural cycles. Introducing organisms and organic and inorganic material that might definitively alter the nation's genetic assets is forbidden.

Article 74. Persons, communities, peoples, and nations shall have the right to benefit from the environment and natural wealth, enabling them to enjoy an excellent way of living. Environmental services shall not be subject to appropriation; the State shall regulate their production, delivery, use, and development.

Consequently, invariably, public diplomacy is related to the power over time and, particularly, to the "soft power" of a State, according to Nye (2008). However, it is more than just the concern of the State that can conduct actions in terms of public diplomacy. The participation of civil society and private organizations plays a vital role in seeking support from foreign audiences.

#### 3.1.5.10. Presence Ecuador

President of Ecuador, Guillermo Lasso, 2021-2025, is implementing a non-binding and ill-thought-out policy. Therefore, in practice, there needs to be more monitoring or supervision of monitoring Ecuador's image abroad and reporting on the results, which would help shape Ecuador's strategy for communication abroad.

After the Socialism of the 21st century, an overview of how Ecuador was perceived abroad in recent years is time off. However, a report focuses on perceptions of Ecuador among the public abroad based on the 2021 Anholt-Ipsos Nation Brands Index (NBI) results. It reveals Ecuador's strengths and weaknesses in terms of its image abroad and how it fares in international comparison. Besides, the report examines the correlation between Ecuador's good overall image and the appraisal of handling the COVID-19 pandemic. Ecuador made position 53 of the dimension concerned were export products and innovation, governance, people, and immigration and investment, with tourism.

The very first impression delivers a Message about their value. Since nations or states today need to re-engage popular support. They should use the power of branding.

Soft power is the ability that the government may promise a better world and strives to deliver one. Its constituents eagerly look forward to embarking on the road to development, peace, welfare, and social stability. In addition, it is considered that the application

of urban marketing depends significantly on the construction, communication, and management of an image of a city.

There are two processes, image, and nation branding, which are experiencing more significant growth in urban marketing for the development of cities and countries. Consequently, in the case of local projects, a valuation occurs in intangible assets when new political and social participation processes are put out in place. Place marketing is an asset for image construction to ensure the development of its entire concept, from strengthening the city image to mainstream integrated quality in the country leading to good governance practices.

A brand is a product or service, and branding is planning and designing to build or manage reputation. Nations, Regions, and cities do have brand images that usually be branded Kaiser & Bozsó (2016). In that sense, identity logo, image reputation, purpose, shared values, and external promises are shared values and equity or goodwill. Indeed, for branding, it is essential to emphasize that a trademark is not the owner of one brand because the image resides in the consumer's mind in a remote location.

The main target groups in urban marketing are tourists, citizens, students, and employees. The tourist board promotes the country to holidaymakers and business travelers Capano, Howlett & Ramesh (2015). Agencies, Fairs, and international scenarios promote the country to foreign companies and investors. From a cultural perspective, the cultural institute builds cultural relations with other countries and promotes the country's cultural and educational products and services Levi (2003). Furthermore, the Ministries present their policies to the overseas public in the best possible light and sometimes attempt to manage the national reputation. Other bodies, special interest groups, non-governmental organizations (NGOs), and companies are all promoting their version of the country. The most important to emphasize is that they are working in isolation. However, working collectively would be desirable for knowledge acquisition and development skills Lynn (2010).

In addition, it is considered that the application of urban marketing depends significantly on the image's construction, communication, and management Mihalis Kavaratzis G. J. Ashworth (2015). With this, in turn, as mentioned by Vásquez (2014), it should be possible to "identify and recognize the different needs of the locality and its translations in a city-brand, the result of a collective agreement and commitment, which it must not only seek to position the city abroad through its image but also guarantee the strengthening of the local identity. "In this sense, the participation of local governments is at the level of the "city brand," which in turn can also have a higher impact on the country brand. For local gov-

ernments of developing countries, a positive association with the governments of other countries, new markets, and international organizations shall be seen as a milestone of projection and reputation. In this sense, by ensuring its economic position, Ecuador, like other South American countries, seeks to increase the influence of FDI in its development. This search occurs not only by attracting large amounts of money; but also by benefiting from it in areas such as technology, employment, skilled migrants, exports, qualification, and, in general, competitiveness.

From the legal framework perspective, Ecuador has the Executive Decree of Law No. 793, which includes regulatory amendments related to tax matters for applying the Organic Law of Incentives for Public-Private Associations and Foreign Investment (2015). This aims to establish incentives for the execution of projects and, in general terms, to promote productive financing, national investment, and foreign investment in Ecuador. In addition, Ecuador also has a specific law: Organic Law for the promotion of production, attraction of investments, generation of employment, and fiscal stability and balance (2018). For Keeble (2019), this law is presented as a great attraction incentive for foreign investment in the country. The Constitution of the Republic of Ecuador and the corresponding legal framework establish that the management of international cooperation is the responsibility of subnational governments. In this context, the latter has already had experience working with international cooperation agencies, through which contributions have been made to local development processes. For example, work carried out with the United Nations Conference on Trade and Development (UNCTAD) and its investment promotion agencies. Investment promotion agencies are the institutions responsible for promoting foreign investment in a specific area. These types of institutions can be government non-profit organizations or even private entities run by boards of directors that can include government officials and business managers. Therefore, one of the main activities of an investment promotion agency is positioning the country in the international market. This task implies the construction of a favourable image and, with this, the creation of a "Country Branding." It is important to note that the United Nations offers support for promoting investment for the sustainable development of cities and that local governments are essential entities to

In real terms, in most developing countries, such as Ecuador, the government is the one who directs these dynamics, which is why governance and good governance depend to a great extent on it. However, in a broader sense, who provides governance is the critical concern. This is so if we consider the case of developing countries, especially in Latin

ensure the 2030 SDGs.

America, where the States provide public service, the latter being where governance should materialize.

In this way, governance in local instances connotes a sense of direction in the capacity and integrated quality of government action. However, assigning a single definition to governance is difficult, as this term changed from being descriptive to being analytical. "Governance is itself the object of a theoretical debate in which the diversity of traditions and currents in the social sciences is reflected" Fontaine (2010).

According to the Constitution of the Republic of Ecuador of 2008, referring to Article 1 of the Organic Code of Territorial Organization, Autonomy, and Decentralization (COOT-AD), the model of administration, decentralization, and development of the Decentralized Autonomous Governments is determined in the field of planning, in addition to other State regulations at the national level:

Art. 1.- Scope.- This Code establishes the political-administrative organization of the Ecuadorian State in the territory: the regime of the different levels of decentralized autonomous governments and the special regimes to guarantee their political, administrative, and financial autonomy. In addition, it develops a model of compulsory and progressive decentralization through the national system of competencies, the institutions responsible for its administration, the sources of financing, and the definition of policies and mechanisms to compensate for imbalances in territorial development.

Decentralized Autonomous Governments are legal entities of public law with political, administrative, and financial autonomy. Local governments then can formulate and execute public decisions, and, above all, they can generate strategic links with other public or private actors. In March 2019, 5,675 authorities were elected for the levels of the provincial government (23 provinces), cantonal (221 cantons), parochial (823 parishes), and the special regime of Galapagos (CNE 2019). These local government authorities are the ones who carry out public policies in the territory. The central government administers management strategies, but in its scope of action, the local government adjusts political decisions in a more operational and technical way to confront them with the citizens. This is a governance process where dialogue and negotiation occur with private actors, in addition to the different groups that directly relate to local governments due to their interest in investing.

#### 3.1.5.11. Preliminary balance

The Ecuadorian commitment has understood that every country wants to sell its unique identity and secure its place on a map. Indeed, the leading actor in this process is undoubtedly the government. Through its public diplomacy and global persuasion efforts, it shall be able to build an image that is reflected in opinions, ideas, and, ultimately, investment decisions. Thus, country branding offers opportunities to promote business activities with a positive balance for Ecuador and should be assumed by the central government and local governments. The political sphere is aware that the government at all levels is the only entity to sell this nation's branding.

A brief challenging socioeconomic context such as the one present in a developing country such as Ecuador, about public diplomacy and urban marketing, allows us to point out, in the first instance, the national government and local governments, whether provincial or municipal, face multiple and independent changes at the time to manage their services and resources.

Considering the psychological process of perception by audiences, C. L. Wang et al. (2012) define a country image as 'the mental representation of a country and its people, including cognitive beliefs of the country's economic and technological development stages, as well as the affective evaluations of its social and political systems or standpoints. Indeed, these aspects have been the subject of numerous studies in the field of marketing, with some scholars comparing the impact of both cognitive and affective components in different circumstances, for example, product evaluation and purchase intention during rational and experiential purchases D. Li et al. (2014).

The country's legal and regulatory framework is promoted internationally, it generates proposals for international agreements, and once the investment is received, it provides services to ensure the investor's stay in the country.

Governments seek to execute public projects with private participation as consideration for their investment. Consequently, governments are considered critical actors for international expansion since they incorporate the experience of a private entity to create, acquire and operate a public infrastructure and offer a service. Undeniably, a determining factor is a competitiveness and the ability to improve its branding to anchor itself internationally significantly.

The countries have sought to align themselves with the world trend, and this is how it consolidates a process of creation and dissemination of their brand to strengthen the imaginary that communicates.

In this sense, the objective of this work was to make visible the importance of the reputation of countries in the framework of country branding and governance, applied to Ecuadorian internationalization, as a proposal to set clear goals for the country's economy and the strategy of inclusion in world trade.

For urban marketing, constructing a paradigm of "equitable socioeconomic reputation" has allowed the birth of new paradigms inside a normative frame of a constitutional State governed. So is the way as meta-governance" emphasizes the critical position of government in governance.

This positioning among equals should be established based on a developed market, mature civil society, and perfect political structure of countries. These necessary conditions are bound to affect the effective implementation of urban marketing in governmental institutions.

In this context, the importance of a country's reputation was presented to understand confidence in the stability and standing of a country that has a significant impact on the way it is perceived and impacts worldwide on decisions such as investing or not in a place.

The present study will help introduce urban marketing to the national agenda with the prospects of urban marketing in favor of tourism and its exports.

#### 3.1.6. Conclusions

This chapter concludes with the prospects of Public Service Management in Ecuador. First, the State of Ecuador was presented in order to understand the ideological model that has defined the role of the State in the framework of the 2008 Constitution of the Republic of Ecuador. In effect, the Ecuadorian authorities attempted to modernize the State and increase its planning, management, and development promotion capacities, achieving notable results in some areas.

A clear example of this is that, according to the World Bank's Worldwide Governance Indicators (WGI), between 2008 and 2015, Ecuador was the Latin American country and one of the ten countries worldwide that advanced the most in government effectiveness. The present study will help introduce Public Management in Ecuador, in the national center of

excellence for the research of public administration that meets the highest standards of the international scientific community.

#### **CHAPTER FOUR**

#### FIRST HYPOTHESIS TESTING: URBAN MARKETING IS SUC-CESFUL IN TERMS OF THEORY AND PRACTICE

The author's first related research question is: 'What is the role of locality in Public Service Management of Ecuador? This question is linked to the hypothesis is related to the hypothesis: 'Urban marketing is successful in terms of theory and practice when local governments are involved in the process as main actor to activate the economy of countries.

To deepen knowledge and demonstrate urban marketing is successful in terms of theory and practice the author points out the political legitimacy and good governance in the local governments of Ecuador. Indeed, the author shall include the single-country case study of Ecuador and the general effect of both political governance and legitimacy in international treaties as predictors of support governance and its international reputation and nation branding.

City marketing is effectively packaging and organizing the city resources to attract investments from the city government or local growth coalition Kotler et al. (1993). Nowadays, some progressive city branding research supports that city brand meaning develops and evolves organically, but knowledge of non-marketer-controlled meaning-making processes still need to be improved Green, A., Grace, D. & Perkins, H. J Brand Manag (2016).

The current political, social, economic, cultural, and environmental crisis was made possible by implementing the neoliberal economic model. The local government's operational forms of action are conducted from the Welfare State to the managerial State Sierra (2016).

The model proposed by Anholt offers a perspective of the characterizations, dimensions, strengths, or variables that can provide positioning through the brand in a country. For this research, the single country study by nation branding put Anholt's approach first and his proposal of a hexagon characterized by the dimensions of presence, place, people, prerequisite, pulse, and potential, which can be seen in the following figure.



Source adapted from Anholt (2006)

Anholt's model is easy to interpret because all the dimensions are systematically concatenated, all with a similar level of importance to acquire a significant mark over time, which imprints on the experience itself a different perception of satisfaction and motivation towards the services offered. In this sense, Ecuador must work with the socialization of this model with civil society to achieve that sense of belonging and, in effect, with all social and political actors. This makes it possible to influence consumer decisions when identifying with a product or service that meets these conditions.

On the one hand, the presence dimension must evaluate physical territorial space, its communications, its positioning, the development of a public image, cultural heritage, and prestige. Represents the national and international image of the city or community. Berolatti, C., Martínez, R., Riesco, G., & Regalado, O. (2012). Later, we will see how the country's brand campaign can cross borders and be exhibited at fairs or international lobbies.

Regarding place dimension: it refers to the geographical environment perception, physical development model, and the growth of territory and its tourist attractions of cities and na-

tions. Besides, its territorial values, attractions to work, live, business investments, and study Alameda, D., & Fernández, E. (2012); Salguero, J., Santillán, V., & Báez, M. (2013). At the same time, the people dimension refers to city inhabitants, their attitudes, values, qualities, how inhabitants behave, human quality, hospitality, shared values, ethics, legends, and culture Blanco (2015) & Salguero, J., Santillán, V., & Báez, M. (2013).

Regarding these prerequisite dimensions, the infrastructure and patterns of life are considered, as the city's physical aspects, public perception, road and transport services, connectivity, and governance system.

Now, the pulse dimension refers to people's lifestyle, exciting and fun activities available closely linked to the context of the Latin American Region and Ecuador, the emotional impact that the city causes on the tourist or visitor, as well as security and tranquility. That is experienced Anholt (2005) & Baéz (2014). Furthermore, the potential dimension is determined by all the possibilities of local, Regional, or country development, the manufacture of tourist icons, and future developments that can be perceived latently in the brand environment Berolatti, C., Martínez, R., Riesco, G., & Regalado, O. (2012). For example, maritime access such as seaports, dry ports, and air and road access so that all these dimensions united systematically form the Anholt Hexagonal Model, which makes it possible, according to the author and various experiences of its application, that a country, city or locality can be projected and distinguished from its competitive advantages, characterized in these dimensions.

Understanding that, within strategies marketing applied, branding is considered an organism that carves its shape, evolves, and should be maintained in the urban market for many years, and even transcend decades, only if it is possible to position in the perception of a significant group of people.

Under these exposed considerations, this research aims to generally analyze the strengthening of community bias tourism via the Anholt hexagonal model.

The latent method, known as The Nation Brand Index (NBI) created by the autonomous policy advisor Simon Anholt, who works with the Ecuador Ama la Vida campaign, takes into consideration "six different dimensions concerning different aspects of the national life of several countries, with the only purpose of proposing guidelines to be considered, in order to improve and build the identity and country reputation".

"Already identifying weaknesses that ought to be replaced and strengths that should be potentiated, a coalition could be created among the government, business, and civil society to influence public opinion and to achieve success in negotiations and foreign trade, as

well as in Diplomatic and Cultural affairs with the international community" Cornejo (2013).

"There is a growing need for the export and tourism sector to expand its economic strength, to positively validate its offer and production of origin towards internationalization and capture the attention and respect of governments and people of the world; that is the dizzying progress pace of globalization today" Cornejo (2013).

The Nation Brand Hexagon comprises six different areas of competence that measure how exciting and attractive the offer of a specific branding country is to determine, through the analysis of each of these six resources—the importance of national image abroad and how substantial long-term strategy.

Six areas of competence of the Nation Brand Hexagon are as follow:		
•	Exports	
•	Governance	
•	Culture	
•	People	
•	Tourism	
•	Immigration and investment	

A good perception of Ecuador can be converted into a powerful economic advantage, generating jobs and wealth conception. From the six areas of competence of The Nation Brand Hexagon (2000) by Simon Anholt the policy workers and the government itself can study in and out the competitive advantages of the country.

It must be remembered that the Country Brand is important while improving the country perception can greatly help its economic situation and its international relations. However, controlling a country's reputation is a long and very complex process. It has been promoted for years and continues to be promoted internationally.

Its complexity also comes from the fact that there are elements that are very difficult to control, even impossible ones for example natural disasters or terrorism. Recently Ecuador is experiencing violence and crime issues by drug cartels and this topic must be an independent study that influences Ecuador's nation branding.

Table 10 Competence of the Nation Brand Hexagon

Exports:	In the marketing sphere, this resource is also known as the country of origin effect, origin knowledge of any specific product increase or decrease the probability of purchasing it.  To illustrate, Japan can be taken as an example, a country that, due to its extraordinary technological development, has managed to place its name - on a world scale - as a synonym of quality and innovation.  This dilemma is reflected in the excellent export capacity of its national production.
Governance:	The influence of globalization on the international system and on national Ecuadorian political systems has been considerable in establishing levels of governance and democracy for citizens.

Since they started the New Public Management debate, Ecuador has reached enormous heights in the construction and extension of governance and governability. Indeed, in the framework of society of the 21st century.

In Ecuador, a normative frame of a constitutional State governed by rights proposed the National Development Plan for the search of "Sumak Kawsay," the same one that is focused on the reduction of indigenous and minor groups' poverty using the equitable distribution of wealth and sustainable managing of natural resources (oil, mining, and water).

They are political figures that grow in importance in a world in constant interaction with citizens of the same world.

**Culture:** 

Cultural attributes that are measured under this resource are people's perceptions of their country's legacy. For example, the cultural richness of its history. This unique particularity.

"The current cultural expressions in the broad spectrum of the artistic field and the reputation that it can enjoy when it is established -the country- as a critical point in the world of any unique culture; and above all, the excellence shown by its inhabitants in the world scenarios".

#### People:

People are students, tourists, workers, and feminists. People are probably artists, children, military, doctors, engineers, professors, mechanics, and more, for selling the city's skilled workers. But people are running the country. People in Ecuador are minority groups fighting for their rights to use the Amazon Region for future river conservation. Politicians in Ecuador, after the Socialism of the 21st century, have been promoting politics in the entire Ecuadorian territory.

#### **Tourism:**

Attracting tourists is an essential component of the Ecuadorian economy because Ecuador is an Andean country recognized worldwide for its flora, fauna, and natural resources. National Geography (2023) recently shared a volume about Ecuador,

mucho más que volcanes y las islas Galápagos.. The Ministry of Tourism, through its public officials, worked hand in hand with the central government so that the volume was launched worldwide. This type of joint work encourages tourism not only for the tourism sector but also for the general public, as explained in this document.

#### **Immigration and investment:**

The dollarization process was one of the strongest episodes for the socioeconomic chapter of the Ecuadorian population. Immigration has been a crucial factor in ensuring Ecuador's economic stability.

All institutions know the statistical indices of the Ecuadorian people in Spain and have allowed access to consular procedures abroad and economic, socio-cultural, and tourist events for Ecuadorians in transatlantic territories and friends of Ecuador in others—countries and regions of the world.

Investments by the youngest age group

have encouraged young people and new Ecuadorians start-ups to aspire to better opportunities for themselves.

The apparatus of ProEcuador is guaranteeing not bureaucratic processes from Ecuador and the word.

The score of the Nation Brand Indicator is an average of the scores of the six indexes mentioned above. There are between 3 and 5 assessed questions for each of the indices. Ratings are based on a scale from 1 to 7, with 7 being the highest and best, 1 being the lowest and worst, and 4 being the middle position which is neither positive nor negative. In addition, each point of the hexagon has a word choice question that helps to enrich the understanding of the properties of a nation's image. Indeed, some countries single studies of these indexes:

#### Table 11 Countries Indexes

United States:	"The economic and military might of the
	US is unrivaled on a global scale. Its GDP
	is almost equivalent to a quarter of the
	world's total, and it is estimated that its mil-
	itary spending budget is even greater than

the world's amount for defense". Cradle of popular culture and entertainment worldwide. "America is not just a country, it is also a brand" (Anholt and Hildreth, 2004, p. 6). France: "One of the leading and decisive actors in European and world politics". From here, a country that seduces locals and strangers with its first-class art, architecture, and culinary tradition derives its importance as one of the privileged tourist destinations worldwide. France is listed as one of the founders of European integration, seeking the continent's reconstruction after World War II. Germany: Germany is a country known for its economic development after World War II. All technological advances have been partly developed by the informal work of immigrants who arrive from all over the world, run away from internal wars, and seek asy-

lum in Berlin, Hamburg, Munich, and the entire country. United Kingdom: Throughout its extensive history and tradition, popular world power during the 19th and early 20th centuries. The United Kingdom continues to be considered a benchmark of world power in the economic, cultural, military, and scientific sectors and of great influence in international affairs. BREXIT is a new chapter for European history. Japan: Japan has one of the most influential economies in the world, having achieved extraordinary growth during the second half of the 20th century after the devastating World War II. Its credit and capital possibility support the world economy, in addition to being a power producer of vehicles and electronic devices recognized for their high quality. Japan's indebtedness peaked in the 1990s,

debt	that	subsequent	governments	have
failea	l to al	leviate.		

Organizations and individuals are locked in a headlong race in the complexity of today's world. According to an article published in 2007 by Simon Anholt, the author labels that our opinions about the rest of the world's Regions are based on clichés and hardly reflect the reality of that place, and such stereotyped behavior -whether positive or negative- affects our behavior towards other places, their people and their products.

#### 4.1. Single country study: Ecuador

Table 12 Single country: Ecuador

Ecuador Exports Analysis	Ecuadorian foreign trade throughout its economic history has been highly dependent on the export of raw materials.
Export of raw materials, especially Oil:	55% of the total exported corresponds to this item. (See Annex 1).
Exports	The volume of its exports in 2023 reaches Banco Central del Ecuador (BCE) USD 963 m. 15,2%.
The traditional products that are most exported are:	bananas, shrimp, flowers, cacao and tu- na.

The export of value-added	Manufactured products is still an incipient industry with no worldwide parrot.

#### 4.2. Nation Brand Indicator of Ecuador

The author gives the skeleton that debates the matter to attempt an image of Ecuador through multiple marketing strategies throughout the last decade and the quantitative and qualitative analysis to locate the country with the best perception abroad through the Nation Brand Hexagon model and its six dimensions.

Table 13 Nation Brand Indicator of Ecuador

Ecuador Governance Analysis	According to Cornejo "based on premises on the reality of Ecuador and why it does not appear among the first coun-
	tries with better governance". (Cornejo, 2012, pp 48)
	According to Cornejo "among countries that occupy the first places, it can be observed that political decisions are made within each of its federated states accord-
	ing to their needs and realities".

While in Ecuador, decisions are made at the Headquarters of command, located in the capital city of Ecuador: Quito. (Cornejo, 2012)

#### **Ecuador Culture Analysis**

The analysis of the Ecuadorian reality regarding this point allows us to assert that their efforts regarding a significant impact abroad have not been crowned with places of honour or with the export of renowned Ecuadorian figures –with some exceptions-.

All the efforts that have been successful in Ecuador have been achieved with the support of private companies, exclusively.

However, in all other cultural expressions, Ecuador has had a shortage of exhibitors in different branches: Andean painting, marimba music, cinema, and baroque architecture.

In addition, According to Cornejo due to the Spanish colonialist presence in the Latin American territories, none of the vernacular cultures had the opportunity to prosper since a system of slavery was applied in the region, which meant that "indigenous is not good," which is why we do not have any

distinctive culture that transcends borders.

According to Cornejo "the lack of Ecuadorian nationalist sentiment is due to the hybridization of the Ecuadorian between indigenous and Spanish, mestizo and Spanish, or mestizo and indigenous". (Cornejo, 2012)

According to Cornejo "the nationalist feeling of the countries that have developed this feeling towards their region or country is given by many factors that we could enumerate as: racial conditions, achievements in artistic, sports and cultural fields; economics and power in general". (Cornejo, 2012)

According to Cornejo "taking into account these characteristics, which are directly applicable to the success of a country brand and why in Ecuador it has not been readily possible to develop the national branding with which a nation identifies, should enumerate that few elements that the author finds present-day that allow the Ecuadorian to feel opinionated for their country, there are very few". (Cornejo, 2012, pp 39)

According to Cornejo "the achievement of the gold and silver medal in the Olympics by Jefferson Perez, the winning of the Roland Garros by Andrés Gómez, the two classifications of the Soccer Team to the World Championship, the international recognition of Galapagos, and some minor achievements". (Cornejo, 2012, pp 59)

According to Cornejo "indeed, relevance in the sports or cultural area that has yet to be noticed places the country well below a possible national identity". (Cornejo, 2012, pp 59)

According to Cornejo "the most critical patriotic symbol for the Ecuadorians residing in the country and abroad became the shirt of the Football National Team". (Cornejo, 2012, pp 59)

#### People

The inhabitants of Ecuador correspond to these latitudes.

In Ecuador, there are four regional differences:

The insular region, the Amazon region, the

Andes region, and the Pacific Region; it seems that there is a reality in their deeds among its inhabitants of tropical Regions,

for example, and different from Andes region deeds.

Considering this principle, low inhabitants do not face any climatic rigors that put their integrity and survival at risk.

"They are taking these principles into account as a factual basis. We can deduce that the behaviour of an inhabitant of latitudes beyond 30° North or South Latitude will be attached to countless rules and behaviour's forced by their climatic reality" Cornejo (2013).

At the same time, tropical countries do not accept impositions of any kind because nature has formed its character to anarchic stereotypes.

There, we can deduce that the governments historically located along the fringe of the tropics have had to use much more vital and oppressive government systems to keep these "anarchists" Cornejo (2013).

It is behavior reflected in the predisposition to carry out tasks. As in regard to human

rights, Ecuador has always questioned its management.

As a result, Ecuador has been plunged into several controversies throughout its republican history.

In the countries with the highest scores in this area, environmental conservation policies are —set in stone due to the importance of these countries on their nature reserves.

For example," in Ecuador, although a system of national parks and protected natural areas have indeed been created, their management has been subject to the economic needs of the governments in power; the limits of critical national parks have been moved according to the need for oil, destroying thousands of hectares of irrecoverable tropical forest" Cornejo (2013).

"Likewise, destroying mangroves, wetlands, and other biotic zones has been the order of the day. It is even necessary to note that Ecuador's most important natural

heritage, the Galapagos Islands, has been on UNESCO's list of Endangered Heritage on several occasions" Cornejo (2013).

Regarding the policies of the countries best positioned to reduce world poverty, it is evident that Ecuador has been a recipient of aid rather than a sponsor of poorer countries.

Unfortunately, "the name Ecuador, due to the efforts of its politicians over the years, has given us a negative image internationally. At one time, presidents were changed with an unusual frequency, and many relatives and acquaintances of the current leaders were linked to acts of nepotism and corruption that transcended internationally" Cornejo (2013).

This political behaviour caused Ecuador to generate an erroneous and negative country image.

#### **Ecuador Tourism Analysis**

As a tourist destination, Ecuador offers four natural Regions: Galapagos, Coast, Andes,

and Amazon, and their added values as indigenous and cultural groups.

When analyzing Ecuador as a tourist destination, taking into account three of the Regions: the Coast, Andes, and Amazonia, the competition worldwide is enormous, and Ecuador does not have any particularity that attracts attention:

Coastal: The worldwide recreation seeker prefers places of sun and sea as their leading destination.

Andes: The Ecuadorian Andes, within tourist destinations and as a mountain range should be compared with other massifs, such as the Alps, Himalayas, or the Andes of any country in South America. However, the Ecuadorian Andes do not have mountains that differ in height or shape and do not stand out like the "Cordillera Blanca in Peru, which is its closest competitor, Torres del Paine in Chile and Argentina, and even the Rocky Mountains in the US, to mention America" Cornejo (2013).

While in Europe, the Alps, Apennines,

and the Dolomites stand out for their particular beauty. Finally, the Himalayas have no parallel between Pakistan, India, Nepal, China, and Bhutan.

Amazon: "The Ecuadorian Amazon Region, almost unknown to the entire world, in an advanced process of destruction caused by the presence of oil companies and social

colonization projects must compete with the Amazonian country par excellence that is Brazil, Peru with the Manú National Park, Colombia, Venezuela with the Tepuyes and Roraima National Park, Darién in Panama, Palo Verde National Park in Costa Rica. In addition to this tropical rainforest biotope, they are also found in Indonesia, India, and South Asia" Cornejo (2013).

The reason Ecuador competes as a tourist destination in the Amazon is practically nil, except for the most notable element of tourist destinations in Ecuador, the Galapagos Islands, because they are unique, have positioned themselves worldwide, and are probably the most notable element of the Ecua-

dor image. However, it is essential to emphasize that the world tourist circuit tends to associate the Galapagos Islands more with Peru than with Ecuador since it is offered with the tourist destination Macchu Picchu.

Another salvageable element that has yet to be revealed is the biodiversity in which we are immersed, the number of orchid species that place us among the most important in the world.

Other notable points would be the possibility of covering all the natural regions that are impossible to find in other countries in a short time Ecuador, within the Unesco Heritage, has improved its positioning itself.

# **Ecuador Immigration/Investment Analysis**

Within the considerations that compare Ecuador with the attractive countries for investment and immigration, it should consider several aspects:

Legal, Tax, Labor, Skilled employees, logistics, economic and political stability, and the geographic reality of Ecuador.

Legal: Regarding what legal support means

for foreign investment, Ecuador provides the facilities that the procedures are easily accessible and promoted through legal interpretations that hinder the establishment processes of foreign investments.

Taxes: Regarding taxes, Ecuador promotes tax compensation for products that could make it attractive to investors and migrants who want to settle in Ecuador.

Labor: Ecuador's labor laws are equitable and tend to be pro-employee, so any international company that wants to establish itself in Ecuador will not find this an obstacle.

Skilled labor force: Ecuador is a country with historical academic prominence. Matilde Hidalgo de Prócel was an Ecuadorian physician, poet, and activist. She was the first woman to exercise the right to vote in Ecuador and Latin America.

Logistics: Ecuador has three important seaports, which due to their geographical location, should be positioned as essential ports in the world, but due to the lack of technol-

ogy and infrastructure, they do not offer more outstanding logistical support in terms of expedited processes.

Geographic reality: Another of Ecuador's significant restrictions is its geographic reality, which occupies over <sup>3</sup>/<sub>4</sub> of unusable territories for any productive activity.

Thus, the coastal region's territories are the most usable for what is an exportable agricultural product, but with restrictions due to climatic conditions that can eventually affect them due to phenomena such as El Niño.

In the region, "the two mountain ranges that separate the Inter-Andean Alley, which range from a few hundred meters above sea level up to reaching peaks of 6,310 meters in the Western Cordillera and 5,980 meters in the Eastern, mean that only the Inter-Andean Region located between 1,800 and 3,000 meters above sea level are suitable for high-altitude crops that are consumable in the local market and not for export" Cornejo (2013).

Economic and political stability: "Economic stability in Ecuador is given by a strong currency, the US dollar, which is one optimistic viewpoint of the Ecuadorian economy" Cornejo (2013).

Regarding political stability, Ecuador has figured on the world scene more for its political scandals than for its successes in democratic management, making the image of our country have a romantic nuance until the arrival of the regime presided over by former president Rafael Correa, where the political landscape is finally balanced with presidential terms that are coming to an end, as befits a democratic country Cornejo (2013).

The immigration laws in Ecuador are very permissible to allow the establishment of natural persons; the requirements are flexible and accessible to people with investment capital greater than USD 30,000, so a foreigner who wants to settle in Ecuador just by buying a property will already be legally received in the country Cornejo (2013).

Ecuador has experienced in the last two years an increase in immigrants, especially elderly retirees from the United States, due to: marketing work carried out by International Cornejo (2013).

Living magazine, which declares Cuenca as the favorite destination for retirees. This same company promoted the establishment of foreigners in Vilcabamba and Cotacachi.

Another strong migration has been the settlement of Colombian refugees due to political problems on the border; you also the entry of Cubans, Pakistanis, and Chinese due to government efforts. (cited by: SEC-RETARIA NATIONAL DEL MI-GRANTE).

#### 4.3. Suggestions to improve the Ecuador nation branding

The author would deduce and suggest that each of the three genuine attempts at country branding that have occurred in Ecuador has not been able to fulfill its mission due to the following:

Recently different efforts of Ecuador country brands have constantly changed since their first appearance. Nevertheless, until now, they have not become established in the minds of local and international audiences.

Ecuador must urgently figure out achievements as a country in the short term.

Ignorance about the reality of Ecuador historically. Besides, diplomatic missions need to prioritize objectives and identity issues.

#### 4.4. Auditing phase of urban marketing

Furthermore, the author suggests auditing phases in urban marketing for public policy mainstreaming.

Local government and market segmentation are crucial to define the potential "buyers" as target groups in your city. The exercise to an Image audit: Firstly, the national or local authority must work on the following questions: How do the local population see your city? How do other people (other citizens in the country or tourists) see your city? or Corporate Identity? How do the representatives of your Twin City or local government see your city? When the answers are clarified, the panorama starts the Selling the city process and the Activity phase with the help of (1) operators - investors, (2) students, (3) workers, (4) the ill, and (5) to the tourists (who act as free platforms of marketing once they leave your city satisfied.

This process underpins the Auditing of the local values (the city or the place) as a city product composed of natural, social, cultural, and economic values and services.

#### 4.5. Concluding remarks

There is a product: Ecuador. It is the territory, infrastructure, educated people, and identical system of governance. Urban Marketing shall try to increase the influence of Foreign Direct Investment (FDI) on its development.

#### **CHAPTER FIVE**

# SECOND HYPOTHESIS TESTING: LOCAL GOVERNMENTS ARE THE KEY FACTORS FOR TRANSLATING INVESTMENST REVENUES TO SUSTAINABLE ECONOMIC DEVELOPMENT

The author summaries the hypotheses testing of the second related hypothesis: 'Local governments are the key factors for translating investments revenues to sustainable economic development'. To prove this the author states the second related research question: 'What are the potential impacts of locality in the framework of urban marketing?' Indeed, how can a country brand that is transcended by the government be achieved.

#### 5.1. Origin and evolution

#### 5.1.1. Territorial image: from national symbols to the destination brand

Ecuador adopts the name country due to the equator line that passes through the territory of Ecuador, giving it a unique country image, thus allowing the development of an extensive variety of flora and fauna (Ecuador Geoportal, 2020).

The country has a continental area of 248,360 km<sup>2</sup> and an insular area of 8,010 km<sup>2</sup>, and it is divided into four Regions:

- Pacific Region
- Andes Region
- Amazon Region, and;
- Galapagos Island

Ecuador is distributed in 24 provinces and 221 cantons. The country has a population of 17,612,812 inhabitants (2021) and a density of 68 inhab./km². Having a larger population masculine than feminine. (National Institute of Statistics and Census, 2021)

The official language in Ecuador is Spanish. There are also many indigenous languages, of which Quichua (Kichwa) is the most common.

Around 25% of the population in Ecuador belongs to the indigenous population, and about 20 different languages are spoken among the other ethnic groups:

- Tsáchila
- Chachi
- Epera
- Awa
- Kichwas
- Shuar
- Achuar
- Shiwiar
- Cofán
- Siona
- Secoya
- Zápara
- Andoa
- Waorani

The country's diverse geography offers countless adventure activities, from visits to the summits of numerous volcanoes. For this, the capital of Ecuador is recognized as a city in the middle of volcanoes.

There are touristic excursions to national parks, diving, and much more. Ecuador highlights with its landscapes and an immense diversity of flora and fauna.

The climate of Ecuador is very diverse. On the one hand, the climate is characterized by regional solid temperature differences due to different altitudes.

The Andes Mountain range passes through cities where the cold is characteristic. Due to the proximity of the equatorial line, there are no large temperature fluctuations during the year. However, the changes over a day are pretty significant due to the movement of tectonic plates, Ecuador is one of the countries with the highest risk of earthquakes.

In Ecuador, the first referents of a territorial image have been the national symbols considered "the expressive form of the history, culture, and idiosyncrasy of people" Mariño (2020).

The Spanish Sebastián de Benalcázar's conquering of Ecuador, the Spanish Empire's flags flew over the just-founded city of Quito (nowadays capital of Ecuador). The current flag of Ecuador was finished in 1900 when the coat of arms was placed in its center. The coat of arms was changed in 1830 when Ecuador separated from Gran Colombia



Illustration Flag and coat of arms of Ecuador

Article 6 of the Paris Convention: Concerning State Emblems, Official Hallmarks, and Emblems of Intergovernmental Organizations.

- (1) (a) The countries of the Union agree to refuse or to invalidate the registration and to prohibit by appropriate measures the use, without authorization by the competent authorities, either as trademarks or as elements of trademarks, of armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view.
- (2) (b) The provisions of subparagraph (a) above shall apply equally to armorial bearings, flags, other emblems, abbreviations, and names of international intergovernmental organizations of which one or more countries of the Union are members, except for armorial bearings, flags, other emblems, abbreviations, and names, that are already the subject of international agreements in force, intended to ensure their protection.

In effect, the patriotic symbols are represented in the national flag, the coat of arms, and the national anthem; they are more related to patriotic values and respect for citizens who are part of a nation and territorial land.

In Ecuador, only some highlight the mismatch between local community views of heritage and those established by UNESCO because they reflect critically on the concept of perception based on technical and political criteria rather than social participation Molina et al. (2023).

Quito is the capital of Ecuador and was founded in 1534 on the ruins of an Inca city and stands at an altitude of 2,850 m. Quito is the political and cultural center of Ecuador as the country's major governmental, administrative, and cultural institutions are located within the city. Quito has the largest, least-altered, and best-preserved historic center in the Amer-

icas. The historic center of Quito was, together with the historic center of Kraków, Poland, the first to be declared a World Heritage Site by UNESCO on 18 September 1978.

## **5.1.2.** Properties inscribed on the World Heritage List

## **5.1.2.1.** Cultural 3 – City of Quito (1978)



# Illustration Copyright: © UNESCO

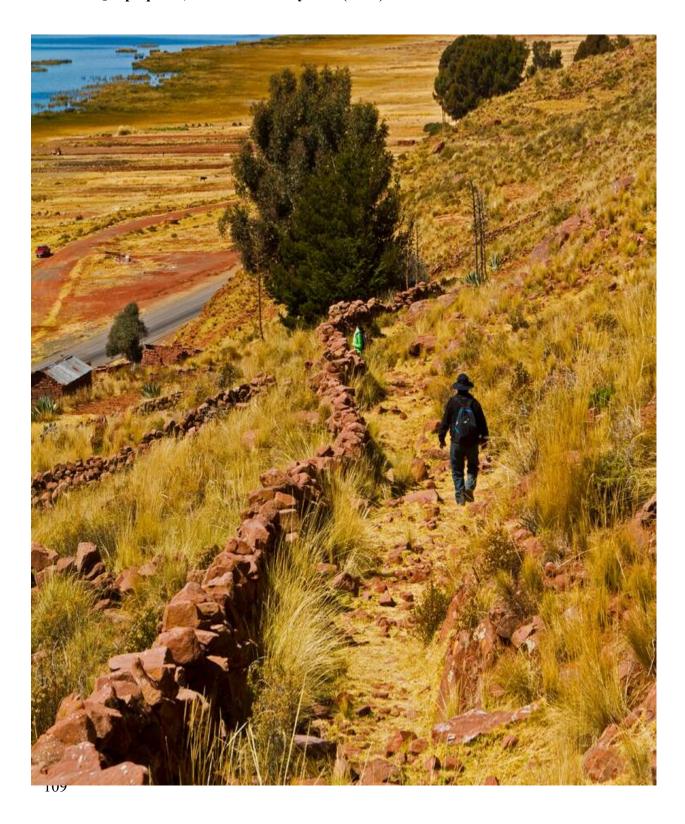
## 5.1.2.2. Historic Centre of Santa Ana de los Ríos de Cuenca (1999)



Illustration Copyright: © UNESCO

Cuenca is the third largest city of Ecuador. Historically occupied by the Cañari then Inca and then Spanish in the last two millennia.

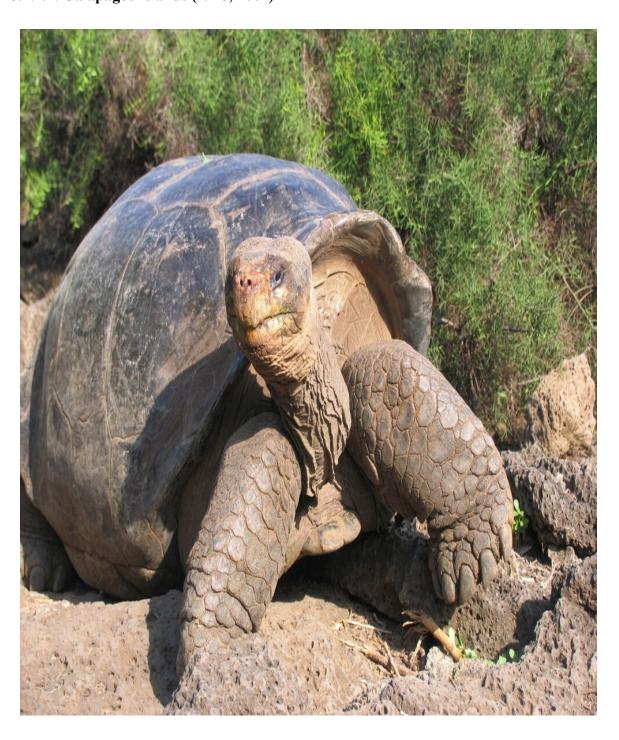
# 5.1.2.3. Qhapaq Ñan, Andean Road System (2014)



## Illustration Copyright: © UNESCO

Illustration Copyright: © UNESCO
Tahuantinsuyo meaning "royal road" in Quechua is the Inca road system

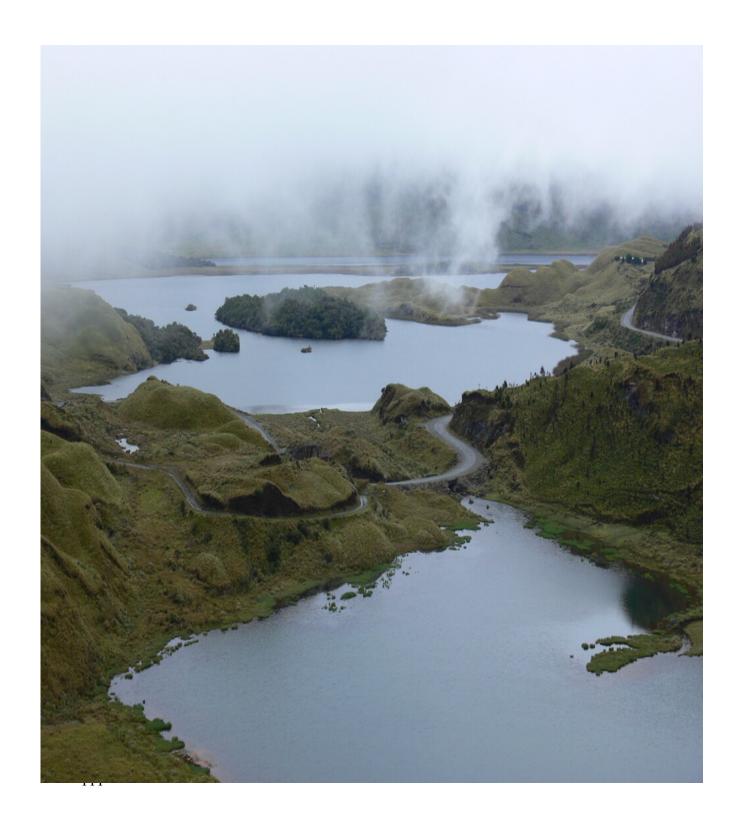
# 5.1.2.4. Galápagos Islands (1978, 2001)



# Illustration Copyright: © UNESCO

The paradise of Ecuador were crucial for demonstrating Darwin's Theory of Evolution.

# **5.1.2.5. Sangay National Park (1983)**



Over the years, the tourist attractions of Ecuador have been valued by UNESCO as the one in charge of the conservation of heritage, which was the most visible, universally recognized, and respected cultural activity ever undertaken (UNESCO, 2023).

Regarding the nation, branding concerns the graphic and symbolic representation with which a country is identified. It must be differentiated from the world; its unique and irreplaceable characteristics must be created, built, and protected since the country's reputation of origin.

Additionally, it could be affirmed that it is not enough to create a national branding process; it is not just to create a marketing plan or a logo; it is the opposite; it needs to have an added value that, with a government strategy plus political apparatus, headed by the Ministry of Tourism and its well-defined international policy, foreign market niches and enough money to carry it out, must reflect the image that the country wants to be given and its citizens feel identified with.

#### Illustration Factors involved in the creation of the Ecuadorian nation branding.

To emphasize, any country brand must socialize its image with its inhabitants and then make Regional and international launches. Talking about socialization is more than socializing with all the political, cultural, tourist actors and economic groups of power. The socialization process involves all these actors for the participation and awareness of the proposed brand. Below is a summary of the branding record of Ecuador since 2001.

#### 5.2. Marca País 2001

In January 2000, the former President of the Republic, Gustavo Noboa, re-established the category of Ministry of Tourism and, at the same time, merged it with the Ministry of the Environment as a single entity called the Ministry of Tourism and Environment. Moreover, the new Constitution of the Republic was drafted, and in 1999, the decentralization of the Undersecretary of Tourism was discussed for the first time, beginning in 2000 as MINTUR (Ministry of Tourism). In the same year, 2000, the Minister of Tourism and Environment

Rocío Vásquez the aut



Illustration: Marca País 2001

Soon after, there have been other launches of the country brand. First, however, regarding numbers and the increase in tourism and investment, the author allows herself to share the term of the former president of Ecuador, Rafael Correa.

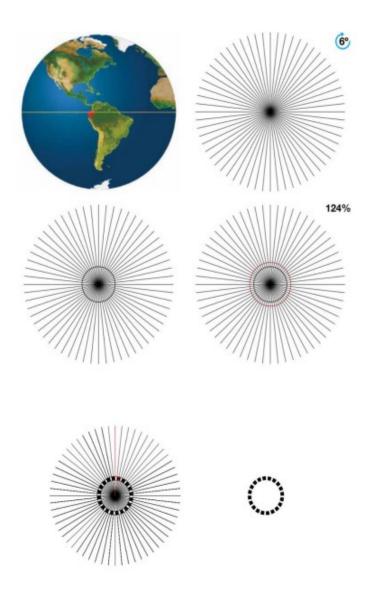
Rafael Correa announced the new country brand on October 16, 2010, based on the sun's image, and pointed out that "Ecuador loves life" is the motto that will be used for the tourist promotion of this Andean nation.

In 2001, the Ecuadorian State taking as the positive starting point, a vision of the equinoctial sun based on the graphic style of the Ecuadorian artist Guayasamín, in whose centre there is an implicit letter "E".

The logo letters of the word Ecuador is crossed horizontally, which would symbolize the equinox.

This brand would apply to both export products and tourism promotion, however it was very little used.

October 16, 2010 Visual Identity: Logo/Isotype,



Isotype based on the sun, on life, on the earth, mega diversity, in pre-Columbian designs, fabrics, flowers, and fauna, among other typical and characteristic aspects of the Andean country.

Correa assured that it is initially the "new tourism brand," but, "it will not only be the tourism brand, but it will also be the country brand" (local Ecuadorian media, 2010). The Minister of Tourism at that time, Freddy Ehlers, gave specific details about the new logo. In his speech, he highlighted that: It is based on the sun, on life, on the earth, mega diversity, in pre-Columbian designs, fabrics, flowers, and fauna, among other typical and characteristic aspects of the Andean country.

Likewise, Ehlers added, "The idea is that Ecuador presents itself to the world as the country that loves life and we want to imitate why all tourists come to visit Ecuador so that they learn to love life" (Diario La Hora, 2010)



Ilustration Ecuador ama la vida

Table 14 Ecuador ama la vida

Country Brand	Ecuador ama la vida
President mandate	Rafael Correa Delgado
USD	16 M

#### 5.3. "ALL YOU NEED IS ECUADOR" campaign.

"Ecuador Loves Life" campaign was launched by former president Correa. The "ALL YOU NEED IS ECUADOR" campaign was projected and activated simultaneously in 19 cities worldwide that saw 6-meter-high letters appear installed in squares, parks, subways, or means of transportation that tour the principal city of each of the countries and emblematic places Anasco (2015).

The government policies that were based on the ideology of Well-Being have several objectives associated to changes in the public life of Ecuadorian civil society.

In this sense which, it is relevant to highlight that the tourism sector is understood as a potential aspect that should constitute the most significant economic income for the country and therefore from the focus of public policies in the future.

Ecuador should make this area its primary source of income that goes not only to the tourism sector but also to the cultural, political, and economic sector.

Not long 2016, a second phase of the campaign was established with a new promotional video that had as its brand the phrase "Loves Life," using the melody of the Scottish singer John Paul Young, and the license was even acquired.

This new phase was developed not as a new strategy but as an approach in which the added value to tourism promotion is love. (Ministry of Tourism, 2019).

A country was presented whose market was love at the center of its Well-Being.



Illustration: "ALL YOU NEED IS ECUADOR" campaign



Illustration: "ALL YOU NEED IS ECUADOR" campaign in NYC

It can be noted that this campaign revolves around the perception that everything is close in the country, like nowhere else in the world. (The Telegraph, 2014)

The sum of letters forms the slogan "ALL YOU NEED IS ECUADOR" In addition, a video was presented showing different parts of the country with foreign people enjoying their

experience. It was created with an audiovisual technique through symbols and expressive resources to transmit the same emotions observed in the video and thus persuade the international public Oquendo (2016).



Illustration: "ALL YOU NEED IS ECUADOR" campaign

#### **5.4. Super bowl 2015**

The video "ALL YOU NEED IS ECUADOR" was presented at the Super Bowl final at MetLife Stadium, East Rutherford, New Jersey, United States, one of the sporting events with the most significant spectators in America Anasco (2015).

Hard work was done to promote this campaign; one of the media that was most used to disseminate was the internet, leading with 51%; by 2015, the promotion of this campaign continued, in the same way, this campaign won the award for "Best Video of the Americas" organized by the UNWTO. According to statistics, in 2015, visitors increased by 6.4% compared to 2014 Shirley Carolina Segura Ronquillo et al. (2016).

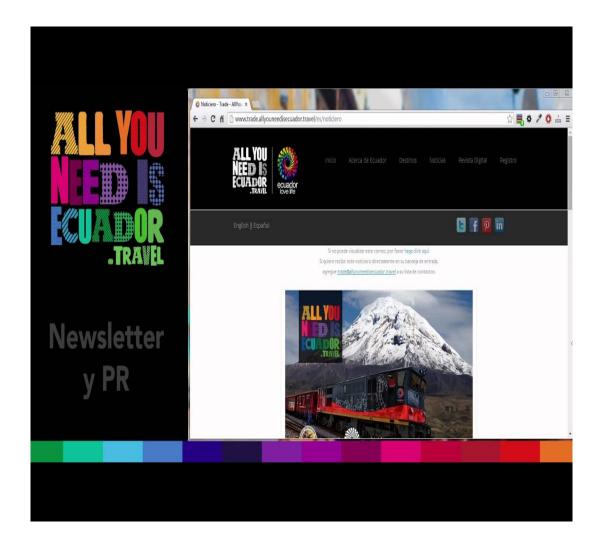


Illustration: "ALL YOU NEED IS ECUADOR" campaign

Understanding that a country is a market subject, that it competes, that it constitutes a promise to satisfy demand, and that it influences the decisions of its buyers through image and communication is a complex experience. The brand and communication of a country abroad are susceptible to confusion if the strategy is poorly executed and has been worked on by all state levels.

"Ecuador Loves Life," which in its most essential manifestation claims its related relationship with the National Plan for Good Living 2009-2013, a project that aims to guarantee rights and a more dignified quality of life for Ecuadorians. Based on the contents of the Plan and with the image that this new country brand seeks to project, the proposal from the current Ministry of Tourism begins for —Conscious Tourism, a conceptualization that reads under the following precept: a transformative life experience based on the physical and spiritual well-being of man; which proposes to give a new twist to the tourist experience so that it transcends the trip of recreation and leisure so that it allows to positively influence how travelers conceive and live their lives.

Ecuador is a country that has comparative advantages due to its geographical location, which determines that it contemplates a high development tourist potential. But there are some important learned lessons:

- The "All you need is Ecuador" campaign was developed to potentiate only the segmented sector, specifically tourism services.
- Digital media managed to achieve the most significant impact in disseminating the campaign in tourism sector.
- Destination marketing is a discipline that guides the promotion of a territory in the tourist market. But rarely the public sector.
- The conception, development, implementation, and results of the "All you need is Ecuador" campaign determined that this is considered within the approaches of destination marketing strategies separate from different disciplines.

## Table 15 International Awards

Awards:	Category:
World Travel Awards:	Excelencia del Destino Ecuador, Best Destination for Green Living,  Galapagos Leading for Green Living Destination in Latin America 2012.
Virtuoso Travel Advisor:	Ecuador, the new and most exciting destination in the world. Las Vegas (USA).
Los Ángeles Times TRAVEL SHOW:	Prize for the best stand. Los Ángeles (USA).

USTOA (Unite States Tour Operators Association):	Third most important destination in the world and first prize in America in 2012.
KOTFA "Korea World Travel Fair":	Best tourist marketing, prize for the best stand design and best folkloric presentation. (Korea).
Lonely Planet: Best in Travel:	4th place <i>Best in Travel 2013</i> and first prize in America.
International Living:	Paradise for retired: first prize. International Living magazine's 2012 Global Retirement Index.

Diario El País de España	2nd best place to discover in 2013, first prize in America.
National Geographic Traveler Magazine	Quito Best City in the World to Discover in 2013.

Table 16 Tourism Management for Ecuadorians in Ecuador

Tourist magazine	It emerged in the first semester of 2012, designed to motivate the national traveler who travels by air through the country.  Bimonthly and free publication.
Television Program "Ecuador Loves Life":	It was an audiovisual product that disseminated the beauty of the tourist attractions of Ecuador both nationally and internationally.

It was broadcast nationally and began to open up internationally, broadcasting to Colombia, Peru, and Spain. Online Channel "Ecuador Loves Life": The first online tourist channel in Ecuador was created: www.amalavida. Created to provide tourist information within reach of users from all over the world. The site's objective was to transmit varied programming and live events related to tourism, which allowed the dissemination of the Ecuador destination. Redesigned Promotional Page (Ecua- The promotional page of Ecuador was redor.Travel) newed and redesigned with the lifting of approximately 800 contents and a photographic bank of 1500 images.

#### By putting into context 2023: Nation Branding in Ecuador

#### 5.5. Project: "MARCA PAÍS PARA ECUADOR" 2022- 2023

Table 17 Project: "MARCA PAÍS PARA ECUADOR" 2022- 2023

CALENDAR YEAR	2022	2023	TOTAL
USD	392.000,00	519.680,00	911.680,00

#### **Source: Promotion and Marketing Department**

The Minister of Tourism of Ecuador Niels Anthonez Olsen Peet out of Executive Decree No. 7061 of March 24, 2011, published in the Official Register No. 422 of April 7, 2011, it was decreed:

"1.- Create the Strategic Trademark Commission, an instance that will be responsible for the administration of present or future brands, owned by the government of Ecuador".

In this context, the government of President Guillermo Lasso is finding Ecuador in a new social, political, and economically. Therefore, it is opportune to have a country brand that influences all sectors involved economically to have an identity that allows them to be visible to the world—taking into account that all industries need an economic recovery after having survived the harshest effects of the Covid-19 pandemic.

#### 5.6. Future Brand Country Brand Index Latam

Since 2005 he has been performing the Country Brand Index (CBI), a report that should be considered as a tool for analyzing brand perception at an international level.

Table 18 Ranking General de Latino América

1	Argentina
2	Perú
3	Chile
4	Panamá
5	Brasil
6	Cuba
7	Costa Rica
8	Ecuador
9	Colombia
10	Guatemala

Source: Future Brand LATAM 2020

Future brand exposes the report corresponding to the 2019 - 2020 analysis; Argentina occupies the first position in this Regional ranking. This country is the only one that remains in the lead within the top 5 countries in the Region. In position number eight is Ecuador.

The data mentioned above reflects that Ecuador does not have a privileged position in ranking country brands at the Regional and world levels. It is outside the five best brands as references, and this disadvantage could be due to the lack of promotion. It should be noted that the country brand should not be politicized, as the current brand AMA LA VIDA is linked to political projects of previous governments.

The following table shows the evolution of Ecuadorian exports during the period 2017-2021.

Table 19 Ecuadorian exports in thousands of dollars

Ecuadorian Exports in Billions	2017	2018	2019	2020	2021
oil companies	6920	8802	8680	5250	8607
No Oil	12173	12826	13650	14976	17662
Total	19093	21628	22330	20226	26269

Table 20 Participation of sectors in non-oil exports 2021

Products	USD	Tons	2021 (%)
Shrimps	5323	847981	30.1%
Banano	3381	6809882	19.1%
Fish and canned	1317	324519	7.5%

Natural flowers	927	167795	5.3%
cocoa beans	817	329355	4.6%

The United States represents 23% of the total exports of the cocoa beans and processed sector, followed by Indonesia with 19%, Malaysia and the Netherlands with 11%. Ecuador's exports are based on Shrimp, Bananas, Tuna, Flowers, and Cocoa beans BCE (2022).

Numerous countries around the world currently demand them and represent 2022, more than 70% of the exportable balance of non-oil tankers. Ecuadorian products have better features that can position them in foreign economies, expanding their participation in international markets and, in many cases, allowing a better price in terms of final sales. Besides, some countries buy these Ecuadorian products to re-ship them to other destinations, participating as intermediaries where the products are also labeled as from countries other than Ecuador.

On the other hand, Ecuador is an exporter of "commodities" for which it seeks to improve the positioning of Ecuadorian products abroad. However, the growth potential in terms of sales in many markets has yet to be exploited due to the lack of knowledge of the benefits and characteristics of Ecuadorian products in different world economies.

Viewed through a critical lens, Ecuadorian authorities must promote the differentiation of the exportable supply of Ecuador's productive sectors through the use of the country brand and the adequate development and implementation of international promotion strategies.

Table 21 Exportable supply

Country	Foreign Direct Investment  - Companies	Capital (%)
Spain	187	19.9%
Colombia	146	15.5%
United States of America	101	10.8%
China	67	7.1%
Panama	65	6.9%

Peru	35	3.7%
Mexico	31	3.3%
Chile	27	2.9%
Brazil	26	2.8%
Argentina	23	2.4%
South Korea	22	2.3%
Venezuela	21	2.2%
Others	188	20.0%

Source: Ecuadorian Superintendency of Companies 2022

81.05% of foreign capital to establish companies in Ecuador comes from 7 countries, led by Uruguay with 38.86%, Peru with 14.60%, Brazil with 6.44%, Mexico with 6.10%, China with 5.28%, United States of America with 5.26% and finally Panama with 4.50%.

The tourism sector is one of the most affected by the COVID-19 outbreak, with repercussions both in the supply and demand of travel. The situation poses an adverse risk in a context of a weak world economy, geopolitical and social tensions, and commercial and unequal behavior of the main issuing markets of trips.

The health emergency changed the economic outlook and annulled the conditions for the industry operation. The closure of airports and borders in many countries impacted the demand of visitors and residents, who reordered their priorities and they had to cancel reservations. Foreign currency income from tourism fell affecting the entire business chain and the corresponding tax revenue.

The Central Bank of Ecuador registered a drop of 8.6% in GDP in 2020 compared to the year 2019 in current terms and 7.8% in constant terms; it foresees growth for the year 2021 in the order of 3.7% in current terms and 2.75% in values constants.

Through the country brand, it is possible to communicate the most relevant and strategic aspects, build a positive image to attract different audiences, and help position its products and attractions. It is a fundamental instrument that all countries need to enhance and elevate business opportunities, improve their image, make it more competitive, and generate interest in contributing to sustainable development.

Currently, no country brand strategy document allows for precise, efficient, and convincing communication of the central ideas that are sought to be captured in the mind of the receiving public.

Consequently, while it is beyond the scope of the present work to do so here, the author would suggest that it is time to reenter the new country brand for Ecuador and must become the national symbol designed to meet the following main objectives:

- Creating a feeling of national pride, belonging, and identification with the brand.
- Strengthening the positioning of the country's image nationally and internationally.
- Promoting Ecuador through a unique, coherent, and universal message.
- Contributing to strengthening Ecuador's competitive position internationally in commercial aspects: increase exports and attraction of investment.

Table 22 Tourist service agencies

Province	Registered
Azuay	179
Bolívar	3
Cañar	28
Carchi	7
Chimborazo	41
Cotopaxi	22
El Oro	57
Esmeraldas	23
Galápagos	237
Guayas	382
Imbabura	60
Loja	44
Los Ríos	9
Manabí	124

Morona Santiago	10
Napo	41
Orellana	18
Pastaza	11
Pichincha	802
Santa Elena	40
Santo Domingo	26
Sucumbios	7
Tungurahua	135
Zamora Chinchipe	5
Total	2311

# **5.6.1.** Community Tourism Center

Table 23 Tourism services

Province	Registered
Chimborazo	4

Cotopaxi	1
Esmeraldas	2
Guayas	4
Manabí	1
Napo	10
Orellana	7
Pastaza	1
Pichincha	1
Santa Elena	4
Santo Domingo	1
Sucumbios	2
Tungurahua	1
Total	39

## 5.6.2. National Parks

## Table 24 National Parks

Province	Registered
Azuay	8
Bolívar	16
Cañar	12
Carchi	1
Chimborazo	5
Cotopaxi	12
El Oro	32
Esmeraldas	11
Galápagos	-
Guayas	27
Imbabura	5
Loja	3

Los Ríos	16
Manabí	37
Morona Santiago	14
Napo	2
Orellana	9
Pastaza	7
Pichincha	23
Santa Elena	1
Santo Domingo	26
Sucumbios	18
Tungurahua	21
Zamora Chinchipe	-
Total	306

In sum, the government of President Guillermo Lasso will design a country brand to replace *Ecuador's love life*, created in 2010. But, at the most general level, the articulation of Community Tourism Centers, Tourist service agencies, and National Parks might provide

new experiential data, and these experiences had to be mediated by local leaders to take action as a function of power.

According to the Minister of Tourism, Niels Olsen, it was a tourism brand elevated to a country brand without any technical support that most Ecuadorians still need to identify or know about.

Nielsen states that creating a country brand has four phases: study, brand strategy, conceptualization or branding, and launch and promotion of the country brand. He added that while presenting his work plan, its objective is to strengthen three frontages: investment attraction, exports, and tourist arrivals.

### **CHAPTER SIX**

# THIRD HYPHOTHESIS TESTING: AN EXPLORATORY FACTOR ANALYSIS ON THE MEASUREMENT OF ECUADORIAN SPECTRUM

The author relates this research about urban marketing in Ecuador that delivers the knowledge to act.

This third hypothesis validation is outlined as follows: Results of factor analysis and the PLS-SEM analysis concerned to this study contradict the prevailing view that urban marketing differentiation is a natural outcome of economic unevenness-or, more specifically in the case of Ecuador, marketization from centre-periphery.

The third related research question is: How can good governance manage the international instruments and local policies for the construction of urban marketing in Ecuador? This question is linked to the hypothesis: Good governance and socio-economic development in Ecuador are expected by the enforcement of urban marketing in Public Service Management according to its sociological spectrum.

This chapter includes quantitative outcomes to set the data. The study used the latent variable of Ecuador's country image to examine factor analysis. In addition, this analysis collected and adapted nine scales from Lala et al. (2009) to measure country image for the chapter.

#### 6.1 Data Source

Data were collected about nine scales/variables from the inhabitants of Ecuador who live in different cities in Ecuador. First, the author prepared a questionnaire in SurveyMonkey form and then distributed it through social media and email to the respondents from 10th to 12th February 2023. The author distributed 505 questionnaires, and 13 were eliminated due to incomplete answers. Nineteen questionnaires have remained unanswered. Finally, the author found 73 complete responses. Most respondents were public officers and university students between 20 and 30 years old. Responses were gathered on a 5-point Likert scale.

The data file has been uploaded in Excel format. The author used SPSS (Statistical Package for the Social Sciences) for factor analysis.

#### 6.2. Limitations

According to data source limitation, the data set is primary; it has several limitations. First, the sample size was insignificant, which might not represent the population. Second, the need for more time and budget made collecting an extensive data set difficult.

#### 6.3. Assignment tasks (Factor Analysis using Principal Component Analysis)

The primary data contained nine scales/variables CI1 to CI9, and the author imported those data to SPSS for Factor analysis. Initially, the author utilized Principal Component Analysis to investigate the variables.

Factor analysis is a technique for simplifying large datasets. To achieve this, it looks for latent or unobservable factors represented in the observed variables (manifest variables).

For easier comprehension, factor analysis calculations are represented as a step-by-step task.

#### 6.3.1. Task 1: Determinant of the Correlation Matrix

After running the factor analysis, first, the author looks into Descriptive statistics (Table 1) in which the data summary is given. Here, we can see each scale's mean and SD values, and N, the total number of observations, is 73.

#### Table 25 Descriptive Statistics

## **Descriptive Statistics**

	Mean	Std. Deviation	Analysis N		
CH	2.27	1 275	72		
CI1	3.37	1.275	73		
CI2	3.38	1.298	73		
CI3	3.11	1.231	73		
CI4	3.49	1.192	73		
CI5	3.19	.967	73		
CI6	3.14	.871	73		
CI7	3.22	1.083	73		
CI8	2.92	.829	73		
CI9	2.71	1.034	73		

Correlations between the original data are shown in Table 2 (below). Checking the intervariable correlations is a prerequisite to running a principal components analysis. If a pair of variables correlate at 9 or higher, they are likely measuring the same thing, and hence, one of them should be dropped from the analysis Tucker & Lewis (1973).

Combining the variables and perhaps taking the average is another option. When the correlations are too low, one or more variables below may load solely onto one principal component (i.e., form its principal component) Tucker & Lewis (1973).

The analysis aims to narrow down the number of potential factors. Therefore, this is pointless. Besides, in the table, the correlation coefficient between CI2 and CI3 is 0.851 and is problematic, but as the value is less than 0.90, it would keep the variables. Moreover, the CI6 and CI9 correlation is 0.144, which is relatively low, but as the value is more than 0.10, this study would not discard or merge the variables.

Determinant value is crucial in determining multicollinearity or singularity. The determinant of the correlation matrix must be higher than .00001 Farrar & Glauber (1967). Suppose the Determinant value is below this threshold. In that case, it is recommended to look for and remove any sets of variables from the analysis where the correlation coefficient is higher than 0.80. Haitovsky (1969). There will be computing concerns with the factor analysis if the determinant is zero.

In fact, in this analysis, the determinant value is 002, which is greater than 00001. Therefore, there is no problem with multicollinearity or singularity.

Correlation Matrix<sup>a</sup>

CII CI CI CI4 CI5 CI6 CI7 CI8 CI9

Table 26 Correlation Matrix

			2	3						
Corre-	CI1	1.0	.81	.80	.610	.437	.204	.303	.239	.398
	CII				.010	.137	.201	.505	.235	.570
lation		00	1	6						
	CI2	.81	1.0	.85	.684	.516	.432	.502	.301	.342
		1	00	1						
	CI3	.80	.85	1.0	.663	.355	.297	.325	.335	.451
	CIS				.003	.333	.2)1	.525	.555	.431
		6	1	00						
	CI4	.61	.68	.66	1.00	.532	.376	.453	.126	.241
		0	4	3	0					
	CI5	.43	.51	.35	.532	1.000	.677	.410	.436	.209
		7	6	5						
		/	O	3						
	CI6	.20	.43	.29	.376	.677	1.000	.483	.420	.144
		4	2	7						
	CI7	.30	.50	.32	.453	.410	.483	1.00	.531	.268
		3	2	5				0		
	CI8	.23	.30	.33	.126	.436	.420	.531	1.000	.523
		9	1	5						
	CI9	.39	.34	.45	.241	.209	.144	.268	.523	1.00
		8	2	1						0

a. Determinant = .002

## 6.3.2. Task 2: The KMO (Kaiser-Meyer-Olkin) value

The KMO test (Table 3) determines if the values in the sample have a wide enough range to allow for accurate factor analysis. If two variables share a significant variation, as this test indicates, the variables are highly correlated.

A better indicator would be a value closer to 1, as this scale goes from 0 to 1. The recommended minimum is 6, although values should stay below 5 Hutcheson & Sofroniou (1999).

The current analysis KMO value is 692, which is safe for further analysis. In addition, KMO value can be interpreted by Table 04 for better understanding.

Table 27 KMO and Bartlett's Test

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.692

Approx. Chi-Square	434.394
Df	36
Sig	.000
Sig.	.000
	Approx. Chi-Square  Df  Sig.

# Table 28 KMO

KMO ≥ .9	Marvellous
KMO ≥ .8	Meritorious
KMO ≥ .7	Middling
KMO ≥ .6	Mediocre
KMO ≥ .5	Miserable

KMO ≥ .5	Unacceptable

The purpose of Barlett's test, which can be found in Table 3, is to establish whether or not the correlation matrix in question is an identity matrix (one in which all correlation coefficients equal 0) Bartlett (1951). Suppose the value is significant (less than 05). In that case, the data did not form an identity matrix, which suggests sufficient links between variables to carry out the factor analysis Knapp & Swoyer (1967).

The findings of this test also reveal that there are correlations between the variables. The null hypothesis is rejected in our analysis as the p-value is .000. That means good relationships exist between variables to conduct factor analysis.

## 6.3.3. Task 3: The Anti-Image correlation matrix

Table 29 The Anti-Image correlation matrix

Anti-image Matrices											
		CI1	CI2	CI3	CI4	CI5	CI6	CI7	CI8	CI9	
Anti-image Covari-	CI	.245	-	-	.004	081	.10	.010	.019	030	
ance	1		.06	.06			0				
			7	0							

CI	067	.14	-	.022	046	-	106	.062	.016
2		6	.08			.03			
			6			0			
CI	060	-	.14	098	mi.0	-	.104	089	045
3		.08	6		96	.04			
		6				1			
		Ü				•			
CI	.004	.02	-	.326	141	.02	156	.158	019
4		2	.09			4			
			8						
CI	081	-	.09	141	.317	-	.103	124	015
5		.04	6			.19			
		6				2			
CI	.100	-		.024	192	.39	078	041	.119
	.100			.024	172		070	041	.117
6		.03	.04			8			
		0	1						
CI	.010	-	.10	156	.103	-	.404	199	006
7		.10	4			.07			
		6				8			

	CI	.019	.06	-	.158	124	-	199	.359	185
	8		2	.08			.04			
				9			1			
	CI	030	.01	-	019	015	.11	006	185	.569
	9		6	.04			9			
				5						
Anti-image Correla-	CI	.839ª	-	-	.013	290	.32	.031	.066	079
tion	1		.35	.31			1			
			4	7						
	CI	354	.77	-	.103	216	-	436	.271	.057
	2		4 <sup>a</sup>	.58			.12			
				7			5			
	CI	317	-	.66	450	.445	-	.427	387	155
	3		.58	6ª			.16			
			7				8			
	CI	.013	.10	-	.709ª	439	.06	431	.463	044
	4		3	.45			5			
				0						

CI	290	-	.44	439	.626ª	-	.288	368	035
5		.21	5			.54			
		6				0			
CI	.321	_	-	.065	540	.70	194	110	.250
	1021						112.	1110	,
6		.12	.16			5ª			
		5	8						
CI	021		42	421	200		.596ª	522	012
CI	.031	-	.42	431	.288	-	.396"	523	012
7		.43	7			.19			
		6				4			
CI	.066	.27	-	.463	368	-	523	.537ª	410
8		1	.38			.11			
			7			0			
CI	079	.05	-	044	035	.25	012	410	.777ª
9		7	.15			0			
			5						

a. Measures of Sampling Adequacy (MSA)

Using the anti-image matrices (Table: 05), it is possible to establish if individual variables should be eliminated from the factor analysis Dziuban & Shirkey (1974). The values found in the diagonal are used to determine the sample size, and a superscripted "a" is placed next to each of these values.

Table 4 can also be utilized to assess the anti-image values. Variables with anti-image correlations lower than .5 should be noted for the possibility that they should be excluded because there may not be enough correlation between them and other variables Dziuban & Shirkey (1974).

In this search, the values for the anti-image correlation were found to range anywhere from .537 to .839 (Table 05).

The conclusion must be drawn from this: the factor analysis can accommodate any variables.

#### 6.3.4. Task 4: Communalities

The degree to which one variable shares variation with all other variables in the analysis is known as its "communality" MacCallum et al. (1999). Variables with low values do not match the factor solution effectively and may need to be removed from further consideration. In other words, the performances of this model can be determined by looking at the commonalities. Looking for numbers very close to one is ideal (Extraction), meaning the model adequately describes the observed data for those variables.

In this situation, the model's performance varies depending on the studied variable. According to the definition, the communality's initial value in principle components analysis is always 1.

Typically values Less than .50 are removed Hogarty et al. (2005). In this analysis (Table: 06), all the variables are more significant than .50. Here, the study has no commonality issue.

#### Table 30 Communalities

# Communalities

	Initial	Extraction
CII	1.000	.843
CI2	1.000	.878
CI3	1.000	.870
CI4	1.000	.742
CI5	1.000	.720
CI6	1.000	.822
CI7	1.000	.592
CI8	1.000	.865
CI9	1.000	.827

Extraction Method: Principal Component Analysis.

## 6.3.5. Task 5: Output about the Total Variance Explained

Since this research did principal components analysis on the correlation matrix, all variables are now "standardized," with a variance of 1 for each one and a total variance equal to the number of variables the study used in the analysis (9 in this instance).

The eigenvalues are listed in the "Total" column. Each successive component will account for as much of the remaining variation as possible. However, the first component always accounts for the most significant variance (and has the highest eigenvalue). As a result, the share of variance explained by each subsequent component will decrease. For example, the analysis's first component explains 4.566 of the variance.

The total variance explained by this major component and its predecessors is listed in the 'Cumulative' column. The first component accounts for 50.734% of the total variance.

Table 31 Total Variance Explained

		7	Total Variance Explain	ned		
Component		Initial E	iigenvalues	Extraction	Sums of Sq ings	uared Load-
	То-	% of	Cumulative %	Total	% of	Cumula-

	tal	variance			vari-	tive %
					ance	
1	4.5	50.734	50.734	4.566	50.734	50.734
	66					
2	1.4	15.808	66.542	1.423	15.808	66.542
	23					
3	1.1	13.000	79.542	1.170	13.000	79.542
	70					
4	.60	6.761	86.303			
	9					
5	.44	4.986	91.289			
	9					
6	.32	3.550	94.839			
	0					
7	.25	2.806	97.645			
	3					

8	.13	1.534	99.179		
9	.07	.821	100.000		
	4				

Extraction Method: Principal Component Analysis.

The three columns on the right side of the table, labeled "Extraction Sums of Squared Loadings," repeat, row for row, the values found in the corresponding column on the left side of the table. The number of primary components with eigenvalues of 1 or higher determines how many rows are replicated on the right side of the table. Only three rows are shown here because the fourth component Eigenvalue is less than 1.

## 6.3.6. Task 6: The Component Matrix and the Rotated Component Matrix:

Component loadings, or the correlations between the variable and the component, are shown in Table 07 here. These correlations have a range of possible values from -1 to +1. The primary components extracted are listed in the columns under this title. Three components were retrieved in the footnote SPSS (a.). Three-component was extracted (Three components that had eigenvalues greater than 1).

## Table 32 Component Matrix<sup>a</sup>

	Component Matrix <sup>a</sup>									
		Component								
	1	2	3							
CI1	.793	462	.002							
CI2	.890	266	124							
CI3	.832	418	.062							
CI4	.767	227	320							
CI5	.711	.373	276							
CI6	.599	.578	360							
CI7	.651	.407	.051							
CI8	.563	.516	.531							

CI9	.511	083	.747
Extracti	on Method: Pr	rincipal Compo	onent Anal-
ysis.			
a. 3 con	nponents extra	cted.	

The Rotated Component Matrix contains the Pearson correlations between items and components. In this study, as there is only three components extracted, therefore, three components are shown. (See Table 08)

Table 33 Rotated Component Matrix<sup>o</sup>

	Rotated Co	omponent Matrix <sup>a</sup>	
		Component	
	1	2	3
CI1	.892	.092	.198
CI2	.859	.340	.158

CI3	.883	.123	.276
CI4	.773	.376	057
CI5	.340	.773	.082
CI6	.138	.896	.006
CI7	.221	.640	.364
CI8	.008	.489	.791
CI9	.318	067	.849

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

## 6.3.7. Task 7: Reproduced Correlation Values:

Table 09 is divided into two smaller tables, one for the reproduced correlations and one for the residuals.

The extracted components are applied to create the reproduced correlation matrix. The residual matrix, which displays the discrepancies between the original and reproduced matrices, will be near zero if the values in the reproduced matrix (Table 09) are as close to those in the original correlation matrix. If the reproduced matrix closely matches the original correlation matrix, the extracted components successfully capture most of the information in the original correlation matrix.

Table 34 Reproduced Correlations Matrix

			Reprodu	iced Cor	relations	s Matrix				
		CI1	CI2	CI3	CI4	CI5	CI6	CI7	CI8	CI9
Reproduced  Correlation	CI1	.843ª	.828	.853	.712	.390	.207	.328	.209	.445
	CI2	.828	.878ª	.843	.782	.567	.424	.465	.298	.384

	CI3	.853	.843	.870ª	.713	.418	.234	.375	.285	.507
	CI4	.712	.782	.713	.742ª	.549	.443	.391	.145	.172
	CI5	.390	.567	.418	.549	.720ª	.740	.600	.446	.126
	CI6	.207	.424	.234	.443	.740	.822ª	.607	.444	.011
	CI7	.328	.465	.375	.391	.600	.607	.592ª	.603	.337
	CI8	.209	.298	.285	.145	.446	.444	.603	.865ª	.641
	CI9	.445	.384	.507	.172	.126	.011	.337	.641	.827ª
Residual <sup>b</sup>	CI1		.017	.047	.103	.047	.003	.026	.031	.047
	CI2	.017		.008	.098	.051	.008	.038	.003	.042
	CI3		.008				.062		.050	
		.047			.050	.063		.049		.056

CI4	-	-	-		-	-	.062	-	.069
	.103	.098	.050		.017	.068		.019	
CI5	.047	-	-	-		-	-	-	.083
		.051	.063	.017		.063	.190	.011	
CI6	-	.008	.062	-	-		-	-	.055
	.003			.068	.063		.124	.025	
CI7	-	.038	-	.062	-	-		-	-
	.026		.049		.190	.124		.073	.069
CI8	.031	.003	.050	-	-	-	-		-
				.019	.011	.025	.073		.119
CI9	-	-	-	.069	.083	.055	-	-	
	.047	.042	.056				.069	.119	

Extraction Method: Principal Component Analysis.

a. Reproduced communalities

Residuals are computed between observed and reproduced correlations. There are 18 (50.0%)
 nonredundant residuals with absolute values greater than 0.05.

According to what is mentioned in the second footnote that is provided by SPSS (b. ), the values that can be found in this section of the table indicate the differences that can be found between the reproduced correlations and the original correlations, which can be found in the section that is located at the top of this table. For example, the reproduced correlation between CI1 and CI2 is 0.828 (Table: 09), while the actual correlation was 0.811 (See Table 02). This leaves a residue of -.017 = -.811 -.828. (with some rounding error). In this table, we can see that 18 of the residuals had absolute values larger than 0.05. Linked to the values for the anti-image correlation and the prevalence of the factor analysis can accommodate any variables, the author also discusses the connection between Soft Power institutional conditions (Government service quality, Infrastructure, Population, GDP, Labour Market Efficiency, Market Size, Business Sophistication, Innovation) and their effects on inward foreign direct investment (FDI).

In this context, we measure soft power through selected indicators between 2017 and 2019 for 15 emerging economy countries of the EU. The author counts that time as critically important before the global pandemic hit the world, and it faces the single country study of

Ecuador. Indeed, 15 emerging developed countries played a remarkable role and are seen as excellent examples for Ecuadorian authorities.

The study used the Regional Competitiveness Index (RCI) 2019 report for secondary data related to the variables studied. Applied partial least squares—structural equation modeling (PLS-SEM) analysis to evaluate the proposed Soft Power constructs and their relationship with FDI. The model suggests that Government service quality, Infrastructure, population, and GDP have a significant effect on FDI. On the other hand, Labour Market, Market size, Business Sophistication, and Innovation were not significantly connected to FDI. The study result has important theoretical and practical implications.

## 6.4. Dynamics

This research section aims to identify the relationship between the indicators of Soft Power (Government Service quality, Infrastructure, Population, GDP, Labor Market Efficiency, Market size, Business Sophistication, and Innovation) and inward Foreign Direct Investments within the framework of European economies supported by available quantitative data.

To begin, this research departs from previous research to build the concept of Soft Power like Alcaraz puts "it to the conditions in which specific productive forces can be used; they are the conditions of the domination of a particular class of society, whose social power, emanating from its wealth, finds its idealistic-practical expression in the form of the State. Dominant in each case, which is why every revolutionary struggle is necessarily directed against a class that has dominated until now".

Second, all previous data sources and indicators left the activity mode intact and only tried to achieve a new assessment of Soft Power among other people, while the construction of a dataset covered 15 emerging economies from 2017 to 2019.

According to Alcaraz et al "is directed by seven indicators that compare economies and Regions; "it can be updated over time, adding/removing countries or indicators" Alcaraz et al. (2023). This data of activity eliminates wage labour and abolishes the domination of all the classes by ending the classes themselves since the course carries out this revolution that society does not consider as such, does not recognize as a class, and which already expresses the dissolution of all types, nationalities, etc".

Consequently, the author proposes a partial least squares like Alcaraz et al puts it "structural equation modelling (PLS-SEM) approach to explore the relationship between Soft Power Indicators and foreign direct investment necessary not only because the ruling class cannot be overthrown in any other way but also because only by means of a revolution will the class achieve, and become capable of founding society on new foundations".

# 6.5. Theoretical Model and Hypothesis

#### 6.5.1. What is soft power?

In the development of the productive forces, a phase is reached in which productive forces and means of exchange arise that, under the existing relations, can only be a source of evils, which are no longer such productive forces but rather destructive forces (machinery and money); and, at the same time, a class arises condemned to endure all the inconveniences of society without enjoying its advantages, which is expelled from society and forced to place itself in the most persistent contradiction with all the other classes; a class that forms the majority of all members of community.

The division of society into social classes is not a natural phenomenon but a historical construction. Organski (1968) This construction originates in the unjustified appropriation by power groups that are few. In class societies, the oppressed and exploited majority work for the dominant minority, which returns only a part of their work's wealth and appropriates the rest "surplus value."

Man is alienated on an ideal plane because he has alienated himself in his actual existence. The society is divided into oppressors and oppressed, the class society, in which some own the means of production and others are forced to sell their labour power. This structurally unjust and exploitative society that prevents the full development of man is which leads man to seek fulfilment in an ideal, unreal, imaginary world.

## religious alienation

Nye's conception of power (2002), seen like the ability to influence the opponent's behaviour to achieve the desired outcome, is in the same line as the definition given by Organski (1968: 104). Power alienation expresses the world's absurdity as a justifying theory and

States shall use the elements of national power to their national interests. It originates in economic separation and can only be overcome once this is overcome.

Soft power is no longer constrained by quantifiable resources such as land and a large population Lord (2006). There have been numerous social dynamic elements to attempt power definitions from the realist and liberal schools of international relations. Morgenthau (1948) representative of the realist school, "describes power as an individual's ability to exert influence over the ideas and actions of others." Guzzini (1998); (2013) Power seen as an effect of the unjust social structure it becomes a cause that reinforces injustice, giving it an apparent sacredness as much as possible if the oppressed people join forces and organize to revolutionize the social structure of the real world. Keohane & Nye (1977)

The contents of consciousness are in direct dependence on social reality. "It is not consciousness that determines life, but life that determines consciousness. "*Urban marketing, as an ideological echo, is the "inverted consciousness of an inverted world.*" Nye (2004) Indeed, nation's security Alcaraz et al (2023) consciousness spread that a radical revolution is necessary, the national power consciousness, a consciousness that, naturally, can also be formed among the other classes when contemplating the position in which they are placed.

## 6.5.2. Soft Power and FDI

High standard of living for their citizens, labour market efficiency, market size, and business sophistication, developed culture, artistic environment, and architecture. Anholt (2005) (2007) within capitalism reaches such a degree of alienation that it does not simply work, understood as forced labour that becomes foreign to people. The art that should be the terrain where people can find themselves as a creative and active being becomes something entirely exterior to its humanity, remaining here as well, as a completely passive subject IFDI (Inward FDI) that has been studied for decades Alguacil et al. (2011); Lee & Rugman (2012); Li et al. (2012); Kottaridi et al. (2019)

Unreality with total domination of unreality, ideologies governing the material world and people due to an increasing flow of FDI (Outward FDI) to emerging market countries Buitrago & Barbosa Camargo (2020); Gaur et al. (2018); Stucchi (2012), theoretical and em-

pirical research has been published regarding this phenomenon Buitrago et al. (2023); Buckley et al. (2009); Gammeltoft et al. (2012)

Therefore, overcoming this cultural alienation is only possible through a universal, absolute, class-historical-social consciousness that overcomes the ideology of conceiving consciousness as a pure realm of being.

## 6.5.3. Measuring soft power and FDI

Measuring this consciousness that overcomes illusion is only possible within primary sources: culture, political values, and foreign policy Nye (2004). The social behaviour and the abolition of private property that implies a re-appropriation by man of all labour forces and, therefore, of their products, not as a commodity nor as a dominant being over nature or the world; it implies a harmonious coexistence both with nature and with other men and with oneself.

Within social relations, soft power is always subject to a process of historicization: this is Marx's unique concern. Ethics of emancipation but not ethics of freedom, strictly speaking. Emancipation is a movement from which it is impossible to predict what space is or can be, which takes shape and figures in the emancipation movement.

Soft power categories include standing outside any premise, as is known, have never made history (Wu, 2019); culture, education, engagement, digital, enterprise, and government McClory (2019); sports politics Nygård and Gates (2013); Diplomatic Capacity Freeman et al. (2020); and finally, tourism, sports, culture, information, technology, science, education, and cooperation for development (Real Instituto Elcano, 2020), even though they conceived in an extraordinarily unilateral way the connection of this fact with the so-called history, while they were prisoners of political ideology, nevertheless made the first attempts aimed at giving historiography a materialist basis, by writing the first histories of civil society, commerce and industry.

But the human essence is not something abstract inherent to everyone. It is the set of social relations. Based on the evidence, soft power, rather than creating a single index, and because the rankings/indexes mentioned above are focused on emerging economies. To the highest degree, the clear and robust proposition: the human essence, an existing question that has stimulated philosophical thought from Greek Antiquity to the present day, is nothing if not the set of social relations. There is nothing behind these soft power relationships,

no being, no essence hidden behind them. However, this philosophy is based on an ethical-political concern: human emancipation, to the extent that this is carried out thanks to the framework of social freedom of the COVID-19 pandemic era.

Table 35 Latent Variables and Scales

Variables	Short	Scales	Measuring method	Sources
Government	GSQ1	Quality and	The indicator is meant to	European
service quali-		accountabil-	measure the quality and ac-	Quality of In-
ty		ity of gov-	countability of government	stitutions In-
		ernment	services. It is computed on the	dex and Re-
		services	basis of the QoG quality sub-	gion own
			index by the University of	computations

		Gothenburg, 2013 edition, and	
		the national worldwide gov-	
		ernance Indicators. In particu-	
		lar the regional QoG quality	
		sub-index is anchored at the	
		national level to the average of	
		the WB-WGI indicators on	
		government effectiveness and	
		Voice & Accountability. Data	
		is standardized as z-scores (DG	
		region computations).	
GSQ2	Corruption	The indicator is meant to	European
		measure the perception on Cor-	Quality of In-
		ruption in government services.	stitutions In-
		It is computed on the basis of	dex and DG

		the QoG Corruption sub-index	Region own
		by the University of Gothen-	computations
		burg, 2013 edition, and the	
		national Worldwide Govern-	
		ance Indicators. In particular	
		the Regional QoG Corruption	
		sub-index is anchored at the	
		national level to the WB-WGI	
		indicator on Corruption. Data	
		is standardized as z-scores (DG	
		Region computations).	
GSQ3	Impartiality	The indicator is meant to	European
	of govern-	measure the perception on the	Quality of In-
	ment ser-	level of Impartiality in gov-	stitutions In-
	vices	ernment services. It is comput-	dex and DG

			ed on the basis of the QoG	Region own
			Impartiality sub-index by the	computations
			University of Gothenburg,	
			2013 edition, and the national	
			Worldwide Governance Indica-	
			tors. In particular the Regional	
			QoG Impartiality sub-index is	
			anchored at the national level	
			to the WB-WGI indicator on	
			the Rule of Law. Data is stand-	
			ardized as z-scores (DG Re-	
			gion computations).	
Infrastructure	INF1	Road acces-	Share of population in a 120	DG Region
	2. (2.2		12 F - F - F - F - F - F - F - F - F - F	
		sibility	km radius accessible by road	

			within 1h30	
	INF2		Share of population in a 120 km radius accessible by rail within 1h30	
	INF3	Passenger	Daily number of passenger flights	Eurostat/Euro  Ge- ographics/Nati onal Statistical Institutes
Population and GDP	PGDP	Population	Regional population	Eurostat

	PGDP	GDP per	in PPS, expressed as index	Eurostat
	2	capita	(EU28=100)	
Labor Market	LME1	Employ-	Persons employed aged 15-64	Eurostat
Efficiency		ment rate	(excl. agriculture) as % of pop-	Regional
		(no agricul-	ulation same age cohort	Labour Force
		ture)		Statistics
				(LFS)
	LME2	Long-term	percentage of labour force un-	Eurostat
		unemploy-	employed for 12 months or	Regional
		ment	more	Labour Force
				Statistics

			(LFS)
LME3		Percentage of active population	
	ment		Regional
			Labour Force
			Statistics
			(LFS)
LME4	Labor	GDP/hours worked	Eurostat Re-
	productivity	(EU28=100)	gional Eco-
			nomic Ac-
			counts (ESA
			2010)

LME5	Gender bal-	Distance to equilibrium: abso-	Eurostat/DG
	ance	lute value of (rate women - rate	Regional
	uemploy-	men)	
	ment		
LME6	Gender balance employment	Distance to equilibrium: absolute value of (rate women - rate	Eurostat/DG Regional
		men)	
LME7	Female un- employment	Percentage of female unemployed	Eurostat Regional Labour Force Statistics (LFS)
LME8	NEET	Percentage of population aged 15-24 not in education, em-	Eurostat/DG Regional
		ployment or training	

	LME9	Involuntary part-time /temporary employment	Share of population aged 20-64 in involuntary part-time or temporary job	Eurostat Regional Labour Force Statistics (LFS) ad-hoc extraction
Market size	MS1	Disposable income per capita	Net adjusted disposable house- hold income in PPCS per capi- ta, index EU28=100	Eurostat
	MS2	Potential market size in GDP	Potential market size expressed in GDP (pps), index EU28=100	Eurostat, DG Regional Poli- cy estimates
	MS3	Potential market size in POP	Potential market size expressed in population, index EU28=100.  population data: estimates on 1/1/2018 by 1 km² grid cell (Eurostat GEOSTAT 2011	Regional Poli-

			grid) updated by applying  NUTS3 population growth rate	
			2011-2018	
Business Sophistication	BS1	Employment (K-N sectors)	Employment in the "Financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities" sectors (K-N) as % of total employment	Eurostat
	BS2	GVA (K-N sectors)	GVA in the "Financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities" sectors (K-	Eurostat

		N) as % of total GVA	
BS3	Innovative SMEs	SMEs with innovation cooperation activities as percentage of total number of SMEs  NUTS1 level: AT, BE, BG,  FR, UK  Not available: EE, CY, MT,  LT, LV, LU	novation
BS4	Marketing organisa-tional innovators	SMEs introducing marketing or organisational innovation as percentage of total number of SMEs  NUTS1 level: AT, BE, BG,  FR, UK  Not available: EE, CY, MT,  LT, LV, LU	"Regional Innovation Scoreboard RIS"

Innovation	Inn1	Core creative class employment	% of population aged 15-64	Eurostat, LFS
	Inn2	Knowledge workers	knowledge workers as % out of total employment	Eurostat, LFS
	Inn3	Scientific publications	# of Scientific Publications per million inhabitants  (NUTS1 level for AT, BE, BG, FR and UK)	ence and Technology Studies
	Inn4	Total intramural R&D expenditur e	total R&D expenditure as % of GDP	Eurostat, Regional Science and Technology Statistics

Inn5	Human Resources in Science and Tech- nology	persons with higher education and/or employed in Science and Technology as of % labor force	gional Science
Inn6	Employ- ment in technology and knowledge- intensive sectors	as of % total employment	Eurostat, Regional Science and Technology Statistics
Inn7	Exports in medium-high/high tech manufacturing	Exports in medium/high technology products as a share of total product exports: measures the technological competitiveness of the EU, the ability to commercialise the results of research and development (R&D)	novation Scoreboard 2017, EC-DG GROW NUTS1 level: AT, BE, BG, FR, UK Not available: EE, CY, MT,

	Inn8	Sales of	Sales of new to market and	Regional In-
		new to		novation
		market and	new to firm innovations as %	Scoreboard
		new to firm		2017, EC-DG
		innovation	of turnover: it captures both the	GROW
				NUTS1 level:
			creation of state-of-the-art	AT, BE, BG,
				FR, UK
			technologies (new to market	Not available:
				EE, CY, MT,
			products) and the diffusion of	LT, LV, LU
			these technologies (new to firm	
			products)	
FDI	FDI1	FDI	Inward foreign direct in-	World Bank
			vestment	

# 6.6. Framework of analysis

In Ecuador, former president Rafael Correa Delgado devoted Marca País strategies in order to act on their experience of attract foreign capital, and urban marketing approach theory is necessarily influenced by an actor's personal ideology. Outside the formal bureaucracy of government but emphasizing the socialism of the 21st century in the South American region and Ecuador.

As stated above, given all the implications that call the Soft Power into question, the countries of the South are in a position to follow European economic projects. Still, it is impossible to construct South American countries nation branding in the independent economical sphere of the South to support projects within the framework of socialism of the XXI century. That is, projects that have nothing to do with the capitalist development of their econtries.

omies but with the development of the public sector and the level of cooperatives and indigenous communities. That is a possibility, although there is another, which is to have a public Bank of the South that promotes a supposed national capitalist development of the South nation branding.

What is needed is a sui generis policy in the framework of a rupture for new paradigms. Contractor et al. (2021); Jensen (2008); Stein & Daude (2007), that is, a valid alternative. The current economic and political situation favors multinational options Amal et al. (2010); Treviño & Mixon (2004). Conditions in Latin America are much more favorable than during the last decade of the debt crisis in the 1980s Dunning (1988). As a result, having solid national policies is a requirement for FDI to ensure economic efficiency. Conversely, South American countries with weak institutions may face a variety of financial issues Acemoglu et al. (2001); Hall & Jones (1999); Knack & Keefer (1995); Mauro, 1995; Rodrik et al. (2004). However, there are economic possibilities, and there is a political will of the majority of people of South America region for a radical break with the capitalist system. The central problem is the higher cost of new wars and pandemics Hausmann & Fernandez-Arias (2000).

The author proposes that Ecuadorian Government conditions influence the economic scenario and external conditions that affect the attraction of FDI and ultimately generate effects on the FDI. Hence, the author hypothesized:

- H1: Government Service quality has a positive influence on FDI.
- H2: Infrastructure has a positive influence on FDI.
- H3: Population and GDP havee a positive influence on FDI.
- H4: Labor Market Efficiency has a positive influence on FDI.
- H5: Market size has a positive influence on FDI.
- H6: Business Sophistication has a positive influence on FDI.
- H7: Innovation has a positive influence on FDI.

## 6.7. Methodology:

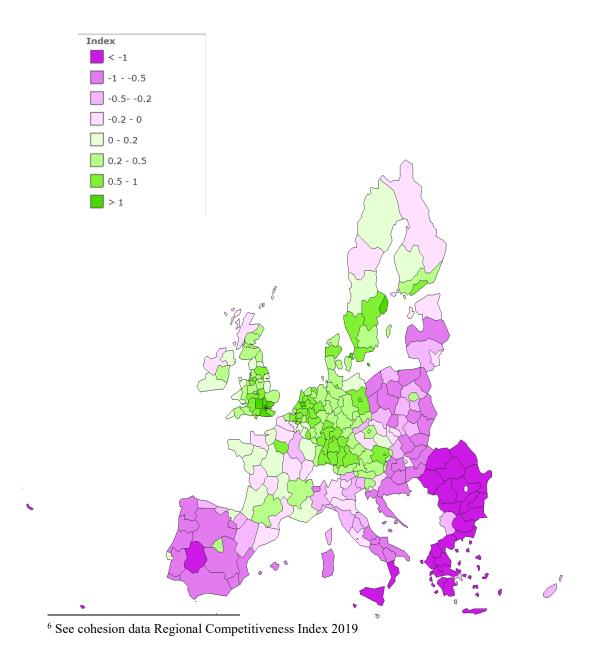
## 6.7.1. Eu Regional Competitive Index

"The Regional Competitiveness Index (RCI) has been measuring the major competitiveness factors since 2010 for all the NUTS-2 level Regions across the European Union. With

more than 70 comparable indicators, the Index measures the ability of a Region to offer an attractive and sustainable environment for firms and residents to live and work".

"The RCI provides a comparable and multifaceted picture of the level of competitiveness for all EU Regions. The sub-national level described by the RCI allows the assessment of inequalities of competitiveness levels across regions and monitoring performance across time at a disaggregated spatial level. In most cases, the regional level is much more suitable than looking only at the national level. Therefore, the RCI should be considered an instrument to assist with designing better policies and monitoring their effectiveness".

Figure 1: Regional Competitive index 2019 (EU)



# 6.8. Quantitative Analysis

This study chose structural equation modeling (SEM) due to its ability to model all possible paths simultaneously. For the following reasons, the author prefers "partial least squares (PLS-SEM) over covariance-based (CB-SEM): (a) it identifies which element can cause which type of effect within the variables under study; (b) it tolerates small samples; (c) it does not require validation of the strongest statistical assumptions, such as normality, homoscedasticity, and nonlinearity; and (d) statistically" Buitrago et al. (2023), it enables the measurement of correlations Busu and Busu (2021); Chung and Liang (2020); Hair et al. (2017); (2019); Hair et al., (2012a); Kock (2016); (2019); Monecke and Leisch (2012); Palos-Sanchez et al. (2021). PLS-SEM is widely regarded as one of the most innovative approaches in extremely difficult-to-understand international fields; the method is particularly useful for exploratory purposes and is deemed appropriate for explaining intricate relationships, such as those arising from Soft Power and OFDI Hair et al. (2012b); Richter et al. (2016).

Data were assessed using SmartPLS Ringle et al. (2015) to help determine the relationship between the latent variables (constructs) and their effect on FDI. According to Regional Competitive index 2019, country data were subdivided into several sub-Region group and the study compiled 268 observations from 2017 to 2019 in emerging economies of EU countries.

## 6.9. Result

#### 6.9.1. Measurement model

According to Hair et al. (2011), for each indicator to be reliable, the loading and the composite reliability values should be higher than 0.5. Items' loading is found to be higher than 0.5 which is acceptable according to Hair et al. (2011). Table 2 shows the indicators' loading, Cronbach alpha (CA), Composite Reliability (CR) and Average Variance Extracted (AVE). Recent studies suggest bootstrap confidence intervals to test the reliability of the construct (Hair, Risher, Sarstedt, & Ringle, 2019).

Table 36 Internal Consistency Reliability and Validity

Variables	Items	Loading	Cronbach	Composite	Average Var-
			Alpha	Reliability	iance Extract-
					ed
Government	GSQ1	0.962	0.967	0.979	
Service quali-	GSQ2	0.970			0.939
ty	GSQ3	0.975			
Infrastructure	INF1	0.826			
	INF2	0.792	0.741	0.852	0.658
	INF3	0.816			
Da14'	DCDD	0.501	0.652	0.695	0.5(1
Population and GDP	PGDP 1	0.501	0.653	0.685	0.561
unu OD1	PGDP	0.981			
	2	0.901			
		0.040	0.000	0.000	
Labor Market	LME2	0.943	0.922	0.939	

Efficiency	LME3	0.951			
J	LME5	0.805			
	LME6	0.629			
	LME7	0.960			0.694
	LME8	0.808			
	LME9	0.667			
Market size	MS1	0.825	0.821	0.883	
	MS2	0.878			0.716
Business So-	MS3	0.835			
Business So-	BS1	0.912	0.822	0.878	
phistication	BS2	0.862			
	BS3	0.659			0.647
	BS4	0.760			
Innovation	Inn1	0.909	0.895	0.920	
	Inn2	0.928			
	Inn3	0.745			
	Inn4	0.706			0.620
	Inn5	0.909			0.630
	Inn6	0.766			
	Inn7	0.508			
	Inn8	0.909			

FDI FDI1 1.000 1.000 1	1.000	1.000

The validity assessment of the model includes two evaluations: convergent and discriminant. Regarding convergent validity, Table 2 demonstrates that the average variance extracted (AVE) values of the study variables are all over 0.50, demonstrating that all study constructs were accepted as valid Bagozzi & Yi (1988). The discriminant validity was assessed utilizing the suggestion by Fornell and Larcker (1981) (Table 3) and the heterotrait-monotrait ratio (HTMT) (Table 4) Henseler et al. (2015). The value of the square root of the AVE of each variable was compared to correlations with other factors. Table 3 indicates that each factor's square root of the AVE was greater than inter-variable correlations and that the HTMT values (Table 4) between variables were below 0.85. Thus, discriminant validity was confirmed.

Table 37 Fornell and Larcker Criterion (Validity measure)

	Business	For-	Gov-	Infra-	Inno-	Labor	Mar	Popu-
	Sophisti-	eign	ern-	structure	vation	Mar-	ket	lation
	cation	Direct	ment			ket	Size	and
		In-	Service			Effi-		GDP
		vest-	Quality			ciency		
		ment						
Business	0.804							
Sophisti-								
cation								
Sophisti-	0.804							

Foreign Direct Invest- ment	0.671	1.000					
Gov- ernment Service Quality	0.566	0.566	0.969				
Infra- structure	0.755	0.567	0.510	0.811			
Innova- tion	0.717	0.744	0.645	0.654	0.794		
Labor Market Efficien- cy	-0.337	-0.480	-0.643	-0.318	-0.605	0.833	

Market Size	0.805	0.712	0.592	0.799	0.676	-0.486	<ul><li>0.84</li><li>6</li></ul>	
Population and GDP	0.684	0.981	0.520	0.618	0.743	-0.454	0.74	0.749

Table 38 HTMT analysis (Validity measure)

Business	For-	Gov-	Infra-	Inno-	Labor	Mar	Popu-
Sophisti-	eign	ern-	structure	vation	Mar-	ket	lation
cation	Direct	ment			ket	Size	and
	In-	Service			Effi-		GDP

		vest- ment	Quality			ciency	
Business							
Sophisti- cation							
Foreign Direct Invest- ment	0.692						
Gov- ernment Service Quality	0.672	0.575					
Infra- structure	0.932	0.657	0.603				
Innova- tion	0.794	0.783	0.688	0.791			
Labor Market	0.389	0.484	0.667	0.393	0.669		

#### 6.9.2. Structural Model

Although there are data sources in the state of nature of the structural latent variables of 10,000 samples (LVs), Hair et al. (2011) to assess standard errors Henseler, Ringle, & Sinkovics (2009); Hair et al. (2011).

On the other hand, Bias-Corrected and Accelerated (BCa)-A of Hair et al. (2017), Kock, N. (2016), and Streukens and Leroi-Werelds (2016) refers to a general rule, which is established by reason, and which strictly propose nonparametric results despite having an essential similarity, differ concerning obligation and randomly drawn observation. From the latter, this condition of the PLS path model would allow PLS-SEM values and confidence intervals to test the significance of the path.

Table 39 Hypotheses test result

Hypothe-	Hy-	Beta	Sam	Stand	Confi-	T Sta-	P	Deci-	
----------	-----	------	-----	-------	--------	--------	---	-------	--

ses	pothe- sis	(Path coeffi-	ple Mea	ard Devia-	denc terva	e In-	tistics	Val- ues	sion
	number	cient)	n (M)	tion (STDE V)	2.5 %	97.5 %			
Govern- ment Ser- vice Qual- ity -> Foreign Direct Invest- ment	H1	0.096	0.093	0.031	0.0 30	0.15	3.068	0.00	Sup- ported
Infra- structure -> Foreign Direct Invest- ment	H2	-0.095	- 0.092	0.035	- 0.1 64	0.03	2.718	<b>0.00</b> 7	Sup- ported
Population and GDP ->	Н3	0.098	0.980	0.023	0.9 23	1.01	42.350	0.00	Sup- ported

Foreign Direct Invest- ment									
Labor Market Efficiency -> Foreign Direct Invest- ment	H4	-0.001	0.000	0.015	- 0.0 29	0.03	0.085	0.93	Not Sup- ported
Market Size -> Foreign Direct Invest- ment	Н5	-0.043	0.038	0.034	0.1 13	0.01 8	1.279	<b>0.20</b> 2	Not Sup- ported
Business Sophistication -> Foreign Direct Investment	Н6	0.041	0.038	0.023	- 0.0 01	0.08	1.750	0.08	Not Sup- ported

Innova- tion -> Foreign Direct Invest- ment	Н7	0.012	0.017	0.026	- 0.0 22	<ul><li>0.07</li><li>6</li></ul>	0.482	0.63	Not Sup- ported

Table 5 shows the hypotheses testing result that H1, H2, and H3 was supported that government service quality ( $\beta$  =0.041, T=1.750, p <0.001), Infrastructure ( $\beta$  =- .095, T=2.718, p <0.001), and population and GDP ( $\beta$  =0.098, T=42.35, p <0.001) have significant relationship with Foreign Direct Investment.

Although the relationship between infrastructure and FDI was significantly negative, Further hypothesis testing results revealed that H4, H5, H6, and H7 were insignificant in relationship with FDI. H4 ( $\beta$  =-.001, T=.085, p >0.001), H5 ( $\beta$  =-.043, T=1.279, p >0.001), H6 ( $\beta$  = .041, T=1.750, p >0.001), H7 ( $\beta$  =.012, T= .482, p >0.001) showed insignificant T and p values.

#### 6.9.3. Discussion

This research "highlights the conditional effect of Regional (Soft Power) institutions on FDI. Third, it reinforces the crucial role that institutional conditions play in building confidence, which is necessary to attract resources and shift the international system's power balance towards Ecuador's perspective. Finally, it highlights the application of a unique approach for analyzing the complex linkages between Soft Power and FDI; the PLS-SEM method allows us to explore the situations of emerging economies despite the limits stated below" Buitrago et al. (2023).

The study's sample size is small (15 countries), which could be considered a weakness of the current study. Another disadvantage of the study is that it concentrated solely on a small number of indicators chosen after reviewing the literature and assessing the availability of data. Moreover, secondary data may have some context biases. However, by integrating new constructs, variables, and observations in the future, such as export, import, inflation, exchange rate, cultural aspects, demography, etc., the limitations of this study may be disregarded.

#### 6.9.4. Conclusion

The proposed model, which employs SEM-PLS to estimate and evaluate the correlation between selected indicators and the proposed Soft Power constructs, demonstrates that the independent latent variables account for a significant portion of the variability of the FDI construct Buitrago et al. (2023).

# CONCLUSION AND IMPLICATIONS

#### NEW SCIENTIFIC RESULTS

Linked to the previous chapter, this research demonstrates the critical role of these institutional conditions in promoting FDI from emerging economies to compare with the Ecuadorian single case study. As the author stated, Power is the ability to influence others using tangible and intangible resources. In this exploratory research, the author found that emerging economies used their Soft Power skills to attract investors (FDI) and favour their national interests.

On this basis, based on the findings of this study, the fundamental element of urban marketing, which is building a country brand that implies integrating efforts, the local governance of the Ecuadorian government's tourism and social economy sector does not ensure growth and sustainability development for the 24 Regions of Ecuador.

# Most prominent barriers and challenges to the nation branding

The role of locality in public service management in Ecuador is crucial for several reasons. Firstly, Ecuador is a diverse country with different regions, each with unique needs and challenges. Therefore, it is essential to have a localized approach to public service management to ensure that the needs of each region are met adequately.

Secondly, a localized approach to public service management allows for better coordination and communication between the government, local communities, and the international arena. This approach ensures that the government is aware of the specific needs of each community and can tailor its services accordingly. It also allows for greater community participation in decision-making processes, which can lead to more effective and sustainable solutions.

Thirdly, a localized approach to public service management can help to reduce corruption and increase accountability. When services are managed at the local level, it is easier to monitor and track the use of resources, making it more difficult for corrupt officials to misuse public funds.

Finally, a localized approach to public service management can help to promote economic development and reduce inequality. By focusing on the specific needs of each region, the

government can invest in infrastructure, education, and other services that can help promote economic growth and reduce poverty.

# Country branding or nation branding cannot be a government policy, it must be a state policy.

Problems in a time of inequality and social crisis are essential to engage citizens in more democratic urban planning and design. Still, there needs to be more immersive and interactive tools for the provinces of Ecuador and local governments to engage with stakeholders to co-create cities.

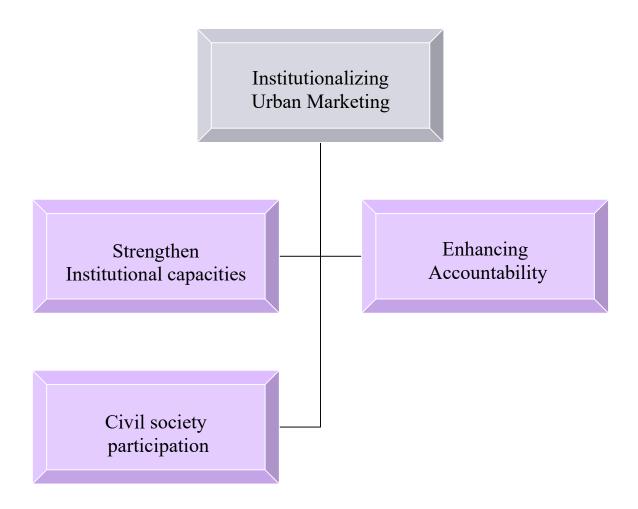
All in all, the contributions of the authors and the author Simon Anholt, the "father" of the term "nation brand," offer a perspective of the characterizations, dimensions, strengths, or variables that can provide positioning through the brand in a country. The nation brand hexagon would be used to assess the nation brand across six variables, viz. Indeed, this model is easy to interpret because all the dimensions are systematically concatenated, all with a similar level of importance to acquire a significant mark over time, which imprints on the experience itself a different perception of satisfaction and motivation towards their potential.

## Finding in relations to the Research Objectives

For the world to look at a small country like Ecuador, it is essential to build a strategic brand platform in both external and internal spheres that influence the decision-making process of the target population. Widler (2007), cited by Tatevossian (2008), states that if a country's brand is destined to be a national strategy, it must be promoted by opinion leaders and experts, become a point of reference for the internal and external market, become a magnet for investment and tourism, and mainly involve citizens. Anholt states that the reputation of a country Is built from six elements: tourism promotion, export brands, public policy decisions (can be foreign policy or successful domestic policies), how it seeks to attract foreign investment, cultural activities abroad and people from that country abroad (leaders and ordinary people). The formulation of the country's brand strategy is crucial.

# Recommendations

Figure: Recommended System for the Governance of Urban Marketing for the local governments of Ecuador



Source: Author s figure

The top priority for this research based on the quantitative methodology is Institutionalizing urban marketing. Institutionalizing is returning the entire power of governance of revenues of nation branding to the Ecuadorian local governments.

Decreasing central government dependency on the local economy. - In this case, the central government of Ecuador must work to diversify its economy. The importance of an investment plan it would help to escape depending on a single commodity such as mine and petroleum.

- Enhancing accountability
- Enforcing better transparency measures in the governance.
- Civil society participation

There is a need to bring all political parties together. Based on different points of political opinions and capabilities can be incorporated for better governance of the urban sector. In the absence of strong civil society organizations and the domination of elites, there is a need for a collective move from the leadership and the citizens to secure the country from high corruption and lack of institutional matters.

Table 40 Possible Solutions for Strengthening Good Governance of Marca Pais Ecuador

Legal Aspect	Independence of the Legal Body

	Promote the National Decree for Presence  Ecuador  Promote Public Private Partnership
Administrative Aspect	Creating Presence Ecuador institutional body
Institutional Aspect	Stregtheing the institutional capacity in Ecuador

	The Region – South America international arena
Accountability	Promoting transparency for building the public trust
Economic Aspects	Marca Pais national fund  Decrease economic dependence on the oil sector
Political Aspect	Reducing the pollical party influence

Reducing international influence

Reducing indigenous influence

The findings and remarks of this study contribute theoretically and empirically to the field of nation branding or Marca Pais in Ecuador, which is linked to the theory and practice of the role of the locality of public management. Moreover, this study's quantitative findings highlight Ecuador's local governance.

This study has shown that the local governance of the locality ensures urban marketing must experience certain essential transformations to reduce the structural weaknesses in the governance dilemma.

Finally, this study should be an asset for Ecuadorian and Hungarian policymakers regarding the Ecuadorian Marca País and locality governance since this urban thesis marketing approach is suggested, and international principles of nation branding of Ecuadorian governance are considered.

In light of these discussions, recommendations were found for overcoming the challenges and problems for local governments in urban marketing. The first challenge is weak law enforcement, even when legal support does exist to enforce Public Private Partnerships. Furthermore, weak institutional enforcement mainstreaming urban marketing towards Ecuador's Ministries and Diplomatic Missions abroad.

More importantly, an important fact: Marca País can contribute to local Ecuadorian governments' social and economic development if the central government pursues sound governance principles.

Additionally, political interference in the central government has affected the quality of governance development in local governance. For example, due to political influence,

Marca País has been defaulting on many functions in the governance of the Ecuadorian nation branding and the opportunity to attract FDI.

The Role of Locality in Public Service Management and Urban Marketing in Ecuador, pointing up Marca País, has achieved its hypotheses and its primary objective of conceptualizing the frame of good governance of local governments and making recommendations for achieving good governance in urban marketing for better ways to social, economic development.

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# LIST OF ABBREVIATIONS

Abbreviation	Stand for
AVE	Average Variance Extracted
AME	Regions and the Association of Ecuadorian Municipalities
BCa	Bias-Corrected and Accelerated
BCE	Banco Central del Ecuador
CONGOPE	Consortium of Provincial Governments of Ecuador
COOTAD	Código Orgánico de Organización Territorial, Autonomía y Descentralización Organic Code for Regional, Autonomous and Decentralized Organization
CB-SEM	Covariance-based structural equation modelling
CI	Corporate identity
DSc	Developed countries
ECLAC	Economic Commission of Latin America
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GG	Good Governance
GNP	Gross National Product
HTMT	Heterotrait-monotrait ratio
KMO	Kaiser-Meyer-Olkin
NPM	New Public Management
NRGI	Natural Resource Governance Institute
LVs	Latent variables
OECD	Organization for Economic Cooperation and Development
PLS-SEM	Partial least squares-structural equation modelling
PPP	Public-Private Partnership
RCI	Regional Competitiveness Index

RGI	Resource Governance Index
SDG	Sustainable Development Goals
SGP	Stability and Growth Pact
SPF	The Social Protection Fund
SPSS	Statistical Package for the Social Sciences
SSN	Social Safety Net
UN	The United Nations
UNCTAD	United Nations Conference on Trade and Development in Latin America and the Car- ibbean
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Program
UNSCR	United Nations Security Council resolution
US	The United States
USAID	United States Agency for International Development
WB	The World Bank
WGI	Worldwide Governance Indicators

# LIST OF APPENDICES

Appendix 1 Survey – Questionnaire Appendix 2 Result quantitative methodology

# **APPENDIX 1**

# **Questionnaire Survey Form**

Ecuador's Country Image Scales: (Lala et al., 2009)

## **Economic Conditions**

CI1: Ecuador is technologically very advanced.

CI2: Ecuador's economy is mostly industrial (not agricultural)

CI3: Ecuador's economy is very modern.

#### **Political Structure**

CI4: Ecuador's government/political system is very democratic.

CI5: Ecuador is a very peaceful country.

CI6: Ecuador citizens have a great deal of freedom (many rights).

#### **Environment**

CI7: Ecuador makes an aggressive effort to protect the environment.

CI8: Ecuador maintains very high standards for pollution control.

CI9: Ecuador is very concerned about the environment.

# **APPENDIX 2**

# **Indicator description 2019**

Table 41 Indicator description 2019

Geographica I level	Unit of meas- urement and description	Referenc e year	Included (I)/ Discarde d (D)	Reason for discardin g	Notes
NUTS0: IE, LT NUTS1: BE, DE, EL, SE, UK NUTS2 all the other countries (2013 rev)	z-scores (the higher the better)	2017	Ĭ		
NUTS0: IE, LT NUTS1: BE, DE, EL, SE, UK NUTS2 all the other countries (2013 rev)	z-scores (the higher the better)	2017	I		
NUTS0: IE, LT NUTS1: BE, DE, EL, SE, UK NUTS2 all the other countries (2013 rev)	z-scores (the higher the better)	2017	I		
country	survey data - % of respondents who agree	2018	I		
country	survey data - % of respondents who agree	2018	I		
country	score ranging from - 2.5 to 2.5 & % rank (0-100)	2017	I		

country	score ranging from - 2.5 to 2.5 & % rank (0-100)	2017	I	
country	score ranging from - 2.5 to 2.5 & % rank (0-100)	2017	I	
country	score ranging from - 2.5 to 2.5 & % rank (0-100)	2017	I	
country	score ranging from - 2.5 to 2.5 & % rank (0-100)	2017	Ī	
country	score ranging from - 2.5 to 2.5 & % rank (0-100)	2017	I	
country	score ranging from 0 (worst) to 100 (best)	2019	I	The indicator is included as a score and not as a rank any longer (orientation is reversed with respect to previous editions)
country	1-7 (best)	2017	I	
country	1-7 (best)	2017	I	
country	1-7 (best)	2017	I	
country	1-7 (best)	2017	I	
country	1-7 (best)	2017	I	

1-7 (best)	2017	I		
1-7 (best)	2017	Ĭ		
	Referenc e year	Included (I)/ Discarde d (D)	Reason for discardin g	Notes
% of GDP	avg 2016- 2018	I		
% of GDP	avg 2015- 2017	I		
EMU convergence criterion bond yields	avg 2016- 2018	I		
% of GDP	avg 2016- 2018	I		
% of GDP	avg 2016- 2018	I		NEW
5 years % change	2017	D	not fitting as detected by PCA	Newly tested but discarded
consolidated private debt as % of GDP	avg 2015- 2017	D	not fitting as detected by PCA	Newly tested but discarded
	1-7 (best)  % of GDP  % of GDP  EMU convergence criterion bond yields  % of GDP  % of GDP	1-7 (best)   2017	Referenc e year Included (I)/Discarde d (D)  % of GDP avg 2016-2018 I  EMU convergence criterion bond yields avg 2016-2018 I  % of GDP avg 2016-2018 I  Syears % change 2016-2018 I  sonsolidated private avg 2015- D	Reference e year   Included (I)/Discarde d (D)   Reason for discardin g

NUTS2	Population accessible within 1h30 by road, as share of the population in a neighbourhood of 120 km radius	2016	I	Dijkstra, L., Poelman, H., Ackermans, L. (2019) Road transport performance. European Union Regional Policy Working Papers, n. 01/2019. DOI:10.2776/04683
NUTS2	Population accessible within 1h30 by rail (using optimal connections), as share of the population in a neighbourhood of 120 km radius	2014	Ĭ	Poelman, H., Dijkstra, L., Ackermans, L. (2019) Rail passenger transport performance. European Union Regional Policy Working Papers (forthcoming).
NUTS2	daily no. of passen- ger flights	2016	I	
NUTS2			D	Not updated any longer since the last RCI edition. EXCLUDED
NUTS2 (2013 rev)	number of deaths in road accidents per million inhabitants	avg 2014- 2016	I	
NUTS2	number of years of healthy life ex- pected	avg 2014- 2016	I	
NUTS2	number of deaths of children under 1 year of age during the year to the number of live births in that year (per 1000 live births)	avg 2015- 2017	I	
NUTS2 (2013 rev)	standardized cancer death rate for popu- lation under 65 (neoplasm C00- D48)	2015 (3- year average)	I	
NUTS2 (2013 rev)	standardized heart diseases death rate for population un- der 65 (diseases of the circulatory sys- tem I00-199)	2015 (3- year average)	I	

NUTS2 (2013 rev)	standardized death rate for suicide for population under 65 (intentional self- harm X60-X84)	2015 (3- year average)	I		
country	Participation rate in job-related non- formal education and training spo- sored by the em- ployer (12 months prior the interview)	2016	Ĭ		NEW
country	% of people with access to infor- mation on education and training (age cohort 25-64)	2016	I		NEW
country	Share of people who self-reported that they do not know any foreign language (age co- hort 25-64)	2016	I		NEW
Geographica		Referenc	Included	Reason	Notes
l level		e year	(I)/ Discarde	for discardin	
			<b>d</b> (D)	g	
			<b>u</b> ( <i>D</i> )	8	
NUTS2	% of total population of age group	avg 2015- 2017	I	8	
NUTS2				8	
	% of population aged 25-64 participating in education and training (last	2017 avg 2015-		8	NOT FITTING (PCA)
NUTS 2	% of population aged 25-64 participating in education and training (last four weeks)  Percentage of population in a NUTS-2 Region who can access a university main campus within	2017 avg 2015- 2017	I		

	pleted at most lower secondary education (ISCED 0-2)			
NUTS2	distance to equilib- rium: absolute value of (rate women - rate men)	average 2015-2017	D	NOT FITTING (PCA)
NUTS 2	Persons employed aged 15-64 (excl. agriculture) as % of population same age cohort	average 2015-2017	I	
NUTS 2	percentage of la- bour force unem- ployed for 12 months or more	average 2015-2017	I	
NUTS 2	% of active population	average 2015-2017	I	
NUTS 2	GDP(ml euro pps)/hours worked (thousand) - EU28=100	2015	I	
NUTS 2	distance to equilib- rium: absolute value of (rate women - rate men)	average 2015-2017	I	
NUTS 2	distance to equilib- rium: absolute value of (rate women - rate men)	average 2015-2017	I	
NUTS 2	% of female unemployed	average 2015-2017	I	
NUTS 2	% of population aged 15-24 not in education, employ- ment or training	average 2015-2017	I	
NUTS2	Share of population aged 20-64 in involuntary part-time or temporary job	average 2015-2017	I	NEW

NUTS2 (2013 rev)	Net adjusted disposable household income in PPCS per capita (index EU28=100)	2014	I		
NUTS2 (2013 rev)	index GDP (pps) EU28=100 - EU28 average computed as population weighted average of the NUTS2 values	2016	Ĭ		
NUTS2 (2013 rev)	index population EU28=100	2018	I		
Geographica l level		Referenc e year	Included (I)/ Discarde d (D)	Reason for discardin g	Notes
NUTS2	% of total households	2018	I		
NUTS2	% of individuals	2018	Ī		
NUTS2	% of total households	2018	I		
country	1-7 (best)	2017	I		
country	1-7 (best)	2017	I		
country	1-7 (best)	2017	I		
country	% of enterprises with at least 10 persons employed in the given NACE sectors, by size class. NACE Rev 2	average 2016-2018	Ĭ		

	since 2009			
	Since 2009			
country	% of enterprises with at least 10 persons employed in the given NACE sectors, by size class. NACE Rev 2 since 2009	average 2016-2018	I	
country	% of enterprises with at least 10 persons employed in the given NACE sectors. NACE Rev 2 since 2009	average 2015-2016	Ī	
NUTS2 (2013 rev)	Employment in the "Financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities" sectors (K-N) as % of total employment	average 2014-2016	I	
NUTS2 (2013 rev)	GVA in the "Financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities" sectors (K-N) as % of total GVA	average 2014-2016	I	
NUTS 2 (2013 rev) NUTS1 level: AT, BE, BG, FR, UK Not available: EE, CY, MT, LT, LV, LU	SMEs with innova- tion co-operation activities as share of total number of SMEs	2017	I	
NUTS 2 (2013 rev) NUTS1 level: AT, BE, BG, FR, UK Not available: EE, CY, MT, LT, LV, LU	SMEs introducing marketing or organ- isational innovation as share of total number of SMEs	2017	I	NEW

Geographica l level		Referenc e year	Included (I)/ Discarde d (D)	Reason for discardin g	
NUTS2	number of applica- tions per million inhabitants		D		Latest available data from OECD is 2012
NUTS2			D		Newly tested but discarded Tested for the 2019 editon but the most recent year dates back to 2013
NUTS 2	% of population aged 15-64	average 2015-2017	I		
NUTS 2	% of total employment	average 2015-2017	I		
NUTS2 (2013 rev) NUTS1 level for AT, BE, BG, FR and UK	number of publica- tions per million inhabitants	average 2015-2017	I		
NUTS2 (2013 rev)	% of GDP	2015	I		
NUTS2	% of active population	average 2015-2017	I		
NUTS2	% of total employment	average 2015-2017	I		
NUTS2	number of applica- tions (high technol- ogy EPO patent) per million inhabitants		D		NOT AVAILABLE ANY LONGER AT THE REGIONAL LEVEL

NUTS2	number of applica- tions (ICT EPO patent) per million inhabitants		D	NOT AVAILABLE ANY LONGER AT THE REGIONAL LEVEL
NUTS2	number of applica- tions (biotechnolo- gy EPO patent) per million inhabitants		D	NOT AVAILABLE ANY LONGER AT THE REGIONAL LEVEL
NUTS 2 ((2013 rev)  NUTS1 level:  AT, BE, BG,  FR, UK  Not available: EE, CY, MT,  LT, LV, LU	Exports in medi- um/high technology products as a share of total product exports: measures the technological competitiveness of the EU, the ability to commercialise the results of re- search and devel- opment (R&D)	2017	I	
NUTS 2 (2013 rev) NUTS1 level: AT, BE, BG, FR, UK Not available: EE, CY, MT, LT, LV, LU	Sales of new to market and new to firm innovations as % of turnover: it captures both the creation of state-of-the-art technologies (new to market products) and the diffusion of these technologies (new to firm products)	2017	Ĭ	NEW It was tested for RCI 2016 but eventually excluded as it did not pass the statisti- cal tests

# **APPENDIX 3**

# **Summary Indicators**

Table 42 Summary Indicators

SUB-INDEX	PILLAR	SUB-PILLAR	INDICATOR
BASIC	INSTITUTIONS	INSTITUTIONS	Corruption - 2017
		REGIONAL	
BASIC	INSTITUTIONS	INSTITUTIONS	Quality and accountability -
		REGIONAL	2017
BASIC	INSTITUTIONS	INSTITUTIONS	Impartiality 2017
		REGIONAL	
BASIC	INSTITUTIONS	INSTITUTIONS	Country level corruption
		NATIONAL	perception - 2018
BASIC	INSTITUTIONS	INSTITUTIONS	Regional level corruption
		NATIONAL	perception - 2018
BASIC	INSTITUTIONS	INSTITUTIONS	Voice and accountability - 2017
		NATIONAL	

BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Political stability - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Government effectiveness - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Regulatory quality - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Rule of law - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Control of corruption - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Ease of doing business - 2019
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Property rights - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Intellectual property protection - 2017
BASIC	INSTITUTIONS	INSTITUTIONS  NATIONAL	Efficiency of legal framework in settling disputes - 2017
BASIC	INSTITUTIONS	INSTITUTIONS	Efficiency of legal framework in

		NATIONAL	challenging regulations - 2017
BASIC	INSTITUTIONS	INSTITUTIONS	Transparency of government
		NATIONAL	policymaking - 2017
BASIC	INSTITUTIONS	INSTITUTIONS	Business costs of crime and vio-
		NATIONAL	lence - 2017
BASIC	INSTITUTIONS	INSTITUTIONS	Organized crime - 2017
		NATIONAL	
BASIC	INSTITUTIONS	INSTITUTIONS	Reliability of police services -
		NATIONAL	2017
BASIC	MACROECONOMIC	STABILITY	General government defi-
			cit/surplus - average 2016-2018
BASIC	MACROECONOMIC	STABILITY	National savings - average 2015-
			2017
BASIC	MACROECONOMIC	STABILITY	Government bond yields -
			average 2016-2018
BASIC	MACROECONOMIC	STABILITY	Government debt - average
			2016-2018
BASIC	MACROECONOMIC	STABILITY	Net International Investment

		Position - average 2016-2018
BASIC	INFRASTRUCTURE	Road accessibility - 2016
BASIC	INFRASTRUCTURE	Railway accessibility - 2014
BASIC	INFRASTRUCTURE	Number of passenger flights -
		2016
BASIC	HEALTH	Road fatalities - average 2014-
		2016
BASIC	HEALTH	Healthy life expectancy - average
		2014-2016
BASIC	HEALTH	Infant mortality - average 2015-
		2017
BASIC	HEALTH	Cancer disease death rate - 2015
		(published as 3-year average)
BASIC	HEALTH	Heart disease death rate - 2015
		(published as 3-year average)
BASIC	HEALTH	Suicide death rate - 2015 (pub-
		lished as 3-year average)

BASIC	BASIC EDUCATION	Employer sponsored training -
		2016
BASIC	BASIC EDUCATION	Access to learning information
		material - 2016
BASIC	BASIC EDUCATION	No foreign language - 2016
EFFICIENCY	HIGHER EDUCATION & LIFELONG	Population 25-64 with higher
	LEARNING	educational attainment - average
		2015-2017
EFFICIENCY	HIGHER EDUCATION & LIFELONG	Lifelong learning - average 2015-
	LEARNING	2017
EFFICIENCY	HIGHER EDUCATION & LIFELONG	Early School leavers - average
	LEARNING	2015-2017
EFFICIENCY	HIGHER EDUCATION & LIFELONG	Lower-secondary completion
	LEARNING	only - average 2015-2017
EFFICIENCY	LABOR MARKET EFFICIENCY	Employment rate (excluding
		agriculture) - average 2015-2017

EFFICIENCY	LABOR MARKET EFFICIENCY	Long-term unemployment - average 2015-2017
EFFICIENCY	LABOR MARKET EFFICIENCY	
EFFICIENCY	LABOR MARKET EFFICIENCY	Unemployment rate - average
		2015-2017
EFFICIENCY	LABOR MARKET EFFICIENCY	Labour productivity - 2015
EFFICIENCY	LABOR MARKET EFFICIENCY	Gender balance of unemploy-
		ment - average 2015-2017
EFFICIENCY	LABOR MARKET EFFICIENCY	Gender balance of employment -
		average 2015-2017
EFFICIENCY	LABOR MARKET EFFICIENCY	Female unemployment - average
		2015-2017
EFFICIENCY	LABOR MARKET EFFICIENCY	Share of population aged 15-24
		not in education, employment or
		training (NEET) - average 2015-
		2017
EFFICIENCY	LABOR MARKET EFFICIENCY	Share of population aged 20-64
		in involuntary part-time or tem-
		porary job - average 2015-2017

EFFICIENCY	MARKET SIZE		Disposable income per capita - 2014
EFFICIENCY	MARKET SIZE		Potential market size expressed in GDP (PPS) - 2016
EFFICIENCY	MARKET SIZE		Potential market size expressed
			in population - 2018
INNOVATION	TECHNOLOGICAL READINESS	TECHNOLOGICAL READINESS	Households with access to
	READINESS	REGIONAL	bivaubanu - 2010
INNOVATION	TECHNOLOGICAL READINESS	TECHNOLOGICAL READINESS	Individuals buying over Iinternet - average 2018
	ALL DIVLOS	REGIONAL	with age 2010
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	Household access to internet -
	READINESS	READINESS REGIONAL	average 2018
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	Availability of latest technologies
	READINESS	READINESS	- 2017

		NATIONAL	
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	Firm-level technology absorption
	READINESS	READINESS	-2017
		NATIONAL	
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	FDI and technology transfer -
	READINESS	READINESS	2017
		NATIONAL	
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	Enterprises having purchased
	READINESS	READINESS	online (at least 1%) - average
		NATIONAL	2016-2018
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	Enterprises having received
	READINESS	READINESS	orders online (at least 1%) -
		NATIONAL	average 2016-2018
INNOVATION	TECHNOLOGICAL	TECHNOLOGICAL	Enterprises with fixed broad-
	READINESS	READINESS	band access - average 2015-2017
		NATIONAL	
INNOVATION	BUSINESS SOPHIST	ICATION	Employment (K-N sectors) -
			2014-2016

INNOVATION	BUSINESS SOPHIST	ICATION	GVA (K-N sectors) - 2014-2016
INNOVATION	BUSINESS SOPHIST	ICATION	Innovative SMEs collaborating with others - 2017
INNOVATION	BUSINESS SOPHIST	ICATION	Marketing organisational innovators - 2017
INNOVATION	INNOVATION		Core Creative Class employment - average 2015-2017
INNOVATION	INNOVATION		Knowledge workers - 2015-2017
INNOVATION	INNOVATION		Scientific publications - average 2015-2017
INNOVATION	INNOVATION		Total intramural R&D expenditure - 2015
INNOVATION	INNOVATION		Human Resources in Science and Technology (HRST) - 2015-2017
INNOVATION	INNOVATION		Employment in technology and knowledge-intensive - average 2015-2017
INNOVATION	INNOVATION		Exports in medium-high/high

		tech manufacturing - 2017
INNOVATION	INNOVATION	Sales of new to market and new to firm innovation - 2017

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# **CURRICULUM VITAE**

# **Stefany Mercedes CEVALLOS**

### Ecuador

Mobile: 00593 998 59 69 95

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PhD Thesis: The role of Locality in Public Service Management, Theory and Practice of Urban Marketing

# **Academic Appointments**

National University of Public Service

Doctoral School of Public Administration Sciences

### Research

**PUBLICATIONS** 

Public Diplomacy and Its Related Concept to Soft Power: Ecuadorian Commitment

ACADEMIC AND APPLIED RESEARCH IN MILITARY AND PUBLIC MANAGE-MENT SCIENCE 21: 1 pp. 47-60., 14 p. (2022)

Putting Local Governments of Ecuador at the Heart of Urban Marketing

KOŠICKÁ BEZPEČNOSTNÁ REVUE 12 : 2 pp. 13-27., 15 p. (2022)

 Physical Environment in Forming the Urban Corporate Identity: Hong Kong's CBDs

CORVINUS REGIONAL STUDIES 6 : 1–2 pp. 71-86., 16 p. (2021)

Public Service Management in Ecuador

ACADEMIC AND APPLIED RESEARCH IN MILITARY AND PUBLIC MANAGE-MENT SCIENCE 19: 1 pp. 37-44., 9 p. (2020)

• El rol del marketing urbano y la gobernanzade los gobiernos locales del Ecuador

ESTUDIOS DE LA GESTION: REVISTA INTERNACIONAL DE ADMINISTRACION 2020 : 8 pp. 149-167., 19 p. (2020)

# SEMINAR AND CONFERENCE PRESENTATIONS

- (1) Paper entitled: Public Service Management in Ecuador in HUNGARY
- (2) Paper entitled: El rol del marketing urbano y la gobernanzade los gobiernos locales
- del Ecuador in ECUADOR
- (3) Research Article entitled: Analysis of local information systems of Ecuador and the importance of urban marketing
- (4) Research Article entitled: The potencial benefits of urban marketing: Ecuador case study forma a sociological spectrum
- (5) Research Article entitled: Social Impact of E-Government in Urban Marketing in SPAIN
- (6) Research Article entitled "Good Governance in urban marketing invest in Bogotá Case

- (7) Presentation of Paper entitled: Analysis of local information systems of Ecuador and the importance of urban marketing In: 'Spotlight 2030' Smart Cities International Conference (SCIC) in RUMANIA
- (8) Presentation of Paper entitled: The potencial benefits of urban marketing: Ecuador study forma a sociological spectrum
- (9) Presentation of Paper entitled "Good Governance in urban marketing invest in Bogotá Case In: A haza szolgálatában : Konferenciakötet

### University research activity

Quito, Ecuador

Pontifical Catholic University of Ecuador – Sociology and Political Science applied with International Relations \*scholarship provided from Pontifical Catholic University of Ecuador (merit-based)

Teoría y práctica de los feminismos en relaciones internacionales : perspectiva del feminismo en el Ecuador 2000-2010

### MA research activity

Budapest, Hungary

National University of Public Service – Master of Arts in Public Service and International Relations\*scholarship provided from University of Public Service of Budapest, Hungary (merit-based)

Understanding Governance in Ecuador and Hungary from a diverse political and social spectrum

# Languages

Spanish language	Native
English language	Fluent
French language	Fluent
Hungarian, German, Farsi, and Turkish	Basic
languages	

ADDITIONAL INFORMATION		
Skills and	•	Strong quantitative background
qualifications	•	Strong computer skills including programming
Teaching	•	Assistant professor 2020 – 2021
Gender main- streaming		Director not-for-profit foundation: Mujeres Textileras de Esmeraldas "Manos Productivas"  Consultancies and academic research: Gender Equality in Ecuador and Understanding Governance in Ecuador and Hungary from a diverse political and social spectrum. Teoría y práctica de los feminismos en relaciones internacionales: perspectiva del feminismo en el Ecuador 2000-2010.
Volunteer work		<ul> <li>2022- 2023. Active member CASA ALIANZA SUIZA</li> <li>Casa Alianza. Geneve – Switzerland is a non-governmental organization dedicated to social and family reinsertion and defending children's rights in countries of Latin America.</li> <li>2016. Spanish professor: Comunidad de Guillero in Yasuni ITT- indigenous community (WAORANI), Amazon Region of Ecuador</li> </ul>
Featured projects		Orienteering. Collaborating with sport federations and organizations to create international orienteering events, and to make use of orienteering as a tool for public space exploration and community building.  December 2022, Event planner in Bangkok, Thailand. A six-day urban orienteering event in Bangkok, to explore neighborhoods and public spaces of the city and interact with its urban fabric through urban orienteering
	•	Indigenous Tsafiqui

# Race/Ethnicity

# Peer-reviewed articles, teaching expert. Conferences in Europe and Latin America Participation in the Youth Forum 2000 GARMISH, GERMANY (2016), CEE e-Dem and e-Gov and Digital Divide Budapest (2017). Volunteering at Urban Future Helsingborg, Sweden, UF22. Participation in Placemaking Week Europe 2022 – Pontevedra, Spain. Culture Visited over 40 countries, located in 4 continents. I lived in Ecuador, Hungary, Slovenia, Spain, and Switzerland. Leadership Managed the Publication 'MEMORIA DE RESPONSABILIDAD SOCIAL PROYECTO REFINERIA ESMERALDAS' DINAMICA, (2013) Co-founder Start-up METVIBE