

FINANCE COLOMBIA

Guest Editorial: Colombia's Establishment Wins Again, But at What Price?

Daniel Raisbeck

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According to the international media, Gustavo Petro, the 21st century socialist who won Colombia's presidential election on Sunday, was an "anti-establishment" candidate. The description would be accurate if the Colombian establishment still consisted of august figures such as Roberto Urdaneta, an upper-class poo-bah who, unelected, ruled the country between 1951 and 1953. He was rumored to spend as much time in the Jockey Club as in the presidential palace.

Colombia has changed since then. The establishment is now made up of left-wing academics, woke journalists or "influencer" celebrities, public sector grandees, and career politicians. One mantra that binds these subsectors together is that the country's heavily interventionist economy, which ranks 92nd in the Fraser Institute's *Economic Freedom of the World* index, is a "neoliberal" outpost in dire need of even more taxes, regulations, and welfare handouts. Another is that the only way to deal with Cuba-backed, communist insurgents is to tremble before the bearded, cocaine-dealing Kalashnikov-wielders and offer them generous amnesties.

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The last came in 2016, when the Revolutionary Armed Forces of Colombia's (FARC) killers were granted 10 unelected seats in Congress. Since 2018, they have carried out their parliamentary duties as middle-aged legislators with taxpayer-funded SUV's and expanding waistlines. They sit alongside elected yet otherwise indistinguishable specimens. Even guerrilla group membership has become a semi-formalized part of the *cursus honorum*.

As such, Petro, an amnestied member of the M-19 guerrilla group who has held some type of government post for well over 30 years, is pure neo-establishment. His admiration for Venezuela's Hugo Chávez, whom he advised, still spooked a part of the Keynesian technocracy, as did his intentions to end all exploration of oil, Colombia's main legal export, expropriate all private pension accounts, and print money to pay for subsidy schemes. But he still managed to

woo a former “neoliberal” finance minister, several ex-members of the central bank’s board, and other sacred cows of the technocrat class.

Petro’s rival was Rodolfo Hernandez, a 77-year-old construction magnate who was a one-term mayor of a medium-sized city and a neophyte on the national stage. He became a true threat to established politicians and mandarins alike with his popular pledge to cut all wasteful spending, a revolutionary stance by Colombian political standards. He even threatened to make congressmen pay for their gas guzzlers and mobile phone plans out of their own pockets. This blunt, petit bourgeois businessman simply could not be allowed to win.

On Sunday, Petro claimed that he owed his victory to the young and to oppressed minorities. However, what likely drove him over the finish line—he beat Hernandez by a mere 700,000 votes—was the support of well-oiled, often corrupt political machines, whose bosses sought to protect their guaranteed slices of the annual budget or regional bureaucratic fiefdoms.

Both *bien pensants* and political machine operators seem to bet that they somehow can curb Petro’s more fanatical tendencies. Some commentators claim that Congress, where his party does not hold a majority, can resist Petro’s push for autocracy, and that the central bank will be able to maintain its independence. Others interpret his promise to “develop” Colombian capitalism during his victory speech as a sign of moderation.

I remain a skeptic, not least due to my personal dealings with Petro in online debates—he once wrote to me to defend the labor theory of value—and during his mayorship of Bogota, when, arbitrarily, he attempted to shut down the city’s 25 very successful charter schools due to ideological posturing and pressure from the local teachers’ union. Which is to say, I believe he can cajole or bribe sufficient congressmen in order to form a majority. He might even try a hostile takeover of the central bank.

I am Colombian and certainly don’t want Petro to pull off what his allies did in Cuba and Venezuela, whose tyrants profusely congratulated him yesterday as, perhaps shockingly to some in Washington, Bogota likely drifts toward the Havana-Caracas-Managua axis. But I wouldn’t be surprised if the more prosperous, urban, multiple degree-holding types who supported Petro thinking he was some sort of Nordic social democrat live to regret it.

Colombian Professor Daniel Raisbeck is a policy analyst on Latin America at the Cato Institute’s Center for Global Liberty and Prosperity.