

Latin America and Caribbean Centre and LSE IDEAS lecture**The Legacy of Peace**

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Thank you very much, Professor Jones, for your kind introduction and welcome.

It is always a pleasure for me to return to my Alma Mater and address those who are preparing themselves –as I did in the 70s in this great institution– to take over responsibilities in their countries and around the world.

This is the third time I've come to speak at the London School of Economics.

I came in 2008 as Defence Minister of my country, as I led the offensive of our Armed Forces against crime and illegal armed groups.

I returned in 2011 as President of Colombia, to speak about the positive transformation my country has undergone in recent years.

Now I'm here once again, five years later, not only as an alumnus, but also as the proud father of my daughter, María Antonia, who will be receiving her Master's Degree in Social and Cultural Psychology here at the LSE next month.

Today, I also come to share with you some thoughts about how we've proceeded in our journey through the path for peace in Colombia, and what this means, not only to our nation, but also to our region and the rest of the world.

As many of you may know, this past September 26 in Cartagena, after nearly 6 years of negotiations, an agreement was signed between the Government and the FARC guerrillas to end over half a century of armed conflict.

On the 2nd of October, one month ago today, this agreement was put to a vote in a plebiscite. To everyone's surprise, the NO votes won over the YES votes by a very small margin – just 0.4 percent.

It is now known that the campaign against the Peace Agreement, instead of sticking to the issues to ensure an informed vote, promoted fear and hate with lies, encouraging citizens to vote with anger and for reasons that had nothing to do with the central question. We know this because the manager of the NO campaign admitted it himself.

As a democrat, I immediately accepted the results in spite of all this.

At the same time and in order to avoid further polarization in my country, I called for a national dialogue to discuss and include the objections, opinions, and proposals of those who voted NO, as well as the ones of those who voted YES. We want to improve upon what we have built and negotiate a new agreement as soon as possible.

After a month of intense dialogue, I am sure that we are securing more support and more understanding from all sides in this debate.

I want a united Colombia to sign a new and better peace agreement with the FARC.

We will now achieve a peace that will not only be stable and long-lasting, but also represent a broader and deeper consensus in the country.

We will be better off than we were before the plebiscite.

So we are turning this shocking result into a blessing in disguise. As the Chinese would advise, we are seeking opportunity out of adversity.

And this is not only the Government's wish. No.

Since the plebiscite, thousands of young people, victims of the conflict, members of native communities, scholars, business owners, and ordinary citizens, have been demonstrating in our streets and plazas, as never seen before in our recent history, asking us to save the Agreement, and to save it as soon as possible.

And we are going to do it. Making adjustments, clarifying and improving the Agreement, we are going to bring to a close a 52-year-old conflict that has left over 250 thousand deaths and over 8 million victims and displaced people.

I reaffirm it today –in this prestigious institution where I learned so much–: peace in Colombia will finally be a reality!

I will not fail Colombian's hope for peace and the efforts of the international community that has so generously supported us in this process!

And one more thing: the implementation of the agreement with the FARC will bring us one step closer towards achieving full and lasting peace in Colombia. The final step will begin with the start of the public phase of the negotiations with the ELN, the last guerrilla group that remains in Colombia.

This is how guns will fall silent...

However, you –students and scholars– are well aware that peace is not just the silencing of weapons.

Peace is not the absence of war.

A stable peace, a fair and long-lasting peace, a consolidated peace, demands bringing wellbeing to the most remote areas of the country, where the State has not been properly present, precisely due to the conflict.

A sound peace, a good peace, demands work to satisfy the needs of the poorest, to help them overcome their poverty and despair, and close the gaps between the standard of living of the people in the cities and those who live in the countryside.

Nelson Mandela used to say that the quality of a society should be measured by how it treats its weakest members. This is why I can say that my work for peace is not, and has never been, limited to the negotiations with guerrilla groups.

My drive for peace also includes pursuing the economic stability of the country and working for the wellbeing and improvement of the lives of the most vulnerable people.

Here, I must give credit to an eminent LSE alumnus, who was also its director: Sir Anthony Giddens.

His Third Way theory has inspired, from the very beginning, my public career. In 1999, I even co-authored a book with the then British Prime Minister, Tony Blair, defending his theses and putting them in practice in Colombia.

The Third Way is a pragmatic philosophy that seeks to reconcile market and State, standing in the centre of the political and economic spectrum.

The Third Way does not view the State and the private sector as rival players, but as allies who help each other in order to reach a final goal. Since my early days in public office, I have called this goal Social Prosperity.

And it can be summarized in a very simple, but at the same time very meaningful sentence: As much market as possible, as much State as necessary.

As President of my country, I have thoroughly applied Lord Giddens' theory, and the results have confirmed the wisdom of his premises.

The Third Way has led us –first of all– to take a responsible path in the management of the economy.

In 2011, we incorporated the concept of Fiscal Sustainability into our Constitution, making it mandatory for all governments not to spend or acquire debt beyond reasonable limits, maintaining the health of our public finances.

We did so because financial crises are the worst predators of the fundamental rights of citizens. With fiscal responsibility, credit rating agencies restored our investment grade, we are at the top in economic growth in Latin America, and we reduced unemployment for six years in a row. However, we are well aware that growth is not enough if it doesn't have a social dimension. Happily, we are accomplishing both.

Over the past years, as the economy has been growing, inequality has been falling; that is, we are achieving social growth, an equitable growth, which is the only truly sustainable growth. Since 2010, 4.6 million Colombians have overcome poverty, a reduction of more than 12 percentage points. We have cut extreme poverty in half. And the number of Colombians joining a large and strengthened middle class is growing.

It is worth noting that, in our outright fight against poverty, we have been world pioneers in the use of an index developed by another great economist, who I had as a professor both here at LSE and then at Harvard University: the Nobel Prize winner Amartya Sen.

Professor Sen, along with the Oxford Poverty and Human Development Initiative, created the Multidimensional Poverty Index, which measures poverty not based on income, but on a diverse set of factors and basic needs that are defined by the concept of quality of life.

This multidimensional approach to the fight against poverty has enabled us to strengthen and better focus our Government social programs in education, employment, health, access to public services, housing, and welfare for children and young people.

Thus, implementing a Third Way approach in Colombia has allowed us to have a development model that is not only successful in economic terms but also in social terms. More growth and less poverty.

We are achieving all of this in spite of an internal armed conflict that has drained our resources for over half a century.

Just imagine how much more we'll be able to achieve if we get this obstacle out of the way! Peace is and should be a superior value, the highest aspiration of any society, and that is why we have committed ourselves to it: because with peace, we can take Colombia to its highest potential.

According to the Inter-American Development Bank, in less than 15 years we can become a developed country, a much more equitable, fair and prosperous nation.

What do we need to achieve this? First and foremost, PEACE; to get rid of the burden of the conflict, that handbrake that has slowed us down for 50 years.

And a great national effort is also needed; a consensus between the State, the private sector and the rest of society, to decisively invest in education, innovation, agribusiness, biotechnology, infrastructure, and logistics. Something that we are already doing.

With peace and an ambitious plan of investments, Colombia can move from growing between 3 and 4 percent to a sustained growth around 6 percent, which will enable us to make that leap forward.

You may ask: where will those additional resources needed to achieve this change come from? The recipe to get them is clear –and we are moving in that direction–: improving tax collection, controlling unnecessary public spending, prioritizing productive investment, and diversifying our economy.

Regarding government revenue, a few days ago we submitted a comprehensive tax reform to Congress, in response to both contingent and structural challenges.

The drop in oil prices has affected the Colombian economy, as we depended to a large extent on exports of this commodity. The decrease in tax revenues on this item alone has been over 20 per cent.

Colombia is, on the other hand, one of the countries in Latin America with the lowest tax revenue as a percentage of GDP. We need a more progressive, equitable, simple and efficient tax system.

The problem with our tax system is that a few pay too much, and many who should be paying, don't pay, or pay too little. That is why with this reform, we seek to have a fairer tax system, adding controls to prevent evasion.

I want to draw your attention to an LSE contribution to this reform: the "carbon tax".

Sir Nicholas Stern, a distinguished professor of this institution – who, by the way, introduced me when I spoke here in 2011– proposed the introduction of this tax in the well-known Stern Review on the Economics of Climate Change.

Colombia will be the first country in Latin America, and one of the first countries in the world, to establish a carbon tax on different fuels, according to their levels of CO2 emissions.

Our country is one of the richest in biodiversity in the planet, but it is also one of the most vulnerable to climate change. This is why we are committed to promote and enforce all actions necessary to contribute toward facing environmental issues.

This carbon tax will take care of half of our commitment at the Climate Change Paris Summit to reduce CO2 emissions 20 per cent by 2030.

I must say that we have found in the United Kingdom a key partner in achieving our environmental commitments. This cooperation includes the very important protection of the Amazon region – the green lung of the world.

Colombia and the UK are also partners in our commitment with the Sustainable Development Goals that we proposed in the Rio + 20 Summit in 2012, and were adopted by the United Nations last year.

Both countries also co-chaired the First World Anti-Corruption Summit held here in London at the beginning of the year.

Sure enough, in protecting the environment and fighting corruption –as in all other aspects of our national life– Colombia will be much more effective once we have finally ended our internal armed conflict.

For example, in the Peace Agreement with the FARC they have committed to breaking the ties with all drug related activities, and to cooperate, with specific actions, in the fight against this scourge.

This has huge symbolic value: those who once protected illicit crops will now join the State's efforts to substitute them for legal crops.

Add an environmental dividend to this: to the extent that illicit crops are replaced by legal ones, deforestation caused by coca crops will end.

Furthermore, bringing peace to Colombia also means that millions of barrels of oil will no longer be spilled in our rivers and seas, as a result of an end to the attacks against our oil infrastructure. What else will come with peace?

The British have experienced first-hand the effects of concluding a peace negotiation. Just look at the peace of mind and prosperity that came after the peace process in Northern Ireland. As a matter of fact, I will be visiting Belfast tomorrow.

But the most important thing of all, of course, are the lives saved; the lives of soldiers, police men and women, civilians, who will no longer have to sacrifice themselves because of an absurd armed conflict.

War is a factory of pain, misery and victims. If we stop it, we can better repair the victims of the past and, above all, prevent more victims in the future.

And something else: ending a war is opening the door to many opportunities. Colombia, war-free, will reach its highest potential and become a positive factor in the global context.

Many business owners want to invest in our country, but have not done so over the risks tied to an armed conflict.

They will now be able to do so in a climate of peace, additionally knowing that we are one of the countries in Latin America that protects investors the most.

Indeed, last week the World Bank's Doing Business rating was released. According to it, we are now the second best country in Latin America to do business.

For many years, tourists missed the opportunity to visit and enjoy one of the most culturally-diverse countries in the world that also has some of the most breath-taking natural wonders. Now, they will be able to visit us without fear, as millions of world travellers are already doing, discovering the hospitality and warmth of Colombians and the beauty of our cities, our countryside, our beaches, our mountains, and our jungles.

On the other hand, the vast resources spent in war will now be devoted –as they should be in any normal country– to education, health, and public safety.

This is to do the right thing, to improve people's quality of life, in particular the poorest and most vulnerable.

This will be the legacy of peace in Colombia.

A legacy that will be furthered with the implementation of the Peace Agreement with the FARC. A legacy which we have been building for over 6 years, by applying the pragmatic policies of the Third Way in our country.

With good judgment and responsibility, allowing the market to operate and the State to protect and regulate, applying the principles of Good Governance, we are transforming the lives of Colombians, and making our country, a place that deserves to live and be lived.

And we are seeking peace, always peace, which is the superior good, the highest yearning of any society.

As you have seen, much of what I learned here, at LSE, I have put into practice as a government leader.

History will determine whether or not I fulfilled my goal.

Thank you very much.

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