

SPECIAL REPORT

# The second term challenges for Juan Manuel Santos in Colombia

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**d+i** LLORENTE & CUENCA

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## INTRODUCTION

The LLORENTE & CUENCA team wrote this document in order to summarize the political scenario between the first and second round of the presidential elections held in Colombia in May and June of this year, respectively.

The report exposes the political alliances established after the first round, as well as the challenges the government will have to face as a consequence of the alliances made to ensure the reelection of Santos, and as a result of the country's current situation.

## 2. SECOND ROUND

Last June 15, the second round of the presidential elections between the candidates Óscar Iván Zuluaga (Democratic Center) and Juan Manuel Santos (President and candidate for the Social Party of National Unity<sup>1</sup>), took place. The Election Day divided the majority of the country between those who wanted the return of the Uribist<sup>2</sup> political movement, represented by Zuluaga, and those who saw Santos as the best option to end the decades-long armed conflict between the country and the Revolutionary Armed Forces of Colombia (FARC) guerrilla.

Both candidates reached this stage after winning over their rivals from the Alternative Democratic Pole, the Colombian Conservative Party and the Green Party in the first round of the elections, on 25 May last. The winner of that round was Zuluaga.

Since that moment, both candidates reinforced their campaigns and made several political alliances in order to obtain more votes. In that sense, Zuluaga's main strategy was to establish an agreement with the former candidate of the Conservative Party, Marta Lucía Ramírez, who became his debate chief.

Additionally, Santos took great advantage over his rival thanks to different alliances made with politicians of the national left as well as with important figures of the Colombian society.

**The three most important allies obtained by Santos were:**

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1 National Unity is an alliance composed of: Party of the U, Radical Change and Colombian Liberal Party

2 Political Current created by the former Colombian President Álvaro Uribe Vélez.

“It is clear that there is a lot of expectation surrounding Santos and his promises, geared towards improving the social conditions of the country and obtaining the long-sought peace”

1. **Antanas Mockus:** presidential candidate of the Green Party in 2010, who reached the second round this year together with Juan Manuel Santos. He declares that continuing the peace process of Havana justifies his support to the elected President.
2. **Clara López:** she is the President of the Alternative Democratic Pole. She obtained two million votes in the first round and supports Santos for the same reason as Mockus. Her attitude was criticized by other members of her political party, as the majority of the party had decided to not support any candidate.
3. **Gustavo Petro,** Mayor of Bogotá, leader of the Progressive National Movement and former M-19 guerrilla. Despite his differences with Santos, he accepted that three of his most important officials of the city

will take an active part in the reelection campaign.

The common denominator of the electorate in the final phase before the second round of the presidential elections was to associate Santos with peace through dialogue, in the context of the talks currently taking place in Havana; and to associate Zuluaga with a more radical and even guerrilla attitude, similar to the attitude of his political party leader and former President Álvaro Uribe Vélez.

Finally, on 15 June last, Colombia voted and elected Juan Manuel Santos with 7,816,986 votes (50.95% of the votes), whereas Óscar Iván Zuluaga had to resign himself and accept the defeat. He obtained 6,905,001 votes, which represents 45% of the votes.

Zuluaga's speech after his defeat was considered courageous. Despite this, the day was controversial as a result of the statements made by the former President Uribe, who affirmed that Santos' victory was illegitimate due to several cases of alleged fraud. These statements suggest that the next legislative term of the Senate will be filled with tension and division, as Uribe will be the new Senator of the Republic from July 20, together with several of his most important and closest politicians.

Considering the new scenario, it is clear that there is a lot of expectation surrounding Santos and his promises, geared towards improving the social conditions



The common denominator of the electorate between the first and second round of the presidential elections was to associate Santos with a strategy of peace through dialogue, in the context of the talks taking place in Cuba; and to associate Zuluaga with a more radical attitude. Source: Caracol Televisión.

**“Santos focuses mainly on establishing the best conditions to ensure investment growth and economic stability”**

of the country and obtaining the long-sought peace. In addition to this, there is also the issue of the different alliances made in order to win the reelection.

### 3. SOCIAL CHALLENGES

Regarding social aspects, the main priorities of Santos' second term are: generate jobs, reduce poverty and improve the state program regarding the delivery of housing for the needy.

In this respect, Santos promised to double the monthly allowance of the Families in Action program; build 1.2 million houses which will encompass priority interest houses, free houses, purchase with allowance money and the leasing and purchase without any money down program. In addition to this, Santos promised to encourage the development of 12 mega projects of urban renewal.

Regarding employment, he wants to create a minimum wage which would remain constant; eliminate taxes that affect to job creation, and create 2.5 million jobs. Santos also promised to create international and local value chains, as well as invest in key sectors to continue promoting the creation of employment.

Moreover, he would establish a bilingual plan to improve the quality of students, ensure free education at all levels and increase investment in high performance athletes and in sporting arenas.

### 4. ECONOMIC CHALLENGES

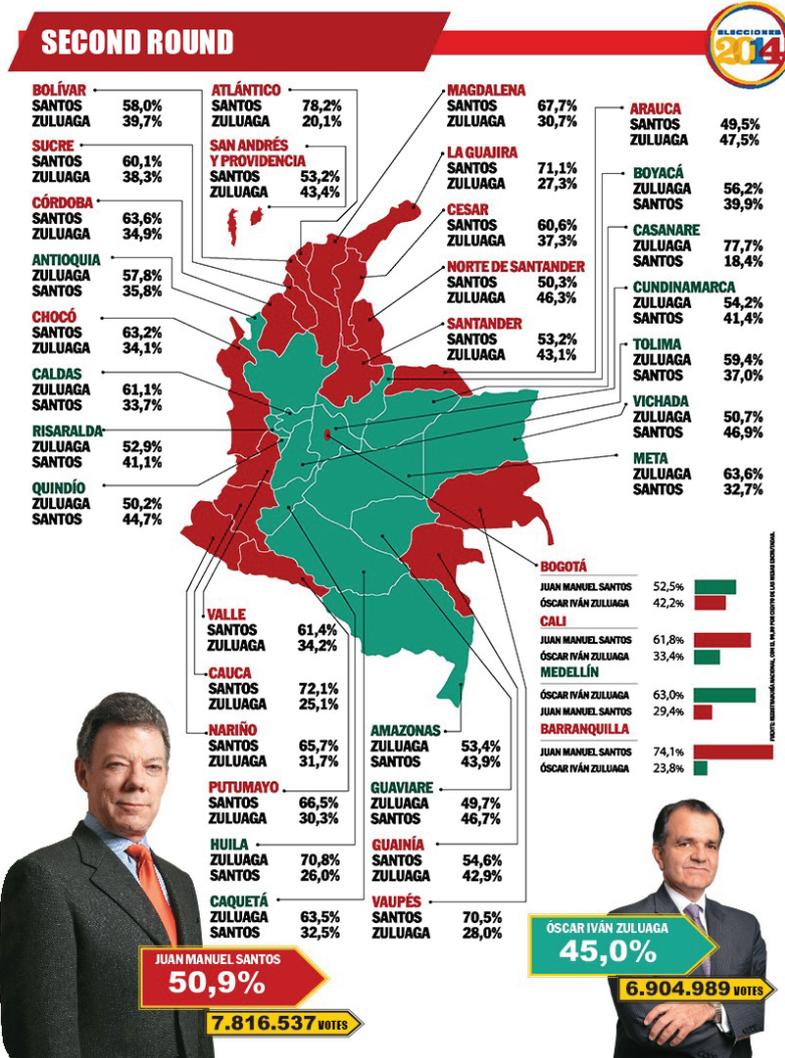
Regarding this aspect, Santos focuses mainly on establishing the best conditions to ensure investment growth and economic stability. In order to achieve this, he would strengthen tax evasion measures to guarantee that both companies and citizens pay their fair share. Thanks to this, the government would achieve the objective of closing social gaps.

Furthermore, during the next four years the government would:

- Increase investment in rural areas in order to stimulate rural employment.
- In order to strengthen the mining and energy sector, it would provide greater certainty to companies, improve oil exploration to expand oil reserves and increase production, and develop new inclusion and formalization programs for small-scale miners.
- Increase by 40% annually non mining-energy exports and speed up the entrance of goods into the country.
- Develop Fourth Generation Road infrastructure (4G): according to the Ministry of Finance, thanks to the 4G, the dynamic of the employment and construction sector would be maintained. Some even say that GDP might grow an extra 1%.

This initiative requires an additional investment of 547 billion pesos. The government will have to face two extra challenges regarding this issue: sell the state's participation in Isagen<sup>3</sup> "which represent 8% of the cost of works and convince the banking sector to provide its capital"<sup>4</sup>, according to Eduardo Behrentz, Dean of the School of Engineering at Bogota's Los Andes University.

- As part of the plan to enter the Organization for Economic Cooperation and Development (OCDE) and during the public policies reviews the OCDE is currently conducting, the government would strengthen the National Planning Department and create more taxes related to the environment, among other initiatives.
- Promote key cities for Colombia such as Cúcuta, Buenaventura, Valledupar and Ipiales through the creation of Special Economic Export Zones.
- Create free zones with tax benefits, allowing an USD 3.000 million investment to ensure an easier access for small industries.
- Extend to 100% of the municipalities of the country the music programs and the support to entrepreneur artists with seed capital<sup>5</sup>.



## 5. PEACE TALKS WITH THE GUERRILLA

Peace talks with the FARC guerrilla are taking place abroad in order to maintain the levels

<sup>3</sup> Joint venture (a company from the public sector but with private shareholders) dedicated to generate and trade energy.

<sup>4</sup> Juan Manuel Santos letters about facing the new economic challenges. El Universal, June 17, 2014. Spanish version available at: <http://www.eluniversal.com.co/politica/las-cartas-de-juan-manuel-santos-para-enfrentar-los-retos-economicos-162658>

The alliances with other parties gave more votes to the President in the Colombian Atlantic coast and in the capital of the country. Those alliances were essential to the reelection of Juan Manuel Santos. Source: Semana.

**“A law regarding democratic participation guarantees will be promoted”**

of seriousness, security and discretion needed to the success of the negotiations. The talks are currently taking place in Havana (Cuba) and are based on five items related to rural development, political participation, drug trafficking, rights of the victims and the end of the conflict.

#### Agreements made

What happened in the end of May 2013 was historic. After almost 50 years of internal war and five unsuccessful peace talks during the governments of Belisario Betancur (1982-1986), Virgilio Barco (1986-1990), César Gaviria (1990-1994), Ernesto Samper (1994-1998) and Andrés Pastrana (1998-2002), the FARC and the government reached an agreement to establish a new Integrated Agricultural Development Policy.

Very few details about the agreement are known. However, it is known that the new policy will include subsidies, free lands and credits for the farmers. The changes brought by this agreement would be managed by the Ministry of Agriculture and Rural Development, thanks to laws or decrees, and would have no impact on the National Constitution.

Subsequently, in November 2013, an agreement was reached on the second item of

the agenda, which is related to the political participation of the guerrilla once the peace process is completed. According to the communiqués issued from Cuba, the agreement is related to "the rights and guarantees to exercise political opposition in general and in particular for the new movements, access to the media and democratic mechanisms for civic participation, including those of direct participation, at different levels and regarding diverse topics<sup>6</sup>."

#### In that sense, among the most outstanding aspects, it was revealed that:

- A commission to facilitate the participation of spokespersons from social organizations and movements will be created. A Status of Opposition will also be established.
- A law regarding democratic participation guarantees will be promoted. It will include the political movements which will emerge from the signing of this agreement.
- The following will be strengthened: the citizen oversight boards, the community media and the promotion by citizens of the culture of reconciliation aimed at achieving peace.

<sup>5</sup> Seed Capital: it is a bid related to the purchase and sale of shares, in which the investor acquires a part of a business or a company. This capital may include options such as friends/family financing. Ministry of Commerce, Industry and Tourism (Colombia)

<sup>6</sup> Know the details of the second agreement in Havana, November 6, 2013. Spanish online version available at: <http://www.latarde.com/noticias/politica/124584-proceso-de-paz-conozca-los-detalles-del-segundo-acuerdo-en-la-habana>

**“The production and commercialization of illicit drugs and the criminal economies have had severe effects on the Colombian population”**

- Transitory Special Peace Circumscriptions will be created to promote the territorial integration and political inclusion of zones particularly affected by the conflict and abandonment, in order for these populations to have special representation in the House of Representatives, notwithstanding its involvement, as it is already established.

Regarding the third item of the Agenda related to drug trafficking and illicit crops, an agreement between the government and the guerrilla was made public during the second week of May 2014. In this context, both parties agreed to the following:

- Substitution programs for illicit use crops. Comprehensive development plans with community participation in the design, execution and evaluation of the substitution and environmental recovery programs for the areas affected by such crops.
- Drug use prevention and public health programs.
- Solution to the narcotics production and commercialization phenomenon.

"...the persistence of the crops is linked, in part, to the existence of conditions of poverty, marginality and weak institutional presence, in addition to the existence of criminal organizations dedicated to drug trafficking [...] The production and commercialization of illicit drugs and the criminal economies have had severe effects on the

Colombian population, affecting the enjoyment and exercise of its rights and liberties", stated the parties in a joint communiqué shared with the national media.

**Unresolved items**

The FARC stated that a Truth Commission (which would delay the process) must be created before discussing the Victims' Reparation item. Likewise, an agreement regarding the End of the Armed Conflict has not been reached. This last item is related to the disarmament of the FARC, which will allow them to reintegrate civil life.

In this sense, in June of this year the government and the FARC guerrilla reached an historic agreement to listen to the victims during the talks in Havana. Delegations will go to Havana to be heard, and four regional forums for victims of the FARC will be created to convey proposals. A Truth Commission will be created: it will decide who the perpetrators were in Colombia and how they proceeded.

**Talks with the ELN guerrilla**

A few days before the second round of the elections, a joint communiqué was issued. It revealed the items to be dealt with in this new process. According to the communiqué, Brazil, Chile, Cuba, Ecuador, Norway and Venezuela will be the guarantor states of the process. Moreover, the former Commissioner for Peace Frank Pearl and the ELN's second in command, Eliécer Erlinto Chamorro Acosta, also known as "Antonio García", would be the chief negotiators.

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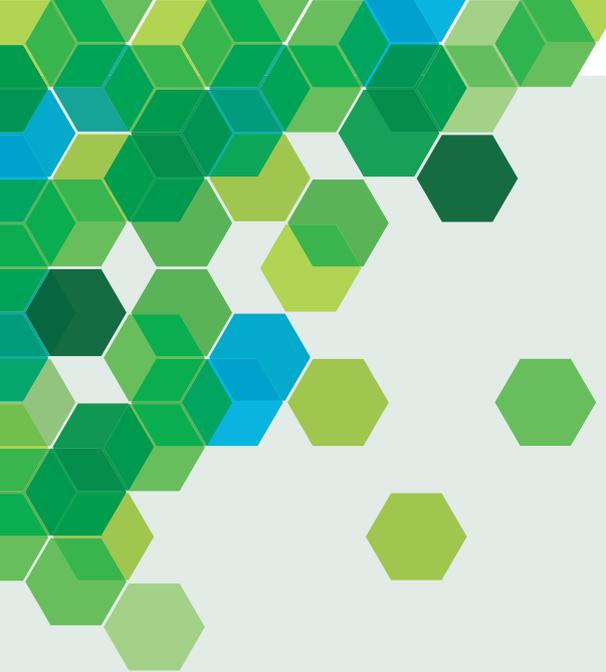
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