

## Editorial

# The national plan of development 2018-2022: “Pact for Colombia, pact for equity”

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**T**he President of the Republic, Iván Duque Márquez, sanctioned the development plan “Pact for Colombia, pact for equity”, established by means of Law 1955 of May 25, 2019. This plan, which will be executed in the four-year period 2018–2022, becomes the road map of public policy and investments during his presidential term.

The central objective of the development plan of the current administration is “to lay the foundations for legality, entrepreneurship and equity that will allow equal opportunities for all Colombians”. The plan consists of 336 articles and investments of 1 096 1 trillion pesos of 2018. This investment will be financed by 66.5 % with national budget’s resources, territorial entities, royalties, among other governmental sources; in 33.1 %, by the private sector, and in 0.4 %, by the international cooperation. Among its fundamental purposes is combat poverty, given that it seeks to remove 1.5 million people from extreme poverty, 2.9 million from low income poverty and 2.5 million people from multidimensional poverty. In the same way, it is expected to generate 1, 6 million jobs; double the number of students, both elementary and high school in the single-day mode; reduce homicide rates; decrease coca crops; increase the supply of energy from clean sources, among other purposes. As can be seen, they are quite laudable goals; however, the important thing is to determine whether, effectively, during the President Duque’s term can be achieved them or they will remain as mere promises.

As any national plan of development, the current has not been exempt from criticism. One of the strongest censures is that, as established by the 1991 Constitution, the proposal submitted to Congress was expected to be analyzed and discussed in depth, both by the House of Representatives and the Senate. Although in the Lower House it was widely discussed, what led to many of the initial proposals were discarded and others changed or modified, in the Senate there was no time for it and its approval was fast, so basically it was agreed the project approved in the House of Representatives.

In general, the plan proposes a series of reforms on several issues and, therefore, some analysts such as Guillermo Perry, Salomón Kalmanovitz, Eduardo Sarmiento, among others, question that instead of focusing exclusively on priority reforms to lead to carry out the government program of President Duque, it entered into labor, tax, foreign trade, retirement issues, etc., which should be subject to other provisions.

In the labor issue, article 193 states: “People who have an employment or service provision contractual relationship, part-time and under it levied a monthly income of less than one (1) current legal monthly minimum wage must be linked to the social protection base [...]”. With this initiative, the Government proposes to legalize labor hiring for hours or below a minimum wage, which is detrimental to workers, as it ignores the progress made in collective bargaining and represents an aggression against the minimum wage, such as raised by the union called Central Unitaria de Trabajadores.

On taxation many proposals are presented, being the more questionable the provisions of Article 313, related to Electricaribe, governing since the law was signed until 31 December 2022. That article creates a four

pesos national surtax per kilowatt hour of electricity consumed, to rescue Electricaribe financially, which must be paid by “strata 4, 5 and 6, commercial users and industrial and unregulated electricity service”, of the whole country. In other words, a large group of the population will have to pay the waste, corruption and poor administration of Electricaribe.

With regard to foreign trade, an increase of 37.9 % in textiles import tariffs was approved, which will apply from plan law signature. This increase, according to the National Association of Entrepreneurs of Colombia (ANDI, by its acronym in Spanish), represents a 25% increase in the price of imported products, which the consumer will have to pay. This decision has been questioned by the production guilds (ANDI, ANALDEX and FENALCO), to the extent that it is considered that the Congress exceeded, since these taxes must be created by administrative and non-legislative means; therefore, these guilds will sue it by considering it unconstitutional.

In the retirement issue, article 198 states that if a person does not meet the requirements to receive a pension, the financial contributions that he has already made in his working life will be transferred to the mechanism of the Periodic Economic Benefits (BEPS, by its acronym in Spanish), which will guarantee him access to an annuity. However, the aforementioned article also states that the affiliate will have the right to request the return of his savings within six (6) months after being informed of the possibility of transferring them to the BEPS.

In general, in the national plan of development “Pact for Colombia, pact for equity” , a set of reforms is proposed in the most diverse fields, so it is worth asking -subject to which the Constitutional Court will review-, if they were fulfilled principles such as unity of matter or whether, rather, it is a “patchwork”, where both the executive and the legislative organs introduced a set of proposals that, although important, should not be included, because they were of the competition from other entities, a situation that raises serious questions about the legality and legitimacy of these proposals.

In addition, the plan law states that the national plan of development is based on three structural pacts: legality, entrepreneurship and equity. In the first, the basic idea is to fight corruption, so it is appropriate to ask to what extent both the president and his political party are truly committed to combat this problem, since, in large part, the collapse of the Anti-corruption project in Congress was due to the fact that this project was not of their interest. It should be remembered that although initially the Executive declared that the anti-corruption project would have an urgency message, in practice it was relegated by giving higher attention to other legislative initiatives. And with regard to equity, it should be noted the difficulty of achieving it, as the plan contains several articles of strong tax impact that benefit specially the owners of capital and, undoubtedly, will affect the income of the most vulnerable people

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