International Journal of Religion
2024
Volume: 5| Number 12 | pp. 595 – 607
ISSN: 2633-352X (Print) | ISSN: 2633-3538 (Online)
ijor.co.uk
DOI: https://doi.org/10.61707/jfja1m05

Between Influences and Opportunities: The Inter-American Development Bank (IADB) Financing in Colombia During Times of Crisis

Pablo Hidalgo-Romero[1] and Carmen Coral-Guerrero[2]

Abstract

Colombia has followed a process where security linked to its armed conflict, strategic cooperation with the United States, and financing from the Inter-American Development Bank (IDB) have been closely connected. Countercyclical financing, especially during crises, is essential for vulnerable economies to face these challenges. This research examines how the collaboration between Colombia and the United States, along with the latter's influence on the IDB, has facilitated Colombia's access to countercyclical financing in key crises such as the 2008 financial crisis and the COVID-19 crisis. An eclectic approach is adopted, integrating concepts of securitization and neoliberal development framed within the Global Political Economy (GPE) discipline. This qualitative research employs process tracing as the primary method, complemented by document analysis and semi-structured surveys with key actors. The results show that sustained cooperation between Colombia and the United States, alongside the latter's influence on multilateral institutions, has been a key factor in facilitating Colombia's access to rapid financing. This access has been reinforced by the implementation of a neoliberal model in Colombia, which has enabled the country to address economic crises more effectively.

Keywords: *Inter-American Development Bank, Colombia, United States, Countercyclical Financing, Securitization, International Relations*

INTRODUCTION

In Latin America, the relationship between countries and Regional Development Banks (RDBs) is complex and influenced by various technical, political, economic, and financial factors. Each country's context is crucial, as its specific needs determine how development financing integrates into national plans.

Colombia has experienced a particular situation due to its prolonged internal conflict with insurgent groups, which have challenged the state's legitimacy by establishing alternative forms of governance in territories under their control, using informal mechanisms (De Souza Pimenta & Rosero, 2020). This dynamic has forced the Colombian government to implement various strategies to regain control and authority in these areas.

In this context, the United States' involvement in Colombia has been marked by security cooperation since the 1970s, intensifying notably in the 1990s and peaking with the implementation of Plan Colombia in the early 2000s. This cooperation included, among other measures, the establishment of seven U.S. military bases on Colombian territory, primarily aimed at combating drug trafficking, along with the execution of extensive military collaboration programs.

As noted by authors such as (Rojas, 2009), the economy was subordinated and subjected to the securitization process, primarily addressing security demands while postponing other needs. Additionally, critics have proposed the concept of "militarized neoliberalism," which they believe is necessary to explain the Colombian case. This concept refers to a regime where capital accumulation under neoliberal principles is maintained and reinforced through coercive practices that combine both state and non-state intervention (Meger & Sachseder, 2020). Unlike the classical vision of neoliberalism, which privileges the free market and minimal state intervention, militarized neoliberalism involves the use of organized violence and militarization as mechanisms to deepen the fulfillment of an authoritarian neoliberal order.

[1] Facultad Latinoaméricana de Ciencias Sociales FLACSO E-mail: pdhidalgofl@flacso.edu.ec

[2] Universidad Internacional SEK E-mail: carmen.coral@uisek.edu.ec

In this regard, the analysis and discussion about the country's development path have been constrained by the marked influence exerted by the United States on neoliberal policies that were intrinsically linked to national security.

On the other hand, development financing is defined as “the complex of resources allocated to improving the socioeconomic structures and dynamics within a specific political entity—usually a state, though not exclusively. It encompasses both public and private funds and the involvement of diverse actors. On one hand, the funds can come from national or supranational institutions (with public funding) or from private sources (bonds, banks, etc.). On the other hand, funds can be allocated to finance private projects (corporate financing) or public projects (public debt)” (Stanley & Fernández, 2018). In the case of Colombia, financing from multilateral institutions to meet its development needs was significant.

Indeed, the debt owed to these institutions represented 40.1% by 2010. At the same time, Colombia’s close relationship with the United States contrasted with the "progressive" (or center-left) wave that began to emerge in 1999 with Hugo Chávez's rise to power in Venezuela, followed by Evo Morales in Bolivia, among others.

Economic crises lead to a redistribution of power based on economic resources, which increases the need for financing. This context makes it difficult for borrowers to meet their demand for resources, negatively affecting their risk assessment and restricting their ability to act countercyclically in accordance with their institutional mandate (Molinari & Patrucchi, 2020)).

Colombia's armed conflict, combined with its status as a perceived threat to the United States, presents a differentiated relationship between Colombia and traditional multilateral institutions such as the International Monetary Fund (IMF), the World Bank (WB), and the Inter-American Development Bank (IDB). Unlike other countries that do not face such circumstances, this situation suggests that the dynamics of financing and institutional support for Colombia from these organizations may be influenced by geopolitical and security factors, raising questions about equity and neutrality in these multilateral relationships.

The central question of this research is: **How do Colombia's armed conflict and its relationship with the United States influence the financing granted by the IDB during times of crisis?**

The objective of this research is to analyze how cooperation between Colombia and the United States, together with the latter’s influence on the IDB, has facilitated Colombia’s access to countercyclical financing during economic crises such as the 2008 financial crisis and the COVID-19 crisis.

This article proposes the hypothesis that cooperation between Colombia and the United States, combined with the influence exerted by the latter on the IDB, has favored Colombia's exceptional access to fast-disbursing loans in crises.

The research is structured as follows: First, a review of relevant literature is conducted to contextualize the topic of development financing and its interrelation with conflict. Second, a theoretical framework is proposed to guide the analysis. Next, the materials and methods used are described. Then, the results are presented along with a discussion. Finally, conclusions derived from the findings are drawn.

LITERATURE REVIEW

From a historical perspective, the development paradigm in Colombia has been tied to addressing structural problems common in Latin America, particularly land distribution inequality. This challenge became a central topic of debate in the second half of the 20th century when many Latin American countries promoted agrarian reforms to tackle the concentration of land ownership among a few families, descendants of colonial landowners (De Luca & Sekeris, 2012).

The development paradigm attempted by Colombian governments between the 1960s and 1990s failed, exacerbating and intensifying the country's social conflict. This context gave rise to confrontations between settlers and landowners, leading to the formation of armed groups with defined structures, followed by the emergence of drug trafficking cartels.

Inequality in Colombia persists due to two key factors: the historical influence of landowning elites on local policies and the pressure exerted by economic groups on fiscal policies to benefit from indirect taxation while avoiding higher income taxes (Bull & Robles Rivera, 2020)). In this vein, other authors argue that the capitalist system itself, through its logic of accumulation, has been the cause of internal conflicts, especially in economies of the Global South (Meger and Sachseder 2020).

Colombia, as an upper-middle-income country, has seen its main products significantly integrated into international markets through the signing of various free trade agreements. At the same time, it has adopted liberalization policies, particularly the relaxation of controls on foreign direct investment (FDI) flows (Maher, 2015).

Research on violence and armed conflict in Colombia has garnered considerable academic attention. Many authors have focused on studying the relationship between violence and economic performance. However, particularly since the mid-2000s, research has shifted to other aspects, such as the duration of violence and the spatial dynamics of illicit crops (Camacho & Rodriguez, 2013; Martínez Ortiz, 2001; Querubín, 2004; Vargas Duque, 2003)).

Moreover, the existing literature has tended to focus on the short-term relationship between conflict and the economy, neglecting how violence may affect long-term economic development, a crucial aspect for economic sustainability (Riascos & Vargas, 2011). This study contributes to the literature by analyzing the long-term process of conflict in relation to Colombia's relationship with the IDB, particularly the influence of the United States.

A group of economists has analyzed the costs of Colombia's armed conflict, studying various associated phenomena such as the costs of kidnapping, defense spending, and more (Borrego et al., 2005; Otero Prada, 2016; Salamanca et al., 2013; Zakzuk et al., 2018)).

Another group, from the perspective of Global Political Economy (GPE), argues that decisions made by international financial institutions are heavily influenced by political criteria (Kilby, 2013). A fundamental element in understanding these decisions is the political orientation of the states involved, which must align with U.S. interests to be favorably evaluated (Babb, 2003, 2009; Momani, 2004).

There are few studies analyzing the interaction between financial markets and armed conflict. One such study is that of Kutan and Yaya 2016) which found that terrorist attacks in Colombia generally do not have a significant effect on overall financial market risk, though they may have a notable impact when these attacks occur in the country's capital, Bogotá.

Another study examining the relationship between violence and commodity prices is Dube and Vargas' (2013)) work, which explores how price shocks in agricultural products and natural resources influence violence in Colombia. They argue that falling coffee prices increase violence in coffee-growing regions by reducing wages, while rising oil prices intensify attacks aimed at extorting rents. Additionally, they highlight that price stabilization policies and proper oversight of natural resource revenues could mitigate these effects on armed conflicts.

The academic debate on this topic has mainly focused on security issues such as conflict, post-conflict, peacekeeping, and reintegration of combatants into civil society. While these are crucial aspects of societal development, the discussion on how to finance the country's key development needs has barely been addressed in the literature, with a primary focus on experiences during the conflict.

Thus, this article cannot be limited solely to the debate on development from an economistic or reductionist perspective. In the context of Colombia, security and development are intrinsically linked. The historical inequality in this country is a central element that helps explain both the violence and the economic development that have characterized its trajectory (Rojas 2009).

This article contributes to the debate with several significant contributions. First, it uses an eclectic approach that combines concepts from different theoretical traditions to address a multidimensional process. Second, the analysis from the perspective of Global Political Economy (GPE) offers an original insight into the relationship between conflict and development. Finally, the study incorporates the role of financing in conflict-ridden countries, particularly during times of crisis when actors like the United States, the IMF, and the IDB play a decisive role in providing tools to face economic crises in the Global South.

THEORETICAL FRAMEWORK

In the academic realm, it is crucial to avoid the assumption that one research tradition is inherently superior to another in solving problems. Instead, it is essential to identify and establish connections between concepts and causes formulated from various analytical perspectives. This notion, proposed by (Sil & Katzenstein, 2011), emphasizes the importance of an "analytic eclecticism" approach. According to these authors, this approach involves examining substantive relationships and uncovering underlying connections between elements of seemingly incomparable theories to generate new approaches that enrich policy debates and help solve practical dilemmas.

The present research aims to analyze the IDB's financing in Colombia during crises from the perspective of Global Political Economy, adopting an eclectic approach that integrates elements of critical security studies and development models, with a particular emphasis on the neoliberal model applied in the Colombian context.

Global Political Economy: Influence and Power in Development Financing

Global Political Economy (GPE) emerged from the field of International Relations, characterized by its ability to analyze the interactions between states, wealth, power, and markets. This discipline offers a political interpretation of the actions of these actors in the context of economic and development processes, using a distinctive regional approach (Tussie, 2020; Vivares, 2020).

In this context, GPE stands out for its pluralism, as it incorporates research traditions developed in the region and examines power dynamics from a local perspective. This approach encompasses diverse theoretical, ontological, and epistemological positions, allowing for an analysis of reality that reflects particularities and local contexts (Quiliconi, 2022).

A central element of GPE is the study of power. This discipline seeks to understand who the winners and losers are in different situations, as well as the mechanisms behind these dynamics (Underhill, 2000). To do so, it analyzes how power is exercised in the relationships between various economic and political actors. In this sense, power can be seen as a resource that all states possess to varying degrees, enabling them to influence others and change behaviors (Cohen, 2008, 2015). Literature establishes that power can be relational or structural (Armijo & Katada, 2017; Hidalgo Romero, 2017).

A key aspect studied by GPE, fundamental to understanding the relationship between major powers and RDBs, is the informal influence these powers can exert based on their strength. Authors like Bland and Kilby (2012) argue that "informal influence" refers to the ability of powerful donor countries, such as the United States, to affect decisions within these organizations without resorting to formal decision-making channels. This type of influence can manifest, for example, in the acceleration of project approvals or the expedited disbursement of loans to countries of strategic or geopolitical interest, indicating that this influence can extend beyond the formal limits of decision-making processes (Hidalgo-Romero, 2022).

Additionally, as will be discussed later, the existence of an internal armed conflict in Colombia, combined with economic and military ties with the United States, has constrained the debate on the Colombian development model. As Tokatlian (2000) notes, "the closer one is to Washington in terms of drug policy, the greater the possibility of political dissent on certain topics with the United States" (Tokatlian 2000, 6)

Securitization of Development

The debate on the securitization of development originates from the post-war period. After World War II, the U.S. and the USSR perceived each other as mutual threats. Faced with the expansion of communism in Eastern Europe and high levels of poverty in Western Europe, the U.S. implemented the Marshall Plan (1946–1951), which allocated $30 billion to promote European development and curb the spread of communism through a combination of grants and loans. This plan illustrates how development financing can be used as a tool of political influence and threat containment (Cox, 2013; R. Harvey, 2021; Romano, 2012).

In security studies, securitization refers to the process by which a discourse constructs a phenomenon as a security issue, necessitating extraordinary decisions and resource allocation (Taureck, 2006)). In this sense, Sanahuja and Schunemann (2012) argue that "it is an approach or analytical tool that examines how certain issues are transformed or framed by specific actors as a security problem or issue" (Sanahuja and Schunemann 2012, 18).

More specifically, Balzacq (2005) argues that securitization is a strategic and pragmatic practice carried out within a specific configuration of circumstances, which includes the context, the psycho-cultural disposition of the audience, as well as the power that both the sender and the receiver bring to the interaction. This idea is complemented by the proposal of Buzan and WÆver (2009) who assert that the securitization of drug trafficking from Colombia has been framed as a security issue for the United States. This process has succeeded to the extent that the discourse around the threat and the need for intervention has been widely accepted by the relevant audience. As a result, extraordinary measures have been implemented both nationally, in border and coast control, and in foreign and military policy, with special attention to the Andean countries.

Evidence suggests that when a development issue gains a security dimension, there is an extraordinary response from the United States, characterized by an accelerated and significant allocation of financial resources. An emblematic example of this dynamic is the implementation of Plan Colombia, launched in 2000, designed to address emerging threats and meet established security objectives (Romano 2012).

Neoliberal Development Model

Since the 1970s, neoliberalism has significantly influenced the study of development in academia. In Latin America, between the 1970s and 1990s, several governments, including dictatorships and democratically aligned regimes with the United States, adopted neoliberal policies to counter the influence of communism. These policies focused on reducing the size of the state, liberalizing, and deregulating economic sectors, especially in finance (Dados & Connell, 2018). Additionally, open regionalism was promoted as a path to development through trade liberalization, with the goal of increasing exports and improving income (Deciancio, 2018).

This theory conceptualizes development as a strictly economic process, where Gross Domestic Product (GDP) is the primary indicator of well-being. Sustained GDP growth suggests that the economy is consolidating and expanding its productive capacities. Gross fixed capital formation, mainly driven by private actors at the subnational level, reflects the progress of economic development (Reid 2018).

One perspective within neoliberal theory that helps understand Colombia's development is the market-centric view (Vivares, 2013). In this approach, the market acts as the organizer of society, where states are just one of many actors alongside international financial institutions, large corporations, and NGOs. Thus, neoliberalism posits that development depends on orienting all aspects of the economy toward the market, meaning policies and regulations must facilitate its functioning (Peck et al., 2018).

However, critical authors within the neoliberal framework, such as Jameson (2006) and Richardson (2010), argue that the neoliberal institutionalist vision must incorporate each country's specific historical and cultural conditions into its development approach. Instead of applying universal solutions to diverse problems, it is essential to recognize the crucial role of the state in building and reforming institutions. This implies adjusting the neoliberal paradigm to strengthen it and achieve its objectives without dismissing its core ideas.

On the other hand, authors like Vélez-Torres et al. (2022) and Grajales (2021) argue that peacebuilding in Colombia has been marked by a neoliberal model that reinforces existing power structures and seeks to legitimize the neoliberal state and its agenda.

In the same vein, the concept of "militarized neoliberalism," as pointed out by Meger and Sachseder (2020), refers to the implementation of neoliberal reforms through coercive practices by both state and non-state forces, working together to ensure capital accumulation. This approach allows the state, even in contexts of weakness, to outsource coercive functions to non-state actors aligned with the interests of political and economic elites.

Additionally, it is argued that armed conflict and political violence are constitutive and necessary elements for the survival of neoliberalism, rather than temporary disruptions in an otherwise "peaceful" system. In peripheral countries of global capital, the post-colonial state has invested in militarized neoliberalism, bearing disproportionate costs of crises and re-stabilization (Escobar, 2004; D. Harvey, 2017; Patomäki, 2007). These concepts are highly appropriate for understanding the dynamics of the Colombian conflict and the influence of actors like the United States and the IDB.

MATERIALS AND METHODS

This research adopts a qualitative methodology aimed at gaining a deep understanding of social phenomena by analyzing experiences, discourses, and contexts. It uses techniques such as document analysis and case studies, allowing for the exploration of perceptions, meanings, and complex dynamics. Its flexibility adapts to the specific nature of the data, offering a holistic and contextualized view of the phenomenon under study, making it ideal for investigating social or political processes in detail.

This research employs the case study as its primary method. A case refers to a spatially and temporally bounded phenomenon of theoretical importance (Gerring, 2006), facilitating an exhaustive analysis of a specific phenomenon within its real-world context. It also allows for the strengthening or contradiction of existing theories (Kacowicz, 2004).

Document Analysis

Document analysis is a technique for gathering information that has received limited attention in the literature on the topic. Nonetheless, it has been used for many years as a support to other qualitative methods precisely because it provides relevant information that can be retained over time. “Analyzing documents like books and journal articles can also be beneficial due to the stability of the data”(Morgan, 2022, p. 66). At the same time, it allows researchers to access data that would otherwise require an enormous effort and time to collect (Merriam & Tisdell, 2015).

Indeed, document analysis offers access to stable data that cannot be influenced by the researcher. In this sense, pre-existing documents present information that has already been generated, eliminating the possibility of direct influences (Merriam and Tisdell 2015). This is especially useful when dealing with sensitive topics or those with complex dynamics (Blackstone, 2019).

In this research, official documentation of about 50 projects funded in Colombia was analyzed, along with official press releases from the IMF, reports issued by the IDB's Office of Evaluation and Supervision (OVE), official government documents, among others.

Process Tracing

Process tracing is a technique used to track and document the development and evolution of a phenomenon or process over time. It involves the systematic and continuous collection of data, focusing on recording changes, interactions, and events that occur during the investigated process. This method is applied to analyze evidence within a particular case limited in time or space, related to a specific phenomenon. Its main goal is to provide a historical explanation for the case, which may or may not have relevant theoretical implications for a broader phenomenon (Bennet, 2008).

Process tracing relies on the integration of different sources and data collection methods, as argued by authors like Durham, Tan, and White (2011), and Bazeley (2020). Integration is crucial to maintaining an ongoing conversation between different analytical approaches, enabling a comprehensive view of the research. Publishing the components separately can fragment the study and diminish the advantages that a mixed-methods approach offers (Bazeley 2020).

Thus, this method becomes a key tool for examining observable implications of causal processes within a particular case. Researchers employing this technique focus on fine-grained details to document whether the sequence of events within the case matches theoretical predictions or if alternative explanations exist (Bennet, 2008). This allows capturing the complexity and dynamics of the phenomena, offering a contextualized understanding of their development over time.

In this study, process tracing is complemented with data obtained through semi-structured interviews with key informants, as previously mentioned. These interviews help establish relevant causal links, particularly regarding countercyclical financing granted to Colombia by the Inter-American Development Bank during the 2008 financial crisis and the economic crisis stemming from COVID-19.

In conclusion, process tracing, along with semi-structured interviews, provides a powerful tool to understand complex phenomena in both national and international contexts.

RESULTS AND DISCUSSION

Colombia and the IDB during the 2008 Financial Crisis

The 2008 financial crisis arrived at a time of great social and economic complexity, especially for Latin America, and notably for Colombia. This period coincided with the emergence of left-leaning governments in the region, as mentioned earlier, while Colombia remained a strategic ally for the United States.

According to macroeconomic data, Colombia experienced continuous economic growth since the year 2000. Annual GDP growth was observed, reaching USD 243 billion in 2008. However, in 2009, this figure dropped to USD 235 billion, reflecting a 3.3% contraction compared to the previous year. Furthermore, a rebound effect was evident in 2010, with GDP growth at current values reaching USD 287 billion, representing a 22% increase from the previous year.

Faced with this contingency, the country experienced an increase in its demand for liquid resources, and the Central Bank of Colombia attempted to address this situation through a combination of policy-based loans (PBL) and conditional credit lines for investment projects (CCLIP) (OVE 2011).

This aspect is particularly relevant given that Colombia's ability to respond to the financial crisis was notable. First, Colombia’s external debt at the time of the financial crisis was relatively low, facilitating access to countercyclical financing.

This context allowed Colombia to access a Flexible Credit Line (FCL) from the IMF, totaling USD 10.5 billion without conditionalities (though with stringent preconditions) requiring them to modify their economic program (Nemiña, 2010)).

In this regard, OVE noted that the IDB's countercyclical role in addressing the region as a whole was quite limited during this crisis, as "it faced difficulties in meeting the liquidity demands of its borrowing members during the international financial crisis of 2008-2009" (OVE 2011, iv). However, it is noteworthy that the specific response for Colombia was notably swift and significant. The country was able to access PBL with relative ease and even had the opportunity to obtain financing almost immediately, while in other countries, the approval process by the board involved more extended procedures.

Some authors suggest (Asinelli, 2018; Hidalgo-Romero, 2024) that this may be related to the political closeness with the U.S. government and institutions, though other factors, such as the solidity of Colombia's economy or its institutional capacity, may also have played a role.

Table 1: IDB Financing by Loan Type between 2008 and 2010

Loan Type	**No. of Projects**	**Approved Amount (USD Millions)**	**%**
Investment	14	1,606.36	56.2%
Policy-Based Loans (PBL)	5	1,250.00	43.8%
Total	19	2,856.4	100.0%

Source: Own elaboration based on statistical information published by the IDB on its website.

Between 2008 and 2010, USD 1.606 billion (56%) were approved in investment loans, while USD 1.25 billion (44%) were in PBL. These figures highlight the nearly equal importance of both types of loans during the period.

Indeed, the first of these credit operations "was approved in just one month" (OVE 2011, 11). Overall, the approval times for Colombia's operations averaged 12 months, which is relatively shorter compared to the average approval time for other countries in the region, around 15 months (OVE 2011). This was due to the instrumentalization of PBL as a countercyclical tool, as noted by OVE: "The intensive use of PBL stems from the country's demand for freely available resources to meet fiscal commitments and stimulate the economy during the economic downturn" (OVE 2011).

The IDB implemented an uncommon strategy by offering financing in local currency, which was advantageous for Colombia as it accessed loans in its own currency. This approach was accompanied by competitiveness indicators like those from the Heritage Foundation, associated with neoliberal policies. Although some academics criticize these indices for their potential political influence, others see them as useful tools for measuring competitiveness. Despite the 2008 recession, the IDB played a crucial role in implementing countercyclical measures that allowed Colombia to manage the crisis and maintain economic stability.

Colombia and the IDB during the COVID-19 Pandemic

In contrast to the global macroeconomic context during the 2008 financial crisis, the onset of the COVID-19 crisis affected Latin America at a time when macroeconomic indicators were far less favorable. The region faced an economic slowdown, with countries grappling with various complex problems that hindered their economic performance.

During the COVID-19 crisis, Colombia experienced a more severe GDP contraction compared to the previous global financial crisis. GDP reached USD 323 billion in current values in 2019. However, by 2020, this figure had dropped to USD 271 billion, reflecting a 16% decline, before rebounding to USD 318 billion in 2021.

As of December 2022, Colombia reported external debt amounting to USD 80.134 billion, equivalent to 23% of its GDP, a figure significantly lower than the average debt observed in other countries in the region, which stood at 44%(CEPAL (Comisión Económica para América Latina), 2022). Of the total external debt, 52% was financed by multilateral institutions, representing a sum of USD 41.372 billion (Ministerio de Hacienda y Crédito Público de Colombia, 2023).

Furthermore, a key factor for accessing IDB financing is the assessment of macroeconomic conditions (IAIMC) as well as receiving a favorable evaluation from the IMF.

This suggests that Colombia obtained a favorable macroeconomic assessment, which enabled access to financing, as noted by Nemiña (2010). Colombia had to undergo a stringent review to pre-qualify for such financing; moreover, the IMC conducted by the IDB also yielded a positive result, facilitating access to PBL financing. This fact is corroborated by the OVE team in its evaluation of the Country Program 2019-2022, where it is stated that "Colombia has a stable macroeconomic framework that allows it to maintain broad access to capital markets" (Soriano et al., 2023).

In 2022, the IMF highlighted the strength of Colombia's policy frameworks and its response to the pandemic, which bolstered its economic resilience. Factors such as the flexible exchange rate and fiscal rule were key, and it was recommended that structural reforms be deepened to foster sustainable and inclusive growth.

Table 2: IDB Financing by Loan Type between 2020 and 2022

Loan Type	**No. of Projects**	**Approved Amount (USD Millions)**	**%**
Investment	9	567.1	24%
Loan Based on Results (LBR)	1	150	6.3%
Policy-Based Loans (PBL)	4	1,650	69.7%
Total	14	2,367.1	100%

Source: Own elaboration based on statistical information published by the IDB on its website.

The analysis of IDB financing instruments for Colombia reveals a significant distribution of approved loans, totaling USD 2.3671 billion. Of this amount, USD 567.1 million (24%) was allocated to investment projects, while PBL represented the largest share, with USD 1.650 billion (69.7%). PBL are crucial in crisis contexts due to their rapid injection of liquidity, although they often come with conditionalities that may involve neoliberal structural reforms.

Colombia's Path: Between Development and Security

Table 3: Colombia's Relationship with Multilateral Financial Institutions

Year/Period	Key Event	Impact Description	Causal Relationship/Sequence	Type of Event
1999	Signing of Plan Colombia	Begins U.S. military and financial cooperation to combat drug trafficking in Colombia.	Precedes Uribe's presidency and strengthens the fight against drug trafficking.	Security
2001	September 11 attacks	Redefines global threats, prompting a shift in U.S. foreign policy, impacting Colombia.	Initiates a process of securitizing development. Establishes justification for increased security cooperation with Colombia. Changes the focus to counterterrorism.	Security
August 2002	Beginning of Álvaro Uribe's presidency	Reinforces the U.S.-Colombia alliance in the fight against terrorism and drug trafficking.	Continuation of Plan Colombia, focused on security.	Political
October 2003	OAS recognizes new threats	Terrorism and organized crime recognized as key regional threats.	Expands threat definitions to include organized crime.	Political
October 2004	Andean Regional Security Initiative (ARI)	U.S. directs efforts toward a broader regional security strategy.	Consolidates U.S. hegemony in the region.	Security
August 2006	Start of Uribe's second term	Uribe reinforces security and economic growth through citizen security policies.	Continued focus on security and drug trafficking. Focus on tax exemptions and security.	Political
November 2007	Signing of the Colombia-U.S. Free Trade Agreement	Aims to strengthen trade and economic relations between both countries.	Improves economic and commercial cooperation.	Economic
January 2008	Global financial crisis	Impacts global economies, including Colombia.	Shifts global and national economic policies.	Economic
November 2008	IMF Article IV assessment	Colombia receives a positive IMF evaluation of its economic performance.	Marks international support for Colombia's economic policies.	Economic
May 2009	Approval of IMF Flexible Credit Line (FCL)	Colombia accesses additional quick-disbursing resources.	Strengthens response capacity to the financial crisis.	Economic
2008-2010	Approval of various PBLs totaling USD 1.25 billion	Rapid-disbursement financing to address the financial crisis.	Reaffirms international support for Colombia's economic policies.	Economic
August 2010	Beginning of Juan Manuel Santos' presidency	Santos promotes consolidation of economic and security policies, focusing on peace.	Starts focus on peace and economic stability.	Political
2010	IDB's Ninth General Capital Increase approved	Countries gain access to more financing, contingent on positive macroeconomic evaluations.	Increases IDB's capital base by USD 70 billion, allowing greater financing availability.	Political – Economic
2012	Start of peace negotiations	Formal process begins to negotiate peace with the FARC.	Initiates a shift in security policy towards peace.	Security – Political
2014	Beginning of Santos' second term	Focuses on implementing peace negotiations and maintaining economic stability.	Continuation of the peace process.	Political
2014	End of the commodities boom	Decline in commodity prices affects economies dependent on them.	Impacts Colombia's economy due to decreased exports.	Economic
2016	Signing of the Peace Treaty	The peace agreement with the FARC is formalized, ending the hemisphere's longest-running armed conflict.	Marks a turning point in Colombia's political and social history.	Security – Political
August 2018	Beginning of Iván Duque's presidency	Duque assumes office with a focus on structural reforms and fiscal stability.	Continues the implementation of post-conflict neoliberal structural reforms.	Political
December 2019	Start of the COVID-19 crisis	The outbreak of COVID-19 in China begins to impact global economies.	A global economic and health crisis is anticipated.	Economic

Year/Period	Key Event	Impact Description	Causal Relationship/Sequence	Type of Event
2020-2022	Approval of various PBLs totaling USD 1.45 billion	Represents over 65% of sovereign-guaranteed debt in 2020.	Continued financial support amid the economic crisis caused by COVID-19.	Economic
December 2020	IMF approval of FCL	USD 12.2 billion financing line.	The close relationship between Colombia and the U.S., along with neoliberal policies, may have facilitated access to these resources.	Economic
2021	Fitch downgrades Colombia's international credit rating	Colombia's financial market perception declines.	Reduces Colombia's ability to access financing.	Economic
August 2022	Beginning of Gustavo Petro's presidency	Petro assumes the presidency with a focus on economic and social reforms.	End of research period.	Political

In Table 3, several critical nodes are observed that are fundamental to understanding the construction of Colombia's relationship with multilateral financial institutions such as the IMF and the IDB.

Firstly, two key events stand out: the signing of Plan Colombia and the September 11 terrorist attacks. These events are intertwined, as the terrorist attacks accelerated the securitization process around drug trafficking, motivating the United States to promote the fight against these "new threats." This battle materialized with the push and funding of Plan Colombia, establishing close cooperation ties.

On the macroeconomic front, Colombia continued to implement structural reforms consistent with the neoliberal vision, which, in turn, enabled greater access to both bilateral and multilateral resources.

The second node is situated in 2008, consisting of the positive IMF Article IV review and the outbreak of the global financial crisis. These two events are important because, as GPE suggests, crises are capable of reconfiguring the relative power held by each actor on the international stage. However, with a positive review in hand, Colombia was able to access quick-disbursing resources from the IDB to address the crisis, as well as an FCL in 2009 that further bolstered the available resources to respond to the crisis.

A third node is the signing of the peace agreement in Colombia, which, while enabling access to areas previously controlled by guerrillas and incorporating large territories under state control, has strengthened the "neoliberal state" and transitioned toward "militarized neoliberalism" (Meger and Sachseder 2020).

A fourth node lies between the positive macroeconomic assessment (IMC) by the IDB and the COVID-19 crisis, where this assessment was central as it allowed Colombia to access quick-disbursing financing promptly, strengthening its position during the crisis and enabling it to navigate it effectively.

CONCLUSIONS

From the perspective of Global Political Economy (GPE), Colombia presents a unique case for analyzing the political and economic factors affecting development financing, especially the funding provided by traditional multilateral banks like the IDB. Inequality has played a central role in shaping the country's historical events, contributing to structural violence and the armed conflict that has deeply marked Colombian society. This situation is linked to the long-standing relationship between Colombia and the United States, whose influence over multilateral institutions has steered the country's development policies toward predominantly neoliberal approaches, limiting the exploration of alternative economic models. At the same time, these countries have built a strategic alliance where both have been mutual beneficiaries (Tickner, 2007).

This article has provided a valuable contribution to the debate by using an eclectic approach that integrates different theoretical traditions to analyze a multidimensional process. The study has also offered a novel perspective from GPE, enriching the understanding of the relationship between conflict and development. Furthermore, by examining the role of financing in conflict-affected countries like Colombia, particularly during times of crisis, the study has highlighted the decisive influence of actors like the United States, the IMF, and the IDB in providing mechanisms to address economic crises.

Colombia has played a key role in securing both military and economic financing. Bilaterally, the presence of U.S. military bases on its territory has reinforced defense cooperation. Multilaterally, Colombia has secured crucial funds from regional development banks (RDBs), particularly through PBLs during crises. Additionally, its consistent support for the United States in international forums like the UN General Assembly underscores how these strategic relationships influence its development and financing decisions.

Process tracing revealed a significant interconnection between political, security, and economic-financial events, corroborating the conclusions reached by existing literature (Arin et al., 2008; Feldmann & Hinojosa, 2009; Kutan & Yaya, 2016). This finding reinforces the idea that these factors cannot be analyzed in isolation, as their interaction is crucial to understanding the development of complex dynamics in crisis contexts. Moreover, it shows how political and security decisions influence economic and financial stability, underscoring the importance of an integrated approach in analyzing these interrelated phenomena.

Colombia's relatively quick access to financing during crises can be explained by a combination of factors. Among them, the influence of the United States in institutions like the IDB and IMF, coupled with the economic reforms implemented in Colombia, stand out. These elements, along with its crisis-response capacity, have strengthened its macroeconomic position in the eyes of international markets, enabling it to secure the resources needed to navigate difficult situations.

It has been shown that activating the countercyclical mandate may depend on the government's political orientation, as in some cases, it is tied to the adoption of neoliberal economic reforms. While the IDB has formal instruments to provide countercyclical support, PBLs have proven to be particularly effective in channeling resources directly to the treasury, facilitating an immediate response to crises. In Colombia's case, part of the financing was approved in as little as a month, allowing for an extraordinary and rapid reaction to the economic crisis.

In conclusion, the case of Colombia exemplifies how the interactions between political, security, and economic factors influence development financing during crises. The relationship between these elements, within the framework of U.S. influence and multilateral institutions, highlights the complexity of the country's strategic decisions. This analysis underscores the importance of adopting a comprehensive approach that considers not only neoliberal policies but also other alternatives that could address inequality and conflict. Looking ahead, Colombia has the opportunity to explore various strategies that promote inclusive and sustainable development, considering both the internal and external dynamics that affect its economic trajectory.

ACKOWLEDGMENTS

The DII UISEK research project has funded this paper, research line in Development and Social Transformation No. P021718.

REFERENCES

Arin, K. P., Ciferri, D., & Spagnolo, N. (2008). The price of terror: The effects of terrorism on stock market returns and volatility. Economics Letters, 101(3), 164–167. https://doi.org/https://doi.org/10.1016/j.econlet.2008.07.007

Armijo, L., & Katada, S. (2017). New Kids on the Block: Rising Multipolarity, More Financial Statecraft. In L. Armijo & S. Katada (Eds.), The financial statecraft of emerging powers (pp. 1–20). Palgrave macmillan.

Asinelli, C. G. (2018). La Banca multilateral en América Latina:¿ Patrón o socio del desarrollo regional? Universidad Nacional San Martin.

Babb, S. (2003). The IMF in sociological perspective: A tale of organizational slippage. Studies in Comparative International Development, 38, 3–27.

Babb, S. (2009). Behind the Development Banks: Washington Politics, World Poverty, and the Wealth of Nations. University of Chicago Press.

Balzacq, T. (2005). The Three Faces of Securitization: Political Agency, Audience and Context. European Journal of International Relations, 11(2), 171–201. https://doi.org/10.1177/1354066105052960

Bazeley, P. (2020). Qualitative data analysis: Practical strategies. Qualitative Data Analysis, 1–584.

Bennet, A. (2008). Process tracing: A bayesian perspective. In J. Box-Steffensmeier, H. Brady, & D. Collier (Eds.), The Oxford Handbook of Political Methodology (pp. 702–721). Oxford University Press.

Blackstone, A. (2019). Social research: Qualitative and quantitative methods. FlatWorld.

Bland, E., & Kilby, C. (2012). Informal influence in the Inter-American Development Bank.

Borrego, M. E. P., Ballen, A. V., & Percipiano, Y. L. (2005). Costos generados por la violencia armada en Colombia: 1993-2003. Departamento Nacional de Planeación.

Bull, B., & Robles Rivera, F. (2020). El COVID-19, las élites y el futuro de la economía política de la reducción de la desigualdad en América Latina.

Buzan, B., & WÆver, O. (2009). Macrosecuritisation and security constellations: reconsidering scale in securitisation theory. Review of International Studies, 35(2), 253–276. https://doi.org/10.1017/S0260210509008511

Camacho, A., & Rodriguez, C. (2013). Firm exit and armed conflict in Colombia. Journal of Conflict Resolution, 57(1), 89–116.

CEPAL (Comisión Económica para América Latina). (2022). Estudio Económico de América Latina y el Caribe 2022: dinámica y desafíos de la inversión para impulsar una recuperación sostenible e inclusiva.

Cohen, B. (2008). International Political Economy: An intellectual history. Princeton University Press.

Cohen, B. (2015). Currency power: understanding monetary rivalry. Princeton University Press.

Cox, R. W. (2013). Fuerzas sociales, estados y órdenes mundiales: Más allá de la teoría de Relaciones Internacionales. https://repositorio.uam.es/handle/10486/677391

Dados, N., & Connell, R. (2018). Neoliberalism in World Perspective: Southern Origins and Southern Dynamics. In D. Cahill, M. Cooper, M. Konings, & D. Primrose (Eds.), The SAGE Handbook of Neoliberalism. SAGE.

De Luca, G., & Sekeris, P. G. (2012). Land inequality and conflict intensity. Public Choice, 150(1/2), 119–135. http://www.jstor.org/stable/41406871

De Souza Pimenta, M. C. B., & Rosero, L. F. T. (2020). Crimen organizado transnacional en América del Sur: un análisis de la presencia y gobernanza de actores armados no estatales en la frontera de Colombia y Venezuela. Monções: Revista de Relações Internacionais Da UFGD, 9(17), 364–393.

Deciancio, M. (2018). La Economía Política Internacional en el campo de las Relaciones Internacionales argentinas. Desafíos, 30(2), 15–42.

Dube, O., & Vargas, J. F. (2013). Commodity price shocks and civil conflict: Evidence from Colombia. Review of Economic Studies, 80(4), 1384–1421.

Durham, J., Tan, B. K., & White, R. (2011). Utilizing Mixed Research Methods to Develop a Quantitative Assessment Tool. Http://Dx.Doi.Org/10.1177/1558689811402505, 5(3), 212–226. https://doi.org/10.1177/1558689811402505

Escobar, A. (2004). Development, violence and the new imperial order. Development, 47(1), 15–21.

Feldmann, A. E., & Hinojosa, V. J. (2009). Terrorism in Colombia: Logic and sources of a multidimensional and ubiquitous phenomenon. Terrorism and Political Violence, 21(1), 42–61.

Gerring, J. (2006). Case study research: Principles and practices. Cambridge university press.

Grajales, J. (2021). Losing land in times of peace: post-war agrarian capitalism in Colombia and Côte d'Ivoire. The Journal of Peasant Studies, 48(5), 1054–1074.

Harvey, D. (2017). The'new'imperialism: accumulation by dispossession. In Karl Marx (pp. 213–237). Routledge.

Harvey, R. (2021). El Plan Marshall.¿ Ayuda humanitaria o arma política? Casus Belli, 2, 181–201.

Hidalgo Romero, P. (2017). Incidencia del modelo de desarrollo de Colombia y Ecuador en la asistencia del BID 2007-2015 [Tesis de maestría]. FLACSO.

Hidalgo-Romero, P. (2022). ¿Igual para todos? Contraste en la asistencia del BID a Ecuador y a Colombia (2007-2015). In E. Vivares (Ed.), Desafíos y dilemas de financiar el desarrollo en Sudamérica (1st ed., Vol. 1, pp. 219–256). Teseo.

Hidalgo-Romero, P. (2024). Más allá de lo técnico: Explorando la dimensión política de la función contra-cíclica del financiamiento del desarrollo. Estudos Internacionais: Revista de Relações Internacionais Da PUC Minas, 11(2). https://doi.org/10.5752/P.2317-773X.2023v11n2p90-112

Jameson, K. P. (2006). Has Institutionalism Won the Development Debate? Journal of Economic Issues, 40(2), 369–375. http://www.jstor.org/stable/4228258

Kacowicz, A. M. (2004). Case study methods in international security studies. Models, Numbers and Cases: Methods for Studying International Relations, 107–125.

Kilby, C. (2013). An empirical assessment of informal influence in the World Bank. Economic Development and Cultural Change, 61(2), 431–464.

Kutan, A. M., & Yaya, M. E. (2016). Armed conflict and financial and economic risk: evidence from Colombia. Risk Management, 18, 159–187.

Maher, D. (2015). The Fatal Attraction of Civil War Economies: Foreign Direct Investment and Political Violence, A Case Study of Colombia. International Studies Review, 17(2), 217–248. http://www.jstor.org/stable/24758358

Martínez Ortiz, A. (2001). Análisis económico de la violencia en Colombia. Una nota sobre la literatura. Cuadernos de Economía, 20(34), 157–187.

Meger, S., & Sachseder, J. (2020). Militarized peace: Understanding post-conflict violence in the wake of the peace deal in Colombia. Globalizations, 17(6), 953–973.
Merriam, S. B., & Tisdell, E. J. (2015). Qualitative research: A guide to design and implementation. John Wiley & Sons.
Ministerio de Hacienda y Crédito Público de Colombia. (2023). Perfil Deuda Pública GNC. Perfil Deuda Bruta GNC Enero 2024. https://www.irc.gov.co/webcenter/portal/IRCEs/pages_Deuda/perfildeudapblicagnc
Molinari, A., & Patrucchi, L. (2020). Desafíos y oportunidades de los bancos subregionales de desarrollo latinoamericanos.
Momani, B. (2004). American politicization of the International Monetary Fund. Review of International Political Economy, 11(5), 880–904. https://doi.org/10.1080/0969229042000313064
Morgan, H. (2022). Conducting a qualitative document analysis. The Qualitative Report, 27(1), 64–77.
Nemiña, P. (2010). Alcances de la reforma de la política de financiamiento y condicionalidad del FMI. Problemas Del Desarrollo, 41(160), 39–66.
Otero Prada, D. (2016). Gastos de guerra en Colombia. Bogotá.
OVE (Oficina de evaluación y supervisión). (2011). Evaluación del programa de país: Colombia 2007-2010.
Patomäki, H. (2007). The Political Economy of Global Security: War, future crises and changes in global governance. Routledge.
Peck, J., Brenner, N., & Theodore, N. (2018). Actually Existing Neoliberalism. In D. Cahill, M. Cooper, M. Konings, & D. Primrose (Eds.), The SAGE Handbook of Neoliberalism (pp. 3–18). SAGE.
Querubín, P. (2004). Crecimiento departamental y violencia criminal en Colombia. Universidad de los Andes, Facultad de Economía, CEDE.
Quiliconi, C. (2022). Economía Política Global latinoamericana: un campo de estudio efervescente entre el desarrollo y el regionalismo. Relaciones Internacionales, 50, 127–144. https://doi.org/10.15366/RELACIONESINTERNACIONALES2022.50.006
Riascos, A. J., & Vargas, J. F. (2011). Violence and growth in Colombia: A review of the quantitative literature. The Economics of Peace and Security Journal, 6(2).
Richardson, J. (2010). The ethics of Neoliberal Institutionalism. In C. Reus-Smit & D. Snidal (Eds.), The Oxford Handbook of International Relations (First, pp. 221–233). Oxford University Press.
Rojas, C. (2009). Colombia's neoliberal regime of governance: Securitization by dispossession. Post-Neoliberalism in the Americas, 231–245.
Romano, S. M. (2012). Seguridad hemisférica, asistencia y democracia a inicios de la Guerra Fría. Revista de Relaciones Internacionales, Estrategia y Seguridad, 7(1), 211–240.
Salamanca, M., Rojas, N., & Hernández, G. (2013). Crecimiento económico y conflicto armado en Colombia. Archivos de Economía, 400, 1–12.
Sanahuja, J. A., & Schunemann, J. (2012). El nexo seguridad-desarrollo: entre la construcción de la paz y la securitización de la ayuda . In Construcción de la paz, seguridad y desarrollo. Visiones, políticas y actores (pp. 17–70). Editorial Complutense.
Sil, R., & Katzenstein, P. (2011). Beyond Paradigms: Analytic Eclecticism in the Study of World Politics - Rudra Sil, Peter J. Katzenstein - Google Libros. Palgrave Macmillan. https://books.google.es/books?hl=es&lr=&id=1SJIEAAAQBAJ&oi=fnd&pg=PP1&dq=katzenstein+beyond+paradigms&ots=Tz_ElaqK-D&sig=LVVOlr-uZkrYvBpgXSc3KGOwTyU#v=onepage&q=katzenstein%20beyond%20paradigms&f=false
Soriano, A., Legarreta, R., Peña-Habib, O., Dyer, H., Salazar, E., Monroy, M. C., & King, J. (2023). Revisión Independiente del Programa de País Colombia 2019-2022. Inter-American Development Bank. https://doi.org/10.18235/0004968
Stanley, L., & Fernández, J. (2018). The Changing Problem of Regional Development Finance in Latin America. In E. Vivares (Ed.), Regionalism, Development and the Post-Commodities Boom in South America. Palgrave mcmillan.
Taureck, R. (2006). Securitization theory and securitization studies. Journal of International Relations and Development, 9(1), 53–61. https://doi.org/10.1057/PALGRAVE.JIRD.1800072/METRICS
Tickner, A. B. (2007). Intervención por invitación: Claves de la política exterior colombiana y de sus debilidades principales. Colombia Internacional, 65, 90–111.
Tokatlian, J. G. (2000). La mirada de la política exterior de Colombia ante un nuevo milenio:¿ ceguera, miopía o estrabismo? Colombia Internacional, 48, 35–43.
Tussie, D. (2020). The tailoring of IPE in Latin America. In E. Vivares (Ed.), The Routledge handbook of political economy. Routledge.
Underhill, G. R. D. (2000). Conceptualising the changing global order.
Vargas Duque, J. F. (2003). Conflicto interno y crecimiento económico en Colombia.
Vélez-Torres, I., Gough, K., Larrea-Mejía, J., Piccolino, G., & Ruette-Orihuela, K. (2022). "Fests of vests": the politics of participation in neoliberal peacebuilding in Colombia. Antipode, 54(2), 586–607.
Vivares, E. (2020). Global conversations and inquiries. In The Routledge Handbook to Global Political Economy: Conversations and Inquiries (pp. 9–25). Taylor and Francis. https://doi.org/10.4324/9781351064545-2/GLOBAL-CONVERSATIONS-INQUIRIES-ERNESTO-VIVARES
Vivares, Ernesto. (2013). El Banco Interamericano de Desarrollo en la década neoliberal. FLACSO.
Zakzuk, N. J. A., Jiménez, D. D., Rodríguez, L. C., Valero, J. V., Guzman, N. A., & Orjuela, C. C. (2018). Costos del conflicto armado en Colombia: una revisión sistemática. Panorama Económico, 26(3), 299–316