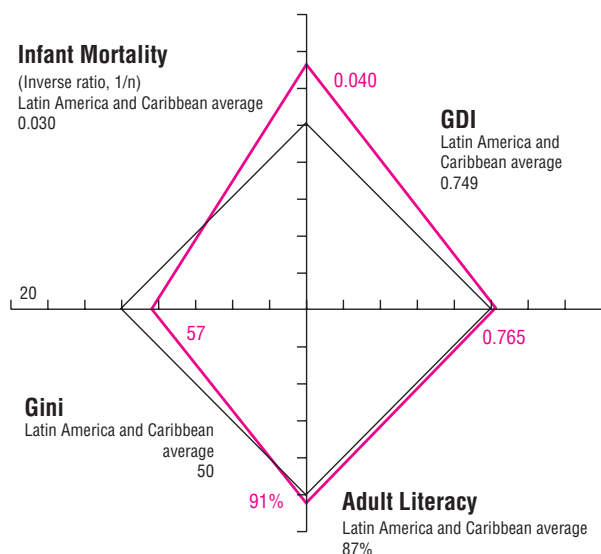


• ALBERTO YEPES PALACIO



*The Equity Diamond:* National values in terracotta compared to regional ones in blue.  
 Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*; **Adult literacy:** UNICEF, *The State of the World's Children, 1998*; **GDI** (Gender Development index): UNDP, *Human Development Report 1998*; **GINI:** World Bank, *World Development indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

*Five years after the World Summit for Social Development and the IV World Conference on Women in Beijing, Colombia is in severe economic recession and its social development indicators are steadily deteriorating. Economic and financial globalisation and the free market model imposed since the end of the 1980s have led to the disappearance of a large part of the productive sector, the worst drop ever in the national product, and the highest unemployment levels this century. The advances*

## FIVE YEARS OF CONSTANT REVERSALS

*that the country had made in the area of social development over the last 60 years have been wiped out.*

Commercial and financial liberalisation and the structural reforms imposed by the multilateral banking system have generated low levels of growth, greater inequalities, massive job cuts in agriculture and industry, and lower wages for working people. The gains of liberalisation and structural reform are controlled by the richest three per cent of the population (domestic and international finance sectors, export sectors and the political technocracy) who profit from the free market reforms and privatisation process. The losses are spread among small and medium-sized producers, low-income workers and farmers.

In the last decade, economic liberalisation provoked a massive influx of imports, which displaced industrial and agricultural production. This caused not only a drop in productive employment, but also a growing balance of payments deficit of close to 6.5% of GDP and increasing instability in the export sector. To correct these imbalances, monetarist measures (interest rates hikes) and tight fiscal policies (severe cutbacks in public spending and tax increases) were implemented. This caused a drop in private investment and a crisis in the finance sector, and brought the economy to the brink of collapse.

The recessive effects of these measures were soon felt. In 1999, national product fell by more than five per cent. *Per capita* income has dropped 5.9%—back to 1990 levels, while the reduction in tax revenue as a result of the structural recession has doubled the fiscal deficit, which now amounts to six per cent of GDP. **Unemployment has tripled since 1994 (7.6%) and in 1999 affects 22% of the economically active population, the highest level ever recorded in Colombia's history and the highest on the American continents.**

The World Bank sounded a warning about the excessive concentration of wealth and income in the country when it classified Colombia as the country with the second highest concentration of wealth in the world.<sup>1</sup> Since 1997, the Gini incomes index has risen

<sup>1</sup> World Bank. La hora de la Reforma. 1998.

from 0.54 to 0.59. In Colombia five finance groups control 92% of the sector's assets—36% is in the hands of the Antioqueño Holding Group and 28% is divided between two groups each controlled by a single person (Santodomingo and Sarmiento Angulo). Four financial groups own 80% of the media, and 50 financial groups dominate more than 60% of industry, services, commerce, transport and agriculture. These extreme forms of wealth and income concentration represent the principal obstacle to achieving expansion in production, productive employment, social integration and democracy.

A determining factor in Colombia's social and armed conflict relates to the eviction of peasant populations and their lack of access to land. In Colombia, 1.3% of landowners hold 48% of the land.

The expropriation of land and the forms of violence suffered over the last 40 years by peasant farmers in agricultural settlement areas has given rise to frequent and massive waves of migration, which swell the exclusion and poverty belts of the large cities. In the last five years, hundreds of thousands of peasants have migrated to agricultural frontier zones, particularly in the south of the country. There, lacking development alternatives and decent and secure living conditions for their families, they find themselves forced to depend on illegal crops as the only possible form of subsistence.

**From 1985 to date, more than 1.7 million people have been violently expelled from their lands and homes. More than one million of these were displaced in the last five years** (see table). Of the total of people displaced in 1998, 61% were landowners.<sup>2</sup> The areas from which the population is being violently displaced are strategic war zones and places where large-scale economic development projects are being expanded. Those who are evicted are replaced by new settlers who are willing to submit to the authority of the actors in the war (agrarian counter-reform). In 1998, extreme right-wing paramilitary groups were responsible for 47% of displacements, the Armed Forces for 8% and guerrilla groups for 35%. After Sudan, Colombia is the country with the greatest number of internally displaced persons as a result of violence. **According to Amnesty International, 20% of the total of internally displaced persons in the world are to be found in Colombia.**

The profits and privileges of an economic model based on wealth concentration and exclusion have been reinforced many times by means of violence. The extremes which this order of privileges has reached is illustrated by the fact that the richest 10% of the population concentrates 58.4% of household income, and the poorest 10% concentrates 0.3%.

These growing levels of inequality are the fundamental cause of the increase in poverty levels in the last five years. In 1992, the richest 10% of households received 33% of total income; five years later, it receives over 58% of total income. As a result, from 1996

to 1999, the number of households below the poverty line increased from 53.8% to 60.1%.

It is indeed an achievement that between 1991 and 1999, the number of people with unsatisfied basic needs (UBN) was reduced from 35.5% to 26.1% as a result of expansions in housing, health and education services. But the rate of these improvements has slowed in the last five years, and the basic needs of more than a quarter of the population of Colombia are still not met.

The current Development Plan of Andrés Pastrana's government proposed that by the fourth year poverty as measured by unsatisfied basic needs should be reduced by slightly more than five points. It does not define any target with respect to poverty according to income. But the accelerated deterioration in social indicators during his administration reveal a worsening situation of poverty: in 1998, illiteracy increased to 13%; the health system went into crisis and hospitals are being closed because of lack of resources; the price of public services has increased at an annual rate of more than 36%, much higher than the rate of inflation; and today 5.3% of homes lack basic services, while 4.8% lack any kind of energy, water, drainage or refuse collection services.<sup>3</sup> As a result of this rapid decline in social development indicators, the UNDP relegated Colombia from position 54 to position 57 on the Human Development Index in its 1999 report.

In view of the failure of the current economic model to produce results, the IMF took direct control of the Colombian economy on December 20th 1999 for the first time in Colombia's history. The IMF signed a performance contract with the government that imposes for the next three years a strict fiscal adjustment programme, borrowing restrictions and structural reforms. The contract is to receive mandatory treatment in the Congress of the Republic. In the midst of the economic recession and the social crisis, this shock therapy, under the strict surveillance of the IMF, will reduce yet further the possibility of reversing the setbacks that Colombia is experiencing in terms of social and economic development (see Table).

***In this context, the armed conflict that is spreading and intensifying throughout the national territory—with resulting serious violations of human rights and international humanitarian law by the various actors in the war—requires that the international community give increasingly firm support to a negotiated political settlement. This is needed to prevent the regionalisation of military solutions and the intervention and involvement of governments and armed forces from other countries in the internal conflict. Likewise, the monitoring of the national human rights situation of the Colombian people must be stepped up with a view to pressing for the implementation of measures which will allow those rights to be effectively protected.***

The development of shock policies and direct control over macroeconomic indicators by the IMF requires that the international community pay close attention to ensure that the application of

<sup>2</sup> Codhes Informa No. 26. November 18th 1999.

<sup>3</sup> Sarmiento Anzola, Libardo. Exclusión, Conflicto y Desarrollo Societal. Nov. 1999. Ed. Desde Abajo. p. 104.

Year	GDP growth (%)	Un-employment rate (%)	GINI index of income concentration	Income Poverty (%)	Poverty UBN (%)	Total homicides	Forced disappearances	Annual internally displaced
1995	5.4	8.7	0.569	55.0	n.d.	25,398	85	89,000
1996	2.0	11.9	0.561	53.8	n.d.	27,428	185	181,000
1997	3.2	12.1	0.540	54.2	26.9	27,796	180	257,000
1998	0.6	15.7	0.560	55.7	26.3	29,342	240	308,000
1999	-5.5	22.0	0.589	60.1	26.1	n.d.	n.d.	225,000*

\* Figure for January to September 1999; n.d = no data available.

Fuente: Sarmiento Anzola, Libardo. Exclusión, Conflicto y Desarrollo Societal. Nov. de 1999. Ed. Desde Abajo. Forced displacement figures: Codhes Informa, N° 26, p. 3.

adjustment measures does not continue to exacerbate the living conditions of the population.

But let us be realistic. The bottom line is that the adjustment measures being imposed are no more than another dose of the same medicine that led to the collapse of the economy and destroyed scant levels of welfare enjoyed by the poor and marginalised majorities in the country. The case of Colombia should serve to make the international community appreciate that persisting in the application of the model which currently dominates North-South relations has devastating effects on the lives and welfare of the people. A lengthy and painful humanitarian crisis has been prolonged and aggravated until it has become one of the worst in the whole world. Perhaps awareness of the devastation in Colombia will help do away with the current consensus based on

profit-making and death and replace it with a new consensus that values people's welfare and social justice beyond mere competitiveness and growth for a select few.

- *The Colombian Human Rights, Democracy and Development Platform is a pluralist association of more than 80 civil organisations, NGOs and human rights and development organisations, whose work focuses on the promotion and exigency of Economic, Social and Cultural Rights. The author is a member of the Platform's Coordinating Team.*  
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