State Failure, Violence, and Trade: Dangerous Trade Routes in Colombia

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Publication Date: Tuesday, 28 of December 2021 Abstract We investigate the effect of domestic armed violence brought about by political instability on the geography of distance frictions in freight mobility and the resulting differential access of regions to global markets. The Colombian transportation system has been found to be impeded by deficiencies in landside transport infrastructure and institutions, and by fragmented political environments. The micro-level analysis of U.S.-bounded export shipping records corroborates that export freight shipping from inland regions is re-routed to avoid exposures to domestic armed violence despite greatly extended landside and maritime shipping distances. We exploit the trajectories of freight shipping from Colombian regions and spatial patterns of violent armed conflicts to see how unstable geopolitical environments are detrimental to freight shipping mobility and market openness. The discrete choice model shows that the shipping flow is greatly curbed by the extended re-routing due to domestic armed violence and that inland regions have restricted access to the global market. The perception of risk and re-routing behavior is found heterogeneous across shipments and conditional to shipment characteristics, such as commodity type, freight value and shipper sizes. The results highlight that political stability must be accommodated for improved freight mobility and export-oriented economic development in the global South.

Fuente: https://www.banrep.gov.co/en/state-failure-violence-and-trade-dangerous-trade-routes-colombia