A decade ago Colombia was in a terrible mess. The country had the highest homicide rate in the world, and was the center of the international drug industry. Kidnapping was rife. A series of leading politicians had been assassinated, and probably one-third of all the legislators elected in 2002 received “assistance” from paramilitary groups. The combined fighting strength of non-state-armed actors, left-wing guerrillas, and paramilitaries was approaching 50 percent of the size of the national army, and the guerrillas had formulated a plan to encircle and capture the capital city Bogotá. In high society something akin to a panic was setting in, as Colombians tried to move their assets overseas and angled for foreign passports.

Things changed in 2002, when Álvaro Uribe was elected president on a platform of “democratic security.” Uribe increased the size of the army from 203,000 soldiers in 2002 to 283,000 a decade later. The army also began relying less on conscripts, with the number of professionals in the ranks rising from 59,000 to 87,000. Defense expenditures increased by 10 percent relative to GDP (from 3.7 to 4 percent) during this period. To help pay for this, Uribe imposed on rich citizens a progressive “democratic security tax,” which averaged about 0.35 percent of GDP per year.

A sustained military offensive pushed the principal rebel group, the Revolutionary Armed Forces of Colombia (FARC), out of half of the municipalities in which it was present in 2002, and led to the killing of its leaders Raúl Reyes, Mono Jojoy, and Alfonso Cano, while the main leader, Manuel Marulanda, died in 2006 of natural causes. A sharp drop in the homicide rate and the numbers of kidnappings accompanied the military successes. In 2005, Uribe also persuaded around 30,000 members of paramilitary groups to demobilize and confess to their crimes in exchange for reduced sentences.

As the security situation improved, so did Colombia’s international image. The country has gone from being a potential failed state to joining CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa), a group of dynamic and newly emerging states ready to take an equal place at the world table.

Foreign direct investment over the past 10 years has risen from $1.5 billion to $13 billion. Investment has grown from 17 percent of GDP to 27 percent, undoubtedly in response to enhanced security and greater optimism about the future. Saving, meanwhile, has increased to around 18 percent of GDP. Government debt has fallen from nearly 60 percent of GDP in 2002 to 43 percent today. And the rate of economic growth has accelerated: After averaging 3 percent per year between 1990 and 1999, it rose to 4.2 percent on average between 2000 and 2011. Finally in 2011, US President Barack Obama signed a free trade agreement with Colombia.

Building on these developments since entering office in August 2010, President Juan Manuel Santos, while trying to maintain the military initiative, has launched an ambitious attempt to resolve Colombia’s conflicts once and for all by restoring vast amounts of land to people who have been dispossessed of possibly 5 million hectares in the fighting. This program of land reform, encapsulated in the so-called Victims’ Law, went into effect on June 10, 2011. And in August 2012, the Colombian government signed a six-page set of principles for peace negotiations with the FARC, which are ongoing in Havana, Cuba, as I write.

Has Colombia finally turned a corner, and will peace with the FARC and possibly the other main
rebel group, the National Liberation Army (ELN), represent the finishing touches to its resurgence?

The first step toward answering this question is to consider where Colombia’s violence and disorder originated. It is tempting, and common, to attribute such problems to the drug industry, but this is a mistake. The country’s status as the capital of world drug trafficking reflected the prior dysfunctional organization of Colombian society. It is also tempting, and wrong, to blame Colombia’s woes on the guerrillas. Like the drug industry, they are an outcome of more deep-seated problems.

Fundamentally, all the ills that Colombia has experienced stem from the way it has been governed. The best way to conceive of this is as a form of indirect rule, common during the period of European colonial empires, in which the national political elites residing in urban areas, particularly Bogotá, have effectively delegated the running of the countryside and other peripheral areas to local elites. The provincial elites are given freedom to run things as they like, and even represent themselves in the legislature, in exchange for political support and not challenging the center.

It is this form of rule in the periphery that created the chaos and illegality that have bedeviled Colombia. Drugs, mafias, kidnappers, leftist guerrilla groups, and “rightist” paramilitaries certainly have exacerbated the country’s problems, but the problems all have their source in the nation’s style of governance. As the Colombian writer R.H. Moreno Duran put it: “In Colombia, politics corrupts drug dealing.”

**Stakes in the Status Quo**

This system, such as it is, raises obvious questions. First, what interests keep it in place? Second, how can a system that creates such disorder in the periphery be stable? And third, why do peripheral elites find it in their interests to have such a chaotic society?

None of these questions has a definitive answer, but some of the mechanisms at play seem clear. First, it is easy to see at least some of the interests involved in the system. The turmoil in Colombia’s countryside lowers the price of votes. Instead of having to develop platforms and win support by offering policies or particular favors, politicians get elected by winning the support of local bosses, or perhaps become the bosses themselves.

Consider the former senator Fabio Valencia Cossio, who in 1998 boasted the second-highest number of votes cast for a senator, after the former presidential candidate and long-term kidnap victim Ingrid Betancourt. Valencia Cossio, subsequently interior minister under Uribe, knew exactly how to pile up votes—with the aid of Ramón Isaza, leader of a paramilitary group, the Peasant Self-Defense Forces of the Middle Magdalena, whose help he solicited in “winning” elections. So one explanation for the durability of peripheral chaos is that, by facilitating deals like the one Valencia Cossio tried to make with Isaza, the system makes it much cheaper for elites to garner votes. The elites in any case view it as too costly to actually build state capacity in rural areas.

A second mechanism showing the interests at stake is that the system makes Colombian democracy very elite-friendly. One salient theory of the origins of democracy is that it results from a compromise or a concession made by elites to avoid disorder, or in the extreme to limit revolution. In a nondemocratic system, the disenfranchised may cause trouble, riot, or rebel because they have no say in how policy is determined. Such rebellion is costly to elites, so they create democracy as a way of bringing people into the system, thus escaping social chaos.

This is not a good model, however, for explaining the origins of Colombia’s democracy. It was not forced on elites by a threat from the masses. Rather, as the research of Eduardo Posada-Carbó has shown, democratic political institutions provided a means for elites to share power among themselves in a way that would avoid infighting. An early version was the “incomplete vote” after an inter-party conflict known as the War of a Thousand Days between 1899 and 1902. This system, which Sebastián Mazzuca and I have studied, gave two-thirds of legislative seats to Conservatives, the dominant party at the time, but guaranteed one-third to Liberals, however many votes they polled, to keep them happy. The system broke down in the 1930s. However, in 1958, after another bloody inter-party civil war, a National Front pact provided more or less the same arrangement, except that the parties shared everything 50–50.

These agreements and their persistence reveal one of the remarkable things about Colombian politics, namely the extent to which the nineteenth-century political parties remained in power during the twentieth century, a phenomenon unique in Latin America. But to keep moving ahead with different schemes to cartelize politics, one thing was critical: Entry of new political parties had to be
avoided. This was achieved by various methods, including the form of the electoral system.

But another obvious contributing factor is the ease with which new political forces could be eradicated by murder and violence. In the 1980s, around two thousand members of the Patriotic Union Party were murdered, along with two of its presidential candidates, Jaime Pardo Leal and Bernardo Jaramillo Ossa. Carlos Pizarro, the 1990 presidential candidate for the demobilized guerrilla group M-19, was assassinated as well. And political murder did not start then. It goes back at least to the assassination of the radical Liberal leaders Jorge Eliécer Gaitán in 1948 and Rafael Uribe Uribe in 1914, and probably far earlier. Thus chaos in the periphery facilitated the persistence of the cartelized, oligarchic democracy which the traditional parties created in the nineteenth century.

Another mechanism revealing the interests at stake in perpetuating Colombia’s system of governance is that conflicts in rural areas guarantee that the periphery is not able to cooperate against the center. A common theory in African politics is that the center foments chaos in the periphery in order to “divide and rule.” Sudan and Congo are the classic cases. And this idea can certainly be applied to Colombia. Consider Rodrigo García Caicedo, a cattle rancher and civic leader in Córdoba, who was centrally involved in the creation of paramilitary groups in his department. In 1990 he told a leader of the M-19 rebels: “I am sure that if the guerrillas had spoken to us, instead of attacking us, we would have had a common war, not a war amongst us or against us. We would have organized and had all risen against the central state.”

When another paramilitary boss, Rodrigo Tovar Pupo (nicknamed “Jorge 40”), was writing an autobiography before he was extradited to the United States in 2008, he recalled realizing “the great inequalities of the country and the lack of commitment of the few owners of power to work for the benefit of the large social majorities of the country.” The “owners of power” Jorge 40 was referring to were in the national government in Bogotá.

**Situational ethics**

The second question—how can a system that creates such disorder remain stable?—is even more difficult. The last set of arguments suggests that it would not be in the interests of those benefiting from the system if the country became something like a sub-Saharan African country with far less wealth for everyone. But how could they stop this from happening?

I think the reason is that the core and the periphery have evolved into a stable equilibrium where all the actors behave differently in different contexts. This is a form of what the political anthropologist Edward Banfield described as the root of poverty in southern Italy. Banfield pointed out that people applied very different criteria to behavior in different contexts: one within the extended family, another one toward everyone else. Although the relevant setting in Colombia is not necessarily the family, many examples suggest that Colombians also apply generalized or limited morality in different contexts. The net result is to make the system stable.

Two examples illustrate this phenomenon. The first relates to one of the burning issues in Colombia today: compensation for the perhaps 4 million people who have been displaced from rural areas in 15 years of conflict. Chapter three of the Victims’ Law establishes land restitution for peasants who were dispossessed of their land in the past two decades.

In the Colombian Senate, one of this policy’s main proponents has been Juan Fernando Cristo, originally a politician from the department of Norte de Santander. However, in 2011 local elections, he supported the bid of his brother Andrés to become mayor of his hometown, Cúcuta, in alliance with the powerful local political boss and ex mayor of the city, Ramiro Suárez. Suárez, who was arrested on August 12, 2011, was a well-known ally of paramilitaries responsible for murders and thousands of crimes in the department. A regional court has since sentenced him to spend 27 years in prison for the assassination of a former city legal adviser. When confronted by a journalist with the contradiction, Senator Cristo simply said: Local politics operates under a different logic.

A second telling example is the career of Congressman Víctor Renán Barco. Barco formed part of what was known as the “coalition” that ran the department of Caldas for 30 years until his retirement from politics shortly before his death in 2009. In Bogotá, Barco was often seen with the Economist magazine under his arm. He was a regular contributor to the business newspaper Portafolio. He was known as the “nemesis of the minister of finance”.

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for his unyielding advocacy of fiscally prudent macroeconomic policies. Yet back in Caldas, in his base at La Dorada, Barco had the reputation of running one of the toughest and most uncompromisingly clientelistic vote-buying machines in the country, a machine that would not tolerate opposition or criticism. The fate of journalists who investigated this machine, such as *La Patria*'s Orlando Sierra, was typically a bullet in the head.

These examples show that in different contexts Colombian politicians apply different standards and rules of behavior. Sometimes, when nationally advocating for sound economic policy or the Victims' Law, they appeal to universal principles. At other times, when involved in peripheral politics, they apply much more parochial standards. That people behave like this and have become conditioned to do so is a big part of how the system reproduces itself without some grand design.

**Shifty elites**

The third question—why do peripheral elites find it in their interests to have such a chaotic society?—is also hard to answer. You might think that local elites would have little cause to foment conflict and would do better economically with stability. Take the case of former Senator Álvaro Alfonso García Romero, now serving 60 years in prison for connections with paramilitaries and for masterminding a 2000 massacre in Macayepo, in which 15 peasants were beaten to death. He was a prime example of a regional landed elite whose family had extensive landholdings as well as important interests in tobacco and other agricultural crops. Why would he bother getting involved with massacres?

The best way to think of this is as part of an equilibrium that does not always serve the interests of the regional elites who dominate at any particular moment. The key point is that there is a huge amount of elite circulation. In Bolívar, for example, the current senator who receives the most votes is Héctor Julio Alfonso López, known as El Gatico (little cat). His nickname comes from his mother, Enilse López, known as La Gata (the cat), who for the past decade has run a monopoly of the gambling game known as “chance” in the coastal departments. Héctor Julio’s brother, Jorge Luis, is in prison, under investigation for irregularities, including murder, during his tenure as mayor of Magangué, where La Gata is headquartered. La Gata, supposedly a former girlfriend of Gonzalo Rodríguez Gacha, one of the founders of the Medellin drug cartel in the 1970s, rose to power with the help of paramilitaries. She is accused of involvement with many massacres—such as one at El Salado in Sucre in 2000, in which paramilitaries murdered 60 people.

La Gata and El Gatico are not traditional elites by any stretch of the imagination. They are new, upwardly mobile elites who have emerged thanks to their ability to manage and benefit from the conflicts in rural Colombia. Although the system has a remarkable capacity to absorb such people, this does not imply that it generates very good institutions in rural areas. Rapid turnover of elites tends to create incentives for predation, and it fosters poor property rights and investment incentives. The new elites prey on the old ones and are themselves in turn preyed upon. A complementary factor is that few Colombians have well-defined property rights, and much land has been acquired illegally, thus making it difficult to legalize any particular status quo.

It is easy to think of paramilitary leaders like Jorge 40 as gangsters, mafiosos—as some were and are. But to think of them only this way is to misunderstand the phenomenon. In one-third to one-half of rural Colombia they are the state, and can do anything they like. Colombians called Jorge 40 “El Papa Tovar” (in Spanish, the Pope), and from his “Vatican” in the San Angel plains of the Magdalena River in the department of Cesar he ruled over his small empire of 20 armed fronts in three departments. His authority in that region of the Caribbean coast was such that peasants whose land had been stolen by his men petitioned him as if he were a government official. “With my usual respect, I write to you to authorize whomever it corresponds to return my land in the municipality of San Angel to me... I was evicted from this land four years ago and my family depends on it to survive. Today we wander from city to city looking for ways to make a living,” wrote a woman whose letter was found by the police in Tovar’s headquarters. Jorge 40 was the state in Cesar.

Other groups were just as dominant. Ramón Isaza’s “capital” was Puerto Triunfo in the far east of the department of Antioquia, where he started his first paramilitary group, called “The Shotgun-
ners,” in 1977. Isaza ruled the area for almost 30 years. One of his key commanders was his son-in-law, Luis Eduardo Zuluaga (nicknamed “MacGyver”—McGuiver in Colombia—after a US television character). McGuiver commanded the José Luis Zuluaga Front (FJLZ), which controlled a territory of some 5,000 square kilometers.

The FJLZ had a written (albeit very incomplete) legal system of “estatutos” (statutes) that it (imperfectly) enforced. It allowed rudimentary equality before the law in the sense that the same laws applied to members of the FJLZ as to civilians. The FJLZ also had a bureaucratized organization with functional specialization among the military wing, civilian “tax collectors,” and a civilian “social team,” which appears to have been remarkably unpatrimonial. The FJLZ regulated trade and social life. It had a mission statement, an ideology, a hymn, a prayer, and a radio station. It handed out medals, including the “Order of Francisco de Paula Santander” and the “Grand Cross of Gold.”

The FJLZ taxed every landowner and businessman in its territory. It even taxed drug dealers and cocaine laboratories, though it was not itself involved in the drug business (indeed, it rather disapproved of it). It built hundreds of kilometers of roads, and extended electrification in rural areas. It built schools, and paid for teachers and musical instruments in others. It started a health clinic, rebuilt an old-age people’s home, constructed houses for poor people, created an artisan center, and built a sports stadium and bull ring.

All of this is perhaps best summed up by the ironic question a paramilitary boss, Ernesto Báez, asked of a judge in Bogotá: “How could a small independent state work inside a lawful state such as ours?” If you want to understand Colombia, you need to understand how.

**POLITICAL CARTELS**

The complexity of this system today is that it is not held in place by some grand Faustian pact or Machiavellian calculation, but has evolved over a long period of time. There is considerable evidence for this duration. Take the career of Dumar Aljure. An army deserter and Liberal guerrilla during the civil war known as “The Violence” in the 1950s, he ran an “independent republic” in the plains department of Meta for 15 years until the army killed him in 1968. From his “capital” in San Martín, Aljure raised taxes and regulated trade and society, just like Jorge 40 or Isaza. More important, he also delivered votes for local politicians in Villavicencio, who in exchange left him alone. His mistake was to attempt to change sides in the 1968 election. He backed the losing candidate, and the winner finally let the army go after him.

The system of governance in Colombia generates other phenomena that also tend to reproduce it. One is the remarkable extent to which the economy is cartelized. Rich people in Colombia mostly make their money from monopolies in protected sectors that are created and shielded by the government and enforced by predatory behavior and even violence. The richest men in Colombia have monopolized different sectors—Carlos Ardila Lülle, soft drinks and sugar; Luis Carlos Sarmiento, banking and financial services; Julio Mario Santo Domingo, beer.

Such cartelization arises easily from a political system that lacks accountability. And it extends from production to wholesale, where, for example, “El Cebollero” (“The Onion Seller”—Alirio de Jesús Rendón) used violence to establish a monopoly of the domestic trade in onions. This economic structure creates large differences between domestic prices and those in neighboring countries, which induce a vast flow of contraband across Colombia’s borders. Indeed, the famous drug lord Pablo Escobar started his criminal career smuggling cigarettes and other consumer goods before switching to cocaine. Thus the system of governance creates a comparative advantage for criminality, perhaps the main factor that made Colombia a global center of drug trafficking.

**BABY STEPS**

Despite this history, the nation has seemingly changed in the past decade. Is this a new Colombia? Perhaps. Certainly, many believe this to be true. However, general signs and the logic of my argument suggest that it is not. There are many reasons for this, but the most fundamental is that, despite all of the gains under the past two presidents, neither administration has broken with the fundamental system of governance that created the country’s problems.

The unreformed nature of governance has surfaced many times during the past decade. President Uribe wasted vast amounts of time and political capital attempting to change the constitution so he could remove a term limit and stay in power. He succeeded once (with the politicians elected with paramilitary support in 2002 heavily in favor), but failed at his second attempt.

Also indicating a lack of change is the so-called “chuzadas” scandal, in which the Uribe govern-
ment used the Administrative Department of Security, the Colombian version of the Central Intelligence Agency, to illegally tap the phones of a large number of political opponents and anyone who criticized the administration, including the local director of Human Rights Watch. The government also phone-tapped members of the Supreme Court to find evidence to disgrace them.

Even the Victims’ Law, President Santos’s flagship policy to change the country, is widely regarded within Colombia as symbolic and basically impossible to implement. In September 2010 Agriculture Minister Juan Camilo Restrepo visited the municipality of Necocli in the region of Urabá, the northern part of Antioquia. He was there to start the process of land restitution. The same day one of five community leaders who had led the campaign for justice, Hernando Pérez, was beaten to death. Four unused bullets were left at the scene: one for each of the other leaders. The sixth, Albeiro Valdés, had been murdered four months earlier.

An interesting comparison is with the government of Carlos Lleras Restrepo, which, between 1966 and 1970, launched an ambitious program of agrarian reform. Lleras Restrepo, probably the most competent Colombian president of the twentieth century, possessed impressive technocratic skills, and he operated in a cooperative international environment, in the context of the Alliance for Progress launched by President John F. Kennedy. Yet agrarian reform failed, mostly because Lleras Restrepo could not get local elites to cooperate.

A series of articles in October 2012 in the newspaper El Espectador, regarding the northwestern Urabá region, revealed that no land there has yet been redistributed. It quoted a local peasant as saying “it is easier to hold back the sea with a finger than return these lands to their legitimate owners.” The same series pointed out that, while the paramilitaries may have demobilized in 2006 and the senior leaders are in prison, their actual number on the ground has doubled in Urabá. Leaders such as “El Áleman” (“The German”—Freddy Rendón Herrera) effectively exercise control from prison.

It is true that violence has declined in Colombia, and there is now for the first time a police station in La Danta, something McGuiver insisted on before he demobilized. But despite these undeniable gains, the rich people in Latin America’s most unequal country remain unwilling to pay for many public goods. When the Uribe government launched its flagship National Consolidation Plan in 2008 to establish the presence of the state in areas from which the FARC had been driven, $237 million to fund the initiative had to come from the US Agency for International Development. Colombia’s elites, accustomed to their politics of indirect rule, have little interest in financing efforts to establish order in the countryside. And this is not because they face high rates of taxation already: While the poorest 10 percent of Colombians pay 8 percent of their income in taxes, the richest 10 percent pay just 3 percent.

Violence remains a remarkable and normal part of life in Colombia. In the local elections of October 2011, 41 candidates were murdered—the tip of an iceberg of intimidation and threats. Of 76 trade unionists slain in the world in 2011, according to the International Trade Union Confederation, 29 were killed in Colombia. In October 2012 the transportation secretary of the city of Cali, Alberto Hadad, had to leave the country in the face of death threats. His “crime” was to propose the construction of an integrated public transport system for the city, which would have undermined the rents that accrue to private bus operators.

**No time for euphoria**

All of this implies that if the FARC and maybe the ELN do decide to demobilize, though this will be a good thing, the country’s problems will be far from over. Like the drug economy, Colombia’s left-wing insurgency is an outcome of the style of indirect rule that spawns violence and illegality in the periphery. Indeed, the demobilization of paramilitaries in 2006 led to a proliferation of new armed groups, for example “Los Urabeños” and “Los Rastrojos,” the former of which showed its power in January 2012 by enforcing a two-day “armed strike” across the departments of the Caribbean coast, forcing many businesses to close for 48 hours. The FARC’s demobilization could have similar effects.

Making a different Colombia entails tackling the basic way in which the country has been governed since its inception as an independent republic in 1819. Uribe’s National Consolidation Plan represented a small first step toward that end, but, good though it was, its framing did not sufficiently acknowledge the politics behind the Colombian state’s incapacity in the periphery. Unfortunately, rather than encouraging and intensifying agrarian reform and state-building efforts, peace with the FARC is more likely to lead to so much euphoria that all such plans will be canceled—precisely the wrong thing to do.