

# Geography of colombia critical thinking sample

[Politics](#), [President](#)



This report was elaborated to evaluate the incentives for private sector growth and business opportunities in Colombia. The country has been chosen not only because is one of the best positioned economies in the region, but also has lots of underdeveloped areas where a solid international company could have a great impact on the communities located there. Nonetheless, given that Colombia is still on its way to full economic development, this report will evaluate demographic, cultural, political and institutional factors to determine the main elements that could constrain business growth in order to help the company make informed decisions to maximize its impact and benefits when designing projects. The first part is a short description of Colombia´s geography and physical attributes. The second part is a review of the political system and organization. The third part refers to some problems that might concern investors and could pose risks to future investments. And the fourth part includes all positive aspects that add to the great Colombian investment climate.

Colombia is one of the fastest growing countries south of the border and currently one of the closest partners of North American government in Latin America. It is located on the North West coast of South America, and borders with Panama, Venezuela, Brazil, Ecuador and Peru. It also has openings both to the Caribbean Sea and the Pacific Ocean making it ideal for maritime operations. With its 1. 038. 700 square kilometers, Colombia is the fifth largest country in Latin America, occupying a territory nearly the size of France, Germany and England put together . According to the last census in 2005, Colombia had a population of 42. 888. 592 , which is estimated now to be 46. 614. 269 . Colombia has three basic racial groups: Amerindians,

blacks and whites . The Amerindians are mostly located in the 587 “ resguardos” scattered throughout the country , which are political and territorial divisions similar to the Native American reserve system where natives have autonomy and protection but cannot sell their land. However, 86% of the population is considered non-ethnic, and they consider themselves whites even when most of them are mestizos (descendants from European and Amerindian blend). There are three ethnic minority groups recognized officially by Colombian government: the Afro-Colombian, the Amerindian and the Gypsy or Romany populations.

The United Nations Development Programme establishes that Colombia is in the 91st position of the Human Development Index with a value of 0. 791, and a Gross National Income per capita of \$8. 711 . While these values are below the Latin America and the Caribbean average, they have been steadily improving over the last decade and are expected to do so if more foreign investment arrives in Colombia.

One of the greatest features of Colombian geography is their climate variety, which is divided in different main zones: The Caribbean Lowlands located in the North East containing a rain forest with one of the highest biodiversity in the world, the mineral rich Pacific Lowlands located in the South West, the Andean Highlands which includes three huge mountain systems with moderate climate and fertile grounds, and the Eastern Llanos and Amazonia which cover 54% of the country´s area and offer excellent pastures for cattle activity (Bushnell & Hudson, 2010, p. 77).

## **Political Structure of Colombia**

Colombia is a constitutional presidential liberal democracy, in a unitary republic with a multi-party electoral system. The classical division of powers in executive, legislative and judiciary, was adopted since the country was declared independent from the Spanish Crown , and the legal system was written following the principles of republicanism found in the first French constitutions . The Colombian system also drew from the English Bill of Rights, and the North American constitution as well . This means that the spirit of the illustration was very strong back then in the minds of Colombian constitutionalists who were influenced by Locke, Rousseau, Montesquieu, Hamilton and Jefferson. The current Colombian Constitution was drafted in 1991, and its mandates have prevailed despite decades of continuous violence.

Colombia had a long Bi-Partisan history, led by the Conservative and the Liberal parties. While the 1991 constitutionalists sought to correct this by facilitating the creation of new political movements, and many parties appeared during the following decade, the power balance remained unchanged until 2006 when the two traditional parties adopted strategies of alliance with smaller movements to counteract their waning political influence, finally causing the end of the Two-Party hegemony . There are currently eighteen political parties and movements registered in Colombia, all having representation in the Congress as of today .

The executive power is represented by an elected President. He is the Head of State, the Head of Government and Chief Commander of the Armed Forces. He also enjoys some legislative authority and the Congress may

grant him extraordinary powers to create laws by decree on specific matters . The presidency is limited to being elected to a total of two four-year terms. The election system is a run-off voting scheme, where the president is elected by absolute majority. During the elections held on May 25th, no candidate obtained the absolute majority, so there will be a second round of voting on June 15th to decide whether Juan Manuel Santos or his opponent, Oscar Ivan Zuluaga, is elected for the next term.

The executive power is shared in two different dimensions as well. There is a horizontal dimension, composed of Vice-presidency, Ministers and Directors of Administrative Departments, which are all appointed by the President. And there is a more vertical dimension given by territorial division. Colombia is divided in 32 departments, plus the Distrito Capital de Bogotá. Each department is run by a popularly elected governor for a four-year nonrenewable term. And each department is divided in municipalities, for a total of 1. 120, governed by popularly elected Mayors, also for four-year nonrenewable terms. Bogotá, and other large cities, are subdivided into localities which are governed by popularly elected administrative boards . Their legislative power lives in a bicameral Congress, formed by a Senate, with 100 senators elected every four years by their electoral districts, and two elected as Amerindian representatives by a special district, and a Chamber of Representatives composed by 166 representatives, also elected every four years for unlimited terms. Each house has a president, two vice presidents and a general secretary. There are seven permanent committees, through which members of the two houses conduct the rounds of debates on legislative proposals. The houses are responsible for proposing, reforming,

repealing and interpreting laws. They can also reform the constitution, reject or approve international treaties. They can grant the president the power to legislate by decrees .

This Legislative power enjoys relative independence from the executive power, but they lack fiscal power to effectively have a leverage when bargaining with the executive. On the other hand, there have been strong accusations of corruption that affect several members of the Congress and its credibility .

The judiciary power is seen as relatively independent as well. There are four main Courts in Colombia. The highest is the Supreme Court of Justice with 23 members acting as the court of final appeal. It can judge the president, high executives and members of the congress, giving it a lot of revision power.

The Supreme Court elects its own members who serve a single term of eight years. The Council of State is responsible for overseeing the legality of the administrative process, give advice on administrative issues and, more importantly, resolves conflicts between the state and the public and reviews the constitutionality of decrees if they are not under the jurisdiction of the Constitutional Court . To grant the Judiciary branch more autonomy to appoint its own judges and formulate its own budget, thus giving it more independency from the executive and legislative branches, the Superior Judicial Court was created in 1991. The last Court is the Constitutional Court which functions as the highest revision instance, being able to rule on the constitutionality of laws, procedures, and decisions of other courts as well .

## **Conflict and Corruption in Colombia**

Most people around the world have probably heard about the long standing conflict in Colombia between the civilian government and a Marxist guerilla group called Frente Armado Revolucionario de Colombia. It has been going on for decades now and has taken the lives of thousands, while causing the mobilization of millions of refugees that want to escape violence. However, there has been room for improvement. Starting in 2001, the peace talks between the guerrilla and the government started and, while the process has not been smooth at all, the conflict has greatly receded thanks to policy adopted during the last decade by former President Alvaro Uribe, and current head of government Juan Manuel Santos . There are talks between guerilla leaders and government representatives, and the conflict is now clustered in some limited areas of Colombia with a tendency to remain confined or even recede .

Colombia is also known for its corruption scandals and attacks to personal liberties. In the last two decades there have been many journalists, syndicate leaders and political candidates threatened, or even killed, by organizations tied to paramilitary groups, guerilla lords or drug cartels . But violence has declined as well since early 2000, and homicides rate is at its lowest in decades thanks to more severe application of the law, a constant process of rooting out corrupt elements from the civil service and armed forces and demobilization of armed groups .

However, there are still concerns about the independence of the judiciary power, and the existence of criminal influence on the police, the military and the civil service . Based on these concerns, Freedom House gives Colombia a

freedom score of 3.5 out of 7 (where 1 means free and 7 means unfree), while the Heritage Foundation is more forgiving and gives it a 70.7 out of 100, although it focuses more in economic aspects (Freedom House, 2013; Heritage Foundation, 2014). Nonetheless, there is no doubt the country is slowly overcoming all these issues with a tendency to improve all their social, political and economic indicators in the long term, making it a strong candidate for any company who wishes to have a positive impact in the developing world.

### **Positive Investment Climate**

According to the International Monetary Fund, Colombia ranked fourth in the South American Gross Domestic Product chart for the year 2013 (\$8.126 GDP per capita), behind Brazil (\$11.080 per capita), Mexico (\$10.767 per capita) and Argentina (\$18.917 per capita). The reason it was chosen over the higher ranking countries was because they are currently going through political and social tensions that could affect future investment climate. For example, Brazil government is having a hard time dealing with accusations of corruption and social unrest caused by the upcoming soccer World Cup, Mexico is still trying to deal with syndicate corruption that could affect labor conditions and drug cartels that control large territories unchallenged. Argentina is facing corruption scandals as well, has a very strict price control system that boosts inflation, and a monetary policy that makes economic projections unreliable thus hindering foreign investment.

In terms of economic freedom, Colombia boasts the third place in South America right below Chile and Saint Lucia. Again, while Chile was an obvious choice, the fact that their recently elected president appears to aim towards



government intervention in economy does not give a good sign for investments . Colombia has made huge regulatory improvements over the years, and this year it was labeled a “ Mostly Free” economy for the first time because of a higher regulatory efficiency and a greater financial sector competitiveness . Their respect of the property rights is very solid, having remained generally untouched for almost twenty years, and it is relatively easy to start a business in Colombia, taking less than 10 steps to formalize a proper enterprise without minimum capital required .

On the other hand, while the government of Colombia encourages foreign direct investment, there are still certain restrictions. Industries like television, radio broadcasting, movie production, shipping, local airlines and maritime agencies are restricted to local investors. Also, financial, mining and hydrocarbon sectors face strict regulations, such as concession agreements or investment registration .

Colombia has recently joined the Alianza del Pacífico group, which is a joint economic integration initiative that aims to liberalize trade, circulation of services, capitals and people among its members. This alliance is focused on opening new markets for all their members, especially in the Asian Pacific area, and currently is closing ties with China, Korea, India and Vietnam among others . The group, which includes Mexico, Chile, Colombia and Peru, could be the ninth biggest economy in the world right now if it were considered as a single unit .

## **Bibliography**

Alianza del Pacífico. (2013). Objetivos. Retrieved from [http://alianzapacifico.net/que\\_es\\_la\\_alianza/la-alianza-del-pacifico-y-sus-objetivos/](http://alianzapacifico.net/que_es_la_alianza/la-alianza-del-pacifico-y-sus-objetivos/)

<https://assignbuster.com/geography-of-colombia-critical-thinking-sample/>

Bureau of Economic And Business Affairs. (2013, February). 2013 Investment Climate Statement - Colombia. Retrieved from U. S. Department of State: <http://www.state.gov/e/eb/rls/othr/ics/2013/204622.htm>

Bushnell, D., & Hudson, R. (2010). The Society and Its Environment. In R. Hudson, Colombia; A Country Study (pp. 63-140). Washington: Library of Congress.

Corte Suprema de Justicia. (2007). Información General. Retrieved from <http://www.cortesuprema.gov.co>

Departamento Administrativo Nacional de Estadística. (2005, June 30). Censo General. Retrieved from DANE: <http://www.dane.gov.co/index.php/poblacion-y-demografia/muestras-censales>

Departamento Administrativo Nacional de Estadística. (2014, May 28). Reloj de Población. Retrieved from DANE: [http://www.dane.gov.co/reloj/reloj\\_animado.php](http://www.dane.gov.co/reloj/reloj_animado.php)

Freedom House. (2013). Colombia. Retrieved from Freedom House: <http://www.freedomhouse.org/report/freedom-world/2013/colombia#U4cSmvI5NEI>

Glaeser, E., & Shleifer, A. (2002). Legal Origins. *The Quarterly Journal of Economics*, 117(4), 1193-1229.

Heritage Foundation. (2014). 2014 Index of Economic Freedom. Retrieved from Heritage Foundation: <http://www.heritage.org/index/country/colombia>

International Monetary Fund. (2014). World Economic Outlook Database. Retrieved from International Monetary Fund: [www.imf.org](http://www.imf.org)

Rugeles, G. (2014, March 10). Así Quedó Conformada la Cámara de Representantes. *Las 2 Orillas*.

<https://assignbuster.com/geography-of-colombia-critical-thinking-sample/>

The World Factbook. (2014, May 5). Retrieved from Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/co.html>

<https://www.cia.gov/library/publications/the-world-factbook/geos/co.html>

Tickner, A. (2010). Government and Politics. In R. Hudson, Colombia; A Country Study (pp. 213-282). Washington: Library of Congress.

United Nations Development Programme. (2013). Colombia; HDI Values and Rank Changes in the 2013 Human Development Report. UNDP.

Velásquez, A. (2011). El Sistema Político Colombiano al Inicio del Gobierno de Santos. Nueva Sociedad, 115-131.