



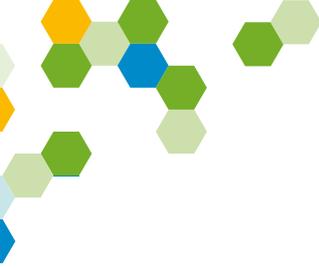
SPECIAL REPORT

# Ivan Duque, the opposition takes over in Colombia

Bogotá, July 2018

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AUTHORS

## 1. INTRODUCTION

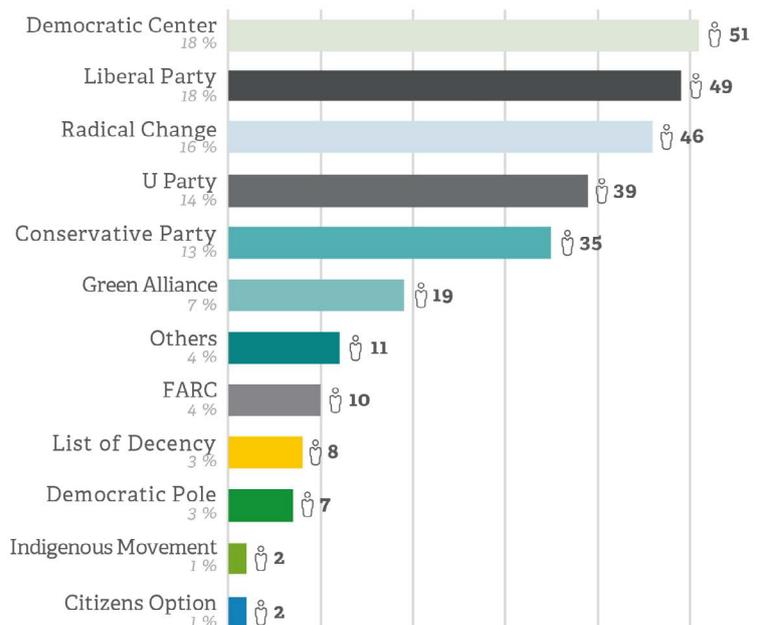
The election of the new president of the Republic reveals a new distribution of public power in Colombia and the system of checks and balances in the country.

June 17, Ivan Duque Marquez, candidate for the opposition party, Democratic Center, was elected president for the 2018-2022 term.

His victory proved his group's strength, also reflected in the March legislative elections, when it was consolidated as the largest political force in the current Congress with 51 members.

Duque was also supported by the parties Radical Change, Liberal, Conservative, Independent Movement of Absolute Renovation (MIRA) and Colombia Justa-Libre, who collectively make a significant majority in Congress (135 members, distributed among the Senate and the House of Representatives). So, the opposition to a government that had Congress as an important ally has now reached the executive with an even larger percentage of Congress in its favor. (Figure 1)

Figure 1



“The new president and his party will have to yield on some points although most of the parties backed his candidacy, they are also pursuing interests of their own”

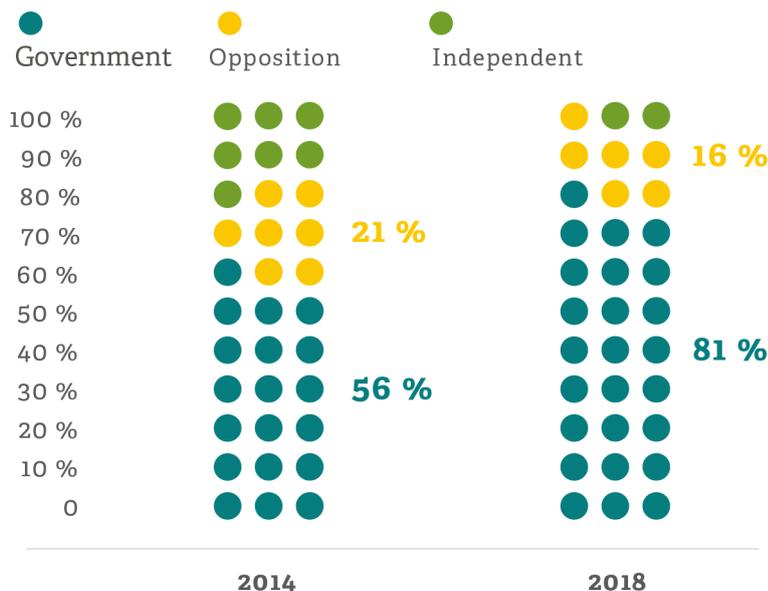
Up until the recent elections, the current president had 56% of Congress in his favor and 21% supporting the opposition, which is now preparing to govern. Bearing in mind the official support he received from major political parties, Ivan Duque will have a majority of 81% in his favor (227 of the 279 members of the two houses of Congress) and just 16% directly against, assuming the Social Party of National Unity, or U Party, (President Santos’ party, with 39 members) and Citizens Option (2 members) will form a possible coalition government.

This prospect raises the favorable forces of the future government by 26% and reduces opposition by 5%.(Figure 2)

The presence of a stronger Democratic Center and the participation of the Conservative Party and MIRA Party in the NO campaign during the 2016 referendum on the Peace Agreements strengthened the right-wing opposition, further reinforced when Radical Change and the Liberal Party –historic party alongside the Conservative Party and an ally of Santos– joined Ivan Duque’s campaign.

However, the new president and his Democratic Center party will have to yield on some points if they want to preserve that support, since, although most of the parties backed his candidacy, they are also pursuing interests of their own. (Figura 3)

Figure 2: Change in favorability



### CONSERVATIVE PARTY

The leaders of the Conservative Party announced their support for Duque’s candidacy and his government’s commitment to reach an “Agreement on the Basics.”

Part of that agreement is based on the following points:

1. Creation of the Ministry for the Family and Women
2. Protection of the fundamental value of life from conception to natural death
3. Restoring military honor.
4. Protection of tutelage.

### MIRA

This party officially announced its backing for Duque's candidacy in May and reached an agreement on a program containing the following aspects:

1. Religious freedom.
2. Electoral reform.
3. Employment.
4. Enterprising projects and income generation.
5. Inclusion of women.

### LIBERAL PARTY

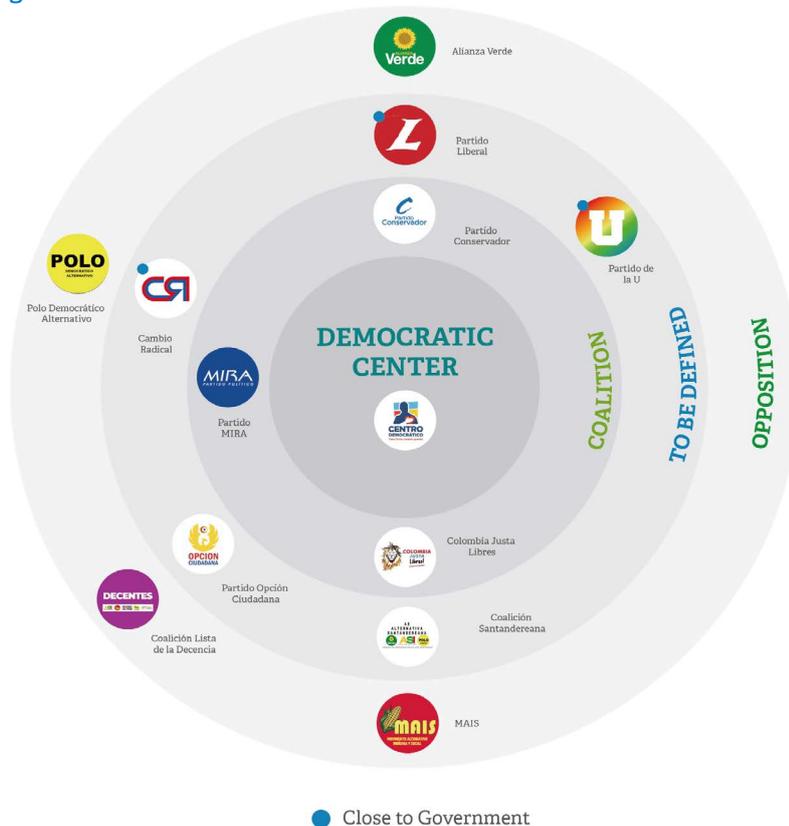
This party had no program agreements with Ivan Duque. The liberals' leader, former President Cesar Gaviria, is known to have had a meeting with the candidate at that time, at which they discussed the public policies and decisions his government would take.

After that meeting, Gaviria called the members of his party to a meeting and made their support official, declaring that while there were differences between them, they were not insurmountable.

But the liberal youth and party members, such as Juan Manuel Galan and Luis Ernesto Gomez, demanded Gaviria's resignation and questioned the decision to support the "Uribe" candidate, claiming he did not represent liberal ideals. It should be noted liberalism has been one of the mainstays of the outgoing government, Uribe's opposing force due to the FARC negotiation.

Nonetheless, 39 of the 41 members of Congress from the party voted to support the president elect. Gaviria stressed the liberals continued to take a firm stance on the Peace Agreements and would go to the Constitutional Court on any issues on which they did not agree with the Democratic Center.

Figure 3



“The three pillars of Ivan Duque’s campaign are legality, equality and enterprise, accompanied by security, justice and freedom as the basis of his government’s program”

#### RADICAL CHANGE PARTY

This party issued a press release the day after the first round, in which they did not announce official support for Duque’s candidacy but expressed their gratitude for the appreciation he had shown for the government program of former Vice President German Vargas, their presidential candidate.

For this reason, the party took the program as their own to develop it as their legislative agenda in this new Congress and sent it to the then candidate Ivan Duque. This was interpreted as a rapprochement between this party and the Democratic Center. Although they did not openly support him, they said they would approve any move by his government to back the reforms and bills proposed by Radical Change.

#### U PARTY

This party, which emerged as support for the former president Alvaro Uribe and accompanied Juan Manuel Santos in his two terms of government, gave freedom to the members of its group in the second round. However, at least 15 members of Congress supported Duque, including Jose David Name, Sandra Villadiego, Manuel E. Rosero and Eduardo Pulgar.

This group is expected to end up as part of, or at least close to, a coalition government headed by Ivan Duque.

In a nutshell, in light of the existing landscape, it is not possible to say all these parties will always support the new government, especially regarding the issue of the peace agreements. The Liberal Party, Radical Change and the U Party have declared they are committed to its legislation, still being structured, and if they stick to this, it could lead to friction within the Democratic Center and Conservative Party.

The national government will also assess its stance on matters of individual freedoms, rights of sexual minorities and issues such as abortion and euthanasia, since, while the Conservatives and MIRA are against these, the other parties, especially the Liberals, have defended campaigns of this nature.

#### 2. SUPPORT FOR REFORMS AND INITIATIVES

The three pillars of Ivan Duque’s campaign are legality, equality and enterprise, accompanied by security, justice and freedom as the basis of his government’s program. During his election campaign, he announced seven priority reforms: (Figure 4)

“These reforms correspond to eliminating drug dealing as a political-related crime, protecting land obtained in good faith and an inexorable amendment of the Special Jurisdiction for Peace (JEP)”

#### PEACE AGREEMENTS' REFORM

This will probably be the fiercest debate, as it is the most sensitive issue between the national government and the opposition. As candidate, Duque said he would not tear the Agreement apart, as the party leader Fernando Lodoño had indicated, but that substantial reforms would be made.

These reforms correspond to eliminating drug dealing as a political-related crime, thus stripping offenders of amnesty; making it compulsory to eliminate illegal crops; protecting land obtained in good faith, even if it is part of the Land Fund; and finally, an inexorable amendment of the Special Jurisdiction for Peace (JEP), considering it a “mechanism for impunity.”

This issue will be sensitive for the U Party, Radical Change and Liberals, since during the presidential campaign they backed candidates committed to complying with the agreements reached and argued they were only going to improve its implementation.

The success of these reforms will depend on how far the Democratic Center and Ivan Duque are prepared to yield and the strength of commitment of the parties that initially backed the negotiations.

June 18, the Senate postponed the approval debate of the JEP

to when the next Congress takes office, and although nothing official, it will then become clear the majorities are reforming, and the only ones who will defend the agreement in its entirety will be Green Alliance, Polo, FARC, List for Decency, MAIS and other minority parties.

#### JUDICIAL REFORM

After the controversial proposal to unify the courts, the Democratic Center prepared its proposed judicial reform, aiming to not only create a single final court with specialized chambers but also aspects such as the appointment of the attorney general directly by the president, ratified by the Senate, while shifting the electoral power to the Judicial Branch.

This reform contains other points aimed at reducing the branch, which may seem positive because with fewer high-level judges, the state could save a large sum of money. However, parties such as Democratic Pole and Green Alliance claim this proposal makes the judicial branch less autonomous, affecting the balance of powers essential in any democracy.

Moreover, before the second round, this was one of the proposals most harshly criticized by Humberto de la Calle and German Vargas Lleras, as it eliminates the right to tutelage.

“Carrying out a thorough tax reform is complicated in Colombia, but the country needs greater income to address its deficit and investments in infrastructure, housing, services, etc.”

So, this reform is likely to be met by distrust among some members of the Liberal Party and Radical Change and strong opposition from Green Alliance, Democratic Pole, the List of Decency and the new party FARC. The most probable outcome is the justice system will be reformed, omitting the above-mentioned measures.

#### TAX REFORM

The tax reform proposed by Ivan Duque throughout the campaign focused on a simplified tax system, based on the use of digital platforms to reduce tax evasion and grant incentives for micro-, small- and medium-sized enterprises to stimulate investment.

These proposals are similar to those of most of the candidates, especially regarding the simplification of procedures and taxes and release of entrepreneurs from tax charges. However, the debate will focus on the review of exemptions and the new levies eliminated from or added to individuals and legal persons.

With this in mind, reform could take place of formal issues such as collection, use of big data and strategies against tax evasion, but the limits on benefits for citizens and private companies will also be debated.

From the outset, Green Alliance, Democratic Pole, List of Decency and the FARC will oppose a

benefit for large enterprises to the detriment of public tax collections.

Carrying out a thorough tax reform is complicated in Colombia, but the country desperately needs greater income to address its deficit and investments in infrastructure, housing, services, etc. To achieve this, Duque is targeting corruption and tax evasion, since that would be a major “source of income” for the country.

#### PENSION REFORM

Ivan Duque’s speeches on this matter promise greater coverage for the pension system while making it fairer, correcting distortions and focusing on those more vulnerable of society. Subsidies will be granted to those who make smaller contributions, and unnecessary capacities will be eliminated from the average premium plan and personal savings plan.

Only one common agreement has been reached on this matter, namely that the retirement age should not be raised, even though experts have defended the need to do so.

This reform is expected to be debated but is not a priority issue. Matters relating to the Peace Agreement and tax issues are first to be addressed. However, the parties do not have contrasting ideas or interests with respect to this reform, so while the climate is favorable, it

“The turning point and debate could lie in freeing the system and the charges made with the new system of operation”

will not have the same urgency as other initiatives.

#### HEALTH REFORM

Duque proposed a final point law to restructure debt, after which there would be a fine for any accumulation of over 90 days. The health promotion agencies (EPS) would cease to be remunerated based on the number of members, and system and medical records would be digitalized.

Overall, the candidates and political forces of Colombia share this view of health reform. The turning point and debate could lie in freeing the system and the charges made with the new system of operation. It is also expected to bring back the “family doctor” and promote health for society and in the workplace from the standpoint of prevention.

Just as in the pension reform, the parties mostly agree on this aspect. Although opposition is not expected to be very considerable, left-wing parties such as Democratic Pole and List of Decency will debate the gratuitous regime.

Even though Duque defines this reform as a priority, it may be put on the back burner until other proposed reforms are made.

#### EDUCATION REFORM

The candidate does not have major reforms for education but plans to reform important aspects at each level. He proposes

boosting infant nutrition, establishing a single two-meal school day, introducing a technical upper secondary path at all schools, promoting free education at levels 1 and 2 (out of 6 in Colombia) and supporting and promoting financial assistance for levels 3 and 4.

Although the proposed points include aspects of common agreement between the political parties, other candidates contained deeper reforms for this system. This may lead to a situation where political parties use debates to add key aspects of their own programs, such as Petro’s free higher education, Fajardo’s 50% increase in investment, Vargas Lleras’ creation of a vice-ministry for infants and the alteration or elimination of the “Ser Pilo Paga” [lit.: being smart pays off] Program, proposed by them all.

Debate of this reform will not revolve around opposition to Duque’s proposal but the degree of acceptance of the other proposals accompanying the main aspects of the governing party’s proposal.

#### AGRICULTURAL REFORM

Finally, Duque’s proposals regarding agriculture focus on offering investment incentives to private initiatives aimed at increasing the creation of employment in rural areas.

This reform will have several debates, and while it has a chance of going through, the

Democratic Center will have to include articles making a direct, positive impact on small producers, rather than as a result of favoring private enterprise.

It will depend on the skill of the opposition (headed by List of

Decency, Democratic Pole and Green Alliance) as to whether parties such as Radical Change, Liberal or the U Party decide to back these initiatives focused on farmers or give priority to private enterprise development to stimulate growth in rural areas.

Figure 4





**IVAN DUQUE**  
Colombia's republic president-elect

A lawyer with a master's degree in international economic law and public administration and ongoing training in strategic negotiation, development policies and private equity management.

Senator of the Democratic Center Party 2014-2018, one of the strongest opponents to the

government in economic matters and general management. Adviser to Juan Manuel Santos when he was minister of Finance, adviser to Alvaro Uribe at the UN and lecturer at Georgetown University. During Uribe's government, he worked for 10 years at the Inter-American Development Bank in Washington, DC.



**GUSTAVO PETRO**  
Presidential candidate  
for Colombia Humana

The second round of the elections was a direct competition between two opposing forms of government, and although Gustavo Petro, the contender opposing Duque, did not win enough votes to be elected president, he received over 8 million votes. This makes Petro the most ever voted left-wing candidate in Colombia, and compared with the first round, he received 1 million more votes than Ivan Duque to his campaign.

This can be attributed to the neutralization of his radical

left stance along with support from center-left political figures such as Claudia Lopez, Antanas Mockus and Antonio Navarro Wolf. His defense of the peace agreement also played in his favor, since, on several occasions, he was depicted as the candidate to respect and implement them. This and the invitation to all Colombian political classes to come together in an "Agreement on the Basics," were vital aspects for Petro to broaden his electoral support and become one of the greatest opposition leaders of Colombia.

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She forged her career in the multinational Gerdau Diaco, where she headed several processes within the industrial sector and became manager of institutional relations.

Among her achievements, she defended the Colombian steel sector as chair of the board of the Colombian Steel Producers Committee of National Association of Industries (ANDI). From there, she promoted several initiatives with the government to strengthen the sector.

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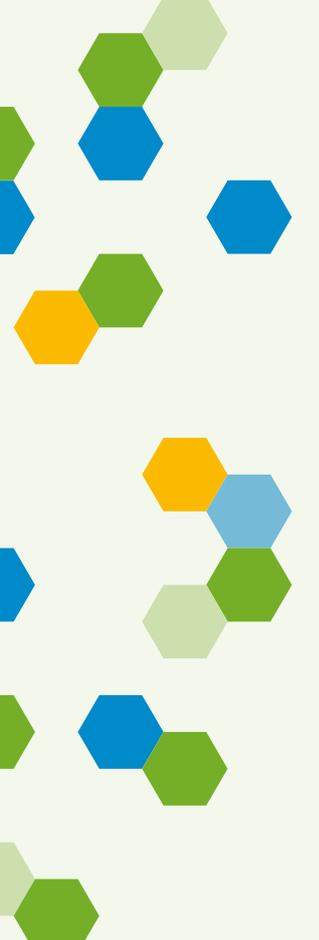
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