

FINANCE COLOMBIA

The Reason Foundation's Daniel Raisbeck On What Peru's Election Can Tell Us About Economic Liberty In Colombia & Latin America

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June 13, 2021

There are not so many self-identified Libertarians in Latin America, but the Reason Foundation's Senior Fellow Daniel Raisbeck is one of the most prominent. The Colombian academic has run for political office, but is better known for his academic work, and his research and writing on economic and civil liberty for the libertarian intellectual standard bearer, the Reason Foundation.

Finance Colombia executive editor first encountered Raisbeck when he was running as the Libertarian candidate for Bogotá's mayor, 6 years ago. Now with the votes being counted in Peru's election between a self-identified Marxist and an authoritarian daughter of a former president currently serving a prison sentence for trampling human rights and supporting death squads, the following conversation with Raisbeck couldn't have come at a better time.

What can observers take from events in Peru? And what takeaways are relevant for Colombia's upcoming 2022 elections, and for economic and civil liberty more broadly in the Americas? Daniel Raisbeck has some prescient observations.

Finance Colombia: I'm here with Daniel Raisbeck, and I know you are an academic here in Colombia, based in Bogota, you have a long resume. I met you when you were the libertarian candidate for mayor in Bogota, but I know that you also work with the Reason Foundation. Tell us what would you describe yourself as; what occupies your time mostly? When you meet somebody in an elevator, how do you describe yourself for the readers?

Daniel Raisbeck: Yes, well first of all thanks a lot for the invitation Loren, it's great to talk to you again. Well, when I get that question I guess the straight answer is that I'm part academic but I've really worked mostly in journalism during the past few years before I was at Reason I was a chief editor at the PanAm Post for a few years and now I do also a lot of digital marketing for Reason, and I did that before as well; so I think it's part of an editor's job nowadays.

Finance Colombia: PanAm post is a great political publication, we've interacted with them before, we've done interviews with them before and they are a great publication for keeping up on politics down here in Latin America. So now, what I want to ask you is that this is an election year in several countries, Ecuador just had elections, Peru is in the middle of counting their final round in elections, Colombia is gearing up for elections next year, and it's interesting because you can look at things from a free market perspective. Obviously, free people deserve free markets and we have luminaries, we have people like Hernando de Soto who was a candidate in the first round in Peru, he didn't make it to the final round; and my question to you throughout this conversation, really what I want to ask is as we as we look at Ecuador, as we look at Peru as we look at what might be coming up in Colombia is through the lens of free markets and free trade and civil liberties as well what can we take away from these elections?

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I think that Ecuador, if we start with Ecuador they've gone from a very leftist candidate before with Correa then they went to Moreno who everybody thought was going to kind of, not everybody, but people thought was going to really pattern Correa but he went in a little bit of a different path, I wouldn't call him a you know necessarily a free market person but he did at least go in an unexpected direction and now we have Guillermo Lasso who just beat Andres Arauz, what does that say for the region, what does that say for the prospects of governance, civil liberties? And I know this is a huge question but also if we look at trade regionally, trade within internationally and then of course, Ecuador is an interesting case because it's a dollarized economy, can we read anything from this in some ways a surprise result, a lot of people weren't expecting it. Maybe it says that the people in Ecuador had enough or wanted to go in a different direction. I'm not an Ecuador expert and I'm not native to the region. How do you analyze the results here in Ecuador with Lasso's win?

Daniel Raisbeck: Well, I think it's definitely the feel-good libertarian story of the year because Lasso is sometimes described in the mainstream media and in English, also in Spanish as a conservative because as far as I understand I think he's a member of Opus Dei and maybe he's conservative from that social perspective, but he has very strong ties to the libertarian community in Ecuador and actually not a lot of people know this outside of the country but Ecuador has one of the strongest, if not the strongest network of libertarian institutions in terms of think tanks and academics and even certain institutions like the Guayaquil Chamber of Commerce.

The people that have staffed and led it in the past few years have been very much in favor of free market ideas, which is not the case for example with a Chamber of Commerce, a typical Chamber of Commerce in Colombia, which is just usually just a croniest kind of facade for commerce but anyway, so I think yes it is a surprise because Lasso actually barely made it into the the second round into the runoff, I think he got even he was under 20% of the votes he barely beat this other guy Yaku Perez, an indigenous candidate and Andres Arauz was Correa's protégé, or whatever you want to call him, he got over 30% of the voting, so he was the favorite.

And I think there were several things from what I saw and you mentioned it Loren, Ecuador is a dollarized economy since 2000 and in my opinion that has been their great advantage and that's

what saved them during the Correa years because Correa who was an ally, close ally of Hugo Chavez, he didn't like dollarization he was a critic of dollarization even before he was president when he was an economics professor. So he wanted to get rid of it, he even tried with this parallel currency that he tried to introduce but it failed and the interesting thing is Arauz was even more radical than Correa. So he had a paper that he published I think before he was a candidate or a blog post in which he explained step by step what had to be done in order to de-dollarize Ecuador, which included basically very strong currency controls and other very harsh measures, and the interesting thing there is that at the beginning in 2000 when Ecuador had to dollarize with inflation, somewhere between 60%-70% of the population was against using the dollar, and now after two decades it's around 80% or more I think it's 88% in the last poll I saw in favor of the dollar and they don't want to go back to the Sucre or any other new currency with someone like Arauz in charge.

And it was very radical what he was proposing, he wanted to use the reserves of the central bank to just basically hand out money and it was going to be, I think it was going to be a very difficult situation if he was elected for Ecuador so I think it's very hopeful results, not only for Ecuador but for the region. But again you can't read too much into it because it's only one country, and the same day that that Lasso won, we were encouraged at first with Hernando de Soto as you mentioned in Peru who was about to qualify for the runoff, he was in second place at the beginning but they're very slow in counting the votes and by the next day he was no longer in second place. Now its between well Keiko Fujimori, the daughter of Alberto Fujimori, but the worrying part, I mean I'm not a big fan of Keiko but the worrying part is this Pedro Castillo guy who came in first place who is an avowed Marxist...I was reading his program and I mean they're quoting Marx, he's praising Fidel Castro and Vladimir Lenin, they're proposing to nationalize all the strategic sectors of the economy, regulate the free press, so I mean this is the real deal in terms of hardcore Chavismo and I think it's very worrisome what's happening now in Peru.

Finance Colombia: Yes, I think that you know it's weird because we have Fujimori, Keiko's father, Alberto Fujimori, on one hand he can take a lot of credit for defeating the *Sendero Luminoso*, the shining path, the Maoist rebels, on the other hand, and there are some parallels here in Colombia, but I think more stark, on the other hand he's accused of human rights and civil liberties violations, and so it's it's almost like you can look at Pedro Castillo as obviously a threat to economic liberty almost certainly civil liberty, but then it's not exactly that Keiko Fujimori has a great record for clean governance and so, Peru is almost more worrying than Ecuador.

Aside from these two candidates, and aside from this election in the past two years the governance crisis in Peru as far as the ability of anyone to govern and there's a certain degree of instability there, not like a military coup kind of instability but in almost like a constitutional crisis, and I would wonder if either of these people whoever wins, I would bet against either one of them finishing up their term the way that things go, and I know I don't know anything about Peru, here in Colombia at least I can say I know something about it, I don't know much about Peru at all so what's the prognosis, what are the options and the alternatives and what are we going to see in the next two or three to four years?

Daniel Raisbeck: Well, you're absolutely right about the political instability in Peru because during the last few years you've had several presidents end up in jail or former presidents end up

in jail, which is quite astonishing from a Colombian perspective because we've never had a president even have to resign in the middle of his term as has been happening in Peru, let alone we have big scandals for example with ex-president Santos, there's proof and people have gone to jail because Odebrecht financed his campaign, but he's in the clear, at least he has been for now, you had Ernesto Samper whose campaign was financed by the Cali cartel and nothing happened to him either, so it's very surprising from seeing what happens from Colombia, from one perspective you could say it's encouraging because you can say at least there's consequences for these kind of actions, on the other hand it has brought tremendous instability and I think that has contributed to the situation we see now because one of Castillo's proposals is basically to get rid of the constitution, to hold a constitutional assembly and that's always dangerous because that's part of the classic recipe of the Chavista regime or the Chavista playbook. The first thing these guys do when they get in power, they get elected, but the first thing they do is they change the constitution and they change all the rules of the game, the first priority being holding on to power indefinitely. So I think it's quite clear that this is what Castillo is looking for in Peru and curiously he has the excuse of instability as a way of introducing his very drastic changes, including changing the entire constitution. And by the way Peru, besides all this political instability that we have been talking about, economically it has been pretty successful, it has introduced a lot of measures in favor of economic liberty, it ranks pretty high in the Cato Institute / Fraser Institute's economic Freedom Index, you've seen tremendous growth and reduction of poverty over the last 20 years.

So I think that the problem with these, and with this obsession with politics that's fueled also by social media, and you see of course in almost in every country is that...Chile is a very good example, that people very easily lose sight of what they actually have and of achievements that that are real over the past years and decades and then just on the spur of the moment you can have what happened in Chile which is that people actually went out and voted to change the constitution which has produced the most successful results by far, of any Latin American country. But it's very easy especially for certain political sectors to spread frustration and I mean obviously frustration can be very legitimate and very real, but I don't think in the case of Chile, in the case of Peru that that merits throwing the constitution out of the window, especially when in both cases the constitutions have produced quite positive results.

Finance Colombia: You know, I have explained to people looking at Latin America, I've explained to people that that there's a history of going out of the frying pan into the fire as we say in English, and I said look it's not that (Nicaraguan dictator) Somoza was good, but then you go into maybe a worse situation. It's not that (Cuban dictator) Batista was good but then you go into a worse situation. In Venezuela you actually had maybe a decent president who was very naive and but even still, even there you had kind of like we said, in Colombia, in Peru you had that even worse, you had a very stark social division that led to the conditions that created Chavismo. I think that you mentioned Peru which is by most measures, including economic opportunity has been the most successful country in Latin America, arguably maybe Uruguay can compete with that which is an entirely different situation, but still I think that Peru like you said has been economically successful but it's had a political governance crisis and a lot of that's been justifiable, there's been some corruption and things like that.

There's been Odebrecht and different things with past presidents, but I think that even in the US, which is relatively stable, as an American I fear a constitutional convention because

things can get worse. Because I think that a lot of ideas can come in from some of the worst in western Europe but I think that there are some of the bad things that can come in as far as government intrusion and erosion of civil liberties, and at least there's a history of that where down here the intellectual pedigree of a free market you have people that are like out there preaching in the wilderness like Hernando de Soto in Peru for example, who they kept trying to blow up for writing books you don't see a lot of that and so I think that it's very scary, but let me ask you this, do you see a worst case scenario because it's not like Castillo no, Keiko Fujimori might win and then we have probably economic liberty but maybe not necessarily good governance or the best human rights record as far as civil liberties either way but then let's suppose Pedro Castillo wins is it a potential Venezuela or is that hyperbole?

Daniel Raisbeck: Well, I think you have to take these threats very seriously and you have to believe people, you have to believe what they're saying because I mean the problem in Venezuela as you well know was that people said this will pass, this too will pass and we're not gonna become the next Cuba, as many Cubans warned them, and in fact they did end up becoming like Cuba, and Argentina they haven't been that far behind.

I mean the institutions were stronger, they were actually to get rid of them in 2015 and then after a very mediocre government by Mauricio Macri the traditionalists came back to power right? And you still have tremendous problems there with inflation and just terrible economic conditions, you had defaults, you name it, so I do think that what these people say and it's also you know a case of birds of a feather flocking together so now you have for example Evo Morales gloating about his candidate winning in Peru. So I do think Castillo is part of this movement and I do think it's very dangerous, and unfortunately as you were saying the only alternative now since de Soto didn't qualify for the runoff, is Keiko Fujimori and you have a different set of problems as you mentioned; maybe authoritarianism of a different type. I think she's also in it for her family right?

When I first ran for the house of representatives in 2014 and when I talked about taxes people were looking at me as if I was an alien or insane because that was not an issue in Colombian politics.

But if you're a Peruvian voter and the problem is that Fujimori name and the family generate so much rejection that there's a good chance I think, that Castillo can win, but the problem with that is that as I said, I think this is the real deal. His government program is just, I mean it should send chills down anyone's spine when you read it, because they're very open about what they want to do and it's not for instance...

I'm sure you've noticed this Loren but in Colombia, Gustavo Petro, who's our version of Chavez, he's very skilled at evading these questions so he's spent the last five or so years trying to disassociate himself completely from Chavez and from Chavismo and Venezuela, even though he used to boast about being an advisor to Chavez and to travel to Venezuela all the time. He brought Chavez to Colombia, to Bogota and so what Petro does for instance is say when they ask him if you want to implement the Venezuelan model, and he says no, he starts talking about climate change and how he doesn't want to have anything to do with fossil fuels in the economy and all of this, and somehow he fools journalists all the time with that rhetoric but Castillo is very open, he's praising or his movement is praising Fidel Castro, Lenin, he's quoting Marx, They described themselves as a Marxist Leninist organization. I mean this guy's not even trying

to hide it so I think you have to take that seriously and if he were to win I mean the thing with these countries is that it's never from one day to the next, if Castillo wins, the next day it's not going to be even as—well it usually takes some time, there is some resistance it then it will be a question of how Peru's institutions actually are able to resist that, but from what we've seen and especially if he somehow gets a new constitution made in his image approved, then I think it's extremely dangerous and of course you can always have a new Venezuela as well, why not?

Finance Colombia: You know it's scary, we have a lot of readers in the mining sector, we have a lot of readers in the petroleum sector, it's interesting because now I live here outside of Medellin and I get into some interesting conversations and I say look I'm not Colombian, I'm not trying to take sides or even less to be an "imperialist" and tell Colombians what to do, but sometimes I'm in interesting discussions and I say "I lived in Bogota when Petro was the mayor and I remember the trash scandal and these things and what it's like, it's weird because we almost have kind of a Petro like situation happening in Medellin right now."

Daniel Raisbeck: You're like the Venezuelans who migrated to Peru.

Finance Colombia: Exactly! And it's interesting because I talk to people, there's a lot of people who are...and as you know in Colombia there's a lot of, there's like, it's not a formal movement but I get memes sent to me and WhatsApp and Facebook and things like that and I understand because I mean in the US it's kind of almost the same thing, it's like "we don't want Trump or we don't want Hillary for different reasons" or down here it's like "we don't want Uribe and we don't want Petro," you know? Because I know people here who, it's not that they're lefties but they are dissatisfied with the human rights record of Uribe, and that's okay, that's understandable because I mean part of liberty there's economic liberty and free trade and free markets but look at what's happening in the US right now. There's intrusive government, and one thing I've got to give you credit and I'll go ahead and do this publicly, when I first interviewed you five or six years or seven years ago I was skeptical about your drug policies that you talked about, but you know what? You're right because I look at the US now. New York has legalized it, the US and the world hasn't fallen apart, and it's not that drugs are good. Putting smoke in your lungs isn't the best thing, but the point is that if you as a sovereign individual have the right over your body, if you want to do that as long as you don't bother anybody else, as long as you don't come and steal my television, do what you want to do, and as the libertarian argument has won, we don't see the world falling apart, right?

But I don't want to get off on that tangent, the point is still that we get this left argument which is socialism and intrusive government and then we get a right argument which is things like a restriction on social liberties and like, you know, Opus Dei and "let's make the church an official state organ and let's make church policies law" and it's weird because libertarians go "no, so you can't come and intrude on my private life, no you can't violate my civil liberties but yes I'm a capitalist and I want to have free trade and in Latin America, the argument—and to the US to a certain degree, but I see less of a public discussion in Latin America, and to a large degree less of a public discussion in Europe too, is that it tends to be this: It's not a matter of civil liberties and economic liberties together, but it tends to be kind of this Marxism class struggle thing versus this—and I'm not taking a position for or against the church, but kind of like "let's make almost like an official

religion like we see in the south of the United States,” and my question: Is there a chance of candidates breaking out of that? Is there is there a chance of...I see in Central America sometimes there's some movements, but what are the prospects, *one* for that breaking out and then *two* less...well let me ask you that first and then we'll come to here locally here in Colombia.

Daniel Raisbeck: Well, you mentioned several points. First about the drug issue, well, I think you're absolutely right and for instance in my campaign I never said that I'm in favor of drug consumption, it's just a critique of the inevitable consequences of having drugs being illegal of prohibition because that just leads to just terrible things like people, innocent people being murdered for being innocent bystanders and in the middle of a drug war and of course we saw that in Colombia, especially in the 80s when I was growing up, you see it now in in Mexico and across Central America, and I mean if you think about it, it's kind of strange because the drug war was officially launched or some scholars consider that the beginning of the drug war was under Richard Nixon and one of the first things that happened was that they were pressuring Mexico into spraying fields, not only poppy fields I think but also marijuana fields with pesticide several decades ago, but now right across the border from where you were spraying, now you have legal marijuana in all these states.

I saw a poll today in Reason that they published an article about it, I think 66% of Americans favor the end of federal prohibition, and I mentioned that because it's amazing that in Colombia they legalized medical marijuana a few years ago, but I know and you probably know a lot more than I do from friends in the industry that even though you have that on paper, in practice it's terribly hard for instance to have a bank account opened for these companies, and that's...I mean, I don't think politicians should ever intrude in the economy and say we should support this industry or that industry, but this is a no-brainer in the sense...I'm not saying that you should get subsidies because that would be corporate welfare, but I'm saying if you have a product where the where they say in Colombia the brand is already created, it's probably colombian hemp and where you have the States putting all these obstacles in front of these entrepreneurs and investors, you even have lots of foreign investment from Canada and other countries, and especially in a time like now when you have such high unemployment levels, a need for more taxation to bring in more taxes, you need to create businesses. And why aren't they making life easy for all these businesses? It's just mind-boggling to me at least.

Finance Colombia: I agree, I think that the other thing that happened in in the drug war is it changed the relationship fundamentally between the police or between law enforcement more broadly, and the populace because before the police went after the bad guys, they went after robbers, they went after people who did violent crimes and that relationship changed fundamentally to going after people who aren't doing a crime against anybody, they're not violating anyone else's personal liberty or they're not doing a property crime against anyone but it's like “let's search that car or let's certainly stop and frisk” as they say in the United States, “let's search that person and we're gonna search that person for something that they own that's theirs,” not stolen property or anything that they obtained by deceit or something like that, and in the past years it's really changed the fundamental relationship.

Now none of this at least from my standpoint is to excuse any of the damage that any kinds of drugs have done or anything like that, but the way that the policing is done and

the violation of civil rights and even if you say “OK, this is a crime or this isn’t” if you look at like in the US and it’s happening here in Colombia too, what happens to innocent people? Because now “I suspect you because you’re a 20 year old kid and you’ve got long hair, and you’ve got raggedy clothes,” I’m just going to stop you, versus I’ve got on a tie and I’ve got my hair cut, something like that and now it’s like you’re...*it’s a crime completely who you are*, not that you’ve taken any action or anything like that, and we see that down here as well.

Now you’ve been generous with your time, I do want to ask you, Colombia has elections next year and we look at obviously the perennial people like Petro who probably will be a candidate, you have some interesting things happening where you have Sergio Fajardo, who most people consider to be center left, then you have the Centro Democratico which is really not centrist at all, so my question is from a prognosis but then also looking at it through a lens of liberty, because I don’t think that...you know Petro obviously is no fan of economic liberty, what’s the prognosis as far as the panorama and aside from the three that I mentioned, if we look at other maybe candidates out there like Char, like Vargas Lleras, what do you see as the weather forecast for 2022 from a really what might happen perspective, but then also let’s look at it from an economic freedom and civil liberty perspective?

Daniel Raisbeck: Well Loren, this is something I write about often and yes, I think you’re absolutely right in terms of, I mean Petro is just hard left, he tries to camouflage that somehow or to or to hide it with his rhetoric about climate change and the environment but he—I mean he was an ex guerrilla member, I mean, last time he was a candidate he said exactly which companies he was going to expropriate, he says you have to print money, as much money as possible to get out of the of the current crisis. I mean from whatever perspective you see it, he is definitely not what you need in Colombia right now.

“Uribe is by no means a conservative in the Anglo-Saxon tradition. I mean there’s nothing Thatcherite or Reaganite about Uribe. I mean he introduced the wealth tax in Colombia when he was president, when he said as all taxes, that it wasn’t going to be permanent and it was going to be temporary, and it’s become permanent and now his party wants to make it even more permanent.”

The problem again and I think it’s similar to other countries for instance Peru at the moment, is that the alternative and I mean, by what I mean the most probable alternative which is some candidate from Uribe’s party, is that as you said their only ideology is Alvaro Uribe, so this is very difficult for people in Colombia, especially in the media to understand, but if you get rid of the whole debate around the FARC because it was when he was president he went after the FARC as you know, with a lot of impetus but if you get rid of that, if you ignore that and if you look at their actual policies, Uribe is by no means a conservative in the Anglo-Saxon tradition. I mean there’s nothing Thatcherite or Reaganite about Uribe. I mean he introduced the wealth tax in Colombia when he was president, when he said as all taxes, that it wasn’t going to be permanent and it was going to be temporary, and it’s become permanent and now his party wants to make it even more permanent.

Finance Colombia: Yes, it’s a different conversation.

Daniel Raisbeck: He created all kinds of subsidies and he was proud of it, he's proud. He doesn't see a welfare state as a kind of a crutch that you need to kind of help people when they need it and to get them off welfare as soon as possible. He is and his party, they are proud of the amount of people that are on welfare and they try to increase the number of people who are on welfare for electoral reasons I think, and when you see things like the debate over Uber, the sharing economy has had so many problems in Colombia and the peak absurdity in my point of view because Uber is technically or has been technically illegal, but a lot of people use it anyway, they're taxed and they're taxed so it's illegal but they're taxed.

Finance Colombia: So many government people use Uber.

Daniel Raisbeck: Yes, of course.

Finance Colombia: And the only reason Uber still functions is because if you want to get from downtown up to up north to where you live or something like that, you know, and especially in Bogota where the taxis are so well loved, and I'm being sarcastic, you know, because so many people even in the government rely on Uber that's why they're not shutting it down but they just harass the drivers, they grab your car and then you have the Colombian equivalent of civil forfeiture happening down here, and it's almost a form of government sanctioned corruption.

Daniel Raisbeck: Yes, but I mean Uribe was in favor of the taxi lobby against Uber when, this was before the pandemic, because it's...yeah it's not the main debate anymore, and he's been in favor of tariffs to help different industries, he's very interventionist, he's even ended up as an ally in the congress of Jorge Enrique Robledo, so I mean from a pro-liberty or libertarian or classical liberal standpoint or whatever you want to call it, it's very frustrating because people associate Uribe as a right-wing neoliberal conservative, but when you look at what he actually does I mean there's nothing of the sort, and there's no real alternative, and from my experience at least when you try to for example to run as an independent, it's also very difficult because there are all these barriers to entry in the market so it's very expensive and the political parties are all about bullying for themselves and they have set up all these obstacles to prevent any real competition, much as is the case in the real economy.

Finance Colombia: So if you look at of the candidates that might run in the next election, who would you say is the, if you were to rate them obviously probably Petro would be at the far end of the scale but who would be the friendliest and we don't know who's going to run yet, but of the people that are kind of in the chattering class as we say or the gossip of who might be a candidate next year, who would be probably in the front runner strictly through the lens of "free people = free markets?"

Daniel Raisbeck: Yes, well, it's difficult not to be pessimistic, I try not to be pessimistic, but I think Petro at the moment is running very strong and he's definitely going to be a favorite and I think a lot of people write him off just because they say he's never going to be president and I think it's very dangerous to make those assumptions, of course you can be president and there's nothing in fact—he came very close a couple of years ago, so that first of all. But in terms of for example who I would vote for, if the elections were today or tomorrow the only candidate who I see and we're a pre-candidate because we haven't even entered that primary stage or if you want to call it that, but the only one who I've heard making the right kinds of noises even though I'm not his biggest fan is Enrique Peñalosa, the former mayor of Bogota because he has been

outspoken at least on Twitter for what it's worth criticizing these tax reforms, criticizing this idea that you can just tax the rich to no end and that that's the way to finance this European style welfare state that everyone in Colombia fantasizes with, and the assumption is that through wealth taxes or taxing businesses or the big businesses that already contribute the largest amounts to the state that you're going to be able to solve all problems.

And so he's been pretty outspoken about that, and he's saying the obvious thing, which no politician or I usually don't hear politicians saying, which is that, "fine you can have a punitive tax regime" which is what you already have in Colombia and they want to make it even worse, no one's no one is stopping you from that, you're a sovereign country you can have that, but the consequences of that are that, a) you're not going to have capital coming in because people don't want to, especially in a country like Colombia, people don't want to, risk—investors who want to risk their capital in order to further their profits, to be taxed into oblivion, and on the other hand you have people who are already in Colombia but if they feel the tax pressure is overbearing then they can very easily leave because they have the money.

Finance Colombia: Exactly.

Daniel Raisbeck: Which has been happening so I would root for Peñalosa at the moment. Do I think he's going to win? No, would I even be enthusiastic that if he were to win that he would implement these ideas? No because I also know him from Bogota. He did some good things as mayor but he's also very statist...but he's very statist in urban politics kind of way.

Finance Colombia: In context you've got I mean you can't look at somebody, you know, we're not going to elect Hayek so you've got to take it in, so I know...

Daniel Raisbeck: I completely understand, and I mean I voted for Duque four years ago, and Duque was saying, the current president his entire camp—And that's why I feel that to a certain extent what the few libertarians in Colombia, what we've done has been somewhat successful in terms of setting the terms of the debates because when I first ran for the house of representatives in 2014 and when I talked about taxes people were looking at me as if I was an alien or insane because that was not an issue in Colombian politics.

I think the last politician who really talked seriously about taxes was Alvaro Gomez in the 80s and 90s, I mean of course because of the FARC situation and the security situation, but taxes weren't really on the top of the agenda and if you look at Duque's campaign, Duque, I mean you can see it on Twitter because people are retweeting his material from the campaign. He was promising, he was criticizing Santos' high taxes, he was promising to lower taxes even though it came with the with the caveat of lowering taxes and raising wages, which kind of you can't do by government fiat, but the fact that he made cutting, he was talking about austerity, about reducing the size of the state, getting rid of useless government agencies. The fact that he had to constantly mention that I think, it was a positive development during that campaign and the problem now is that he instead of doing what he said he was going to do, he did the exact opposite. He's been raising taxes, he not only didn't get rid of useless state agencies, but he created new ones like the Ministry of Sport among others! So right, it's a difficult situation so even if you get a guy like Peñalosa and he wins on that platform, there's nothing guaranteeing that he would actually implement these free market policies.

Finance Colombia: Let alone you know, getting things through congress and I think that Peñalosa is interesting because he was pretty well regarded at least in hindsight from his first term. My opinion as an outsider but as an outsider that follows Colombian politics was that Bogota politically had become so polarized that whoever gets in there, you're going to have half of the people against you and it seems like you're almost in a no-win situation, and I think the US is kind of going through a phase like this too where there's a polarization to that is impinging upon governance.

I remember when Ronald Reagan and Tip O'Neill would get together and work things out, you know? I'm from Ohio and in Ohio the Republican governor Jim Rhodes would get together with Verne Riffe, who was the Democrat speaker of the Ohio House. Same situation at the state level and they had their ideologies and they had their beliefs, but they would get together and hammer out governance and *they were opponents but they were not enemies*, and today we have situations where we have people that look at each other as enemies and that negatively affects governance. You've been great with your time I really appreciate it, I hope to have you back more frequently. I mean it's just like the saying goes *free people deserve free markets* and we don't editorialize a lot in Finance Colombia but the two go hand in hand and it's a chicken or egg thing: You can't really in the long term have one without the other and it's not even the most popular thing in the US but it's even more of a rarity down here where people go: "what can we get?" or there's this corporatism and there's this idea of, "I'm gonna buy votes using the government," not specifically in Colombia but really as a region and then to be fair, it's not a Latin American problem because we look back at ancient Rome with voting in bread and circuses leading to destruction, so it's not like picking on Latin America, it's really a human condition and so I want to encourage you and I really am looking forward to continuing to re-engage with you to get your expert opinion on colombian politics within the region as a whole.

Daniel Raisbeck: Well thanks Loren very much and as I said at the beginning I think before we started the interview that I really admire your work at Finance Colombia, I follow you and follow the newsletters on the website and please do keep it up.

Finance Colombia: Okay, stay safe.