

PROSPERITY IN DEPTH: COLOMBIA

# The Orangutan in a Tuxedo

By James A. Robinson



THE 2012 LEGATUM PROSPERITY  
INDEX<sup>™</sup> RANKING: COLOMBIA

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## THE LEGATUM INSTITUTE

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Based in London, the Legatum Institute (LI) is an independent non-partisan public policy organisation whose research, publications, and programmes advance ideas and policies in support of free and prosperous societies around the world.

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## PROSPERITY IN DEPTH

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To complement the Prosperity Index, we commissioned 12 specialists—economists, political scientists, journalists—to provide additional analysis of selected countries. Their studies vary from essays putting contemporary challenges into historical context (Iran, China, Mongolia) to up-to-the-minute surveys of the barriers to economic growth (Egypt, Japan, India) to controversial alternatives to the conventional policy interpretations (Iceland, Colombia, Vietnam). In each case they represent highly original work by distinguished experts that adds depth and insight to the statistical analysis of the Prosperity Index.

## FOREWORD

Social scientists, we are told, are too specialized to understand development. Actually, that's changing rapidly. And few scholars personify the change more than Jim Robinson, who taught both economics and political science at the University of California (Berkeley) before joining Harvard's department of government.

Robinson is not afraid to take on really big issues. Indeed, his widely acclaimed book, *Why Nations Fail* (written with MIT economist Daron Acemoglu), tackles a question that haunts political economy studies. Here, he shines a light on the dark underbelly of Colombia, an economy and society rife with contradictions.

This year's Prosperity Index ranks Colombia 69th, squarely in the middle of the pack. But that middling score conceals extremes. Colombia gets high marks on economic factors contributing to prosperity, but scores miserably on Safety & Security. Indeed, in this latter category, it is in some truly unsavoury company—think Sudan, Zimbabwe and Pakistan.

The explanation, Robinson suggests, lies in Colombia's peculiar division of political power: The urban elite delegate authority over the rest of the country to organized criminals and corrupt landowners in return for uncontested control of the national government. Robinson concedes that violence is down, thanks to the suppression of the drug cartels and left-wing militias. But he argues that the foundations of a successful civil society are still lacking.

The rich feel no responsibility for the poor—which explains why the distribution of income in Colombia is among the most unequal on earth. Meanwhile, corruption (political and economic) remains the rule rather than the exception. Robinson's prognosis for Colombia is grim. But even those who disagree will be fascinated by this landmark analysis.

**Peter Passell, Editor**

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# The Orangutan in a Tuxedo



*The gains that should have followed from economic stability and political pluralism never materialised.*

Colombia has emerged from its violent, chaotic past, and is ready to join the club of nations that respect human rights, share power with the people and offer a decent—and rising—standard of living. Or maybe not.

Colombia is the embodiment of paradox. On the continent that has defined macroeconomic volatility, Colombia has managed incredible stability. Since the 1930s it never experienced a year of negative economic growth until 1999. And in the twentieth century it never had a problem with inflation nor was it caught in one of the debt crises that episodically freezes Latin American economies. Moreover, while democracy was collapsing everywhere in Latin America in the 1930s, power changed hands in Colombia (from the Conservative Party to the Liberal Party) in a free election. And, apart from a short spell in the 1950s, Colombia has neither been the victim of a political coup, nor lived under the yoke of a military government.

That one short period of military rule, by the way, only serves to accent the fact that autocracy was a departure from the norm. General Gustavo Rojas Pinilla's coup was almost a consensus reaction by Colombians to the increasingly radical policies of the Conservative government of President Laureano Gómez. And when the politicians wanted rid of their military allies, they left without bloodshed.

Yet the gains that should have followed from economic stability and political pluralism never materialized. Though Colombia has been growing virtually non-stop since 1900, the pace has been deliberate. Indeed, it has, on average, grown no faster across the business cycle than volatile Latin American countries like Peru and Bolivia. Colombia entered the twentieth century with a GDP per-capita of about one-fifth that of the US—and left it with a GDP per-capita of about one-fifth that of the US. In the meantime, of course, the gap in living standards in absolute terms widened considerably.

Moreover, while Colombian democracy has endured, Colombia hasn't fared well by other measures of societal stability. The murder rate has been the highest in the world for the last half-century. Among the victims have been myriad politicians, including four presidential candidates and, in the 1980s some 2,000 members of the leftist, third-party Unión Patriótica.

Murder isn't Colombia's only symptom of social dysfunction. The country has been fighting a civil war with leftist guerillas continuously at least since 1964. And in the early 1980s, Colombia became ground zero for the international drug trade, home to the cocaine cartels. It should be no surprise, then, that Colombia ranked 136th on the Prosperity Index's Safety & Security sub-index—the lowest in the Americas, by far.



## VIEW TOWARDS MODERN CARTAGENA



Liberal Party politician Dario Echandía once quipped that Colombian democracy was like “an orangutan in a tuxedo”. By this he meant that, in Colombia, the civilized and uncivilized, the orderly and chaotic, the legal and illegal, all coexist—and the membrane separating them is often very porous. Indeed, opposites seem to interact in ways that perpetuate an equilibrium in which both exist. The ‘tuxedo’ promotes democracy and macroeconomic stability, while the ‘orangutan’ generates violence, civil war, drug dealing and anaemic economic growth.

### THE ORANGUTAN ANALYSED

What is this orangutan in a tuxedo? Where did the two very different sides of Colombian political culture originate, and how is it they can coexist?

The model for Colombia’s political system is the form of indirect rule, common during the period of European colonial empires, in



*The Tuxedo promotes democracy and macroeconomic stability, while the orangutan generates violence, civil war, drug dealing and anaemic economic growth.*

which the national political elite (mostly residing in cities) delegate authority over the countryside to the local elite. Colombia's local bosses are given discretion to run things as they like in exchange for an implicit commitment not to challenge the authority of the centre in its domain. International drug markets, organized crime, leftist guerillas and rightist paramilitaries are thus not the causes of Colombia's problems, they are part-and-parcel of a dysfunctional style of governance. As the Colombian writer RH Moreno Duran put it "In Colombia, politics corrupts drug dealing."

This explanation raises obvious questions. What interests keep this awkward, seemingly unstable system in place? How can chaos and order remain in equilibrium? Why do the local elite find it in their interest to sustain the chaos?

The chaos on the periphery in Colombia simplifies the task of creating a winning coalition at the centre—or, to put it another way, it lowers the price of votes. Instead of having to win support the old fashioned way (with patronage or popular policies), politicians can get elected by gaining the support of local bosses, or perhaps by becoming the bosses themselves.

Consider, for example, Fabio Valencia Cossio, who in 1998 accrued the largest number of votes cast for a senator, save for former presidential candidate and long-term kidnap victim Ingrid Betancourt. Senator Valencia Cossio (later to be appointed Minister of the Interior under President Uribe) knew exactly how to pile up the votes: he solicited the aid of Ramón Isaza, leader of the paramilitary Autodefensas Campesinas del Magdalena Medio (Peasant Self-Defense Forces of the Middle Magdalena). Deals like this one make electioneering simpler and cheaper for the central elite—who, in any case, consider it to be unnecessarily costly to prevail by demonstrating their competence in governance.



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## DIVIDE AND RULE

Consider, too, that the 'orangutan in a tuxedo' system makes Colombian democracy very elite-friendly. One salient theory of the origins of democracy is that it results from concessions made by the elite to avoid disorder, or even revolution. In a non-democratic system, the disenfranchised may cause trouble (i.e. riot, rebel) because they have no say in policy. So the elite compromises, creating democracy as a way of co-opting them.

This does not explain the origins of Colombia's democracy, however. It was not forced on the elite by threats from the masses, but was, from the beginning, a means for the elite to share power among themselves in a way that would avoid fighting. It didn't always work, though, so they came up with other political institutions to facilitate power sharing. An early version was the 'incomplete vote': after the bloody inter-party conflict known as the Thousand Days War (1899–1902), the two parties

agreed to assign two-thirds of the legislative seats to the then dominant conservatives, but guaranteed one-third to the Liberals, however many votes they polled. This system broke down in the 1930s. But in 1958, after another inter-party civil war, it was replaced by the National Front agreement that restored the fixed allocation of seats, adjusting the division to 50-50.

These agreements and their persistence highlight a remarkable thing about Colombian politics: The two parties of the nineteenth century remained in power throughout the twentieth century, a phenomenon unique in Latin America. But to keep power-sharing on track, the entry of new political parties had to be avoided. This was managed with a variety of tactics, one being the aforementioned fixed division of legislative seats at the centre. A more sinister tactic was the willingness to eradicate upstart political forces by murder and intimidation. As alluded to above, the Unión Patriótica was obliterated in the 1980s. 'Politics by murder' goes back at least as far as the assassination of the radical Liberal leaders Jorge Eliécer Gaitán in 1948 and Rafael Uribe Uribe in 1914, and probably long before.

A third way in which the system works in the interest of the elite is that high levels of conflict in rural areas prevents the periphery from cooperating in moves against the centre. This is hardly unique to Colombia: a common theory of African political dynamics is that the centre foments chaos at the periphery in order to 'divide and rule'. Sudan and Congo are the classic cases.

Evidence of 'divide and rule' abounds in Colombia. Take, for example, what Rodrigo Garcia Caicedo, a cattle rancher and civic leader of Córdoba who was a principal in the creation of the paramilitary groups in his department, said in 1990 to a leader of the Left-wing populist M-19 guerillas:

**"I am sure that if the guerrillas had spoken to us, instead of attacking us, we would have had a common war, not a war amongst us or against us. We would have organized and had all risen against the central state."**

M-19 later approached the Self-Defense Forces of Puerto Boyacá (Autodefensas de Puerto Boyacá) and suggested they form a coalition to fight their common enemy—the national state.

In the same vein, paramilitary boss Rodrigo Tovar Pupo (aka Jorge 40) described his reaction to a meeting with other paramilitary chiefs in 1997:

**"During those days, I realized the great inequalities of the country and the lack of commitment of the few owners of power to work for the benefit of the large social majorities of the country."**

In most places in the world, one would have thought that either the orangutan would have eventually ripped off the tuxedo and overwhelmed the more functional part of the country, or, that, at some point, the tuxedo would have straitjacketed the orangutan. (The metaphor is strained, but you get the point.) As suggested above, though, disrupting the equilibrium—even one this awkward—may not be in the interests of those benefiting from the system. If, for example, the orangutan prevailed, the country would have fallen into chronic conflict similar to the fate of a number of Sub-Saharan African countries. And this would have yielded a far smaller economic surplus to be shared among the elite.

However, the fact that everyone is better off without the ever-present spectre of mayhem doesn't guarantee that reason will prevail. Indeed, much of political history is the story of the failure to manage power sharing in ways that maximize the economic 'rents'. I think the real reason for the stability of the Colombian system is that it's largely self-adjusting: the incentives in place are adequate to sustain power sharing without the need to periodically renegotiate the grand bargain between the urban and rural elite.

The answer to third question—why the elite on the periphery keep the pot boiling at just the right temperature to deny themselves dominance over the centre—is also elusive. You might think that the local elite would do better economically if they presented a united front.



## WAX PALM TREES OF COCORA VALLEY, COLOMBIA



Take, for example, the case of former senator Álvaro Alfonso García Romero, now serving 60 years in prison for illegal connections with paramilitaries and for masterminding a massacre at Macayepo (in the department of Sucre) in 2000 in which 15 peasants were beaten to death. Why would a member of a regional elite whose family had extensive agricultural landholdings become involved in a massacre?

The best explanation is that the regional elite turns over rapidly, making it difficult to identify collective interest or to act on it when they do. In Bolívar, for example, the senator currently receiving the most votes is Héctor Julio Alfonso López, a.k.a. El Gatico (little cat). His nickname comes from his mother, Enilse López, known as La Gata (the cat), who for the last decade has exerted monopoly control over a lucrative lottery game known as 'chance' in most of the coastal departments.

La Gata, allegedly a former girlfriend of Gonzalo Rodríguez Gacha, one of the founders of the Medellín drug cartel in the 1970s, rose



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## ROSE PACKING FOR INTERNATIONAL EXPORT



to power with the help of paramilitaries. She's been accused of involvement in many massacres, such as the one at El Salado in Sucre in 2000 in which 60 people were murdered by paramilitaries. La Gata and El Gatico are thus part of a new, upwardly mobile elite who have come to the fore thanks to their ability to manage and benefit from the conflicts in rural Colombia.

The fact that the broader political system is able to absorb such people does not imply that the resulting stability generates institutional outcomes that are good for rural areas, of course. As the great economist Mancur Olson pointed out long ago, rapid turnover of the elite leads to poorly defined property rights and creates incentives for predation. The new elite preys on the old one and are themselves, in turn, preyed upon.

Conflict is further exacerbated by the fact that the ownership of much of the land in Colombia is in dispute, making it difficult to legalize any particular status quo. The rise of the drug cartels since the late 1970s has further complicated conflict resolution, since a lot of illicit drug wealth has gone into acquisition of land (and elite status).

To get a better sense of how this violent game plays out, consider the involvement of paramilitaries in politics. In 1997 most of them came together to form an umbrella organization called the Autodefensas Unidas de Colombia (AUC—United Self-Defense Forces of Colombia). In 2001, members of its *estado mayor* (governing body) and a number of prominent politicians signed a secret document calling for the "refounding of the country". Signers included four of the most important paramilitary leaders, several prominent national senators, plus a bevy of

mayors and departmental governors. A plan was hatched to fix the outcome of the 2002 legislative elections, which was duly implemented. Using various techniques including massive voter intimidation, vote-buying and fraud, as many as one-third of congressmen and senators were elected with the assistance of paramilitaries.

A victory for the orangutan, to be sure. But the tuxedo very effectively fought back this encroachment. As news reports of the 'abnormal' elections surfaced—some candidates had received 100% of the vote—the Supreme Court launched an inquiry. To date, 38 congressmen have been convicted for their use of paramilitary intimidation in getting elected; some 140 former congressmen are under investigation. The situation in the Senate is similar.

The system thus righted itself, with Colombia's international image as a functioning democracy apparently untarnished. It had become unbalanced in the first place because President Andres Pastrana attempted to broker a peace deal with the Left-wing guerilla group Fuerzas Armadas Revolucionarias de Colombia (the FARC) by offering concessions (including agrarian reform) at the expense of the rural elite.

It is easy to think of these paramilitary leaders as gangsters, as some were and still are. But to see them solely in this light is to misunderstand the phenomenon. In as much as half of rural Colombia they were the state, and could do anything they liked.

Go back to Jorge 40. People called him "El Papa Tovar" (the Pope), and from his 'Vatican' in the department of Cesar he ruled over his empire of 20 armed fronts in three departments. His authority in that region of the Caribbean coast was total. Consider the language of a woman whose land was stolen by his men as she pleaded for help:

**"With my usual respect, I write to you to authorize whomever it corresponds to return my land in the municipality of San Angel to me ... I was evicted of this land four years ago and my family depends on it to survive. Today we wander from city to city looking for ways to make a living..."**

Other rural groups were just as dominant, but more inclined to create functional institutions. Ramón Isaza's 'capital' was Puerto Triunfo in the department of Antioquia, where in 1977 he started his first paramilitary group. He ruled the area for almost 30 years. One of his key commanders was his son-in-law, Luis Eduardo Zuluaga, nicknamed "McGuiver" after the American TV character (who spells his name differently). McGuiver commanded the José Luis Zuluaga Front (FJLZ), which controlled a territory of about half a million square kilometres. Its power extended as far as Communa 13, a suburb of Medellín.

Today McGuiver does not refer to FJLZ as the state—he prefers to call it "the de facto authority"—but he did note that "not a chicken moved in that place unless I authorized it". The FJLZ codified a (very incomplete) system of estatutos (statutes) that they enforced, albeit imperfectly, and they respected due process in the sense that the same laws applied to members of the FJLZ that applied to civilians. The FJLZ also maintained a bureaucracy with special branches for the military wing, the civilian "tax collectors" and the civilian "social team". This bureaucracy regulated trade and social life, promulgated an ideology, a hymn, a prayer, a mission statement, and even had a radio station (called Integación Estéreo or Integration in Stereo) to spread the word. It gave out medals, including the Order of Francisco de Paula Santander and the Grand Cross of Gold.



*The rise of the drug cartels since the late 1970s has further complicated conflict resolution, since a lot of illicit drug wealth has gone into acquisition of land (and elite status).*

The FJLZ taxed every landowner and businessmen in its territory. It even taxed drug dealers and cocaine laboratories, though the front was not directly involved in the drug business; indeed, drugs were disapproved of. It also took responsibility for infrastructure and other public goods, bringing electricity to hamlets, building schools and hundreds of kilometres of roads. The Front also built schools and paid for teachers and musical instruments in others. Smaller projects—housing for the poor and elderly, sports stadia, a bull ring, a medical clinic—are too numerous to detail.

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

The system is not held in place by some grand Faustian pact or Machiavellian calculation, but has evolved organically over more than a century. The local elite find it in their interest to act in ways that keep the system from veering far off kilter without understanding their role in general equilibrium. And this makes the whole system hard to grasp conceptually, let alone reform.



*Colombia has  
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## TWO FACES

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To get some sense of how stable the system is and how it leads to seemingly paradoxical behaviour, consider the two examples. The first is related to one of the burning issues in contemporary Colombian society: land restitution and compensation for as many as 4 million people who have been displaced from rural areas in the last 15 years of conflict. President Juan Manuel Santos made this his flagship goal in signing Law 1448 (also known as Law of Victims) in June 2011.

Now, one of this policy's main proponents of restitution has been Senator Juan Fernando Cristo, a politician from the department of Norte de Santander. However in the 2011 local elections, he supported the bid of his brother, Andrés, to become mayor of his hometown, Cúcuta, in alliance with powerful local political boss and ex-mayor of the city, Ramiro Suárez. Yet Suárez, who was arrested in August 2011, was an ally of paramilitaries that were responsible for thousands of crimes in the department. Suárez has since been sentenced to spend 27 years in prison for the assassination of a former legal advisor to the city. When confronted by a journalist with the apparent contradiction, Senator Cristo explained that local politics operates under a different logic.

A second telling example is the career of Congressman Víctor Renán Barco, who was part of the coalition that ran the department of Caldas for 30 years until his death in 2009. In Bogotá, Barco was a common sight on the streets, walking with *The Economist* magazine under his arm. He was a regular contributor to the business newsweekly *Portafolio* and was known as the “nemesis of the minister of finance”



## MILITARY PARADE, BOGOTA



for his unyielding advocacy of prudent macroeconomic policies. Yet back in Caldas, Barco was quick to doff his metaphoric tuxedo. He reportedly ran one of the toughest and most uncompromising vote-buying machines in the country—one that did not tolerate opposition. A journalist who dared to investigate this machine, Orlando Sierra of the newspaper *La Patria*, was found with a bullet in his head. In different forums, Colombian politicians behave in very different ways, which goes a long to explaining how the system sustains itself without some grand design.

## END OF THE NIGHTMARE?

Despite this history, Colombia has seemingly turned over a new leaf in the last decade. After President Andrés Pastrana's drawn-out, ultimately unsuccessful effort to negotiate an end to the civil war with FARC, Álvaro Uribe was elected president on the promise that he would intensify the fighting. Uribe beefed up the army by almost one-third (to 283,000). And he increasingly drew on enlistees, rather than depending on conscripts. To pay for this without deficit spending—remember Colombia's conservative tilt on macroeconomic policy—Uribe imposed a progressive “democratic security tax.”



## BOGOTA



The offensive pushed the FARC and ELN (another leftist guerilla force) out of numerous municipalities and led to the killing of leaders Raúl Reyes and Mono Jojoy. (The FARC's commander-in-chief, Manuel Marulanda [Tirofijo] died of natural causes in 2008). After Uribe was replaced as president in 2010 by his former defence minister Juan Manuel Santos, the new leader of the FARC, Alfonso Cano, was killed by the army.

These military successes coincided with a plunge in both the homicide rate and the number of kidnappings. In 2005 President Uribe also persuaded 30,000 members of paramilitaries to demobilize in exchange for reduced sentences and confessions of their crimes—a quite considerable political feat.

As the security situation improved, so did Colombia's international image. It went from borderline 'failed state' to 'emerging market' economy. Foreign direct investment rose from \$1.5 billion annually to \$13 billion in a decade, while investment went from 17% of GDP to 27%. Prudent as ever, Colombia ran budget surpluses that reduced the national debt from nearly 60% of GDP in 2002 to 43% today.

The rate of economic growth also accelerated. After averaging 3% per year between 1990 and 1999, it averaged 4.2% of between 2000 and 2011—an apparent break with Colombia's

trend rate over the past century. Then in 2011, President Obama finally signed a pact with Colombia that brought the economy into the North American Free Trade Association.

Santos has been building on these positive developments since coming to office. While trying to maintain the military initiative, he has launched an ambitious attempt to “take the water away from the fish”—to bring peace to the countryside by restoring as much as 12 million acres to owners and implementing a program of land reform.

## FALSE DAWN?

Have Uribe and Santos succeeded in chaining the orangutan? Many certainly believe it, but I’m sceptical. Despite all of the gains under the last two administrations, neither made a clear break with the system of governance that created Colombia’s problems in the first place.

Evidence of Colombia’s unreformed nature has surfaced many times in the last decade, even as the war against the FARC was intensified. President Uribe invested vast amounts of time and political capital attempting to change the term-limit provision in the constitution so that he could maintain his grip on power—hardly the work of a devotee to democracy. He succeeded once, but only with the support of the politicians elected with paramilitary support in 2002.

Or consider the implications of the so-called ‘chuzadas’ scandal in which the Uribe government used the DAS, Colombia’s CIA, to illegally tap the phones of its political opponents—and anyone else who criticized his administration, including the national director of Human Rights Watch. The DAS also tapped the phones of members of the Supreme Court in an attempt to uncover evidence to disgrace them.

The unaccountability of politicians, an important characteristic of the system, has also persisted. One telling example concerns Santos himself, when he was minister of defence under Uribe. During his tenure, there came to light what Colombians have called the “false positive” scandal. In pressing the military to intensify the conflict with the guerillas, the government offered pay rises and promotions for verified killings. Though this no doubt led to the deaths of many guerilla fighters, it also led to the execution of some 3,000 innocent civilians who were dressed up as guerillas after the fact. Yet, when the scandal broke, it seems never to have occurred to Santos to take responsibility for the acts of soldiers under his command. He simply denied knowledge of what had been going on.

Even the Law of Victims, Santos’s grand bid to change the country, seems to have been oversold; many Colombians consider it to be symbolic, and basically not possible to implement. And for good reason: in September 2010, Minister of Agriculture Juan Camilo Restrepo visited the municipality of Necoclí in the region of Urabá to



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begin the process of land restitution to victims of the violence. But that same day, Hernando Pérez, one of the six community leaders who had led the local campaign for justice, was beaten to death and four unused bullets were left on the scene. (The sixth community leader, Albeiro Valdés, had been murdered four months earlier.)

These harsh realities bring to mind the government of Carlos Lleras Restrepo, which between 1966 and 1970 attempted an ambitious program of agrarian reform. Lleras Restrepo, probably Colombia's most competent president in the twentieth century, operated in the benign international context of President Kennedy's Alliance for Progress. Yet his initiative failed, mostly because he could not secure the cooperation of the local elite.

It's true that violence has fallen in Colombia, and that the economy has been doing exceptionally well in the interim. But violence also fell in the 1960s, only to bounce back. Moreover, Colombia still suffers from the most unequal distribution of income in Latin America (with the possible exception of Bolivia). And the growth spurt is largely explainable by the temporary global boom in the price of oil and coal, which constitute 60% of the country's exports. In any case, commodities would hardly constitute a source of balanced growth, even if the boom were sustainable.

The orangutan is lurking. The FARC has a new leader, Timoshenko, who seems willing and able to carry on the conflict. In the local elections of October 2011, 41 candidates were murdered and countless others were threatened with violence. Moreover, of the 76 trade unionists slaughtered worldwide in 2011, 29 died in Colombia. Perhaps the most revealing statistic about the state of the nation is that the richest tenth of Colombians pay 3% of their income in tax, while the poorest tenth pay 8%. When the Uribe government launched its National Consolidation Plan in 2008 to establish the presence of the legitimate state in areas liberated from the FARC, the \$237 million to fund local improvements could only be raised through an appeal to the US Agency for International Development. Colombia's elite, comfortable with the tried and true tactics of indirect rule, had no interest in paying for the political consolidation of the periphery.

I'd like to believe that good things will beget better things—that declining violence and faster growth will create a virtuous circle of social progress. But I fear Colombia is still the Colombia where the tuxedo fits the orangutan all too well.

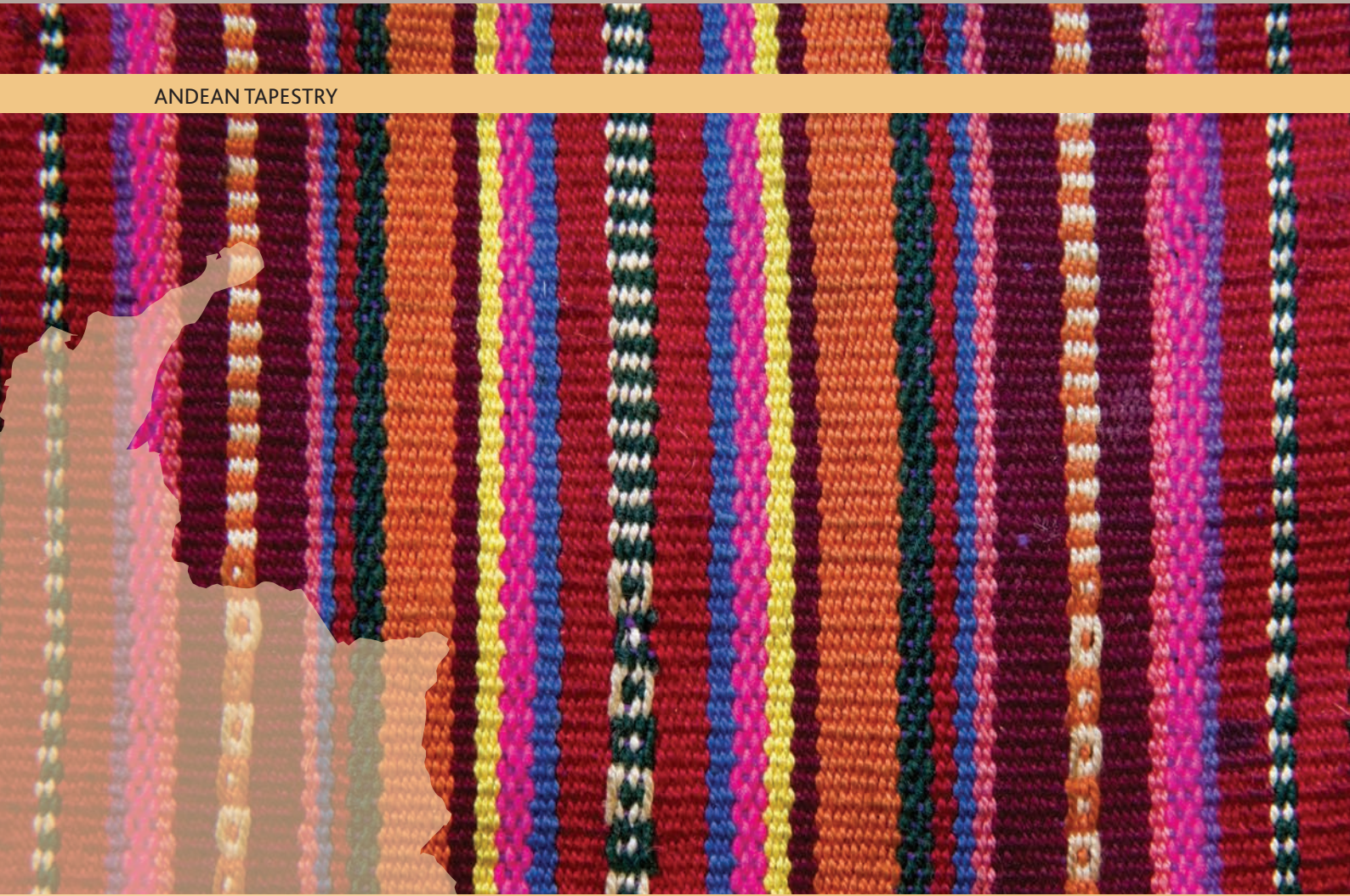


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ANDEAN TAPESTRY





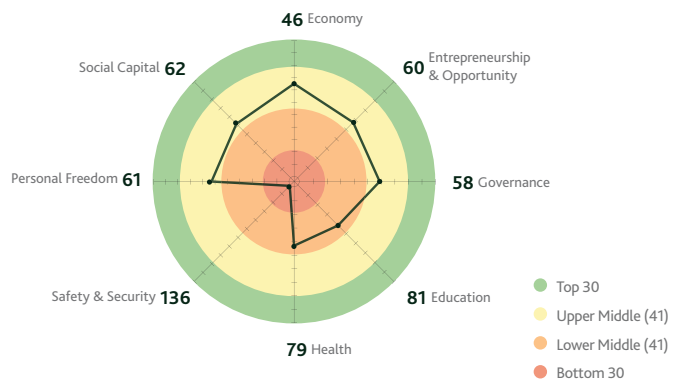
## INDEX COMPARISONS

	Rank/ No. of countries
<b>Legatum Prosperity Index™</b>	<b>69/142</b>
Average Life Satisfaction Ranking* (2010)	36/142
Per Capita GDP Ranking (2010)	69/142
WEF Global Competitiveness Index (2011)	68/142
UN Human Development Index (2011)	87/187
Heritage/WSJ Economic Freedom Index (2011)	45/179
TI Corruption Perceptions Index (2011)	80/182
World Bank Doing Business Index (2012)	42/183





## COUNTRY OVERVIEW





		Global Av.
Population (million) (2010)	46.00	N/A
Life expectancy (years) (2010)	73.4	69.6
Birth rate (per year per 1000 people) (2010)	20	22
Fertility rate (births per female) (2010)	2.1	2.8
Life satisfaction* (rated 0 > 10) (2010)	6.4	5.5
Female representation in the legislature (2011)	12.7%	19.5%
Internet access at home? (2011)	23.4%	34.2%
Satisfied with job/work?* (% yes) (2011)	82.0%	73.3%
People are treated with respect in your country* (% yes) (2011)	95%	85.1%
GDP per capita (ppp) (2010)	\$9,452.80	\$14,774.73

## SUB-INDEX RANKINGS



## PROSPERITY INDEX: DATA IN FOCUS

46	ECONOMY	Colombia	Global Av.
	5 year growth rate (2010)	3.0%	2.7%
	Confidence in financial institutions?* (% yes) (2010)	55.8%	61.9%
	Satisfaction with living standards?* (% yes) (2010)	70.7%	59%
60	ENTREPRENEURSHIP & OPPORTUNITY		
	Business start-up costs (% of GNI) (2011)	8.0%	36.3%
	Mobile phones (per 100 ppl) (2011)	98.5	98.7
	Will working hard get you ahead?* (% yes) (2010)	90.1%	81.1%
58	GOVERNANCE		
	Confidence in the government?* (% yes) (2010)	57.8%	53.7%
	Confidence in the judiciary?* (% yes) (2010)	35.1%	52.5%
	Government effectiveness <sup>1</sup> (2010)	0.14	0.03
81	EDUCATION		
	Pupil to teacher ratio (2010)	28:1	25:1
	Satisfaction with education quality?* (% yes) (2010)	75.7%	66.6%
	Perception children are learning?* (% yes) (2010)	51.4%	70.4%

79	HEALTH	Colombia	Global Av.
	Self-reported health problems?* (% yes) (2010)	18.4%	23.9%
	Hospital beds* (per 1000 people) (2007)	1.0	3.2
	Satisfaction with health?* (% yes) (2010)	83.9%	78.8%
136	SAFETY & SECURITY		
	Human flight <sup>2</sup> (2011)	7.9	5.4
	Safe walking at night?* (% yes) (2010)	44.1%	61.9%
	Property stolen?* (% yes) (2010)	25.9%	16.8%
61	PERSONAL FREEDOM		
	Civil liberties <sup>3</sup> (2011)	4	4.8
	Tolerance for immigrants?* (% yes) (2010)	70.7%	65%
	Satisfaction with freedom of choice?* (% yes) (2010)	81.6%	73.4%
62	SOCIAL CAPITAL		
	Rely on others?* (% yes) (2010)	89.3%	80.6%
	Donations?* (% yes) (2010)	24.9%	28%
	Help strangers?* (% yes) (2010)	64.1%	45.7%

NOTES: <sup>1</sup> Gov. effectiveness: values range from -1.73 to 2.25, higher values indicate higher effectiveness. <sup>2</sup> Human flight: values range from 1 to 10, higher values indicate higher levels of human flight. <sup>3</sup> Civil liberties: values range from 1 to 7, lower values indicate lack of civil liberties. \*Survey data are taken from Gallup World Poll.

Canada	6
United States	12
Uruguay	31
Chile	34
Costa Rica	37
Argentina	41
Panama	42
Brazil	44
Trinidad and Tobago	51
Mexico	61
Jamaica	62
Belize	65
Paraguay	68
<b>Colombia</b>	<b>69</b>
Peru	72
Ecuador	76
Venezuela	80
Dominican Republic	81
El Salvador	90
Nicaragua	91
Bolivia	95
Honduras	96
Guatemala	97
Haiti	138

## REGIONAL RANKING – AMERICAS





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