

# Editorial

## The Rural Reform and the Problem of Unequal Distribution of Land in Colombia

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*Joan Miguel Tejedor Estupiñán\**

With an area that covers 1.14 million square kilometers, Colombia is the fourth largest country of South America. With about 14% of the world's biodiversity, it is one of the most ecologically diverse nations. Numerous freshwater resources, the sixth-largest primary forest area in the world, mostly in the Amazon basin, and a wide range of mineral resources are among Colombia's abundant natural resources. It is also the third-largest producer of coffee in the world, and its coastal regions are home to an increasing number of African palm trees. The population of Colombia is 68% urban and 32% rural. Nearly fifty million people live in Colombia, and as of 2021, almost 20% of the population resided in the rural sector (World Bank, 2021). The concentration of land ownership in Colombia is among the highest in the world and in Latin America is second only to Paraguay in terms of unequal land distribution. The internal armed conflict that has torn across the nation for over 70 years has both caused and resulted in inequality in access to land, which is intimately tied to rural poverty (OXFAM International, 2013).

Regarding land ownership in Colombia, 14% of landowners control 80% of the country. Land ownership is becoming increasingly concentrated, with the Gini rising from 0.841 in 1960 to 0.885 in 2009. Colombia is ranked 11th globally among nations with the worst land distribution according to this statistic. Access to land is considerably more challenging for women. Biofuels production, along with agriculture, forestry, and mining, account for up to 40% of the contracts with multinational corporations in Colombian territory. Among the 17 Latin American and Caribbean nations where significant foreign investment in crop cultivation has been identified by the Food and Agricultural Organization of the United Nations (FAO), Colombia comes in at number five. In a recent analysis, the FAO warns about

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1 Ph.D. in Economics, editor of the *Revista Finanzas y Política Económica* at the Universidad Católica de Colombia. Correspondence address: Department of Economics, Universidad Católica de Colombia, Carrera 13 n.º 47-49 (Bogotá, Colombia). Email: [jntejedor@ucatolica.edu.co](mailto:jntejedor@ucatolica.edu.co).  ORCID: <https://orcid.org/0000-0002-2346-3222>

the trend towards foreign land tenure, which is encouraged by lax domestic legislation and the lack of restrictions on land acquisition (PBI International, 2018).

Many disputes in Colombia revolve around land ownership, which directly affects farmers and indigenous people who still live in rural areas. Due to years of armed conflict and widespread dispossession, the country's urban population has grown, but 21% of its people still reside in rural areas and depend entirely on agriculture for their livelihoods. Food is produced by small-scale farmers to meet the demands of the expanding urban population, as well as for the growing export markets that Colombia has developed as a result of 16 Free Trade Agreements (FTAs) negotiated during the last two decades (Ministerio de Comercio, Industria y Turismo, 2022).

FTAs have been impacting rural areas significantly, encouraging modifications to production processes and increasing imports of several products. Colombia has a strong capacity for food production because of its fertile soil and diverse climate, but 28% of the food consumed by its people is imported. The protective clauses for foreign investment found in the FTAs constrain the Colombian State's sovereignty over how to use its land and manage the local agriculture markets, as it cannot adversely affect the economic projections outlined in the agreements (García Sierra, 2015).

It is important to mention that the economic model promoted by the Colombian government during the last decades has primarily focused on the extraction of natural resources and large-scale agro-industry. Territorial disputes among different sectors over the distribution and use of land have been an unsolved problem for more than 200 years since the country's independence. As an illustration of how the model supported by the State over the past 20 years frequently conflicts with the regional perspective of what the communities themselves want for their territory, in recent popular consultations held in several regions across the nation communities have rejected the installation of large-scale mining operations in their territories.

With a historic vote of 11.3 million voters and a turnout of 58.09 percent, Gustavo Petro was elected as Colombia's new president and Francia Marquez as its vice president on June 19, 2022. This unprecedented victory gave Colombia the chance to be governed by a progressive movement for the first time in over 200 years of right-wing governments. President Petro's development plan (2022-2026) titled "Colombia, world power of life" suggests a slow and measured shift away from the exploitation of natural resources like oil, coal, water, and lumber in favor of clean, non-polluting energies. To protect the environment and human dignity, he also proposes using contemporary technologies, enhancing education, and advancing research and knowledge. President Petro's development plan also includes "Total Peace" as one of his main aims to bring all conflict actors to the table,

with the aim of ending the long-lasting internal conflict and achieving human and economic development in the Colombian territory (Progressive International, 2022). President Petro believes that Colombia has very important competitive advantages in the primary sector, and that's why it's important to promote both a model of exports and the industrialization of the agricultural sector.

In addition to the problem of unequal distribution of land and the long-lasting internal conflict, the main challenges faced by the current administration for the next three and a half years are: the absence of an equitable land reform, lack of effective and efficient agricultural programs and environmental legislation, poor use of Colombia's natural potential, deforestation, erosion, destruction of forest and water resources, absence of an industrialization and export promotions policy, the weak level of development and the lack of a model of nation based on long term sustainable planning. In order to find integral and complex solutions to complex structural problems, the current administration must promote human development and to build farming capacity in Colombia by bringing social stability, technical assistance, and financing to almost 20% of the Colombian population that nowadays depends on the rural sector, allowing them to obtain the gains and benefits of international trade.

Finally, I feel honored to present the current issue of *Revista Finanzas y Política Económica*, which is composed of research findings from authors from different institutes and universities across Latin America, Europe, and Asia. The research mainly focuses on fields related with to the effects of Covid-19 on prices and employment, the effects of wages on human capital investments, capital structure analysis, decision-making tools, as well as several studies on poverty, employment, unemployment, and innovation in particular contexts.

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