

The Misery in Colombia*

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Abstract

For most of the country's history, the majority of Colombians have been in absolute poverty and plagued by violence and insecurity. I argue that the extent and persistence of poverty and violence in Colombia is a consequence of extractive facets of political institutions. These have two main dimensions; the very low quality of 'actually existing democracy'; and the 'Janus-faced' nature of the weak, ineffective Colombian state. I provide an analysis of the political logic which maintains the extractive aspects of these institutions in place and how they interact with the inclusive aspects of Colombian institutions. I argue that Colombian institutions have become slowly less extractive over time because of elite attempts to counteract some of the internal contradictions of the coexistence of extractive and inclusive institutions. This has resulted in falls in poverty and violence and a gradual modernization of the country. Nevertheless, the powerful forces which have kept Colombia poor and violent remain in place and powerfully reproduce themselves. I outline what a solution to Colombia's problems might look like.

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1 Introduction

Colombia is a country with a lot of poor people and always has been. Writing in the 1860s Liberal intellectual and politician Miguel Samper vividly described its extent in his book *La Miseria en Bogotá*

“Of all the capital cities in South America, Bogotá is the one most left behind ... Beggars fill the streets and plazas . . . But not all beggars are found in the streets. The largest share of the city’s poor, which we call the shameful, hide their misery, they lock themselves and their children away in dismantled rooms and suffer the horrors of hunger and nudity. If it were possible to perform a census of all the people which could be included under the name ‘shameful’ in Bogotá — among which descendants of the heroes in the independence of our country are included— the figure would be terrifying and the danger would be judged more imminent” (Samper, 1867, pp. 8-9).

Colombia is also a country with a lot of violence and an ineffective state and always has been. Writing a little later, Liberal intellectual, economist and finance minister Aníbal Galindo recorded in his *Recuerdos* a conversation with the French ambassador Monsieur Daloz who asked

“But what defense do you allow, Señor Galindo, for the fact that in your eighty years of national independence you have not been able to build a highway - not even a cart road - eighteen leagues long connecting the highlands and your river port of Honda on the Magdalena, and to the fact that you still make use of the same mule trail, though much deteriorated ... which the Spanish left you upon fleeing the country in 1819, in spite of the fact that even the least of your revolutions consumed a hundred times what construction of the highway would have cost” (Galindo, 1900, pp. 291-293).

Despite 120 years of sustained economic growth which took off in the 1890s, educational expansion, urbanization and ‘modernization’, poverty and violence (in the form of revolutions) in Colombia have remained persistently high, notwithstanding the recent reductions in both. Moreover, despite this progress in absolute terms, the level of prosperity of Colombia relative to the US has mostly deteriorated. According to the contemporary estimate of Camacho Roldán GDP per-capita in Colombia in 1872 was about 34% of the US level (see Camacho Roldán, 1895, García-Jimeno and Robinson, 2010). Today it is around 23%. Figure 1 plots income per-capita in Colombia during the long divergence since 1850 using data from the Maddison project

(see Bolt and van Zanden, 2014). The left-scale shows the level of income per-capita in 1990 US dollars. The right scale shows the level of GDP per-capita in Colombia relative to the US level. It shows that Colombians relative income per-capita declined steadily until about 1905, bottoming out at about 15% of the US level, and then reversed, particularly during the Great Depression when income fell dramatically in the US. Since then relative income per-capita has settled into the 20-25% range for the past 60 years. Thus though there has been improvement in levels, and on average Colombians have higher incomes now than in the past, Colombia's economic position relative to the leading economic nations of the world has deteriorated.

Such dynamics are not particularly anomalous in Latin America and in this sense Colombia is a 'normal Latin American country' (Robinson, 2007). In this essay however I want to focus on proposing an explanation for this divergence in Colombia which will help explain some of the perhaps more uniquely Colombian features, such as the extraordinarily high levels of violence. Figure 2 plots available historical data on poverty rates using different data sources. There are many different ways of measuring poverty. In Colombia one is from the census which measures the extent of "unfulfilled basic needs" (NBI). In the 1973 census, fully 70% of Colombians had such unfulfilled needs and thus were considered poor. Indeed, according to this definition, the majority of Colombians were poor until the mid or late 1980s. Current data on poverty using income as the yardstick, produced by the National Administrative Department of Statistics (DANE), suggests that in 2013, 30% of Colombians were poor while 10% were in extreme poverty.

The extent of poverty in a society depends on the level of income but also its distribution. Lying behind these are factors like the stocks and distribution of assets such as land and human capital, the functioning of the labor market and the extent of unemployment, and the provision of public goods and services by the government (see Joumard and Londoño Vélez, 2013a,b, for an excellent analysis of these determinants of poverty in Colombia). Though Colombia is not a rich country it's level of income per-capita is perfectly consistent with a situation where nobody is poor. From an accounting point of view, the reason there are poor people in Colombia is that there is a great deal of inequality in the country. For instance, Colombia is a country where 45% of national income accrues to the richest 10% of the population and where 14% of landowners hold 80% of the land (Ibáñez and Muñoz, 2011). This is a situation of quite remarkable asset inequality and existing data suggests that it has been very stable over time (at least since the 1860s in Cundinamarca, see Acemoglu, Bautista, Querubín and Robinson, 2008).

Figure 3 plots the available historical data on income inequality measured by the Gini coefficient from different sources collected by the United Nations University WIDER project.¹ The various data series collected in Figure 3 suggest that this number has been roughly constant since the 1960s, though with some quite large fluctuations and according to the more speculative estimates of CEPAL, inequality has increased substantially since the late 1930s (see also Londoño, 1995). According to data from Socioeconomic Database for Latin America and the Caribbean (SEDLAC),² inequality has recently declined. World Bank data further shows that the share of income accruing to the richest 10% of the population has been constant since at least 1980. Comparatively, according to the World Bank, in 2010 Colombia is the most unequal country in Latin America with an income Gini coefficient of 55.5, which is a higher level of inequality than that recorded in the WIDER estimates.³ Though there are different sources for these measures of inequality they all agree on one thing - Colombia is one of the world's most unequal countries.

In this essay I propose an explanation for why there is so much poverty and violence in Colombia, why they have persisted so stubbornly over time, and why they have fallen significantly in the last decade while inequality has not. Explaining this will go some way towards explaining Figure 1 as well, why Colombia has grown but failed to converge to the living standards of the US or other affluent countries.⁴

To start to think about the causes of poverty and violence in Colombia it is useful to recognize that they are distributed spatially in particular ways. Figure 4 for example plots the multidimensional poverty rate in Colombia in 2005 by municipality.⁵ Darker means a greater proportion of poor people and municipalities are divided into 6 bins so that the darkest color represents the poorest 1/6 of municipalities in Colombia, whereas the lightest represents the richest 1/6. The multidimensional poverty index is a much more comprehensive measure of poverty than the ones often used which I discussed above and assesses poverty on five dimensions: educational access, the conditions of children and youth, health, employment, access to public services and

¹http://www.wider.unu.edu/research/Database/en_GB/database/

²<http://sedlac.econo.unlp.edu.ar>

³<http://data.worldbank.org/indicator/SI.POV.GINI>

⁴In doing this I cannot hope to do justice to the rich and sophisticated academic literature on the causes of these problems in Colombia. Good overviews of the types of explanations that have been proposed for violence are, Oquist (1980), Sánchez (1985), Comisión de estudios sobre la violencia (1987), Pecaut (1987), Bergquist and Penaranda eds. (1992), Deas and Gaitán (1995), Bergquist, Penaranda and Sánchez eds. (2001), Palacios (2006), Gutierrez, Sánchez and Wills eds. (2006) and Grupo de Memoria Histórica (2012). See also the recent authoritative essay by Pizzaro (2014) attempting to sum up the arguments put forward during the Comisión de Historia del Conflicto y sus Víctimas. My only excuse is that I believe that the arguments I develop here, though they clearly relate to many ideas in the literature, for example about the weakness of the Colombian state, are sufficiently new that they merit the singular focus I take.

⁵<http://www.ophi.org.uk/>

housing conditions. According to this measure of poverty there are a lot more poor people in Colombia than when you simply use income as the criterion for being poor. The distribution of this variable is remarkable in Colombia and one can move from municipalities like Envigado (in Antioquia, where the Colombian government obligingly created the fake prison “The Cathedral” for the drug lord Pablo Escobar in 1991) where only 14.3% of the population are poor and Chia in (Cundinamarca), where the corresponding figure is 16.5%, all the way to a group of municipalities where every single person is poor according to this criteria: these include Puerto Alegría and Mirti-Paraná (both in Amazonas), Argelia (Cauca), Puerto Colombia (Guainía), Medio Atrato (Chocó) and Papunaua (Vaupes). Every one of these municipalities are in what I shall call the ‘periphery’ of Colombia while Envigado and Chía, in contrast, are in the ‘core’. Figure 4 shows that there is a visible separation between the core of the country, particularly the highlands, the Andean cordilleras and the tierra fría (cold country) and the periphery, the Caribbean and Pacific coasts, Los Llanos, the eastern planes which drain into the Orinoco river, Amazonia and the Southern highlands - mostly the tierra caliente (hot country). The periphery is geographically distinct and has much higher rates of poverty.

The concept of the core and the periphery in Colombia are important, and the language is useful, but it is also important to grasp that there are many cores and many peripheries in the country which occur in a particular way. At a grand level, Figure 4 captures the notion of core and periphery, but if you zoom in on a region or a department, then you find a similar core and a similar periphery. Figure 5, for instance, plots the multidimensional poverty rates just in the department of Antioquia. Just as nationally one can see a core and a periphery, so within Antioquia one can see the same thing. The core is Medellín and municipalities in the Aburrá valley. In fact within the metropolitan area one finds not just Envigado with low poverty rates, but also Sabaneta (18% in poverty), Itagüí (23%) and La Estrella (26%). The poorest municipalities in Antioquia are those in the north west and north, a noticeable periphery on Figure 5, these include: Vigía del Fuerte (99%), Murindó (95%), Peque (89%), Cáceres (89%), Necoclí (87%), San Pedro de Urabá (89%) and Tarazá (86%). In fact the core-periphery relationship is, in mathematical terms a fractal, which Mandelbrot (1983) defines as “a rough or fragmented geometric shape that can be split into parts, each of which is (at least approximately) a reduced-size copy of the whole.” This is exactly what the core periphery relationship is like in Colombia and as I shall argue, this is very significant behaviorally in understanding the pattern of poverty and violence in the country.⁶

⁶The fractal nature of the core and periphery does not end at the department level. If one looks within Medellín and Bogotá one sees the same thing. In the former, for example, one has very poor neighborhoods such as Manrique, Popular, San Javier (Comuna 13), Santo Domingo, and Doce de Octubre, with rich neighborhoods

Figure 6, returning to the national level, also shows that the periphery is much more violent. There I plot data at the municipality level on the presence of two sorts of non-state armed actors averaged over the period 1996 to 2012. The left panel plots the spatial distribution of violent events perpetrated by guerilla groups, specifically the FARC (Fuerzas Armadas Revolucionarias de Colombia - Revolutionary Armed Forces of Colombia and the ELN (Ejército de la Liberación Nacional - National Liberation Army). The right panel plots similar data for violent actions attributed to paramilitary groups. The scale measures the total number of violent events every year per 100,000 inhabitants averaged over the years 1996 and 2012 (data from CERAC-URosario, the Centro de Recursos para el análisis de conflictos).⁷ In Figure 6 darker means greater levels of violence. The picture is complicated, with parts of Amazonia, Los Llanos and even the Caribbean Coast having none or little violence, and Antioquia, having a great deal of violence. Nevertheless, at this level the basic patterns is still that violence is far more present in peripheral Colombia than in the core. The darkest parts of the left panel, for example, are in Los Llanos, in the departments of Arauca and Caquetá, in Amazonia, in the Southern highlands in Putumayo and Nariño, and in the northern part of the Pacific coast in El Chocó and Urabá. While it still makes sense to talk about a core and periphery at the national level, Figure 7 plots the data from Figure 6 just within Antioquia. Reflecting the fractal nature of the core and periphery, Figure 7 shows that within Antioquia there is a distinct pattern of a violent periphery and less violent core (as pointed out by Roldán, 2002, for the civil war known as *La Violencia* in the late 1940s and 1950s). In fact, understanding the core-periphery dynamic within what is the periphery, helps interpret Figure 6. Indeed, it will be useful in the following to think of “the periphery of the periphery”, places such as the north and northwest of Antioquia, since this is where the most poverty and violence is concentrated in Colombia.

There is nothing recent about this spatial distribution of poverty and violence in Colombia. Even if Miguel Samper was talking about Bogotá, poverty elsewhere in the country was certainly far worse in the 19th century and it was endemic in exactly the same places it is today. The same is true about violence (Fergusson, Molina, Robinson and Vargas, 2015).

Acemoglu and Robinson (2012) argue that the key to understanding why a country or region is poor is its economic institutions. Regions which have ‘extractive economic institutions’ which do not create broad based incentives or opportunities for people will create poverty. Inclusive economic institutions, which do create such incentives or opportunities, will create prosperity. Applied in this context, this theory suggests that peripheral Colombia is poorer than the core

such as El Poblado, Laureles and La América. See Medina, Morales and Núñez (2008) for data on this.

⁷<http://www.cerac.org.co/en/resources/conflict-data.html>

of the country because it has more extractive institutions. There are many ways to measure this. Figure 8, using data from Unidad para la Atención y Reparación Integral de Víctimas (UARIV),⁸ plots data on the number of people who have been displaced as a consequence of violence at the municipal level. According to the United Nations until it was recently overtaken by Syria, Colombia was the country in the world with the highest number of internally displaced people. In 2015 it came second with 6,044,200 displaced people while Syria had over 7 million. Nevertheless, Colombia has more displaced people than Iraq and the Democratic Republic of the Congo put together.⁹ This is perhaps the clearest measurement of the extractive nature of institutions there. It reflects the insecurity of both human rights and property rights since internal displacement is associated with mass expropriation of land and assets (see, Reyes, 2000, Grupo de Memoria Histórica, 2014). It is clear from Figure 8 that there is far more displacement in peripheral Colombia. If you zoom in, Figure 8 has the same fractal structure I discussed above. Within Antioquia, for example, the periphery has far more displacement than the core. Figure 9, using data from the Instituto Geográfico Agustín Codazzi (IGAC),¹⁰ plots data on the extent to which people have well defined and formalized property titles in Colombia, something which affects people's incentives and opportunities (for example to get credit or a loan) in basic ways. Informalization is concentrated in the periphery.¹¹ It is also concentrated in the periphery of the periphery.

The relationship between extractive economic institutions and poverty is straightforward. Extractive institutions rob people of the incentives and opportunities to invest in human and physical capital, save, and innovate, all of the things that create prosperity. In Colombia, such institutions also rob people of their lives and their possessions and assets. What is more puzzling is what causes such variation in institutions. Why are these institutions distributed as they are in Colombia?

In Acemoglu and Robinson (2012) variation in economic institutions is explained by variation in political institutions. In particular, extractive economic institutions are created and sustained by extractive political institutions. Such political institutions have two dimensions: a narrow concentration of political power and a weak ineffective state. Extractive political institutions don't just create extractive economic institutions, such as ill-defined and insecure property rights,

⁸Data from <http://www.unidadvictimas.gov.co>

⁹See <http://www.internal-displacement.org/global-overview>

¹⁰<http://www.igac.gov.co/igac>

¹¹To understand why parts of the periphery in Los Llanos and Amazonas have little informality of titles note that population density is very low and there are large pieces of land without population which are registered as the property of the state and therefore the proportion of land without formal title is low. Also, many of these municipalities have large natural parks and this is likewise counted as having a formal title.

they also directly create poverty and violence since they don't create the incentives necessary in the political sphere to provide public goods like law and order, infrastructure and education.

In this essay I argue that the reason peripheral Colombia has more extractive economic institutions than core Colombia is that it has more extractive political institutions. In fact the patterns shown above are kept in place by an equilibrium where part of Colombia has relatively inclusive institutions and part has relatively extractive institutions. This combination doesn't just keep the periphery poorer than the core, it also makes the whole country relatively poor. Reflecting the fractal structure, it keeps the periphery of the periphery the most poor and the most violent.

The most difficult thing in comprehending the poverty and violence of Colombia is understanding this equilibrium and how it is possible to have both extractive and inclusive institutions at the same time. The spatial aspect is part of the explanation. This is partly because the misery is mostly concentrated in places that do not jeopardize too much core elite interests or welfare. However, I shall argue that it can actually be advantageous to have extractive institutions in one part of the country as long as this is combined with more inclusive ones elsewhere. Thus it is not simply a matter of more extractive institutions in one part of the country being tolerated by those living under less extractives ones elsewhere, the two sets of institutions enter into a symbiotic relationship. There are many mechanisms that allow this apparently paradoxical situation to persist. This is the key to understanding the misery in Colombia. It is also the key to eliminating it.

The essay proceeds as follows. In the next section I focus on describing the political institutions in Colombia and their extractive facets. I emphasize that these facets are more accentuated in the periphery than in the core, though they are present in the core also. I also point out that in both dimensions, the distribution of power and the nature of the state, Colombian political institutions are less extractive now than they were in the past and it is this which has allowed the long-run modernization of the country and the recent falls in poverty and violence I noted above. Section 3 then explains the political logic behind the simultaneous persistence of extractive and inclusive institutions and why they, and hence poverty and violence, persist. I identify 5 mechanisms which underpin this equilibrium. Section 4 takes a step back to put the picture together, addressing what I see as some of the key conceptual questions that the discussion in section 2 and 3 has raised. Section 5 then examines the dynamics of Colombian institutions over time asking why they have become gradually more inclusive and what this portends for the future. Section 6 concludes asking in particular what it would take to break out of the equilibrium Colombia has been in and create a prosperous non-violent society.

2 Extractive Political Institutions in Colombia

Colombia is not Cuba, Angola or Uzbekistan, but its political institutions are extractive in many well-defined senses. Importantly, they are more extractive in the periphery than in the core. I first discuss the ways in which they create a very low quality democracy and how they lead to a narrow distribution of political power in society. I then move to the way the Colombian state works illustrating how it is weak and ineffective.

2.1 Actually Existing Colombian Democracy

In political scientist's datasets Colombia is typically counted as a democracy since 1958 and there are good reasons for that. During that period Colombia sustained at least a sort of democracy while other Latin American countries were succumbing to military coups. Moreover, Colombia has had a vibrant electoral tradition that goes back to the 1820s (illustrated by many essays in Deas, 1993, see also Posada-Carbó, 1997). Even though after the transition from military rule in 1958 the main two political parties, the Conservatives and Liberals, signed the National Front agreement to divide power for 16 years, this agreement was ratified in a plebiscite. Yet the reality is that Colombia's democracy is, and always has been, highly dysfunctional and low quality. I emphasize three reasons for this, the first is the huge impact of violence and fraud on Colombian elections, the second is the extent to which vote buying is used to win elections, and the third is the extent and impact of clientelism.

Fraud and Violence

First, fraud and violence. The most obvious recent high-profile incarnation of this is the so-called Pact of Santa Fe de Ralito of 2001. This pact was signed after a meeting in the municipality of Tierralta in the department of Córdoba where several powerful paramilitary leaders, Don Berna (real name Diego Murillo), Jorge 40 (Rodrigo Tovar Pupo), Santander Lozada (Salvatore Mancuso) and Diego Vecino (Edwar Cobo Téllez) met with national and local politicians, including the Governors of the departments Sucre and Córdoba, to discuss the 're-founding of the country'. Part of this 're-founding' involved engaging in mass fraud and violence during the 2002 national elections (see Romero, 2007, Acemoglu, Robinson and Santos, 2013). The consequence of this was that probably 1/3 of national legislators, congress-people and senators were elected with the 'assistance' of paramilitary groups. Table 1, updated from the version presented in Acemoglu, Robinson and Santos (2013), shows the 20 senators with the highest vote shares in the 2002 election in municipalities controlled by paramilitary groups (the final column shows the

proportion of votes that each senator won in paramilitary controlled areas). It shows that, as of July 2015, of these 20 senators, 14 had been investigated for links with armed groups, of which 13 were with paramilitaries. For a further 1 the Supreme Court has ordered the Fiscalía to open an investigation which has not happened yet. Taking this into account an amazing 75% of these senators have been linked to non-state armed groups, almost all paramilitaries. Of these 8 have been found guilty of collaborating with paramilitaries and given prison sentences. If this is democracy, it is a rather low quality form of democracy. The impact of this did not stop at the national levels. The governors of Cesar and Magdalena departments, part of the territory of Jorge 40's Bloque Norte paramilitary group, were elected unopposed in 2004. Tierralta is in the periphery of Córdoba (the periphery of the periphery of Colombia), while Cesar and Magdalena are all squarely in peripheral Colombia.

Though the main paramilitary blocks demobilized in 2006, uncontested elections are still common in Colombia. In the 2011 local elections Germán Londoño ran unopposed to be the mayor of the municipality of Bello, in the department of Antioquia. Remarkably Londoño, the candidate of the local Suárez Mira political dynasty, he was defeated by blank ballots, cast in protest. Forced into a second election a new 'Suarista' candidate Carlos Muñoz won. In the same elections there was plenty of low-profile fraud and violence. For instance, 41 candidates were murdered, the tip of an iceberg of threats and intimidation. For the 2015 local elections the Fundación Paz y Reconciliación published a list of 140 candidates for mayor and departmental governor that had criminal records or links with armed groups or criminal organizations.¹² Not all of these candidates ran in peripheral Colombia, but most of them were.

Vote Buying

The second most important way in which Colombia's democracy fails to work is the extent to which vote buying is endemic in elections. Vote buying is organized via intermediaries who link the politicians to the citizens (a common organization everywhere in Latin America, see for instance Finan and Shechter, 2012, Calvo and Murillo, 2013, Stokes, Dunning, Nazareno and Brusco, 2012). In the Caribbean port city of Barranquilla, capital of the Department of Atlántico, they are known as 'Mochileros' after the typical Colombian cotton bag, a mochila, which they carry. Mochileros receive 50,000 pesos from a candidate per vote, of which they keep 10,000 themselves. They contact around 10 people who are normally different sorts of community leaders who have the trust of the voters and each leader brings between 20 and 50 votes. The payment for votes is broken into two parts, one two weeks prior to an election and

¹²<http://www.eltiempo.com/multimedia/especiales/candidatos-cuestionados-para-las-elecciones/16095578/1>

the other when the election results are known. This latter part is only paid in full if the election results correspond to what was expected based on the bought votes. Otherwise the amount paid is lower depending on what fraction of the votes were actually delivered. Vote buying is very organized. Each Mochilero has a receipt for each vote he sells in a book with the name of the voter, the amount of money paid and the voter's fingerprint. The voter gets a copy and the Mochilero keeps the original that he takes to the candidate so as to check that the fingerprint corresponds to the named person (see the story of El Heraldo, 2014 and Semana, 2014b, for an analysis of vote buying in the 2014 Congressional and Senatorial elections).

One quantitative estimate of how important vote buying is comes from data collected by the survey project LAPOP. In their surveys they ask people whether or not somebody offered to buy their vote in an election. Table 2 collects data from successive waves of the survey aggregated at the regional level where it is more representative. It suggests that vote buying in Colombia is significant. In the peripheral regions of Oriental, Caribe and Pacifica, the proportion of people who reported that someone had offered to buy their vote during the 2010 presidential election was twice as high as that in Central and Bogotá. An article in the article periodical Portafolio collected information from around the country from local people about the price of votes in different parts of the country after the 2010 elections.¹³ The price of a vote ranged from 200,000 pesos in Sucre, 100,000 pesos in Arauca to as low as 20,000 pesos in many other places. A study by Mares, Saffón, García-Sánchez and Sánchez (2015) also provides direct evidence on the extent of vote buying. They used list experiment techniques in four municipalities, one in Sucre, one in Cauca and two in Antioquia to elicit information from voters on vote buying and clientelism. In Sucre 25% of the people experienced offers of food or money in exchange for their votes, though this was not significant elsewhere. In the same municipality 62% of people were offered private benefits, such as favorable access to state resources or policy favors, in exchange for their votes.

To further see how important these numbers are the article in El Heraldo notes that for the 2014 elections in Barranquilla, two candidates from Bogotá who wanted to win votes on the coast had hired Mochileros to provide 5,000 votes. 5,000 votes may not sound a lot, but it is. For example, in the last senate elections (conducted on a national constituency) the senator who was elected with the fewest votes (ignoring senators with reserved seats, such as for indigenous people) was Iván Leonidas Name Vázquez who received 10,193 preferential votes. This got him elected for his party, the Partido Verde, whose list received 83,607 list votes nationally. This election was unusual in Colombian history because of the 2004 law which introduced a threshold which determined that no list could elect any legislators unless it received 2% of the national

¹³<http://www.portafolio.co/archivo/documento/CMS-7370531>

vote. This law did not apply in the 2002 election where essentially each senator had their own list. In that election the senator who was elected with the fewest votes (apart from the reserved seats) was José María Villanueva who received 40,460 votes. Thus 5,000 votes goes a long way towards a seat in the Colombian Senate.

Clientelism

The third reason why Colombia's democracy is extractive is the extent to which clientelism is rampant. This manifests itself in many ways. One is that it leads government jobs and contracts to be exchanged for political support (see Dávila and Leal, 1990). A recent extraordinary example of the importance of this concerns the governance of the National Consolidation Plan, President Uribe's flagship policy to extend the civilian arm of the state into areas reconquered by the military from guerilla groups. When President Santos, President Uribe's former defense minister, assumed the presidency he replaced the head with Germán Chamorro de La Rosa a veterinarian who ran his campaign in the department of Nariño for the 2010 election, but who had little security and development background (Isacson, 2012, p. 17). State building had to give way to repaying political debts.

Another recent example comes from the launching of Todos Somos Pacifico, a plan unveiled on October 25th of 2014 to help re-build the pacific littoral, the poorest part of peripheral Colombia. To see what this plan involves it is worthwhile to quote directly from President Santos' speech made in Buenaventura that day,

“And I did not come with empty pockets. I have always come with projects with investments . Because I also think ... Buenaventura has never received so many resources and many of the municipalities in the Pacific, have never received so many resources, as they have received in my government .”¹⁴

The “full pockets” that President Santos brought were put into the care of a junta which featured President Santos' campaign manager for Nariño for his 2014 re-election campaign, and two traditional machine politicians from Valle. The plan was yet another vehicle for dispensing patronage in exchange for political support.

Clientelism doesn't just happen after elections. It happens before them as well. In an investigation of the 2014 elections Semana quoted a government contractor of 15 years standing who said

¹⁴http://wp.presidencia.gov.co/Noticias/2014/Octubre/Paginas/20141025_08-Palabras-del-Presidente-Santos-en-la-clausura-del-Foro-Buenaventura-Prospera.aspx

“The government gives a governor or a senator a contract, for example, of 50,000 million pesos, he gets 20 percent. That’s 10,000 million pesos. Half goes in his pocket and the other half elects a congressman.” (Semana, 2014a)

Just to check, the magazine asked a senator and a governor if it was true and they confirmed it. The senator or governor who benefit from the 20% cut in the contract repay the national government by using half of the money to fund the electoral campaigns of the congresspeople who made the contract happen.

The Connection to Poverty

So Colombia’s actually existing democracy works in a very imperfect way and recent history has seen an enormous number of strategies to guarantee that the outcomes of elections deviate from the preferences of the mass of ordinary Colombians. Most important, the way that elections work leads to the de facto disempowerment of a vast number of poor people. It is worth reflecting on where this takes place. In the above examples the paramilitaries fixed elections in the periphery of the country, not the core. It is not a coincidence that my example of vote buying comes from Barranquilla, not Bogotá (though vote buying certainly takes place there as well), and it is not a coincidence that clientelism is targeted more at Buenaventura than it is at Chía, just outside Bogotá. It’s also worth recalling that Tierralta is in the periphery of the periphery.

Having outlined some of the main ways in which ‘actually existing’ Colombian democracy fails to count as a component of inclusive political institutions let me back up and ask how this creates extractive economic institutions and poverty. Some of this is obvious, but it is worth saying. First, the uncompetitive clientelistic nature of elections create a huge amount of stealing and diversion by politicians which reduces the amount of public money allocated to public goods. As former Colombian Senator Juan Carlos Martínez put it

“politics is a better business than drug-dealing . . . the money you make after a mayorship cannot be made after a shipment (of drugs)” (Semana, 2011).

Less resources for public goods means that there are fewer roads in peripheral Colombia and they are typically of bad quality. People are more isolated with fewer opportunities. They have worse schools and access to lower quality education. There are also less resources to provide other basic public goods such as well defined property rights, not to mention security and order.

Second, even without the lack of accountability and the diversion of public funds, the prevalence of vote buying and clientelism mitigates against the provision of public goods and it creates

a very inefficient state since public sector jobs are not given to those best qualified and those appointed have little incentive to perform. The provision of money, rather than services and public goods, is the currency of many Colombian elections, especially in the periphery. Why does clientelism not involve public goods? There are several fundamental reasons for this. One is that public goods cannot be targeted in the way a job or a contract can (Robinson and Verdier, 2013). Another is that by their nature, public goods cannot be withheld from opponents (Bates, 1981). A final one is that many types of public goods, such as infrastructure, create benefits which are difficult to take away which makes it more difficult to bind client to patron. Though poor people may sell their votes they are ultimately the victims of this system. Nothing could better illustrate this than the fact that in Sahagún, Córdoba, home of some of the most powerful clientelistic politicians in the country, whose political machines are brilliantly analyzed by Ocampo (2014), there was until very recently no running water.

The connection between fraud and violence and the absence of accountability are obvious, that with vote buying is perhaps more subtle. In reality however the fact that a person sells their vote seems to sever the connection between the voter and a politician. Once a person sells their vote they don't have a stake in whether or not the politician performs. An egregious example of this comes from the recent experience in the capital city of Bogotá. Though vote buying, fraud and uncontested elections are normal in elections in peripheral Colombia, Bogotá seems to work better. Indeed, in the 1990s it was the base for a series of reformist politicians such as Antanas Mockus and Enrique Peñalosa (recently re-elected mayor in October of 2015) who engineered large improvements in public good provision and the quality of life in the city. Yet it did not last and the strategy of offering public goods could not defeat well-organized vote buying and clientelism. In 2008 Bogotanos 'elected' Samuel Moreno mayor. An outsider might say that they should have known what was coming. Before the election in a live TV debate Moreno was asked by Antanas Mockus if he would buy 50 votes if that prevented someone who had already bought 50,000 votes from winning, thus "saving Bogotá". His response was "Yes, without doubt!"¹⁵ But such a reply only looks strange to people who don't know how Colombian politics works: elections means selling your votes for a vast mass of people.

After taking power Moreno set up a "shadow government" for the city, headed by his brother Iván (Semana, 2013, for the full story). This ran what is now known as the "contract carousel" which basically handed out all the valuable contracts for the city in exchange for kickbacks and bribes. In particular the Morenos took a percentage for themselves from each contract. The brothers hired Emilio Tapia to run the shadow government that had a "board" and was

¹⁵You can even watch it on YouTube, <http://www.youtube.com/watch?v=r6l8U95t5q8>.

based in a luxurious suite of offices in the north of Bogotá. It also had a private plane and used to meet regularly in Miami. The brothers developed a cute slang, if they had an interest in a contract they called it “una mordida” a bite. The jewel in the crown of bites was the contract to run the integrated public transport system in Bogotá. This carries about 7 million people per day. The Morenos cut was 8 pesos per passenger, implying 56 million pesos per day. This works out at around US\$20,000 per day, for 16 years. Part of the irony here was the contracts for the extension of the “Transmilenio” bus system along the “26” out to the airport, the road built by their grandfather, the military dictator Gustavo Rojas Pinilla, in the 1950s. The brothers did not stop there. They looted everything. Existing hospitals were very lucrative, but building new ones created even better opportunities for stealing. They took between 25 and 30% for themselves. They handed out the ambulance contract, but of this only half went to the firm that ran the ambulances, the rest was for the brothers and their cronies. Companies that refused to offer “the bite” lost out being told they were “too cheap”. Roads and bridges were also lucrative and some were 100% lucrative. 45,000 million pesos (US \$15 million) were allocated to start on a bridge linking Carrera 9 to Calle 94 to alleviate traffic jams in the north of Bogotá. It was never started.¹⁶ The story goes on and on. Nobody really knows how much was stolen in three years; one estimate is US\$500 million.

The looting of Bogotá is only such a big deal in Colombia because Bogotá is in the core. In the periphery of the country what the Morenos did would hardly merit mention in the press, let alone a prison sentence. Consider the saga of the money to build an aqueduct in the municipality of El Carmen de Bolívar (Semana, 2008, for history of the fiasco). Situated in the Caribbean department of Bolívar, El Carmen is one of the poorest places in Colombia, despite being on the main road between Medellín and Cartagena and located in the lush and fertile region called the Montes de María. In 2012 for the first time in its history, El Carmen had running potable water. Well 1/3 of the households had it for a few hours a day and some of them only two times a week. The saga of the aqueduct of El Carmen is very revealing about why there are so many poor people in rural Colombia. In the past 30 years there were 5 projects to build an aqueduct to bring water to El Carmen but the money for all of them vanished without water reaching the people. By 2012 the total amount of money stolen was around US\$20 million (Semana, 2012). In 2003, during the presidency of Álvaro Uribe, an aqueduct was finally inaugurated, which provided water to just one household that sold the water to the other households in the town. Interestingly, William Montes, one of the politicians who signed the Pact of Santa Fe de

¹⁶In 2012 the contract had to be issued a second time, and this time the local government paid 85,000 million pesos on the promise that the bridge would be built by 2015. At the time of writing it was supposedly 64% complete.

Ralito, attended the inauguration. Previous projects had involved contracts being given to such characters as Micky Ramirez, an indicted drug dealer (Semana, 2012).

Finally, let me emphasize the connection between extractive political institutions in the sense of this section and extractive economic institutions. The provision of secure property rights is a basic public good the state is supposed to provide, but this is very imperfectly achieved anywhere in Colombia. As I showed earlier however in the periphery, especially the periphery of the periphery, few people have proper written titles to their property and often face expropriation, violence and displacement. Part of this, as I explain shortly, is due to the sheer weakness and incapacity of the Colombian state but, as I will show, there are also strong interests involved in the ill-defined and insecure property rights of the periphery. The weakness and incapacity of the Colombian state reflects these interests.

The Dynamics of Colombian Democracy

Remarkable as it may seem, democracy in Colombia functions much better today than it has in the past. In particular, it works well enough that genuinely popular candidates can succeed. In large cities such as Bogotá, Medellín or Pasto this has certainly been true and it is also true at the level of the presidential election. When Colombian voters decided to punish the Liberal Party for the corruption of the administration of Ernesto Samper who got himself elected with the help of the Cali drug cartel, they were able to elect the Conservative Candidate Andrés Pastrana in 1998. Similarly, it is most likely that Presidents Uribe and Santos genuinely won the popular vote.

In contrast the 1922 presidential election was almost certainly decided by fraud and ballot stuffing (Chaves, Fergusson and Robinson, 2015) and involved a great deal of violence (see the evidence in Blanco, Solano, and Rodríguez et al., 1922). Table 3 shows a conservative calculation of the number of ‘stuffed ballots’, fraudulent votes cast in each department. Here a ballot is counted as fake if the total number of votes ‘counted’ is greater than the maximal number of people who could possibly have voted (with 100% turnout). Calculated this way, the total number of fake votes for the Conservative candidate Pedro Nel Ospina was greater than the announced margin of victory over his Liberal opponent Benjamín Herrera.

Violence didn’t just appear in Colombian elections in 1922. In 1879, the following description could be found in the *Diario de Cundinamarca*:

“elections in Colombia are ... terrible confrontations of press, agitation, intrigue, letters, bribes, weapons, incentives for vengeance, politics, cholera, menace” (Guerra, 1922, p. 608).

In the 1890s Colombian elections were so corrupt that there were no Liberal legislators in the national congress and only one, Rafael Uribe Uribe in the Senate (Bergquist, 1978, Mazucca and Robinson, 2009). The rest were Conservatives. Colombian elections remained highly uncompetitive, violent and fraudulent throughout the 1930s and 1940s. For example, in 1934, the Liberal candidate Alfonso López Pumarejo won an uncontested election with a number of votes which was greater than the entire vote in the presidential election of 1930, almost 2/3 of which went to two conservative candidates whose supporters were very unlikely to have switched party allegiance in the intervening four years. Most plausibly, local Liberal committed mass fraud. Colombian democracy collapsed in the 1940s and 1950s and was very uncompetitive after 1958 during the National Front agreement and many believe that Gustavo Rojas Pinilla was defrauded of the presidency in 1970. Large improvements in the quality of Colombian elections came as recently as 1988 with the introduction of the ‘tarjeton’ a unified ballot paper, used for the first time in the presidential election of 1990. Before the tarjetones, ‘papeletas’ were used for elections (open voting was abolished by the Liberals in 1853). In contrast to tarjetones, papeletas were not printed or handed over by the state; rather, each party or candidate printed their own papeleta so that electors would take them to the urns. They did not depict all possible candidates, but only the one who handed over the papeleta.¹⁷ It seems plausible that the use of the papeleta made vote buying even easier to implement (see Baland and Robinson, 2008, for evidence on this in the analogous Chilean case). The year 2002 also saw the final collapse of the traditional Liberal and Conservative parties whose clientelistic machines no longer enmesh the vast mass of voters. This has opened up the electorate for new appeals and political forces, though the examples I have presented suggest that it may also have allowed new forms of clientelism and vote buying to flourish and Colombia also now lacks coherent political parties.

Nevertheless, the fact remains that for all its faults, the really existing democracy of Colombia today is an improvement on the really existing democracy of the past and this represents a movement towards more inclusive political institutions. I shall return to the reasons for this and their implications later.

2.2 The Janus-Faced Leviathan

Acemoglu and Robinson (2012) emphasize two dimensions of inclusive political institutions, the second, after the distribution of power, is the effectiveness and capacity of the state (what they

¹⁷The Registraduría has a brief history of voting procedures in Colombia: <http://www.registraduria.gov.co/-Historia-del-voto-en-Colombia-.HTML>

call ‘political centralization’). Having a state with capacity and effectiveness is a prerequisite for economic development and poverty reduction and providing basic public goods such as law and order, property rights and security. Though state capacity is multidimensional, the German sociologist Max Weber defined a state as “a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory” (Weber, 1946, p. 78). Achieving a monopoly of violence seems to be a basic function which enables the state to do other things such as having an efficient and meritocratic bureaucracy (Evans and Rauch, 2000, on the importance of this) and the ability to enforce laws and raise taxes (Besley and Persson, 2011).

The Colombian state does dismally on all these dimensions. It has never had the monopoly of violence in its territory and instead has conceded control of large swathes of territory to other armed groups. These include guerilla groups, such as the FARC (Revolutionary Armed Forces of Colombia) and the ELN (National Liberation Army) who have for 50 years engaged in massive extortion (to avoid being kidnapped or killed one pays “la vacuna” - the vaccination), kidnapping (see Grupo de Memoria Histórica, 2013, on the extent of this), murder and massacres in peripheral Colombia. They also encompass many types of paramilitary groups all the way to drug gangs and armed mafias.

The Colombian state doesn’t just surrender the monopoly of violence, it surrenders state like activities as well. To take one specific example, in 2006 President Uribe negotiated the demobilization of 34 Paramilitary groups, including those of Don Berna, Jorge 40, Salvatore Mancuso and Diego Vecino. Around 30,000 people demobilized officially (probably a similar number just melted away). One of these groups was called the Peasant Self-Defense Forces of the Middle Magdalena. The roots of this group go back to 1977 when Ramón Isaza formed a group of 10 men called the “Shotgunners” who took it upon themselves to fight back against the local expansion of the FARC guerilla group. Isaza quickly attracted the support of local landowners and elites and even drug dealers such as Gonzalo Rodríguez Gacha, one of the founders of the Medellín drug cartel. Yet Isaza was primarily interested in fighting communists and he ended up fighting a war with the drug dealer Pablo Escobar. Though Isaza started off small, by 2000 he was running an army with 6 fronts controlling around 15,000 square kilometers and straddling the main road between Bogotá and Medellín. One of his key commanders was his son in law, Luis Eduardo Zuluaga (nicknamed “McGuyver” - McGuiver in Colombia - after the US Television character). McGuiver commanded 250 armed and uniformed men of the José Luis Zuluaga Front (FJLZ) whose territory included three core corregimientos in the municipality of Sonsón (Jerusalén, La Danta, and San Miguel) but it’s power also extended to the rest of

Sonsón, and into the neighboring municipalities of Argelia, El Carmen de Viboral, La Unión, San Francisco and San Luis and even as far as Communa 13 a slum in Medellín. The FJLZ had a written legal system of ‘estatutos’ (statutes) that it tried to enforce and it had a rudimentary equality before the law in the sense that the same laws applied to members of the FJLZ as to the civilians. The FJLZ also had a bureaucratized organization with functional specialization between a military wing, civilian ‘tax collectors’ and a civilian ‘social team’ which appears to have been remarkably un-patrimonial. The front regulated trade and social life, had a mission statement, an ideology, a hymn, a prayer and a radio station called ‘Integration in Stereo’. It gave out medals, including the “Order of Francisco de Paula Santander” and the “Grand Cross of Gold”. The front taxed every landowner and businessmen in their territory. It even taxed drug-dealers and cocaine laboratories though it was not itself involved in the drug business. It also built extensive public goods including hundreds of kilometers of roads, electrification of rural veredas, it built schools and paid for teachers and musical instruments in others, it built a health clinic in La Danta, re-built an old-age people’s home, built houses for poor people, started an artisan center, built sports stadia and a bull ring in La Danta. All this in the full view of the Colombian state on the main road between the two biggest cities in the country, Bogotá and Medellín.

To get a sense of the extent to which Isaza and his commanders took on state like functions consider the following exchange between Isaza and the Magistrate in charge of his case under the Peace and Justice Law which President Uribe introduced to govern paramilitary demobilization

“Magistrate: Mister Isaza, do you recall if you received on any occasion some type of order so that the Self-Defense forces under your command, interfered in some type of election day or to enact some type of political intervention – for example, to influence people’s decision to vote for some political party, movement or specific candidate?”

Ramón Isaza: Your Honor, we did not engage fully, for example, in activities such as gathering people for the elections; that was done mostly by the candidates directly. What we did do was in the veredas, such as La Danta, also in San Miguel or Cocorná which didn’t have police, that were little towns removed from the main roads and there was no military or police force. There we protected these regions but we didn’t tell anybody to vote for a particular person. Rather we looked after – what did we look after? – that maybe elections wouldn’t be spoiled, that maybe fights or quarrels occurred. This we did in this and all the regions where these towns

were; we provided security for the elections.” (Fiscalia de Colombia, 2012)

Thus the paramilitary forces took it upon themselves to make sure that elections were conducted properly. Though this might be taken with a grain of salt given Table 1, the exchange is remarkable.

The Colombian state doesn’t just concede state like functions to paramilitary groups, it does so the guerillas as well (see Leon, 2010, and Aguilera, 2014, on the legal services provided by the FARC).

Just as the Colombian state has not established a monopoly of violence in its territory, neither has it developed a fiscal system to support a modern state. Tax revenues in Colombia are around 14% of GDP today according to the World Bank, but this is still a remarkably small state and similar in relative size to that in Egypt, or Benin and Ghana in West Africa. As one of the consequences, Colombia has the smallest number of government employees relative to the labor force of any Latin American country. The OECD (2013, p. 283) reports that government employees in Colombia were 4.7% of the labor force compared to 15% for the OECD average (OECD, 2013, p. 283).

The small Colombian state is also funded by a very regressive and unredistributive tax system. Personal income taxes are just 1% of GDP and the reliance on consumption taxes leads to a situation where the poorest decile of the population pay 4.5% of their income in taxes while the richest decile pays 2.8% (Joumard and Londoño Vélez, 2013b, Figure 4, p. 9).

Neither is the state ‘Weberian’ in the sense of recruiting and promoting its employees meritocratically. For example, according to the OECD (2013, p. 290) in some ministries 50% of the employees are “provisional staff” who are recruited outside of the meritocratic rules in place and are most likely patronage employments. As the OECD (2013, p. 291) puts it

“There is in effect a two-tier employment system in Colombia’s civil service, with significant numbers of casual staff, hired on a discretionary basis by managers, working alongside tenured civil servants, often doing the same core work and often employed for considerable periods, but without security of employment or access to the terms and conditions of employment enjoyed by career civil servants.”

The Colombian state lacks capacity in many other ways. It is incapable of conducting a regular national census, for example, something Britain has done since 1801 and the United States since 1790. Indeed the Colombian ‘census’ is not even a census in the strict sense since the government does not actually try to survey everyone except with respect to a few basic

variables. The rest is a sample, not a census. Another area where there are huge problems is the police and judicial system. Levitt and Rubio (2005) for example examine in detail the crime of homicide. They show (Table 5.1, p. 150) that while in the United States 100% of murders are investigated, in Colombia this is only 38%. Apparently, if there is no readily identifiable suspect, a murder is not investigated. In consequence the probability that there is an arrest and trial if a murder occurs is 11% in Colombia and 65% in the United States. The relative probabilities of a conviction are 7% and 58%. A potential way to compensate for the ineffectiveness of the legal system would at least be to punish very hard those who are convicted (to serve as a deterrent). Remarkably even after being convicted, a murderer in Colombia serves 4.5 years on average, as opposed to 6.5 years in the United States. Thus putting it together Levitt and Rubio calculate that if you commit a murder in Colombia you serve in expectation 0.32 years in prison, while in the United States this number is 3.8, a whole order of magnitude higher.

The lenience of the Colombian justice system towards crimes is interestingly reported in Table 1, which I discussed earlier. There column 3 reports the sentences which Senators who were found guilty of colluding with paramilitaries received. The next column shows how long they actually served in prison. For example, William Montes, who signed the pact of Santa Fe de Ralito along with Don Berna, Jorge 40 and their friends, received a sentence of 7 years and 6 months for his crimes. He was out of prison, however, in 14 months. Using violence and armed force to fix elections in Colombia is obviously not such a big deal. Such an outcome seems unfathomable, but it isn't as I shall show later, it's all part of the Colombian equilibrium.

The absence of the monopoly of violence, lack of fiscal resources and bureaucratic capacity has played an important role in creating and sustaining poverty. Most fundamentally it means that whatever well intentioned law is passed in Bogotá, it is very difficult to implement in much of the country. The state is structurally unable to provide basic public goods such as order or roads. It does not collect proper information on people or assets.

One of the most revealing illustrations of how the nature of the Colombian state impedes reducing poverty comes from the implementation of President Santos' Victims Law. Signed into law in June 2011, this is his flagship policy aimed at restituting land to around 4.8 million internally displaced people who in the process of being displaced left behind 6 million hectares of land (about the size of Massachusetts and Maryland combined). The Victims' Law created an administrative and judicial process intended to return millions of hectares of stolen and abandoned land to displaced people over the course of a decade. As Human Rights Watch (2013) reported however, the policy had barely been implemented two years after the law passed and hundreds of people who have tried to use its procedures have been threatened (Colombian style,

the law actually allows the state to pay for bodyguards for beneficiaries at risk, an admission that the Colombian state cannot guarantee security or provide basic public goods that one might have thought necessary to implement land restitution). One of the reasons why the bodyguards were needed was the extraordinary extent of impunity for those who displace people from their land. Human Rights Watch report that of the 17,000 accusations against the perpetrators of such violence, only 1% have been prosecuted. As of June 2013 Human Rights Watch found the Restitution Unit had started to examine less than 20 percent of the more than 43,500 land claims it had received, and obtained rulings ordering restitution in roughly 450 of them. Just one family had returned to live on their land as a result of these rulings under the Victims Law. An update on the non-implementation of the Victim's Law was published in November 2014 by Amnesty International (Amnesty International 2014). By this date a little more than 300 people have had land restituted, though most did not actually ever get their land back since it is now occupied by "good faith" occupants, and 25% of all the land restituted went to one person in Meta! Thus for the 10 year duration which the law is supposed to have, at the rate it was being implemented at the time of the report, 1,300 Colombians will benefit in a country with 6 million displaced people. A revealing calculation made by the Fundación Forjando Futuro is that at the rate claims were being processed by the Unidad de Restitución de Tierras it would take 529 years to process all the existing claims. The Colombian state is therefore completely unable to implement even the policies which it prioritizes.

The Colombian state is not just weak, it is Janus-Faced. It doesn't just neglect and ignore it's citizens, it actively victimizes them. Evidence for this is an more shocking example of the lack of the capacity of the Colombian state: the so-called 'false positives' scandal. When President Uribe was elected president in 2002 his mandate was to intensify counter-insurgency policy. In order to do this he introduced a series of high powered incentives for the military who could receive financial bonuses and holidays if they produced dead guerillas. We don't know exactly when these measures came into force, but leaked secret decrees from 2005 show they were certainly in force then. A consequence was that members of the army murdered and dressed up as guerillas possibly as many as 3,000 innocent civilians (a conservative estimate produced by an independent research institute is 1,200, see Acemoglu, Fergusson, Robinson, Romero and Vargas, 2015). This experience led Colombian judicial prosecutors to refer to a military unit, the Batallón Pedro Nel Ospina, named after the man who won the faked 1922 presidential election, as a "group of assassins dedicated to creating victims to present them as being killed in combat."¹⁸ A shocking condemnation of the ill-discipline and lawlessness of the

¹⁸ "“un grupo sicarial dedicado a la consecución de víctimas para presentarlos como muertos en combate”.

Colombian military and the incapacity of the state.

Most of these murders took place in peripheral Colombia where legal institutions are weaker and it is easier to commit murder and get away with it. Significantly, the scandal broke when 22 people were kidnapped by the army in Soacha, in the south of Bogotá, and murdered in Santander. Investigations showed that these people could not possibly have been associated with the guerillas. Both the media and the judicial institutions work better in Bogotá and are more difficult to threaten and corrupt.

More broadly the involvement of the army in the formation of paramilitary groups has now been well documented (e.g. Grupo de Memoria Histórica, 2011, Ronderos, 2014). Leaving aside the false positives, the Colombian army was indirectly responsible for hundreds of massacres, thousands of murders and millions of displacements.

The Dynamics of the Colombian State

Just as with Colombia's democracy, bad though it is, Colombia's state is better today than it was in the past. It is more effective and better financed. It may even be closer to having a monopoly of violence, or at least there is now the pretense that this would be a good thing to have. This has not always been the case. After the 1863 Rionegro Constitution there was no national army and the national state did not have the right to intervene in the affairs of the departments that constituted it. Indeed, Law 20 of 1867 declared that

“Article 1. When in any state a group of citizens arises with the objective of overthrowing the existing government and organizing another, the government of the Union shall observe the strictest neutrality between the belligerent groups.”

The Colombian state legislated its own lack of the monopoly of violence. Though this law was repealed in 1880 in many ways the spirit of it lives on in Colombia.

In the 1950s the state almost collapsed during the long civil war known as *La Violencia* and the army and police forces, instead of being impartial, became tools of the ruling Conservative Party during the presidency of Laureano Gómez (elected unopposed in 1950).¹⁹ There is also nothing strange or anomalous about Ramón Isaza and his men, similar paramilitaries litter Colombian history with similarly expansive territories. One called Dumar Aljure ran the department of Meta for 15 years until he backed an unsuccessful political candidate in 1968 whose victorious opponent sent the army in after him when he won (see Maullin, 1968).

<http://lasillavacia.com/historia/el-batallon-que-gano-el-concurso-de-falsos-positivos-49218>

¹⁹See Roldán (2002) for examples of partisan police and army and Oquist (1980) for the connection between state collapse and *La Violencia*.

Yet now the territorial spread of the state is also broader than it ever has been. For the first time ever there is a police station in every municipality and President Álvaro Uribe prided himself to be the first Colombian president to visit every municipality. In contrast late 19th century Conservative president Miguel Antonio Caro prided himself in never in his entire life having left the Sabana de Bogotá, the high altitude plain on which the capital city nestles.

Moreover, though the Colombian state might be very bad at raising taxes today, historically it was even worse. Figure 10 plots data on real tax revenues per-capita since 1770 from the work of Roberto Junguito and his collaborators (Junguito, 2010, Junguito and Rincón, 2007). Figure 11 plots tax revenues as a % of GDP for the 20th century (from Junguito and Rincón, 2007). Real tax revenues per-capita were very low and stagnant during the 19th century. Interestingly, they even fell after the Liberal Republic was replaced by the ‘Regeneration’ according to Colombian history books a period of state building. Tax revenues in Colombia were only around 4% of national income throughout the first half of the 20th century, unchanged by another supposed period of state building the ‘Revolution on the March’ of 1934-1938. Tax revenues increased in the 1970s to around 7% where they stayed until the 1990s. It was only the Constitution of 1991 that ushered in a substantial increase to the low levels now seen. The Colombian state is also more Weberian than it was in the past. In fact the current procedures for the meritocratic recruitment and promotion of civil servants were an outcome of the 1991 Constitution.

It is evident that the way the Colombian state works is related to the way that actually existing Colombian democracy works. The fact that fraud and violence end up influencing the outcome of elections is related to the fact that the state does not possess the monopoly of violence and does not have the capacity or inclination to enforce electoral laws. The fact that large numbers of votes are bought, which is similarly illegal, stems from the same problem. Finally, the extent of clientelism in state employment and contracting is a facet of the state being “non-Weberian” and a situation where the system of meritocratic recruitment and promotion can be bypassed and where there is an inability or disinclination to apply proper criteria to the awarding of government contracts. In a sense then the lack of political centralization creates a narrow distribution of power. But in fact these two things mutually constitute each other. This is because it is not a coincidence that the Colombian state is extractive but rather the outcome of the distribution of political power and influence in society. It is kept extractive even if making it more centralized it would greatly benefit the average Colombian because the average Colombian does not have the power to change things given the way democracy works. Similarly, though the non-centralized Colombian state creates many problems it also creates many opportunities for those with the ability to exploit them.

So Colombian political institutions are in many ways extractive, though not as extractive as they have been. I now turn to why they are extractive and why and how they have changed over time.

3 The Logic of the System

In the last section I focused on describing in what sense political institutions in Colombia were extractive and how this is related to the extractiveness of economic institutions and poverty and violence. In this section I want to try to describe the logic of the Colombian political system and how it persists.

The basic place to start to understand why Colombian political institutions are extractive is to recognize that things like the absence of a monopoly of violence, lack of fiscal capacity or a ‘non-Weberian’ state are not just due to some exogenous set of problems that stop these things being attained (the mountainous nature of the terrain is the reason most cited). They are all outcomes of a particular political equilibrium in which Colombia is trapped. It would be quite feasible to create a modern state in Colombia, it is just that this equilibrium does not create the incentives to do so. In this equilibrium there has never been a consensus in Colombia, either at the elite level or elsewhere in society, to create a state which could exercise authority over vast areas of the country. Instead, an equilibrium has emerged where the right to rule has been delegated to various local elites or groups. This system dates at least to the Rionegro Constitution of 1863, which introduced a sort of hyper-federal system where national elites could exercise little power over the constituent regional elites and thus had to negotiate to get anything done (what I called elsewhere “indirect rule”, Robinson, 2013, see also González, 2014). At the time there was a great deal of concern that one faction of the elite, possibly in Cundinamarca might launch a state building project or try to establish hegemony over the rest of the country. This was avoided by policies such as Law 20 of 1867 which I mentioned above. But more profoundly it was guaranteed by making armed rebellion against the state a practically legal and legitimate activity (Fergusson and Robinson, 2015). As recently as 1980 the Colombian Penal Code had the following clause:

“Title II Crimes Against the Constitutional Regime,
Chapter I Of rebellion, sedition and riot

Article 125. Rebellion. Those who by use of arms to overthrow the National Government, or who delete or modify the legal or constitutional regime by force,

incur imprisonment of from three to six years.”²⁰

Hence armed rebellion against the government was punishable by three to six years in prison! The 1936 Penal code, written during the ‘Revolution on the March,’ stipulated penalties of from sixth months to four years in prison. The 1980 version of this clause was only repealed by Law 599 of 2000 but still ‘political crimes’ are treated very leniently in Colombia. These clauses cemented the very decentralized political equilibrium in Colombia and they did so by tolerating a great deal of violence. They also laid open the system to create a lot of collateral damage. This is the deep reason why colluding with armed paramilitaries to fix elections only merits 14 months in prison, the legitimacy of violence and force to determine politics, and particularly to sustain regional autonomy, is hardwired into the society. It may also help to understand why the Colombian legal system does not severely punish people convicted to homicide. One could conjecture that it reflects a generalized antagonism to state authority, even by those tasked to exercise it.

The persistence of this very decentralized nature of the Colombian state and how interests were opposed to the creation of a modern national state was starkly revealed by the legislative debates in the 1960s about the proposal to create a new agrarian reform institute.²¹ Conservative congressman Álvaro Gómez Hurtado opposed the initiative on the grounds that (24 January 1961):

“In my presentation I analyzed various factors which make the Institute an eminently centrist organization, contrary to the reality of the country which claims and demands with reason to be fundamentally decentralized, and I argued that this centralizing tendency can provoke in the country a series of tensions and because they are tensions, they can lead the reality of an agrarian reform to total or partial frustration.” (Pinzón, 1977, p. 258).

The institute is not threatening simply because it is supposed to be in charge of land reform, it is also threatening because it represented a novel attempt at state formation, the creation of a partial ‘leviathan’ as congressman Diego Tovar Concha put it

“And it is the creation of an institute of this magnitude, that naturally leads to the destruction of the ministries that can interfere with its activities. It’s not, therefore Senators, that we are giving here a hysterical show facing the possibility of the creation of this leviathan.” (Pinzón, 1977, p. 289).

²⁰ftp://ftp.camara.gov.co/camara/basedoc/codigo/codigo_penal_1980.html

²¹I am grateful to Laura Montenegro for pointing out the importance of this debate to my argument.

This is something regional elites had fought against in the 1860s, and they were still fighting against it 100 years later.

To understand the nature of the political equilibrium in Colombia and how it leads to the persistence of extractive institutions and poverty it is useful to spell out some of the mechanisms via which it works. These mechanisms all revolve around the political negotiation between the core and the periphery, a process repeated in the core of the periphery which negotiates with the periphery of the periphery. I do not dwell on some obvious ideas. The fact that elections do not generate accountability and are consistent with large amounts of theft of government money is obviously attractive for those doing the stealing. But I think the real mechanisms are more powerful and subtle and they hinge on how extractive and inclusive institutions can be made compatible and synergetic. I focus on five, though this by no means exhausts the potential candidates.

3.1 Mechanisms

Blaming the Periphery

“we don’t want any more wave pools,” - Mauricio Cardenas, Minister of Finance²²

The extractive institutions in the periphery give the central government a perfect excuse to monopolize resources. This has been particularly evident in the recent debate over the distribution of natural resource royalties. The government of President Santos has persistently tried to centralize control over these resources and it has justified this by pointing to the extractive institutions of the periphery. Earlier this year he noted “The royalties cannot be used as the pocket money of the municipal governments in power” and that royalties cannot just be “spent on works without social impact or simply squandered”.²³ The solution proposed by the government was to keep more resources for itself which resulted in Acto Legislativo No. 5 of July 18th 2011 which allowed the central government to veto projects which involve royalty funds. Evidence for the necessity of this measure was that between 2005-2010 the government claimed there were 21,681 cases of irregularities, most of them associated to cases of incorrect procedures for selecting a contractor or the type of contract signed. The ‘inefficiency’ of distribution of royalties was illustrated by the fact that the departments which were major benefactors of royalties had welfare indicators that were below the national average and that did not attain the goals envisioned by the former law regulating royalties.

²²<http://www.elspectador.com/noticias/economia/no-queremos-mas-piscinas-de-olas-regalias-minhacienda-articulo-390802>

²³<http://www.elspectador.com/articulo-220190-regalias-no-pueden-seguir-siendo-caja-menor-de-gobiernos-municipales-de-turno>

As the Fiscal General Guillermo Mendoza put it, Colombia “is on the path to becoming a second Nigeria ... in that country the corrupt government stole all of the profits from oil. Here the same thing happens in the departments when it comes to royalties,” *El Tiempo*, August 20, 2010.

While this statement is not completely inaccurate my point is simply that the national state has some responsibility towards the institutions of peripheral Colombia. Why does it not recognize this or attempt to address the real problem? Because the extractive institutions in the periphery give the government an excuse to monopolize resources. Blaming the periphery is very convenient for the core.

Looting the Periphery

“Today these peasants are reclaiming what they sold cheaply, fine, but they sold them, and the businessmen, bought them, cheaply, fine, but they bought them” - El Alemán (‘The German’) (Freddy Rendón Herrera)²⁴

The extractive institutions in peripheral Colombia are also attractive because they allow well connected elites to expropriate vast amounts of lands. Some of these elites, like El Alemán, the former leader of the paramilitary block Élder Cárdenas, and Vicente Castaño one of the founders of the Peasant Self-Defense Forces of Córdoba and Urabá, do so by violence. For example in Urabá Chocoano, the northern part of the Colombian department of the Chocó, the extractive nature of the state had devastating effects for poor people. In Curvaradó and Jiguamiandó between 1996 and 1997 70% of the population was displaced by paramilitaries and the army (see the report by Colombia Lands Rights Monitor, 2013). The people were replaced by tropical palm. By 2005 the palm plantations reached 35,000 hectares, which represented about 20% of the collective lands of the local Afro-Colombian communities. The Inter-Ecclesial Commission of Peace and Justice reported that by 2005 106 people had either been assassinated or were missing, 40,000 people had been displaced, there had been 19 raids and burning of hamlets, and 15 cases of torture.

But land in peripheral Colombia is not just expropriated by paramilitaries. More ‘legal’ methods are also used. A large amount of rural Colombia is designated as baldío and owned by the government. Since the 19th century the Colombian government has passed a series of laws governing the distribution of this land and administering the issuing of titles. Law 160, for example, passed in 1994, stipulated that people who had de facto occupied baldío for 5 years

²⁴Quoted in Franco and Restrepo (2011, p. 316)

or more could ask the agrarian reform institute INCORA (Instituto Colombiano de Reforma Agraria - The Colombian Institute for Agrarian Reform) for the property rights to the land. This is type of concession was restricted to citizens that did not already own lands in Colombia and that have an income below a threshold (less than 1000 minimum wages a month). Preference was given to poor people or displaced people. Even if eligible, the amount of land a person can claim is limited to a Unidad Agrícola Familiar (an Agricultural Family Unit), an amount of land judged by the INCORA to allow a family “to live with dignity”. Yet recently, the extent to which well connected elites, aided by high society law firms, bend and break the law to severely violate its intentions, has become clear. Take the case of Riopaila-Castilla, a sugar company from Valle del Cauca, owner of the Veracruz Project, which created 27 SAS (Anonymous Simple Societies) in 2010 with the help of the law firm Brigard and Urrutia and bought 42 parcels of land in the eastern department of Vichada, equivalent to 35,000 hectares (Oxfam, 2013, for the details). The creation of a large number of shell companies allowed Riopaila to game the law. The SASs bought up lands which had previously been allocations of baldío and which they then sold off to be re-concentrated in the hands of Riopaila. Such tactics also allowed Luis Carlos Sarimento, the richest man in Colombia and with interests in Riopaila, to acquire 16,000 hectares himself. Not only Colombians took advantage of this system. Cargill the US-based multinational corporation through Black River, an investment fund, created 40 SAS and bought 43 parcels of land in Vichada adding up to 61 thousand hectares.

The extractive state in the Colombian periphery brings together the interests of ‘high society’ and ‘low society’ elites. For example, though the illegal palm plantations in Urabá Chocoano were initially set up by paramilitaries, both types of elites were heavily invested. They got financial backing from the state via FINAGRO, the Fondo Agropecuario de Garantías and the Incentivo de Capitalización Rural. They also benefitted from helpful rulings by INCODER (the Instituto Colombiano de Desarrollo Rural - Colombian Institute for Rural Development). In 2005, for example, after recognizing the right to collective lands for 1125 families in the region, INCODER decided to discount 10 thousand hectares and give them to the palm enterprises. It is therefore perhaps not surprising that when the whole Riopaila-Castilla scandal broke in Colombia the first reaction of the government was to rush forward a law to legalize all the land transfers, it was only the public outrage that led President Santos to disown the measure.

The interaction of these two types of elites is also evident from the dealings of Cargill in Vichada. In the end it paid a lot of money, for 60 thousand million pesos, for the illegally acquired lands. The Appendix of Oxfam’s Report revealing lists the people from whom the land was bought. These were clearly not peasants, but local elites who had ‘acquired’ the land

from the peasants who had received allocations of baldío, possibly in the same way that El Alemán and Vicente Castaño ‘acquired’ land in Urabá. On average, the Cargill companies paid approximately US\$ 800 per hectare while the average purchase price prior to 2006 was only US\$ 24 per hectare. The average price had multiplied by 33 (Oxfam, 2013, p. 19).

So the simultaneous coexistence of extractive and inclusive institutions in Colombia has attractive aspects for elites (see Sonin, 2003, for related ideas). They can take advantage of the extractive institutions to loot assets and then they can use the inclusive institutions in the core of Colombia to protect them. That this is the normal situation is almost hardwired, even amongst high society law firms. Revealing evidence of this comes from an interview on La W radio station. A journalist asked a lawyer from Brigard and Urrutia

“The question is: did you have to “stretch” the law so you could buy and keep the land?

Brigard and Urrutia: The law is there to be interpreted. Here they are not white or black, they are there to be interpreted...we assumed one which we think is correct (interpretation of the law).”²⁵

A remark which reminds one of adage with deep roots in Latin American history “obedezco pero no cumpro” - I obey but I do not comply. In Colombia, according to the elite, the law is not “white or black” it is to be interpreted (‘gamed’ would be a more accurate word) in the most favorable light possible (see Melo, 2012, on the history of this in Colombia).

Fragmenting the Periphery

Colombia was rocked in 2013 by a series of ‘paros’ - strikes and demonstrations all over the country. In the department of Chocó, the capital Quibdó was over-run by protesting artisanal miners. Once the miners had overrun the airport, however, there was nowhere else to go. They did not know how to fly aircraft and there is no road that links Quibdó to the rest of the country.

This type of isolation is the norm in Colombia. In 1946 in an address to the Society of Agriculturalists President Alberto Lleras Camargo observed

“when we refer to campaigns of rural health, credit or education that are going to save the campesino, don’t we know that most of these programs reach [only] the villages [aldeas] and the upper echelon of Colombian society? ... Among the seventy-one percent of our [rural dwelling] fellow citizens and the rest of society, there is no

²⁵<http://www.wradio.com.co/noticias/actualidad/abogado-de-la-firma-brigard-urrutia-rompe-su-silencio-en-la-w/20130614/nota/1915927.aspx>

direct communication, there is no contact, there are no roads, there are no channels of direct interchange. Fifteen minutes from Bogotá there are campesinos who belong to another age, to another social class and culture, separated from us by centuries” (quoted in Henderson, 1985, p. 94).

This isolation creates a very fragmented society which is very easy to manage from a elite point of view. For example, the isolation of the periphery implies that when protests happen, as they did in the Chocó in July 2013, people focus on parochial local issues. The miners who were rioting in Quibdó demanded

1. A recognition and formalization of traditional mining.
2. The formalization of informal miners.
3. To stop the destruction of mining machinery and the legal processes against informal miners.
4. To respect indigenous and Afro-Colombian territories and their mining activities.
5. Subsidies and preferential credit for miners, as well as technical assistance.
6. To cease the selling of land to multinational mining companies.
7. To subsidize fuel for mining purposes.²⁶

There are no concerns here other than the immediate ones of the miners. Though these are all important and legitimate, the lack of a more general agenda is striking.

The same was true of the many other strikes which took place in other parts of the country and the demands of the organizations that led them. The Dignidad Cafetera, in the coffee growing region of Colombia, demanded price subsidies for coffee, the democratization of the National Federation of Coffee growers and restrictions on mining in coffee growing areas. The Dignidad Papera, Lechera y Cebollera, representing producers of potatoes, milk and onions demanded price subsidies for their crops, prohibition of re-hydration of powdered milk, compensation for the importation of powdered milk and frozen or pre-cooked potatoes and the control of contraband from Perú and Ecuador. The Dignidad Panelera, representing the producers of raw sugar demanded increased tariffs on imported subsidies such as corn syrup and the purchase of 3,500 tons of panela. Meanwhile a large strike in the Catatumbo region, a vast area of coca growing in northeastern Colombia, demanded that the government stop the fumigation of coca crops, subsidize coca producers while they transition into alternative economic activities, and stop mining activity.

²⁶The complete list of demands is available at the following link: <http://remapvalle.blogspot.com/2013/07/pliego-de-peticiones-paro-minero.html>

All of the different groups striking and protesting therefore were focused on their own parochial issues. The only real cross-cutting issue was antagonism to the North American Free Trade Agreement. As the newspaper *El Espectador* put it

“What we have seen this week is, in this sense, worrying. Demonstrations and blockades without any order nor the slightest coherence, with lists of demands that are ever contradictory, and that do not propose any solutions. Some of the coffee-growers’ spokesmen do not like that mining is done in the folds of land occupied by coffee plantations, but they support coffee-growing in the folds of land where mining takes place. The truck drivers want to increase their freightage, which would affect the farmers’ finances. It is claimed that society as a whole will finance all of them. And, in turn, we will always continue with the sword of Damocles of a new strike, a new riot, because no solution satisfies fully.” *El Espectador* (2013).

That extractive political institutions and a weak state would give rise to such fragmented and parochial demands without a sense of common interest is latent in the study of Tilly (1998). Tilly studied the nature of popular contestation and protests in 18th century Britain and pointed out how over the course of the century the nature of these changed dramatically. When a business cycle depression occurred at the start of the period people demanded higher wages, lower food prices, jobs and subsidies. When it happened at the end of the period people started to blame the system and demand institutional change. The period Tilly studied coincided with the rapid development of the British state and the creation of a bureaucratic infrastructure which penetrated into all parts of the country (brilliantly documented by Brewer, 1989). State formation, by breaking down isolation and creating a national society, started to create common issues and shape collective demands so that there was a transition away from parochialism. As Tilly pointed out, this was significant because it helped to force political change at the national level, in particular the eradication of ‘old corruption’ (Harling, 1996) and ultimately democratization in 1832 (see Aidt and Frank, 2013, for a test).

Chaotic as the paros seemed in 2013, reaching even the streets of Bogotá, they were in fact easy for the government to deal with. It was just a matter of a concession here, a subsidy there, some cheap loans spread around. Without a common agenda or a critique of the way Colombian institutions work, there was little threat to the status quo.

The ‘lack of capacity’ of the extractive state in Colombia therefore greatly helps national political elites to manage the poor fragmented periphery which is its creation.

Buying the Periphery

Another advantage of extractive institutions in the periphery is that it lowers the ‘supply price of votes’. To get elected, instead of developing policy platforms or campaigning, or even buying votes, politicians just need to make a deal with some local warlord, paramilitary, or boss of a political machine who will deliver the votes. This is precisely what happened at Sante Fe de Ralito, as I described above, prior to the 2002 elections. Another revealing instance of this came to light in a letter paramilitary commander Ramón Isaza sent to Senator Fabio Valencia Cossio in 1995²⁷

Puerto Triunfo, September 18th, 1995

Doctor Fabio Valencia Cossio

Honorable Senator of the Republic

Medellín.

A long month ago I received the visit of Drs. Gilberto Toro, private ex-secretary of Antioquia’s provincial government, and Pascual Agudelo, former deputy of Antioquia; both of them belong to your political group and they were sent by you to give me the message that I should tell the Councilors of the Conservative party which are friends of mine that they should vote for you in the next National Conservative Convention to form the new National Board of Directors.

I replied that I was not a politician and that my mission in the Magdalena Medio was very different from that of politically proselytizing in your favor. I also replied that although I had met you and treated with you in person in the municipality of Puerto Triunfo, as well as with the Honorable members of the House of Representatives, Humberto Tejeada and Bejamín Higueta Rivera, it was only through other people that helped them with votes that I got to meet them but it was not in my personal interest that I did so.

For this reason I want to ratify my decision by this means.

Yours,

RAMÓN ISAZA

Commander of the Autodefensas Campesinas del Magdalena Medio

ID 5812.993 of Ibagué (Tolima).

C.C. National Board of Directors of the Conservative Party

Antioquia’s Board of Directors of the Conservative Party

²⁷The letter is available here: <http://s3.amazonaws.com/elespectador/files/ada5d33ac3820215a1af542a1ed07bab.jpg>

Dr. Álvaro Uribe Vélez, Governor of Antioquia.

There are many remarkable things about this letter. Notice how Álvaro Uribe Vélez, then Governor of Antioquia, soon to be President of Colombia, is CCd! This is indicative of the familiar nature of the relationship between the Colombian state and warlords. Most important here is how Valencia Cossio, a successful national politician and soon to be Minister, chose to solicit the assistance of Isaza in winning an election rather than using alternative strategies. This is both cheaper and the fact that it is concentrated more in peripheral Colombia further helps to manage the periphery.

Unfortunately for Colombia, Isaza's disinclination to get involved in electoral politics was not representative of paramilitarism. Lest you be tempted to think this was all a very recent phenomenon in Colombian history reflect on the 1922 presidential election I discussed earlier. More or less the same thing went on. You could also ask yourself how in the 1890s Conservatives managed to make sure that no Liberal was elected to the legislature, except for Rafael Uribe Uribe. More or less the same thing went on.

Pacifying the Periphery

The final mechanism is perhaps the most straightforward. In Chile in 1973 the military had to overthrow a democratically elected government to murder 3,000 of its political opponents. In Colombia no such coup is required. In the 1980s the left-wing Unión Patriótica party was obliterated by paramilitaries and the Colombian army: the murders included two presidential candidates, Jaime Pardo Leal and Bernardo Jaramillo Ossa, 8 congresspeople, 11 mayors, 70 local councilors and possibly 5,000 activists. No coup necessary. Murder has been a long-standing tool for maintaining the political status quo in Colombia, right the way back to the deaths of Rafael Uribe Uribe in 1914 and Jorge Eliécer Gaitán in 1948 and it's use is facilitated by the absence of the monopoly of violence and the persistence of extractive political institutions.

3.2 How the Game is Played

Though I outlined five mechanisms that help to incentivize and allow the persistence of extractive political institutions in Colombia they are embedded and reproduced within a particular type of political strategy. Elements of this have emerged already, but to see what this strategy is and how closely it is related to poverty I develop it by focusing on one very telling example, a 'thick description' of the (non) construction of the 'Road to Prosperity' (see El Heraldó, 2013, for an overview of the history of the project). The significance of this example is that it shows

in more detail the nature of the deals between the core and the periphery in Colombia and how they function in the context of the Colombian state.

In August 2013 a contract to build the “Road to Prosperity” (Vía de la Prosperidad) in the Department of Magdalena was assigned to a consortium called Ribera del Este. Two other consortia presented proposals and participated in the bid. This road was originally planned 17 years previously and was intended to run along the Magdalena River. The first phase of the new construction was meant to cover 52 km from the corregimiento of Palermo in the municipality of Sitionuevo to the municipality of Salamina. The road was first proposed by governor Jorge Caballero Caballero in 1997 but there were no funds allocated to construct it. It was revived in 2004 by governor Trino Luna, elected unopposed, who after 2007 spent two years and seven months in prison for links with the paramilitaries. In 2012 the project was resuscitated by the then governor Luis Miguel Cotes Habeych who raised \$466 thousand million pesos from the national government to build the road. In June 2013, INVIAS (Instituto Nacional de Vias), the national body in charge of roadbuilding, and the governor signed a proposal to open a process to award the contract to build the road and 3 consortia registered to participate in the bid: Consorcio Vial del Magdalena; Consorcio Vía de la Prosperidad and Consorcio Ribera del Este. In July 2013, the Minister of Transport Cecilia Álvarez-Correa raised concerns about the process since the Attorney General made 19 recommendations that needed to be addressed, but were ignored. This is also supported by a letter the minister received from the Citizen’s Oversight Committee in Magdalena arguing that the process had been designed so one of the members of the consortium (Edgardo Navarro Vives) could win so he could pay back the trio of people who had financed Cotes Habeych’s election: his father, Álvaro Cotes Vives, his uncle, Luis Miguel Cotes Vives and his political mentor Trino Luna.²⁸ Minister Álvarez-Correa stopped the money for the project and requested that the auction to be cancelled and on August 8th, INVIAS also started pushing to suspend the process.

Despite this, on August 12th the auction to award the contract took place and was won by the Consortium Ribera del Este (even though Edgardo Navarro Vives was not part of this group). After this there were meetings between Governor Cotes Habeych and the Minister to reach an agreement, but Álvarez-Correa insisted that the bid process was not transparent and that the government was not going to send the money for the construction of the road. 10 days later, the national newspaper El Tiempo published an article with a list of scandals linked to the firm that won the bid.²⁹ However, in late September of 2013 the legal attempts by INVIAS

²⁸Letter: <https://twitter.com/CeciAlvarezC/status/364417513351700480/photo/1>

²⁹<http://www.eltiempo.com/archivo/documento/CMS-13009175>

to stop the process was overturned by a judge and the Governor signed a contract with the Consortium Ribera del Este at the beginning of October.³⁰ On November 28th, the Attorney General opened a judicial process against the Governor Cotes Habeych arguing that there were several irregularities in the bidding process. Among them was the lack of transparency and objectivity in the way the winning bid was assigned to Consorcio Ribera del Este.³¹

Four days before the Attorney General announced this process President Santos went to pay homage to former Senator José Name Terán. In a speech he gave during this ceremony he described how Name Terán was a big promoter of the same road

“The other great work he told me we had to implement: The Road to Prosperity, from Plato to Palermo. And he would explain to me, with enthusiasm and interest, he would take out a map and say, ‘Look, this roadwork, by the river, this great road running alongside the river and will serve as a dam, and not only will unclog all of a region of Colombia, of the Colombian Caribbean, it will enable us to make more productive hundreds of thousands of hectares’. Well, this roadwork is already a reality. In this month, will award the contract: there are about 29 proposals from the best firms. And as soon as this contract is awarded that is another work that was begun with José Name.”³²

The eagerness of President Santos to have this road built and make this area more prosperous may well be real. But its implementation runs aground on powerful political reefs which he had to navigate for his re-election. As INVIAS, Minister Álvarez-Correa and the Attorney General’s office realized, lying behind the construction of this road are powerful political forces who do not have such an interest in the road getting built. Rather they have an interest in siphoning off the money to buy votes in elections. One of the powerful forces is former Senator Name Terán and some of his relatives. Looking closely at the composition of the Consorcio Ribera del Este, as described in the Business newspaper Portafolio, one finds:

“The winning group, whose legal representative is Gary Espitia Camargo, is confirmed by the firms Assignia Infrastructure, Compañía de Seguros y Negocios S. A., Constructora FG S. A. y Consultores del Desarrollo S. A. (Condesa).

³⁰<http://www.eltiempo.com/archivo/documento/CMS-13073639>

³¹See the stories in El Tiempo, Nov. 28 2013 <http://www.eltiempo.com/archivo/documento/CMS-13230367> and in El Espectador: <http://www.elespectador.com/noticias/judicial/defensa-del-gobernador-del-magdalena-procuraduria-gener-articulo-466819>

³²http://wsp.presidencia.gov.co/Prensa/2013/Noviembre/Paginas/20131123_02-Palabras-del-Presidente-Santos-en-el-acto-de-homenaje-postumo-a-senador-Jose-Antonio-Name-Teran.aspx

Although the legal representative of the latter is Manuel López Gómez, it is controlled by the Name family.

David Name Orozco, son of David Name Terán and cousin of senator José David Name Cardozo, who is a member of the board of directors.”³³

In the final awarding of the contract therefore the Cotes Vives clan were somehow outmaneuvered by the Name clan apparently with the blessing of President Santos. During his speech in honor of Name Terán he mentions

“This work of prosperity, that road, it will happen thanks to the reform of the royalties, where your son José David participated so hard for the adoption of this reform. We call it the ‘Reform of Equity’, because it is a reform that distributed royalties of this country in a fair way, so that every one of the municipalities of Colombia receive part of such royalties, and all departments also receive part of such royalties. And that is already working and working well.”³⁴

The tortuous progress of the Road to Prosperity illustrates some of the politics which keeps the extractive and inclusive institutions of Colombia working together. On the one hand the inclusive part of Colombia, here most obviously in the guise of Minister Álvarez-Correa, attempts to make the state work properly, avoid corruption in the contracting process and get the road built. But the extractive part is not there out of coincidence. President Santos sought and achieved re-election in 2014 and did so by sweeping the Caribbean Coast departments, including Magdalena. The Name family are very powerful machine politicians in Magdalena. For example, Jose Antonio Name Terán, the most powerful member of the family and also for many years a national senator has a long list of accusations of corruption and vote buying.³⁵ But they need money to feed the machine and purchase votes and this is what the money for the Road to Prosperity can provide. At the same time President Santos appointed Álvarez-Correa.

The symbiotic relationship between extractive and inclusive institutions sustains itself out with interactions like this every day in Colombia.

4 Putting the Picture Together

At this point let me collect a few thoughts. I have tried to argue that the poverty of Colombia can be explained by the presence of extractive economic institutions. This is perfectly in line

³³<http://www.portafolio.co/economia/adjudicacion-vias-la-prosperidad>

³⁴http://wsp.presidencia.gov.co/Prensa/2013/Noviembre/Paginas/20131123_02-Palabras-del-Presidente-Santos-en-el-acto-de-homenaje-postumo-a-senador-Jose-Antonio-Name-Teran.aspx

³⁵<http://lasillavacia.com/elblogueo/lospina/27347/el-segundo-entierro-del-senador-name>

with the cross-national evidence (Acemoglu, Johnson and Robinson, 2001, Acemoglu, Gallego and Robinson, 2014). I have further argued that, following Acemoglu and Robinson (2012), the root of extractive economic institutions is extractive political institutions. This has two dimensions, a narrow distribution of political power and a weak and ineffective state. I provided ample evidence to support the claim that Colombian political institutions are extractive in both dimensions. I have also tried to explain some of the political mechanisms that keep institutions that way. The difficult thing to understand in Colombia is the juxtaposition of extractive and inclusive institutions. Depending on what you care to emphasize you can make Colombia look like quite a successful place, or like the Congo. Success takes a bit of a stretch, given that Colombia is poor, the most unequal country in Latin America, and for much of the past 50 years was the murder, displacement, kidnapping and drug capital of the world. Still, there is something to explain and I have tried to focus on the coexistence of extractive and inclusive institutions.

One implication of this view of Colombia is that it contradicts much of the conventional wisdom about Colombian development. Most important it contradicts the idea that conflict and civil war in Colombia is caused by land inequality or the ‘rural problem’. Of course there is land inequality in Colombia. Extractive institutions naturally tend to create inequality and this may well play some role in exacerbating conflict. But my claim is that conflict is an inevitable outcome of a situation where there is no effective impartial state and no institutionalized neutral conflict resolution. To see the latter point recall the evidence I have cited about the role of the military both in fomenting paramilitarism and in the ‘false positives’ scandal. The evidence suggests that in such a situation human beings always find things to fight about. In Trujillo, for instance, a municipality in Valle with a long horrible history of violence superbly studied by Atehortúa (1995), the killing started at a cock fight.

A question which remains to be answered however is why the core is where it is in Colombia and why the periphery is so dysfunctional. If it is right that the origins of the Colombian equilibrium lie in the Liberal Republic after 1863, then it emerged because regional elites were able to foil a state building project. But surely these regional elites would have benefitted from prosperity in their regions? Why were they unable to engineer this? There are a few answers to this. Fergusson, Molina, Robinson and Vargas (2015) point out that the main explanation for why the core is where it is in Colombia is the location of the colonial state. For example, they show that the modern Colombian state tends to be much more present in precisely the places where it was present in the 1790s. Neglect has very path dependant consequences. For instance, Acemoglu, García-Jimeno and Robinson (2012) show that municipalities of Colombia

that had slavery historically (over 150 years ago) are substantially poorer today than identical municipalities which did not have slavery. Thus the presence of extractive economic institutions historically in the periphery is part of the story of why they are poor today. From this perspective the core-periphery locations in Colombia could be explained simply by the location of colonial extractive institutions (as in Engerman and Sokloff, 1997, Dell, 2010, and Bruhn and Gallego, 2012).

But there is much more to it than this. Independence in Colombia tended to empower the pre-existing elites which were concentrated where the state was. Though the state had different regional centers, it was dominated by Bogotá and Cartagena. Out of this situation the Bogotano elites emerged as the most powerful and they have dominated the executive since independence (reflect on the fact that the 2014 presidential election featured a Santos and Lleras and a López, three great Bogotano political families still in business). Meisel (2012) showed how ministerial positions in the 20th century have been dominated by the core and Fergusson, Molina, Robinson and Vargas (2015) extend this finding to the 19th century. Thus though regional elites might have been powerful enough to create a set of institutions which stopped Bogotá creating a hegemony over the country, they were not powerful enough to manipulate the national institutions in their interest.

Another reason may be that the periphery is embedded in a state which has a national form which is a path dependent consequence of the collapse of the Liberal Republic in 1885. While regional elites have an interest in public goods being provided locally, they could not set up their own police service, education ministry, or judicial service. Thus while politically autonomous in many ways and embedded in a system that helped to guarantee that, regional elites were nevertheless unable to manipulate state institutions based in Bogotá freely and those institutions naturally focused more on the core than the periphery.³⁶ In addition they have remained suspicious of those institutions as we saw in 1961 during the congressional debate on the institutionalization of agrarian reform.

A perhaps simpler reason is that when a country is fragmented in different centers of power the free-riding that one might imagine between these regions in terms of public goods provision might naturally lead to the under-provision of public goods. Though this is a theoretical possibility the data in Figure 9 in fact suggests that total tax revenues increased during the Liberal Republic which is the opposite of what you might expect if there were free riding in terms of public good provision, at least in this historical period. Moreover, Acemoglu, García-Jimeno and

³⁶It may not be a coincidence that the central bank, the Banco de la República, has a branch in every department, and monetary policy has been very good. At the same time Planeación, the ministry of planning, only operates in Bogotá, with far less success.

Robinson (2015) examine the strategic choice of state capacity at a municipal level using data from the 1990s and find these to be complements - meaning an increase in state capacity in one municipality stimulates the building of state capacity in it's neighbors, which is the opposite of free riding.

Finally, and perhaps most importantly, a key to understanding why regional elites have opposed the creation of a modern state in Colombia, but still ended up in the periphery can be explained by the fractal nature of the core-periphery relationship. The 'high society' elites who benefitted from the expropriations in Curvaradó and Jiguamiandó, for example, were not from Bogotá, but from Medellín. Curvaradó and Jiguamiandó are in Urabá, which is the periphery of the periphery, but more relevant here is that they are in the periphery of the core of Antioquia. Though elites in what became peripheral Colombia did less well than those based in Bogotá and in control of the national state, they have nevertheless been able to benefit from exploiting their own peripheries. Public good provision and economic institutions may be worse in Antioquia generally than in Cundinamarca, but the significant fact here in terms of understanding the Colombian equilibrium is the division within Antioquia. The same is more generally true of centers of colonial power which ended up in the periphery like Cartagena, Pasto or Santa Marta. They too have well defined peripheries from which local elites (in the core of the periphery) have benefitted in much the same way I described in the last section.

5 Change in the Colombian Equilibrium

I have tried to characterize the forces that keep Colombian political institutions extractive and thus create poverty and violence. But I have also emphasized that this situation has changed over time. Colombian institutions today are less extractive than they were in the 1890s, or the 1930s, and even the 1980s. This is the fundamental reason that poverty and violence have fallen over the past decade or so. What has driven this change and what does it suggest about the future?

To grasp this it is important to note that the political equilibrium I have described in Colombia is in many senses quite contradictory. The weakness of the state in peripheral Colombia, though it is advantageous for many elite interests also means that the state does not have the power to stop subaltern mobilization in the form of an endless stream of armed actors. After the government destroyed the FARC's bases in Tolima in the early 1960s, the FARC marched over the mountains into the stateless wastes of Los Llanos where they were able to reorganize in peace (Pizarro Leongómez, 2011). The equilibrium allows for a great deal of other forms of

collateral anarchy. Los Llanos was also where Gonzalo Rodríguez Gacha organized Tranquilandia, his vast drug plantation. Indeed, it was the vacuum of authority in peripheral Colombia that allowed Pablo Escobar and his associates to move the world cocaine industry to Colombia in the 1970s with terrible consequences for Colombian society and institutions. The important point however is that bad though the consequences of the drug cartels were and are, they are a consequence of the underlying political equilibrium in Colombia. They are not the real reason for Colombia's problems, but like the FARC, are rather a symptom of them. It is at moments when the contradictions cannot be managed well, as in the 1930s, the 1950s or the 1980s, that Colombian political institutions have become on average more inclusive.

This change has been the outcome of a series of re-orientations in the political equilibrium, mostly as a consequence of the system generating outcomes that were intolerable, or potentially intolerable, for elites. Though I have emphasized that the spatial distribution of extractive institutions is such as to help the system reproduce itself - recall that misery is concentrated in the periphery - some large shocks have disrupted this equilibrium. Social changes connected to urbanization and the development of new groups and identities, such as organized labor, in the 1920s and 1930s, led the Liberal government of Alfonso López Pumarejo to initiate a series of reforms - mistakenly identified as a state building project. These reforms however raised the stakes of political contestation and like many other such reforms resulted in conflict (see Pincus, 2009). This period did lead however to universal suffrage, the introduction of an income tax and a library in every municipality. It also led to agrarian reform in an attempt to deal with rural conflict (Le Grand, 1986).

The social forces unleashed by *La Violencia* led to similar reforms and a massive expansion of education, further attempts at agrarian reform and further projects to build the state. These reforms were of course highly imperfectly implemented in many ways, but some of them had an impact on poverty, particularly educational expansion. Figure 12 plots incomplete data on government spending on education as a % of GDP since 1832 based on research by María Teresa Ramírez and her collaborators (and brought up to date using information from the World Bank, 2015) (see Ramirez and Salazar, 2010). Several things about this picture are noteworthy, apart from the dismally small amount of national income which was allocated historically to this most basic public good. The series shows two big jumps, the first one in the late 1950s from levels of around 1% reaching 3% in the 1960s and 1970s. Not only spending went up, but so did school enrollment. The gross primary enrollment rate for primary education reached 100% for children aged 7 to 11 by the 1970s compared with 54.5% in 1951 (Ramírez and Tellez, 2007). These changes were directly linked to *La Violencia*. Alberto Lleras Camargo, the first President of the

National Front period between 1958 and 1962, noted

“The insurgence of brutal pressures, the cruelty that characterized this very recent period of our history, would not have inflamed so tumultuously an educated nation, a civilized country [...] The insensibility that gripped a good part of the old governing classes in the face of the tremendous seriousness of the violence is another symptom of defective education, even in the highest hierarchies of intelligence. The complementary education systems, the home and the moral and religious education of Colombia all failed. That is a historical fact.” (in *El Tiempo*, quoted by Helg (1989))

More generally, though the National Front did not represent a genuine attempt to build a state, it did implement some inclusive reforms, as the ‘Revolution on the March’ had done (see Lleras Camargo, 1959, and Lleras Restrepo, 1959).

The next shift in the political equilibrium, evident in Figure 12 is at the time of the 1991 Constitution. Educational expenditure jumped again and this time the fruits were felt most in terms of secondary school enrollment where the gross enrollment rate for the 12-17 age group increased from 41.5% in 1986 to 70.5% in 2000. This reform came as a consequence of the mounting violence of the 1980s unleashed by the expansion of left wing guerilla groups, nascent paramilitaries and drug mafias. The results, most centrally the Constitution of 1991, did a lot to promote more inclusive political institutions. They expanded and improved the state and the fiscal and political decentralization (which came earlier in 1986) have played key roles in the recent reduction of poverty. In addition to the educational consequences seen in Figure 12, Figure 13 plots data to show another striking achievement of the 1991 Constitution. This was the 1993 health reform which managed to induce a 70% coverage by 2011. In 1992 this was around 10% in rural areas and 30% in urban areas (see Yepes, Ramirez, Sánchez, Ramirez, and Jaramillo, 2010, Figure 3.1, p. 29) as the right-hand axis shows. The left-hand axis illustrates the huge increase in spending in real terms on health care which went up by about 700% after the 1991 Constitution.

Despite these transitions and institutional dynamics the examples which I have discussed in this paper show that there are very large extractive elements in Colombian political institutions today. The system remains elite dominated at a core which negotiates for power with a far more extractive periphery. At the interface between the two the extractive and the inclusive inter-mingle in a quite extraordinary way as I illustrated at various points, for example the interchange between Isaza and Valencio Cossio or the meeting at Santa Fe de Ralito. Though

this is costly for the country there are a lot of vested interests in it, as I showed with my example of Riopaila and the allocation of frontier lands. Evidence of this fundamental persistence comes from the fact that even the reforms of 1991 did nothing to change inequality. The state might have become better funded, but it is not funded by the elite who barely pay taxes. In Colombia the post-tax Gini coefficient, a standard measure of income inequality, is identical to the pre-tax one. So while change towards a more inclusive society has happened it has been very slow and it has not disrupted the basic functioning of the equilibrium, even if it has driven down poverty.

An important question is why these crises and subsequent re-equilibration have not created a real transformation in the country. I think this has a lot to do with the sorts of crises that they were. The murder of presidential candidates and leading public figures and kidnappings that were targeted at elites like future president Andrés Pastrana were the work of drug lords, paramilitary groups and the FARC and ELN. These were not broad based social movements with an agenda to change Colombia of the type Acemoglu and Robinson (2012) associate with transitions from extractive to inclusive institutions. Indeed, the reason that the 1991 Constitution ended up so inclusive had a lot to do with the rather idiosyncratic fact that 1/3 of the members of the constitutional assembly were from the recently demobilized M-19 guerilla group which did actually have an agenda of promoting a more inclusive Colombia. It was more luck than judgement.

Though in this section I have emphasized that there has been progression towards more inclusive institutions and this has helped bring down poverty and even violence recently, it is also good to reflect, especially in the context of ongoing peace negotiations with the FARC, that Colombian violence has fallen before, for example in the 1960s, only to increase again. Demobilization of guerillas is nothing new in Colombia, recent examples including Guadalupe Salcedo in 1953, through the M-19, to the Ejército Popular de Liberación (EPL) and the Movimiento Armado Quintín Lame in 1991. Even the demobilization of the paramilitaries in 2006 was followed by the rise of Los Rastrojos, Los Urabeños and the so-called *Bandas Criminales*. If the underlying problems of Colombia do not change, demobilization can easily be followed by re-mobilization and there is no reason why violence could not rapidly increase again.

The fact that challenges to the system have been met by movements towards inclusion is not an obviously pre-determined outcome. Through Latin America in the past century, such challenges often resulted in severe repression and the consolidation of dictatorships or military governments. That this did not happen in Colombia might be argued to be at least one strength of the system. This is possibly right, but there are two observations relevant to assessing this claim. First, as I noted above, the nature of the system allows challengers to it to be murdered

with impunity. After he demobilized, Guadalupe Salcedo was gunned down on a street in Bogotá in 1957. Thus Colombian elites have never needed the military to murder political challengers. Second, the broader Latin American evidence suggests that bringing the military into politics to suppress challengers has potentially very negative consequences for elites. In Argentina in 1930 elites brought the military in to quash the rise of the Radical Party only to find the military were soon running the country. Even the much lauded ‘strength’ of Colombian political institutions, for example in derailing the attempts by President Álvaro Uribe to stay in power, helps to avoid the emergence of a personalistic populist political movement, such as under Juan Perón in Argentina or under Hugo Chávez in Venezuela, another phenomenon with very adverse consequences for elite interests.

6 Conclusions

In this essay I have taken a *longue durée* perspective on the determinants of poverty and violence in Colombia. Colombia is not a ‘failed state’ like Iraq or Somalia, but neither is it a very successful one either. For most of its almost 200 years of independence the vast majority of its population have lived in poverty and misery and have suffered from violence and oppression. During this time economic performance has significantly diverged from the most advanced countries of the world. Why?

I have argued that this is because the majority of Colombians have been trapped within a system of extractive economic institutions which has kept them poor, by stifling their initiative, incentives and opportunities. It has also kept them vulnerable and powerless because lying behind the extractive economic institutions has been a set of extractive political institutions which have concentrated political power narrowly and led to the creation of a feeble and ineffective state. There is no fundamental reason why Colombia could not have the levels of income per capita that the United States does. Indeed, it was probably not so far behind in 1819. The reason that it does not is because of the extractive institutions, some features of which I have tried to describe. Most crucial are the extractive political institutions. If these changed then the economic institutions would change too. Yet as I have argued, the fact that Colombia has extractive political institutions is not a coincidence. They reflect a long path-dependent dynamic rooted in the reproduction of colonial power structures and they are kept in place by a system of forces and interests.

Nevertheless, Colombia’s institutions are also kept in place, not just by elite interest, by also the failure of collective action of those who suffer from the system. I argued in the last section

that movements towards greater inclusion in Colombia have typically been the result of the contradictions of the system getting out of control. The extractive institutions which kept the periphery cheap to buy and fragmented, also allowed Rodríguez Gacha to build *Tranquilandia*, grow cocaine on a massive scale and build airports to export it. It also allowed Pablo Escobar to train his sicarios and unleash a devastating spree of murder on Colombian society. One of the consequences of this was the re-writing of the constitution in 1991, which thanks to the representation of the former members of the M-19 guerilla group, generated a big push towards greater inclusion. The extractive institutions also allowed the FARC and ELN to flourish and grow which stimulated attempts to democratize local politics with the popular election of mayors in 1988. Up until now however, these adjustments in the extractive institutions have not come as the result of massive popular organization or coherent opposition to the way Colombia is organized and so have not had the effect of fundamentally changing the way institutions work.

The best hope for moving Colombia towards a more inclusive society is such mobilization and the solution to some of the problems I outlined above, particularly the lack of a public sphere or a common interpretation of the ills of society. This is possible because of the contradictory nature of the equilibrium. The inability of the elite to discipline Rodríguez Gacha or the FARC also makes it difficult for them to control other types of mobilization such as the successful attempt by Afro-Colombians to gain collective titles of their lands. The origins of this lie in Transitory Article 55 of the 1991 constitution which ultimately culminated in Law 70 of 1993 (see Escobar, 2008, and Asher, 2009) which has now allowed Afro-Colombian communities to claim collective title to 60% of the land in the department of Chocó, a vast area. Though elites can ‘creatively interpret’ the law to loot the periphery, the periphery can appeal to the law for protection as the people of Curvarado and Jiguamiandó did - they used Law 70 as a tool to try and get their lands back. So despite the extractive features, the Janus-faced state creates opportunities for society to force institutions to become more inclusive if they can get organized (see Nugent, 1997, for a similar argument in the case of Perú). From this perspective, one of the most optimistic facts about Colombia’s recent history is the changing nature of contestation documented and analyzed by Archila (2000) and Archila, Delgado, García and Prada (2002).

This argument gives one some hope that a tipping point could be reached whereby the inclusive elements of institutions in Colombia would become sufficiently powerful that they would finally eradicate the extractive institutions, as happened historically in all societies which are now inclusive. Some would argue that the current peace negotiations with the FARC could create a window of opportunity which would make this more likely to happen. While I think this is a possibility, the argument of this essay makes it unlikely. The fall in poverty in the last decade, for

example, is part of the fruits of the 1991 Constitution which was the outcome of a very unusual series of shocks and an elite crisis. Though this has brought many positives, the extractive elements of the political system, though diminished and mutated, are still very well entrenched as they have been for 120 years of modernization and modest economic gains. Critically, the FARC is not a cause of Colombia's problems, it is a symptom, just like Tranquilandia and the Castaño brothers. The supposed causes of the conflict with the FARC, such as the unequal distribution of land, are not the real causes, which are simply the fact that Colombia never created a modern state. In the vacuum of authority which is rural Colombia, where there are no neutral parties or arbiters, where there is nobody to enforce law and order and provide basic public goods, it is not a surprise that armed groups flourish (see Uribe, 1990, for an interesting perspective). It's a part of the collateral damage that Colombian elites have lived with for at least 150 years. In this essay I have tried to explain how Colombia ended up like this and why it persists today. Peace with the FARC may make it easier for the government to stabilize peripheral areas which can aid the provision of public goods and help to reduce poverty, and it may allow for new and more progressive political forces. On its own, however, it will do little to reduce the demand for the services of the Mochileros, to blunt the urge to pay homage to the Names, the impulse to hire Brigard y Urrutia to 'acquire' some land in Vichada, or to finally get a road built to Quibdó after 196 years of independence.

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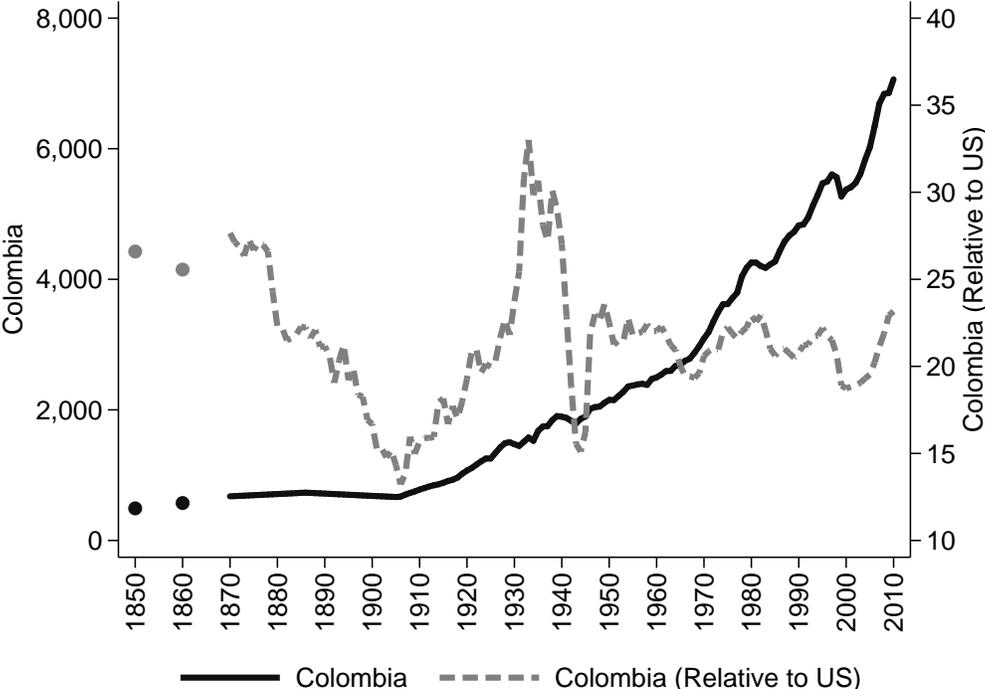
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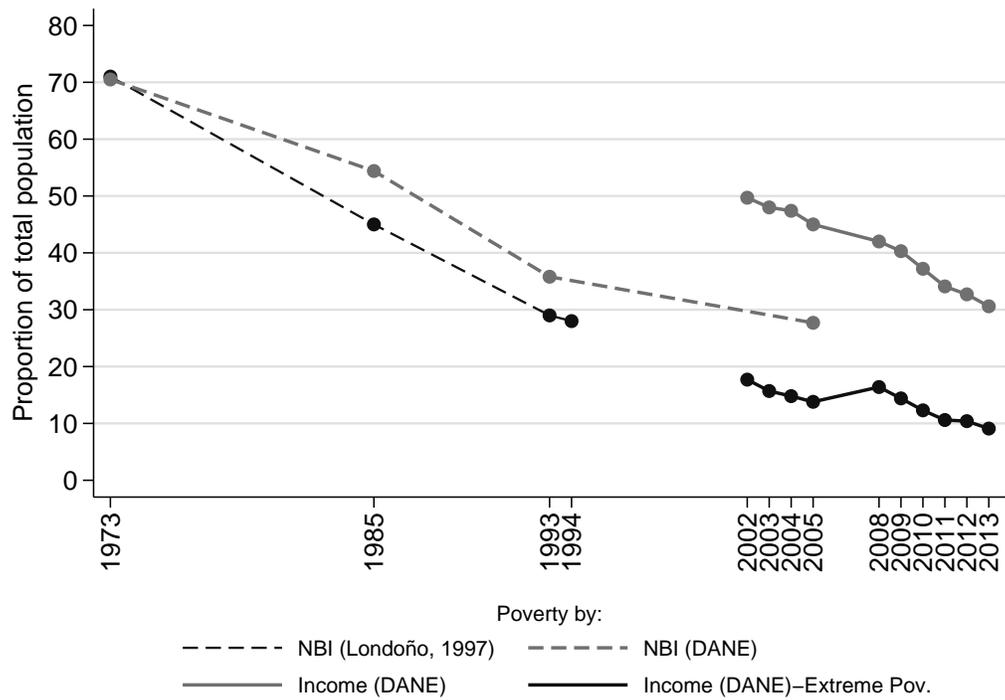
1 Tables and Figures

Figure 1: GDP per-capita over the long-run



Note: GDP per capita Geary-Khamis dollars 1990.
Source: Bolt and van Zanden (2014).

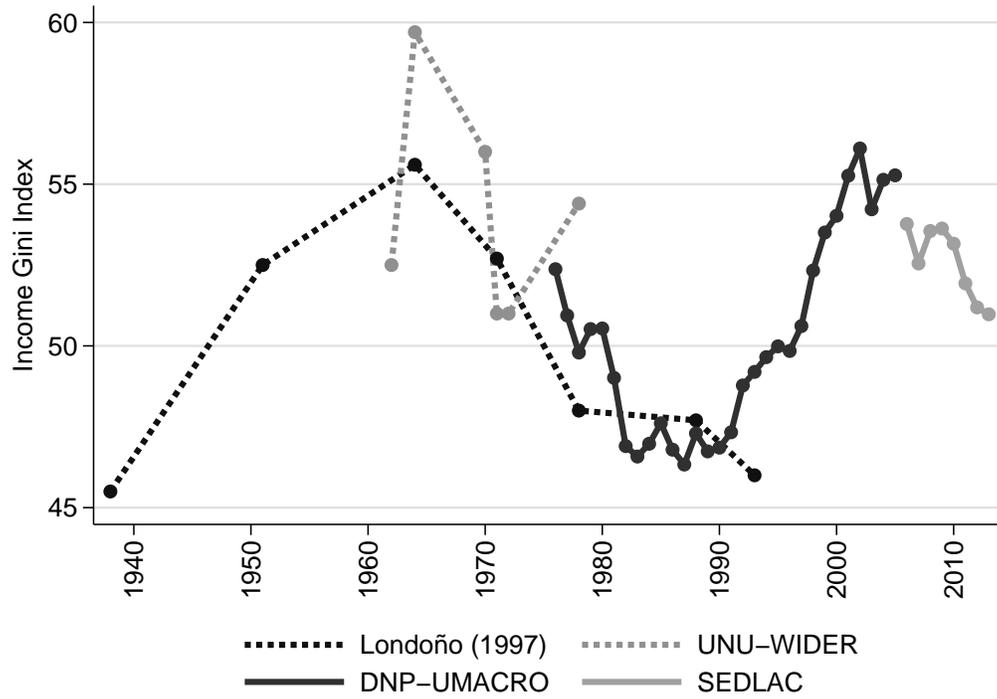
Figure 2: Colombia's Poverty Rates



Note: Proportion of households in poverty according to Income and unfulfilled basic needs (NBI).

Source: DANE and Londoño (1997).

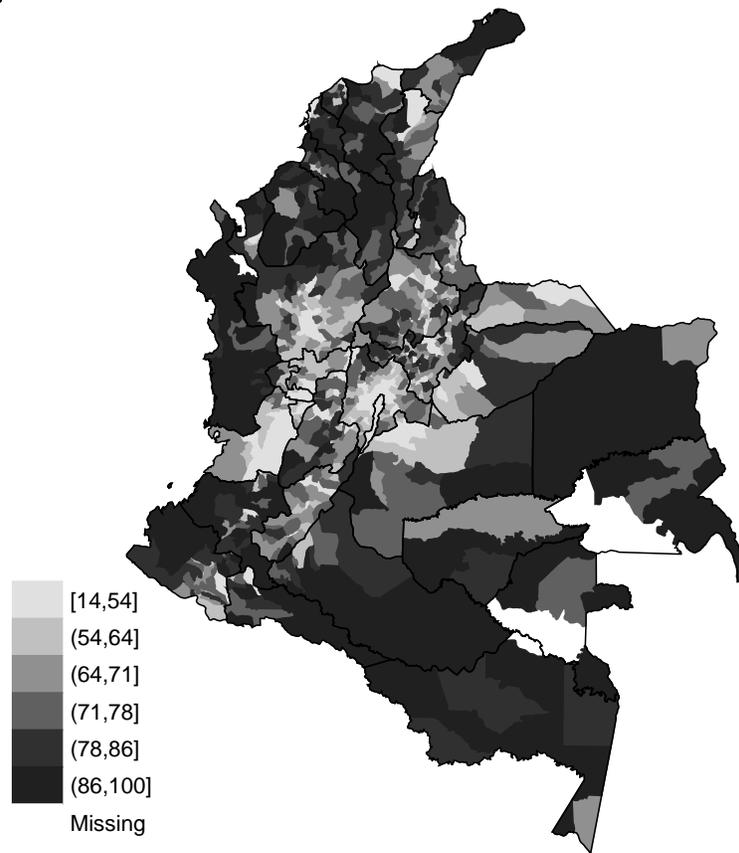
Figure 3: Income Inequality in Colombia



Note: GINI Index. DNP UMACRO Gini Index was calculated only for the 7 major cities.

Source: WIDER, SEDLAC and Londoño (1997).

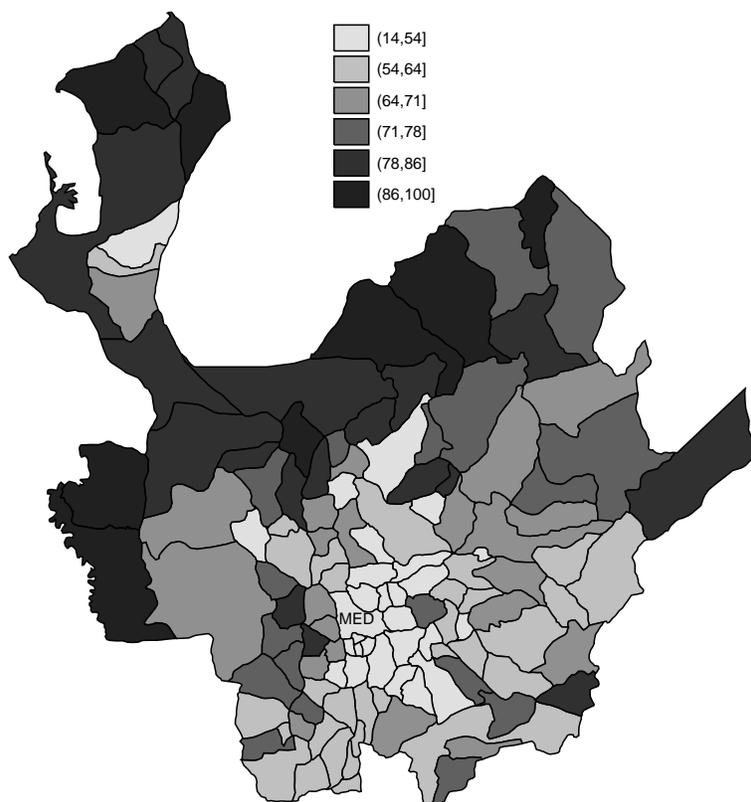
Figure 4: The Spatial Distribution of Poverty in Colombia



Note: The Multidimensional Poverty Index is based on five dimensions: educational conditions, conditions of children and youth, health, employment, access to public services and housing conditions.

Source: Oxford Poverty & Human Development Initiative (OPHI).

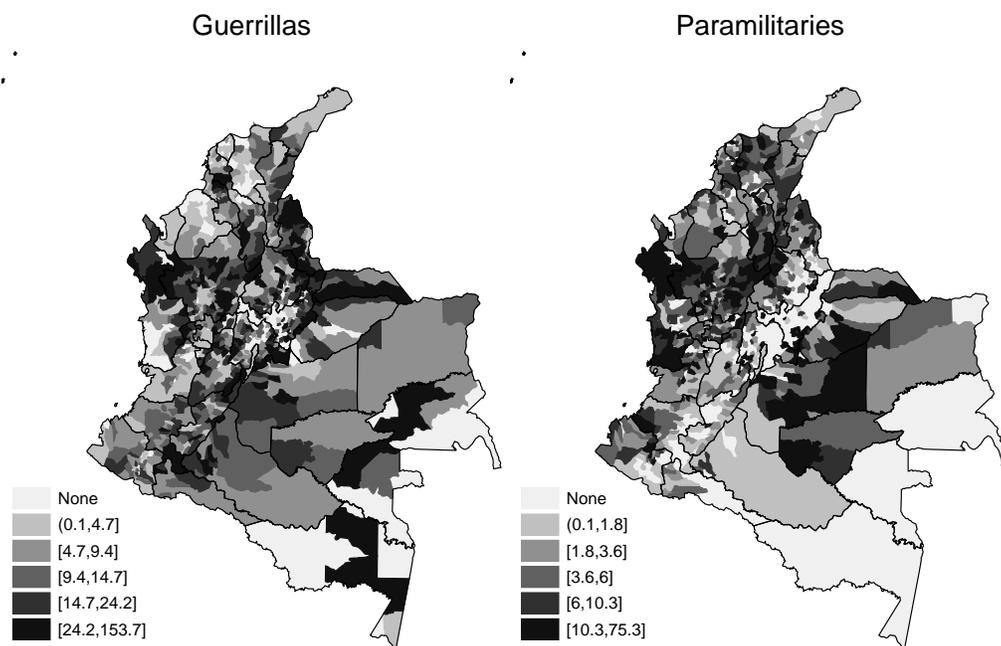
Figure 5: The Spatial Distribution of Poverty in Antioquia



Note: The Multidimensional Poverty Index is based on five dimensions: educational conditions, conditions of children and youth, health, employment, access to public services and housing conditions.

Source: Oxford Poverty & Human Development Initiative (OPHI).

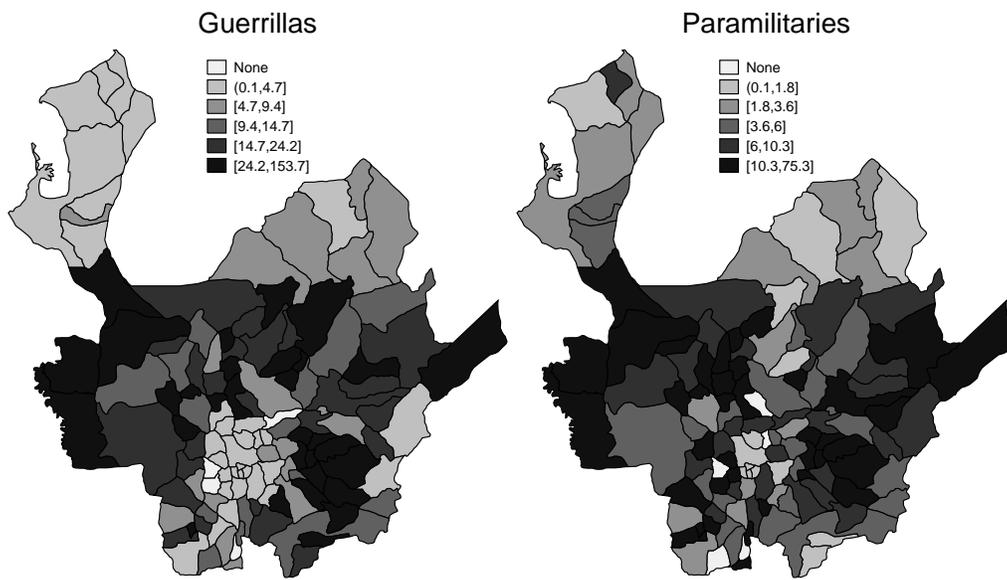
Figure 6: The Spatial Distribution of Violence in Colombia



Note: Number of violent events per year perpetrated by Guerrillas or Paramilitaries per 100,000 inhabitants. Average between 1996 and 2012.

Source: CERAC-URosario (Centro de Recursos para el análisis de conflictos).

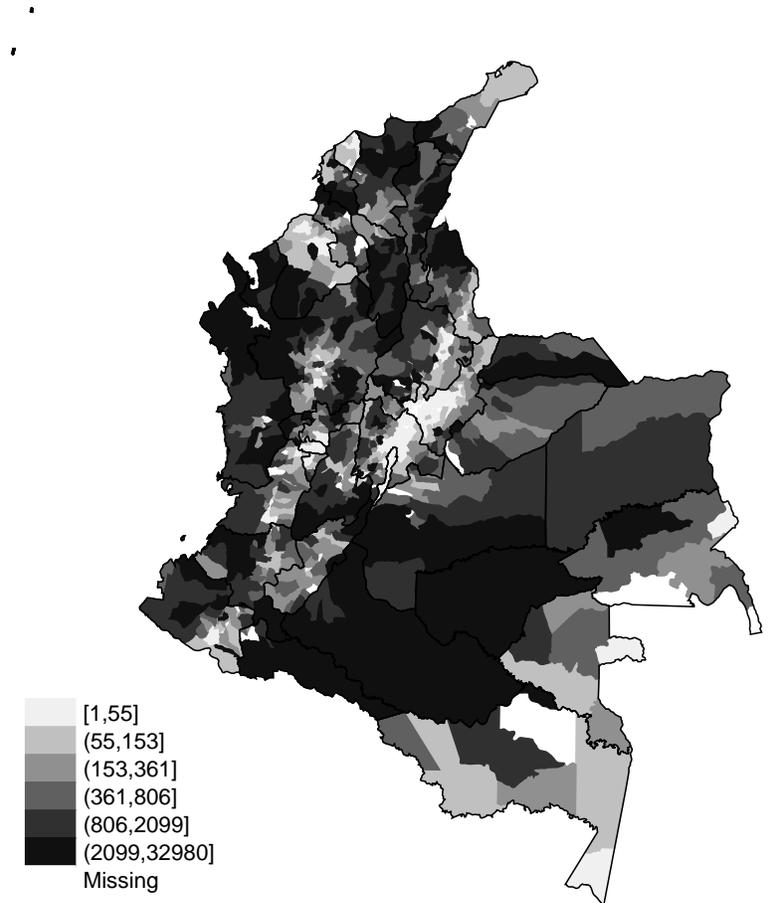
Figure 7: The Spatial Distribution of Violence in Antioquia



Note: Number of violent events per year perpetrated by Guerrillas or Paramilitaries per 100,000 inhabitants. Average between 1996 and 2012.

Source: CERAC-URosario (Centro de Recursos para el análisis de conflictos).

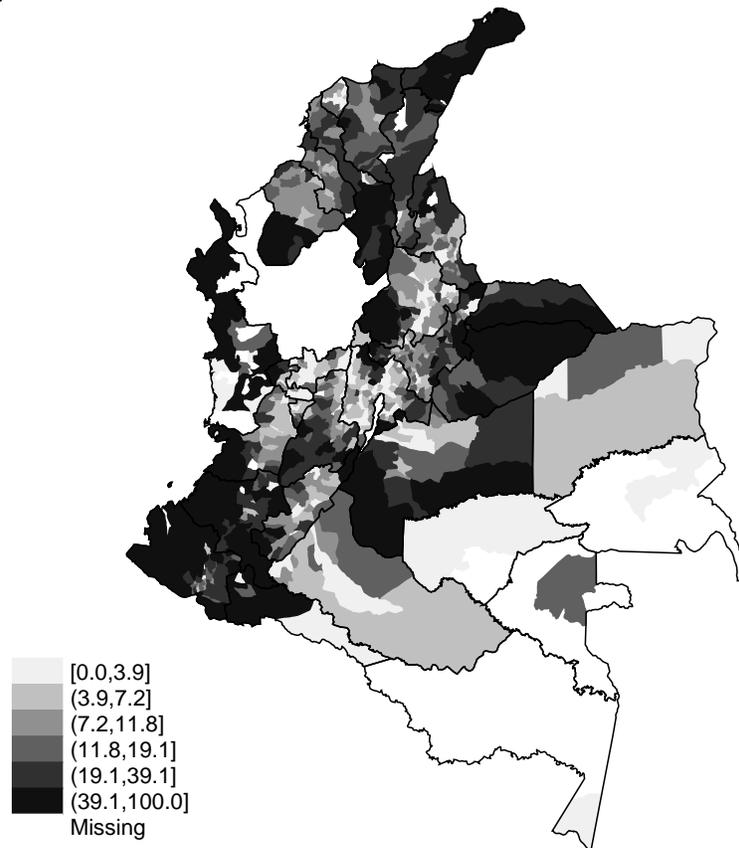
Figure 8: The Spatial Distribution of Displacement



Note: Number of displaced people per 100,000 inhabitants. Average between 1997 and 2009.

Source: Unidad para la Atención y Reparación Integral de Víctimas (UARIV).

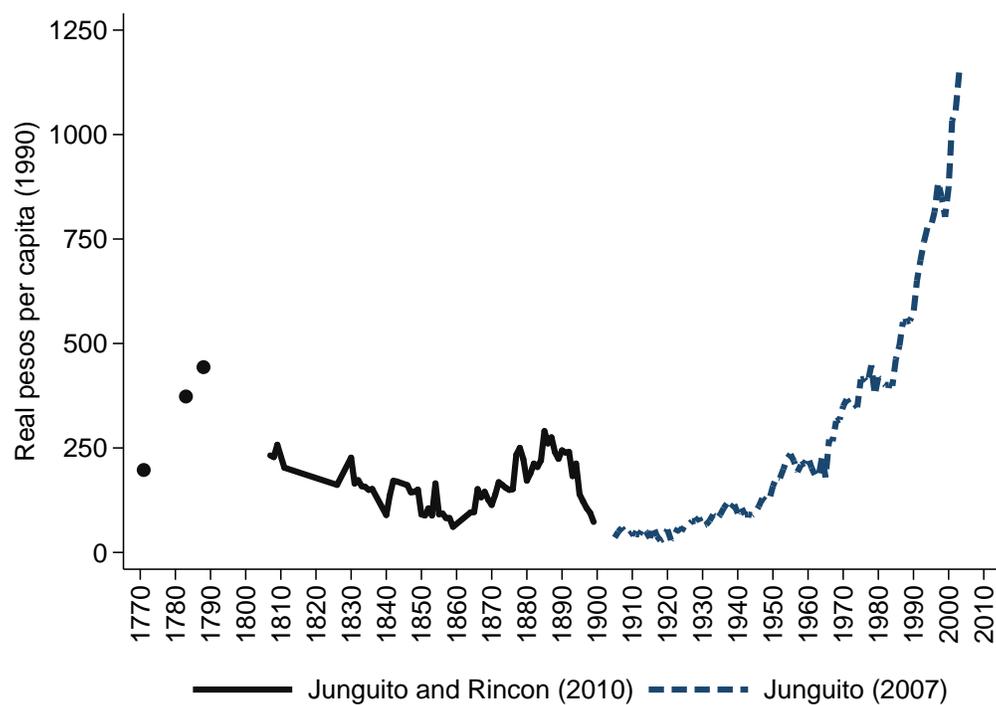
Figure 9: The Distribution of Informal Property Titles



Note: Proportion of land without formal title or registration. Average between 2000 and 2009.

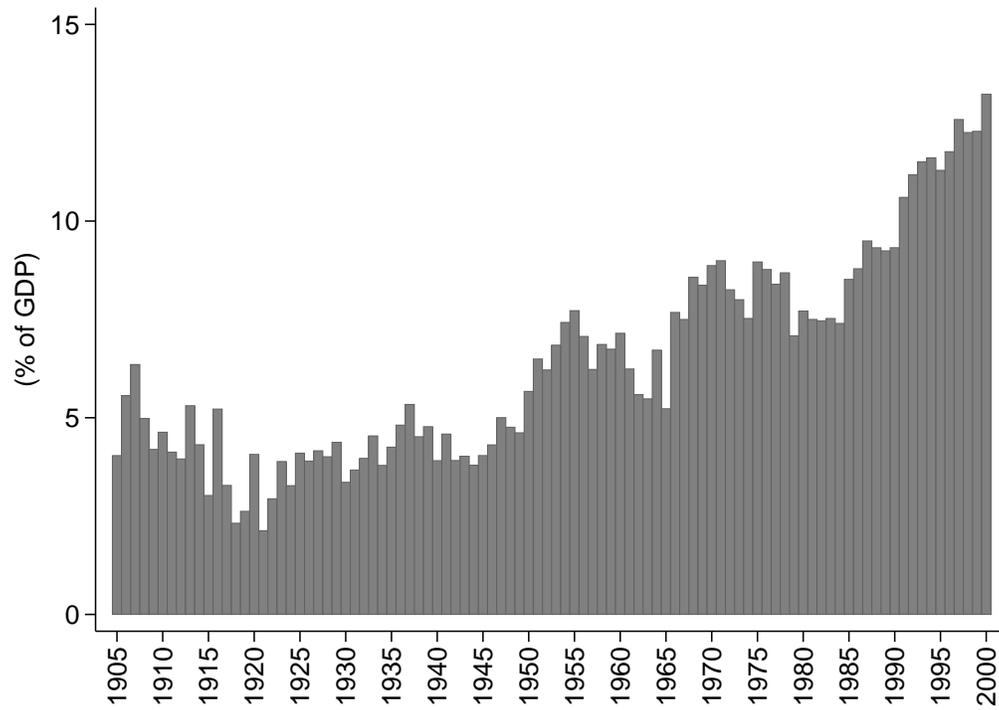
Source: Instituto Geográfico Agustín Codazzi (IGAC).

Figure 10: Real Tax Revenues per-capita since 1770



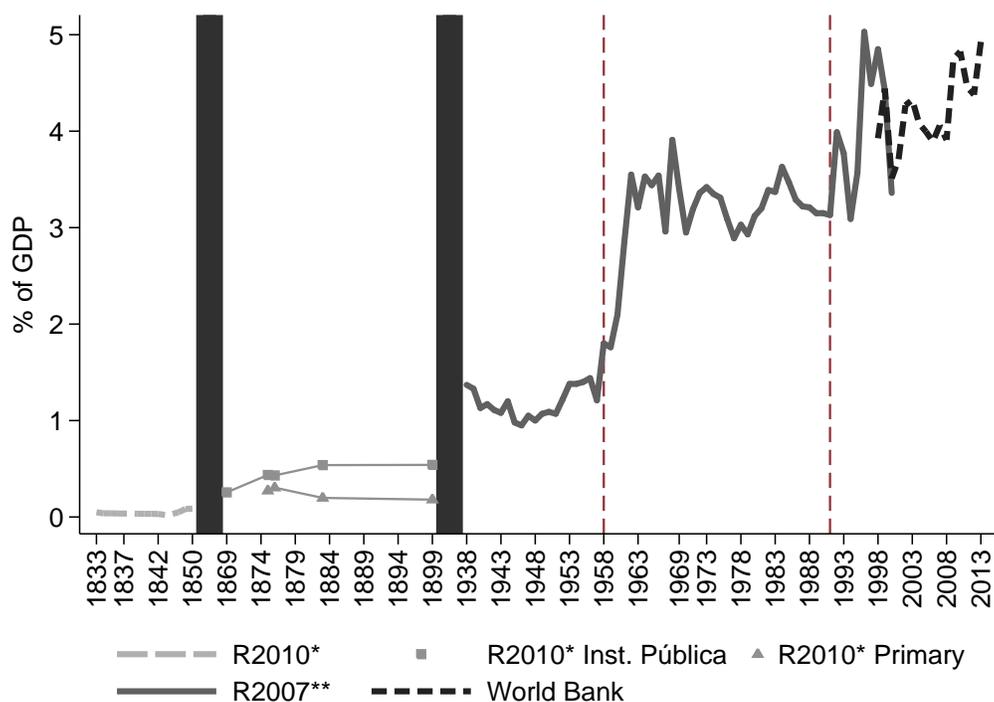
Source: Tax revenues from: Junguito and Rincón (2010) and Junguito (2007). Population from: Bolt and van Zanden (2014). Price deflator from: Urrutia (2010)

Figure 11: Tax Revenues as % of GDP since 1900



Source: Junguito and Rincón (2010).

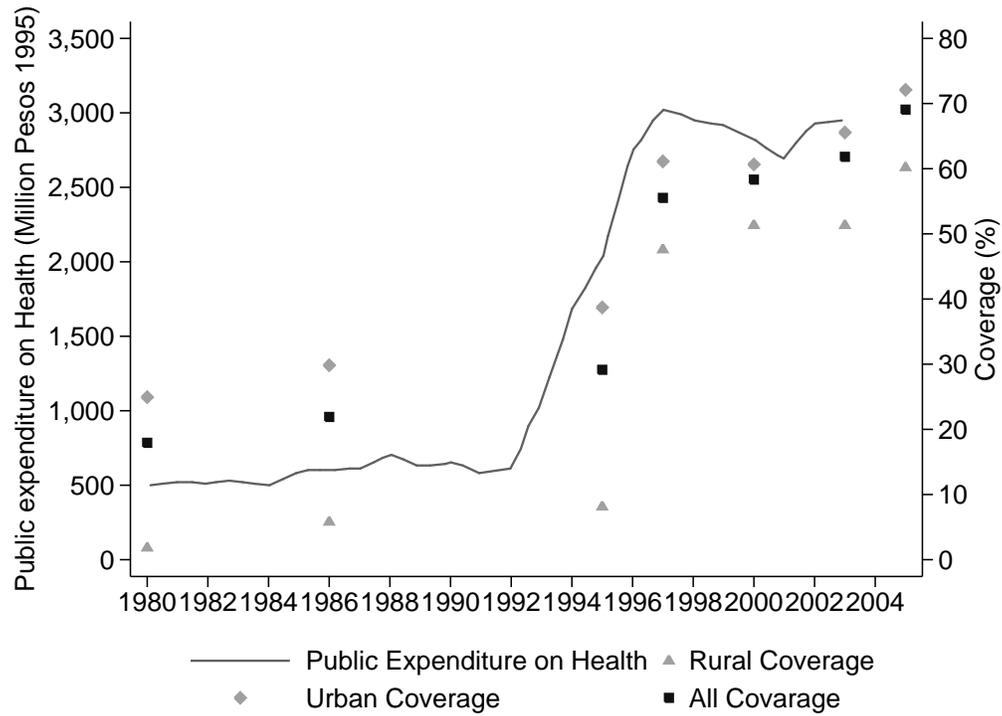
Figure 12: Public Education Spending as % of GDP



Note: *Inst. Pública* represent the total expenditure by the Ministerio de Instrucción Pública. *Primary* represent the total expenditures on primary education.

Source: *Ramírez and Salazar (2010). ** Ramírez and Tellez (2007). Primary Source Montenegro (1984) and budgets and revenue settlement. To estimate the expenditure on education as proportion of GDP we used the GDP estimations from: Kalmanovitz (2007). The World Bank, World Education Indicators (2015).

Figure 13: Health Care in Colombia



Source: Yepes, Ramírez, Sánchez, Ramírez. and Jaramillo (2010).

Table 1: The Involvement of Paramilitaries in Politics

Name	Legal Status	Penalties (Prison time, time banned from public office, fine in parenthesis)	Effective time in prisión	% Of Votes In Paramilitary Zones
Mauricio Pimiento Barrera	Arrested (Guilty)	7 years in prison. (923 million COP).	2 years and 7 months	61.59
Dieb Nicolas Maloof Cuse	Arrested (Guilty)	4 years and 9 months. 20 years banned from public office. (2769 million COP).	1 year and 9 months	57.73
Alvaro Araujo Castro	Arrested (Guilty)	9 years and 4 months. (3719 million COP).	6 years and 6 months	53.75
Salomon De Jesus Saade Abdala	Investigated (Guilty)	20 years banned from public office.		43.27
Carlos Arturo Clavijo Vargas	Arrested (Guilty)	3 years and 9 months.(1500 million COP).	3 years and 9 months	43.03
Isabel Celis Yañez				34.9
Juan Gomez Martinez				33.6
Piedad Cordoba	Investigated (Guilty)	18 years banned from public office.		31.77
German Hernandez Aguilera				31.19
William Alfonso Montes Medina	Arrested (Guilty)	7 years and 2 months. (3684 million COP).	1 year and 2 months	30.94
Flor Modesta Gnecco Arregoces				29.46
Ruben Dario Quintero Villada	Arrested (Guilty)	7 years and 6 months. (3348 million COP).	4 years and 6 months	29.45
Bernardo Alejandro Guerra Hoyos				29.19
Luis Guillermo Velez Trujillo	Investigated (Not Guilty)			28.06
Piedad Del Socorro Zuccardi De Garcia	Arrested (Guilty)	In process.	2 years and 6 months	26.54
Victor Renan Barco Lopez	Investigated (Not Guilty)			26.37
Jesus Leon Puello Chamie	Investigation suggested by the Supreme Court			26.16
Vicente Blel Saad	Arrested (Guilty)	7 years and 6 months (3348 million COP).	4 years and 6 months	24.33
Consuelo De Mustafa				24.06
Juan Manuel Corzo Roman	Investigated (Not Guilty)			23.78

Source: Acemoglu, Robinson and Santos (2013).

Note: Updated website information.

Table 2: The Extent of Vote Buying in Colombia

Region	2007	2008	2009	2010	2011	2012	2013	2014*	2014**
Oriental	10.6	17.9	16.5	17.7	15.7	18.8	19.5	7.4	15.8
Central	12.3	15.7	14.0	10.3	15.9	25.8	17.8	8.4	9.7
Pacifica	13.9	19.0	20.2	15.2	15.2	27.7	19.7	7.2	11.4
Bogota	19.0	19.0	19.2	12.1	13.0	31.4	22.0	3.9	9.3
Caribe	24.5	28.5	23.5	20.9	16.4	20.5	28.1	10.8	26.0

Source: LAPOP Survey.

2007-2008: Proportion of people who answered “yes” to the question: *Has somebody offered you anytime money or material goods in exchange for you vote in order to favor some candidate or party?*

2009-2013: Proportion of people who answered “frequently” or “rarely” to the question: *Has a candidate or someone from a political party, in recent years during election campaigns, offered you something like a favor, food, a benefit or something else in exchange for you to vote to support that candidate or party?*

2014*: Proportion of people that answered “yes” to the question: *In the last national election, do you know if a candidate or someone from a political party offered a favor, gift or other benefit to someone else in order to get their support or vote?*

2014:** Proportion of people that answered “yes” to the question: *In the 2010 presidential election, did someone offer you a favor, gift or benefit in exchange for your vote?*

Table 3: Ballot Stuffing and Fraud in the 1922 Presidential Election

Department	Total votes	Votes for Pedro Nel Ospina (Conservative)	Votes for Benjamin Herrera (Liberal)	Ospina-Herrera	Stuffed Ballots	Stuffed Ballots/ Total Votes	Total Population, 1918
Antioquia	76,420	47,987	28,403	19,584	11,658	0.15	821027
Arauca	425	146	278	-132	10	0.02	6070
Atlantico	9,905	4,840	5,064	-224	1,488	0.15	117915
Bolivar	49,548	33,650	15,888	17,762	29,207	0.59	416561
Boyaca	83,764	61,977	21,747	40,230	39,688	0.47	590587
Caldas	50,186	28,610	21,566	7,044	7,104	0.14	419697
Caqueta	363	270	93	177	124	0.34	2957
Casanare	68	10	58	-48	1	0.02	1382
Cauca	23,024	13,644	9,367	4,277	8,416	0.37	238071
Choco	7,214	3,467	3,746	-279	2,649	0.37	61371
Cundinamarca	117,471	76,634	40,723	35,911	48,517	0.41	800439
Guajira	1,460	1,063	397	666	1,407	0.96	2908
Huila	13,864	8,830	4,997	3,833	2,513	0.18	181202
Magdalena	18,577	11,657	6,918	4,739	7,465	0.40	186254
Meta	2,477	1,255	1,221	34	808	0.33	10695
Narino	29,843	23,880	5,959	17,921	4,237	0.14	327367
Norte de Santander	35,705	26,894	8,804	18,090	17,449	0.49	222552
Putumayo	850	660	190	470	414	0.49	5009
San Andres y Providencia	566	465	100	365	0	0.00	5953
Santander	55,492	37,784	17,699	20,085	23,926	0.43	439161
Tolima	39,083	19,019	20,057	-1,038	18,485	0.47	320084
Valle	35,547	17,284	18,249	-965	4,440	0.12	266371
TOTAL	651,852	420,026	231,524	188,502	230,007	0.35	5443633

Source: Chaves, Fergusson and Robinson (2015).