Towards Peace in Colombia: The economic obstacles to a Colombian Peace Process

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Abstract

After an a general history and conflict analysis, including the sources of conflict financing, this paper provides a comparison of previous Colombian peace processes (1984-2004) and finds that more sustainable agreements give greater consideration to the socio-economic grievances which precipitated and continue to sustain the conflict. Suggested mechanisms to apply this finding to future peace processes are discussed, including an anti-kidnapping fund and financial commitments to alternative agricultural development. Moreover, post-conflict economics are considered, and we suggest that if sustainable peace is to be achieved, the Colombian peace process will need to seriously consider the reinsertion of demobilised combatants. While economic factors are emphasized throughout this paper, it is recognized that a successful peace process will involve multiple factors and wider social effort, both domestic and international.

Since 1982, every Colombian president has sought to engage Colombia's insurgent groups in the hope of achieving a negotiated settlement to the conflict which has ravaged the country for more than 40 years. Only Presidents Virgilio Barco (1986-1990), Cesar Gaviria (1990-1994) and Alvaro Uribe Velez, have achieved comprehensive settlements and subsequent demobilisation. The two principal guerrilla groups, the Ejército de Liberación Nacional (ELN) and the Fuerzas Armadas Revolucionarias de Colombia (FARC), remain active and continue to present a credible threat to the Colombian state. Even the ostensibly “demobilised” paramilitary forces of the Autodefensas Unidas de Colombia (AUC) still challenge state and human security and jeopardise prospects for any future peace process. Though propaganda from the President's office claims otherwise[1] there is widespread consensus among experts on the Colombian conflict that the guerrillas will never be fully defeated militarily: dialogue offers the only hope for peace in Colombia (Chernick, 2008: 242).

President Santos has vacillated between seeming opposing statements about the possibility of peace negotiations.[2] but has always maintained that the military was, “breathing down the neck” of the guerrillas (Yefe, 2011). Santos' demands of the guerrillas are extremely strong[3] but how far should the government push before they begin to negotiate? Recent military victories have given him confidence and it could be believed that he would actually prefer a military victory in the line of that achieved in Sri Lanka. However, we believe that the current military weakness of the FARC and the ELN makes this a propitious time for peace negotiations because, as Zartman (2009) notes, power asymmetry creates a beneficial atmosphere for conducting negotiations. As Congressman Ivan Cepeda Castro has suggested, continued military strikes could have negative externalities. “Se corre el riesgo de una mayor fragmentación del conflicto armado y del empleo de métodos y armas que lo degraden aún más”[4] (Cepeda, 2011). For example, we may partly attribute the conclusion of the Acuerdos de la Uribe to the severe military losses inflicted on the FARC in the 1980s (Metelits, 2010).

If the current military situation is to be used to reach a settlement with the FARC and the ELN, the Congressman proposes that Colombia “learn from the past,” that members from all parties must soon sit down “cara a cara”[5] with precise time periods, discretion, and the cooperation of all sectors including business and the military (Cepeda, 2011). We fully agree, however to realize such a broad process we believe there is a need to consider the economic factors which have impacted on previous peace processes. As Wennmann et al. (2009) warn, “the achievements at the political level may be jeopardized by the omission of a forward looking perspective on unresolved economic issues during the peace process.” Our paper examines the economic factors which obstruct negotiations with the FARC and the ELN, and how these might be overcome. In this sense, it is both an ambitious and a limited endeavour: other political and military factors are as, if not more, important for the conclusion of a successful process. We also realise that many other actors, from the various guerrilla groups to criminal gangs, populate the complex landscape of the Colombian conflict and cannot be ignored.

As Jim Tull (2001) argues, “Cuando se analizan conflictos complejos la pregunta que hay que hacer no es ”¿cuál es la solución?” sino “¿Cuál es el proceso correcto?”[6] But where to look for clues on how to build the right process? Colombia has itself a plethora of past processes to examine, though up till now the lessons learned seem to be reduced to the fact that they tend to be long, costly, and complex. Few have actually taken an analytical look at the past peace processes to determine what insights can be made. Chernick's 2007 Acuerdo Posible, currently only available in Spanish, is the only work which examines all previous processes. We hope our work offers policy-relevant insights for an English-speaking audience.

Our paper will consider three ways in which economic issues continue to present obstacles to peace in Colombia: firstly, considering the difficulties presented by the sources of conflict financing; secondly, focusing on the economic grievances of the guerrilla groups and how these might be tackled in an agreement; and finally analysing the way in which the economic aspects of post-conflict reintegration have been managed in previous agreements. These are, of course, all interlinked and permeate into areas
After an a general history and conflict analysis, including the sources of conflict financing, this paper provides a comparison of previous Colombian peace processes (1984-2004) and finds that more sustainable agreements have been achieved in Sri Lanka. However, we believe that the current military weakness of the FARC and the ELN makes this a propitious time for peace negotiations because, as Zartman (2009) notes, power asymmetry creates a beneficial atmosphere for conducting negotiations.

For example, we may partly attribute the conclusion of the Acuerdo Posible, or the Uribe peace process, to the severe military losses faced by the guerrillas. Santos' demands of the guerrillas are extremely strong, but how far should the government push before they begin to negotiate? Recent military victories have given him confidence and it could be believed that he would actually prefer a military victory in the line of that Acuerdo Posible, or the Uribe peace process. But where to look for clues on how to build the right process? Colombia has currently only available in Spanish, is the only work which examines all previous peace processes. As Wennmann et al. (2009) warn, "the achievements at the political level may be jeopardized by the omission of a solution?", sino "¿Cuál es el proceso correcto?

As Jim Tull (2001) argues, "¿Cuál es la cara a cara?". President Santos has vacillated between seeming opposing statements about the possibility of peace negotiations. Conclusively, lack of a clear political strategy, discretion, and the cooperation of all sectors including business and the military (Cepeda, 2011). We fully agree, however, that Colombia "learn from the past," that members from all parties must soon sit down together to realize such a broad process we believe there is a need to consider the economic factors which have impacted on previous peace processes. We also realise that many other actors, from the various guerrilla groups to criminal gangs, populate the complex landscape of the Colombian conflict and cannot be ignored.

Post-conflict reintegration have been managed in previous agreements. These are, of course, all interlinked and permeate into areas guerrilla groups and how these might be tackled in an agreement; and finally analysing the way in which the economic aspects of the conflict are considered the difficulties presented by the sources of conflict financing; secondly, focusing on the economic grievances of the parties, the imperatives of a sustainable peace must be recognized. And this will go far beyond any agreement reached at the political level.

Our paper will consider three ways in which economic issues continue to present obstacles to peace in Colombia:

1. The sources of conflict financing: The financing of the guerrilla groups is obtained through their illegal activities, such as drug trafficking, extortion, and kidnapping. However, despite the efforts of the government to combat these activities, the guerrillas remain active and continue to present a credible threat to the Colombian state. Even the ostensible "demobilised" paramilitary forces of the [2] remain active and continue to present a credible threat to the Colombian state. Even the [2] remain active and continue to present a credible threat to the Colombian state.

2. Economic grievances: The economic grievances of the parties are a major obstacle to peace. The guerrilla groups feel economically underprivileged and demand a share of the country's wealth. The government, on the other hand, is committed to a market economy and is unwilling to make the necessary economic concessions.

3. The economic aspects of peace: The economic aspects of peace include the reconstruction of the areas affected by the conflict, the rehabilitation of the economy, and the reinsertion of demobilised combatants. The economic aspects of peace are considered, and we suggest that if sustainable peace is to be achieved, the Colombian peace process will need to seriously consider the reinsertion of demobilised combatants. While economic factors are emphasized throughout this paper, it is recognized that a successful peace process will involve multiple factors beyond the economic.

After an analysis of the economic obstacles to a Colombian peace process, we suggest a comparative analysis of the Acuerdo Posible, or the Uribe process. Santos" demands of the guerrillas are extremely strong, but how far should the government push before they begin to negotiate? Recent military victories have given him confidence and it could be believed that he would actually prefer a military victory in the line of the Acuerdo Posible, or the Uribe process. But where to look for clues on how to build the right process? Colombia has currently only available in Spanish, is the only work which examines all previous peace processes. As Wennmann et al. (2009) warn, "the achievements at the political level may be jeopardized by the omission of a solution?", sino "¿Cuál es el proceso correcto?".

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outside the strictly delineated field of conflict resolution. However, we believe that if one wants to find the route to sustainable peace in Colombia it is important to attempt to disentangle these factors and give them due consideration, while also recognising that they are embedded within the complex national and international political milieu. Our proposals are designed to cultivate an enabling environment, which can best facilitate the peaceful resolution of the conflict with the FARC and the ELN. Looking at the past has exposed many failures but also some interesting successes. Our most “successful” process was the M19 which included three out of our four variables and actually concluded in with the formation of a political party, a constituent assembly and the rewriting of the constitution.\[7\\]

An important issue which we do not consider is the question of more than 3 million Internally Displaced Persons (IDPs), precipitated by the conflict. For the purpose of this paper we have elected to focus on belligerents. Nonetheless, we acknowledge that a sustainable agreement needs a “re-incorporation of all ex-combatants, victims, and regions most severely affected by the conflict” (Jaramillo, 2007: 94).

**A Long History of Violence: the Background to the Colombian Conflict Today**

It is difficult to delineate exactly how far back in history one must look to understand the root causes of tensions in Colombia. Many admit that the modern conflict is tied to historical inequalities dating from Spanish Colonialism. After understanding the scars and divisions that Colonialism left, and the subsequent battle over land-reform issues between large landowners, *latifundios*, and peasant farmers, *campesinos*, one has a basis for understanding the Colombian conflict.

In the early 20th-century, elite interests were channeled into two political parties: the Conservatives and the Liberals (Jaramillo, 2007). Until 1930, Conservatives controlled the executive branch, but with a Liberal victory came a wave of state centralisation, agrarian reform, and, of course, tremendous tension. These tensions finally erupted in violent clashes\[8\] simply known as *La Violencia*, an extraordinarily savage period from 1948-1966, leaving 200,000 dead (Jaramillo, 2007: 88). Following bipartisan support of a bloodless military coup in 1953 and the signing of a power sharing agreement in 1957, the National Front system emerged (Chernick, 2005). Liberals and Conservatives agreed to alternate the presidency and apportion government positions (Metelits, 2010). The agreement excluded other political parties and was elite-controlled, catalysing a new phase of violence where the state perpetrated massive atrocities against peasant farmers. This led to the creation of left-wing guerrilla groups, initially self-defence organisations, across the country. The FARC emerged from these self-defence organisations in 1966. Formed in 1962, the ELN was inspired by the Cuban revolution and derived the majority of its support from students and priests. Like the FARC, it operated in rural areas. In 1979, the M-19 group arose, which also had a student following but was mainly urban (Metelits, 2010).

In the 1960s, Colombia experienced an economic boom but the vast majority of the population remained poor. Coffee regions prospered, but no “coffee middle class” emerged, and in 1970 almost two thirds of the rural population lived in “absolute poverty” (Bushnell, 1996: 329). This provided the FARC with public support and, coupled with drug windfalls, allowed it to grow in strength. They then attempted to enter the political arena with their political party, the *Unión Patriótica* (UP), in the early 1980s. By acknowledging the UP, President Betancur gave the insurgents a “modicum of legitimacy” (Metelits, 2010: 98) and from 1984-1988 the UP successfully rallied political support.\[9\] Following the informally state-sanctioned assassination of over four thousand UP and members of the Partido Comunista Colombiano (PCC) by paramilitary forces, the FARC turned back to seeking a military solution. These right-wing paramilitary groups were formed by *latifundios* and drug cartels to fight the guerrillas. The assassinations in the 1980s represented the beginning of an uneasy relationship between the paramilitaries and the government, the former being authorised to do the latter's “dirty work.” However, the paramilitaries grew in strength, becoming an autonomous power, paradoxically becoming hostile to the government, whom they claimed to support. These paramilitary forces were eventually united by Carlos Castaño under the banner of AUC (*Autodefensas Unidas de Colombia*) in 1997, and brought another actor into the conflict, transforming the insurgency, the government, and the nature of the conflict itself.

**Kidnapping and Cocaine: Sources of Financing as Obstacles to Peace in Colombia**

In this section, we will focus on kidnapping and drugs, the two most emblematic and particularly “Colombian” sources of conflict financing. As important sources of financing for the FARC and the ELN, these issues continue to present significant problems which will need to be addressed in a future peace process.

Kidnapping has long been practised by insurgent groups in Colombia, the “kidnap capital of the world” (Briggs, 2002). Perhaps more than any other factor, kidnapping has presented a financial obstacle in the Colombian peace processes. As seen in the table of peace processes (below), only seven out of the twenty agreements mention kidnapping, and only one substantively, hence it has not been addressed adequately in the past. For example, the cessation of kidnapping was “the principal sticking point” in the 1992 talks with the FARC and ELN (Lawrence, 1996: 283); President Pastrana ended negotiations with the FARC in 2002 in response to the kidnapping of a Colombian senator (Metelits, 2010); President Uribe refused to accept the 2005 cease-fire proposal of the ELN because it failed to guarantee the cessation of kidnapping (ICG, 2007). Although the practice has declined in recent years it remains an obstacle to peace. The following section will examine why kidnapping became such a pervasive practice in Colombia, how previous agreements have approached the subject and the way in which future agreements might overcome this obstacle.

Initially, the FARC only engaged in isolated instances of kidnapping against targets considered ideologically legitimate: representatives of the state, police and military (Metelits, 2010). However, the economic potential of this source of financing was soon evident. Evidently, large scale indiscriminate kidnapping, known as *Pesca Milagrosa*,\[10\] served to further isolate the FARC and other guerrilla groups from their mainstream left-wing support base. Public opposition has been mobilised to exert pressure on
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The importance of kidnapping as a source of financing steadily increased throughout the 1990s. It was estimated to be the third most important source of income for the FARC and the ELN, behind drug-trafficking and extortion, during this period. According to official figures from the Departamento Administrativo de Seguridad, it brought in approximately US$1.5 billion between 1991 and 1999 (PCN, 2001). According to Suarez (2000: 584), in the year 2000, the FARC derived 8% of its funds from kidnapping and the ELN, 28%. The motivation behind the vast majority of kidnappings is economic. The governmental organisation Conase estimated that at least 64% of kidnappings in 1999 were economically-motivated. In reality, the figures are probably much higher, given that the motivation behind approximately 14% of kidnappings was “unknown” and all “ideological” kidnappings potentially serve a dual economic function as well (PCN, 2001). Since 2000, the number of annual kidnappings has steadily decreased from the height of 3572 to only 242 in 2008 (FPL, 2008). However, this decrease does not correspond to a concomitant decrease in the importance of kidnapping as an issue in any peace process: as kidnapping incites public opprobrium, it is a grave obstacle to negotiations. The decline in kidnapping does, however, make it a more financially manageable problem.

The guerrillas have never denied kidnapping, but instead justify it as a necessary means to continue their armed struggle. One ELN combatant is quoted as stating that, “If the middle classes were to wish to finance our revolution we would stop taking hostages” (PCN, 2001). The FARC have adopted a similar position. As they are unable to exploit the same methods of financing utilised by the Colombian state, they suggest that kidnapping for economic reasons is justified. Appropriating a state-like discourse, the FARC conceptualise kidnapping as a punishment in response to a failure to respect Ley 002, which imposes a “peace tax” on all persons and companies with assets over one million US dollars. Kidnapping is an important source of financing to the guerrilla movements; not a military tactic.

In previous peace processes, the guerrillas and Colombian governments have approached the issue of kidnapping from radically different perspectives: the guerrillas perceive the issue as primarily economic, while the majority of Colombian governments have conceptualised the problem as a humanitarian issue (ICG, 2007). For example, in the 1984 Acuerdos de la Uribe between the Betancur administration and the FARC, the latter agreed to cease kidnapping in return for an agreement that the government would endeavour to improve the education, health and employment levels of all Colombians. Similarly, the Uribe administration had haltingly pursued “Acuerdos Humanitarios”, seeking the exchange of prisoners, with the FARC. These efforts are doomed to failure because they fail to recognise and address the centrality of kidnapping to the continued financing of the guerrilla movements. If the guerrillas, as governments have demanded, cease kidnapping during the course of peace negotiations they will be progressively economically, and therefore militarily, weakened over the long course of negotiations. This reduces their bargaining power at the negotiating table and is from their point of view strategically nonsensical. How can we reconcile these divergent positions?

The July 1998 Acuerdo de la Puerto del Cielo, a product of negotiations between the National Committee for Peace and the ELN, provides one viable model for addressing the issue of kidnapping in the context of the peace process. The ELN agreed to end the practice of kidnapping in article 9 of El Acuerdo de la Puerto del Cielo, if they were provided with sufficient funds to maintain their military capacity. This provision recognises that the ELN could not countenance the attenuation of their military capabilities during peace negotiations but suggests that kidnapping could be replaced by other sources of financing, such as an anti-kidnapping fund. El Tiempo reported that they reiterated this offer in 2006, demanding $US 40 million to cease kidnapping during a cease-fire. As the number of kidnappings has decreased, we may postulate that the guerrillas would now accept a smaller amount to cease this practice.

Reached in the final days of Samper's presidency, the agreement failed to gain popular traction for a number of reasons. Priorities shifted following Pastrana's election, who came into office with a clearly articulated strategy for peace (Civicom, 2010). His strategy was centred around engaging with the FARC, not with the ELN. Furthermore, we may postulate that Pastrana would not want to be perceived as simply finishing the work of another. Finally, there is perceived to be a certain perversity in paying people to refrain from acts which are prohibited in any case: some Colombians argue that this is “rewarding evil” or sends the dangerous message that, “el Estado paga para intentar convencer al que comete crímenes de que no los cometa.” The inevitable public opposition to this mechanism could be circumvented, if it was part of an initially confidential process and then supported by a president, not marred by accusations of pacifism or corruption, who could demonstrate positive results.

Political conditions prevented this concept from being realised, however the idea has periodically resurfaced. Influential voices in Colombian society have expressed their tacit support for the establishment of an “anti-kidnapping fund”:

The Roman Catholic Bishop Jaime Prieto of Barrancabermeja announced in September 2000 that he was in favour of such a fund, and even the presidential peace envoy Camilo Gomez stated that his government might consider such a fund if the rebels stopped kidnapping for ransom and agreed to a cease-fire (PCN, 2001).

Later in his term, Pastrana also began to consider the creation of an anti-kidnapping fund during negotiations with the ELN, after European governments quietly voiced their support for such a measure (Shultz-Kraft, 2010). In October 2006, Uribe again advanced this concept, but was greeted with the press response that his proposal was “escandalosa.”

The creation of “peace” funds to support rebel groups during peace processes has been successful in the past. In Colombia, the CRS and, in El Salvador, the FMLN were financed during the course of negotiations. Both of these negotiations led to comprehensive settlements and the demobilisation of the armed group. In Mozambique, Dhlakama, leader of RENAMO, was paid $300,000 monthly from a UN trust fund in order to ensure his continued participation in the peace process. However,
to comprehensive settlements and the demobilisation of the armed group. In Mozambique, Dhlakama, leader of RENAMO, was financed during the course of negotiations. Both of these negotiations led to the creation of “peace” funds to support rebel groups during peace processes has been successful in the past. In Colombia, the CRS and, in El Salvador, the FMLN were financed during the course of negotiations. In October 2006, Uribe again promoted the idea of a fund to support kidnappers as a way to solve the problem, after a number of kidnappings. However, the idea did not gain support and was eventually abandoned.

Later in his term, Pastrana also began to consider the creation of an anti-kidnapping fund during negotiations with the ELN, after a number of kidnappings. However, the idea was not realised due to political opposition. Influential voices in Colombian society have expressed their tacit support for the establishment of an “anti-kidnapping fund”: “We would not want to be perceived as simply finishing the work of another. His strategy was centred around engaging with the FARC, not with the ELN. Furthermore, we may postulate that kidnapping for economic reasons is justified. Appropriating a state-like discourse, the FARC conceptualise kidnapping as a punishment in response to a failure to respect the law. However, the Colombian state has never recognised kidnapping as a crime or as a valid form of protest. The guerrillas have never denied kidnapping, but instead justify it as a necessary means to continue their armed struggle. They argue that kidnapping is a way to protest against the government and to draw attention to their cause. The guerrillas have stated that they would stop kidnapping if the government would endeavour to improve the education, health and employment levels of all Colombians. This would allow the guerrillas to cease kidnapping: this includes the hugely successful, in numbers if not in results, “million voices against the escandalosa.”

One ELN combatant is quoted as stating that, “If the middle classes were to wish to finance our revolution we would stop taking hostages.” This shows that the guerrillas are willing to accept a smaller amount to cease this practice. As the number of kidnappings has decreased, we may postulate that the guerrillas would now accept a smaller amount to cease this practice. Kidnapping is an important source of financing to the guerrilla movements; not a military tactic. It is estimated that at least 64% of kidnappings in 1999 were economically-motivated. In reality, the figures are probably much higher, given that the motivation behind approximately 14% of kidnappings was “unknown” and all “ideological” kidnappings potentially serve a dual economic function as well (PCN, 2001). Since 2000, the number of annual kidnappings has steadily decreased from the height of 3572 to only 242 in 2008 (FPL, 2008). The FARC agreed to end the practice of kidnapping in article 9 of the July 1998 Acuerdo de la Puerto del Cielo. Similarly, Uribe agreed to end the practice of kidnapping in article 9 of the 1999 Acuerdo Humanitarios, if they were provided with sufficient military capabilities during peace negotiations but suggests that kidnapping could be replaced by other sources of financing, such as an anti-kidnapping fund.

Kidnapping is an important source of financing to the guerrilla movements. If the guerrillas, as governments have demanded, cease kidnapping during the course of peace negotiations they will be progressively economically, and therefore militarily, weakened over the long course of negotiations. This reconciliation of these divergent positions?

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despite these previous successes, many commentators remain sceptical about the efficacy of an “anti-kidnapping fund” (Guaqueta, 2003). This valid concern could be addressed provided that the fund was established within the context of a ceasefire[21]. Moreover, once trust was established between the parties, payment could be provided in return for other services: for example, Frédéric Massé of El Tiempo advocated financing the ELN to conduct de-mining activities, under the condition that they refrain from the practice of kidnapping (2006). However, the FARC and ELN, who perceive mines as their best available defence, would not agree to de-mine before significant advances had already been made in the peace process[22]. The understandable queasiness of governments regarding financing an insurgent group may need to be overcome if kidnapping is to stop being an obstacle to peace.

We suggest that the Government of Colombia reconsider the issue of kidnapping from an economic perspective and accept the strategic impossibility of a unilateral cessation of kidnapping during peace negotiations. The government should establish an anti-kidnapping fund, initially offering unilateral funding but eventually “paying” the guerrillas for vital services such as de-mining, as advocated by Massé.

Another source of conflict financing comes from involvement in the illicit drug trade. The issue of the drug trade is mentioned in eight out of twenty peace agreements, though it has never been dealt with substantively. The Coca export boom of the 1980s offered the guerrillas a lucrative source of financing. [23] While the ELN largely resisted becoming involved in the trade in illicit narcotics (ICG, 2007), the FARC seized upon this opportunity and were consequently able to finance a massive expansion of troops and activities. The FARC also initially displayed an ambivalent attitude towards coca-production. Research in Caquetá region suggests that the FARC initially attempted to prohibit coca-production by farmers. However, coca provided farmers with a lucrative crop and they strongly pushed the FARC to permit its cultivation. Faced with local pressure, the FARC elected to “tax” the drug-traffickers, rather than alienate their local constituency (Chernick, 2005). The FARC institutionalised the taxing of coca-production at its 1982 and 1984 conventions (Guaqueta, 2003). This decision had important consequences for peace negotiations. The following section will examine these consequences and how they might be addressed.

With additional finances from the drug trade, the FARC were able to finance a massive increase in troops, improved equipment and a geographical expansion; between 1982 and 1998 the FARC increased from approximately 10,000 fighters to almost 17,000, and increased their number of “fronts” six-fold to over 60 (Pécaut, 2008). Suarez (2000) estimates that 48% of the FARC’s finances in 1999 came from involvement in drug-trafficking and Civico (2010) purports that this percentage has probably increased as Uribe’s “democratic security” policy pushed the FARC to seek greater financial resources to match the government’s military capacity. Thus, drugs allowed the FARC to force the government to seriously consider their demands, counter the threat presented by the military, and continue the conflict. However, this involvement has undermined their political legitimacy and facilitated their characterisation as criminals or “terrorists” (ICG, 2009). The US “war on terrorism,” has contributed to this perception: terms like “narcoterrorism” were introduced to describe the FARC, AUC, and the ELN, who were added to “the Clinton list.”[24] These labels changed the bargaining dynamics, and the war itself: it is one thing to deal with rebel groups, and quite another to deal with a “terrorist organisation.” Even if this labelling exercise began as anti-guerrilla propaganda, this renders it more politically-sensitive for the government to engage in peace negotiations with this group and to grant them political and other concessions (Guaqueta, 2003).

This characterisation is largely unfounded: a 2002 US DEA report insists that, “There is no credible evidence that the FARC as an institution has evolved into a drug-trafficking organization” (Chernick, 2009). Sanin supports this contention, highlighting that, with the FARC, Collier’s greed hypothesis does not hold. The FARC do not pay their combatants and demand life-long commitment. Consequently, there are few possibilities in the FARC for personal enrichment. As Civico (2010) notes, “Marulanda died poor in the jungle.” Comparatively, this makes the FARC a bad choice for the Homo Economicos: the paramilitaries, and the drug cartels, offer far more lucrative opportunities (Sanin, 2003). Involvement in the drug trade has led to FARC being unfairly characterised as a purely criminal enterprise. A more nuanced approach recognises that, “For the FARC, drug dealing is a practical way of surviving and assuring the peasantry has a cash crop.”[25]

US Anti-Narcotics Policy has profoundly affected the peace processes with the FARC. Plan Colombia, a US financed anti-narcotics project, clearly favoured combating coca production through military means. Although Pastrana initially characterised Plan Colombia as the “Marshall Plan for the coca-producing regions”, envisaging alternative agricultural development projects in cooperation with the FARC, this aspect never fully materialised (Arnson, 2001). Instead, this support came in the form of military aid and training: 80% of US financial assistance to Colombia was destined for the security forces, with only 20% going towards development (Isacson & Poe, 2001). Between 2000 and 2008 the US provided US$ 4.9 billion in military and technical assistance to Colombia (Douma, 2003). Furthermore, Nasi notes that Plan Colombia targeted neither the drug cartels nor the paramilitaries, who have admitted that 70% of their financing comes from illicit narcotics. Instead, it focused on destroying FARC strongholds in Colombia’s southern provinces.

US military support convinced many within the Colombia right-wing and the military that it was possible to defeat the guerrillas militarily and attenuated support for dialogue: “Plan Colombia’ and the subsequent ‘war on terrorism’ created a political atmosphere internationally that did not favour a peaceful negotiation of the internal conflict in Colombia.”[26] Furthermore, US requests for the extradition of guerrillas on drug-trafficking charges will complicate the conduct of any future peace negotiations.[27] Even after billions of dollars spent in counter-narcotics, cocaine still enters the US market regularly, the price has remained constant, and plenty of money is coming into Colombia to finance the continuation of the conflict: “the overall results of Plan Colombia in reducing drug-trafficking are meagre” (Kryzanek, 2008; ICG, 2009). In this case, does dialogue offer a viable alternative?

The FARC have been consistent in their negotiating position regarding illicit narcotics. In previous negotiations, the FARC have agreed that coca-production should be eliminated in a post-conflict Colombia, as a central part of the agrarian reform
FARC have agreed that coca-production should be eliminated in a post-conflict Colombia, as a central part of the agrarian reform alternative? Plan Colombia in reducing drug-trafficking are meagre" (Kryzanek, 2008; ICG, 2009). In this case, does dialogue offer a viable remained constant, and plenty of money is coming into Colombia to finance the continuation of the conflict: requests for the extradition of guerrillas on drug-trafficking charges will complicate the conduct of any future peace atmosphere internationally that did not favour a peaceful negotiation of the internal conflict in Colombia.

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Another source of conflict financing comes from involvement in the illicit drug trade. The issue of the drug trade is presented by the military, and continue the conflict. However, this involvement has undermined their political legitimacy and military capacity. Thus, drugs allowed the FARC to force the government to seriously consider their demands, counter the threat increased as Uribe's "democratic security" policy pushed the FARC to seek greater financial resources to match the government's... FARC's finances in 1999 came from involvement in drug-trafficking and Civico (2010) purports that this percentage has probably... Equipment and a geographical expansion; between 1982 and 1998 the FARC increased from approximately 10,000 fighters to... With additional finances from the drug trade, the FARC were able to finance a massive increase in troops, improved... The following section will examine these consequences and how they might be addressed.

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agenda which they advocate. For example, in the 1999 *Agenda Común por el Cambio Hacia una Nueva Colombia*, in Art 3.3 the FARC agree to discuss, the “Recuperación y distribución de la tierra adquirida a través del narcotráfico o renriquecimiento ilícito.”\[28\] In 1993, the FARC stated that:

> [The] production, marketing, and use of drugs and hallucinogens…[is] a serious problem that cannot be treated using a military approach and called for a commitment to reduce demand from the major powers [the United States] that are the main source of the world’s demand for drugs (Chernick, 2009: 86).

As early as 1984, in the *Acuerdo de prolongación de la tregua*, the FARC condemned the practice of drug-trafficking, in principle. Marulanda was supposedly aware of the corrupting effect of drug-trafficking and was concerned that this might lead the FARC to lose their ideological roots\[29\]. How then do the FARC justify their continued involvement in the drugs trade?

The FARC’s conditions for the cessation of the cultivation of illicit drugs are clearly articulated in the statements from their March 2000 plenum meeting and the 2001 *Acuerdo de Los Pozos*. The FARC states that peasants have resorted to the production of illicit narcotics due to the economic policies of the developed world, which deny them access to markets for other goods (Chernick, 2009). They reiterate that they are not opposed to the project of eradicating illicit drugs, and substituting them for other agricultural produce, provided that the consent of the producers is first obtained. Pastrana even claims that Marulanda explicitly told him that the FARC wished to eradicate coca, if financing was forthcoming.\[30\]

Unfortunately, negotiations on the subject of crop substitution between the FARC and representatives of the United Nations Drug Control Program (UNDCP) were cancelled following the killing of three North Americans in March 1999 by a group allegedly affiliated to the FARC (Gamboa, 2001). This led to the withdrawal of U.S support for the project, which had tacitly advanced following negotiations in late-1998 between the FARC and U.S State Department representative Peter Romero (Gamboa, 2001). The resurrection of negotiations on this track could provide a path for development cooperation.

The FARC initially demonstrated resistance to the cultivation of illicit narcotics in the regions they controlled. Popular opposition compelled them to accept this practice and harness it as a financing mechanism. This involvement has led to a de-legitimisation of the FARC and their political agenda, but it seems unlikely that the FARC have transformed from a politically-motivated insurgent group into a criminal drug-trafficking organisation. Consequently, an approach based on alternative agricultural development and agrarian reform, within the context of peace negotiations, is far more likely to produce positive results than the military approach adopted thus far. For a substantive peace agreement to be reached, we believe that an economic framework must be created in which the issues of narco-trafficking and kidnapping can be addressed. As one former FARC commander told us, “un cese de fuego para empezar la paz necesita afrontar la droga y el secuestro. Si ustedes encuentran una manera acceptable de pagar por eso, bienvenida!”\[31\] Though we may not have found the perfect solution, we feel this framework represents a movement in the right direction.

### From Greed to Grievance: Socioeconomic issues in the negotiations.

As Chernick (2005) reminds us, “Resources are a factor; they are not the factor” (182). He asserts that approaches to resolving the conflict in Colombia which focus solely on conflict financing are doomed to failure: “In Colombia, the long history of this protracted conflict suggests that other sources of financing are readily available and that the armed actors would adjust. A settlement, then, must be based on addressing the other dimensions of the conflict” (105). The other dimensions to which Chernick refers are socio-economic inequalities and long-term political grievances. Many other commentators have supported this contention (Cardenas, 2003; Guaqueta, 2003). On this aspect past agreements have paid more attention mentioning it eleven times, however only once substantively.

Collier’s assertion that “the motivation of conflict is unimportant; what matters is whether the organization can sustain itself financially” (2000: 203) is too narrow, and incongruent with the fact insurgent groups have displayed remarkable adaptability and resilience in overcoming financial obstacles, as well as the large body of literature that confirms the importance of multiple factors in contributing to internal conflict, from personal enrichment to aggregate psychological conditions. Even in cases where an armed group is defeated or demobilises, for example, underlying motivations have important implications for the post-conflict stability. Peace negotiators have long been aware that simply addressing the demands of an armed group for political influence or financial security in the post-conflict society, without addressing the circumstances which precipitated the conflict, will not result in long-term peace; if the underlying conditions remain and alternative channels for addressing grievances are not provided, other armed movements will emerge (Soliman, 2004). Consequently, we argue that socio-economic grievances must be tackled in a broad manner during the peace process in order to induce the guerrillas to demobilise and to avoid the emergence of new ideologically-motivated armed groups.

Successive Colombian governments have argued that the quality of life for all Colombians has improved since the emergence of the guerrilla movements, pointing to the almost consistent economic growth since the 1940s and the robustness of Colombian democracy (Metelits, 2010). Moreover, national poverty reduced by approximately 8% between 1999 and 2005 (CEPAL, 2009). However, this narrative plasters over the cracks which remain within Colombian society. National poverty remained at 46.8% in 2005 and extreme poverty stood at 25.6% in rural areas (CEPAL, 2009). Colombia has one of the most unequal distributions of wealth in the Western hemisphere. Whether there is a direct correlation between poverty and inequality, and support for the guerrillas is difficult to ascertain, but several broad trends suggest themselves. Nasi (2009) notes, for example, that rebel organisations grew during the agricultural crisis in the 1990s, with combatants mainly coming from the worst affected group: rural peasant farmers. This agricultural crisis “was partly related to mistakes in the government’s economic liberalization policies and exposure to competition by foreign-subsidized agricultural products” (Guaqueta, 2003: 80).
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contributed to the prolongation of the conflict, support for the guerrillas and led many farmers to elect to grow coca, which is more lucrative. Nasi (2009) concludes that, “This suggests that grievance still plays a significant role in the expansion of insurgency” (61).

As is well-known, unlike the AUC, which possessed no discernible social ideology besides maintaining the status quo,[32] the ELN and the FARC have an explicit and expressed Marxist ideology. A FARC document, summarising their economic ideology states:

“Development and economic modernization of the country shall be paired to social justice...The economic policy shall be primarily focused on broadening the internal market, a self-sufficiency of food supply, permanently fostering production and the promotion of small, middle and large private industry, micro-companies and an economy with solidarity (quoted in Cardenas, 2003: 277).”

The ELN espouse a similar ideology, although they place a greater emphasis upon the management of Colombia’s natural resources, opposing privatisation and foreign exploitation (Guaqueta, 2003). The recent and relatively successful attempts to kill or capture the FARC’s leadership and the natural death of Manuel Marulanda, the FARC’s founder, in 2008 may diminish the importance of this Marxist ideology and some even suggest that, “over time, the FARC could look less like an insurgency and more like an organized criminal group” (Metelits, 2010: 199). However, Marulanda’s replacement Alfonso Cano is clearly committed to the FARC’s ideology and has demonstrated control over the organisation, which remains remarkably cohesive despite severe military pressure (ICG, 2009).

Previous negotiations between the government and armed groups have proceeded down two distinct tracks. Either negotiations consider the political agendas of the parties and attempt to answer questions regarding socio-economic issues, or the negotiations focus exclusively on cease-fire, disarmament and reintegration. As Nasi (2009) notes, success seems to result only from the second, narrower, approach: “Whenever the government and the rebel group have attempted to redress the root causes of the Colombian armed conflict, they have failed to reach peace accords” (60). The peace agreement with M-19, signed in March 1990, does not attempt to outline planned reforms or measures to address underlying grievances. Instead, Article 1 propounds the need for constitutional reform and institutional legitimacy and advocates for the holding of a plebiscite, referendum or the convening of a constituent assembly. Article 3 is the only article which addresses development issues, but even this is treated in a characteristically obtuse manner.[33] These provisions are not focused on addressing socio-economic problems but in outlining the framework in which they will be addressed and the form that M-19’s engagement will assume.

The agreement with the EPL also recasts the Ejercito Popular de Liberacion as a political party: Esperanza, Paz y Libertad and provides a framework of governmental support for the promotion of the new party (Articles 1, 2, and 3). This agreement is somewhat more detailed in its development provisions, outlined in Article 10, but leaves provisions to be determined by the bilateral “Comisión de Superación de la Violencia”, established in Article 9. The emphasis in these agreements is clearly on facilitating participation in the existing democratic institutions, rather than providing detailed reforms. Similarly, Article 1 of the Acuerdo Final Entre El Gobierno Nacional Y El Partido Revolucionario De Los Trabajadores (PRT) guarantees the PRT a permanent voice in the Constituent Assembly, which was tasked with redrafting the constitution, without the right to vote, while articles 2, 3, and 4 outline the transition of the PRT into a political party. This agreement was reached after only six months of negotiations; this expediency resulted from the decision to relegate more contentious decisions regarding the specificity of reforms to the Constituent Assembly and other institutions. This is one of the obvious advantages of the narrow agenda.

The 1984 Acuerdo De La Prolongacion de la Tregua, between the government and the FARC pursued a similar model. In Article 6, the FARC agreed to pursue its objectives through mainstream political means and in Article 7 the government authorised the creation of the FARC’s political party: La Unión Patriótica (UP). The UP had considerable success in rallying political support during the 1980s: in 1986, for example, the UP won 350 local council seats, 23 deputy positions, 9 seats in the House and 6 in the Senate (Metelits, 2010). However, as mentioned above, UP members were targets of widespread violence by drug-traffickers and paramilitaries with government complicity. As Metelits concludes, “The annihilation of the UP signaled that the political door had been shut tight against the FARC” (2010: 99). This suspicion of the political route to change has been further bolstered by the relative failure of former armed groups to gain a foothold in Colombian politics. For example, M-19 fared poorly in the 1994 election, losing all of the ten parliamentary seats it gained in 1991 and receiving less than 2% of the vote for its presidential candidate. The downward trajectory of the EPL, which never became a political force at the national level, matched that of M-19 at the local level (Chernick, 1999). Convincing the FARC to re-enter mainstream politics will be difficult. Unless their military position changes dramatically and defeat looks imminent, FARC will never accept a narrow agenda for peace negotiations (Chernick, 2009). The ELN would also strongly resist the narrow approach (ICG, 2007).

Although the narrow approach is not a viable option for negotiations with the FARC and the ELN, neither is the broad approach adopted by Gaviarr and Pachstrana. The dangers of a broad agenda are easily seen from a brief overview of the issues considered during the Pastrana negotiations with the FARC: “...after elaborating on the agenda, the two sides chose to begin with the issue of economic reforms, and, specifically, employment policies. They spent the next three and a half years on this issue” (Chernick, 2009: 76). The government’s unemployment policies are an emotive subject in Colombia where unemployment stood at 17.3% in the year 2000, the highest rate in Latin America (CEPAL, 2009). By insisting on beginning with this issue, the FARC (Chernick, 2009: 76). The government’s unemployment policies are an emotive subject in Colombia where unemployment stood at 17.3% in the year 2000, the highest rate in Latin America (CEPAL, 2009). By insisting on beginning with this issue, the FARC

C Chernick (2009) notes that the core demands and negotiating position of the FARC have been remarkably consistent over
The weakness of the Pastrana administration allowed this issue to stall the process for over three years. It is important to intimated that it was not serious about reaching an agreement but was merely looking to buy time and criticise the government.

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Ejercito Popular de Liberacion (ELN) and the FARC have an explicit and expressed Marxist ideology. A FARC document, summarising their economic ideology states: "The economic policy shall be the economic modernization of the country shall be paired to social justice...The economic policy shall be the ELN and the FARC have an explicit and expressed Marxist ideology. A FARC document, summarising their economic ideology states:

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time, concluding that, “At a minimum the broad agenda would include addressing agrarian reform and rural development, including the issue of illicit crops...and establishing broad framework agreements on social policy and natural resources” (78). According one former FARC Commander interviewed by the authors, the issue of land reform is the central issue for the FARC, although this is disputed by other guerrillas. Natural resources and energy policy are a major issue for the ELN and would need to be tackled in any peace process. For example, the ELN vociferously expressed its opposition to the privatisation of Ecopetrol, the then-state-owned oil company (ICG, 2007). A limited agenda should ensure that the negotiations are no longer interminable struggles over trivial issues, while guaranteeing that the guerrilla's core demands are not relegated to history if they are politically side-lined in a post-conflict Colombia. We recognise that the FARC's agenda, and the ELN's, is not “revolutionary, socialist, maximalist, or intransigent” but is, in fact, “more or less within the scope of much of the contemporary left in present-day Latin America” (Chernick, 2009: 67, 94). The reader must bear this in mind when noting that the measures we propose, and believe the FARC and ELN might accept, do not seem like the radical demands of left-wing guerrillas.

We do not disagree with the sentiment that, “the FARC has no capacity to be a development organisation” (Schultze-Kraft, 2010), but we believe that there is tentative evidence to suggest a link between investment in development and the achievement of a sustainable peace agreement. For example, although the Plan Nacional de Rehabilitación (PNR) was created as a national development organisation under Betancur, it remained relatively inactive (Jaramillo, 2007). This lack of commitment may have contributed to Betancur's failure to reach any lasting agreement. Conversely, “The PNR, abandoned and left without funds after its creation by Betancur, was put back on the drawing board and then implemented, given ample resources, and elevated to the top of the government's agenda by Barco” (Jaramillo, 2007:100). This may have laid the foundation for his and Gaviria's successful negotiations. The government and the guerrilla groups should provisionally agree on a joint vision for economic development and land reform in the conflict regions and open a parallel development track to negotiations. Admittedly, this would be resisted by landowners and rich investors.

Economic growth and land reform are closely interlinked. Due to unequal land ownership, economic growth has led to the widening of inequality in Latin America, rather than widespread economic development (Deininger, 2003). Deininger contends that, “Where extreme inequality in land distribution and underutilisation of vast tracts of productive land co-exist with deep rural poverty, a case for redistributive measures to increase access to land by the poor can be made, both politically and from an economic perspective” (2003: xi). These conditions exist in Colombia but, as Isacson and Poe note, “Colombia is the only major Latin American nation where large landholders have avoided significant land reform” (3). The Colombian Land Reform Agency, INCODER (formerly INCORA) is widely criticised for inefficiency, and must be reformed if the claims of the guerrillas are to be credibly denied. The government should take measures to halt “reverse land reform”, the process by which investors buy land held by displaced farmers for low prices, and improve redistributive measures. This could be assisted by informing displaced farmers of their right to have loans renegotiated and protecting them from intimidation by the “goons” of large landowners (Isacson & Poe, 2009).

Wennmann suggests that development assistance “can be used to ensure compliance with a peace process”, if structured properly (2010: 4). However, he admits that there are difficulties as, “development assistance to governments or [non-state actors] NSAs that have been involved in major atrocities can be rejected on moral grounds, even if their demobilisation and reintegration is often a political priority” (4). This is certainly an issue in the Colombian context. The government must be careful not to repeat the mistakes of the Pastrana administration in establishing the Zona de Despeje, or demilitarized zone, during the 1998-2002 negotiations with the FARC. The Zona de Despeje attracted massive investment from NGOs and the international community (Guaqueta 2003). However, the refusal of the FARC to allow international verification to confirm that the area was not being utilised for drug-trafficking, which should be a precondition in the future, undermined trust between the parties and the peace process as a whole. This development track ended up presenting more of an obstacle in the negotiations than a channel, as the opinion of the Colombian public and the US administration turned against Pastrana and the peace process. These mistakes must not be repeated.

Any future peace process will have to address the socio-economic grievances which precipitated the conflict and continue to drive support for the FARC and the ELN. It is unlikely that the tactic of delaying in-depth treatment and focusing on channelling grievances into a political avenue will be favourably received by the guerrillas due to the negative experiences of the past. Neither should the adoption of a broad agenda be tolerated by the government, as this would only result in negotiations without end. Instead, the government should immediately address questions concerning rural development, land reform and natural resources, preferably as part of a parallel track to negotiations, and agree to a limited negotiation agenda, including these items.

Crime is a Growth Industry: Addressing the Reinsertion of Demobilised Combatants

Reinsertion, of course, encompasses many legal, moral, and psychological issues that cannot be ignored: it is not simply about giving the people who used to carry guns in the jungle jobs in cities. Instrumental to the reinsertion process, as various commentators have noted, is a Truth and Reconciliation Commission, and measures to ensure the safety of demobilised combatants (Chernick, 2008).[35] While taking this into account, this section will only focus on the more explicitly economic aspects of this post-conflict phase: mainly related to the reinsertion of demobilised combatants. Ten out of twenty agreements mention this aspect, and half substantively, however, it still remains vague what the state would hypothetically do with future potentially demobilised rebels.

The treatment of the issue of reinsertion in the peace process is central to fostering reconciliation and is critical in preventing a relapse into armed conflict (Lederach, 1997). Reinsertion attempts to bring those who were outside, and in fact undermined, the legal structure back into this framework by creating an economic and legal space for them. We will analyse how reinsertion has been historically dealt with in the Colombian context: its costs, conditions, problems, the different treatment it has
reinsertion has been historically dealt with in the Colombian context: its costs, conditions, problems, the different treatment it has undermined, the legal structure back into this framework by creating an economic and legal space for them. We will analyse how preventing a relapse into armed conflict (Lederach, 1997). Reinsertion attempts to bring those who were outside, and in fact potentially demobilised rebels.

The treatment of the issue of reinsertion in the peace process is central to the successful negotiations. The government and the guerrilla groups should provisionally agree on a joint vision for economic development tracks that are likely to be approved after the final agreement is reached. This shared vision is important partly because the two sides will need to agree on individual development plans, which means that they are likely to agree on the common economic development tracks. Any future peace process will have to address the socio-economic grievances which precipitated the conflict and continue to drive support for the FARC and the ELN. It is unlikely that the tactic of delaying in-depth treatment and focusing on other issues will be successful as the government will need to return to the negotiating table and resolve these issues. The past mistakes of the Pastrana administration in establishing the local development organisations, known as Zonas de Despeje, attracted massive investment from NGOs and the international community, but the programmes have failed to meet their proclaimed goals. Instead, the government should immediately address questions concerning rural development, land reform and natural resources.

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The reader must bear in mind when noting that the measures we propose, and believe the FARC and ELN might accept, do not seem like the radical demands of left-wing guerrillas. Nevertheless, the reader must also be aware that the FARC and ELN might be in a position to demand more radical terms in order to secure the release of prisoners and the end of the conflict. The reader must also be aware that any future peace process will have to address the socio-economic grievances which precipitated the conflict and continue to drive support for the FARC and the ELN. It is unlikely that the tactic of delaying in-depth treatment and focusing on other issues will be successful as the government will need to return to the negotiating table and resolve these issues. The past mistakes of the Pastrana administration in establishing the local development organisations, known as Zonas de Despeje, attracted massive investment from NGOs and the international community, but the programmes have failed to meet their proclaimed goals. Instead, the government should immediately address questions concerning rural development, land reform and natural resources.

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received in different agreements, and differences between the treatment of rebel groups and paramilitaries. As Morgenstein (2008: 2) states, “an essential component of any post-conflict stabilization program is the permanent dismantlement of armed groups and their fruitful absorption into civilian society.” This is our definition of reinsertion.

In Colombia, reinsertion programmes were often detailed only after a peace agreement was reached. The focus was placed on cease-fire and negotiation; not what followed. For example, in Article 7 of the 1984, Acuerdos de la Uribe, it was stated that FARC members could benefit from the Law 35 (1982) for reinsertion under the National Rehabilitation plan. No further details were given, and a programme for reinsertion was never created. This cursory treatment of reinsertion may partially explain why demobilisation was not achieved following this agreement. Another obvious example noted above is the agreement between the government and the M-19, which sought to reincorporate former fighters into the political fabric by transforming them into a political group. However, it did not offer a very detailed reintegration process.

Nonetheless, some of the signed peace agreements which have successfully demobilised armed groups have had sophisticated reinsertion programs. The agreement with the CRS was the first to comprehensively outline a plan for reinsertion. It relabelled demobilised fighters, “promoters of peace.” Ostensibly, in return for these services, they were provided healthcare for two years and psychological support for 18 months, as well as a financial package, which included 170,000 pesos a month (US$ 85), for the period of one year. They were also offered training in order to re-enter the job market and to benefit from Decree 1934 (1992), which established the “Programa de dotacion de Tierras para miembros de Grupos Desmovilizados,” under which they were given small allotments of land for cultivation. The agreement with the Partido Revolucionario de los Trabajadores (PRT) was even more comprehensive. It created the “Plan de Reconciliacion en la Paz,” which transformed the PRT into a political party and created a five point reinsertion plan including: subsistence payments, healthcare, education, preparation for work, and complementary projects (e.g. sports and cultural activities). This became the model adopted in later agreements, for example with the Ejercito Popular de Liberacion. The government acknowledged that it could not realise this type of elaborate reinsertion programme without financial assistance from other actors and in later agreements sought contributions from the international and business communities. In the 1991 agreement with the EPL, the parties directly invite, in article VII.3, the private sector and business community to support them. This element will need to play an important role in any future peace negotiation, as discussed below.

One of the last agreements that the government successfully concluded with a guerrilla group was with MIR-COAR, an insurgent group from the city of Medellin. In this agreement, the government agreed to provide 300,000 pesos (US$ 150) a month for 12 months, in return for the services of demobilised fighters, designated as “builders of peace.” The government also agreed to finance development projects to give work to MIR-COAR fighters. Furthermore, it agreed to provide technical assistance and training, peace education, high school, university, and elementary education, as well as technical training. Lastly, the government even committed 80,000,000 pesos (about US$ 40,000) to help find housing for ex-fighters in the city of Medellin. In any future projects that the government undertook, it committed to include MIR COAR members, as well a broader community representation.

Finally, the broadest and most controversial reintegration project that the government has undertaken has been with the paramilitaries. In Article 2 of the agreement of Santa Fe de Rialto, the AUC agreed to “gradually” demobilise. Although still beset by legal problems, as the United States continues to demand extraditions even after having taken custody of some of AUC’s main commanders, including Salvatore Mancuso, the Ley de Justicia y Paz, created out of this process, was able to demobilise over 31,000 fighters and take in over 18,000 weapons from 1996-2006 (Caramés, 2009). This elaborate reinsertion programme is conducted over 18 months from the time ex-fighters settle in new areas. The programme is run by the Ministry of Internal Affairs and Justice through its Programme for Reincorporation into Civilian Life, and is operated through the Reference and Opportunity Centers (CROs). The basic programme structure includes, “help in reaching the settlement location, a personal subsistence allowance of SUS155 per month for 18 months (US$ 2,790 in total), a supplement of US$ 45 to return to their communities, ethical and academic assistance, legal and psychological support and advice regarding the job market” (Caramés, 2009). In order to receive their monthly payments, the demobilised fighters need to partake in rehabilitation activities over the course of the 18 months. Despite impressive statistics, the question remains as to whether or not this demobilisation was a success. Accounts abound of new paramilitary groups forming, and evidence presented in El Tiempo (2010) suggest that formerly demobilised fighters have found “employment” with gangs and drug-traffickers having been recruited for their “combat” experience.

Citing the Organisation of American States (OAS), who are responsible for verifying the reinsertion programme, Fisas and Caramés state that, “at least 4,000 demobilised paramilitaries have returned to their criminal activities” (Fisas & Caramés, 2009). This was confirmed by a statement made by AUC leader, Salvatore Mancuso in February 2007, who said that the paramilitaries were reorganising under the title of “Aguilas Negras” and already had 5,000 fighters. Nuevo Arco Iris calculated in 2008 that, “if we sum up the demobilized paramilitaries that have joined an armed group again, the ones that did not demobilize and the new groups that have appeared, we have, again, 10,200 combatants, spread in 102 groups that have 21 different names and presence in 246 municipalities” (Valencia, 2008). These numbers make it difficult to claim the AUC demobilisation to be “complete”; let alone “successful.”

Unlike the earlier agreements with the guerrillas, the conditions for the AUC demobilisation do not appear in the respective peace agreements, but in “statutes and bills subject to democratic debate by Congress, reviewed by the Constitutional Court and regulated by the executive” (Jaramillo, Giha & Torres, 2009: 22). This means that results of negotiations with the AUC were, “significantly modified in such a way that even today there is no certainty as to the terms of the DDR process in Colombia, nor as to whether the paramilitaries will comply with conditions they did not agree to” (Jaramillo, Giha & Torres, 2009: 12). This perhaps accounts for the significant levels of recidivism under this system: levels of “buy-in” are a priori lower for conditions...
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which are imposed rather than reached in a consultative process and this may have negative impacts on sustainability. Chernick (2008) agrees that the AUC reinsertion program is ambiguous. This poses a problem as it is the latest and broadest reinsertion program and is likely to be proposed as a model for the FARC and the ELN. It seems unlikely that either will agree to a process which leaves the future of their combatants and leaders uncertain, to be decided by democratic fiat. There have been various critics of the idea of simply duplicating the Justice and Peace Law with the guerrillas. According to Aldo Civico, trying to transpose this model onto the ELN clearly contributed to the failure of talks with this group. [44]

Another obvious obstacle to the success of a reintegration programme is cost. It costs large amounts of money to subsidise demobilised fighters, their healthcare, to pay for rehabilitation programmes, education, psychological care, job training, and subsequently guarantee certain levels of security. Although exact figures are difficult to calculate, which compounds the problem, some sources have estimated the budget for the AUC demobilisation from 2003-2006 at around $300 million. [45] As of February 2009, the program managed by the office of the High Counsellor for Reinsertion (ACR) covered 50,000 ex-paramilitaries and insurgents, but its long-term financial sustainability may be at risk due to the increasing numbers of ex-FARC and ex-ELN fighters, who are already 35% of the total (ICG, 2009). [46] With its current budget, the government's reinsertion programme would not be able to cope with the mass demobilisation of the FARC and the ELN.

Related to this issue is the fact that if subsidies are not enough, or the rehabilitation is not thorough enough, then demobilised fighters are easy targets for recruitment: “Defection and demobilisation numbers depend to a large extent on the government's ability to make good on the incentives it promises to former combatants” (Morgenstein, 2008). Their “work experience” is greatly appreciated by other “employers”: drug-traffickers, gangs, or New Illegal Armed Groups (NIAGs). OAS research conducted in the prisons of Bellavista, La Picota and Valledupar has also found that reasons to re-mobilise, “no son por inconformismo con los programas de Gobierno sino a las dificultades en su proceso de reintegración.” [47] El Tiempo reported that more than half had taken up arms again due to lack of money. Morgenstein (2008) notes that the 358,000 Colombian Pesos (US $160) monthly stipend for demobilised combatants, is “barely enough for one person to survive a month and certainly not enough to support a family.” If the programme remains underfunded there is a serious risk that large-scale remobilisation could occur. This problem may be compounded by the government's strategy of attempting to “fracture” the FARC into smaller units. It is assumed that these units would be easier to demolise, however, should this succeed, “it entails the serious risk of driving the resulting splinter groups not into a DDR program but into closer forms of cooperation with powerful organised criminal groups or NIAGs” (ICG, 2009).

Given the economic burden imposed by providing demobilised combatants with monthly stipends, we hypothesise that greater consideration should be given to projects which allow the combatants to become productive members of society. Morgenstein (2008) suggests that there has been a chronic lack of support for government programmes like Centers for References and Opportunities (CROs), El Servicio Nacional de Aprendizaje (SENA), and the Productive Projects for Peace (PPP). He also notes that “offering the demobilised a viable economic future demands that they have proper educational, psychological, and financial support” (2008:10). Certainly, the active involvement of the business community is key, because demobilised soldiers are still regarded with a certain stigma and are consequently almost unemployable. However, “The involvement of the private sector in an employment strategy was completely neglected in the 1990s” (Jaramillo, Giha & Torres, 2009: 20). This historical neglect will need to be overcome in any future peace processes. As Morgenstein (2008: 14) concludes, “To ensure long-term success, reintegration programs require the successful collaboration of the business community to maximize job opportunities for ex-combatants.” The government must play a greater role in creating short to mid-term employment for the recently demobilised through PPPs, if remobilisation is to be prevented without massive expense.

In the 1980s, the peace processes of Betancur and Barco did not always have a detailed plan for reinsertion, but under Gaviria a detailed approach to reinsertion was adopted, even considering the educational and psychological needs of demobilised fighters. Perhaps, partly as a result of this the agreements reached during his administration have been relatively sustainable, as indicated in our table (Appendix 1). However, he did not have to contend with large numbers of combatants. As noted above, Pastrana's efforts got waylaid by other issues before being able to elaborate a reinsertion plan, and Uribe's dealings with the AUC, though demobilising many, have left an unsatisfying reinsertion model. Thus, though there have been some successes in the terms of reinsertion, a model that could apply to the current situation with the guerrillas is not clearly available. Our proposal for reinsertion is founded on three pillars: firstly, the conditions must be outlined in the peace agreement to ensure “buy-in”; secondly there must be significant investment by the government in both stipends and education and training programmes; and finally active involvement from the private-sector is needed to provide employment opportunities for demobilised combatants.

After six decades of violence and twenty-five years of failed peace processes, it is no surprise that all sides have difficulty imagining how reinsertion, let alone peace, can be achieved (Azcarate, 2003). Failed reinsertion is indeed very dangerous as it reinforces the idea that the violence is inevitable. A new peace agreement and process cannot afford to ignore, or relegate “future” problems to be dealt with “later.” Both the past and present have proven this path to be unsustainable. Of course, it will take time, and most certainly money, but as Lederach (1997: 78) says, “We cannot respond with quick fixes to situations of protracted conflict. We must think about the healing of people and the rebuilding of the web of their relationships in terms relative to those that it took to create the hatred and violence that has divided them.” What is needed in Colombia is a structure that will allow this process to begin.

**Conclusion: Economic aspects as one piece of the puzzle**

This paper hopes to demonstrate the importance of considering economic issues in peace processes, as previous research has tended to focus exclusively on conflict financing. We sought to advance an “economic” perspective of peace processes,
has tended to focus exclusively on conflict financing. We sought to advance an “economic” perspective of peace processes, allowing this process to begin.

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A new peace agreement and process cannot afford to ignore, or relegate, the economic future demands that they have proper educational, psychological, and occupational support. Demobilising fighters is not enough to support a family. According to Aldo Civico, trying to transpose this program and is likely to be proposed as a model for the FARC and the ELN. It seems unlikely that either will agree to a process which are imposed rather than reached in a consultative process and this may have negative impacts on sustainability. Chernick (2008) notes that the 358,000 Colombian Pesos of reintegration provided to former paramilitary leaders is assumed that these units would be easier to demobilise, however, should this succeed, "it entails the serious risk of driving the recruitment of FARC/ELN fighters. Consequently almost unemployable. However, "The involvement of the private sector in an employment strategy was completely neglected in the research conducted in the prisons of Bellavista, La Picota and Valledupar has also found that reasons to re-mobilise,...

Related to this issue is the fact that if subsidies are not enough, or the rehabilitation is not thorough enough, then the reinsertion programme would not be able to cope with the mass demobilisation of the FARC and the ELN. Ex-paramilitaries and insurgents, but its long-term financial sustainability may be at risk due to the increasing numbers of ex-FARC and ex-ELN fighters, who are already 35% of the total (ICG, 2009).

This historical neglect will need to be overcome in any future peace process and is likely to be proposed as a model for the FARC and the ELN. It seems unlikely that either will agree to a process which are imposed rather than reached in a consultative process and this may have negative impacts on sustainability. Chernick (2008) notes that the 358,000 Colombian Pesos of reintegration provided to former paramilitary leaders is assumed that these units would be easier to demobilise, however, should this succeed, "it entails the serious risk of driving the recruitment of FARC/ELN fighters. Consequently almost unemployable. However, "The involvement of the private sector in an employment strategy was completely neglected in the research conducted in the prisons of Bellavista, La Picota and Valledupar has also found that reasons to re-mobilise,...

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In the 1980s, the peace processes of Betancur and Barco did not always have a detailed plan for reinsertion, but under Gaviria a detailed approach to reinsertion was adopted, even considering the educational and psychological needs of demobilised fighters. Perhaps, partly as a result of this the agreements reached during his administration have been relatively sustainable, as indicated in our table (Appendix 1). However, he did not have to contend with large numbers of combatants. As noted above, Pastrana's efforts got waylaid by other issues before being able to elaborate a reinsertion plan, and Uribe's dealings with the AUC, includes a chronic lack of support for government programmes like Centers for References and Opportunities (CROs), is likely to be proposed as a model for the FARC and the ELN. It seems unlikely that either will agree to a process which are imposed rather than reached in a consultative process and this may have negative impacts on sustainability. Chernick (2008) notes that the 358,000 Colombian Pesos of reintegration provided to former paramilitary leaders is assumed that these units would be easier to demobilise, however, should this succeed, "it entails the serious risk of driving the recruitment of FARC/ELN fighters. Consequently almost unemployable. However, "The involvement of the private sector in an employment strategy was completely neglected in the research conducted in the prisons of Bellavista, La Picota and Valledupar has also found that reasons to re-mobilise,...

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creating a parallax by which the true depth of the conflict can be appreciated. Each aspect, if successfully dealt with can serve as a confidence building measure. As Chernick (2008: 101) notes: “Los processos de paz no deben depender sólo de la voluntad política. Deben estructurarse para calmar las preocupaciones y crear dinámicas que cambien las percepciones y las tácticas de cada parte combatiente.”[50] We cannot engineer political will but, by explicating the economic obstacles to a future peace process and offering some suggestions on how to resolve these issues, we hope that a more conducive environment can be created for peace in Colombia. Firstly, we have the firm conviction that the obstacles presented by the sources of conflict financing can be overcome, through mechanisms such as an anti-kidnapping fund and financial commitment to alternative agricultural development. Secondly, we stress the necessity of addressing the economic grievances which precipitated the conflict. This will not only facilitate negotiations but generally improve the quality of life for millions of Colombians. Finally, we suggest that if sustainable peace is to be achieved, the Colombian peace process will need to seriously consider the reinsertion of demobilised combatants and clearly outline the details of this reinsertion programme in any future peace agreement with the FARC or the ELN. Our table illustrates that no process included all the economic issues which we deem pivotal, but many of the more sustainable agreements incorporated some of our suggestions. More study is needed however.

The issues explored above are highly interlinked. By way of illustration, it seems evident that the elimination of the drug trade, considered in the first section, will require land reform and rural development projects, issues central to the second section, which could incorporate demobilised combatants, as described in the third section of the paper. Furthermore, we realise that many of the issues highlighted breach the conceptual barriers which typically demarcate the boundaries of conflict resolution. However, we believe that a peace agreement must ultimately be embedded in a society-wide push for a culture of peace, thus many subjects must be broached during the peace process. As the former spokesperson for the ELN, Francisco Galán has stated, the various “violences” in Colombia have become entangled. He proposes four “agreements” to promote this broader culture of peace:

1) Un acuerdo mundial con países afectados
2) Un acuerdo entre estado (que tiene que ser legítimo) y la sociedad
3) Una oferta que saque los violentos de la violencia necesita la seguridad y respecta la dignidad
4) La promoción de una cultura de paz através la educación.[51]

We believe that his panoptic view would demand a peace process with a robust economic framework and could be integrated with our own findings. The peace process needed in Colombia cannot be understood as a discrete part of the government’s political agenda: it is embedded in the broader national and international context. Consequently, the enabling environment called for, demands the reform of economic, foreign and defence policies, as well as a reconsideration of the relationship between public and private sectors. This also brings us close to the overarching ERICA-approach (La estrategia de resolución integral del conflicto armado) advocated by Markus Schultze-Kraft (2009). However, the important difference in our approach to that of Galán and Schultze-Kraft is that we do not believe that these reforms preclude peace negotiations. On the contrary, these reforms should be integrated into the peace processes with the FARC and the ELN.

If the past has taught us anything, it is that a small number of guerrillas can keep an insurgency going, and that military means alone will not solve this conflict. Sooner or later dialogue must begin again. Hopefully the next (last?) time we will have learned our lessons.

APPENDIX 1

Table 1.0: Comparison of the Peace Processes

We wanted to look at the past peace processes through the lens of our explanatory variables. The agreements are ordered chronologically and then classified: some are final agreements, while others are either provisional, preparatory or simply agendas. We then determined whether our explanatory variables are present and to what degree they are treated, varying from No, Cursory, to Substantive or Delayed (which meant that it was mentioned but as something to be dealt with in another forum). Where these variables are present we cite the relevant articles.

We wished to determine whether the presence of our variables affect the sustainability of the agreements. The “Sustainability Grade” is made up of three other variables each graded from 0-2, and an extra point for agreements that engaged armed groups that were larger than 2,000 fighters: giving a maximum grade of 7. We award an additional point for agreements with the largest groups because demobilising these groups would have the greatest impact. These variables are: the length of the cease-fire (0 points if no cease-fire was part of the agreement, 1 point for 3 years or less, and 2 for more than 3 years); the channelling of grievances politically (1 point for the creation of a political party or inclusion in a constituent assembly, 2 points for both, 0 for neither), and the percentage of fighters demobilised (0 points for 0-20%, 1 point 21-80%, 2 points for 81-100%).

The breakdown of the Sustainability Grade for each agreement is not present on the table because of space constraints and to enhance readability. As an example, our highest rated agreement was the M-19 accord, which gained 6 points. It lasted for more than 3 years, (2 points); created both a political party and allowed the group to participate in a constituent assembly, (2 points) and demobilised all of the M-19 fighters. (2 points) However, since M-19 were less than 2,000 fighters they did not receive the extra point gained by agreements including the FARC, ELN, EPL and AUC. This remains a limited analysis as even an agreement that considers many issues may not score highly because it is not a final agreement, producing demobilisation. We tentatively suggest that having more of our explanatory variables present leads to greater sustainability in final agreements. However, no past agreement has dealt with all of them together.
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Acuerdo de Cravo Norte, 15/05/1991
Acuerdo de Cronograma de Consenso Para El Futuro del Processo de Paz, 20/01//2002
Acuerdo De La Puerta Del Cielo, 15/07/1998
Acuerdo De Los Pozos, 09/02/2001
Acuerdo De Prolongacion De La Tregua, 02/03/1986
Acuerdo De San Franciso De La Sombra Para Concretar Y Consolidar El Proceso De Paz, 05/10/2001
Acuerdo de Santa Fe de Ralito Para Contribuir a la Paz de Colombia, 15/07/2003
Acuerdo entre la Comision de Paz, Diálogo y Verificación y los Destacamentos Simón Bolívar Y Antonio Nariño Del Ejército de Liberación Nacional, ELN, 20/07/1986
Acuerdo Entre Los Comandos Ernesto Rojas Y El Gobierno Nacional, 20/03/1992
Acuerdo Entre Los Comandos Ernesto Rojas Y El Gobierno Nacional, 20/03/1992

Acuerdo Final Entre El Gobierno Nacional y el Movimiento Armado Quint’n Lame, 07/02/2002

Acuerdos De La Uribe, 28/03/1984

Agenda Comin Por El Cambio Hacia Una Nueva Colombia, 06/05/1999

Declaración de Viana, 09/02/1998

Interviews

Civico, Aldo, Director of Center for International Conflict Resolution, Columbia University, Interview, 17th May 2010 Geneva.

Former FARC Commander. Telephone Interview. 24th May 2010.


Footnotes


[2] In the last month he has said both that “the door to peace is closed,” Yefe, Luis Guillermo Forero, “Alfonso Cano caerà como cayò el Mono Jojoy: Santos,” El Tiempo, February 17, 2011; and that “there is a hand that offers peace if there is true good will,” El Tiempo, “La puerta De La Paz No Está Cerrada,” February 5th, 2011.


[4] Translation: There is the risk that the conflict and the methods and arms it employs will suffer greater fragmentation and degradation.


[6] Translation: When analysing complex conflicts the question is not “what is the solution?” but “what is the right process?”

[7] Of course the process was not perfect and the M19 political party has since been discredited, which shows that a focus on the “post-conflict” and “post-agreement” may need to be broadened even further than our own framework.


[11] Please note that this refers to the numbers of kidnapping, not the numbers of people held, which are significantly larger. Fundación País Libre. 2008 “Estadísticas Secuestro Generales Enero de 1996 – Mayo 2008”

[12] In a response to demands to cease kidnapping, led by Senator Piedad Cordoba, the FARC responded; Translation: “How should we finance a confrontation like the one in Colombia? How does the state do it, for example? Through general taxes, war taxes, the contributions of transnational corporations... In the spirit of minimizing the impact on non-combatants, the FARC issued Taxation Law 002, which charges a peace tax from those persons or companies whose assets exceed one million dollars and ultimately only provides for resource retention.” See Secretariado del Estado Mayor Central de las FARC-EP, 2008. “Response to Senator Piedad Cordoba and Colombianos Por La Paz,” 17th December 2008.


[15] These were representatives of Civil Society. It is important to note that the government of Colombia was not a party to this agreement.

[16] Art 9. Acuerdo de la Puerta del Cielo. Translation: “The ELN agrees to cease the retention or the withdrawal of liberty from persons for financial purposes, if sufficient resources are made available through other means to the ELN so that- until the culmination of the peace process with this organisation- they will not be weakened strategically.”

[17] Especially since Samper's reputation was marred by the discovery that his campaign had been partly financed by the Cali drug cartel. See Pécaut, Daniel. 2008 Les FARC, une Guérilla sans fins? (Lignes de Repères, Paris) p.47

[18] Translation: The state will pay to try to convince criminals not to commit crimes.

[19] This would admittedly be difficult to reconcile with current Santos rhetoric.

[21] Or also in the form of humanitarian agreements such as that of the organisation Colombinos y Colombianas por la paz. Congressman Cepeda argues that their agreements have actually helped “humanise” the conflict and not only helped the application of humanitarian law, but have also brought peace closer. See Cepeda, Iván Castro, “Está Cerca El Fin Del Secuestro? Contesta Iván Cepeda,” El Tiempo, February 12th, 2011.

[22] In a confidential communication with the authors, one diplomat stated, “It is an excellent idea, especially if the guerrillas would accept it, but I doubt they will.” In a telephone interview, a former FARC commander said that “mines are the best defence the guerrillas have, they will be reluctant to give it up.”

[23] It is however important to remember that official US figures suggest that “only 10% of the US$ 77 billion cocaine market is repatriated, whereas the remainder is recycled in the international financial system.” See Douma, P.S. 2003 The Political Economy of Internal Conflict: A Comparative Analysis of Angola, Colombia, Sierra Leone, and Sri Lanka. (Clingendael, The Hague) p.89.

[24] All three groups were named “Specially designated Narcotics traffickers,” or as they say in Colombia, “on the Clinton List.”:
http://www.ustreas.gov/offices/enforcement/ofac/programs/narco/narco.shtml


[28] Translation: “the recuperation and distribution of land acquired through narco-trafficking or illicit cultivation.”


[30] In an interview Pastrana said that, “Marulanda said to me: Give me the money and I will eradicate them. Give me ten years and I will eradicate them or we can do it together. Let's look for a pilot municipality and do a pilot program.” See La Semana, 1999. Interview with Andres Pastrana “Creo en la palabra de Tirofijo.” January 25th 1999.

[31] Translation: “A Cease-fire that could start the peace process will need to confront the issue of drugs and kidnapping. If you find an acceptable way to “pay” for that, than please do!”

[32] Chernick describes them as “neither insurgents nor belligerents – they are in 'defence' of the State and are the state's responsibility,” Acuerdo Posible, p. 30.

[33] Translation: “The National Fund for Peace, foreseen in the Political Pact, is destined to organise activities and programs for the public good in regions where the demobilised guerrillas have had influence, will be financed by the Government, private enterprises, and international foundations willing to support it.”

[34] Confirmed by our interview with former FARC commander. 24th May 2010.

[35] The infamous annihilation of the UP members is the most well-known historical example but, El Tiempo reported that, among the ranks of the demobilised AUC, 1862 demobilised fighters have asked the state for protection and 1622 reinserted fighters have been killed. The OAS also found that 52% of the demobilised combatants they interviewed in prison had been victims of threats or had been attacked. El Tiempo, 2010 “Unos dos mil reinsertados le piden al Gobierno más seguridad por amenazas y atentados,” May 10th 2010.

[36] Article 4.9 of Corriente de la Renovacion Socialista Agreement

[37] Translation: Programme for the endowment of land to members of demobilised groups

[38] Translation: Plan of Reconciliation in Peace.


[40] Movimiento Independiente Revolucionario-Comandos Armados. (Independent Revolutionary Movement- Armed Commanders), subsequently changed its name to Movimiento de Integración Regional (Movement for Regional Integration).

[41] Article VI. 1, Acuerdo con el Movimiento Independiente Revolucionario-Comandos Armados

[42] Translation: Justice and Peace Law


[44] Translation of full quote: “The Colombian government tried to repeat the scheme used for the AUC: demobilisation, reintegration, and social and political life, but it is impossible to adapt that formula to the insurgency.”


[46] The ACR's office budget is 180,000 million Colombian pesos (about $78.3million) per year between 2008 and 2010. The international community contributes 4 per cent.

[47] Translation: “it is not because they do not want to conform to government programs, but because of problems with their reintegration.”

[48] Translation: the National Learning Service


[50] Translation: The peace process cannot depend only on political will. They need to be structured so that they address fears and create the
dynamics that can change perceptions and the tactics of each side.

[51] Translation: “1) Global agreement with affected countries 2) Agreement between the state (which must be legitimate) and society 3) An opportunity to help the violent exit violence requires security and respect for dignity 4) The promotion of a culture of peace through education.

About the Author

Both authors are associated with the Graduate Institute of International and Development Studies, Geneva.
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