CONFLICT PREVENTION
AND POST-CONFLICT RECONSTRUCTION

Colombia
Essays on Conflict, Peace, and Development

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Foreword

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*Cecilia López Montaño—Arturo García Durán*

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Today there are few certainties about the best way to assure our people's progress. Ideologies offer no secure formulas for individual or collective welfare. Despite this crisis in ideologies, ideas have never been more urgently needed than today. A free, mature, and informed debate of ideas is essential for opening doors to new and creative paths into the future. On our journey into the twenty-first century, we cannot carry the heavy baggage of violence and social structures that perpetuate inequality, exclusion, injustice, and violations of human dignity.

At the dawn of the new millennium, it is up to us to take on the challenge of establishing democracy, social justice, human rights, environmental protection, and human security—all elements of authentic human development. They are also the political foundations for a lasting and stable peace, bound to the ideal of respect for people as individuals, the beginning and end of all social action.

This is the perspective I have stressed in Colombia's peace policy. The reconciliation process must be the stage for restoring material and spiritual well-being to all Colombians. We will not achieve this merely by silencing weapons but by transforming the economic, political, and social structures that delay our access to the benefits of development.

Just as peace is much more than the absence of war, achieving peace is a job that must involve our entire society, not only the people directly involved in the process of resolving armed conflict. In our times, no one can assume the right to be "the voice of those who have no voice." Peace is also a commitment to democratic participation.

We have to understand that there can be no peace without development—but also that there can be no development without democracy. We must incorporate this understanding in all our economic and social investment plans and programs, public and private, both as instruments for expanding opportunities for material progress and as a vehicle for social understanding through the collective and shared definition of the Nation's highest goals. This is, without a doubt, the most pressing demand of our times.
Colombia has taken, in the past, an active part in building peace in the Western Hemisphere. It has done so through its political support and backing for such significant Latin American peace initiatives as the Contadora Group for Central America and the Esquipulas II Accord, and as a supporter nation to the peace processes in El Salvador and Guatemala. These peace initiatives were recognized for having set ambitious goals, not only in economic matters by reclaiming a region battered by violence but also by democratizing and demilitarizing society, protecting human rights, and reviving plans for regional economic integration.

The 1984 reform of the Charter of the Organization of American States also originated in those mechanisms. The charter, signed in the Colombian City of Cartagena de Indias, confirmed the American States' obligation to be representative democracies. These efforts also resulted in the Rio Group, which is unquestionably the most important political advisory mechanism in the Americas.

The World Bank has collaborated continuously and decisively in all these processes with remarkable respect for national prerogatives and regional cooperative arrangements. As a technical and financial instrument of the international community, the World Bank deserves our thanks. It has been with us for momentous political decisions in the past as well as for the decisions we must soon make for our future success—in Colombia and throughout Latin America.

ANDRÉS PASTRANA
President of Colombia
ACKNOWLEDGMENTS

A purpose of this book is to present recent World Bank analytical work on the causes of violence and conflict in Colombia, highlighting pilot lending programs oriented to promote peace and development. The Bank’s international experiences in post-conflict situations in different countries and their relevance for Colombia are also examined in this volume. The identification of socioeconomic determinants of conflict, violence, and reforms for peace came about as a key element of the World Bank’s assistance strategy for Colombia, defined in conjunction with government authorities and representatives of civil society.

In the analytical field, emphasis has been placed on the need to combine knowledge about Colombia’s reality with lessons stemming from situations of conflict and peace processes at international level. In the operational area of project design and implementation, the Bank has been working directly with the most vulnerable sectors and social organizations in the areas of conflict under innovative projects that enable violence-torn communities to participate and benefit from productive projects.

We would like to thank the United Nation’s Economic Commission for Latin America and the Caribbean (ECLA) for its financial contribution to the essay by Cecilia López Montañé and Arturo García Durán.

The financial support provided by the Japanese government for some of the work conducive to this book and for the organization of seminars in Colombia and abroad, where these documents were discussed with representatives of civil society, academics, and government, was important in carrying out this effort. We also thank the representatives of the various social organizations that participated in lengthy discussions about these essays, especially the Permanent Assembly of the Civil Society for Peace, the Citizen Mandate for Peace, Redepaz, and the Network of Universities for Peace. We would also like to thank Carlos Alberto García for his collaboration on the Spanish edition and Kathleen A. Lynch for her hard work editing the English version of this book.

Felipe Saez’s great support and knowledge of Colombia were invaluable in making this publication possible. Mr. Saez represented the World Bank in Colombia in 1994–99, critical years of intensified conflict and

1 This book is an English translation of the Spanish edition entitled «Ensayos sobre paz y desarrollo, el caso de Colombia y la experiencia internacional», 1999: World Bank, with some revisions and updating. Therefore, it may not fully coincide with the Spanish original text.
political tension. The generous editorial help and overall coordination given by Fiona Clark and Connie Luff, and other members of the Colombia Country Team, and the secretarial support given by Mirtyla Lane and Carolina Parodi at the World Bank are also greatly appreciated.

We hope this book makes a useful contribution to the debate about strategies and programs that lead to lasting and sustainable peace in Colombia.
# List of Acronyms and Abbreviations

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<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>ADO</td>
<td>Acción Democrática Obrera [Democratic Workers Movement]</td>
</tr>
<tr>
<td>ANUC</td>
<td>Asociación Nacional de Usuarios Campesinos [National Peasant Association]</td>
</tr>
<tr>
<td>AUC</td>
<td>Autodefensas Unidas de Colombia [United Self-Defense Organization of Colombia]</td>
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<tr>
<td>CAS</td>
<td>Country Assistance Strategy</td>
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<tr>
<td>CEA</td>
<td>Cese del Enfrentamiento Armado [End to the Armed Confrontation]</td>
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<tr>
<td>CISALVA</td>
<td>Centro de Investigación, Salud y Violencia</td>
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<tr>
<td>Copaz</td>
<td>Comisión Nacional para la Consolidación de la Paz [National Commission for Peace Consolidation]</td>
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<tr>
<td>CONVIVIR</td>
<td>Private Security Group</td>
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<tr>
<td>CONPAPI</td>
<td>Comisión Nacional de Políticas Indígenas [National Commission on Indigenous Policy]</td>
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<tr>
<td>CRNV</td>
<td>Centro de Referencia Nacional sobre Violencia</td>
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<tr>
<td>CRS</td>
<td>Corriente de Renovación Socialista [Socialist Renovation Movement]</td>
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<tr>
<td>DALYs</td>
<td>disability-adjusted life years</td>
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<tr>
<td>DANE</td>
<td>Departamento de Administración Nacional de Estadísticas [National Department for the Administration of Statistics]</td>
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<tr>
<td>DESEPAZ</td>
<td>Programa Desarrollo, Seguridad y Paz [Program for Development, Peace and Security]</td>
</tr>
<tr>
<td>DGAI</td>
<td>Dirección General de Asuntos Indígenas [Office of Indigineous Affairs]</td>
</tr>
<tr>
<td>DNP</td>
<td>Departamento Nacional de Planeación [National Planning Department]</td>
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<tr>
<td>ECLA</td>
<td>Economic Commission for Latin America and the Caribbean</td>
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<tr>
<td>ELN</td>
<td>Ejército de Liberación Nacional [National Liberation Army]</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>EPL</td>
<td>Ejército Popular de Liberación [Popular Liberation Army]</td>
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<tr>
<td>FARC</td>
<td>Fuerzas Armadas Revolucionarias de Colombia [Revolutionary Armed Forces of Colombia]</td>
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<tr>
<td>FMLN</td>
<td>Farabundo Martí National Liberation Front</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<td>GNP</td>
<td>gross national product</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<tr>
<td>M-19</td>
<td>Movimiento 19 de Abril [Nineteenth of April Movement]</td>
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<tr>
<td>MAQL</td>
<td>Movimiento Armado Quintín Lame [Quintín Lame Armed Movement]</td>
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<tr>
<td>MAS</td>
<td>Muerte a los Secuestradores [Death to Kidnappers]</td>
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<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency</td>
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<tr>
<td>Minugua</td>
<td>Misión de Observadores de las Naciones Unidas en Guatemala [UN Observers Mission in Guatemala]</td>
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<td>Miplan</td>
<td>Ministry of Planning and Coordination of Economic and Social Development</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>NGOs</td>
<td>nongovernmental organizations</td>
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<tr>
<td>OAS</td>
<td>Organization of American States</td>
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<tr>
<td>Onusal</td>
<td>Misión de Observadores de las Naciones Unidas en El Salvador [UN Observers Mission in El Salvador]</td>
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<tr>
<td>PNC</td>
<td>Policía Nacional Civil [Civil National Police]</td>
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<tr>
<td>PNR</td>
<td>Plan Nacional de Rehabilitación [National Rehabilitation Plan]</td>
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<tr>
<td>PRN</td>
<td>Plan de Reconstrucción Nacional [National Reconstruction Plan]</td>
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<tr>
<td>PRT</td>
<td>Partido Revolucionario de Trabajadores [Revolutionary Workers Party]</td>
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<tr>
<td>Redepaz</td>
<td>Red Nacional de Iniciativas por la Paz y contra la Guerra [National Initiative for Peace]</td>
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<tr>
<td>UCPI</td>
<td>Unidad Coordinadora de Prevención Integral [Coordinating Office for Integral Prevention]</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Comission for Refugees</td>
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<tr>
<td>UP</td>
<td>Unión Patriótica [Patriotic Front]</td>
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<tr>
<td>URNG</td>
<td>Unidad Revolucionaria Nacional Guatemalteca [Guatemalan National Revolutionary Party]</td>
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Achieving peace and promoting economic and social development are the two main challenges facing countries like Colombia, affected by a serious internal armed conflict. A variety of studies, including the analyses in this volume, indicate that Colombia's violence and armed conflict stem from a complex interaction of economic, social, historical, and political factors. Economic growth in Colombia, as in other Latin American countries, has not been enough to significantly reduce poverty and correct inequality in the distribution of productive wealth (i.e., land). There is a need for fostering a more equal access to economic opportunities such as jobs, education, and credit, as well as to improve the capacity of low-income groups to influence public decisionmaking in democracy.

Colombia also has a long history of armed conflict: confrontations between liberals and conservatives in the nineteenth century, the period of La Violencia in the mid-twentieth century, and the escalation of armed conflict since the 1980s and 1990s with the onset of drug-trafficking and paramilitary activity. Chronic armed conflict is indicative of the profound difficulties besetting Colombia's political institutions as they try to resolve their society's underlying conflicts by peaceful means. The strains of conflict in society are such that a prosperous, peaceful, and democratic Colombia will probably need a new social contract, founded on the principles of peace, economic growth, and social justice.

Between 1950 and 1980, it was thought that the armed conflict did not significantly affect Colombia's economic growth and development.

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1 The World Bank, in its current strategy of assistance to Colombia, has identified violence and armed conflict as the main obstacle to Colombia's full development of its potential for economic growth and social progress. Thus, the World Bank, in its analytical work, has focused on understanding the causes—particularly the socioeconomic ones—behind the violence and conflict in Colombia, in an attempt to identify policies to reduce the effects of violence and to promote economic development. The Bank has also financed pilot projects in conflict-affected areas (Magdalena Medio, Caquetá, and others), which attempt to rebuild the social fabric and capital affected by the war, financing small productive projects carried out by local institutions of civil society.
Throughout that period, Colombia avoided significant macroeconomic imbalances, maintained a respectable record of economic growth, and made social progress. Interestingly, all this was accomplished despite an armed conflict (although less intense than today).

This situation began to change in the 1990s. Colombia’s macroeconomic imbalances, particularly fiscal deficits, started to build up and internal and external debt steadily increased. In turn, the armed conflict expanded and intensified as guerrilla forces’ presence and influence in Colombian territory grew, challenging the State’s capacity to enforce law and order. In the second half of the 1990s, economic growth slowed down and, toward the end of the decade, the economy was in a serious recession with high unemployment. Around 3 million people are without jobs in Colombia as of mid-2000. If we add more than 1.5 million people internally displaced by the war, it is apparent that Colombia is living a social crisis of unprecedented proportions. In addition to being a constant source of distress for the people, violence and armed conflict destroy different types of capital (human, physical, social, and natural), impair the creation of wealth, and worsen citizens’ quality of life. This vicious circle must be stopped.

Achieving peace and tackling the structural causes of violence are goals that will also help to address the basic development problems of the country. The goals of achieving peace and securing economic development complement and reinforce each other.

**Economic and Social Policies for Peace**

Peace should encourage investment, entrepreneurial activity, job creation, and economic growth. The largest obstacles to prosperity in Colombia today are its high level of violence, armed conflict, and the ensuing disorganization of society. The peace dividend that is expected to be gained in a scenario of peace should be oriented to reconstruct Colombian society, increase productive investment, and strengthen much needed social safety nets. The peace dividend will also free up public and private resources now allocated to the armed conflict for productive uses. However, some costs must also be subtracted from the economic dividend conferred by peace. These costs are associated with the reconstruction of physical and institutional infrastructure damaged by the war. Institutions (formal and informal) need to be reshaped and adjusted to be functional for peace; all these tasks also entail costs. In addition, jobs are needed to absorb people that will be released from activities related to the war, as well as those in the unemployment pool.

In Colombia, important segments of the population, especially young people in rural areas, are fighting or derive their income from occupations
associated with the armed conflict. Hence, along with the provision of jobs, there is need for a productive retraining process to prepare people for their reintegration to the working force, by teaching them new skills, along with discipline and civic responsibility. A requisite to generate jobs on a sustained basis, is of course, the recovery of economic growth; however, this may take time. Therefore, emergency jobs must be created through, for example, labor-intensive programs of public investments, employment subsidies, and other measures oriented to create employment.

In El Salvador, Guatemala, and other countries that emerged from armed conflict in the early 1990s, nonpolitical violence and urban crime, perhaps paradoxically, increased after peace agreements were signed. This phenomenon is connected to massive migrations from rural areas (where the armed conflict took place) to cities where only a few productive jobs were available in relation to the large number of people looking for jobs. The increase in nonpolitical violence after an armed conflict needs to be better understood; however, it is apparent that its causes stem from the difficulties of reintegrating large contingents of people—whose main “skills” and experience are related to violence and war—into a peaceful society. The transition from a culture based on violence to one based on peace requires a reform of the educational process and a change in values and habits.

Preventing an escalation of crime after peace is achieved will require, besides job creation, an active social policy structured around social protection networks to deal with people’s new needs after the war. An effective social protection program must (a) provide food security for children, vulnerable groups, the poor, and the refugees of war; (b) generate emergency jobs and productive opportunities for the unemployed; (c) implement job-training programs; and (d) provide medical and psychological care to people physically and emotionally traumatized by the war. The social protection network just sketched should complement more “structural” social policies in education, health, credit, housing, and pensions. These policies are necessary to both increase the income-generating capacities of the people as well as equalize the access to opportunities and upward social mobility of all members of Colombian society, particularly the poor. Since the armed conflict in Colombia is concentrated in rural areas, two issues will need special attention: the need to define a realistic agrarian reform process and a policy of access to and exploitation of natural resources that fosters sustainability.

FINANCING PRO-PEACE POLICIES

These pro-peace social policies need to be financed, so fiscal policy is a crucial element. The international experience of other countries in conflict
highlights that the definition of fiscal targets should take into account the financing needs associated with the launching of programs of war alleviation and post-conflict reconstruction. At the domestic level, efforts are needed to increase tax collection, control nonessential public expenditures, and give priority to investments that generate synergies with peace programs. Priority must also be given to social spending aimed at reaching people affected by the war and other vulnerable groups. In addition, spending on infrastructure and housing must also receive preferential treatment because of their positive effects on employment and economic recovery.

Colombia must redouble its efforts to secure multilateral foreign financing and bilateral cooperation to support and help finance the peace process. This effort has already started with the Madrid conference of the international support group for peace in Colombia, carried out in July 2000. It is now increasingly recognized that the Colombian conflict is also a security and solidarity concern for the Latin American region and the international community at large. Foreign donors are becoming increasingly aware of the conflict’s various implications (on migration flows, security, etc.), particularly for the neighboring countries of Colombia, Brazil, Ecuador, Peru, Panama, and Venezuela, as well as for the United States.

INSTITUTIONS, ACTORS, AND A NEW SOCIAL CONTRACT

The international experience and history show that the existence of internal armed confrontation is an indication of serious institutional failures in those societies affected by internal conflict. One of the main roles of social institutions is, precisely, to regulate by peaceful means society’s latent conflicts. Social conflict (armed or otherwise) can have an economic origin, associated with pressure from different groups and economic sectors seeking a larger share of real income and the stock of national wealth. Social conflict can also be a response to armed groups’ appropriation of income derived from the exploitation of national resources or be related to illegal activities such as drug-trafficking. Moreover, social conflict can also stem from differences in views about how society should be organized and from political ideologies not easily reconcilable within a society. The latter case would apparently seem less likely in the post-cold war era, but it is still relevant in Colombia, given the guerrillas’ political agenda.

To maintain social order, public institutions (political parties, the judiciary, parliament) must mediate these latent or open conflicts. In a democratic system, public institutions must guarantee to all citizens the right to be heard and to participate in public decisionmaking. Of course, this
would require all citizens to have a genuine respect for the law and for the system's rules of the democratic game. This is typically a topic dealt with in peace accords, where new institutional structure and social agreement are defined, by assigning rights and responsibilities to rebel groups (guerrilla forces, paramilitary groups, the army) when they are reincorporated into the democratic system, so that their political agendas can be pursued by peaceful, not armed, means.

An important emerging player in the Colombian social process is "civil society," consisting of many heterogeneous groups and organizations such as labor unions, business associations, religious groups, human rights organizations, art and cultural groups, cooperatives, grassroots organizations, and the like. Many of these organizations have played a significant role in the peace process by helping build an internal consensus around peace and, to some extent, by influencing the formulation and implementation of peace-oriented policies. Nevertheless, differences of opinion have arisen between some civil society groups and authorities in regard to the peace process, particularly around human rights and foreign intervention.

**PEACE AS A GLOBAL PUBLIC GOOD: THE ROLE OF THE INTERNATIONAL COMMUNITY**

Unlike the experience of countries such as El Salvador, Guatemala, and Nicaragua, which achieved peace after the end of the cold war, the Colombian armed conflict has not only lasted, it has also sharply intensified in the post-cold war era. Today, the Colombian conflict is the longest and most geographically extended armed confrontation in Latin America; thus, achieving peace in Colombia would be a stabilizing element for the whole Andean region and the Latin American continent in general. In the era of globalization, national conflicts have stronger regional and global repercussions than ever. Therefore, at a conceptual level, peace can be understood as a global public good that tends to be "under-supplied" at the national level; hence, its adequate provision requires collective action at the international level.

In the analytical framework of peace as a global public good, international organizations such as the United Nations, the Bretton Woods institutions, and regional development banks can be important catalysts of such international collective action. The challenge for these institutions is,
thus, of integrating peace, particularly in its development dimension, into their operational activities and assistance strategies for countries in conflict. The country assistance strategy must be devised in a realistic manner, taking into account the realities of conflict or post-conflict reconstruction (physical and institutional), mobilizing knowledge, financing, and international best practices to make international assistance in conflict-related situations more effective.

**Plan of the Book**

This volume is composed of four chapters, including this introductory chapter, and a foreword written by Colombian President Andrés Pastrana. The main highlights of each chapter are as follows:

Chapter 2, entitled “Violence in Colombia: Building Sustainable Peace and Social Capital,” written by Caroline Moser with the collaboration of a group of Colombian scholars, provides a conceptual framework for understanding a broad spectrum of political, economic, and social violence issues. The framework seeks to understand the causes of violence and the mechanisms for its propagation. Four levels of causality are established for each type of violence: structural, institutional, interpersonal, and individual. This chapter identifies the role played by both Colombia’s turbulent political history and the unequal access to economic and political power in the outbreak and resilience of political violence. Among the determinants of “socioeconomic” violence, poverty and inequality are identified as important factors, combined with other, family-related propagating factors. This chapter identifies as costs of violence its adverse impact on Colombia’s physical, natural, human, and social capital. Finally, the chapter examines different policy initiatives that are in progress in Colombia to reduce violence, and proposes other areas of public policy to strengthen the links with civil society, grassroots organizations, the family, and municipalities.

Chapter 3, “The Hidden Costs of Peace in Colombia” by Cecilia López Montañó and Arturo García Durán, focuses on the social and economic origins of Colombia’s armed conflict. The authors emphasize in their analysis elements of political and economic exclusion surrounding the Colombian conflict and identify “three myths” present in many analyses of Colombian history and society, i.e., the existence of a well-functioning representative democracy, a solid economy, and poverty as a fundamental cause of violence. The authors examine the costs of achieving peace and its fiscal implications and advance the hypothesis that Colombian problems are not so much due to a lack of economic resources, but a complex interplay of power relationships that make the achievement of peace so elusive.
Based on the hypotheses of the historian Marco Palacios, López Montaño and García Durán posit that violence, political patronage, and corruption have blocked effective democracy in Colombia, leaving poor urban groups and some regional constituencies out of the national decisionmaking process. In terms of the economy, the authors point out that inadequate levels of national savings and productive investment have led to only moderate long-term economic growth in Colombia. At the sectoral level, they maintain that the agriculture and service sectors are underperforming and that the industrial sector is inefficient, with productivity in manufacturing growing at a slow pace. Next, the authors indicate that exclusion and inequality rather than poverty are, in their view, the main determinants of violence and armed conflict in Colombia. Last, this essay identifies the need to develop a national consensus for implementing a vast array of reforms (agrarian reform, a new social policy, judicial reform, and others) that could transform political and economic institutions, for achieving peace in Colombia.

In Chapter 4, "Toward an Architecture for Sustainable Peace and Development: Lessons from the World Bank Experience," Nat Coletta, Markus Kostner, Patricia Cleves, and Johanna Mendelson from the World Bank’s Post-Conflict Unit review the Bank’s recent experience in assisting countries that are experiencing, or have already overcome, domestic armed conflict.

The authors examine several components of a strategy for a lasting peace, including (a) pacification by means of peace agreements and policies to support them; (b) achieving domestic social consensus to consolidate peace, including both civil society and government; (c) obtaining support for the peace process from the international community; and (d) enlarging the constituencies for peace by including former insurgent groups’ support for policies leading to domestic security, human rights, and compliance with the law.

In this chapter, a variety of conflict and peace experiences are evaluated, both within Latin America (El Salvador, Guatemala, Nicaragua) and outside the region (Northern Ireland, the Gaza Strip and Palestine, South Africa, and other cases). The authors use these cases to illustrate the relevance to Colombia of the different components, which they call "the architecture of sustainable peace and development."

**Conclusions**

The main conclusions of this book can be summarized as follows:

1. Achieving and consolidating peace is essential for Colombia. Without sustained peace, there will be no economic and social development. In
2. Violence in Colombia has political, economic, and social determinants. Its causes are many and complex. Violence has historical roots, as Colombia has had a long history of armed confrontations in the nineteenth and twentieth centuries; moreover, violence is also associated with poverty, economic inequality, and social exclusion. Unfortunately, existing institutions in Colombia have faced formidable difficulties in managing its internal conflict by pacific means. Since the 1980s and particularly in the 1990s, increased drug-trafficking, paramilitary, and guerrilla activity have exacerbated violence and the armed conflict.

3. Peace, once achieved, must be supported by a broad domestic consensus and by economic and public policies that promote economic growth, job creation, food security, equal opportunity, transparent institutions, and civic education regarding the values of work and peaceful coexistence. Understanding peace as a global public good gives to the international community a natural role for promoting peace in Colombia. That support may take several forms: the provision of technical and financial assistance for war alleviation and post-conflict reconstruction as a vehicle to raise global and regional awareness about the need for peace, and economic development and advice on the proper public policies to advance both objectives.

4. International support for peace and development in Colombia requires a complementary domestic effort at strengthening national policies for physical and institutional reconstruction and pro-peace social programs.

5. Peace will require deep institutional reforms, possibly a new social contract. This social contract can be visualized in terms of two main components: an economic order leading to stability, growth, and social justice, and a democratic order with strong and transparent political institutions. Such a contract would allow conflicts in Colombian society to be channeled through peaceful and democratic means; in addition, a new social contract must give important priority to replenishing social capital depleted during years of conflict and violence.

6. Colombia is a country with an enormous base of human and natural resources, a good geographic location for international trade and foreign investment, and a valuable democratic and cultural tradition. Peace would allow Colombia, despite all its current problems, to mobilize these talents and assets to enable economic and social progress in the twenty-first century.
CHAPTER 2

VIOLENCE IN COLOMBIA:
BUILDING SUSTAINABLE PEACE
AND SOCIAL CAPITAL

Caroline Moser

INTRODUCTION

Colombia is one of South America’s oldest and most enduring democracies, a middle-income country rich in natural and human resources. With sustained improvements in its social and economic indicators over the last decades, it has developed rapidly despite a 50-year “simmering” civil war, growth of drug cartels, and increasing levels of urban and rural crime and violence. With the roots of contemporary political violence in the 1948 El Bogotazo urban insurrection, the 1940s–50s partisan conflict between Liberals and Conservatives, known as La Violencia, expanded into left-wing guerrilla insurgency through the 1960–80 period. Until the late 1980s, serious though it was, armed conflict had only a marginal capacity to disrupt Colombia’s economic development process. It affected primarily the people involved in the conflict itself and marginal populations in remote rural areas. Urban crime and violence affected mainly the lives of low-income barrio dwellers rather than society at large.

In the 1990s, both the scale and intensity of violence have changed such that generalized violence now dominates the daily lives of most citizens, albeit in different ways. As remote guerrilla conflict has turned into countrywide “war,” bringing in paramilitary groups, drug cartels, and further changes in the social actors involved, so too the causes of violence...
have changed. These have included both external events such as the collapse of the cold war as well as internal changes relating to economic liberalization, coal and oil developments, and the impact of the global trade in illicit narcotics.

For the past 30 years, violentólogos, commentators from within a uniquely Colombian academic discipline involving the study of violence, have analyzed changing patterns of political violence, while since 1982, successive governments have tried both military and political solutions to reach peace with different guerrilla groups, offering programs to address the root causes of the nation's violence and guerrilla warfare. At the same time, government agencies, nongovernmental organizations (NGOs), and private foundations have spent untold millions of pesos attempting to reduce urban crime, while military and police forces have endeavored to break drug cartels.

Despite such efforts to reduce levels of violence, today government and civil society alike recognize that violence is the key development constraint, affecting the country's macro- and microeconomic growth and productivity as well as reducing the government's capacity to alleviate the poverty, inequality, and exclusion experienced by the majority of its population in both urban and rural areas. The election of President Pastrana and the arrival of a new government in August 1998 provides an important impetus to further develop the critical peace and development initiative begun by previous governments. At the same time, it raises fiscal and financial questions in terms of paying for peace.

This chapter is intended to contribute to Colombia's effort to more effectively address the country's fundamental problem of violence by introducing three critical issues of conceptual and operational relevance of particular importance today:

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1 This is well illustrated by the World Bank's 1997 Colombian Country Assistance Strategy (CAS). The CAS was undertaken through a participatory approach that included consultations with civil society, which identified violence as the country's priority economic development constraint and the need for a comprehensive intersectoral policy on sustainable peace and development for the country. Violence reduction, and its counterpart, peace and development, were therefore identified as one of six key areas of strategic importance where the World Bank could assist Colombia in its development process.

2 This chapter summarizes issues addressed in the World Bank Sector Study, Violence in Colombia: Toward Peace, Partnerships and Sustainable Development (1998). To prepare this sector study, key background papers were commissioned from experts, most of them Colombian, the foremost thinkers in their respective fields. These papers provided primary sources for descriptive data, preliminary analyses, and case studies for the sector study.
• a conceptual framework that identifies a continuum of violence, including not only political violence, but also economic and social violence

• an assessment of costs of violence that includes both economic and social costs, addressing, in particular, the way violence has eroded the social fabric and social capital of Colombian communities

• an integrated future "package" of interventions that takes account of these issues to assist in the complex process of reducing overall levels of violence.

A CONCEPTUAL FRAMEWORK FOR CATEGORIZING VIOLENCE IN COLOMBIA

A Threefold Categorization: Political, Economic, and Social Violence

A conceptual framework that categorizes violence is a critical first stage for improving our understanding of violence systematically and for developing sustainable peace initiatives. There are, however, a number of important constraints, including the following: first, violence is both highly complex and context specific; second, perceptions about violence affect citizen well-being even when they are not borne out by statistical evidence; third, community priorities regarding the importance of different categories of violence may differ from those of politicians or policymakers; finally, any categorization, by its very nature, is static. In reality, a continuum exists, with important reinforcing linkages between different types of violence.

Building on the work of Colombian violentólogos and others, this chapter introduces a threefold categorization of political, economic, and social violence, identified in terms of the primary motivating factor, either conscious or unconscious, for gaining or maintaining political, economic, or social power through force or violence. Table 2.1 summarizes some of the common types of violence in Colombia according to this categorization. These are deliberately broad and not necessarily mutually exclusive in terms of specific violent acts committed.3

A framework that distinguishes between political, economic, and social violence is critically important for a number of reasons. First is its capacity to provide an integrated approach, both conceptually and oper-

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3 For example, a guerrilla group may kidnap a local official to make a political statement; the same group may kidnap a wealthy landowner to generate revenue. A youth gang member commits a robbery as an initiation rite with his peer group; another youth robs for money. Violence on an interpersonal level—a man beating his wife, neighbors in a hostile argument—can be an issue of social dominance.
Table 2.1
FRAMEWORK OF VIOLENCE

<table>
<thead>
<tr>
<th>Category of violence</th>
<th>Definition</th>
<th>Manifestation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>Commission of violent acts, motivated by desire, conscious or unconscious, to obtain or maintain political power.</td>
<td>Guerrilla conflict, paramilitary conflict, political assassinations, armed conflict between political parties.</td>
</tr>
<tr>
<td>Economic</td>
<td>Commission of violent acts motivated by desire, conscious or unconscious, for economic gain or to obtain or maintain economic power.</td>
<td>Street crime, carjacking; robbery or theft, drug trafficking, kidnapping, assaults during economic crimes.</td>
</tr>
<tr>
<td>Social</td>
<td>Commission of violent acts motivated by desire, conscious or unconscious, for social gain or to obtain or maintain social power.</td>
<td>Interpersonal violence such as spouse and child abuse, sexual assault of women and children, arguments that get out of control</td>
</tr>
</tbody>
</table>


Additionally, that recognizes the connections between the dynamics of different types of violence. Academics, policymakers, and project managers alike tend to focus separately on different types of violence and not view their impacts or causality holistically. In many contexts, urban violence is equated with delinquency, and rural violence with guerrilla warfare. Interpersonal violence is rarely incorporated in the public discourse of causality and impacts, and gender analysis is limited to domestic violence and homicide victimization. This compartmentalization limits efforts to move from individual violence reduction interventions toward integrated strategies for sustainable peace.

Second, this framework highlights the need for different approaches to violence reduction based on the perpetrators’ differing motivations. Politically motivated violence will require a negotiated peace; however, the economic dimensions of belonging to a guerrilla group require job creation for demobilized combatants. The economic issues related to the drug trade have complicated the quest for peace, whereby guerrillas use revenue-generating tactics such as “taxation” of drug-traffickers, which allow them financial stability. However, efforts to eliminate cocaine production will not eliminate guerrilla forces, which will find other means to support their essentially politically motivated violence. Similarly, while
economic independence through job creation may aid some battered women, it does not address the root causes of this socially defined violence, based on gender subordination. This disparity explains why many battered women are middle class, employed, and educated.

Third, this framework helps explain why interventions to reduce one type of violence may not yield results in relation to other types of violence. Reductions in one sphere of violence can be accompanied by increases in another. For example, community policing programs have been credited with a 43 percent decline in New York City's economic crime rates, while reports of that city’s police brutality have increased by 41 percent. In the wake of El Salvador’s peace accords and reduction in political violence, post-conflict rates of homicide and economic crime increased. For instance, deaths by violence in 1994 stood at 9,135 (164.5 per 100 million) and, despite a decline to 8,047 (139 per 100 million) in 1996, this exceeded the annual average of 6,000 deaths during the civil war (Pearce 1998). Similarly, in South Africa, police data show that violent crimes have increased substantially during the democratic transition from apartheid, especially since 1990, and particularly in relation to murder and rape (Louw 1997).

Categorizing Violence Trends in Colombia

Turning back to Colombia, it is important to highlight the most salient trends in violence, identifying as far as possible the different categories of violence to which these trends refer. At the outset, it should be emphasized that examination of trends of different types of violence, especially those based on statistics, are subject to widespread underreporting. This is particularly marked in relation to social violence, especially intrafamilial violence.

Some Trends in Violence Have Worsened

Using homicide rates as a proxy for violence levels, officially reported figures increased from 15 to 92 per 100,000 inhabitants between 1974 and 1995. Generally, the incidence of violence has grown dramatically in the post-1985 period, although more recently homicide rates in large

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4 The homicide rate, expressed as the number of deaths per 100,000 inhabitants, is the most commonly used indicator for crime and violence both in Colombia and internationally. Although it is the most widely used indicator, its limitations require recognition; a society may manifest considerable criminal activity and nonlethal violence with relatively low homicide rates; similarly, social violence can be high and ongoing without being reflected in homicide rates. These numbers are based on government statistical sources; Centro de Investigación, Salud y Violencia (CISALVA), a research NGO that collects its own data, reports rates of 50 per 100,000 in 1980, 219.3 per 100,000 in 1993, and 179.9 per 100,000 in 1995.
cities have begun to decline. Fewer than 20 percent of homicides are categorized as "political" in nature; recent evidence attributes 60 percent of these to paramilitary, 23.5 percent to guerrilla, and 7.5 percent to military armed attack by the military (Chernick 1997). The remaining 80 percent of "nonpolitical" homicides are the consequence of economic violence, both organized crime (relating to drug trafficking and organized kidnapping) and unorganized delinquency (including robberies, car jacking, and kidnappings) as well as social (interpersonal) violence, particularly alcohol- and firearm-related deaths. While the types of violence vary between urban and rural areas, homicide rates are roughly similar. The three major cities of Bogotá, Cali, and Medellín account for between 40 percent and 60 percent of urban homicides. Rural violence is most keenly experienced along the agricultural and natural resource frontiers and where medium-size coffee farmers predominate.

**Insurgent Armed Conflict Is More Entrenched and Widespread than at Any Point in the Past Three Decades**

During the past five decades, the number of social actors involved in armed conflict has expanded from the guerrilla and armed forces to include drug cartels and right-wing armed paramilitary groups. This has been accompanied by increasing density—both spatially and in terms of interdependent reciprocal networks—between different actors. The most violent zones of the country are those in which two or more actors are in conflict, particularly those with simultaneous guerrilla and paramilitary presence. This has also created a huge diversity of types of violence, manifested in different ways in various parts of the country.

**Spatial Areas with An Active State Presence Have Declined**

Some areas experiencing an increase in various types of conflict have witnessed a decrease in the active presence of state institutions at local level, although there is no direct or linear relationship. Municipalities with some type of guerrilla presence increased from 17 percent in 1985 to 58 percent in 1995. If areas experiencing paramilitary, drug, and armed forces activity are added, approximately 75 percent of the country is experiencing some level of armed conflict. This has resulted in a growing number of displaced persons, estimated at around 1 million.

**Violence Increasingly Affects Some Groups Disproportionately**

Younger, lower-income, and less educated men are more likely to be both perpetrators and victims of homicide. National homicide rates between
1980 and 1995 for males aged 15 to 44 years increased from 29 to 394 homicides per 100,000; for females, the increase was from 23 to 30 per 100,000. The homicide rate for men thus multiplied by 13.5 between 1980 and 1995, with shifts throughout this period toward younger men reflected both in lethal and nonlethal injuries. In the central city delinquency areas of Bogotá, homicides reached the extraordinary level of 341 per 100,000 (Camacho and Guzmán 1997). Extremely high proportions of perpetrators and victims of urban economic and social crime are minors. In 1997, 16 percent of murder victims in Bogotá were under 18 years of age, and nearly 20,000 minors were charged with felony offenses, including 747 rapes and 3,445 other acts of social or economic violence leading to injury or death (Ross 1998). Conversely, women and their dependent children are the group most affected by displacement. Of Colombia’s internally displaced population, 58 percent are female, and 75 percent are under 25 years old (Conferencia Episcopal Colombiana 1994). Indigenous communities have also been disproportionately affected by armed conflict throughout the country.

The Brutality of Recent Political Violence Obscures Other Types of Violence.

The severity of mass politically motivated killings and human rights abuses means that economic and social violence receive less attention. Of these, economic violence, arguably the more severe, is overwhelmingly an urban problem. Reported 1996 figures from Bogotá, for instance, list homicides (65 percent), traffic accidents (20 percent), and suicides (6 percent) as causes of death. However, over the past three years, the homicide rates have declined—in Bogotá and Cali, reputedly by 30 percent, in Medellín, by 50 percent (R. Guerrero, personal communication, 1998).

Most reported violent deaths and injuries are attributed to common delinquency. National data indicate that 12 percent of households had been victims of violence during the past year. Of these, 10 percent were victims of robbery; 0.6 percent, victims of assault; 0.6 percent, victims of extortion; 0.5 percent, victims of homicide; and 0.02 percent, victims of kidnapping. Reported levels of social violence are relatively low, compared with other types of violence. The only national survey conducted on violence against women, for example, found that 19.3 percent had experienced some form of violence. Of these, only 27 percent reported physical and sexual assaults by their partners to the authorities. A national survey on children reported 4.3 percent to be physically abused and 9.7 percent emotionally abused at some time, yet fewer than 2 percent of this number are reported to Medicina Legal in a given year.
The Drug Industry Exacerbates Levels of Violence

Colombia’s extensive illegal drug industry is one critical source of economic and political violence. As one of Latin America’s three most important coca cultivation countries, a large processing center, and increasingly a consumer country, Colombia has different types of drug-related violence, varying both in significance and intensity. First, violence is linked to organized crime associated with drug production and trafficking. This includes violent attacks to prevent aerial eradication, drug-distribution violence related to intergang killings, and assassinations of prominent political and judicial figures, widely associated with the Medellín and Cali cartel and most frequent in 1989–93. Second, violence is linked to the militarization of the fight against drugs, which has re-legitimized the domestic role of military forces and has blurred the distinction between the respective roles of military and police, and national boundaries as legal entities. Third, disorganized violence occurs around distribution and consumption when drug addicts need money for their habit or street dealers are challenged for their profits. Recent analysis suggests that the long-term sustainability of guerilla activity since the early 1980s is closely associated with their increasing involvement with the drug industry.

Some People Consider “Social Cleansing” the Fastest and Most Effective Approach to Eliminating Delinquents and Other Undesirables

Social cleansing is defined as the eradication of an identity type to maintain neighborhood stability through either collective or individual homicide. To reduce criminal activity, particularly property crimes, social cleansing targets such groups as criminals, drug addicts, youth gangs, street children, garbage pickers, homosexuals, prostitutes, and homeless people. The objective is to reduce criminal activity, particularly property crimes, with killings a consequence of perpetrators’ perception that the victims are impossible to rehabilitate, the belief that state agencies are not equipped to address the problem judicially, and the high level of impunity of delinquency and homicide (Rojas 1996). Copied from Brazil and Uruguay, Colombian social cleansing was first reported in Pereira in 1979, where criminals, whose faces had been stained with an indelible red paint, soon turned up as corpses. In the 1980s, at least 500 street children were assassinated in Colombia, an estimated 300 in Medellín, and still more in Bogotá and Pereira. During 1988–93, 183 victims of social cleansing were reported in Bogotá.
these victims, 35 percent were alleged criminals; 21 percent, drug addicts; 17.5 percent homeless; 8 percent, street children; and 4 percent, bazuco\textsuperscript{5} users, homosexuals, and prostitutes. The single most important group was 16- to 20-year-old males (25 percent). At least 40 groups for social cleansing have been identified in Colombia, including Muerte a Gamines, Mano Negra, and Los Cucas. These organized groups reportedly account for 81 percent of social-cleansing homicide. The police account for the remaining 19 percent (Rojas 1996).

\textit{The Number of Internally Displaced Persons Has Increased over the Last Decade and Is Still Growing}

Displaced persons fleeing from political violence—related to the guerrillas, paramilitary groups, and the armed forces—are flooding into cities. Displacement occurs throughout the country, but outflows are highest from areas where conflict is most intense—such as Urabá, Magdalena Medio, and Ariari. According to a 1995 study, 600,000 persons were forced to leave rural areas during the previous decade (Meertens and Segura-Escobar 1996). According to other sources, since 1985, some 920,000 people have been displaced (Defensoría del Pueblo 1996). The Presidential Council for Human Rights assesses that the current number of displaced has reached 1 million, about 2.5 percent of Colombia’s population. Other sources estimate some 1,200,000 displaced persons in 1998 (Reyes 1998; CODHES 1998a). An estimated 35 percent of displacement is caused by persecution from illegal paramilitary organizations, 17 percent by the armed forces and police, and 24 percent by armed opposition groups. In 24 percent of the cases, the internally displaced were not able to identify those responsible (Amnesty International 1997).

Most of the displaced persons come from rural families. At least 31 of 100 displaced households are headed by women, 76 percent of them widows or women abandoned during displacement. Each of these women is responsible for an average of four children (CODHES 1997). An estimated seven out of 10 displaced households move to urban areas, most commonly to the provincial capitals of the regions of expulsion: Medellín and Montería for those from Urabá and the Atlantic coast, Barrancabermeja for those from Magdalena Medio, and Villavicencio for those from the eastern plains.

\textsuperscript{5} A type of cocaine, sometimes mixed with ground brick or broken glass.
**THE CAUSES OF VIOLENCE IN COLOMBIA**

An Integrated Framework of Causality

Violence in Colombia is highly complex not only because of the different categories that are present, but also because of its multiple causes. Empirical evidence indicates that all individuals are not equally violent, that communities vary in their levels of conflict, and that tolerance for violence varies across societies. Circumstances relating to the individual, the family, the community, and the broader national context combine to play a role in violence perpetration or victimization.

Despite the wealth of descriptive evidence on violence, theoretical analysis of the specific causes is both limited and fragmented. Theories of the determinants of causality reflect the professional discipline informing the debate, and therefore are often compartmentalized and disarticulated from each other, perpetuating a unidimensional understanding of violence (appendix 2.1). In seeking to combine the disparate theories of causality, this chapter adopts an integrated framework that identifies four different levels of violence causality: structural, institutional, interpersonal, and individual. This framework, illustrated in figure 2.1, recognizes the mutually reinforcing role played by factors at different levels of causality. Drawing on the so-called "ecological model," it seeks to demonstrate that no one level or cause is singly deterministic or wholly explanatory but, when combined with one or more additional causal variables, may yield a situation where someone commits, or is victimized by, violent acts. Applications of this framework are not necessarily confined to a single manifestation of violence, nor do they focus primarily on fomenting factors or risk factors for violence victimization or perpetration. The integrated framework is sufficiently flexible to identify the predeterminants of political, economic, and social violence without reducing the analysis to an assessment of a sole cause of any single type of violence.

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6 First used to explain human development (Bronfenbrenner 1977), the "ecological model" has been applied to elucidate the complexities of violence etiology. Used variously to explain child abuse (Belsky 1980), sexual coercion (Brown 1995), and domestic violence (Heise 1998), the ecological model is a multilevel framework that incorporates biophysical, psychological, and social factors at the individual level as well as external factors that act upon the individual.
The Causes of Violence in Colombia

The causes of violence in Colombia are both multifaceted and complex. Not only are there three different types of violence, but each has different, yet intersecting, causes. In addition, these causal factors operate at different levels—structural, institutional, interpersonal, and individual. This section examines some of the causes of political, economic, and social violence in Colombia and how these are manifested in different contexts.

As a brief context, it is important to outline some of the conditions that underpin all three types of violence in Colombia. First is the minimal presence of the State throughout much of the national territory. Second, the State has arguably criminalized some forms of social and political protest, while simultaneously dealing inconsistently with violence. Third, high levels of corruption and impunity exist within state institutions. Fourth, much of society accepts violence as a means of resolving disputes. Fifth, Colombian society is regionally focused, his-
torically and geographically, resulting in economic, political, and social fragmentation. Sixth, the State, even where its presence is limited, has delegated authority to local power holders even where there is limited state presence; and finally, the interplay between rural and urban violence is complex.

**Causes of Political Violence**

As with all types of violence, the causes of political violence are manifold. However, they tend to revolve around the historical legacy of violence, together with unequal access to economic power (especially land and natural resources), unequal access to political power, and the role of drug-related, guerrilla, and paramilitary violence. During the past five decades, as the number of social and political actors has multiplied and the interrelations among them have become more complex, so too the spatial and regional density of conflict has worsened. As a result, the constraints associated with resolving conflict have increased (appendix 2.2).

**Historical Legacy of Violence**

Historically, the roots of Colombia's political conflict extend back to the nineteenth century, with the violent confrontations between the Conservative and Liberal Parties. However, the start of contemporary violence is closely identified with the famous 1948 El Bogotazo—the violent response to the assassination of the Liberal politician Jorge Eliecer Gaitan. Between 1946 and 1964, La Violencia cost 200,000 lives (Oquist 1978). However, its impact was much greater—more than 2 million peasants were forced from their land; business, institutional, and family networks were destroyed; and the widespread proliferation of revenge killings plagued the population.

**Unequal Access to Economic Resources**

At a broadly structural level, unequal access to land and natural resources is thought to be an important cause of political violence in Colombia. Despite numerous attempts to address these inequalities through agrarian reform in the last three decades, the State has often exacerbated the situation. Related to this has been the steady expansion of left-wing guerrilla activity, which took root in remote communities, often in areas lacking an active state presence. Among the first-generation

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7 This section draws heavily on Reyes Posada (1998), Chernick (1997), and Deas (1998).
VIOLENCE IN COLOMBIA

guerrilla groups—comprising a range of dissident Liberal factions, peasants, and radical students—were the pro-Soviet Revolutionary Armed Forces of Colombia (FARC), the Maoist Popular Liberation Army (EPL), and the pro-Cuban National Liberation Army (ELN). To expand their area of operation, the guerrillas often capitalized on the discontent of peasants who lacked land, or where agrarian reform had failed. Guerrilla activity, extortion, and kidnapping have severely undermined the landowning class and contributed substantially to political violence in rural areas. However, it has not broken the domination of the landowners or brought about more equitable patterns of landholding.

Unequal Access to Political Power

Interrelated with agrarian issues at the structural level are perceived inequalities in access to political power resulting from, for instance, the Frente Nacional, (1958-74), which excluded nontraditional political groups. In the 1970s, second-generation guerrilla groups such as the Nineteenth of April Movement (M-19) were founded on an agenda to confront traditional party control and prevent suspected presidential fraud. Other groups, including armed social movements such as the Quintín Lame Armed Movement (MAQL) in Cauca, organized indigenous communities into self-defense groups for land invasions and armed activities for indigenous people’s rights. Although guerrilla groups still rally around inequalities in political participation, the government has negotiated numerous individual peace agreements with some smaller guerrilla movements such as the M-19 and has made significant efforts to widen political participation. These include various decentralizing measures and the 1991 constitutional reforms, which have been especially important in terms of granting and widening constitutional rights to indigenous groups and Afro-Colombians. Nevertheless, traditional guerrilla groups remain strong, augmented by urban militias based in poor neighborhoods.

The Role of Drug-Related, Guerrilla, and Paramilitary Violence

Also central to analysis of the causes of political violence at the institutional level is the debate over the relationship between guerrilla groups, the peasant coca producers, and the drug-traffickers. In the late 1970s, many Colombians argued that the FARC did not oppose coca production by campesinos in the eastern plains and the Amazon basin because of the risk to their peasant power base. Instead, they regulated the illicit coca market by imposing obligations and taxes upon farmers and a range of intermediary production processes and shipping. This has since been extended to most productive commercial operations in the Colombian
countryside, earning millions of dollars annually for the FARC and the ELN from the coca and cocaine boom, kidnapping, and other types of extortion. Paramilitary forces have also grown, especially the civil defense groups funded by landowners, emerald magnates, and drug-traffickers, which have arguably increased as a result of successive governments' failure to reach a solution with the guerrilla groups. In the 1980s, the drug-traffickers also formed their own territorial security forces such as the MAS [Muerte a Secuestradores (Death to Kidnappers)] whose targets were guerrilla fighters and their families. In the 1990s, paramilitary activity became more diverse, with some groups falling under the rubric of rural security cooperatives—such as Samper's effort to create more civilian security through CONVIVIR (Private Security Group). All these developments highlight the violent struggle between all groups for control of coca as a financial resource for both the insurgency and the counterinsurgency. In addition, they have had important implications for land ownership and internal displacement, with large holdings increasing between 1984 and 1997 from a third to half of the land area as they fell into the hands of drug-traffickers and guerrillas (Reyes Posada 1998).

Causes of Economic and Social Violence in Colombia

As highlighted earlier, the economic and social causes of violence in Colombia have received less attention than the political causes. The most important of these relatively neglected causes relate to poverty, inequality, and rapid growth, together with high levels of impunity within the justice system, the lack of educational and employment opportunities, the role of the household and family in violence reproduction, and situational precipitators such as easy access to alcohol, drugs, and firearms.

Poverty, Inequality, and Rapid Growth

At the structural level, poverty may act as a precursor to violence—particularly economic violence, in which the poor resort to violent action for material gain. With poverty levels in Colombia rising between 1992 and 1995 (Oxford Analytica Brief 1997; World Bank 1994), this provides a context that encourages violence to occur. Being poor, however, is not a determinant of violent behavior. Some analysts argue that inequality, not poverty, is an underlying cause, suggesting that the most violent areas in Colombia are those of greatest wealth, especially in natural resources (Fajnzilber, Lederman, and Loayza 1998). Others argue that violence is associated with rapid economic growth; poverty and inequality are often associated with rates of violence only in the context
of population change, urbanization, and industrialization (Sampson and Lauritsen 1994). Depending on the theoretical perspective, violence is said to result from lack of adaptation of rural migrants to cities where educational or employment opportunities are scarce or as a form of resistance among economically and socially disadvantaged groups (Rogers 1989). At the interpersonal and individual levels, it is sometimes argued that in situations of rapid change, societal disorganization may mean that people have fewer common bonds and thus are more likely to (re)act violently.

High Levels of Impunity and Lack of Effective Conflict-Resolution Mechanisms within the Justice System

At the institutional level, weaknesses in both formal and informal institutions can contribute to social and economic violence. Especially significant in Colombia are high levels of impunity in the justice system. When the system is weak, then deterrence fails to prevent violent crimes. Indeed, deterrence has been shown to have a significant inverse relationship to Colombia's levels of violent crime at both the macro- and micro-levels (Fajnzylber, Lederman, and Loayza 1998). Furthermore, corruption in one area often resonates in others, usually linking the malfunctioning of the judicial system with economic gains associated with the drug trade and guerrilla activity (Bejarano et al. 1997, Rubio 1997d). Therefore, as the judicial sector continues to be ineffectual in meting out justice, Colombians are increasingly taking justice into their own hands, with alarming numbers of revenge killings and social-cleansing massacres (Klevens 1998). Reported figures for these types of killings have increased steadily in the last 10 years, with particularly high concentrations in urban areas in the departments of Valle (30 percent of the total), Antioquia, and the Central District (Human Rights Watch/Americas 1994; Rojas 1996).

Lack of Educational and Employment Opportunities

At the institutional level, lack of access to education, coupled with limited job opportunities, may have contributed to a burgeoning criminal market and violence, especially among youth, in Colombia. Underpinning this are limitations in availability and quality of primary and secondary education (World Bank 1994). Furthermore, improvements in education alone will not address the causes of economic and social violence without viable employment opportunities. In rural areas of Colombia, for example, underresourced schools offer few incentives for youth, many of whom may turn to the guerrillas as their sole
employment option. In urban areas, drug-traffickers shrewdly recruit the more successful secondary school students, who realize that area stigma, depressed wages, and a precarious investment climate limit their ability to secure employment, especially in poorer neighborhoods. In terms of secondary school enrollment, Colombia’s national trends mirror international findings, where the population’s average number of years of schooling appears to be positively (yet weakly) associated with higher homicide rates (Fajnzylber, Lederman, and Loayza 1998; CISALVA 1997). Other studies suggest an increase in levels of human capital among the criminal population. Indeed, lack of economic opportunities tends to channel entrepreneurial spirit and human capital into better-remunerated illegal activities (Rubio 1998).

Role of the Household and Family in Violence Reproduction

At the interpersonal and individual levels, the family is the primary institution for transmitting and reproducing social norms. The family’s role in perpetuating violence may be a precursor to violent behavior, especially child and partner abuse. For example, leading Colombian experts on child abuse believe that abusive childrearing patterns are responsible for transmission of trauma and the growth of a subculture of violence through socialization processes and interpersonal relationships of individuals living in similar conditions (Ross 1998). Although belonging to a violent household may negatively influence behavior in children, it is not deterministic. Therefore, although the relationship between physical punishment and abuse is not clear, it still conveys a message that violence is acceptable, normal, and necessary (Klevens 1998, CISALVA 1997). According to Colombian child abuse experts, many juvenile offenders are “charged with hate,” originating from early abuse at home (Ross 1998). In terms of domestic and sexual violence in the home, a 1989 study in Cali found that partners and blood relatives were involved to a high degree in the practice of sexual violence against women (Mesquita da Rocha 1997). This not only leads to fragmentation of household structures but also to the loss of support functions, which may create a context in which children may be more likely to become involved in violent activities as adults (Moffit 1993).

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8 For example, the proportion of university-educated persons among convicted criminals has quintupled in two decades, increasing from 1.2 percent in 1972 to 5.9 percent in 1993 (Rubio 1997c).

9 For example, estimated per capita income for guerrillas in 1995 amounted to US$70,000 per capita, compared with the national per capita income of US$1,800 and per capita military expenditure of US$900 (Granada and Rojas 1995).
Situational Precipitators: Alcohol, Drugs, and Firearms

Again, dealing with individual and interpersonal levels, the role of situational precipitators such as alcohol, drug consumption, and use of firearms may act as a catalyst in potentially violent situations. Among the most important in Colombia is alcohol consumption, which increased between 1993 and 1997. Though more common among men, alcohol abuse is increasing among women and the very young (Ross 1998). Alcohol abuse is linked with various types of social violence, especially interpersonal feuds, acquaintance violence, and partner abuse through “binge drinking” (CRNV 1995, Profamilia 1995). Early drinking is also associated with polydrug dependency and juvenile violence (Ministerio de Salud 1997). Although the relation between drug consumption and aggression is inconsistent, drug use doubles the chances of committing a violent crime (Harrison and Gfroerer 1992, Valdez et al. 1995). Outreach workers with street people in Bogotá believe that delinquent youths are, virtually without exception, substance abusers, where the drug may offer the effects of intoxication but also bolster self-esteem. Despite the debate over the role of alcohol and drugs, evidence suggests that they do contribute to violence among individuals who have a tendency toward violent behavior (AMA Council on Scientific Affairs 1993). Finally, gun ownership or carrying a gun may lead to violence or to a fatal outcome in a violent situation. In Colombia, 75 percent of all homicides are handgun fatalities (Klevens 1998). In one study, carrying a gun (or even pretending to carry one) was strongly associated with aggression (Duque, Klevens, and Ramírez 1997).

The examples outlined here highlight the multidimensionality and complexity of the causes of political, economic, and social violence. While these types and their causes are presented as discrete categories, in reality they are all interrelated. Given that violence permeates the core of Colombian society, economy, and culture, it is perhaps not surprising that the costs are so high, or that violence is seriously eroding the country’s capital and associated assets.

Costs of Violence in Colombia: Capital and Associated Asset Erosion

The economic and social costs of violence are a burden for all Colombians. Despite more than a decade of research by economist violentologos, these costs remain difficult to measure, with an extensive debate as to the accuracy of different cost estimates. In the context of

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1. This section draws heavily on Klevens (1998) and Rubio (1998).
macroeconomic deterioration, where inflation, unemployment, and fiscal deficits are growing and the relationship between economic insecurity and crime and violence has become a critical public concern, the direct and indirect consequences of violence have to be understood.

While accurate measurements of the costs of violence are critical, assessments of the impacts of violence on the country's capital—its stocks of assets—can also further understanding of the situation. This chapter distinguishes between four types of capital: physical, human, social, and natural, each with associated assets (box 2.1). To identify the costs of sustained high levels of violence to Colombian society, highlighting the links between vulnerability and asset ownership is also useful. The more assets individuals, households, and communities can acquire and the bet-

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**Box 2.1**

**Four Kinds of Capital and Their Associated Assets**

*Physical capital* (also known as produced or man-made capital) comprises a country's stock of plant, equipment, infrastructure, and other productive resources owned by individuals, businesses, or the country itself.

*Human capital* includes investments in education, health, and the nutrition of individuals. Labor is one of the most critical assets linked to investments in human capital. Health status determines people's capacity to work. Skill and education determine their returns on their labor.

*Social capital* is embedded in social institutions, both formal and informal, that are critical for a society to function. At the local level, it is consolidated through reciprocity within communities and households based on trust, and strengthened by both the density and heterogeneity of informal networks and associations. Household relationships, for instance, are an important informal institution for pooling income and sharing consumption.

*Natural capital* includes the stocks of environmentally provided assets such as soil, atmosphere, forests, minerals, water, and wetlands. In rural communities, land is a critical productive asset for the poor; in urban areas, land for shelter is also a critical productive asset.


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11 This draws on recent work on sustainable economic, environmental, and social development (Serageldin and Steer 1994, Serageldin 1996) as well as on the asset vulnerability framework (Moser 1996, 1998).
ter they manage them, the less vulnerable they are. The more their assets are eroded, the greater their insecurity and poverty. Table 2.2 summarizes some of the main findings identified in terms of different kinds of capital.

### Table 2.2
**Summary Findings of Different Studies on the Costs of Violence**

<table>
<thead>
<tr>
<th>Costs of violence to different kinds of capital</th>
<th>Summary findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical capital</td>
<td>Over the past decade, attacks on infrastructure totaled about 1 percent of GNP (Trujillo Ciro and Badel Rueda 1998). Estimated expenditures on private security total 1.4 percent of GNP (Comisión de Racionalización del Gasto y de las Finanzas Públicas 1996, cited in Rubio 1998). From 1991 to 1996, net costs associated with urban violence and armed conflict totaled 18.5 percent of GDP, representing a yearly average of 3.1 percent if GDP (Trujillo Ciro and Badel Rueda 1998). With estimated values of up to US$5 billion to US$6 billion a year, Colombia's drug money represents half the value of all legitimate exports (Kalmanovitz 1990). Thirty-one percent of businesses and 10 percent of households reported victimization by robbery and, seeking protection from further losses due to stolen or damaged property, Colombia invests up to 15 percent of GNP on security (DANE 1997).</td>
</tr>
<tr>
<td>Physical and human capital</td>
<td>Total costs associated with guerrilla conflict, including private and public expenditures and human capital costs, averaged more than 4 percent of GDP from 1990 to 1994 (Granada and Rojas 1995).</td>
</tr>
<tr>
<td>Human capital</td>
<td>Colombia loses an estimated 4 percent of GNP annually as part of the human cost of homicides (Lodoño 1998). Colombia loses an estimated 1 percent of GNP annually as part of the human cost of homicides (Trujillo Ciro and Badel Rueda 1998). Twenty-five percent of the health burden (calculated in disability-adjusted life years [DALYs]) is attributable to intentional injuries, compared with a 3 percent average for all of Latin America (Ministerio de Salud 1993). Health care expenditures for victims of violence is an estimated 1 percent of the total cost of violence (Trujillo Ciro and Badel Rueda 1998).</td>
</tr>
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(Table continues on the following page.)
Table 2.2 (continued)

<table>
<thead>
<tr>
<th>Costs of violence</th>
<th>Summary findings</th>
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<tr>
<td>to different kinds of capital</td>
<td>The total estimated costs for medical care associated with intentional lesions amount to US$61.1 million, equivalent to 0.76 percent of GDP (CISALVA 1997). In terms of equivalent employment, direct and indirect costs associated with crime amount to 85,000 jobs paying a minimum wage (CISALVA 1997). The costs to human capital represent 55 percent of the total cost of the armed conflict in Colombia (Granada and Rojas 1995).</td>
</tr>
<tr>
<td>Social capital</td>
<td>Public spending on security and judicial systems is around 5 percent of GNP, reflecting a rise of 2 percent of GNP during the 1990s (Comisión de Racionalización del Gasto y de las Finanzas Públicas 1996, cited in Rubio 1998). Resources destined for the military and police, which grew 4.5 percent in real terms during the second half of the 1980s, grew a little less than 15 percent total in real terms in the last three years (Rubio 1998). Direct and indirect costs of crime—including costs related to judicial and penal sectors as well as the police and private security systems—amount to more than US$1 billion, 1.84 percent of GDP (CISALVA 1997).</td>
</tr>
<tr>
<td>Natural capital</td>
<td>Between 1986 and 1997, Ecopetrol registered 699 attacks on oil pipelines. For every 100 barrels of crude oil spilled as a consequence of guerrilla attack, only 25 to 30 barrels are recovered (Trujillo Ciro and Badel Rueda 1998). During the first third of 1995, almost 20,000 barrels of crude oil were poured into the Magdalena River, with significant impacts upon the ecosystem and fishing of the surrounding communities (Granada and Rojas 1995).</td>
</tr>
</tbody>
</table>

Note: Data expressed as percentage of GNP or GDP cannot be numerically aggregated, given that different methodologies, indicators, and data sources were used in each calculation.

Macroeconomic Costs of Violence

The growing body of literature on the costs of violence to Colombia clearly indicates that over the last two decades, Colombia has sustained significant losses due to deaths, disabilities, and “transferals” resulting from
property crimes (CISALVA 1997; Departamento Nacional de Planeación 1998, Granada and Rojas 1995, Rubio 1998, Trujillo Ciro and Badel Rueda 1998). Violence, primarily homicide and kidnapping, also has a negative impact on investment. In particular, violence has a greater effect on investment decisions than on production decisions (Departamento Nacional de Planeación 1998). When indicators for human capital and homicide rates are factored into the traditional equations for calculating inflation and the capital costs of investment, violence had a negative and significant impact on investment in Colombia. For example, if Colombia's violence could be reduced to levels comparable to those throughout Latin America, the relationship between investment and GNP could reach levels now seen in countries with high (i.e., 30 percent) economic growth (Parra 1997).

Nevertheless, because Colombia's civil war has been low-intensity relative to other Latin American conflicts, it has been suggested that political violence has had comparatively little influence on Colombia's economic performance. While there are short-term correlations of war intensity with private investment and productivity, long-term growth may not be significantly affected. The coca boom of the 1980s and the oil boom of the early 1990s have been cited as reasons for covering the losses in growth due to increasing violence (Ahrend 1998).

Variability among these and other findings is an overall indication that cost calculations are difficult to assess and methodological challenges remain (table 2.2). While many results are expressed as percentages of GNP or GDP, they do not imply that had these losses not occurred, GNP would have increased by that percentage. Furthermore, these figures cannot be numerically aggregated, as different methodologies were employed to generate each analysis. Rather, these figures are useful for assessing the magnitude of loss in terms relative to total GNP and are not intended as expressions of exact financial costs.

In many sectors detailed accounting and cost analyses are virtually nonexistent. Expenditure assessments of the police, judiciary, penal system, and armed forces are constrained by serious problems of access to information. Reliable cost figures for paramilitary groups are also unavailable. However, media sources estimate approximately US$500 per month. It is reasonable to assume that their numbers have grown alongside those of the guerrillas. Figures for 1995 estimate per capita income for the guerrillas (FARC and ELN) as US$70,000, for the armed forces as US$900, and nationally as US$1,800 (Granada and Rojas 1995).

Violence and the Erosion of Physical Capital

Violence erodes physical capital (also known as man-made or produced capital) when it reduces the country's stock of plant, equipment, infra-
structure, and other productive resources owned by individuals, the business sectors or the country itself. Physical capital comprises the assets generally considered in financial and economic accounts.

Both banking and taxation are affected, though indirectly, by illegal violence linked to the drug industry. Drug syndicates generate profits in enormous amounts of cash, which, to be useful, must pass through legitimate international banking or commercial channels. With estimated values of up to US$5 billion to US$6 billion a year, Colombia’s drug money represents half the value of all legitimate exports (Kalmanovitz 1990). “Dirty” capital not only tends to displace “clean” capital in business and industry but also to precipitate a flight of clean capital abroad, thus increasing the relative importance and power of the drug entrepreneurs (Thoumi 1994). The very size of these transactions makes them difficult to conceal from vigilant banking systems. Drug money also affects the tax system, where the Colombian customs service estimates 88 percent of all whiskey consumed in Colombia enters the country illegally through a system run by drug-traffickers. Untaxed alcohol not only brings drug profits back unchecked but also cheats the state of income. In addition, by making cheaper spirits available, smuggling contributes to the country’s already serious alcohol abuse problem.

Costs associated with violent attacks on infrastructure—especially petroleum and electrical installations, roads, and airports—are mounting. In the last decade, guerrilla forces have launched approximately 700 attacks on the petroleum industry’s installations and infrastructure. While the environmental impact includes the contamination of water supplies and damage to productive lands, cost analyses are limited to repair and replacement costs for property and materials, labor costs of clean-ups, and estimated costs of spilled petroleum. For the coal industry, the attacks have led to lost sales, high repair costs, and shipping delays. The electrical power industry has suffered more than 100 attacks against its infrastructure in the past five years, resulting in numerous direct power shortages to the productive sector in addition to extensive repair costs.

As Colombia’s police and judicial institutions weaken, the privatization of security is a growing phenomenon in both rural and urban areas, increasing production costs to the private sector. Information on legal and registered businesses alone shows that, since 1980, there has been a greater increase in personnel working in the private security sector than for the national police. In 1980, Colombia had 2.5 policemen for every private security agent; by 1995, this ratio had dropped to 1:1 (Ospina 1997). As private security and judicial services spread, private security operatives of one neighborhood often become the principal source of crime and violence in adjacent areas (Jaramillo 1993, Corporación Región 1997). This
situation is aggravated when private security groups have contacts with organized crime and when the notion is socially accepted that the protectors of one neighborhood are allowed to wreak havoc in another.

Violence and the Erosion of Human Capital

Violence erodes human capital when it limits access to education or health care by both users and providers. Violence also affects individuals' capacity to use their human capital by entering the labor market.

The costs of violence to both education and health are a critical problem. Increasingly, violence negatively affects access to, and quality of, education. Killings and death threats to both rural teachers and health workers by guerrilla and paramilitary groups have led to the abandonment of many rural facilities across the country (Parra 1997). Recent studies in Bogotá show that conflict among neighbors—family conflicts or scandals, the presence of gangs, neighborhood drug use, and prostitution activities in the neighborhood—had a significant effect on school dropout rates (Knaul 1997). Elevated school dropout rates were also associated with domestic violence, abuse, or the presence of alcohol or drug use within the family (Knaul 1997). Further studies indicate that 14 percent of students had stopped attending night school for fear of street or public transportation crime victimization. Twenty-five percent of Colombians who used to work at night reportedly left these jobs for similar reasons of insecurity, and the number of youth working at night has dropped by a third (Cuellar de Martínez 1997).

In some regions, doctors and nurses have problems maintaining a neutral position in relation to armed conflict. As with teachers, when health workers become targets of death threats and assassinations, the result is often the abandonment of health posts and clinics. Violence is creating an added burden for the health care sector, with trauma care consuming an important proportion of health resources. This includes not only physical injuries and disability caused by violence but also the psychological consequences of victimization or witnessing violence among adults, ranging in severity from emotional stress to post-traumatic stress disorder.

The human capital of displaced populations can be seriously eroded. Many lose access to health and social services when they move to the big cities. Twenty-three percent of the campesinos arriving in Medellin, for example, have access to some sort of health care, but in the expulsion area of Urabá about 87 percent did (Angarita Cañas and Osorio Moreno 1998, Instituto de Estudios Regionales 1997). Their labor as an asset is eroded. A 1995 study of pre- and post-displacement unemployment rates showed male rates increasing from 6.2 percent (when most worked in rural agriculture) to 34 percent (when they had relocated on the urban periphery).
Comparable female rates show an increase from 6.5 percent to 19.2 percent (Meertens and Segura-Escobar 1996). Women use domestic work experience to find jobs as domestic servants or laundry women, or resort to street begging and occasionally to prostitution.

**Violence and the Erosion of Social Capital**

Violence erodes social capital when it reduces trust and cooperation within formal and informal social organizations and among their members. Social capital is the rules, norms, obligations, reciprocity, and trust embedded in social relations, social structures, and societies' institutional arrangements, which enable its members to achieve their individual and community objectives (Narayan 1997).12 This broad definition subsumes both social capital at the microinstitutional level (e.g., communities and households) and refers to the rules and regulations governing formalized institutions in the marketplace, the political system, and civil society (North 1990, Olson 1982).

The importance of social capital relates to its recognized contribution to sustainable development—and the evidence that the size and density of social networks and institutions, as well as the nature of interpersonal interactions, significantly affect the efficiency and sustainability of development processes (Putnam 1993). Among the factors that erode trust and reciprocity—the social capital—one of the most important is violence (Moser 1998, Moser and Holland 1997). Violence can occur as much in formal social institutions and informal community institutions as in households.

**Formal Social Institutions**

Violence has severely eroded faith in the relevance and effectiveness of many social institutions as a consequence of both human rights violations and a reported 98 percent impunity rate. The growing concern that judicial, educational, health, media, and security institutions are no longer viable is testing the institution of democracy. Of particular importance is the violence-linked drug industry that has sought to erode the State by corrupting institutions and dividing the population.

The effect of drug trafficking on the judicial system is a primary example of the impact of violent crime on institutions, where narco-terrorism,

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12 In this very new area of analytical research, definitions of social capital vary. Putnam (1993) defines it more narrowly as the informal and organized reciprocal networks of trust and norms embedded in the social organization of communities, with social institutions both horizontal and hierarchical in structure.
threats, and acts of kidnapping and assassination have influenced the administration of justice and changes in the penal code to benefit them. Corruption of the judicial system has manifested itself, for instance, in the arbitrary dismissal of evidence against, or the release of, well-known drug-traffickers. The influence of guerrilla and paramilitary groups on the judicial system is less well documented, although some municipal-level studies indicate that the presence of armed organizations affects the workings of the judicial system (Peñate 1991, 1998; Uribe 1992, cited in Rubio 1998).

Continued violence in the form of death threats, kidnappings, and assassinations has created an understandable climate of fear, anxiety, and mutual distrust among civil society actors. In one survey, 22 percent of a representative sample of Colombians felt that they were personally in danger (DANE 1997). Fear of victimization modifies behavior patterns, such as avoiding dangerous places and times, participating in community activities, or not going out alone (Warr 1994). Violence affects the communications media, key actors in providing information to an informed, democratic civil society. Systematic threats and attacks against the media have been meant to alter media behavior and information content. In a broader context, this alarming trend effectively suppresses the "voice" of civil society institutions to participate effectively and peacefully in political decisions at community and national levels (Quintero and Jimeno 1993).

Informal Community-Level Institutions and "Perverse" Social Capital

The capacity for community-level organizations to function depends on their cohesiveness as well as personal safety and the ability to meet locally. In Colombian cities, epidemiological studies and police figures show that murder and violence are clustered in specific delinquency areas, led by Bogotá's central barrio of Santa Fe—followed by Kennedy and Ciudad Bolivar—with its high concentrations of prostitution, street crime, and drug dealing, low-income housing, unemployment, single-parent families, and school dropouts. These indicators contribute to the creation of a cultural climate in which violence and delinquency are normative.

In some instances, violence seems to contribute to the creation of "perverse" social capital, in which networks, contacts, and associations are created in the service of illegal activities (Rubio 1997c). Gang involvement is a primary example where young people, bereft of strong family and community support, form mutually reinforcing groups. In many neighborhoods, gangs form the main pole of socialization for children, who join as young as 12 or 13 years of age. In Medellín, for instance, by 1990 there were 120 youth gangs, involving about 3,000 youths with an aver-
Actively involved in robbery, theft, drug consumption (marijuana, bazuco, cocaine), and assaults, and at war with rival groups, gangs provide an ideal sicario [paid killer] training. In some neighborhoods, they protect their neighbors, committing crimes elsewhere; in others, they prey on their neighbors, creating a climate of fear (Human Rights Watch/Americas 1994). In some contexts, youth gangs have developed strong symbiotic relationships with the drug cartels, who recruit them as sicarios to confront rival drug groups.

**Household Relations and Social Capital**

Violence erodes household relations as an asset when it reduces households' capacity to function effectively as a unit. In rural conflict zones, where many men have joined illegal groups (guerrilla or paramilitary), family life is seriously disrupted by high stress levels. In urban poor communities, many women have identified a direct link between male unemployment, alcohol abuse, and increased domestic violence. In the case of internally displaced populations, research shows that women are more vulnerable than men at the moment of eviction, when they are exposed to unexpected widowhood, threats, clandestine action, flight, and separation from their homes. Men, in contrast, seem better equipped to cope at such times, but the reverse is true when displaced households restructure their lives. Then the impact is greater for men who become unemployed and experience a loss of status as breadwinners and a rupture of their sense of masculine identity. Women seem better equipped to develop support networks to continue the routines of daily survival and find new ways of earning an income, and creating social capital not with other women originating from the same area, but with those sharing the same history of displacement. (Meertens and Segura-Escobar 1996).

Finally, sustained conflict, arbitrary killings of suspected guerrilla sympathizers, and widespread death threats have systematically reduced trust between neighbors and communities across the country, further eroding social capital. Recent evidence shows higher levels of participation in community action groups in less violent areas and lower levels in more violent areas. (Cuellar de Martinez 1997). In response to the statement that "the use of violence is never justifiable to achieve political goals," 62 percent of residents in the most peaceful zones of Colombia claimed to be "totally in agreement," compared with 37 percent in the most violent zones. In the most peaceful zones, 70 percent of residents said they would "definitely not want a neighbor who had committed a crime or murder," compared to 63 percent in more violent zones. The respective percentages, when questioned as to the desirability of having
a drug-trafficker as neighbor, are 45 percent and 35 percent (Cuéllar de Martínez 1997). Other measures of social capital—specifically participation in religious activities—rise in response to increased violence. Areas with high levels of violence report 30 percent of community members belong to some religious organization, while areas with less violence report 14 percent (Cuéllar de Martínez 1997).

Violence and the Erosion of Natural Capital

Violence erodes natural capital when it destroys or damages a country's stocks of environmentally provided assets such as soil, forests, water, and wetlands. In rural areas, land is a critical productive asset for the poor; in urban areas, land is equally important for the provision of shelter. While historically Colombia is exceedingly rich in such assets, environmental degradation has only recently been recognized as a significant cost of violence, particularly political violence.

First, and most dramatic, is the environmental damage due to oil spills from terrorism. Colombia has had to devise technology to handle oil spills in nonmaritime environments, and the long-term impacts are incalculable. In one tragedy in Catatumbo, near El Tamá National Park, all vegetation and life forms have disappeared from 5,000 hectares as a result of oil pipeline attacks and oil spills (Granada and Rojas 1995). Second, additional contamination of soil and groundwater results from aerial spraying of illicit crops, rendering these lands unusable for many years. Third, deforestation rates increase when peasants, driven from their lands after the spraying, raze nearby forests for planting. Fourth, the destruction of the fragile páramo [highland desert] habitat has been accelerated by the drug cartels' recently increased diversification into heroin poppy cultivation. Finally, environmental degradation in and around urban areas is exacerbated by the influx of displaced populations, worsening "brown issues" such as solid waste disposal and water contamination. In Cartago, the estimated 150 people arriving daily thwart city planners' attempts to protect watersheds and biodiversity, as the reclamation of land for precarious housing exceeds the ability to meet the demands of sustainable development (J. D. Quintero, personal communication, July 1998).

While the issue of equitable land distribution and agrarian reform has challenged Colombia for the past 30 years, land degradation and inappropriate land use have been exacerbated by political violence. Peasants have been forcibly evicted by the competing interests of guerrillas, paramilitaries, and drug-traffickers or have voluntarily fled to escape death threats, joining the thousands of rootless displaced persons on the edges of cities. According to a recent study in Cali, for
instance, 53 percent of the rural displaced had land ownership rights that they relinquished upon migrating, and 83 percent of them were landowners (CODHES 1997, Angarita Cañas and Osorio Moreno 1998). Since many peasants do not hold legal title to their land, if they abandon it, they lose their legal rights to ownership. Even those who have legal title to land do not necessarily have recourse to judicial processes to regain their land or claim compensation. The displacement process of rural peasants to claim valuable land, often sold at very low prices, has been identified as a deliberate and forced relocation of the population in affected territories. This has "cleansed" the civilian population from areas of guerrilla influence, concentrated property ownership, expanded the areas dedicated to large-scale cattle ranching, and subverted rural agriculture (Reyes Posada 1998). At the same time, in cities such as Medellín, displaced settlements are located on the outskirts of the city, in geologically unstable areas. The municipal government has evicted displaced persons from the city itself on the grounds that their presence could cause a natural disaster or a risk to public order (Angarita Cañas and Orsorio Moreno 1998).

**INTERVENTIONS TO REDUCE VIOLENCE**

An Integrated Framework for Intervention

Throughout Colombia, especially during the past decade, extensive, highly innovative interventions to address and reduce violence have been implemented. As in other countries, the analysis of violence and its related interventions have been dominated by a particular policy approach and its associated professional discipline (such as criminology or epidemiology). In addition, interventions have tended to prioritize a particular type of violence and focus on a particular level of causality. Even where initiatives successfully address more than one type of violence or target multiple levels of causality, the lack of impact evaluation or cost-benefit analysis severely restricts the identification of "best practices" and the possibility of replicating successful interventions.

To provide an integrated framework for intervention, the dominant policy approaches in the field must be classified in terms of both the categories of violence they address and the causal factors on which they focus. This framework is intended to help policymakers shift from menu-like checklists of interventions toward an interdisciplinary approach that recognizes a continuum of violence and addresses simultaneously the reduction of different categories of violence. Such innovative projects as do exist in Colombia are often small, with little coordination among them, and therefore lack sustainability on a national scale.
Changing Policy Approaches to Violence Intervention

In identifying changing policy approaches, a broad shift can be delineated from approaches focused on controlling violence to those concentrated on preventing it, to more recent perspectives directed at rebuilding social capital. Consequently, the framework of different policy approaches should be viewed as "ideal types" (table 2.3). More than one approach can be adopted simultaneously, and established perspectives are often combined with more innovative ones.

- **Criminal justice** is one of the most widely established approaches. It focuses on violence deterrence and control through higher rates of arrest, conviction, and punishment, facilitated by judicial, police, and penal reform. More successful in reducing economic crime, less so in reducing social and political violence, this top-down approach is popular with politicians seeking short-term solutions to the symptoms of violence.

- The **public health** approach also focuses on economic and social violence at individual and interpersonal levels. This is another well-established approach, focused on preventing violence by reducing individual risk factors. It draws on epidemiological surveillance, especially homicide rates as well as risk-factor identification to modify individual behavior, the social and physical environment, or both.

- The **conflict transformation** approach is a less established perspective that aims to rebuild the fabric of societies. It was initially influenced by the role of international actors such as the United Nations and addresses both political and, to a lesser extent, social violence through nonviolent negotiation among conflictive actors using third-party mediation. While negotiation may be through international organizations at the structural and institutional levels, it is also important at the interpersonal level through formal and informal arbitration and community-based training in communication skills.

- The **human rights** approach is what is known as a "rights-based approach" to violence reduction. It deals with citizens' entitlements to be free from the threat or victimization of violence and focuses on the role of the State in protecting these rights. Drawing on the documentation of abuse in relation to international human rights conventions, this approach addresses political and social violence, mainly at the individual and structural levels. While early use of this perspective dealt with governments as primary violators, more recent formula-
<table>
<thead>
<tr>
<th>Approach</th>
<th>Objective</th>
<th>Category of violence addressed</th>
<th>Causal level(s) addressed</th>
<th>Policy/planning intervention</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal justice</td>
<td>Violence deterrence and control through higher arrest rates, conviction rates, and punishment.</td>
<td>Economic</td>
<td>Individual</td>
<td>Top-down strengthening of judicial, penal, and police systems and their associated institutions.</td>
<td>Limited applicability to situations of political and social violence; success highly dependent on enforcement.</td>
</tr>
<tr>
<td>Public health</td>
<td>Violence prevention by reducing individual risk factors.</td>
<td>Economic</td>
<td>Individual</td>
<td>Top-down surveillance, risk factor identification, associated behavior modification, scaling up of successful interventions.</td>
<td>Almost exclusive focus on individual; often imposed top-down; highly sensitive to quality of surveillance data; limitations in indicators.</td>
</tr>
<tr>
<td>Conflict transformation</td>
<td>Achieving nonviolent resolution of conflict through negotiated terms between conflictive parties.</td>
<td>Political</td>
<td>Interpersonal</td>
<td>Negotiations to ensure conflict reduction between different social actors; key third-party mediation. May be top-down or bottom-up.</td>
<td>Often long-term in impact; often challenging to bring parties to table, then mediate conflict.</td>
</tr>
<tr>
<td>Human rights</td>
<td>Legal enforcement of human rights and documentation of abuse by states and other social actors.</td>
<td>Political Individual</td>
<td>Top-down legal enforcement reinforced by bottom-up popular participation and NGO lobbying.</td>
<td>Legalistic framework often difficult to enforce in a context of lawlessness, corruption, and impunity; documenting abuse can be dangerous.</td>
<td></td>
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<tr>
<td>-------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
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<td>-----------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Social capital</td>
<td>Building social capital to reduce violence in both informal and formal social institutions such as families, community organizations, and the judiciary.</td>
<td>Political Interpersonal Bottom-up participatory appraisal of violence, institutional mapping to address problems, community participation in violence-reduction measures.</td>
<td>Less well articulated than other approaches; fewer indicators have been developed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
tions have included all social actors who deny or abuse rights. In particular, this deals with excluded groups, such as indigenous people, women, and children, as well as with future generations in relation to the natural resource base.

- The social capital approach is still being formulated. Of all perspectives, it focuses most directly on rebuilding social capital among informal and formal institutions such as families, community organizations, and the judiciary. Using bottom-up, participatory processes, this approach builds on community identification of needs to create trust and focuses on the strengths of communities affected by violence. It also provides the potential for community-based needs to be scaled up to public sector interventions.

Interventions to Address Political Violence and Negotiate Peace in Colombia

Attempts to address political violence in Colombia are closely interrelated with government endeavors to establish peace accords. Since the renewed escalation of political violence in the 1980s, an end to political violence has been at the forefront of Colombian policymaking.

Presidential Initiatives toward Peace

Successive presidential administrations have shifted their strategies for dealing with political conflict. These have ranged from a partial military solution to negotiation of demobilization and reincorporation agendas.

Along with shifts in emphasis, efforts have been broadly consolidated over time, often straddling different political administrations. For example, while the Betancur administration opened the door to negotiations with the guerrillas, and the M-19 in particular, it was under the Barco administration that a political accord was established. Yet it was the Gaviria administration that developed the Reinsertion Program for the M-19. Similarly, the groundwork for the 1991 constitutional reform and Constituent National Assembly was laid under Barco yet came into effect under Gaviria's administration (box 2.2)

13 This section draws heavily on Chernick (1997) and Cleves (1998).
**Box 2.2**
SOME OF THE MAIN GOVERNMENT INITIATIVES FOR PEACE IN COLOMBIA

**1982–86: Betancur Administration**
- National Plan for Rehabilitation to redirect funds to areas most affected by political violence
- Political reform, reintegration, and a democratic opening through negotiations with extra-institutional forums and Congress
- Constitutional reform in Congress, including a constitutional amendment establishing direct election of mayors
- “National dialogue” among diverse members of government and civil society
- Negotiation of temporary cease-fire with the FARC, EPL, M-19, and Democratic Workers Movement (ADO) and “regional peace processes” established

**1986–90: Barco Administration**
- Policy of Reconciliation, Normalization, and Rehabilitation, incorporating the National Plan for Rehabilitation and instituting local democratic forums to extend the State’s authority over the civilian population
- 1986: Creation of the Presidential Council for Peace
- 1989: Political Pact for Peace and Democracy, which included commitment to unilateral cease-fire and recognition that the end results of negotiations would be disarmament and reincorporation into the legal political system
- 1990: Political Accord with the M-19, involving cease-fire, through assembly of groups in the demilitarized zone and formal surrender of arms; further accord with the Revolutionary Workers Party (PRT), EPL, and MAQL

**1990–94: Gaviria Administration**
- 1991: Constituent National Assembly and constitutional reform involving constitutional reform in political, economic, social, and judicial sectors; recognizing community participation and minority rights, including indigenous peoples and Afro-Colombians; promotion of respect for human rights; and complying with agreements with guerrilla groups
- 1991: Reinsertion Program for 6,500 demobilized guerrillas of the M-19 and other groups, cofinanced by government and municipalities, offering housing, health care, skills training, and adult education as a preventive program to create “culture of peace”

(Box continues on the following page.)
Box 2.2 (CONTINUED)

- 1991 and 1992: Negotiations in Caracas and Tlaxcala, Mexico, with Coordinadora Guerrillera Simon Bolivar, with preliminary accord
- 1992: Creation of the National Commission on Indigenous Policy (CONPAPI) with Office of Indigenous Affairs (DGAI) and Special Commission for Black Communities
- 1993: Further Pact to Consolidate Peace signed between government and guerrilla groups to make further advances for national reconciliation
- 1994: “Special Electoral Boundaries for Peace” to provide preferential treatment for ex-guerrillas in municipal council elections
- Creation of civilian Minister of Defense
- Creation of Office of High Commission for Peace
- Creation of Office of Presidential Counselor for Medellín, a presidential-level effort to reduce violence in Medellín

1994–98: Samper Administration

- 1994: Protocol II of the Geneva Convention signed, establishing a code of conduct for internal wars; creation of security cooperatives in the form of CONVIVIR; establishment of Office of Black Communities and Ethnic Collectivities
- 1995: National Program for Population Affected by Violence to deal with displaced populations
- 1997: Established UN Office of the High Commissioner of Human Rights; formal request to establish Office of High Commissioner for Refugees of the United Nations to deal with displaced populations
- National Peace Council approved by Congress, initiative to guarantee national commitment to search for peace
- Law 418 approved by Congress, establishing parameters for negotiation with armed groups, norms for protecting minors from armed conflict, instruments for attention to victims of violent conflict; amnesty for those convicted of political crimes
- Laws passed to allow the government to seize some narco-investment in land as a possible basis for major land reform; regional dialogue between governors and armed groups authorized by the government
Underpinning these peace initiatives has been the formulation of a wide range of policies informed by the approaches discussed above. Conflict transformation, social capital, and human rights perspectives have been important in influencing the peace initiatives. Although military solutions have been used as a last resort when negotiations or other methods failed—for example, when Gaviria's negotiations with Coordinadora Guerrillera Simon Bolivar broke down, he turned to a military strategy—the nonmilitary approaches have revolved mainly around rebuilding the society's assets.

Conflict transformation strategies have influenced negotiations with the guerrilla groups since the early 1980s. Instigated by Betancur, the first to recognize the severity of the guerrilla issue and to negotiate a temporary cease-fire in 1984, each subsequent government has attempted some form of conflict transformation method. However, this dialogue has not been confined to negotiating solely with the guerrillas but has also included the intervention of other actors. For example, Betancur established a “national dialogue” among members of civil society and government, although the armed forces were left out of the dialogue process. Also, the constitutional reform of 1991 was partly a response to proposals from civil society and the guerrillas, and in 1997, Samper authorized regional dialogues between governors and armed groups.

Rebuilding social and community institutions, social capital, also runs through peace endeavors since 1982. Betancur’s National Plan for Rehabilitation, for example, directed funds to areas most affected by political violence in order to rebuild the social and economic fabric, which was reinforced by Barco’s Policy of Reconciliation, Normalization, and Rehabilitation. Also important from this perspective was Sampers’s 1995 policy for populations displaced by violence. In an effort to build capacity at the local level, various governments have instituted a range of constitutional decentralization measures. For example, Betancur introduced a constitutional amendment establishing the direct election of mayors. Perhaps most important were Barco and Gaviria’s constitutional reforms, which firmly established the importance of decentralized state functions and community participation at the local level. Similarly, Gaviria’s reinsertion program attempted to rebuild social capital among ex-combatants, in conjunction with creating human capital through the health and adult education components.

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14 It is important to recognize that this analysis of government political interventions in terms of different policy approaches is undertaken with hindsight; governments themselves did not necessarily identify their interventions as falling within a particular approach. Such an analysis, however, provides important lessons from past practice.
Finally, as mentioned earlier, a human rights perspective was significant during the Gaviria and Samper governments. As in other countries, Colombia has shifted in its approach to human rights from viewing the State as perpetrator to recognizing human rights abuses by other social actors. In addition, the issue of exclusion of minorities has also been addressed, especially through the 1991 constitutional reform and the subsequent CONPAPI, within the DGAI and the Special Commission for Black Communities. The most systematic use of the human rights approach has been by the Samper administration. Among other things, this has included the creation of the Office of the High Commissioner for Human Rights of the United Nations in 1997 as well as the inclusion of a clause in Law 418 outlining norms for the protection of children from the effects of conflict.

**Role of Civil Society and the International Community in the Peace Process**

In the past decade, groups within civil society have become increasingly involved in reducing violence. Although most civil society initiatives have focused on reducing economic and social violence, some interesting interventions have addressed political violence reduction. Two examples of grassroots peace-building initiatives include the Network for Citizen Initiatives against War and Peace and MINGA (McDonald 1997). Other important civil society interventions have been the creation of the Comisión Nacional de Conciliación—with the objective of identifying a solution to armed conflict—the “Vaccination Against Violence,” and the national referendum on peace that collected “Ten Million Votes for Peace” in October 1997. The fact that 10 million Colombians expressed their disquiet over armed conflict, even if only through a symbolic vote, reportedly influenced the ELN’s decision to reopen channels for peace negotiations. At the same time, the business sector has demonstrated its vested interest in violence reduction through a variety of sponsored initiatives. One of the best known examples is Fundación Social, a nationwide social development program financed by private investments.

At the international level, the role of the United Nations has been particularly important with respect to human rights interventions, especially during the Samper government. In addition, a number of national and international NGOs have established programs of emergency help and humanitarian assistance for displaced persons. However, these have not been able to keep up with the growing need for emergency assistance, nor have they provided a longer-term solution to the problem. Nevertheless, groups such as the Popular Feminine
Organization are seeking to educate displaced persons on a number of issues.

To conclude, government and civil society initiatives to address political violence and bring about peace have been innovative, extensive, and potentially far-reaching. While some interventions have been more successful than others, none has brought about peace (Chernick 1998). Of particular significance is the fact that governments have been beset by problems of implementation. These have revolved around lack of funds, the proliferation of groups involved in political conflict, the reduced control of the State over large areas of the country, and the intransigence of the guerrilla groups. At the same time, none of the government or civil society initiatives to date have addressed political violence together with economic and social violence.

**Interventions to Reduce Economic and Social Violence in Colombia**

In Colombia, much less attention has been focused on economic and social violence than on political violence. Nevertheless, the Colombian government and NGOs have designed a wide range of innovative initiatives. These have usually been implemented separately from those dealing with political violence. Some have focused independently on economic or social violence; others have addressed both types together. Interventions have drawn on all policy approaches, with particular emphasis on the criminal justice, public health, and social capital approaches. These interventions therefore span the different underlying aims of control, prevention, and rebuilding assets.

**Criminal Justice Approach**

Historically, efforts to reduce economic violence in Colombia have been based primarily on the criminal justice approach. In terms of judicial reform, the 1991 Constitution established various mechanisms to control economic violence. These included harsher sentencing for felons, a shift to accusatory evidentiary procedures, and training for judges, prosecutors, and police. Other initiatives have addressed widespread corruption and impunity. These include the Inter-American Development Bank’s judges training program. Other examples are two community-based surveillance strategies implemented by the Bogotá police department to control economic violence. The first was designed to increase patrols in high crime areas; the second, to train community leaders as watchmen to monitor the number of crimes and victims per neighborhood. In terms of

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15 This section draws heavily on Klevens (1998), Rodgers (1998), and Ross (1998).
social violence, a key criminal justice intervention in Colombia was a law passed in 1996 to criminalize domestic violence. This also included punishment for failure to meet child support payments and other legal changes increasing punishment for rape and other sexual offenses, especially against children.

One of the most interesting interventions, focused primarily on social violence, is the Casas de Justicia (Houses of Justice) program. Since the program is implemented within low-income communities with high rates of violence, it also indirectly addresses economic violence. The Casas de Justicia are particularly important, as they provide different forms of conflict resolution. Instead of simply employing traditional judicial procedures, these are designed to improve poor communities' access to conciliation, legal, and human rights services. These are drawn primarily from a criminal justice perspective, yet are also influenced by other innovative approaches. For instance, various types of conflict transformation tools have been introduced, and manuals based on conciliation techniques developed. Educating low-income groups on human rights issues is also integral to the program (box 2.3).

**Box 2.3**

**Addressing Economic and Social Violence: Casas de Justicia**

Colombia's Casas de Justicia program works within the criminal justice system to achieve binding resolutions, a first step in moving the judicial system toward a system that promotes conciliation rather than winners and losers. An additional objective of the Casas de Justicia is to facilitate access to the justice system in poverty-stricken communities with very high rates of violence.

A typical Casa de Justicia is the one created in 1994 in Bogotá's Ciudad Bolívar lower-income barrio. With support from the U.S. Agency for International Development, the Foundation for Superior Education, and the Ministry of Justice, the Casa includes a lawyer for consultations, a Center for Conciliation, a Family Commissar, a police inspector, a forensic doctor, a defender of human rights, and a prosecutor (attorney general). Various manuals on conciliation techniques have been developed to support the program. Based on an initial follow-up survey of cases attended, more than 60 percent of the people who used these services said they were satisfied with the result.

*Source: Klevens (1998).*
Public Health Approach

The public health approach has also been important in relation to economic and social violence. Initiatives usually focus on homicide reduction, with little distinction between economically and socially motivated deaths. Particularly important from this perspective has been the use of the media, especially through campaigns to limit violence on television and to promote public awareness of the causes of violence. For example, the Bogotá District Health Office has carried out mass media campaigns focusing on the relation between alcohol consumption and violence among adolescents. One campaign employed a multimedia strategy, using songs on radio, billboard messages, and booklets distributed with the popular newspapers.

Other important public health initiatives in terms of economic violence, and to a lesser extent, social violence, include controlling situational precipitators such as drugs, alcohol, and firearms. In Bogotá, attempts have been made to restrict the carrying of weapons and the sale of alcohol in an attempt to reduce crime. Dealing with drug and alcohol use, a campaign called “What You Should Know Before You Drink” was launched. Financed by the United Nations and developed by the Coordinating Office for Integral Prevention, it was designed to help youth analyze their attitudes and behavior toward alcohol and drugs, based on a set of card games that lead into group discussions.

In terms of interventions focused specifically around social violence, the health and education sectors play a crucial role. To deal with domestic violence, a project in a Bogotá hospital has been established to systematically screen women with trauma for partner violence. This is being implemented with support from the House for Women, an NGO working for the defense of women. A number of education projects in Bogotá have developed teaching guides to help children and adolescents improve their conflict-resolution skills.

One of the most important showcase public health interventions is the Program for Development, Peace and Security (DESEPAZ) in Cali. This employs public health tools such as epidemiological surveillance, environmental manipulation, and behavioral modification to achieve measurable reductions in homicide. It identifies risk factors such as alcohol use and gun ownership and attempts to limit exposure to these risks. DESEPAZ is notable in that it focuses on economic violence, using a number of approaches to the problem. For instance, its emphasis on community-level solutions indicates that rebuilding community and social institutions is also important. In addition, some of its interventions have direct and indirect implications for reducing social violence (box 2.4).
**Box 2.4**

**COMBINING POLICY APPROACHES TO ADDRESS ECONOMIC AND SOCIAL VIOLENCE: CALI'S DESEPAZ**

DESEPAZ was established by the Mayor's Office of Cali in 1992 to address the high rates of crime and violence in the city. Grounded in a public health approach, it was based on an epidemiological analysis of violence—primarily homicide rates—to identify specific risk factors for urban violence as well as community involvement in combating crime and violence. DESEPAZ and the Colombian Legal Medicine and Forensic Science Institute identified several key risk factors for homicide in Cali, which revolved around alcohol use, gun ownership, and leisure time. For example, 56 percent of homicides occurred during weekends and holidays, and at night. They therefore restricted alcohol sales in public areas and initiated a disarmament program that appears to have had a beneficial effect on homicide reduction.

A key principle of DESEPAZ is that the prevention of crime and violence requires a commitment from all citizens. Municipal Security Councils were created to educate government officials in the epidemiology of crime and violence, review progress, and chart future plans of action. In addition, the mayor held weekly meetings with community leaders in one of Cali's 20 districts, bringing together members of the mayor's staff and community leaders. In these meetings, which are open to the public, participants discuss all matters related to crime and public security and suggest and agree on concrete solutions. This community-based process has led to the creation of law enforcement, public education, and social development programs.


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**Conflict Transformation Approach**

Interventions that draw on conflict transformation mechanisms such as mediation, arbitration, and nonviolent conflict resolution have been developed quite recently in Colombia. In terms of social violence, one example is the Family Commissar, created in 1989 and run by the District Department for Social Welfare. It is staffed by a family law judge, a psychologist, a physician, and a social worker who mainly attend to problems related to family violence or failure by parents and spouses to meet their economic or social obligations. They provide legal and psychological counseling, help in negotiating a solution, legal judgments, and therapy.\(^\text{16}\)

\(^\text{16}\) During 1997, these commissaries attended 76,744 cases in Bogotá, compared with 15,683 cases in the previous year.
Emphasizing economic violence, the Centers for Conciliation and Arbitration, created by the Office of Commerce 15 years ago, are concerned with disputes relating to economic control over resources. They mainly offer businesspeople mechanisms for resolving their conflicts. In 1997, for example, they reconciled 1,052 conflicts and refereed another 100 for a range of organizations, including the Mennonite Church, the Air Force, various law schools, and an association of truck drivers. In some cases, the centers also helped them set up their own conciliation and arbitration centers. In addition to businesses, they also address social violence issues, such as family conflicts, gender conflicts, and claims against the State.

Another example of a project that addresses both social and economic violence is a project to rehabilitate juvenile gang members. Developed by the Coordinating Office for Integral Prevention (UCPI) with the support of the nonprofit organization Fundación Social, this project focuses on conflict transformation. With support from UCPI, two mediators spend three to four years in local Bogotá communities, working with gang members, especially drug users. After this period, the mediators were able to identify and sign pacts of nonaggression with 180 youths and encourage them to hand in their weapons.

**Human Rights Approach**

In a number of cases, initiatives informed by the human rights approach are relevant for the reduction of economic and social violence. A particularly pertinent issue relating to economic violence is deterrence and rehabilitation in the penal system—which is also relevant to criminal justice. Although juvenile justice has become a human rights issue in Colombia, to date interventions have been minimal. Minors held in detention centers before trial, or before getting a place at reform school, can experience human rights infringements. Conditions for adult prisoners appear to be equally harsh. The issue of prisoners' rights was recently highlighted by prison riots in Bogotá, where striking prisoners sewed their lips shut to protest against inhumane conditions.

A human rights approach is also gaining recognition in terms of social violence, especially in relation to such issues as the right to security in the home and the right to food, gainful employment, and the natural resource patrimony. Colombia is a signatory to the Convention to Eradicate, Sanction, and Prevent All Forms of Violence against Women and the Declaration of the Rights of the Child. In addition, the 1991 Constitution embodied many of these tenets through legislation to promote equality and democracy.
Social Capital Approach

Interventions aimed at building social capital often focus on youth. Interesting examples are the Youth Clubs and Youth Houses, which provide alternative recreational opportunities and residential arrangements for at-risk youth. Both types of projects provide adolescents with a meeting place free from alcohol and drugs, where they are encouraged to engage in other activities such as sports or music. The Youth Houses are an initiative of the Ministry of Education, with the aim of building social and human capital among youth, especially drug users. They address both economic violence, by reducing crime rates, as well as social violence, through issues of socialization, role models, and involvement in gang activity.

Another interesting project that also attempts to build social capital from a public health perspective is a small maternal health project in Bogotá. Focusing on social violence, it was initiated by a small nonprofit agency whose mission is to “humanize childbirth.” In 1996, it expanded to include community health training workshops for caregivers in community childcare homes, branching out into other areas of community development, including leadership training, recreational and sports activities for children and adolescents, a community newspaper, training in arts and crafts, and training in construction, plumbing, carpentry, and electrical installations.

This brief summary of different interventions illustrates the wealth of experience Colombia already has to draw on. However, tremendous challenges have yet to be overcome. Among these, the most important include lack of national coordination, the small scale of some projects, and limited evaluation of initiatives. Colombia has the potential to meet these challenges in a number of ways.

Recommendations: Building Sustainable Peace and Social Capital

Introduction: President Pastrana’s Mission

The evidence presented here indicates the urgent need for the new government to make peace and development its top priority. It should demonstrate this commitment by negotiating appropriate peace agreements and designing and implementing a comprehensive national strategy for peace and development. Experience to date suggests that resolving armed conflict is a precondition for sustained peace and development. However, to ensure sustainability, the causes of different types of violence and their context-specific nature in different parts of the country also need
to be addressed. Otherwise, any interventions, no matter how important and costly, can only be piecemeal and easily undermined. At the same time, it is critical that the government recognize that solving political violence—through a negotiated peace—will not automatically solve other, more prevalent forms of violence. Recent post-conflict experience from El Salvador, for instance, demonstrates that a peace accord in itself may, in the short term, increase economic and social violence.

**Basic Principles for a National Strategy for Peace and Development**

Developing a national strategy for peace and development should be based on a number of important principles, which include the following:

**Develop a Fiscal Policy to Pay for Peace**

A peace strategy requires not only political will but also an adequate budget to implement it. Any sustainable peace initiative will bear a significant financial cost. How to pay for peace, therefore, is a fundamental challenge for the new government. In the current economic climate, this may create an important policy tension between, on one hand, making progress with fiscal austerity—essential for economic growth—and, on the other hand, funding social and economic policies—essential to sustain peace. This may involve the renegotiation of fiscal targets to take account of the peace components, especially those associated with the establishment of the peace accords. Among the potentially viable measures to help Colombia realize this goal, peace bonds, taxation, and external donor assistance are important interventions to be considered.

**Create Partnerships for Sustainable Peace and Development**

The government has responsibility to provide the necessary security to ensure its citizens' safety, but it requires the collaboration of key social actors to fulfill this obligation. This becomes particularly important when the institutional capacity of the State itself is weak. In this light, private business, civil society, and the international community are already contributing to the process of facilitating sustainable peace and development. With current levels of armed conflict and disorganized violence now widely perceived as a real threat to democracy, such actors are increasingly significant. The burgeoning culture of respect for human rights and citizenship and a growing conviction of the urgent need for political solutions—reached through a negotiated settlement, rather than military solutions—means that today a social movement around peace is developing. It is the partnerships linking civil society with the business communi-
ty that increasingly articulate a nation’s exasperation with high levels of insecurity and failure to resolve the civil war. The challenging road ahead, therefore, is twofold: first, to ensure a transition from individual civil society initiatives to a well-defined, integrated civil society policy agenda, and second, to promote flexible State–civil society partnerships to implement policies and programs for sustainable peace and development.

Promote Participatory Debate about Local-Level Causes of Violence and Solutions

Sustainable peace and development will not be achieved unless government promotes and facilitates open debate concerning the causes of violence, as well as solutions, among all social actors. Participatory consultations are also necessary if agreement is to be reached on such key issues of national interest as agrarian reform, environmental policy, and the distribution of profits from the country’s natural resources, particularly oil, natural gas, and coal, and alternative development policy in drug-growing areas. Such participatory processes can also identify local-level solutions to rebuild social capital and citizenship and focus on the perceived needs of priority target groups, including displaced populations, demobilized combatants, and excluded urban youth.

Adopt a Coordinated Approach to Violence Reduction

During the past decade, government, private, and nongovernmental sectors have implemented an impressive menu of initiatives that stand as testimony to the breadth of peace and development initiatives. Nevertheless, their impact has been limited by lack of cohesive policy that integrates different objectives and instruments for reducing violence, fragmented approaches to violence reduction with single-focused independent programs, a proliferation of interventions focusing on short-term gain rather than long-term structural change, and limited evaluation and cost analyses restricting informed policy decisions regarding the relative fiscal returns of different programs. To allocate resources efficiently, decisionmakers need basic information and tools to design appropriate interventions, establish project benchmarks based on community needs, and assess project impact with accurate data.

Components of a National Strategy for Peace and Development

A national strategy for peace and development will involve not just making peace but also owning, supporting, and sustaining peace (Colletta et al. 1998). Drawing on the extensive initiatives already implemented by
Colombians, the strategy outlined below seeks to control the symptoms of violence as well as introduce preventive measures. It also aims to rebuild the fabric of society, with particular emphasis on strengthening social capital. In some cases, single interventions can address different types of violence simultaneously; in other cases, a number of interventions need to be combined to reduce violence.

As outlined in Table 2.4, the strategy has three critical components, or building blocks, that address the continuum of violence at different levels of causality:

- national level: peace program
- sector level: mainstreaming violence reduction into priority sector policies and programs
- municipal level: projects to rebuild social capital.

National Level: Peace Program

A peace program can contain many components, to be implemented at different stages of the peace process. Before the actual peace agreement, for instance, one important component may be pre-accord innovative project support as a form of venture capital in support of building social capital in conflict zones—which provides incentives for peace as well as helping preempt “spoilers.” During the actual peace process, the timing and sequencing of other aspects of a peace program will require careful consideration at the local level. Some of the other important components of such a program may include demobilization and reincorporation of ex-combatants, reconstruction measures, and a program for displaced persons.

Demobilization and Reintegration of Ex-combatants

Demobilization should include bringing guerrilla and paramilitary proposals to the negotiating table. The specifics of demobilization must be addressed within the peace negotiations and detailed agreements, and should be acceptable to all parties. Lessons may be learned from the experiences of El Salvador, Guatemala, Nicaragua, and other countries to ensure that ex-combatants cannot easily rearm (Spencer 1996). Reintegration of ex-combatants is also essential. This should include social programs for ex-combatants (Colletta, Kostner, and Wiederhofer 1996) and initiatives to address human rights violations. In terms of human rights, the Consejería Presidencial de Derechos Humanos and the United Nations Office of the High Commissioner for Human Rights
<table>
<thead>
<tr>
<th>Type of strategy</th>
<th>Details of potential interventions</th>
<th>Main type of violence addressed</th>
<th>Priority group addressed</th>
</tr>
</thead>
</table>
| National level: Peace program | • Pre-accord project support  
• Demobilization and reintegration of ex-combatants  
• Reconstruction measures  
• Programs for displaced persons | Political | Guerrilla groups, communities affected by violence, ex-combatants, displaced persons |
| Sector level: Mainstreaming violence reduction into priority sector policies and programs | **Education**  
• Curriculum review  
• Conflict resolution programs  
• Restructuring timetable  
• Referral of youth at risk  
• Teacher-security protection | Economic | Youth at risk, including gangs; future generations |
| **Judiciary**  
• Community-based conflict resolution programs  
• Community-based tribunals  
• Reduction in judicial congestion  
• Strengthening of managerial capacity to reduce corruption | Economic  
Social | Poor rural and urban communities, people illegally detained, people affected by impunity |
<table>
<thead>
<tr>
<th>Environment</th>
<th>Political</th>
<th>Economic</th>
<th>Peasants and indigenous groups living in remote, environmentally sensitive areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood and job creation</td>
<td></td>
<td></td>
<td>Peasants and indigenous groups with no access to land or livelihood, poor urban populations</td>
</tr>
<tr>
<td>Municipal level: Social capital projects</td>
<td></td>
<td></td>
<td>Urban and rural communities affected by violence, especially in regions most affected by conflict</td>
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<td></td>
<td>Urban and rural communities affected by violence, especially in regions most affected by conflict</td>
</tr>
</tbody>
</table>

should be consulted. Since extensive violations of human rights on the part of the military, the paramilitary, and the guerrillas have destabilized previous peace dialogue, this is a central part of any agreement. There should therefore be consensus over basic commitments from all actors to respect fundamental human rights and freedom of political association and expression, as well as the application of international humanitarian law. While these measures primarily address political violence, they must be combined with other initiatives that deal with economic and social violence through reconstruction measures.

Reconstruction Measures

These should focus on regions most adversely affected by armed conflict and address social, political, and economic causes of violence. While a first step is the negotiation of peace among guerrilla, paramilitary, and local populations, subsequent measures are essential. These may be integrated projects such as the Magdalena Medio project, a pre-accord experience that deals with the continuum of violence at different levels and draws on different policy approaches (box 2.5).

Programs for Internally Displaced Persons

Even with a negotiated peace, the problem of displaced persons remains. Because it is not certain whether the displaced will return to their rural communities, services in their cities of arrival are likely to remain overstretched in terms of housing, employment, and social welfare provision. The Colombian government has taken important steps to recognize violence-related displacement as a structural problem by adopting in 1997 Law 387 as public policy for the reintegration of displaced persons. However, the law lacks measures for protecting the rights of the victims of displacement, nor does it contain tools for addressing future relocations. To date, most displaced persons have refused to move, preferring to stay in resettlement communities, since any return home could prove fatal until conditions change in their home regions. The government therefore needs to define a clear policy agenda at two levels: first, to address the causes of displacement; second, to ensure the protection and well-being of internally displaced persons.

Sector Level: Mainstreaming Violence Reduction into Priority Sector Policies and Programs

Not only does violence affect the implementation and outcomes of a number of sector policies and programs not immediately associated with
BOX 2.5
PROJECTS FOR PEACE AND DEVELOPMENT: THE MAGDALENA MEDIO PROJECT

The Project for Peace and Development in Magdalena Medio is designed to address the four causal levels of violence at the local level. Founded in the context of a growing movement to promote regional dialogues to end the violence, its objectives are to foster peace, community-based development, and civic education in the central Magdalena River Valley, one of Colombia's most violent areas. The project covers 29 municipalities, spread over 30,000 square kilometers. Twenty-six of the municipalities are "internal colonization" zones—areas of immigration since La Violencia in the 1940s and 1950s. The three largely urban municipalities include a city of more than 200,000 inhabitants. The region contains great natural and productive wealth, including petroleum, gold mining, African palm, cattle, fishing, and coca. It is also characterized by great poverty and unequal land tenure, where more than 75 percent of the inhabitants live in precarious economic conditions, with inadequate housing, minimal education, and scarce health services. Armed conflict is entrenched with large landowners, local political bosses, paramilitaries, and guerrillas competing for political, social, and economic power. The region is under the political jurisdiction of four departmental capitals but is largely neglected and devoid of an active state presence.

The Magdalena Medio project seeks to create community-based development programs and income-generating projects and to increase local participation in the region's natural and productive wealth. It also seeks to reduce violence directly by creating conditions for relationships to be forged among the armed actors, communities, NGOs, and government. In principle, all the major actors in the conflict have expressed a willingness to cooperate in such an endeavor at the local level, even before a national-level settlement to the armed conflict has been reached. By reducing poverty and violence, the project's objective is to transform the area into a pole for peace and development.

To address this problem, the Magdalena Medio project is implementing a peace and civic education program, emphasizing human rights, peaceful conflict resolution, and the construction of democratic decisionmaking at the local level. This is a multilevel approach to violence reduction, conflict resolution, and social capital accumulation. At the structural level, the project seeks to confront poverty and political and economic inequality. At the institutional level, it strives to bring into the communities long absent state agencies and agents, including police, justice, and municipal governments. At the interpersonal and individual levels, it is creating strong educational programs for peaceful coexistence, democracy, and engaged and informed citizen participation.

violence, but it also provides important opportunities to introduce measures to control or prevent violence and to rebuild the fabric of society. Consequently, a national peace and development strategy needs to mainstream, or integrate, violence reduction measures into its sector policy. This involves setting priorities in sectors central to violence reduction—such as education, the judiciary, sectors concerned with livelihood and job creation, and the environment. Within these sectors, it requires the identification of the interventions that will most effectively reduce violence. Simultaneously, far greater intersectoral coordination and collaboration is essential if the maximum synergy from sector-specific interventions is to be translated into sustainable peace strategies. Sector-level details of these types of interventions require local consultation and consensus. Consequently, the following comments are intended to provide only general observations of potentially relevant issues

Education

Weaknesses in the education sector contribute to violence, just as violence weakens the education sector. Overcrowding in schools, a principal reason for elevated dropout rates, double- and triple-turnos [shifts] for students, and limited access to secondary and higher education, all translate into lost opportunities for education, training, and jobs. The short- and long-term negative effects on educational achievement associated with loss of human resources when teachers have been injured or murdered, elevated truancy rates when students cannot pass through guerrilla-, paramilitary-, or gang-controlled areas, and property destruction have been widely documented. These indicate the importance of trying to address these problems.

Strengthening the education sector provides youth with viable alternatives to delinquency, criminal behavior, and guerrilla group membership. High-quality education and training must be provided for all age groups in both rural and urban areas, going beyond mandates for universal enrollment or access to literacy skills. This requires infrastructure investment, curriculum review, and improved management. It entails building more schools, training more teachers and administrators, and designing materials that impart substantive knowledge about issues of violence and peace.

Schools are therefore powerful socializing institutions for shaping values and promoting citizen participation and democracy. Teaching the use of conflict resolution techniques in classrooms will provide examples that can be reinforced elsewhere in society. The education sector can work with security organizations and communities to reduce safety problems for teaching personnel. Finally, the education sector has a role to play in
the referral of children, youth, and families who are at risk from violence. In this way, schools can act as a first line of defense, with strong inter-institutional ties to allow for referral and follow-up.

Judiciary

Corruption, congestion, abuse, procedural delay, and administrative inefficiency have undermined public confidence in the judiciary’s ability to penalize criminal behavior and provide effective conflict resolution mechanisms at community level. With a much cited 98 percent impunity rate, the viability of recent judicial reforms, such as sweeping constitutional changes, increases in judges’ salaries, and training of jurists, have been questioned by civil society. The lack of an effective judicial dispute resolution mechanism generates perverse incentives for defaulting parties to take advantage of procedural delays.

Recent recommendations include:

- Increase community-based conflict resolution mechanisms.

- Reduce congestion and processing delay through institutional and organizational changes, substantive investment in the training of judges, modernization of the judicial office, an emergency congestion reduction program, and an intense communications campaign of public education.

- Strengthen managerial capacity and key organizational functions by improving institutional coordination with other branches of the government and within the judicial sector and key human resource management functions, including the selection of judges and administrative personnel, and performance evaluation.¹⁷

A key element of the Judicial Reform Program is to increase the supply of community-based conflict resolution mechanisms, as mandated in the 1991 Constitution. Currently, high costs, lengthy delays, and low confidence in the judiciary leave many Colombians without recourse to effective resolution mechanisms. Benefits would include the introduction of procedures based on oral arguments with less formality and a reinforcement of the values and benefits of peaceful conflict resolution. To ensure greater access, measures should be developed for effective community

¹⁷ For a fuller discussion of the proposed Judicial Reform Program, see World Bank (1998c).
outreach, such as an "outreach worker" responsible for the dissemination of service information.

Livelihood and Job Creation

Creating livelihoods for rural and urban people is central to peace building. Violence affects the manner in which rural populations make a livelihood and urban people secure jobs. A number of different state sectors, with links to civil society and private businesses, have responsibility for the creation of jobs and livelihood opportunities.

In rural areas, one potential initiative relates to the government's recommendation for market-based agrarian reform through the implementation of Law 160. This provides for government subsidies of up to 80 percent for peasant groups to purchase and subdivide large land holdings voluntarily sold by their private owners. However, peasant groups are unlikely to qualify for credit, except from the State-owned Caja Agraria, which is being scaled-down. Therefore, alternative options to provide sustainable livelihoods for rural dwellers need to be developed. In addition, the government should recognize that the "land issue" must be reexamined within the peace negotiations. Job creation in urban areas must target not only areas of high unemployment but also areas of high violence. In particular, vulnerable groups at increased risk from victimization, including women and the displaced, would benefit from the stability and rewards associated with employment. Partnerships among government, business, and civil society should generate microenterprise loans at affordable rates. These would preferably be linked to education and training initiatives.

Environment

Given that Colombia has major reserves of oil, natural gas, and coal, the issue of protecting biodiversity in environmentally fragile areas is a particular concern in regions rich in natural resources. The Ministry of the Environment, the private sector (both national and multinational), and civil society should participate in public debate to identify and reach agreement on future national policy concerning the country's natural resources. In addition, environmental policy monitoring should be strengthened. Of particular importance is the issue of indigenous peoples' land rights. Although the government has already made provision for such rights, they should be reinforced. In urban areas, attention should be paid to potable water and sanitation systems through infrastructure projects, especially in cities with high proportions of displaced persons.
Municipal Level: Social Capital Projects

At a time when the erosion of social capital, resulting from high levels of violence, continues to fragment poor communities, the rebuilding of trust and cohesion is a critical priority. Therefore, large, “top-down,” sector-level interventions should be complemented by small, “bottom-up,” municipal-level projects.

The objectives of such projects will vary depending on the context. Nevertheless, they may include the development of municipal-level strategic plans for peace and reconstruction. These would identify priority objectives, resources, needs, and benchmarks to strengthen local institutions, reaffirm citizenship, and provide mechanisms for the negotiation of conflict. Such decentralized plans would also allow the specific causes and manifestations of violence in different areas of Colombia to be taken into account. Such plans should be developed in an interactive and participatory process, to involve as many stakeholders as possible. Key activities may include capacity building of municipal institutions and civil society for operationalizing plans and creation of steering committees to represent community interests.

Such a project could include the following components: community-level assessments to identify perceptions of the causes of violence, its costs for the community, and the priorities for community-level solutions; a small number of focused pilot projects, designed to consolidate social capital and help youth and other vulnerable members of the community feel less excluded; the incorporation of an appropriate evaluation component for all interventions to allow for more effective resource allocation and replication of best practices; and the creation of municipal-level task forces for peace and development to monitor the process, consult regularly with civil society, and facilitate the dissemination of information.
Appendix 2.1
Various Disciplinary Perspectives on Violence Causality

Biomedical sciences explore the role of biobehavioral factors such as endocrinological mechanisms, neurotransmitters and receptors, nutrition, and aging processes to explain, for example, the preponderance of men and youth as perpetrators of violence.

Criminology focuses on deterrence as the principle means of controlling violent behavior. Punishments, including humiliation, incarceration, or execution, are primary control mechanisms, and the demonstration effects of increased conviction and incarceration rates are arguably as important as direct punishment of offenders.

Economics relies on the theory of rational choice, where decisions to engage in criminal activity are based on considerations of costs (likelihood of punishment) and benefits (usually financial gain). A person commits an offense because the outcome appears more valuable than the outcome of other activities in which he or she could invest time and resources. People commit assaults not because their motivations are different, but because their perceived benefits and costs differ.

Epidemiology stresses violence prevention through the identification of individual risk factors and protective factors that indicate whether a person is more likely to become an aggressor or victim of violence. Underlying this approach is the assumption that behavior modification, environmental manipulation, or both can mitigate risk factors and enhance protective factors.

Political science focuses on structural explanations that identify broad societal, political, or economic causes such as poverty or lack of opportunity, which operate independently of human cognition. Violence and other illegitimate behaviors arise when people are deprived of legitimate means and resources to realize culturally valued goals.

Psychology emphasizes two principal explanations for violent behavior. The first is developmental theory, where key deterrents to violence are early parent-child ties of love, childhood experiences relatively free of punitive discipline or abuse, and experiences that reinforce child attachments, minimize frustrations, and encourage flexible inner controls. The second is social learning theory, where behavior, including violent behavior, is learned through imitation of role models and reinforced by rewards and punishments received in interaction with others.
Sociology analyzes sociological explanations of violent behavior. It interprets this learned behavior in terms of the norms and values transmitted across generations. Certain subgroups exhibit higher rates of violence because they are participants in a subculture that has more violent norms. Within this discipline, the interactionist approach looks at the sequence of actions that escalates conflict into violence and the process through which assaultive violence occurs.

Source: Adapted from Rosenberg and Mercy (1991).
# APPENDIX 2.2

## SUMMARY: MAIN SOCIAL AGENTS INVOLVED IN POLITICAL VIOLENCE IN COLOMBIA, 1948–98

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Traditional political establishment: Liberals-Conservatives</td>
<td>Urban insurrection of El Bogotazo, followed by La Violencia; Liberal-Conservative rural civil war</td>
<td>Political peace established with two-party power sharing in Frente Nacional</td>
<td>Presidential elections of 1970 widely perceived as fraudulent, resulting in M-19 guerrillas, Turbay’s National Security Statute</td>
<td>President Betancur’s Amnesty of 1982; Peace process attempts at political reform, direct elections of mayors</td>
<td>President Gaviria’s constitutional reform intended to decentralize and give local-level political representation</td>
<td>State weakened by allegations of President Samper’s electoral fraud, financial support from drug cartels</td>
</tr>
<tr>
<td>Peasant movement</td>
<td>Conflict for land</td>
<td>Peasant land invasions under ANUC</td>
<td>Failed land reform: joined guerrillas to fight or grow coca</td>
<td>Peasant leaders targeted by paramilitary</td>
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<tr>
<td>First-generation guerrilla movements</td>
<td>Communist self-defense groups active in coffee-growing areas and remote mountains</td>
<td>National level guerrilla activities in conflict; pro-Soviet FARC formed in 1950s, Maoist EPL in 1960s, pro-Cuban ELN in early 1960s</td>
<td>FARC founding UP; fighting with armed forces, providing protection to coca farmers; taxation of drug cartels; kidnapping; extortion</td>
<td>Cold war collapse increases economic reliance on coca; expanding social base of guerrillas; conflict with paramilitary</td>
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<tr>
<td>Second-generation guerrilla movements</td>
<td>Among the main guerrilla groups, M-19 pursued political armed struggle for political representation, and MAQL fought for indigenous rights; 1989 Peace Accords made with various groups</td>
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<tr>
<td>Marijuana and coca producers</td>
<td>Conflicts associated with coca production with armed forces, drug cartels, protected by guerrillas; Protection of labs and drug operations by guerrillas means their sympathizers are increasingly attacked by paramilitary and armed forces</td>
<td></td>
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<tr>
<td>Drug intermediaries and cartels</td>
<td>Violent conflict relating to control and organization of drug crime; Establishment of MAS and other AUCs to kill guerrillas; early collaboration with armed forces; Violent penetration of agricultural areas to acquire land for cattle ranching and commercial coca production; trade routes for coca; increasing collaboration with paramilitary</td>
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<tr>
<td>Paramilitary forces</td>
<td>Decree 3398 of 1968, giving the military right to arm civilians; Privatization of security forces through self-defense groups; Establishment of CONVIVIR self-defense groups; terrorization of population in guerrilla-held areas to control coca trade routes, untouched by military</td>
<td></td>
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</tbody>
</table>

Note: ANUC—National Peasant Association; AUC—United Self-Defense Organization of Colombia; CONVIVIR—Private Security Group; FARC—Revolutionary Armed Forces of Colombia; ELN—National Liberation Army; EPL—Popular Liberation Army; MAQL—Quintín Lame Armed Movement; MAS—Death to Kidnappers; UP—Patriotic Front.
## APPENDIX 2.3

### INTERVENTIONS TO REDUCE ECONOMIC VIOLENCE IN COLOMBIA

<table>
<thead>
<tr>
<th>Policy approach</th>
<th>Structural level</th>
<th>Institutional level</th>
<th>Interpersonal level</th>
<th>Individual level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal justice</td>
<td>Constitutional reforms that increase penalties for felonies, shift evidentiary procedure, strengthen judicial, police, and penal services</td>
<td>DESEPAZ in Cali: coordinated efforts by forensic medicine, police department, and mayor’s office to collect and analyze information on street violence</td>
<td>Casas de Justicia: improve poor communities’ access to conciliation services and negotiated legal outcomes</td>
<td>Incarceration for offenders</td>
</tr>
<tr>
<td>Public health</td>
<td>Restrictions on gun possession</td>
<td>Removal of street vendors from high-crime areas</td>
<td>Programs that teach parenting skills that promote secure attachment, psychological resiliency, and nonviolent environment for children</td>
<td>Prenatal care, early infant care, and day care that promote secure attachment</td>
</tr>
<tr>
<td></td>
<td>Limits on violent television</td>
<td>DESEPAZ in Cali: epidemiological case surveillance of homicide; mayor, police, forensic medicine, and community leaders coordinate efforts through bimonthly meetings to discuss homicide patterns</td>
<td>Que las Armas Descansen en Paz: guns for vouchers, gun control laws</td>
<td>Fostering development of protective personal attributes</td>
</tr>
</tbody>
</table>
Social capital

Clubes de Jóvenes and Casas de Jóvenes: provide alternative recreational opportunities and residential arrangements for at-risk youth

Schools for sports development, community development

Mujeres Creadoras de Paz: community-based activities for displaced persons relocated to urban areas

Community mediators negotiate pacts of nonaggression with Ciudad Bolivar gang members

Conflict transformation

Campaign: “You think everything has to be solved with your fists?”

Human rights

Casas de Justicia: improve poor communities’ access to conciliation services and negotiated legal outcomes

Prisoners’ rights: demonstrations by prisoners protesting against conditions in overcrowded prisons

Source: DESEPAZ; Centro Médico,
## APPENDIX 2.4
### INTERVENTIONS TO REDUCE SOCIAL VIOLENCE IN COLOMBIA

<table>
<thead>
<tr>
<th>Policy approaches</th>
<th>Structural level</th>
<th>Institutional level</th>
<th>Interpersonal level</th>
<th>Individual level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal justice</td>
<td>New Constitution: Criminalize domestic violence, punish failure to meet child support payments, increase punishment for sexual offenses</td>
<td>Coordinated efforts by forensic medicine, police department, and mayor's office to collect and analyze information on violence; Police surveillance of high-crime areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public health</td>
<td>Restrict gun carrying, limit. violence on TV</td>
<td>Remove street vendors; Network for Prevention of Child Abuse; DESEPAZ, Cali</td>
<td>Improve drivers' and pedestrian's respect for the crosswalks</td>
<td>Prenatal and early infant day care, guns for vouchers, &quot;know before you drink,&quot; developing protective personal attributes, promoting secure attachment, &quot;immunization,&quot; screening for women victims of violence, treat child abusers and batterers</td>
</tr>
</tbody>
</table>
Social capital

Cultural, recreational, and sports events for youth, youth clubs or houses, schools for sports development, community development, train and organize community guards

Conflict transformation

Campaign: “You think everything has to be solved with your fists?”

Teaching conflict resolution skills, participatory development of a school guide for getting along, houses of justice, centers for arbitration and conciliation, family commissaries

Human rights

As a signatory country, applications of
• Universal Declaration of Human Rights
• Convention to Sanction, Eradicate and Prevent Violence Against Women (Convención de Belém do Pará)
• Declaration of the Rights of Children

Empowering women victims of violence

Source: DSEPAZ.
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CHAPTER 3

THE HIDDEN COSTS OF PEACE IN COLOMBIA

Cecilia López Montaño
Arturo García Durán

INTRODUCTION

This essay on peace in Colombia is intended as a contribution to the most important debate facing the country at the beginning of the twenty-first century: how to end, once and for all, the violence besetting Colombian society for more than 50 years. Because the conflict, involving countless factors, has lasted so long, and because Colombia has been unable to stop it, this work is a response to the imperative of analyzing the Colombian reality in a new way.

The Colombia of today is very different from the country of 50 years ago. The leading social and economic indicators show progress in recent decades, but not all Colombians have benefited from it. Some people enjoy standards of living comparable to those of developed countries, but at least half of the population is far removed from a similar quality of life.

Because of this unequal distribution of the benefits of Colombian development, the diagnosis usually made about the country has not been entirely objective. Moreover, a review of current problems—such as drug-trafficking, corruption, and violence—discloses a common pattern: When problems start to appear, they are underestimated; when they escalate, they are ignored or considered remote because they do not affect society as a whole. Now, however, the Colombian crisis is so serious that it cannot be ignored.

In the international arena, Colombia’s situation is also complex. Alongside signs of foreign governments’ concern toward the armed conflict and offers to collaborate in a peace process, the international community has highlighted such problems as drug-trafficking, human rights violations, and corruption. These expressions affect Colombia’s reputa-
Achieving a lasting peace is thus more complex than any other task the Colombian people have undertaken. To accomplish this means resetting society’s direction and defining new alternatives for the country in political, economic, and social affairs.

Based on the findings of a series of recent studies on Colombia’s economic development, this chapter presents a diagnosis of causes of Colombia’s armed conflict and suggests ways to end it. It explores the country’s fiscal space for financing both a peace process and the agreements that may come from political negotiations with armed rebel groups.

The World Bank and the ECLA have supported the realization of this work. It is in this way that these organizations have wished to contribute to the process of analysis and reflection on the nature and solutions of Colombian peace and development problems.

There is a noticeable lack of clarity and specificity about the national problems that have to be solved to end the confrontation. Thus we see, on one hand, the guerrilla pushing a vague and outdated discourse, and, on the other, a very simplistic perception from other sectors of society. This is why we have been unable to reach a deeper understanding of the roots of the conflict.

On a positive note, many Colombians now want to take advantage of the peace process to tackle, once and for all, what they consider the country’s most basic economic, social, and political problems. But this desire, though widely shared, has not been made entirely explicit. In fact, little effort has been made to study, in depth, the nature and size of these problems, or to give them the publicity and airing they deserve. Moreover, the parties involved in the conflict have made little effort to find a way to solve the problems as a group.

Faced with this reality, the first part of this chapter proposes that the cause of Colombia’s constant state of confrontation, and the resulting escalation of violence, is the insufficiently acknowledged political, economic, and social exclusion that has characterized its society. This relationship between exclusion and violence, which is made explicit in this work and constitutes its main contribution, has not been thoroughly debated. This omission is made largely because past and current analyses of Colombian reality have had as a starting point the belief in three myths: first, that Colombia has a democratic political system; second, that the country’s economy is solid; and third, that poverty is the fundamental cause of the violence.

These three myths must be critically examined. The second part of this chapter discusses three crucial issues for the country’s past and future,
which includes achieving a consensus on the fundamental causes of the armed conflict. Once this is done, a political consensus must be reached on how to change the country’s political organization into a true participative democracy. Moreover, an economic and social consensus is needed to change the productive system and the social structure. These structures must stop generating privileges for a few and should provide equal opportunities for all. This would require profound structural transformations and a coherent policy strategy to initiate these changes. Since these economic and social measures take time, they should be started as soon as possible. The third part of this chapter relates to the fiscal space available to finance the peace process, i.e., Colombia’s fiscal limitations on (a) financing the search for peace, (b) the costs of achieving it, and most important, (c) making peace sustainable.

To illustrate how the country’s current economic constraints impose real limits on the investment requirements of a peace process, this work presents an “economistic” model that attempts to minimize the economic costs of peace.

Beyond the economic analysis, this section attempts to show that achieving peace in Colombia is more than a problem of financial resources. It entails transforming power relations. Although public funds will have to be allocated to carry out several programs to achieve peace and foster social change, given the already high level of social investment and current fiscal limitations, investment options need to meet two fundamental criteria. First, social policy must be designed so that centralized spending not only meets social equality, but also helps to overcome social exclusion. Second, and according to the analytical framework used in this work, we must accept that the higher costs are associated with institutional changes affecting current power structures.

**HISTORICAL BACKGROUND**

Before getting into the analysis of armed conflict in Colombia and the recent peace processes, a brief review of similar experiments in Latin America would allow us to extract some useful lessons for Colombia. A review of peace negotiations with rebel groups in Central America during the 1990s is particularly revealing. Of course, Colombia should also examine its own experience with the peace process to discover positive elements and avoid repeating past mistakes.

**Central America’s Experience**

There were important differences in the peace negotiations in El Salvador and Guatemala, Central America’s two main cases at hand. In both
instances, the intensity of armed conflict and the position agreed on military and political affairs were different. These differences extended also to society's ideas about the sources of conflict, the state of the economy, the negotiating abilities of the different parties, and the mechanisms agreed to by the parties involved.

A complex sequence of peace negotiations and peace consolidation capped these two countries' political-military conflicts. In the end, they managed to arrange a series of agreements about reforms and programs corresponding to clear proposals made by the negotiating parties. A schedule of meetings was set, and, when possible, budgets for carrying out the consequent policies and programs were agreed upon.

To extract lessons applicable to Colombia from the experiences of El Salvador and Guatemala, two profiles regarding the peace processes pursued in these two countries are presented in table 3.1. Appendix 3.1 describes the contents of their accords.

Despite circumstances peculiar to each of the two countries, there are some common elements and useful lessons for the current Colombian peace process (1998-99) between the government and the two most important armed groups in the country: the FARC and the ELN. They can be summarized as follows:

- These are complex peace processes, in which frequent interruptions are more the rule than the exception.

- The processes are gradual in the evolution, definition, and signing of agreements (the first accords aim to create a favorable environment for negotiations—humanization of the conflict, for example; the final accords concern the cease-fire and economic and social reforms).

- Talks were usually held in foreign countries (Mexico for El Salvador, European countries for Guatemala).

- The facilitating role played by other countries' governments has been decisive (regional support for El Salvador, European countries for Guatemala).

- The United Nations has fulfilled an important mission both in guiding the negotiating framework and in supporting the entire process (observation and verification).

Colombia's Experience

The major difference between the peace negotiations in El Salvador and Guatemala and past and more recent peace initiatives in Colombia is that
### Table 3.1
**Comparison of the Peace Processes in El Salvador and Guatemala**

<table>
<thead>
<tr>
<th>Military and political positioning of the rebellion</th>
<th>El Salvador</th>
<th>Guatemala</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Important military strengths: 14,000 armed rebels</td>
<td>• Equal strength between army and rebels</td>
<td>• Troop reductions: 1,500 armed rebels</td>
</tr>
<tr>
<td>• Control of 20 percent of the national territory</td>
<td>• Rebel movement without political voice</td>
<td>• Little territorial control by rebels</td>
</tr>
<tr>
<td>• International recognition</td>
<td>• Technical parity with regular forces</td>
<td>• Ethnic and cultural components in the conflict</td>
</tr>
<tr>
<td>• Technical parity with regular forces</td>
<td>• National political support (civil society and opposition)</td>
<td></td>
</tr>
<tr>
<td>· Troop reductions: 1,500 armed rebels</td>
<td>• International political voice</td>
<td></td>
</tr>
<tr>
<td>· Control of 20 percent of the national territory</td>
<td>• Seat of negotiations abroad</td>
<td></td>
</tr>
<tr>
<td>· Technical parity with regular forces</td>
<td>• UN participation</td>
<td></td>
</tr>
<tr>
<td>· National political support (civil society and opposition)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Negotiation phase: features and mechanisms</th>
<th>El Salvador</th>
<th>Guatemala</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Long negotiation phase (more than two years)</td>
<td>• Long negotiation process (six years)</td>
<td></td>
</tr>
<tr>
<td>• Influenced by international pressure</td>
<td>• Influenced by international pressure</td>
<td></td>
</tr>
<tr>
<td>• International support</td>
<td>• Significant participation of civil society groups</td>
<td></td>
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<td>(Contadora Group, group of friendly nations)</td>
<td>• Seat of negotiations abroad</td>
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<th>Phases, content, and features of the accords</th>
<th>El Salvador</th>
<th>Guatemala</th>
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<td>• Gradual negotiation process (steps coincide with agreements)</td>
<td>• Gradual negotiation process (12 accords between 1994 and 1996)</td>
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<td>• Initial phases and agreements centered on issues favoring negotiations: humanization of war, human rights, negotiating agenda and schedule</td>
<td>• Cease-fire agreed to at the end of the accords</td>
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<td>• Final accord (Chapultepec, Mexico): commitments on economic and social issues</td>
<td>• Contents of accords coincide with particularities of conflict. Agreements on human rights, refugee resettlement; historical clarification of human rights violations, identity and rights of indigenous peoples, civil power and duty of the army, cease-fire, social and economic issues, electoral regime, reintegration of rebels, verification of peace accords, peace accord</td>
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<td>• Issues in final accord: armed forces, national policy, judicial system, electoral system, economic and social issues (stressing agrarian issues and National Reconstruction Plan)</td>
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efforts in the first two countries culminated in peace accords. This has not been the case in Colombia. Several analyses of this issue in Colombia have underscored the complexity of these negotiations.

To establish a comparison with the cases of El Salvador and Guatemala, let us briefly review Colombia’s peace processes with different armed groups in the first half of the 1990s. The first one took place in March 1990 with the M-19. Additional accords followed in 1991 with the PRT, the EPL, and the MAQL. Accords resumed in 1994 with the Socialist Renovation Movement (CRS), the Francisco Garnica Guerrilla Coordinator Front, and finally with the Popular Militias of the People and for the People, the Independent Militias of Valle de Aburrá, and the Metropolitan Militias of Ciudad de Medellín. (These accords are reviewed in Appendix 3.2, sections 1 through 7.)

Several relevant elements emerge from the analysis of these accords. In one way or another, all include the need to reform the National Constitution either because of a desire to participate in the 1991 Constituent National Assembly or because of a recognized need to introduce important changes in the Colombian legal code. However, they do not identify commitments to tackle the country’s structural problems in depth. They sought mainly to incorporate guerrilla groups into legality by promoting their political projects, with every possible guarantee possible, from the government.

Surprisingly little reference is made in the various accords to drug-trafficking, despite its frequent association with some armed groups’ activities, at least from the financial standpoint. The only direct mention of this problem appears in the document signed with the M-19, which, for many observers, is the most successful agreement with a Latin American guerrilla group, but also the one most squandered by its parties (Bejarano 1995).

The most important item revealed by this comparison is that while El Salvador and Guatemala negotiated the conflict, Colombia has so far negotiated only the demobilization of some guerrilla groups. It has not reached significant agreements with the two major groups, the FARC and the ELN. Only now that nearly 5,000 armed forces have been demobilized, without any definite steps toward peace, is this phase beginning. In Colombia, these partial and somewhat isolated arrangements have “parcel-up” the peace process (Bejarano 1995) and turned the FARC and the ELN into the sole interlocutors. A second conclusion flows from the previous one: While in El Salvador and Guatemala the negotiations were furthered with a united guerrilla front, in Colombia, negotiations have come close, but have not reached what Bejarano calls a “homogenous negotiating space.”

The level and content of demands also differ. While in El Salvador and Guatemala the guerrilla movement sought certain gains in social,
In Colombia's current peace process, there are several surprising aspects in the economic and social proposals from parties involved in the conflict: the State, guerrilla forces, self-defense groups, and civil society (Appendix 3.3). The most important one is the vagueness of the different proposals, which are more like lists of irrefutably good intentions than specific proposals to tackle structural problems in Colombia's political system, economic organization, and social welfare. For instance, the FARC's proposals contain a discussion of the economy without reference to the current global context. And although several of the FARC militants call for changes in the current development model, the proposed change is basically a return to protectionism, with no new elements and no critical analysis of protectionism's effects on the economy.

Nor does Colombian civil society get off free for its proposals to further the peace process. Nonetheless, throughout the country's main economic sectors there is a deep and generalized recognition that it is high time to invest in peace. Along these lines, the National Union Council, the most important private sector organization representing several sectors of the national economy, has said that in a serious negotiation with the guerrilla forces, it would be willing to study joint financing plans with the government, especially the creation of a co-financing fund combining private sector and international contributions for peace-related activities.

Colombia's most important rancher's union, Fedegan, also presented a proposal that stated, "A true commitment from the group of Colombians that generates wealth would be to turn over part of the wealth to embark on a crusade against poverty." These monies, which would make up a "social fund for equality and justice," would be used to leverage international commitment for rebuilding the country.

This quick review of the most recent peace processes in Latin America shows that the complex march toward peace has begun in Colombia. Compared to the successful processes in El Salvador and Guatemala, however, many substantial steps still have to be taken to reach a satisfactory result.

These countries' experience shows, first, that interruptions, but not failures, can occur on the long, grueling road to peace. Second, unlike what happened in El Salvador and Guatemala, the international community's participation in the Colombian peace process is unclear. To ensure the continuity of the peace process in Central America when obstacles arose, friendly nations and the United Nations played a prominent role in the peace process. Finally, regarding economic
resources, proposals presented so far have ignored the high fiscal cost of any peace process and Colombia’s limited space to generate those resources.

**Three Great Myths**

During the past century, Colombia has been building its nationhood on two pillars: a political democracy, considered to be one of the oldest in Latin America, and an economy characterized by stability, good management, and continuous, although not very high, growth over the last 60 years (up to the mid-1990s). These virtues have long been the Colombian nation’s distinctive emblems within the region.

Now, however, as the country confronts the enormous challenge of wresting peace from historic upheaval, reality-based analyses have demonstrated that Colombia’s political democracy and economic soundness can be considered as “myths.” That violence is a phenomenon fundamentally associated with poverty has likewise been unmasked as another myth.

Colombian authors, writing about the country’s current problems, address these mistaken beliefs. Marco Palacios (1997) states: “Colombia’s problem is not finding peace, but building democracy. Armed conflict is the result of an absence of democratic institutionality. The problem lies in the political context in its broadest sense and not in confrontations between guerrilla forces and the State.” Luis Jorge Garay (1998a) comments, “Colombia is the only country in the region that has not suffered abrupt recessions [up to 1998] or seen serious exchange or fiscal crises in the last three decades.” However, this pace has not been enough to massively incorporate large sectors of the Colombian population efficiently and productively (Garay 1998b).

Since chronic violence can be linked to the myths mentioned above and, since peace is related to recognizing and overcoming them, the tasks for Colombia imply much more than furthering peace negotiations and making fiscal adjustments to the economy.

We must accept that peace, not war, has been the exception in Colombia in the 20th century. Specialized literature on the issue recognizes that the success of a peace process hinges largely on the inclusion of substantive economic and social issues in the negotiating agenda—the peace experiences of El Salvador and Guatemala seem to bear this out.

Colombia has devoted great attention to studying the political violence of the 1950s but has only recently understood that today’s war is

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1 This section is based on the works of Garay (1998a 1998b), Palacios (1997), and the National Planning Department (DNP) (1998).
multifaceted and much more complex. Colombian society has also oversimplified the search for causes of the current armed confrontation to the point of underestimating elements basic to understanding it and finding true solutions. Therefore, for example, despite drug-trafficking's ability to destroy the social fabric and its supposed connections to guerrilla activities, this phenomenon has been studied only superficially, without identifying its specific influence on the present portrayal of the armed fighting in Colombia.

Nevertheless, the abundance of expert research on Colombia's political and economic situation allows us to begin to analyze the causes of armed conflict and violence with some confidence. This research should also help in the preparation of proposals for solutions.

The Myth of a Political Democracy

The ability of democracy in Colombia to endure is legendary among Latin American countries and throughout the world. The brief interruptions in popularly elected governments in the twentieth century contrast strongly with the frequent outbreaks of de facto governments in other countries in the Latin American region. This longstanding tradition has led to an overly positive perception of the political system. Though based on allegedly free popular expression through elections, this system has been tainted by deeply rooted habits, political schemes, and trickery that on the pretext of preserving the country's institutions, have accomplished their mission of excluding large segments of national opinion from the political game. Repeated praise of "Colombian democracy" has contributed to the myth that Colombia is a country where political democracy rules.

For the well-known Colombian historian Marco Palacios (1997):

... the historical sense of conflict comes from the ideal of liberal democracy which has been systematically blocked in the last half of the century: first, due to violence and the state of siege, and then by the state of siege, clientelism and political corruption. This blockade means political, cultural and civil exclusion of the peasantry, including in this category, perhaps a bit arbitrarily, the poor living on the outskirts of urban areas.

However, Colombia's recent efforts to expand its democracy must be recognized. The enactment of the 1991 Constitution is a clear expression of the country's democratic vocation in its recognition of the social duty of the State, its deeper treatment of decentralization, its statement of individual and collective rights, and its creation of institutions to ensure
social inclusion of historically unprotected people such as the indigenous and black communities.

On a positive note, the Assembly for the National Constitution, which was in charge of preparing the new political charter, symbolized an opportunity for pluralism rarely experienced in Colombia in the twentieth century. For this reason, some ideas that had not had a political venue were expressed there.

Although the new Constitution took a step toward modernization of the institutional order, it has not brought about the anticipated social equality, partly because it does not address the roots of the country's social and economic organization. In other words, it superimposed on an exclusionary and quasi-feudal type of social organization rules and institutions that make Colombia look like a truly democratic society, although really it is not such a society.

One need only evaluate Colombia's unfolding decentralization process to confirm these allegations. If any mechanism promotes participatory democracy, or at least expands opportunities for citizen participation, it is the delegation of responsibilities and allocation of resources to territorial organizations. This is thought to be the best way of bringing the people closer to the exercise of power, thereby increasing true participation. However, while decentralization has succeeded in financing autonomous municipalities and fostering a new style of political leadership more sensitive to local interests, transferring the nation's wealth to territorial entities has also put a heavy burden on the state's finances and has improved participatory dynamics only a little.

It can be said that the 1991 Constitution focused mainly on institutions. Thus, the people's opportunities for self-expression at the polls have multiplied: popular elections of mayors and governors, plebiscites, referenda, open municipal councils, consultations, and annulment of mandates, among others. However, no similar progress has been seen in opportunities for social control, participatory planning, and administration of such basic services as education and health care at community level. Heads of households have little input in decisions regarding their children's schools, nor do community leaders have the tools to supervise public works in their vicinity. The precariousness of participation at the local or even regional level suggests that advances in social equality (through the redistribution of resources of power to the poorest), which decentralization assumes, are still far from being realized.

Despite these limitations, the proliferation of popular elections under the National Political Constitution has persuaded some social segments that Colombia's problems are due to too much democracy, not too little. Nonetheless, as long as Colombia remains uncommitted to achieving equal opportunity for each and every person, any social organization cre-
ated will apply rules and laws to the benefit of some individuals and the exclusion of others. Thus, it can be said that only after an agreement has been reached on the fundamentals of equality, will society stop sustaining a formalistic democracy, protecting a few and excluding from public decisionmaking wide segments of the population.

The Myth of a Sound Economy

In Latin America, the notion that Colombia has managed to reconcile macroeconomic stability with sustained growth is no longer believed. Colombia was one of the few exceptions in avoiding the debt crisis of the 1980s. However, since the mid-1990s, Colombia has started to experience a steady process of economic decline.

Studies have shown that industry and agriculture have been left out of the international arena, and they have identified economic reasons that prevented more rapid economic growth and better distribution of the benefits of economic growth and stability (Garay 1998b, Echeverry 1998).

The first thing these analyses reveal is that Colombia has been governed by a culture of low capital formation. For the last 30 years, savings and private investment have been stuck at very moderate rates. Over the same period, other countries, chiefly in East Asia, have had to at least double their savings levels in relation to gross domestic product (GDP) to further their development (Garay 1998b).

A second important finding of these studies is that Colombia has also been unable to modify its productive structure in a creative and functional way for economic development (Garay 1998b, Echeverry 1998). Most noticeably, Colombia has deindustrialized and "deagriculturalized," and turned to tertiary activities during the last part of the century.

This is why, unlike the industrial sector in more developed economies, Colombian industry contributes, gradually, less to GDP, lacks strength to diversify, and it is not in good shape to compete in an open economy. In the case of agriculture, production has not switched to products with great export potential. Moreover, the traditional products (those more typical of a rural economy) are declining in importance, in turn decreasing earning potential for many of the rural poor. Moreover, Colombia's service sector is failing to stimulate the economy, becoming passive and unproductive.

Simultaneous deagriculturalization and deindustrialization are affecting the growth capacity and the accumulation of wealth, encouraging the rural population to migrate into cities. In turn, cities have been unable to put these people to work. Therefore, as Garay points out, this has led to stagnation of production.
Consequently, and in spite of the global economy's ups and downs, Colombia's production model is inadequate because it is based primarily on generating rents. Part of Colombia's past economic growth has been due to foreign-based prosperity, not necessarily the innovative effort of domestic production. Its economic dynamics have resided in exploitation of natural resources such as oil and coal or in illegal businesses such as drug production.

A third finding from recent analyses of the Colombian economy concerns the evolution of industry over the last 40 years. Compared with Latin America as a whole, Colombia began to deindustrialize much earlier. Manufacturing did not reach a significant share in national product. Moreover, at the end of the 1970s, national industry had not diversified sufficiently to generate a dynamic that would have allowed it not only to respond to domestic demand, as it has done so far, but also to compete successfully in international markets.

In addition, the opening of trade and the ensuing economic internationalization that began at the end of the 1980s have brought to light Colombian industry's weaknesses and other serious political, economic, and social mistakes made by the national leadership in the recent past.

In the first place, we have learned that Colombia is now paying the price of having encouraged import substitution in the agricultural sector during the protectionist era, instead of promoting new agricultural production that would have a comparative advantage on the global market, as Chile, Argentina, and other countries did. Later exposed to international competition, these highly protected products could not survive in international competition. Time and economic resources were thus lost. To make matters worse, great swathes of Colombia's rural community were left without any viable production alternatives. "The end of the 20th century and the new realities in the world's political and economic environment find Colombia's rural sector floundering in a profound crisis whose nature and magnitude have not been properly recognized" (Echeverry 1998).

Second, the restructuring of Colombia's financial sector becomes more imperative. The sector is considered oligopolistic, thin, and prone to high rates of interest, high margin of intermediation, and volatile profitability. Its growth is also disproportionate to growth of other sectors in the economy. In summary, these studies reveal that Colombia's financial policy has been out of sync with such new realities as globalization. It remains highly fragmented, and it has fed consumerism by concentrating on financing consumption instead of investments to increase the country's productive capacity (Garay 1998a, 1998b).

Another problem closely associated with the modest performance of the productive structure is the backwardness of the education system and its implications for training the country's human resources base.
Considering the importance of this topic for its purely economic consequences and its social and political repercussions, it will be analyzed in detail later in this chapter.

Thus, the seeds of social exclusion have been planted and nurtured in the political arena, and the organization of the economy has further segmented the rewards of moderate economic growth. Colombia has failed to establish a sustainable basis for strong medium- and long-term growth. Foreign savings have financed, in part, consumption rather than investment and innovation needed to compete successfully in international trade, and for failing to distribute equitably or save the benefits of foreign windfalls. Consequently, Colombia's economic future is seriously jeopardized.

The Myth of Poverty as a Main Cause of Violence

Many studies have analyzed the causes of Colombia's armed conflict and violence. Recently, a study by the National Planning Department (DNP) documented several of their findings and went on to present some new results. Concerning the determinants of violence, this work suggests that, contrary to traditional interpretations, poverty per se cannot be considered the fundamental cause of violence. Inequality is a more important explanation. Thus, inequality under a weak State that cannot assume its basic duties of enforcing legality, mediating conflicts, providing for collective welfare, and educating citizens is much more likely than poverty to motivate social (even armed) conflict (DNP 1998).

The DNP study also found that the lower citizen participation, the higher are the indicators of violence. Moreover, sufficient evidence supports the hypothesis that political and economic exclusion, which has characterized the evolution of Colombian society, gives rise to a dynamic of violence. In other words, the current problem of Colombian society resides in the roots of the political system and economic organization, and, therefore, it is in that area where the search for a solution of the current conflict should start.

A hypothesis could be made that Colombians, individually, are democratic but, faced with a political, economic, and social order that includes and benefits only the few, those left out tend to react and express their disagreement with violence.

Social exclusion, understood as a phenomenon affecting the political system and the country's economic and social organization, seems to be the root cause of violence. Attacking exclusion means, first, going beyond economic efficiency, tackling also the issue of asset redistribution, and, second, guaranteeing a State that protects the common good. Both actions imply redesigning the terms on which the country is socially and institu-
tionally organized. This leads to the conclusion that the power structure needs to be changed.

**Peace Policies**

Today, Colombia is not only aware of the imperative of achieving peace, but the idea has also gained ground that explanations for the different forms of violence are structural in nature.

**About the Peace Process**

Entering into a peace process does not necessarily imply immediate cessation of armed conflict. Neither party is likely to win over the other, at least not for a long time (Rangel 1998). Even if this did happen, it would not solve the structural problems that caused the rebellion and, sooner or later, the problem could resurface.

The bipartisan agreement, reflected in the National Front as an alternative to the political violence Colombia experienced throughout the 1950s, is an example of an untenable solution. This type of political arrangement allows the problems, though diminished, to remain dormant, and when conflict breaks out again, it is much stronger. The persistence of confrontation also constrains economic development.

Colombia’s great challenge in its search for peace is seen clearly in two realities. The first is the enormousness of the task of uncovering the myths on which Colombian society has historically resided. The second is the persistence of the guerrilla phenomenon, which has withstood sudden military attacks like the Anorí operations, ideological setbacks at the end of the cold war, and the loss of public support. This means that the process has to be thought of as a lengthy one, and like almost every other peace process in the region, one that works in stages and progressively lays the foundations for a new society.

Lessons from international experiences must be used in the peace process. The peace process should avoid missing the opportunity for an in-depth change in institutions, and to create a solid basis for medium- and long-term sustained growth. This statement should not be interpreted as an invitation to prolong the process unnecessarily, because the sooner peace arrives, the better for Colombia—but it must be lasting peace.

**Crucial Stages in a Peace Process**

Given the complexity of the problem of violence in Colombia and the experience of other countries that have solved their armed conflicts politically, this chapter identifies three crucial stages in a peace process.
The first stage, the prenegotiation phase, entails building consensus among the different sectors of society on its fundamental problems. For Colombia, this moment would imply primarily consolidating national opinion on economic and institutional issues, and on the need to extend the practice of democracy to everyone and build a more just and inclusive economic system. This is an enormous challenge because reaching this consensus will require changes in Colombia's historical power structures. But this is the scope of the challenge.

The second stage entails defining the proposals for structural changes that must result from negotiations between the State and the armed groups. The third stage involves implementing the agreed changes and developing mechanisms to ensure their sustainability. Although these stages may occur in parallel, the process, as a whole, will not end until each step has been successfully completed.

A review of the Colombian experience shows that the country's efforts of the last 16 years have been focused on the second stage of the process: discussing specific reforms. Unfortunately, this exercise stands little chance of success without consensus on a vast array of fundamental problems of Colombian society.

First Stage: Consensus Building

Colombia has made progress in laying the groundwork for negotiations with armed groups. However, considered as a whole, the peace process requires intense planning by the actors involved in the conflict and by the rest of Colombian society.

A projection exercise carried out in 1997-98 called "Agenda Colombia" called together a group of leaders from different areas to construct scenarios about the country's future. Afterward, Fedesarrollo—a well-known Colombian research center—quantified the results of this experiment to identify their implications for the country's immediate future.

The first scenario assumed that Colombia's current conflict would continue. The second assumed that the parties to the conflict would sit down at the negotiating table and establish a national coalition government. In the third, strong rules would be proposed to restore order. Finally, the fourth scenario identified the need to organize citizens to reject violence and exercise control over general management of public affairs by the authorities (Fedesarrollo 1998, Sept.-Oct.).

The results of this experiment are interesting. In economic and social terms, the scenario of continued conflict shows the worst performance. The annual growth of GDP does not exceed 3 percent initially, falling to 2 percent at the beginning of this century; demand for labor first rises to 4 percent, then decreases to 2 percent; the consolidated fiscal deficit
reaches 3.5 percent, and capital outflows represent 5.5 percent of GDP in 1998 and 3.5 percent of GDP in consecutive years.

If violence persists, investment will remain depressed, leading to low productivity growth. This situation is aggravated by neglect of education and health care due to budget constraints and ever changing priorities. These figures reveal that the relative balance Colombian society maintained during recent decades is unsustainable and, more important, that this is the worst possible scenario for the economy and society because it penalizes growth and benefits only a few (Fedesarrollo 1998, Sept.-Oct.).

In the other three scenarios, the domestic war ended, but in different ways and with different impacts in the economic and social sectors. To the surprise of many, the study reveals that the best scenario is not immediate peace negotiations with a coalition government, but the participation of all citizens in the search for peace that makes a peace agreement a lasting result. The climate of harmony and trust shown in peace with reconciliation under this last scenario ensures a favorable economic climate for investment, growth, employment, and productivity. In addition, the agreements reached in peace negotiations allow social spending to increase, which, together with reduced violence, translates into improved well-being for the people. GDP will grow more than 3 percent until 2010, reaching 5 percent in 2014; demand for labor grows 4 percent a year; the consolidated fiscal deficit remains below 2.5 percent of GDP; and capital inflows reach 5 percent of GDP.

The results of this recent study confirm that achieving domestic consensus is an important requisite to lasting peace and effective negotiations. This means that it is not the “national leaders,” sitting around a table with the various armies’ leaders, who will put the country on the desired road. Colombia’s problems are so deep and so extensive that only an effective mobilization of citizens for peace and reform can produce effective change.

Consensus on the Causes of the Conflict

The first element of consensus to be constructed concerns the nature of the conflict and its root causes. Studies have now given us important information on the analytics of reforms for peace. In addition, the State, civil society, and the armed groups have made more explicit their interests and positions.

Again, we stress that all society must share, “own,” and develop a common diagnosis in a participatory process. This common diagnosis must also be widely publicized to different stakeholders throughout the country. This process would help to attain the necessary consensus on the sources of the Colombian armed conflict. Based on this consensus, the fol-
lowing steps identified in this work must be developed to bring a peace process to a successful conclusion.

Achieving consensus on the diagnosis is a decidedly complex endeavor. To do it, the actors involved in the process (representatives of the State, politicians, economic unions, military units, civil society, and guerrilla forces) will often have to relinquish their particular views about the problem. And what is even more drastic, some groups must be willing, from that moment on, to give up part of the economic or political power they have today. If this broad consensus on the conflict's causes is not reached, when the moment arrives for reaching specific agreements on structural problems, negotiations will break down.

**Consensus on Political Issues**

Based on the shared diagnosis, the other broad agreement that must be reached concerns political issues. While acknowledging the magnitude of the urgently needed political reforms, a minimum agreement should include three broad objectives: expand democratic venues, give democracy a substantive content, and reform the political parties.

- **Expand democratic venues.** To modernize the Colombian political system, the transition from a formal democracy to a true democracy is essential. Restricted democracy is one of the country's basic problems, and it is often not identified as such. But this does not mean merely holding more elections or improving voter turnout in existing electoral processes. It means providing more space for effective participation by each and every member of Colombian society.

  Participation must be expanded in the venues nearest the people, where citizens interact daily: neighborhoods, towns, streets, and municipalities. Being able to choose their children's teacher is more important to parents than choosing the town mayor or provincial governor through elections.

  The concept of democracy is not associated only with an increase in the number of popularly elected government leaders, but also goes far beyond merely electing them. Citizen participation must be active between elections, and voters must be able to hold accountable the person they elect. They therefore need the proper information, mechanisms, and tools to exercise this responsibility. Although accountability systems can be improved, in an effort to reduce the economic and political costs of using them, a priority task is developing information systems that make it easier for voters to exercise control over the representatives they elect. Information exists, but it is not widely accessible to the public and is expensive to process.
• *Give democracy a substantive content.* Plurality in debates and political campaigns must be achieved, but there are also widely shared national objectives that should direct individual group actions. It means that each political movement should be based on democratic principles, including liberty, equality, human rights, tolerance, respect, and civic responsibility. It also requires eliminating negative elements such as clientelism, exploitation of indigenous peoples, and buying votes.

• *Reform political parties.* Colombia's Congress has been considering political party reform. Among the goals of reform are political parties that operate on the basis of ideological positions of a group, not as temporary alliances for electoral purposes, and a new party-financing plan that prevents interference by private interests. In Colombia, this reform is particularly important, not only to eradicate financing from illegal activities, but also to eliminate some of the country's worst problems: the confusion of public and private interests; an adequate statute for the opposition, absolutely essential in a true democracy; and avenues of participation for minority groups.

All of these efforts should be directed toward renewal of leadership as well as transforming political practices whereby leaders relate both to their electorate and to the State.

Leadership renewal should begin with the new local and regional leaders that have been emerging as decentralization progresses, motivated by collective interests, development proposals, and genuine commitments to their communities. New leaders should be recruited among representatives of academia, the sciences, cultural life, professional organizations, labor unions, NGOs, and any group that can, through its activities, nurture a democracy governed by the principles of transparency and dedication to collective service.

The new political class the country needs should replace groups that have made a business out of public life and have corrupted the State's operations with private—and sometimes illegal—interests. This should be the highest goal of political consensus, since a true democracy is inconceivable if it is founded on corrupt notions of public administration.

Corruption is identified as one of the biggest threats to democracy's survival. Political consensus, not only in Colombia but also throughout the world, must therefore fight this practice, which is deeply rooted in so many aspects of national life. Colombian society's tolerance of illegal activities must give way to an unswerving commitment to ethics in all public and private activities. A culture based on easy wealth must be
replaced by one based on merit, personal effort, respect for honest work, and commitment to collective goals that advance the country’s economic progress and social well-being.

**Consensus on Economic and Social Issues**

Windfalls, as we have seen, have not been enough to create a productive structure capable of laying the foundation for sustained development and a more equitable distribution of income. Two objectives—sustained growth and decreased inequality—must therefore be the cornerstone of consensus on economic and social issues.

Generating income from primary products is exclusionary by definition. Colombia should replace rent-seeking activities as a main source of growth with a productive dynamic and international competitiveness. Only a competitive economy that creates productive employment can ensure a growth process whose benefits are distributed more equally.

Today, problems abound in Colombia’s traditional leading industries—coffee, oil, manufacturing, and agriculture. Although new industries that may eventually strengthen the economy are sprouting—telecommunications, infrastructure, flower and fruit growing, and aquaculture—Colombia’s productivity and international competitiveness have declined.

Looking for improvements in economic dynamics through consensus alone, however, will not work, because even with economic growth, Colombian society cannot generate equality, and, during crises, it passes on the costs to the population at large. The solution to a deep-rooted problem should not be limited to improved handling of sociopolitical instruments. Overcoming persistent inequality and social injustice, acknowledged as the prime cause of Colombia's armed struggle, requires drastic action right at the source of wealth and income generation. This means that inequality cannot be eliminated without restructuring the way the most important productive assets are allocated and costs are distributed when the most powerful segments of society incur losses.

The notion that equality can be achieved only by using sociopolitical instruments is misguided. Colombia still needs substantial reforms in education and human resource development; socioeconomic policy as a mechanism for redistributing wealth seems to be losing its effectiveness. We must begin to concentrate on the mechanics of production and on the redistribution of productive capacities. This means digging down to the foundations of power distribution in Colombian society—economic as well as political power. Only after the entire country has made a commit-
ment to achieving a society free from inexcusable inequalities will Colombia be on the road to peace.²

There may be more acceptance to expand citizen participation as a proposed solution than to accept a true redistribution of economic opportunities and, even less likely, political power. However, the intensification of the armed confrontation in recent years, and its serious implications for economic activity, in a way sensitized the privileged; therefore, they are expected to be more positive about this radical change in the country's life.

Many countries, including some in Latin America, have managed to include segments of the population that have historically lacked opportunities to participate in the development process. This means that participation is not an impossible goal.

The necessary transformations in this area are the ones that have historically been postponed in Colombia. Among them are reforms in access to rural and urban property, the democratization of capital, and tax reform to distribute the burden according to the taxpayer’s real economic capabilities.

During a peace-building process, the issue of economic growth becomes even more important. Within the context of globalization, Colombia’s integration into the international economy must continue. The discussions of the Washington Consensus have opened up a great opportunity for a second phase of globalization. The situation should be kept in mind in countries like Colombia that need to restore accelerated growth. For this, Colombian society must transform its economy's very foundations. Productive sectors, particularly industry and agriculture, must adapt to the new realities and seriously begin to compete.

Paradoxically, regarding foreign aid possibilities, this moment offers Colombia a great opportunity. Right now eradicating poverty and striving for equality are assuming pride of place on the world’s development agenda (López Montañó 1998). Proposals to overcome exclusion, particularly when formulated in the context of a quest for peace, will be greeted with understanding and support by agencies for multilateral development and bilateral cooperation, whose objectives will be quite similar to national goals. Thus, broad collaboration for the peace process will be obtainable, and Colombia will be able to begin to recover its good reputation by joining the group of developing countries that are committed to the new global priorities (UNDP 1998).

²The case of Uruguay should be mentioned in this connection. Basic education in Uruguay is public, obligatory, and less likely to be politicized since it is not run by the Ministry of Education. Education, conceived in this manner, has been identified as the way to build a society where equal opportunity is a reality.
There will also be possibilities for foreign aid outside the social sector. If Colombia has any valid reason for asking the global community for preferential treatment in trade and in development financing, it is because of its commitment to a peace process directed toward solving the basic cause of the confrontation: political, economic, and social exclusion.

Second Stage: Structural Changes

As problems of political and economic exclusion are related to the State's inability to preserve the common good, then institutional issues are a reform priority. An efficient State pursuing the common good is fundamental in creating new conditions for development.

However, institutional transformation is not the only issue at hand. Agrarian reform, competitiveness, democratization of capital, reform of the judiciary, and social programs are issues that will be on the agenda for negotiations with guerrilla forces. Following are some proposals on these crucial issues, on which peace policies could be built.

Institutional Transformation

Achieving peace requires a new institutional setting—one based on the reorganization of the relationship between public and private. The Colombian State must recover its natural role of protecting the common good. A social process of national reconstruction must begin with this principle, in which the public and private sectors maintain relative autonomy (Garay 1998a, 1998b). To bring about this new type of relationship, a high level of coordination has to be achieved among productive agents and the State. This means that not only will the State have to relinquish some functions and limit its role to performing duties of a public nature, but also that private agents will have to play a role in developing, financing, and managing activities that generate externalities and economies of scale.

Concerning the privatization of state responsibilities, the first thing to take on is Colombia’s experience with self-managed protection, known as paramilitarism. Human rights violations, genocide, and forced exile are among the harmful and unacceptable results of this practice, which complicates the analysis of violence. Handling this problem may become a stumbling block for the peace process. But clearly, if there is any field in which the Colombian State cannot delegate its responsibility, it is in the maintenance of order and the administration of justice. The large void that exists in this respect has led to what many call a dirty war, whose main victims are low-income civilians.

The use of state entities to satisfy private interests has become one of Colombian society’s great ills and is the cause of the most rampant cor-
ruption. And although the signs of corruption usually point to the public sector, corruption is not foreign to private activity. The country's private sector not only is characterized by its limited solidarity, but it has also, with government support, grown used to socializing its losses but not its profits.

In dealing with the issue of institutional reform, some strategic areas of intervention need to be considered: generating systems of information directed at social control, strengthening superintendencies and regulatory commissions, stimulating new institutional development for regions within the country's productive frontier, and forming strategic alliances between the State and civil society. Each of these areas will be subsequently analyzed.

**Information Systems for Social Control**

Social control exerts pressure for efficiency in public organizations, and users of state services can play a role in monitoring and holding the State accountable for delivering those services.

Reaching this goal requires work on two fronts. Users must become involved in the organization and participation processes connected with the services they receive, and the State must develop information systems for social control so that any user, without special training, can easily access information when exercising the monitoring right.

**Strengthening Superintendencies and Regulatory Commissions**

Superintendencies and regulatory commissions in Colombia have assumed a growing role, but today they are still a long way from what they should be, as entities responsible for supervising collective affairs. Except for the Banking Superintendency, which has a longer development history, it is difficult for other superintendencies and regulatory commissions, in practice, to protect the interests of society as a whole when important power groups hold center stage.

To strengthen these entities, medium- and long-term strategies must be developed for investigating sectors within their jurisdiction, training, and consolidating information systems and international exchanges among regulatory bodies of other countries.

**Strategic Alliances between the State and Civil Society**

Institutional transformation cannot be limited to the apparatus of the State. It must also encompass the role of such important groups as professional organizations, labor unions, and NGOs, opening the way for new private-collective-public relationship.
In creating conditions for the development of a new society, efforts must be devoted to creating strategic alliances between civil society and the State, although certain fundamental responsibilities of the State cannot be delegated or transferred.

In turn, civil society organizations cannot replace the State in the economic duties under its supervision. The State has important responsibilities in overcoming poverty and achieving equality.

*Development of Regional Programs*

Several reasons justify the development of regional programs. First, citizen participation takes place at the regional and local levels, and that is where the main social actors interact. Programs to develop new institutional plans must therefore be designed at these levels.

Second, regionally based strategies allow local communities to become involved with the decisionmaking process in designing, planning, and managing programs and projects, thereby strengthening the process of democratic participation. However, probably one of the most important aspects of a regionally based strategy is the possibility it opens up for the emergence of new political leadership. These leaders would be committed to the genuine interests of the communities that elect them and would therefore be less likely to fall into such old and deeply rooted habits as clientelism and corruption. In this field of regional programs, Colombia has already had valuable experience. Examples of this are the Medellín municipal programs, the Urabá plans, and the Magdalena Medio Peace and Development project.

*Agrarian reform.* Agrarian reform is a recurrent theme in analyzing violence in Colombia and dealing with important points on the agenda for negotiations with armed groups. Redistribution of rural property remains one of the guerrilla groups’ main demands. In addition, specialized literature recognizes as a priority the need to distribute assets as a strategy to reduce poverty and to improve equality. Land access is identified as a fundamental element in achieving these objectives. While this has been a recurrent issue, so too has society’s failure to make progress in this area.

Colombia, unlike many developing countries, did not carry out a process of agrarian reform in time. Perhaps there is no more representative example of postponed reform. The legal development of land issues—from Law 200 of 1936, superseded by Law 135 of 1961, through Law 160 of 1994—is a long and unfortunate history of the way special interests under various scenarios came into play to make the laws inoperable and reduce their effectiveness. Therefore, it should come as no
surprise that now, at the beginning of the twenty-first century, Colombia has to spend time, effort, and resources on the issue of agrarian reform. Many other countries have already closed this chapter in their development.

The rural sector has undergone several changes. First, in addition to farming and animal husbandry, off-farm activities are increasingly important: agroindustry, trade, and services. Second, today access to land is acknowledged as more important than ownership, and rural land redistribution policies must specify strategies such as the land market and new types of leases. Third, globalization requires competitive production, for which land is a necessary, but not the only factor of production. Thus, for producers who do not have obvious competitive potential, merely allocating lands does not solve the problem.

Despite these observations, the context in which efforts have taken place to transform rural property in the country must be understood better. Agrarian reform has not failed solely because of inadequate institutions or lack of resources. Rather, these real limitations are simply manifestations of deeper problems. While market-oriented agrarian reform has been successful in South Africa and to a certain extent in Brazil, it has not worked in Colombia for several reasons, among them the pervasive violence in the rural areas that penalizes a market for land.

In this same vein, the prevailing institutional agreement defends special interests to the detriment of the common good. Consequently, the logical conclusion is that unless existing power structures are changed, no agrarian reform or program put forward will solve the fundamental problems or create conditions for long-term rural development.

The main point of this discussion is that productive use of land has to be required to prevent land speculation. Today, access to this resource poses problems of both efficiency and social justice (Echeverry 1998). Modifying the structure of taxes on rural property to penalize noncultivation and facilitating processes to allocate properties resulting from the expiry of their ownership should be basic components in a general land policy.

Agrarian reform must be dealt with in association with land use policy. In Colombia, many municipalities and provinces are not viable in terms of production. However, the phenomenon of expansion of land occupation, through which the agricultural areas tend to displace areas under environmental protection, requires an effort at regulation and control for environmental preservation.

Thus, land use poses a problem. Because of current regulatory and institutional conditions (rules on land use, tax structure, public service programs, and the like), the property located near centers of consumption is subject to speculation. This process make productive units face
increased land prices, higher cost of public services, and the cost of valuation taxes.

This expansion of the agricultural frontier puts additional charges on the State and decreases producers' ability to compete. Economies of consolidation and scale are lost in delivering services, which takes more time and effort to meet the population's basic needs.

Clientelism further aggravates this situation. Politicians frequently lobby for the creation of new territorial entities (provinces and municipalities), which perpetuates traditional political habits. Each new territorial entity means more bureaucracy and more budget.\(^3\)

In this context, merely having a land purchase policy, even for the agricultural sector, does not solve the problems of the sector that needs complementary programs such as property adjustment, technical assistance, and productive projects. Otherwise, speculation will displace productive activities and drive small landowners onto lower quality land where production is less competitive.

These arguments reinforce the idea that the important thing is to tax inappropriate land use to raise the opportunity cost of keeping land idle and encourage its productive exploitation so that anyone who really wants to work it efficiently can acquire it.\(^4\) To this end, the first step is to define the true purpose of land use in land use plans. First, a national regulation plan should be prepared, with the participation of the different regions. Then, regional plans, and finally municipal plans, should be devised. Another option would be to promote voluntary teamwork among neighboring municipalities that have potential for integrated work within the region. Once land use has been defined, the State must use its intervention instruments (e.g., taxes, investment in physical infrastructure, social programs) to consolidate and reinforce new arrangements.

*Competitiveness and democratization of property.* Regarding competitiveness, we saw in the preceding section how intensive and inefficient use of resources, particularly natural resources, spawns a system of production that impairs development and harms the environment. Overexploitation of resources favors rent seeking, which gives rent earners a dominant position for appropriating as much of the value added as possible.

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\(^3\) This situation comes about because of a design flaw in the Nation's current distribution of public revenues. The budgets of former and segregated municipalities turn out to be higher than the budgets the original municipalities had available before their division. This is a result of the quota established by the formula in Law 60.

\(^4\) The tax levied must raise the opportunity cost for owners of unproductive lands to the point where waiting for it to appreciate becomes unprofitable. Formally, the present net value expected after appreciation must be less than the present net value of the cost of owning the land.
In this context, competitiveness must be given priority in the debate about solutions to armed struggle in Colombia for two basic reasons. First, economic growth rates must be maintained at least within historical ranges. This is a necessary, but insufficient, condition to improve economic well-being. Second, a sustainable growth model, one less dependent on rents, is needed to achieve more equitable goals for the distribution of income and wealth.

Globalization puts many restrictions on national governments' use of traditional economic policy instruments to address competitiveness. Therefore, science and technology are among the strategic issues to be tackled. Spokespeople for Colombia's armed groups give this area significant importance, so much so that it is not only one of the fundamental points on their discussion agenda, but they also specifically demand that 10 percent of the national budget be allocated to it. In any case, to improve productivity, the components of innovation and technological development must be strengthened.

This line of work becomes strategic under the current circumstances. First, it allows for quick increases in production under more competitive conditions. Second, greater productivity maximizes the use of existing resources before seeking new investments. This is fundamental, given Colombia's lack of saving and productive investment. Third, it creates a climate in which the capital and labor factors of production can complement each other in a win-win situation. Increased productivity will allow companies to improve their profits, which, in turn, opens up the possibility of improving worker remuneration.

To ensure that capital does not appropriate a very large share of the value added generated by increased productivity, businessmen must be persuaded, as members of a society seeking peaceful coexistence, to accept value-added distribution plans in which equality is one of the basic criteria for determining factor remuneration. For this distribution, three alternatives can be explored: adopting new, more equitable salary remuneration plans; introducing employee stock options; or initiating worker profit sharing. Taking up these options would be a historic turning point in Colombia's employee-employer relationship and a significant step toward a more just and peaceful society.

Two specific instruments may be considered for working with the productive sector: business management programs that improve efficient use of current resources and consolidation and incorporation of productive development centers that encourage productive development and technological change.

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5 The formula chosen must not deflect investments.
Social investment policies. Colombia has confronted poverty mainly by increasing the State's investment in the most important social sectors (e.g., health care, education, sanitation). Today, Colombia is one of Latin America's countries with higher social investments as a percentage of GDP. This spending has achieved positive results in that the percentage of Colombians with unsatisfied basic needs has constantly fallen. However, little progress has been made in reducing poverty as measured by income and compared with the poverty line indicators. Concern about alleviating poverty, as always, extends only to the point where it does not alter income distribution. Inequality is not tackled.

Regarding social policy, education warrants special attention because Colombia is undeniably behind other countries in modernizing education. The many partial reforms to date have brought some benefits, but Colombian society and the State have been slow to propose in-depth reforms both in educational goals and in the system's operation. As mentioned above, in Uruguay, it was decided that basic, obligatory, public, and depoliticized education helps build an egalitarian society. In Colombia, by contrast, large differences in quality have helped perpetuate inequality: the poor receive a poor education, and the rich receive a good education. Despite significant increases in the volume of fiscal resources allocated to education and large increases in teachers' salaries, the quality of public education, even the quality of private education, remains low.

To the extent that education is considered to be one of the most powerful instruments for achieving more equal access to development opportunities, a true educational reform should be used to achieve an egalitarian society. Among the items that would help education play the leading role in building a new Colombian society are technological changes tested in other countries, curriculum reforms to impart the new values society needs, teacher evaluation, and the autonomy of schools and influence of parents associations over their administration.

However, Colombia cannot afford to fall into the simplistic position of thinking that a new educational system would eliminate, per se, exclusion. We have stressed that education policy is not the State's only instrument for approaching equality and that alternatives have to be contemplated, such as redistribution of wealth and changes in the way value added is distributed among factors of production.

Regarding the potential of social policy, welfare programs will remain important for low-income groups, and spending should be focused on them. Colombia still has serious difficulties in delivering some basic ser-

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6 Unsatisfied basic needs indicate the availability of essential services. Poverty line measurements by income indicate the possibility of acquiring basic goods and services.
vices, especially on the outskirts of cities and in rural areas. But even where a large proportion of the population is served, the variable quality of public services reflects social inequality, as we have seen in the case of education.

Despite these shortcomings, Colombia has pursued an active social policy. In fact, internationally it is cited as an example of a country with much creative and successful experience in social policy: the New School, the Family Welfare Policy, the National Rehabilitation Plan, and the Social Solidarity Network. In addition, Colombia's social spending for 1997 was among the highest in Latin America (15 percent of the GDP).

In another positive element, the Colombian State has successfully combined the operation of social networks with the application of a traditional social policy. Its results in social health care and safety are well known. This is an asset on which work needs to continue.

In summary, educational reform is the main social policy reform pending in Colombia. Social safety nets must continue to operate, but they cannot replace a comprehensive social policy. As the State's political and administrative power decentralizes and its commitment to the new values of society develops, social policy will gain in efficiency and will thereby reach the poorest citizens. However, the country needs much more than this to reverse the unfair processes that have characterized its economic and political development.

Judicial reform. The administration of and access to justice is one of the fields where a country's level of equality can be better measured.\(^7\) When all citizens are guaranteed equality before the law, a society is founded on equality (at least before the law). Only at the beginning of the 1990s did Colombia start to recognize its deficiencies in the administration of justice and decide to act, emphasizing its sanctioning role expanding the judiciary. It did not, however, include alternative mechanisms for conflict resolution.

Currently, Colombia's judiciary is a good example of how increased spending does not always bring about improvements either in the effectiveness of the judicial system or in the population's well-being. Spending in this sector went from 0.61 percent of GDP in 1990 to 1.15 percent of GDP in 1995. This increase was significant. However, the persistence of high levels of impunity means that the population still considers the administration of justice rather dysfunctional.

\(^7\) This section is based on the results of the April 1998 workshop on Diagnosing and Formulating Strategic Objectives of Justice in Colombia, organized by the Judicial Branch, the Ministry of Justice, the National Department of Planning, and the World Bank.
The urge to contain violence and the high number of crimes that go unpunished explain why the Colombian State has frequently given priority to the penal system. It has done so while neglecting basic problems of civilian coexistence. Until mechanisms are devised for solving basic problems of coexistence—disputes among neighbors, commercial lawsuits, and the like—conflict and discontent will persist, translating through intolerance into more violence.

Progress toward a better climate for civilian coexistence in a country like Colombia requires adopting a comprehensive focus encompassing:

- working with the community to create a civilian culture that values peaceful resolution of conflicts. To this end, offering alternative services of justice is basic—for example, Casas de Justicia, conciliation procedures, justices of the peace.

- introducing improvements in the administration of the judicial branch—for example, strengthening institutions, training personnel, systematizing judicial orders, and improving internal management procedures

- developing a detailed program with measures to reduce backlogs in civil courts, as distinguished from criminal courts.

**Third Stage: Process Sustainability**

After completion of the stage for structural reforms proposals involved in the negotiation phase, next comes ensuring the sustainability of peace in the post-negotiation phase.

This delicate phase requires special attention from the State. If commitments in the accords signed with armed groups are not implemented on the terms established during negotiations, anyone who feels slighted by breach of the agreements will react negatively and will delay rebuilding a climate of confidence. Then, peace may break down again.

The most extreme reaction in this situation will be a renewal of violence that would jettison any progress made to that point. In light of this prospect, the importance of this sustainability stage is clear. Because this stage entails working down from broad proposals to effective implementation of agreements on very specific issues, it may require more complex management of this phase.

To prevent failure during this stage, once the peace process begins, the entire society must take on the quest for peace as a national project in such a way that each individual owns a part of it. By definition, no one should be left out. The State must make this project a priority and the reference point for its every activity.
Upon entering the peace sustainability stage, demobilizing and reintegrating ex-combatants from every rebel group into civilian life is critical. Other countries’ experience with peace processes show that following demobilization, a significant increase in common delinquency can take place. When ex-combatants do not find jobs and peaceful life styles after demobilization, they revert to violence to survive.

Perhaps one of Colombia’s few advantages from its peace processes is the experience it has acquired in designing and executing programs to assist demobilized people. An attempt should nonetheless be made to improve on this knowledge. If similar budgets to those allocated to the previous processes were invested for this purpose, the fiscal cost could be manageable, even in the State’s current precarious financial situation. Problems could arise in timely design and management of programs required to optimize attention to ex-combatants.

Finally, in the post-negotiation phase, information systems and international aid are important. Monitoring compliance with the accords is fundamental to stay abreast of progress, identify problems quickly, and prompt needed adjustments as required. To do all this, objective, transparent information must be provided very broadly. Anyone who needs information should have access to it. The process of disclosing information should also become an exercise in democratic participation.

In monitoring and verification activities, international cooperation is essential. Since foreigners maintain a certain distance from Colombia’s daily problems, they can assume neutral positions on such sensitive issues as human rights violations, political guarantees, and the like. International financial help in rebuilding the country is also sorely needed, especially in its difficult fiscal situation. This is where the possibility of help is greatest when problems are in their most critical phase—in this case, during war and fighting. That is why it would be unwise to await signature of the peace accords to begin to seek international support.

**The Costs of War and Peace: Background and Perspectives**

In discussions of armed conflict in Colombia, little effort has been made to quantify the economic repercussions of either the armed confrontation or the peace process. Calculating and evaluating the costs of the conflict are important exercises for two reasons: first, they help to highlight the economic costs for Colombia’s armed conflict; second, they can be used to outline financing plans for a peace process. This section of
this chapter also investigates whether the costs of negotiations and the peace accords hinder the process.⁸

The Costs of Armed Conflict

Any armed conflict generates direct and indirect economic costs. The direct costs are made up of losses of physical and human capital. The indirect costs consist of disinvestment, allocative distortion (use of productive assets to fight the rebellion), and increased transaction costs. On the other hand, resources allocated to the war represent an opportunity cost for the economy, since, under other circumstances, they could have been allocated to the production of goods and services to increase the population’s well-being. To finance armed conflict in 1991–96, Colombia spent an average of 1.5 percent of the GDP a year. The biggest cost was excess military spending (figure 3.1).

FIGURE 3.1
GROSS COSTS OF ARMED CONFLICT IN COLOMBIA, 1991–96

Kidnapping, theft, and extortion 29%

Military expense 61%

Terrorism 5%

Loss of life and health care costs 5%


⁸ This chapter is based mainly on the work of Trujillo and Badel (1997) and on the model for minimizing the costs of peace, developed by Edgar Trujillo while conducting that work but not included in the cited publication.
Average net costs in 1991–96 amounted to 1.1 percent of the GDP, a little more than US$1 billion in 1999 dollars. Military spending contributes 85 percent of the net costs of the armed conflict in Colombia.

Peace would spare Colombia some of these costs. However, not all the resulting savings are convertible into current revenue that could be spent on goods and services. Loss of human life carries (among many other things) an economic cost represented as the present value of income that this person could have earned during his or her productive life, because society will not be able to benefit from the person’s capacity to produce. Therefore, in peace, saving lives is a future benefit.

Ending the armed conflict would also benefit Colombia by freeing up resources. Money previously spent on war and replacing capital losses from terrorism could be used to produce goods and services that would increase society’s well-being. In this case, it is estimated that with peace, the Colombian economy would annually free up nearly US$920 million.

As mentioned earlier, achieving peace will also require resources to reincorporate the armed groups into civilian life and to carry out the social programs agreed upon a peace negotiations. How, then, can peace be financed? To prevent creating a macroeconomic imbalance, the financing should come first from taxes. Because of Colombia’s fiscal constraints, however, foreign credit or foreign aid will also be required. In that case, proper precautions will be needed to avoid exchange imbalances or inflation.

Although peace can be considered as a public good, and its costs must be paid by the entire society, some people will receive more immediate benefits from pacification than others. These beneficiaries are mainly businesses in places where rebel groups have concentrated their illegal activities, looking for financing through theft, kidnapping, and extortion. This high-income group has presumably been hit the hardest in economic terms by the armed conflict, and, for that reason, its contribution to peace costs may be higher. Victims of kidnappings, extortion, and theft have been paying a total average of US$400 million a year.

The Costs of Peace

Today, there seems to be a consensus that violence in Colombia has become an obstacle to its development. Consequently, peace will bring
economic benefits—a greater accumulation of physical and human capital and increased productivity.

However, reducing violence to socially and economically tolerable levels has its costs, irrespective of the means used to achieve it. If military force were the means chosen, the economy would have to allocate resources to wartime endeavors, and state investments would be affected. War would also accelerate the destruction of physical and human capital. If peace is achieved through negotiations, the agreements reached will imply an economic commitment, in addition to political obligations, that the country must comply with immediately.

In Colombia, the armed groups have more than an economic agenda. They are pursuing political and social vindication that would positively affect the people's well-being. Thus, aside from the costs of reintegration, the accords would have not just an economic cost but a net benefit. This statement is not an absolute truth, however, and therein lies part of the problem. Also on the Colombian guerrilla agenda are proposals for programs such as agrarian reform, for example, that have economic costs for the State.

The short-term costs of peace are greater than its benefits, which will be felt only over the longer term, while all costs must be shouldered immediately. Even though the benefits outweigh the costs, it does not follow that society can pay any price for peace. Economists would agree that society must minimize the cost of peace, although this work is basically an economic analysis. Of course, beyond economic considerations, peace is an ethically desirable state.

A formal cost estimate would begin by observing that there are two ways to end an armed conflict: through military action and through negotiations, which are not mutually exclusive. Negotiations can come about because one of the parties has a weak military. Then, the cost of peace $c$ (equation 1) has two components: the cost of armed conflict $g$ and the cost of agreements from peace negotiations $p$:

$$c = g + p(g); p'< 0$$

The cost of peace accords is not independent of the conflict's intensity. It is an inverse function ($p'< 0$). If one party to the conflict is debilitated by the rival's military prowess, it will demand less in negotiations than it would if it were winning. Consequently, society can rationally opt to increase military spending to attain a dominant position in negotiations in the expectation of having to concede less in negotiations, thereby making minimum concession peace accords with low economic costs. Then the cost of peace becomes a function of war spending and assumes a convex function (figure 3.2).
A strong adversary will demand costly accords (very high \( p \)) from a militarily weak adversary (\( g = 0 \)) at the negotiating table. At the other extreme, very high military spending is generated (very large \( g \)) to defeat the rival, and there are no concessions for the adversary (\( p = 0 \)). "Reasonable" agreements can be reached at a midpoint, with total minimum economic costs without having to allocate excessive resources to the war ("optimum" military spending \( g^* \)).\(^{11}\)

\[
c^* = g^* + p(g^*)
\]

This model obviously assumes that greater spending ensures military victory. Whence the popular saying: "It is better to negotiate from strength, but being strong also costs."

This model (equation 1) determines direct costs, the charge on the nation's fiscal budget. However, not all accords involve large resources. Some agreements, dealing with institutional reforms and economic policy strategies, may not require large budgetary resources but will have repercussions on economic development. Such agreements therefore

\(^{11}\) In the case of civil war, the military costs of the struggle must be added to the costs of peace because it takes place in the same country. However, omitting that level of refinement does not compromise the analysis or the conclusions derived therefrom.
carry indirect costs (or benefits). The indirect costs may even outweigh the direct costs. For example, ill-conceived institutional reforms can cause deterioration in the macroeconomy, putting a brake on development.

Peace therefore has a cost that can be decreased and must be minimized for society. An onerous peace can lead eventually to new conflicts. If the victors impose accords so costly as to jeopardize the survival of the defeated, peace will be temporary. World War II proved the truth of this statement, despite Keynes’s warning in his famous work on the economic consequences of the Treaty of Versailles. The peace accords signed in Colombia at the beginning of the 1990s provide more recent evidence. Signed with minimal costs, partly as a result of the rebel groups’ military weakness, these agreements achieved nothing but a quick euphoria.

Quantifying the minimum costs of peace ($c^*$) poses important practical problems. First, the costs of the accords ($g$) should include indirect costs. Second, the costs of the conflict ($g$) must include, in addition to military expenses, the loss of physical and human capital caused by the conflict. Despite this, peace stability is not conditioned on military expenses being optimal ($g^*$). It is hard to believe that history’s wars have been solved at minimum cost.

In reality, the cost of peace (equation 1) combines expenses that come from two different points in time. When negotiations open, society has already paid the costs of conflict ($g$), but the costs of negotiations ($p$) are still pending. Thus, by the time a country, reaches negotiations, it may have incurred excessive military expenses ($g' > g^*$) without success. But if the accords have a reasonable cost—though not “optimal” $p(g') > p(g^*)$—this cost could be assumed, and peace will be lasting.

It therefore follows that the cost of peace accords plays a crucial role in the reconciliation’s stability. To complement this discussion, the following analysis examines, from an economic perspective, the Central American peace accords and Colombia’s partial peace accords with some guerrilla groups.

Economic Background of Peace Accords in Central America and Colombia

El Salvador

At the third meeting of the Advisory Group, in April 1993 in Paris, El Salvador’s Ministry of Planning and Coordination of Economic and Social Development (Miplan) presented estimates of the costs of peace. The report examined the amount of resources required in 1993–96 for priority commitments under the National Reconstruction Plan (PRN),
including spending derived from the peace accord and from the general strategy to reduce poverty.

According to those calculations, the funds needed for priority programs amounted to US$1.534 billion (30 percent of the GDP), disbursed over a four-year period. Of these funds, 76 percent was to be allocated to the PRN and the rest to other priority projects. Of the financial resources corresponding to the PRN, US$851 million was to be allocated to comply with amendments to the peace accord (US$534 million to strengthen democratic institutions and US$317 million to help reincorporate ex-combatants into the country’s economic life). The remaining resources (US$310 million) were to be allocated to projects to fight poverty.

Nearly half of the funds needed would be available to execute the highest priority programs. The financial shortfall was US$769 million, broken down as follows:

- US$476 million to comply with peace accord commitments (US$266 million to strengthen democratic institutions and US$210 million to reintegrate ex-combatants into the economy)
- US$293 million for programs to reduce poverty (US$105 million as part of the PRN and US$188 million not allocated to the plan).

According to these figures, carrying out the programs classified as priorities by El Salvador’s government would leave a financial shortfall of US$220 million, both in 1993 and in 1994, but would be reduced to about US$170 million in the next two years. According to this statement and in view of the constraints on the stabilization program against expanding the fiscal deficit or financing the program with domestic resources, increasing international cooperation was the only viable alternative.

From 1989 to 1992, the defense and public safety lines in the ordinary budget decreased by more than six points. Despite this decrease, in 1992 these budget lines still absorbed 17 percent of the ordinary budget, seven points above the public works allocation and nine points above the health care allocation. Consequently, the economy’s projected growth rate for 1993–95, though ambitious, probably would not be enough to absorb the natural growth of the work force and increase the productivity needed to compete successfully in international markets.

The PRN was implied as a large burden on El Salvador’s economy. However, its macroeconomic impact was diluted because a large part of its resources went to importing goods, which neutralized the monetary and foreign exchange effects.
As shown in table 3.2, the fiscal position deteriorated sharply after the accords. However, the current account deficit and the inflation rate (except for 1993) declined. In addition, GDP growth started to accelerate.

As Bejarano (1995) notes, peace accords in El Salvador are characterized by the success of the Farabundo Martí National Liberation Front (FMLN) in its political and security demands and by the government's success in imposing its criteria on social and economic issues. Thus, peace in El Salvador did not produce significant institutional changes in the economic realm, nor did it cause fiscal imbalances.

Guatemala

No overall figure is available for the financial cost of carrying out the programs under the Firm and Lasting Peace Accord. However, some indicators enable an estimate of these costs. In 1997, for example, after meeting with the Advisory Group of countries and with international financial organizations, the Guatemalan government was offered US$1.9 billion to support compliance with the commitments under the peace accords (13

Table 3.2
Main Economic Indicators, El Salvador

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<td>Real GDP growth (percent)</td>
<td>3.4</td>
<td>3.6</td>
<td>7.6</td>
<td>7.4</td>
<td>6.1</td>
<td>6.4</td>
<td>1.7</td>
<td>4.3</td>
<td>3.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Inflation (percent)</td>
<td>24.1</td>
<td>14.2</td>
<td>11.4</td>
<td>18.6</td>
<td>10.6</td>
<td>10.0</td>
<td>9.8</td>
<td>4.5</td>
<td>2.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Nominal devaluation (percent)</td>
<td>60.6</td>
<td>0.6</td>
<td>13.5</td>
<td>-5.5</td>
<td>0.9</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Fiscal balance (percent GDP)</td>
<td>-0.1</td>
<td>-2.8</td>
<td>-3.7</td>
<td>-2.1</td>
<td>-0.7</td>
<td>-0.5</td>
<td>-2.0</td>
<td>-1.1</td>
<td>-1.4</td>
<td>-2.3</td>
</tr>
<tr>
<td>Current account balance (percent GDP)</td>
<td>-7.4</td>
<td>-5.5</td>
<td>-5.6</td>
<td>-5.5</td>
<td>-4.3</td>
<td>-4.8</td>
<td>-2.3</td>
<td>0.2</td>
<td>-0.7</td>
<td>-1.7</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund, Statistical Database. Washington, D.C.
percent of the GDP). Social spending commitments between 1995 and 2000 required increases of 10 percent a year. Overall, the cost of the peace accords could be estimated at around 63 percent of the GDP, spread over five years.

As described in Annex 3.1, the accords provided targets for public spending on education—including literacy, health care, the judiciary, and mother-child care. It also provided for a reorientation of spending for housing subsidies, in response to efficiency requirements and not as an additional expense.

Two important facts stand out from the Guatemala’s peace accords. First, except for more pronounced decentralization, the accords did not provide for structural changes in economic institutions that might have required a change in the country’s development model. Second, although the accords provided for a 10 percent increase in public spending, they also included a commitment to counteract the negative effects this would have on public finances by allowing a tax increase of similar magnitude.

Partial Accords in Colombia

Economic and social issues have been virtually absent during peace negotiations in Colombia. The content of the agreements centered around political demands, especially regarding expanding democratic participation.

Possible Economic Consequences of a Peace Accord in Colombia

Estimating the costs of a peace accord in Colombia is a complex task. In addition to the inherent difficulties in this exercise, Colombia’s current fiscal situation also raises questions about the country’s capacity to finance new commitments under a peace agreement.

Peace negotiations in Colombia will have to depart from the premise that the accords would not imply additional permanent increases in public spending that would aggravate the current fiscal imbalances. Indeed, Colombia will face difficulties in financing a peace accord with the same financial requirements of those signed in Guatemala or El Salvador.

For example, for Colombia, a spending agreement like Guatemala’s would mean an increase in public spending of more than 5 percent of the GDP. This increase would imply an increase in public spending from 22 percent to 27 percent of the GDP, based on an overall expansion of public spending.

\[27\% = \text{Increased public spending from 22 percent of the GDP} \]
percent of the GDP to around 27 percent. An expansion of this nature cannot be financed in today’s Colombia, even if the agreements provide for an equivalent increase in tax revenue.

Colombia has undergone four tax reforms since 1990 and has managed to increase fiscal revenue by only one percentage point of the GDP. The lesson this teaches is that there is no point putting good intentions down on paper when Colombia seems to have reached its tax capacity limit. An investment plan like the PRN in El Salvador—25 percent a year of the GDP—is very demanding for Colombia.

Why has the Colombian State exhausted its ability to increase public spending? The 1991 Constituent National Assembly created new commitments in areas such as justice, health care, and education. Despite the four attempts at tax reform, sound tax-based financing has not been possible. Therefore, this spending trend is unsustainable.

Constitutional requirements set the course for increasing fiscal spending in the 1990s, but without improvements in the country’s climate for internal peaceful coexistence. This increased spending was the factor most responsible for the increase in the fiscal deficit—to an estimated 4 percent of the GDP. The size of the deficit is revealing in any consideration of Colombia’s true fiscal possibilities to finance peace.

Between 1991 and 1997, Colombia’s central government spending as a proportion of the GDP went up from 11.7 percent to 18 percent as a share of the GDP. The commitments required by the 1991 Constitution explain 4 points of this increase. This is the same amount of resources that would be needed to finance a peace agreement like the one adopted in Guatemala.

Guatemala’s peace process cost about 10 percent of the GDP. Compared with the costs incurred in developing peace processes in Colombia in the past, with the meager results mentioned, the conclusion is more than obvious: Colombia has undertaken financing efforts on a similar scale to those in Guatemala but has not obtained peace.

Still more serious, pressure on public spending during the 1990s, stemming from constitutional requirements, has not been accompanied by corresponding progress in the population’s standard of living and well-being. Again, the option of using public spending as a tool for solving Colombia’s social problems has run out of steam.

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14 Current income of the central government as a proportion of the GDP went from 11.2 percent in 1991 to 12.6 in 1997.
15 The regime of transfers to territorial entities was perhaps the source of the current imbalances. Transfers as a proportion of the GDP went from 5.1 percent in 1991 to 9.0 percent in 1997.
The 1991 Constituent National Assembly that culminated with the enactment of the current Political Charter was a forum for reconciliation. It shaped many of the commitments the Colombian State took on in the peace accords with armed groups such as the M-19, the PRT, and the EPL. However, peace has not been achieved, and the fiscal space for financing new accords disappeared.

In summary, peace negotiations will have to acknowledge two important points. First, the increasing public experience of the 1990s has shown that social problems will not be solved solely by spending. Second, current fiscal constraints compel a redistribution of spending to sectors that may need higher investments than others. Peace accords cannot give rise to any permanent additional growth in the national budget. However, negotiations, demobilization, and reincorporation will imply temporary additional costs. To cover them, the Investment Fund for Peace was created and will be sustained by contributions from Colombians and friendly governments that stand together for the cause of peace in Colombia.

Peace will not be inexpensive, and its higher costs might not be financial. Achieving peace will take concessions from political and economic realms of power. This is the message of this chapter.

**Final Reflections on War and Peace**

This chapter is an attempt to identify the costs—economic and constitutional—of war and peace in Colombia.

Debating the costs of peace, and placing them in a historical and international context, is very important for illustrating possible economic consequences of a peace agreement with the guerrilla forces (the FARC and the ELN). In addition, comparing the recent experiences of peace agreements in the region (particularly in Central America) sheds light on the best routes to direct the peace processes in Colombia.

We have reached some conclusions in the course of this work. A democracy that is more formal than effective and an economic structure that favors the powerful and privileged have furthered political and economic exclusion, features that are at the roots of Colombia’s armed conflict. Inequality, more than poverty, has fueled the confrontation. The weakness of the Colombian State and its inability to reach distant geographic areas from the main economic centers have helped perpetuate rebellion.

In Colombia, a new peace process has begun in the midst of one of the most violent periods in its recent history, and at a time of a delicate economic situation. However, for the first time since violence broke out, there is a consensus among broad segments of the population that solving the armed confrontation should be made a national goal.
The experience with the peace processes in the Central American countries of El Salvador and Guatemala indicates a long and bumpy road to peace. Society should be aware that the short-term costs of peace—both the economic and noneconomic costs—outweigh the benefits, but if the peace accords are reasonable, the long-term yields will greatly exceed the initial costs.

For more than 20 years, Colombia has been trying to negotiate peace with guerrilla groups. There were progress and also failures, some of them as tragic as the takeover and recovery of the Palace of Justice in the capital in 1985, a well-known episode among the international community. In addition, the strategy of dividing the rebellion, leaving out some of the most important armed groups, has proven unsuccessful.

One of the most significant processes not fully used as an opportunity to achieve peace was the 1991 Constituent National Assembly, although it did make beneficial contributions to the country's institutional order. Likewise, the resources approved to finance the peace process—4 percent of the GDP, a sum equal to the cost of a peace accord—was not used to its full advantage.

This suggests that Colombia must rethink both the war and the peace. To make this national goal of ending armed conflict a reality, the following points must be furthered:

- **National consensus** has to be reached about the fundamental causes of the armed conflict, namely consensus about how to overcome inequality and political, economic, and social exclusion, a concern of the rebel groups. If this preliminary step is not taken up during the preparatory phase for peace, the essence of the conflict will continue to be missed.

- **Two substantive reforms** must be identified: political reform and economic reform. Political reform will allow all Colombians, once and for all, to be involved in making decisions about their own welfare, beginning with local communities and continuing up to the highest levels of decisionmaking in the State. The reform of political parties must also be included so that they can become ideologically sound, legitimate groups, representing communities' true interests.

- **Economic and social reform** will have two dimensions: one that guarantees that Colombia can attain a path of accelerated economic growth in the context of globalization, and the other that ensures that the benefits of development will be for all, not just the few, as has happened up to now.
A comprehensive effort at reform must include a broadening of democratic participation and redistribution of assets, reform of the state, agrarian reform, competitiveness, educational reform, redistribution of wealth, and reform of the judiciary.

Likewise, the commitments stemming from a peace agreement must be pursued very cautiously because of the lack of fiscal resources to underwrite them. Colombia has already spent the resources it could have allocated to a peace process. Now, it has to unite civil society and business behind its financing and the redistribution of public spending, according to the priority stressed throughout this chapter—to eradicate political, economic, and social exclusion.

Colombia must recognize that peace cannot be achieved if some of the actors involved in the armed conflict do not agree to assume new responsibilities. War and peace are very different situations: national armed forces, guerrilla forces and paramilitary groups, and the actors of the war must contribute effectively in a process of pacification, relocation, repositioning, and reincorporation into civilian life.

Peace in Colombia will come with large economic costs. But, contrary to general assumptions, these costs are not primarily financial. The major changes will derive from transforming the country’s power structure and its political, economic, and social organization. If Colombia understands and accepts this, peace will be much more than a cease-fire. It will become a great opportunity to build a modern, fair, and peaceful country that can proudly take its place in the international community.
APPENDIX 3.1
PEACE ACCORDS IN CENTRAL AMERICA

Peace Accords, Republic of Guatemala

In Guatemala, peace negotiations began in 1990. These negotiations were impelled more by the debilitating economic and social effects of the low-intensity, prolonged conflict (34 years when the peace accord was signed) and by Guatemala’s international isolation than by the importance of the military operations. This fact is particularly relevant in comparison with El Salvador’s situation. There, the foreign military presence was never great and, with some slight difference in time frame, balance was maintained between the army’s and the rebel groups’ forces. The historical roots of the conflict were more complex in Guatemala than in El Salvador. Guatemala had to deal not only with poverty, exclusion, and lack of social mobility, reflected in society’s decreased political participation, but also with ethnic problems and mistrust, and fear of insurgent groups after so long a period of violence.

When peace negotiations were initiated, there were an estimated 1,500 armed rebels. There were also a reduced contingency of 10,000 to 15,000 units in the army and a large number of refugees in exile abroad (more than 40,000 people in Mexico and about 500,000 domestic refugees.) Although the rebel movement maintained an active traditional political organization, it did not have territory under its control, as was the case in El Salvador.

The first attempts at negotiations took place between different groups of civil society and rebel leaders, first in Stockholm and then in El Escorial, Spain. Several countries and the Rio Group attended these talks. Civil society participation (mainly business organizations and political parties) was especially significant.

A second effort to initiate talks was made when, at the insistence of the international community, President Serrano Elías unilaterally declared a cease-fire before the United Nations General Assembly. This attempt broke down when he was forced out of power after trying to close the National Congress, for among other reasons, failing to support his negotiation efforts. The transition government of Ramiro de León Carpio was the first to make an integral statement as a platform for peace negotiations and formally start the process, even though he did not have enough time to complete it. Finally, with decisive support from the United Nations, President Arzú’s administration was able to finish the negotiations by redesigning the basic proposal document and the negotiation process itself.

For Guatemala, after more than 30 years of armed confrontation, an accord was signed in Oslo, Norway, on March 30, 1990, recognizing “the
explicit desire to find ways to solve national problems by political means.” On April 24, 1991, direct negotiations began between the government and the guerrilla forces, and 12 accords were signed between January 10, 1994, and December 29, 1996. In chronological order, these accords were:

- a framework agreement to resume the negotiation process between the Guatemalan government and the Guatemalan National Revolutionary Party (URNG), January 10, 1994, Mexico City
- a global accord on human rights, March 29, 1994, Mexico City
- an accord to resettle populations uprooted by the armed confrontation, June 17, 1994, Oslo
- an accord to establish a committee to record the history of human rights violations and violent events that caused suffering to the Guatemalan people, June 23, 1994, Oslo
- an accord about the identity and rights of indigenous peoples, March 31, 1995, Mexico City
- an accord on socioeconomic aspects and the agrarian situation, May 6, 1996, Mexico City
- an accord on strengthening civil power and the responsibilities of the army in a democratic society, September 19, 1996, Mexico City
- an accord on a permanent cease-fire, December 4, 1996, Oslo
- an accord on constitutional reforms and electoral rules, December 7, 1996, Stockholm
- an accord on the basis for incorporating the URNG into legitimacy, December 12, 1996, Madrid
- an accord on a schedule for implementing, complying with, and verifying peace accords, December 29, 1996, Guatemala
- a final and lasting peace accord, December 29, 1996, Guatemala.

A large part of the agreements deals with political issues and principles, including the recognition of the multiethnic, pluricultural, and mul-
tilingual nature of Guatemalan society; the decision to respect human rights; the creation of a commission to chronicle the history of human rights violations; the expansion of the democratic participation process; the change and improvement of electoral processes; and the strengthening of justice to reduce impunity.

The Accord on Economic Aspects and the Agrarian Situation contains the main economic compromises in the accords signed. Below are some sections of these accords:

- The whereas clauses stipulate that peace is necessary to lay the foundations for a development model oriented toward the common good; that this model must attempt to overcome poverty, discrimination, and exclusion—both social and political; that socioeconomic development requires social justice; and that an integral strategy needs to be applied in the rural area.

- In the accords, participatory and coordinated processes are recognized as a fundamental basis for building true democracies and for consolidating economic development itself.

- Within these participation processes, priority is given to the decentralization process, which must extend to the regional, provincial, municipal, and community levels.

The social development issue encompasses the following:

- After achieving peace, the economy is expected to grow no less than 6 percent annually.

- The State must assume an obligation to overcome social inequality by significantly increasing social investments, particularly in health care, education, and work.

- By 2000, the government proposed to increase public spending on education by 50 percent over the 1995 level, as a proportion of the GDP.

- By 2000, the government agreed to facilitate access to at least three years of education for the entire population between seven and 12 years of age and raise the literacy rate to 70 percent.

- By 2000, the government agreed to increase resources allocated to health care by 50 percent over the 1995 level, as a proportion of the
GDP. The government agreed to a budget of at least 50 percent of this spending for preventive care and reductions in the infant and maternal mortality rate.

- The government agreed to allocate no less than 1.5 percent of tax revenues to developing housing, giving priority to subsidies for low-income housing, beginning in 1997.

- Monetary policy measures must be put into practice to significantly lower the cost of credit.

- Concerted measures must be made available to different social sectors to increase investment and productivity.

- Before 2000, professional training and development programs at the national level are needed for at least 200,000 workers.

To assist the rural sector, the following actions were considered:

- a transformation of the land tenancy and use structure to bring the rural population into economic, social, and political development

- the creation of a Land Trust Fund empowered to publicly finance land acquisitions, promote the creation of a transparent market for them, and facilitate the development of territorial ordering plans

- a guarantee of Q200 million for public agricultural investment programs related to agriculture, forestry, and fishing in the most poverty-stricken areas during 1997–2000

- promotion of an ecotourism development program

- preparation of a rural development investment program, stressing basic infrastructure and productive projects, for Q200 million a year during 1997–99

- an increase in financing for rural sector programs, raised, in order of priority, by mechanisms to apply a land tax in rural areas, in consultation with municipalities, and a new tax scale that sets significantly higher taxes on poorly used or underused, privately owned land.

The justice and public security issue specifies:
By 2000, the government proposed to increase public spending for judicial organizations and the public defenders office by 50 percent over the 1995 level, as a proportion of the GDP.

By 2000, the government proposes to increase public spending for public security by 40 percent over the 1995 level, as a proportion of the GDP.

By 1999, the government intended to optimize available resources by reducing spending on the armed forces by 33 percent from the 1995 level, as a proportion of the GDP.

In fiscal matters, these measures require:

- in-depth study of the decentralization process and division of powers among territorial units
- priority for social spending to finance public service delivery and for basic infrastructure supporting production and trade
- a 40 percent increase, by 2000, in tax revenue over the 1995 level, as a proportion of the GDP.

Peace Accords, El Salvador

For El Salvador, the talks held by the Christian Democrat government in Geneva at the beginning of the 1980s were the precedent to subsequent peace negotiations. These negotiations, which lasted more than two years, were influenced by international pressure against generalized political violence and by the rebel groups' willingness to enter into peace negotiations, brought about by the acuteness of the conflict. According to military experts of the time, the confrontation ended in a technical tie, despite the abundant foreign aid, especially military advice, provided to the regular forces. The opposing party had the support of a large part of civil society and the political support of a growing opposition. The intense activity developed by the Contadura Group and then by the Group of Friendly Nations favored the negotiation process as a moderating factor in the peace talks.

At the beginning of the 1980s, the Government's Revolutionary Council attempted to respond to the rebels' ideological demands by

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introducing such important economic reforms as agrarian reform and nationalization of banks and foreign trade. However, these actions had little credibility, despite having come from a government strongly supported by the Christian Democrats. In addition, the conflict's inertia turned out to be very important in prolonging the conflict.

The number of Salvadorans mobilized reached an estimated 14,000 armed rebels and 40,000 military troops, and there were an estimated 150,000 civilian refugees or people uprooted domestically. At the height of the conflict, the rebel movement was believed to occupy more than 20 percent of the national territory, when France and Mexico decided to recognize the FMLN as a belligerent force. Peace negotiations began in 1989. Mexico City was chosen as the central meeting place, and Álvaro de Soto took part as Personal Representative of the UN Secretary General.

For El Salvador, the final peace accord, signed in 1992, was the final result of different phases in the negotiation process, many of which were finalized by their own accords. For many, the final process began in 1989, when the first accord was signed in Mexico City between the Government of El Salvador and the FMLN. The Geneva Accord, signed in 1990, established the framework for negotiations brokered by the United Nations, whose intervention had received the support of five Central American presidents. Not only were the four objectives of the process established—ending the armed conflict by political means, democratizing the country, respecting human rights, and reunifying El Salvador's society—but it also set a schedule for continuing the process.

That same year, both parties signed the San José Accord on human rights, which became a fundamental piece for creating the UN Observers Mission in El Salvador (Onusal). For the first time, this organization would agree to develop a three-part mission: human rights, military affairs, and verification of political accords by observers.

After intense negotiations, a final peace agreement was reached. It was signed in Mexico on January 16, 1992, a little more than three years after the first accord had been reached. In this way, the domestic conflict that had ravaged El Salvador for 12 years was ended, leaving more than 12,000 victims as well as incalculable losses for this Salvadoran society.

Therefore, the accord signed by the Government of El Salvador and the FMLN resulted from a long process that involved, in addition to the actors signing it, all of El Salvador's society. It also received important support from the international community (especially from the governments of Colombia, Spain, Mexico, and Venezuela) and had the guidance and overall assistance of the United Nations.

Following is a quick review of the accords that led to an end of the war in El Salvador, as well as some facts recorded after the final accord was
signed. Special emphasis will be placed on the economic aspects of the negotiations and their subsequent development.

*Esquipulas II Accord, August 7, 1987*

This accord was designed by the President of Costa Rica, Oscar Arias. This agreement encouraged a national dialogue leading to general amnesty, cease-fire, and the realization of transparent elections in El Salvador.

*Mexico Accord, September 15, 1989*

The Government of El Salvador and the FMLN agree to begin talks to end the conflict in El Salvador by political means.

*Geneva Accord, April 4, 1990*

A framework is created that stimulates talks between the parties, brokered by the Organization of American States (OAS), with four basic objectives: ending the armed conflict by political means, promoting the country's democratization, guaranteeing strict respect for human rights, and reunifying El Salvador's society.

*Caracas Accord, May 21, 1990*

Both a general agenda and a schedule for the negotiation process are accepted, consisting of three phases and their objectives: to achieve political agreements on several aspects leading to the end of armed confrontation; to provide guarantees and to facilitate conditions to reincorporate the FMLN into the country's civil, institutional, and political life; and to discuss, once these guarantees are reached, other final political matters to consolidate the objectives of the Geneva Accord and provide for its verification by the United Nations.

A mid-September deadline was proposed for achieving an end to the armed conflict by political means, since that date would favor holding legislative and municipal elections in a peaceful environment, with a large turnout, free from intimidation.

*San José (Costa Rica) Accord, July 26, 1990*

This was the first accord signed in the negotiation process regarding strict respect for human rights. This agreement, partially achieved, was fundamental in the creation of the Onusal by Safety Council's Resolution 693 of
Onusal was to supervise all political agreements entered into by the Salvadoran Government and the FMLN and, especially, to attend to matters involving the observance of rights to life, integrity, safety, due process of law, personal freedom, freedom of expression, and freedom of assembly.

Onusal was to begin to perform its duties at the cease-fire. Its mission would be, in principle, for one year, but this period could be extended, depending on circumstances. Finally, Onusal formally established itself in El Salvador on July 26, 1991, to verify respect for human rights.

**Mexico Accord, April 27, 1991**

This accord established constitutional reforms for the armed forces, the judicial system, human rights, and the electoral system. It also created the Truth Commission in charge of investigating incidents of violence since 1980. El Salvador's Legislative Assembly ratified all of the accord’s proposals but the one concerning the military, which became the Gordian knot that led to crisis in the negotiation process.

**New York Accord, September 25, 1991**

The Gordian knot concerning military proposals was resolved by the creation of an organization for the monitoring by civil society of the process negotiations on issues regarding the armed forces and other agenda points. This organization was the National Commission for Peace Consolidation (Copaz). The accord centers on specific points concerning the armed forces, the Civil National Police (PNC), and economic and social issues.

Regarding the economic and social issues, the following points were agreed to:

- Lands in excess of the constitutional limit of 245 hectares, such as State-owned land not being used as forest reserve by law, will be allocated to small planters and farmers. In addition, the State will purchase land from private citizens for this purpose.

- The current state of land tenancy will be respected in the areas of conflict until a final legal solution is reached on land tenancy.

- The policies on the way credit is extended to the agricultural sector will be reviewed.

- The parties include economic and social issues in subsequent negotiations on the enactment of measures to alleviate the social cost of struc-
tural adjustment programs, the design of appropriate ways for direct foreign aid supporting projects to assist and develop communities, and the creation of a forum for economic and social conciliation, with the participation of the government, business, and workers whose mission it will be to continue solving Salvadoran society's main problems.


It was agreed to cease the armed confrontation from February 1 through October 31, 1992, and it was announced that the final peace accord would be signed in Mexico City on January 16, 1992.

New York Act II, January 13, 1992

Negotiations ended about all the issues pending from the New York Act I, and the path to signing the peace accord on January 16, 1992, in Mexico City was smoothed in this way.

Mexico Accord, Chapultepec (Final), January 16, 1992

The primary achievements of this accord concern the end of the fratricidal confrontation, the reorganization of the armed forces, the creation of a new PNC, and economic and social issues.

1. Armed forces

- Change the inflexible principles governing its institutional regulations, its educational system, and its performance.

- Evaluate all its members by an ad hoc committee, leading to a cleansing of the armed forces, in an attempt to minimize the obstacles to national reconciliation.

- Reduce the size of the armed forces according to the new peace time reality.

- Elucidate and end impunity. Remit cases filed to the Truth Committee.

- Create the State Intelligence Organization as an organization under civil power and under the direct authority of the President of the Republic, replacing the National Intelligence Department.
- Appoint nonmilitary defense ministers.
- Dissolve the Civil Defense and outlaw any paramilitary group.
- Suspend the practice of forced recruitment.
- Adopt measures to promote full observance of the laws governing the armed forces.
- Relocate or deactivate soldiers who belong to units subject to suppression or dissolution. All deactivated soldiers will receive as compensation the equivalent of one year's wages, and the government will promote projects to help them become incorporated into civilian life.

2. PNC

Created in accordance with the constitutional reform proposed in the Mexico accords, the PNC is conceived as a body that must have a new organization, officers, methods of education, professional training, and doctrine.

3. Judicial system

Two areas of reform were identified: seeking independence from the National Judiciary Council and constant improvements in the professional training of judges, other judicial officers, and members of the Attorney General's Office of the Republic; and strengthening the Attorney General's Office on Defense of Human Rights.

4. Electoral system

Promote a general project of electoral system reform, for which it will ask Copaz to appoint a special committee to perform this task.

5. Political participation of the FMLN

Adopt legislative or other means that guarantee former FMLN combatants full exercise of their civil and political rights in a completely legal framework and with guarantees of safety, allowing them to perform regular activities like any other free citizen in a democratic society.

6. The End to the Armed Confrontation (CEA)
The CEA is an irreversible, short, and dynamic process, with a preset duration and applicable throughout El Salvador. While the CEA is in operation, there may be no substantive negotiations, only the measures needed to put into practice the agreements reached in negotiations.

Starting on February 1, 1992 (called D day) and ending on October 31, 1992, CEA consisted of four primary elements: the cease fire; the separation of forces; the end to the FMLN's military structure and the reincorporation of its members into the country's civilian, political and institutional life; and UN verification of all CEA activities.

7. Economic and social issues

The parties involved in the negotiations have as their basic demand the inclusion of a minimum platform of commitments to facilitate sustainable economic and social development in El Salvador. Taking as reference the New York Accord, the central issues are:

*The Agrarian Problem*

- The Government of El Salvador agrees to ensure the transfer of rural lands for agricultural purposes that have not already been transferred in accordance with articles 105 and 267 of the Constitution of the Republic and to supervise compliance with the mandate regarding the size of properties, which cannot exceed 245 hectares.

- The Government of El Salvador agrees to transfer State-owned rural land for agricultural uses, which are not forest reserves, to the beneficiaries of agrarian reform (Article 104 of the Constitution). Ex-combatants from both sides who voluntarily request this land will receive priority.

- The Government of El Salvador will endeavor to acquire and transfer land voluntarily offered for sale by their owners, through the Land Bank, to then incorporate it into the agrarian reform program.

- These land transfers will be made at market price and under the credit conditions established by the agrarian reform program. A fixed price, long-term payment system may be created with low, fixed, and noncapitalizable interest rates. Domestic credit will be completed by financing provided by international cooperation, and a Special Fund will be created for land purchases.
• A legal project will be created to establish an Agrarian Code that seeks to unify legislation in the sector, fill in its gaps, and eliminate its contradictions.

• In accordance with the New York Accord, the current state of land tenancy will be respected in the areas of conflict until a legal solution to the problem has been reached that is satisfactory to the parties. First, who actually holds the land will be determined, and an inventory will be taken of the cases to which this part of the accord applies.

• Copaz will appoint a Special Committee in charge of verifying the inventory of the properties affected in the areas on conflict, facilitating a solution of conflicts between current holders and legitimate owners, and adopting measures needed to comply with the above provisions.

• The Government of El Salvador will permanently legalize the rules on land tenancy in the areas of conflict within six months after the cease fire. Ownership may be individual or collective.

Credit for the Agricultural Sector and for Micro and Small Businesses

• The Government of El Salvador will ensure that the national financial system has enough resources to meet demand for credit from the agricultural sector in general and, specifically, from micro and small businesses, rural production, and cooperatives in the reformed and unreformed sectors.

• To ensure that credits are extended, the Government of El Salvador agrees to strengthen the participation of representative organizations of the sectors lacking resources in the formulating of the policies of the Agricultural Guarantee Fund (Figape, Fedecredito, and BFA) and will also ensure the financial soundness of these institutions.

• The Government of El Salvador will design and promote new technical assistance programs to raise planters' and farmers' productivity.

• The Government of El Salvador will manage foreign financial resources to expand the availability of credit for small and medium-size farmers and their cooperatives.
Measures to Alleviate the Social Cost of Structural Adjustment Programs

- Draft a consumer protection law to strengthen the Ministry of the Economy.

- Privatization policy will promote social participation in property belonging to privatized businesses. In addition, monopolistic practices will be avoided, and freedom to do business and consumer protection will be guaranteed.

- The Government of El Salvador will strengthen current social compensation programs to alleviate extreme poverty. It will look for additional foreign resources.

Forum for Economic and Social Coordination

- This initiative seeks to achieve a group of broad agreements for the country's economic and social development in which government, labor, and business will participate equally. The agreement implies working in the following phases: stabilization agreements with immediate application, agreements to attack the problems brought about by the end of armed conflict, and agreements to facilitate post-conflict reconstruction.

- The forum, to be created no later than one month after signature of this accord, will be convoked by Copaz.

- To guarantee the effectiveness of the agreements, the Government of El Salvador agrees to issue, modify, or repeal the decrees or laws under its jurisdiction and to present pertinent initiatives to other state organizations.

8. The National Reconstruction Plan

- The PRN attempts to reflect the will of the country and to stimulate integral development in the areas affected by the conflict, the attention to the most immediate needs of the population and those of the ex-combatants from both sides, and the rebuilding of infrastructure affected by the war.

- Measures directed at facilitating the reintegration of the FMLN into the country's civil, institutional, and political life will be adopted. To do
this, actions such as scholarships, jobs, pensions, housing, and job creation programs will be included.

- Massive job creation and basic food production will be promoted. To do this, the Government of El Salvador will promote the full development of agricultural, livestock-related, fishing, forestry, and agro-industrial activities. It will also guarantee the delivery of basic social services and will initiate the reconstruction and rehabilitation of the economic and social infrastructure.

- The PRN will incorporate programs that benefit those injured in the war as well as the families of civilian victims.

A National Reconstruction Fund was created to channel international aid resources for the PRN to allocate. This fund received advice and consent from the UNDP.

Review of the Accords

Negotiations in El Salvador assume a group of accords on political, military, and socioeconomic matters, where the FMLN was able to impose its demands on political and safety aspects but made significant concessions on socioeconomic matters. The Government of El Salvador was able to reaffirm its economic position but lost ground on political and safety aspects. In the justice system, according to many analysts, no substantive change was generated.

On the El Salvador agenda, military issues are prominent because the country was so highly militarized in the decade preceding the signing of the final peace accord. El Salvador went from 10,000 to nearly 70,000 military personnel, spending an average of nearly US$2 billion in 1981-90, equal to 5 percent of the GDP.

In El Salvador, the armed forces demobilized nearly 30,000 of its 63,000 enlisted personnel, and the FMLN rebel forces demobilized 7,000 men, during the first year of peace. On the other hand, the new PNC assigned to the Ministry of the Interior and Public Safety, incorporated 10,000 people at entry level and some 5,000 people in executive and higher positions.

Verification of human rights and institutional reform in El Salvador was a permanent operation that, starting in 1991, employed 709 military officers, 360 police units from several countries, and 146 civilian officials.

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17 This section is based on Bejarano (1995).
Socioeconomic Aspects

According to Bejarano (1995), the initial proposals of the rebels changed radically from what was expected when the negotiations began. The FMLN's changed demands became the PRN, which affects nearly 50 percent of the country's population, including 46,306 demobilized personnel, 60,000 displaced persons, 26,000 expatriates (people living abroad), and more than 1,700,000 residents of the areas where the conflict took place. The PRN covers about 54 percent of the national territory and handles a total of $1.5 billion a year, almost 25 percent of the GDP in 1992.¹⁸ Financial aid comes mainly from the United States, the European Economic Community, and Japan, and it is tied to compliance with the accords, especially regarding human rights.

In agrarian affairs, it remained clear that lands would be given to ex-combatants from both sides and to the landholders, if available. If a legitimate landowner does not wish to sell, the Government of El Salvador will try to resettle planters or farmers on lands it has available for agricultural purposes, if possible in the same locality.

The Land Transfer Program, according to Mauricio Chávez,¹⁹ proposed to give 150,000 blocks (hectares) to ex-combatants, ex-soldiers, and residents of the areas in conflict, transferring, by 1996, 98 percent of those properties to 26,000 people. However, the resettlement programs were short-term emergency plans, and most of the beneficiaries were below the poverty line and lacked the financial wherewithal to meet their new obligations (agrarian debt, credit, housing).

The Socioeconomic Consolidation Forum did not produce significant results (for lack of enthusiasm from the private sector) and did not join the process until December 9, 1992. Its excuse was that it did not countenance the farm raids the FMLN had promoted.

¹⁸ The PRN became a motive for conflict when the Government of El Salvador used it to strengthen its 1994 presidential campaign.
## APPENDIX 3.2
### PEACE ACCORDS IN COLOMBIA

1. **Political Accord between National Government, Political Parties, the M-19, and the Catholic Church as a Moral and Spiritual Guardian of the Process (March 9, 1990)**

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutional, plebiscite, referendum, or Constituent Assembly reform</td>
<td>Expansion of democratic venues</td>
<td></td>
<td>National government</td>
</tr>
<tr>
<td>Special Constituency for Peace</td>
<td>1992 elections</td>
<td>National government</td>
<td></td>
</tr>
<tr>
<td>National Fund for Peace</td>
<td></td>
<td>Government, private businesses, and international organizations</td>
<td></td>
</tr>
<tr>
<td>Electoral reform</td>
<td>To create voter registration cards and voting in an enclosed environment; to expand parliamentary representation</td>
<td></td>
<td>National government</td>
</tr>
<tr>
<td>Administration of justice</td>
<td>Full reform of judiciary</td>
<td>3 years</td>
<td>National government</td>
</tr>
<tr>
<td>Production, trafficking, and use of narcotics</td>
<td>Investigate national and international size of the phenomenon</td>
<td></td>
<td>National government</td>
</tr>
<tr>
<td>Laying down of weapons and pardon</td>
<td>To coordinate Demobilization, Social Reintegration, and Productivity Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Follow-up committee</td>
<td>To specify commitments and make them feasible</td>
<td></td>
<td>National government</td>
</tr>
<tr>
<td>Safety</td>
<td>To provide protection and safety to demobilized persons</td>
<td>Before, during, and after</td>
<td>National government</td>
</tr>
<tr>
<td>Accord</td>
<td>Program</td>
<td>Duration</td>
<td>Investment (Colombian pesos)</td>
</tr>
<tr>
<td>--------</td>
<td>------------------------------------------------------------------------</td>
<td>----------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Participation in Constituent Assembly</td>
<td>Permanent voice in National Constituent Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political guarantees and promotion of process</td>
<td>To facilitate legal and administrative means to legalize the PRT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Promotion of political project | To support the PRT's public activities:  
  • Press, radio, and TV  
  • Civic celebration of weapons' hand-over  
  • Local presentation of political project  
  • Homes for life | 1 month 4 months | 8 million | National government          |
<p>| Legalization of the political party | Registration and legalization of the party with competent authorities |          |                              |                          |
| Legal guarantees | To apply pardons for demobilized persons, even prisoners |          |                              | National government      |
| Safety | Safety Plan, 7 units | | | National government |</p>
<table>
<thead>
<tr>
<th>Human rights</th>
<th>Defense and promotion of human rights. Office delegated for Atlantic Coast:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Delegated Government Commission</td>
</tr>
<tr>
<td></td>
<td>- Municipal committees</td>
</tr>
<tr>
<td></td>
<td>- Office to receive denunciations</td>
</tr>
<tr>
<td></td>
<td>- Attention to relatives of victims of violence (foundation)</td>
</tr>
<tr>
<td></td>
<td>30 million National government, departmental, and municipal</td>
</tr>
<tr>
<td>Indigenous police</td>
<td>Reorganizing national police (study)</td>
</tr>
<tr>
<td>Reconciliation</td>
<td>Meeting with civil society on a framework for political tolerance and respect for life:</td>
</tr>
<tr>
<td></td>
<td>- Initiation 1 month 450,000 (each)</td>
</tr>
<tr>
<td></td>
<td>- Transition: training, education, health care, and complementary programs 6 months 2 million (each)</td>
</tr>
<tr>
<td></td>
<td>- Consolidation: productive projects (credit), higher education (scholarships), and stable employment 4 years 2 million (each)</td>
</tr>
<tr>
<td></td>
<td>Overall evaluation of plan</td>
</tr>
<tr>
<td>Normalization polices</td>
<td>Regional plans: investment for regional development</td>
</tr>
<tr>
<td>Follow-up</td>
<td>Bilateral Commission: verification of accord points</td>
</tr>
<tr>
<td>Normalization polices</td>
<td>Regional plans: investment for regional development</td>
</tr>
<tr>
<td>Follow-up</td>
<td>Bilateral Commission: verification of accord points</td>
</tr>
</tbody>
</table>
3. **Political Accord between the National Government and the EPL, Bogotá, February 15, 1991**

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Investment (Colombian pesos)</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constituent National Assembly rep.</td>
<td>• Publicity: radio, TV, press, and a book (3,000 copies)</td>
<td></td>
<td>15 million</td>
<td>National government</td>
</tr>
<tr>
<td></td>
<td>• Democracy houses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Regional operational committees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peace process promotion</td>
<td></td>
<td></td>
<td>12 million</td>
<td></td>
</tr>
<tr>
<td>Political project promotion</td>
<td>Publicity: TV and press</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisory bodies</td>
<td>National and international</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal guarantees</td>
<td>Ending penal activities and penalties (political or related crimes):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>hire 3 attorneys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political party legalization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reintegration</td>
<td>Reintegration into country’s political, economic, and social life:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Transition: education, training, and business consulting and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>participation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 months</td>
<td>150 million</td>
<td>National government</td>
</tr>
</tbody>
</table>
- Reinsertion: productive project (credit), higher education (credit), labor location, follow-up and evaluation (reintegration offices)

Safety
Protection for ex-combatants: vehicles, escorts, and endowment

Human rights
Defuse violence-generating factors: create committee

Regional plans
Locate areas of influence and promote development projects

| 4 years | 2 million (each) |
| 2 billion | All levels of government; private sector |
4. **Political Accord between the National Government and the MAQL, Caldono, May 27, 1991**

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Investment (Colombian pesos)</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laying down of weapons</td>
<td>- National (Confederation of Evangelical Churches)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- International (Governments of Canada and Spain)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising office</td>
<td>- Ending penal action</td>
<td>6 months</td>
<td>72 million</td>
<td>National government</td>
</tr>
<tr>
<td></td>
<td>- Monthly assistance (Fundación Sol y Tierra)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Psychological/sociological health care and assistance</td>
<td>6 months</td>
<td>2.5 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Administrative assistance and lodging (Bogotá)</td>
<td>2 months</td>
<td>7 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Publicity: press and TV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td>Creation of Committee to Overcome Violence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>Guarantee integrity of demobilized people: vehicles, escorts, and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>Contribute to disseminating peace process: 3 seats (Fundación Sol y Tierra)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reintegration</td>
<td>National government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>---------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transition: education and technical training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Meeting: productive project (credit)</td>
<td>2 million (each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Employment guidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Follow-up and evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional development</th>
<th>National government</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Peace Fund</td>
<td>600 million</td>
</tr>
<tr>
<td>• Construction of two rooms</td>
<td></td>
</tr>
<tr>
<td>• Basic dental health care campaign</td>
<td></td>
</tr>
</tbody>
</table>
### 5. Political Agreement between the National Government and the CRS, Flor del Monte, April 9, 1994

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Investment (Colombian Pesos)</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional development</td>
<td>• Investment</td>
<td>2 years</td>
<td>2 billion</td>
<td>National government, provincial and municipal.</td>
</tr>
<tr>
<td></td>
<td>• Housing: promotion, design, and management (Fundación Arco Iris)</td>
<td></td>
<td>50 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Land grants (Incora Sucre)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizen participation</td>
<td>• Fund for citizen participation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Didactic card</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Forum in Urabá</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td>National Presidential Advisory Forum for human rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reintegration</td>
<td>• Health care (ISS affiliation) and treatment for disabled, care for relatives</td>
<td>2 years</td>
<td></td>
<td>National government</td>
</tr>
<tr>
<td></td>
<td>• Education and psychosocial support</td>
<td></td>
<td>18 months</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher education (Icetex credit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation centers</td>
<td>4 years</td>
<td>4 million (each)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>---------</td>
<td>-----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Housing: subsidies and credits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Culture: cultural managers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Productive projects (credit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Technical assistance</td>
<td></td>
<td>600 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Land programs (Incora)</td>
<td>1 year</td>
<td>2,040,000 (each)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Promotion</td>
<td>1 year</td>
<td>100,000 (each)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transport assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal benefits</th>
<th>1 year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee normal development of CRS activities: hire 2 attorneys</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal advantage</th>
<th>4 years</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Seat in Chamber of Representatives</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection for CRS leaders: vehicles, escorts, and equipment; Seat safety</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Verification commission</th>
<th>2 years</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish a body to supervise the peace process (national and international)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. **Political Accord Between the National Government and the Francisco Garnica Guerrilla Coordination Front, Cañaveral, June 30, 1994**

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Investment (Colombian Pesos)</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reintegration</td>
<td>• Health care: ISS affiliation, Treatment for disabled</td>
<td>1 year</td>
<td></td>
<td>National government</td>
</tr>
<tr>
<td></td>
<td>• Education: Training, Higher education (Icetex credit)</td>
<td>18 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Productive projects (credit)</td>
<td>4 years</td>
<td>3 million (each)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Housing: technical assistance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Process promotion</td>
<td>1 year</td>
<td>1,680,000 (each)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Support for Fundación Colombia</td>
<td></td>
<td>40 million</td>
<td></td>
</tr>
<tr>
<td>Legal benefits</td>
<td>Pardons: hire 1 attorney</td>
<td>1 year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>Protection: vehicles, escorts, and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political advantage</td>
<td>Create special electoral constituencies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Investment (Colombian pesos)</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social investment</td>
<td>Communes 1, 2, 3, 4, and 6; road infrastructure and services, education, health care, recreation, and collective equipment</td>
<td></td>
<td></td>
<td>Medellín City Hall</td>
</tr>
<tr>
<td>Normalization of citizen life</td>
<td>• Build nuclei of coexistence</td>
<td>2 months</td>
<td>200 million</td>
<td>Medellín City Hall</td>
</tr>
<tr>
<td></td>
<td>• Administrative expenses for nuclei</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Training: business, construction, manufacturing, and metalworking courses</td>
<td>6 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Coexistence and safety:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hire Metroservicios (cooperative)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Evaluating committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reintegration</td>
<td>Participation in public administration (9 ex-militiamen)</td>
<td>2 years</td>
<td>5,320,000</td>
<td>National government</td>
</tr>
<tr>
<td></td>
<td>Professional:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Process promotion:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>press, TV and book</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3,000 copies)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Table continues on the following page.)
### Medellín Accord, May 26, 1994 (Continued)

<table>
<thead>
<tr>
<th>Accord</th>
<th>Program</th>
<th>Duration</th>
<th>Investment (Colombian pesos)</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Economic and social promotion: identity documents; education (Icetex)</td>
<td>18 months</td>
<td>2.7 million (each)</td>
<td>Medellín City Hall</td>
</tr>
<tr>
<td></td>
<td>• Hire Metroseguridad</td>
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<td>3.5 million (each)</td>
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<td>• Medical assistance</td>
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<td>Legal benefits</td>
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APPENDIX 3.3
PROPOSALS BY THE ACTORS IN THE CONFLICT IN COLOMBIA

This appendix summarizes the proposals and suggestions on economic and social issues by the various actors in the conflict (government, guerrilla forces, self-defense organizations, and civil society). Because of the nature of this work, issues regarding the political aspects and procedures for the negotiations are excluded. The basic source of information is the article published in the magazine Cambio, “La paz sobre la mesa” [“Peace on the Table”], which is based on documents provided by the actors in the conflict, many of them written for that publication. At the end of the summary about the actors’ positions, comments are presented in order to draw conclusions and to define the lines of work.

National Government

- The impunity characteristic of the justice system must be ended.

- Negotiations to end the armed conflict must serve to specifically rethink Colombia’s national unity and cultural identity project and to rebuild the State’s legal society, as well as to design solutions to big problems.

- The end of the war means sacrifices for all, profound structural changes, and management for peace responsible for promoting and coordinating individual adjustment programs and collective transition programs for the peaceful coexistence of ex-combatants, victims of the confrontation, displaced persons, and refugees. It also means rebuilding the regions most affected by the conflict, with a pronounced productive element that stresses the long-term economic feasibility of every project.

- Agrarian reform must strengthen the rural economy and promote alternative rural development and eradication of illegal crops.

- Energy policies must be developed.

- Natural resources must be managed and the environment conserved and protected.

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20 The government proposals discussed are those of the Samper administration, which was in power when the article was published. The proposals made by the Andrés Pastrana administration are summarized separately.
The judiciary and the tax systems must be reformed, and impunity and corruption fought, in the public and private realms.

The real dilemma for Colombia's future is finding the right development model for the country.

Simon Bolívar Guerrilla Coordinating Organization

Proposals in an open letter to Colombian Parliament:

- Modify the external opening of the economy with a policy that promotes, above all, national industry and agricultural production through credit, building infrastructure, importing modern technologies, and the commodities exchange.

- Renegotiate the foreign debt to prevent the exportation of capital the country needs to develop.

- Exploit natural resources according to patriotic criteria, exercising our rights as owners. The profits from mining (oil, coal, etc.) must be reinvested mainly in regional development under an agreed national plan.

- New refineries must be built and the petrochemical industry developed to become self-sufficient.

- Lands on which there are large estates must be redistributed to construct roads and bring transportation into the country's rural areas. Inexpensive interest rates must be set for agricultural and ranching credits and for harvest insurance. Goods and modern technology must be made available to all those generating wealth in rural areas, and the sale of their products must be guaranteed.

- People affected by the violence must receive compensation.

Statements from November 1992 (after the break-off of talks in Tlaxcala):

- Faced with the opening of the economy imposed by international financial entities, we propose that a sovereign model of economic

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21 Although the proposals of the Coordinating Organization are from January 1992, they are worth keeping in mind because the guerrilla forces recently adopted them again as a point of reference.
modernization be designed, one that is not dependent or created at the expense of the people. Workers should participate in its preparation.

- The creation of a popular economic zone means strengthening and expanding forms of social or collective ownership in all productive tasks in the rural and urban areas.

- Monopolies and oligopolies are prohibited.

- Declare a moratorium on the foreign debt.

- Dismantle the labor reform that has set back workers’ rights.

- Dismantle temporary employment companies and the temporary hiring system.

- Dismantle the privatization of health care, education, state companies and institutions, and delivery of public services of energy, water, and sewerage.

- Suspend periodic increases in gasoline prices, public service fees, and charges on primary goods.

- Dismantle the value-added tax and submit new taxes, prices, fees, and salaries for the approval of all economic and social sectors.

- The people have a right to food, recreation, housing, and transportation. Preschool, primary, and secondary public education must be free and obligatory.

- Urban reform must be achieved so as to eliminate concentration of land that can be developed and guarantee housing for all Colombians. Agrarian reform must be achieved so as to make the phrase “land for all who work” a reality, guaranteeing technical assistance, credit, goods, and market organization.

- Enact an ecological protection law that prevents deforestation and pollution and guarantees enjoyment of a healthy environment.

- All mines and natural resources above and below the earth belong to the Nation and must be put at the service of national interests. The Colombian people have exclusive rights to their natural resources. They have the right to harvest them, to receive compensation for them,
or to end all agreements, contracts, or treaties that contravene these principles.

**National Liberation Army (ELN)**

- Peace is not a program of public order, nor is it solely an absence of war, but the achievement of social justice, sovereignty, and national safety.

- Wealth must be equitably distributed and the standard of living improved for the poorest and most excluded segments of society.

- Growth without sacrificing worker jobs and income will be sought.

- We want sustainable development that allows for new advances to be made and creates new conditions for gaining access to higher levels of technology and scientific technology, which, over time, will allow us to exploit our own resources.

- Application of a national policy for exploitation of natural resources.

- Small- and medium-size industries, crafts, and mining property will be respected and protected.

- Different forms of private, state, collective, community, and joint property will be established and combined. Processes for self-management are encouraged, fostering the creation of a popular economic zone by the State, for the future of true economic democracy.

- Multinational properties and those held by large monopolies will be confiscated or, depending on how they react to the popular struggle and to the people’s desires for change, they may be negotiated.

- In any event, monopolies and all foreign investments will be limited and controlled. New relations with foreign capital and new investment conditions for multinational companies and exploitation of natural resources will be established.

- The foreign debt will be renegotiated.

- We will work to increase social spending significantly and to improve the coverage and quality of the most basic services: water, electricity,
sewerage, housing, health care, education, and wide access to culture, sports, and recreation.

- We will also be concerned about the elderly, children, and rehabilitation of people injured and harmed by the war.

- Agrarian reform will distribute the properties of landowners, drug-traffickers, and large estate holders to landless farmers. A new credit policy will be developed, especially for poor and middle-income farmers, to promote profitable cooperatives, associations, and community groups.

- The national food industry, which satisfies the needs of domestic consumption, will be promoted.

- Small- and medium-size agricultural and agroindustrial companies and, in general, nonmonopolistic companies that contribute to the new government's noneconomic objectives will be supported.

- The families displaced during the war will be guaranteed the return of their lands, and efforts will be made to improve their situation to the extent possible.

- Legally empowered bodies will be built to guarantee the suppression of impunity, promote citizen coexistence, and punish corrupt people and crimes that harm humanity.

- We propose the development of scientific and technical knowledge and progress in the various fields that recognize the necessary balance with nature and environmental preservation as humankind's patrimony.

- Regarding oil, we have proposed to (a) nationalize exploitation of natural resources, (b) review partnership contracts, reverse the current concessions to the State, (c) establish a strategic reserve of hydrocarbons, (d) manage the prices of our own hydrocarbons on the international market, (e) impose a $1 per barrel tax to develop oil municipalities, (f) create a national oil counsel as a representative body of national and popular sovereignty to analyze oil problems and propose formulas in the national interest, (g) hold talks between USO-Ecopetro-Rebellion to construct an alternative way for sovereign management of our hydrocarbons, (h) call for a national energy forum where the ELN will participate with its own proposals, (i) broaden debate about the Hydrocarbon Legal Framework Project, and (j) promote wide-ranging
dialogue between the Association of Oil Companies and the rebels to come up with economic and social development alternatives regarding the physical and human surroundings of its settlements.

- Through the action of urban communities themselves, an urban reform will be achieved, solving the problems of excluded neighborhoods, housing, illegal distribution, idle lots, and speculation with landlord rents that condone or renegotiate housing debits controlled by State or private interests.

**Revolutionary Armed Forces of Colombia (FARC)**

- The State must be the principal owner and administrator in strategic sectors: energy, communications, public services, roads, ports, and natural resources, in the interests of balanced socioeconomic development in the country and its regions.

- Political emphasis will be placed on expanding the domestic market, food self-sufficiency, and constant stimulation of production.

- The State will invest in strategic areas of national industry and will develop a policy to protect them.

- Fifty percent of the national budget will be earmarked for social welfare and 10 percent for scientific research.

- The value-added tax will be levied only on luxury goods and services.

- Land confiscated from large estates will be given, with no charge at all, to farmers who are working it or want to work it, for the good of the entire working population.

- Revolutionary agrarian policy will confiscate lands occupied by North American imperialistic companies under any title and regardless of their type of business.

- The revolutionary government will establish a broad system of credit and payment plans both for individual farmers and for producer cooperatives growing out of the process, for seeds, technical assistance, tools, livestock, agricultural implements, machinery, etc.

- An irrigation and electrification planning system and a network of official agrotechnical experimentation centers will be created.
• Stable and profitable basic prices will be guaranteed for agricultural products.

• Sufficient services will be organized for sanitation; the problem of rural education (total eradication of illiteracy) will receive attention; a vast rural housing plan and a system of roads from rural production centers to consumption centers will be carried out.

• Natural resources (oil, coal, etc.) will be exploited for the good of the country and its regions. Contracts with multinational companies that are harmful to Colombia will be renegotiated. The National Energy Commission, with the participation of the State and workers from the sector and regions, will plan the energy policy.

• More refineries will be built, and the petrochemical industry will be developed.

United Self-Defense Organization of Colombia (AUC)

• Progress must be made in forging a new national development plan, based on strong social intervention from the State, capable of imposing a redistribution of the economy's global product according to principles of equity and social justice. We advocate a new economic model rooted in this philosophy.

• The current development model has increased inequality and has given rise to a surge of new conflicts among poor segments of the population and producers who cannot compete on international markets. It has significantly decreased agricultural and industrial investments, hit the productive apparatus with free imports, increased unemployment by leading hundreds of industrial and commercial businesses into bankruptcy, generated labor instability, and lowered wages. The privatization policy of state goods and service enterprises supplied the government with resources to finance its growing fiscal deficit and favored the concentration of wealth in the hands of industrial and financial monopolies—the only people able to influence the government and acquire the nation's assets.

• We consider a review and reorientation of the economy fundamental to identify the levels and types of state intervention appropriate to our reality. Generalized poverty, the state of each sector's development of productive potential, budding technology, the shortage of capital, the high cost of credit, current social friction, and the social and political
actors' expectations and goals were ignored in the choice of the neoliberal model—whose results could hardly be worse.

- Our proposals regarding a new and fair agrarian regime are based on the following criteria: (a) the land grant program must exceed the model of simply handing over land and processing credit to boost production; (b) the new agrarian reform model for reallocating lands must include a sound economic plan; (c) agrarian reform must be integral to bring about substantial modification in land ownership, tenancy, and administrative regulations and must lead to technological and industrial modernization of the agricultural industry; (d) the reform must guarantee community land owners special assistance in social organization and training in credit management, must facilitate the creation of production and marketing lines, and must implement technical orientation for the productive innovation and efficient handling after harvest; (d) credit for the agrarian sector must be subject to guidelines of a social and fair economy that is an effective democratic instrument of promotion and development; (e) undeveloped lands, underused lands, or lands over which the State has a right of ownership, as well as land acquired through sales, must be preferred sites for agrarian reform; (f) agrarian reform may not affect properties that in complying with the social duty inherent in property ownership, have high productivity rates; (g) agrarian reform may not expand the agricultural frontier instead of awarding lands to the rural population; (h) the Agrarian Fund must be modernized and restructured, and the Incora fund must also be replaced or restructured; and (i) agrarian reform must generate a process of national solidarity to achieve equitable redistribution of wealth for rural people.

- Our proposals regarding oil as a future factor of peace are review the regulations on hiring, increase national participation in association contracts and shared risk agreements, restructure and refinance the national exploration fund; reform the regulations on transfers, the privatizing model and its effect on the State-owned oil company, analyze and reach conclusions about an oil stabilization fund, develop long-term self-supply policies, participation of foreign private capital, and expand coverage of home gas service to rural productive areas.

**Civil Society Initiatives**

There are several civil society initiatives: Comisión Nacional; Fedegen; Red Nacional de Iniciativas por la Paz y contra la Guerra (Redepaz);
Mandato Cuidadano por la Paz; la Vida y la Libertad; Agenda Colombia; Comité de Búsqueda de la Paz; Unión Sindical Obrera; Consejo Gremial; Federación Colombiana de Ganaderos y Programa por la Paz; Compañía de Jesús). However, the great majority refer to proposals of principles and procedures for the negotiation process. Economically speaking, the proposals are thin, but two deserve mention:

- **Consejo Gremial.** For many years, through taxes or special contributions, the private sector has financed the war within Colombia. We believe it is time to invest in peace. Therefore, in a serious peace process with the guerrilla forces, the private sector would be willing to study, with the new government, financing plans where peace bonuses would be a mechanism allowing the creation of a large fund with international contributions. With these resources, the peace process can be financed.

- **Fedegan.** "The national crusade against poverty" stated that "...the true obligation of the group of Colombians who generate the largest part of the wealth is to transfer part of the wealth to undertake a national crusade against poverty." These resources would make up a "social fund for equality and justice" and would attempt to call for an international commitment to create a "Marshall Plan" to rebuild Colombia. This proposal would have three conditions: the agreement must be assumed by all sectors and economic groups (not only agrarian reform); the guerrilla forces, if they are really fighting for justice and equality, should join this crusade by stopping their violent acts and returning the people who have been kidnapped; and the crusade does not attempt to replace public responsibility and resources. In this sense, the State's social investment in rural and urban areas must be doubled, along with this private sector initiative.

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CHAPTER 4
TOWARD AN ARCHITECTURE FOR SUSTAINABLE PEACE AND DEVELOPMENT: LESSONS FROM THE WORLD BANK'S EXPERIENCE

Nat Colletta—Markus Kostner
Patricia Cleves—Johanna Mendelson

Among the most remarkable elements of the end of the cold war are the peace processes that have marked the transition from violent conflict to sustainable peace and development in various countries. From the peace pacts in Mozambique (1993), Angola (1994), and Northern Ireland (1998), the elections that ended apartheid in South Africa (1994), the United Nations–brokered peace accords in El Salvador (1991) and Guatemala (1996), and the elections in Nicaragua (1990), a consensus has grown that armed conflicts must be stopped and that the process of rebuilding those societies affected by war must begin.

PROLOGUE: A REGIONAL PERSPECTIVE AND A CONCEPTUAL FRAMEWORK

Some of the most relevant lessons about what a peace process is, and how it must be implemented, come from Latin America. From those lessons, we have learned what participating in prolonged negotiations means, and we have come to understand how guerrillas can go from being soldiers outside the system to political players within the democratic arena. It is also accepted today that even when peace is at hand, it remains fragile and subject to setbacks if the parties' commitments are perceived to be inadequate or if their fulfillment is delayed. We have also learned that negotiating and signing a peace accord represent only a beginning and that implementation of commitments is a critical, but difficult, task.

This paper was prepared under the guidance of Nat Colletta (manager, Post-Conflict Unit) by a team led by Markus Kostner (SDVPC) and comprised of Josie Bassinette (MNCWH), Patricia Cleves (SDVPC) and Johanna Mendelson (SDVPC). Helpful comments were provided by Rüdiger Ahrend, Caroline Moser, Colin Scott, Elizabeth Shrader, Andrés Solimano, and Per Wan.
Successful transitions to peace in Latin America have set the standard for evaluating the quality of a peace accord and its implementation. Such actions as the reintegration of former soldiers and the resettlement of displaced persons form part of a shared history of ending violent conflict. Addressing human rights violations through reconciliation with the past has also been important. Recent experiences make it clear that creating and sustaining peace require a process of reinforcing mutual confidence as well as financial support to lay the foundation for a more open and inclusive State.

In Latin America, two types of transitions have occurred since the 1980s. First, in the Southern Cone, Argentina, Brazil, Uruguay, and Paraguay put an end to military dictatorships and made the transition to democracy. These regime changes were accompanied by transformations in the economic, social, and political structures. The switch from dictatorships to democratic rule set a standard for ways of dealing with issues from the past and established popular means to support such processes. These transitions resulted from negotiated agreements between military rulers and civilians, and they established the pace and quality defining “how to govern” within a democratic framework.

A second type of transition arose in the peace processes that marked the end of the revolutionary movements that dominated the Latin American scene during the cold war. The decision to lay down arms in Central America and the commitment to build more open societies have challenged the region’s governments and the international community to support the long-term vision of a peaceful hemisphere.

Modern Latin America has experienced various internal conflicts and transition processes. From the Zapatista uprising in Chiapas, Mexico, to the fighting launched by Shining Path [Sendero Luminoso] and the Túpac Amarú Movement in Peru, the Sandinistas in Nicaragua, the URNG in Guatemala, and the FMLN in El Salvador, civil wars have been rampant in countries that also held regular elections or in which civil society remained active.

The coexistence of an internal conflict and a functioning State distinguish the region from other post-cold war situations, particularly in Africa, where collapsed states were more common and where conflict was often played out in the absence of government structure. Some analysts also argue that the successful conclusion of internal confrontations in some Latin American countries depended heavily on external players’ degree of commitment. For example, the United Nations, in cooperation with bilateral agencies, has played an essential role in the sustained support of stability in Central America—a point certainly not lost on African and Asian leaders in search of peace for their countries. Similarly, the
Bretton Woods institutions provided the know-how and technical resources that allowed the diplomatic aspects of peace to coincide with economic reconstruction efforts during societies' transition from war to peace.

Increased involvement of international players in support of peace processes has made conflict resolution an international collaborative effort, bringing together a mixture of political will on the part of the warring parties and the neutral facilitating and mediating role played by the United Nations or by groups of countries that are friends of the peace process. Alongside diplomatic support from the latter, international financial institutions have provided the financial assistance needed to implement accords. In other words, conflict resolution has moved beyond simple mediation.

A Conceptual Framework

In 1995, 35 armed conflicts were taking place in the world, most of them internal (Box 4.1). In the Western Hemisphere, only one war was not internal: the territorial dispute between Ecuador and Peru, now settled. Although international wars may be on the decline, internal armed conflicts remain a challenge to those seeking peace and development in the wake of the cold war.

As demonstrated by experiences in Africa, Asia, and Latin America, the origins and expressions of a violent conflict differ from country to country.

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**Box 4.1**

**A Definition of Armed Conflict**

*Armed conflict* is defined as a conflict that produces at least 25 battlefield deaths per year. There are three types of armed conflict: minor, intermediate, and war. A *minor* armed conflict is characterized as causing no more than 1,000 battlefield deaths during the entire conflict. An *intermediate* armed conflict causes more than 1,000 battlefield deaths in the course of the conflict, but no more than 1,000 per year. *Wars* are characterized as causing more than 1,000 battlefield deaths per year. Civilians are included in the death count. In the Americas, between 1989 and 1993, with a hiatus in 1991, Colombia was technically at war and, since then, it has been in a state of intermediate conflict. Similarly, Peru was at war until 1993 and El Salvador until 1991. (Wallenstein and Sollenberg 1996).

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1 In 1998, the peace agreement between both countries was signed and ratified.
country. However, the challenge faced by a divided society is always fourfold: making peace, or searching for an end to the violent conflict; appropriating peace, whereby all parts of society share the principles of a peace agreement and benefit from it; supporting peace, through economic and social domestic policies, with the assistance of the international community; and sustaining peace by translating a peace agreement into concrete economic, social, and institutional reconstruction activities. A great deal can be learned from the transition experiences of other countries and regions. Such lessons are examined in this chapter.

As part of the preparation for this essay, case studies of Bosnia and Herzegovina, the West Bank and Gaza, El Salvador, Guatemala, Northern Ireland, Lebanon, and South Africa were carried out, based on the World Bank’s direct participation and the lessons learned in that participation. Additional information was also gathered about the Bank’s experiences in Afghanistan, Albania, Angola, Cambodia, Democratic Republic of the Congo, Haiti, Kenya, Liberia, Namibia, Nicaragua, Mozambique, Rwanda, Sierra Leone, and Uganda. Although each country’s individual context is different—significantly so at times—we believe these case studies offer teachings that are relevant to the Colombian case.

Bosnia and Herzegovina and the West Bank and Gaza are examples of newly created States with strong support from the international community and effective donor coordination. Lebanon is an example of a less-than-comprehensive approach that nonetheless achieved some remarkable results. The Northern Ireland and South African cases are perhaps closest to the Colombian experience. Both countries have been governed by a functioning state apparatus, although in the case of Northern Ireland, direct rule from London extended from the 1970s to 1998. Both countries have succeeded in making peaceful transitions, due in large part to the important participation of civil society.

During a conflict, the main priorities are fundamental human rights (such as the rights to life, safety, and integrity) and the satisfaction of basic needs. For the duration of the confrontation, demands are made on state institutions to end the armed conflict and to protect the population. In a post-conflict situation, however, structural issues emerge: How should an economy beaten by war be managed? What is the institutional capacity to respond to economic and social demands? To what extent is the country able to address the challenges of security and impunity? How serious is the problem of governance? In such a situation, these issues take on primary importance. Society has to be prepared to address them, if peace is to be achieved and maintained.

Post-conflict reconstruction requires a comprehensive, integrated approach that links social, economic, political, and reconciliation issues. International experiences involving human rights and international
humanitarian law, the economic and social policies that contribute to peace, and the delicate issue of security still need to be discussed and systematized. What makes peace work? This question still requires reflection and attention. This chapter takes the first steps in categorizing—from the perspective of the World Bank and its growing involvement in peace processes—some of the general stages and processes that help to make and sustain peace. This chapter is also an attempt to contribute, together with the operational and analytical work of the World Bank, to the efforts of Colombians to reach sustainable peace.

**Making Peace**

The architecture of transition from violent conflict to peace varies widely, as do the type of peace accord reached (in El Salvador and Guatemala, for instance) and the national referenda following it (in Northern Ireland).

Making peace—and making peace last—are processes that should include not only all sectors of the government and the opposition but also all the affected groups of civil society, as was the case in South Africa and Guatemala. Achieving peace requires incentives to encourage all the parties to discuss their differences. Early reconstruction efforts should combine economic strategies to strengthen institutional capacity and to support the State with community projects that should provide tangible evidence of specific benefits to be gained by resuming economic activity.

**Before the Guns Fall Silent**

Pre-accord support can play a critical role in helping to move the diplomatic aspects of peacemaking forward. International experience has shown that, with basic security and an economic and institutional framework in place, certain types of projects can be started in areas of conflict before the signing of a peace accord.

Such activities provide a real opportunity to advance the material benefits that ending a war can bring to society. Pre-accord investments, in the form of microcredit support for small businesses or job-creation programs, are a form of venture capital in support of peace. Their advantages include neutralizing possible obstacles by demonstrating beforehand the government’s good faith, by addressing critical problems that demand attention, by facilitating negotiations, and by creating an environment conducive to peace.

Such projects might include regenerating poverty-ridden areas, establishing incentives for political stability, or providing stimuli (economic and otherwise) to move hostile parties toward negotiating an end to the
conflict. In Colombia, cases in point are the Magdalena Medio and Nature Reserves [Reservas Campesinas] projects, two pilot initiatives supported by the World Bank that are being implemented in conflict areas and which aim at establishing a peaceful modus vivendi as a first step toward lasting peace.

In Northern Ireland, the international community identified the critical need of job creation as central to providing alternatives to armed fighting. Peace brokers used special trusts, created to finance job training and offer microcredits for small businesses, as a kind of “window” on a future without war. The Northern Ireland Voluntary Trust is a unique effort to promote economic and social advancement and to encourage contact, dialogue, and reconciliation in a society still divided by a violent conflict (box 4.2).

With the demobilization and reintegration of former soldiers from all sides of the conflict as well as the restructuring of the army and police to ensure professionalism and impartiality, Sierra Leone is another example of the way peace can be promoted while war is still going on in some parts of the country. The program applied there also offers an example of ways of linking demobilization to broader issues like amnesty and reconciliation. For instance, in the cases of the most severe war crimes, it is anticipated that local chiefs will perform traditional “cleansing” ceremonies. The cleansing ceremonies and reconciliation meetings are expected to help communities accept their returning sons and daughters, which will alleviate former soldiers’ fears of acts of revenge by fellow citizens.

**Box 4.2**

**The Northern Ireland Voluntary Trust**

One key assumption in the creation of the Northern Ireland Voluntary Trust was the idea that social exclusion was a factor in the alienation of citizens and, therefore, a determinant of continued violence. Trust-supported projects addressed this situation and promoted social inclusion by linking economic development and peace-building objectives. To support capacity building, 487 community projects were funded at a total cost of almost US$12 million.

Another assumption was that peace building was essential. Social inclusion efforts were linked to economic development. Finally, the trust supported projects that featured cross-border cooperation and development and focused on their value as key ingredients to building mutual trust in the process. All trust-supported projects were chosen for their innovative and risk-taking nature.
In Guatemala, international donors supported ending impunity by creating a human rights observation mission in 1994, the UN Mission (Minugua), almost two years before a final peace agreement was reached. From an operational perspective, the presence of Minugua also created a veneer of security and responsiveness that encouraged would-be supporters of a peace process to become active participants. A similar process occurred in El Salvador. There, the economic rights of populations affected by war were also backed significantly by international financial institutions and bilateral donors. Their frameworks for economic development and for the establishment of social support networks played a major role, offering hope for the future.

**Peace as a Multifaceted Process**

Signing a peace accord or holding elections is not enough to secure peace. Real peacemaking is a process based on three pillars: political, economic, and security. These pillars need to support each other mutually through interrelated decisionmaking. Political achievements must go hand in hand with economic and social transformations. People who have been submitted to a violent conflict will inevitably expect immediate benefits from its ending, such as relief from poverty and marginality.

**Peace as Security**

One of the greatest threats to peace after a conflict is weak or nonexistent security systems that act as buffers—sometimes the only ones—between winners and losers. One of the important lessons of reconstruction is that the degree of security enjoyed influences the amount of time the peace will last. In Bosnia and Herzegovina, the presence of the Implementation Force and the multinational alliance of North Atlantic Treaty Organization (NATO) forces has allowed displaced persons to return home. At the same time, it has offered ordinary citizens guarantees that life can go on. Recent experiences in Central America show that demobilization and reintegration of guerrilla forces is critical to citizen security, as are the removal of weapons from civilians and the creation of new, untainted civilian police forces. Perhaps one of the most delicate issues confronting the proponents of world peace is finding ways to provide human security in an environment where resources are scarce and weapons plentiful. In the end, security will determine whether or not people are willing to rebuild their society after a war.

Creating a local security force that inspires citizen confidence has been a major challenge of the post-conflict reconstruction process. In the Western Hemisphere, this has been especially true in El Salvador,
Guatemala, and Haiti, where new security forces were created when the conflict ended.

The long-term implications of involving the community in the creation of police forces are still not available. However, citizen participation in the process of selecting and placing law enforcement officials must clearly be part of a larger effort to build consensus about the rule of law. Police are at the core of this process but must be viewed as part of a larger effort to ensure that peace concurrently brings justice.

**Peace as a Political Process**

The willingness of parties to engage in peace negotiations is, in itself, an essential step toward ending conflict. However, the deliberation does not end when an agreement is reached. One of the most important tasks when implementing a peace accord, at this stage, is to provide an open forum for parties to maintain a dialogue on outstanding issues and to allow them to resolve their differences peacefully. The Guatemalan experience demonstrates the importance of the peace implementation process. There, a commission was created to serve as a forum for discussion, where the parties to the conflict can air their concerns. The presence of international donors has further strengthened the diplomatic aspects of the peace process by ensuring that agreements are kept and that resources are distributed fairly.

Another important aspect of a peace process consists of bringing guerrilla groups working outside the State into participation in the political activity. In El Salvador, for example, the FMLN became a major political force once it had transformed itself into a legitimate political party. Its members easily made the transition from battlefronts to the political scene. Colombia experienced a similar process when the guerrillas of the M-19 decided to enter the political arena as legitimate actors. The African National Congress in South Africa went from being an insurgent movement to a political party and successfully transformed its agenda to meet popular needs within the party system.

**Peace as an Economic Process**

Studies of war-to-peace transitions indicate that the post-war period is generally a difficult time for the economy. During that time, unproductive wartime spending must give way to productive use of resources in reconstruction. Economists must necessarily work at the macroeconomic level, focusing on strategies and interventions to improve the State's ability to manage financial reconstruction. However, they must also be aware of equally important community needs such as employment, community
development programs, and microcredits, without neglecting other emergency credits capable of jump-starting economic life at the local level.

The displacement of human resources caused by internal conflicts usually results in increased unemployment or underemployment. All peace processes must take into consideration that the creation of new jobs is good not only for economic development but also for security. Peace is possible only if jobs are available for former soldiers and persons displaced by the conflict.

Making peace entails giving individuals incentives to work and improve their lives. To ensure the reconstruction of the State, keeping the peace will require job creation programs. This has certainly been true in Bosnia and Herzegovina and in Northern Ireland.

**International Support for National Processes**

Because of its neutral position in civil conflicts, the international community acts as an important mediator. It can also act as an intellectual and financial contributor to the peace process, promote depoliticization of debate, and offer incentives and guarantees. It can even—if so invited—act as a technical adviser at the negotiating table. The international community can also support the parties, both discussing what is feasible and identifying what is desirable but unfeasible.

Another potential contribution of the international community is the timely transmission of knowledge and of lessons learned from other post-conflict situations (box 4.3). The exchange of information can be very use-

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**Box 4.3**

**Technical Assistance and Knowledge Sharing**

As an impartial institution, the World Bank served as technical adviser to the parties at the negotiating table in Bosnia and Herzegovina, Guatemala, and the West Bank and Gaza. The Bank advised the parties on each peace accord’s implications for economic development and helped plan post-conflict recovery with a longer-term vision through the creation of a coherent framework for reconstruction and recovery. The Bank’s role as a “knowledge bank” and adviser in South Africa on issues such as fiscal policy, urban infrastructure, and housing is particularly noteworthy. For example, shortly after its inauguration, the new Government announced that its approach to agricultural and land tenure issues would be based largely upon the conclusions of the joint technical work carried out. As a counterpart to civil society, the World Bank has been an important provider of technical assistance, thereby also strengthening capacity for long-term economic development.
ful, especially in South-South relationships. One example is the cooperation between Guatemalans and South Americans on military reforms. Furthermore, the international community can help depoliticize fundamental issues such as agrarian reform, rights for indigenous peoples, and demilitarization, without which a peace accord may be incomplete and possibly short-lived.

**Economics of Peacemaking**

During civil war, a good part of a Nation's efforts are directed toward gaining or defending power by force. The end of a war should herald a new era of economic growth and development, yet often it does not. A conflict's repercussion on a national economy depends on the type, intensity, and duration of the conflict. A major war, such as the ones in El Salvador and Guatemala, has a much greater impact on GDP growth than low-intensity conflicts, limited to certain parts of the country, such as those in Colombia.

Comparative analyses of Latin America suggest that the potential for a post-conflict resurgence of growth depends mainly on the extent of damage to the country's physical assets during the war. If it is widespread, initial growth will serve only to catch up or recover lost ground. The most important thing is to ensure long-term, sustained growth. With its pattern of violent conflict, Colombia will probably not be able to reap a large dividend, at least in terms of its GDP, immediately after peace.

The first thing revealed by an examination of post-conflict growth in the Latin American countries most strongly affected by war is that they did not automatically outperform the regional average. In Guatemala, where the fighting stopped at the beginning of the 1990s, growth has since been negligible. Ironically, it slowed when the peace accords were signed in 1996. In turn, El Salvador experienced a boom during the first half of the 1990s, with growth almost 3.5 percent higher than average. However, this phenomenon appears to have been triggered largely by the inflow of foreign aid and remittances sent by Salvadorans residing in other countries. By the mid-1990s, the growth rate had returned to normal. Peru exceeded the Latin American average of 3.7 percent during the first half of the 1990s and grew approximately 0.75 percent more than average during its high growth in 1996-97. Although its performance in the first half of the 1990s can be attributed in part to controlling hyperinflation and to economic reforms, rather than to ending hostilities, its continued impressive growth since then may indicate that Peru is on a path of above-average economic expansion. Although ending the conflict was surely one of the factors contributing to this achievement, solid macro-
economic policies have also been crucial to Peru’s success. Nicaragua’s growth, on the other hand, was deplorable during the 1990s, reflecting its difficult economic transition, similar to those taking place in East European countries.

Military downsizing, a common element in many peace accords, often offers an opportunity to free resources for social spending. Such was the case in Mozambique. Generally, the successful demobilization and reintegration of former soldiers has a number of important effects. Savings from related expenditures can be used to finance initiatives addressing the underlying causes of conflict, thereby furthering the peace process and the alleviation of poverty. The armed forces reduction in Uganda reduced the defense budget to US$10 million annually, 10 percent of the ordinary budget. In Cambodia, annual savings are calculated at US$14 million but could reach US$41 million, if more soldiers are demobilized. Savings realized by such a step would reduce the ratio of defense expenditures to social expenditures from 1.5 to less than 0.5. In addition, demobilization and reintegration inspire trust among local and international investors, thereby furthering growth and reducing poverty.

Providing the groups most affected by war with a social security network, perhaps temporary, in the form of cash transfers may be justified if it facilitates a change in life style and mode of subsistence. An example of this is the transition from soldier or refugee to an economically productive citizen. Such transfers can also provide an important stimulus for local investment and production, increase the availability of products, and raise incomes. In Uganda, former soldiers’ substantial economic contribution to the national economy has been proven. The 32,000 soldiers demobilized in phases I and II, between 1992-93 and 1994-95, have contributed an estimated US$12.4 million to the GDP. At least part of this outcome can be attributed to the start-up capital offered for reintegration into civilian life. Former soldiers received cash benefits roughly equivalent to the per capita GDP for the economically active population. This gave them the resources not only to consume but also to invest and to generate impressive returns at the microeconomic level.

In Colombia, however, military downsizing may not lead to a noticeable peace dividend in the government budget. Defense expenditure may even increase in the short term if some of the rebel forces are integrated into the army or police, as happened in Cambodia. But even if savings in defense are achieved, they would contribute to overall growth only if channeled into more productive areas of social and economic development.

The privatization of the armed forces has become a prickly issue in many countries engaged in armed conflict. Rebel or guerrilla forces are often at war not only with the regular militaries but also with other private fighters, supported by a wide range of actors—from business to the
formal armed forces. This is the case with Colombia’s paramilitary groups. Such a situation also existed in Sierra Leone, where the government engaged a private army to combat rebels. Similarly, in the former Yugoslavia, paramilitary forces were used as agents of terrorism against the civilian population, even after the signing of the Dayton accords.

How, then, should paramilitary forces be dealt with after a conflict? This question remains unanswered in the countries that have experienced such situations. There seems to be no single solution for disarming and reintegrating these forces. Everyone concedes that they are a serious threat to peace, but creating programs to benefit them continues to cause controversy.

When a conflict ends, long-term economic growth requires a sound economic and political framework. Ending civil war is a necessary condition for achieving higher growth, but it is not the only one. In other words, such a framework by itself is often insufficient. An array of social policy measures needs to complement sound economic management to take full advantage of a country’s potential. The challenge for Colombia is this: it will have to maintain the cash and capital expenditures necessary to sustain peace and, at the same time, undertake fiscal adjustment to correct existing macroeconomic imbalances. An off-budget Peace Fund is one possible option to consolidate the fiscal situation while simultaneously investing in peace. Such a fund could be financed with the proceeds of a tax on natural resource use as well as with contributions from citizens, the private sector, and the international community. Even then, however, lasting recovery takes time. Post-conflict reconstruction and sound economic management can only lay the foundation for long-term, sustainable development.

**Appropriating Peace**

A divided society can achieve lasting peace only if all social segments are included in, and tangibly benefit from, the process. The more people feel they “own” the process, the more sustainable will the process be. In Northern Ireland, for example, it was defined that greater sharing of political power would occur, based on the agreement negotiated between representatives of the different sides and subsequently ratified in a national referendum. With few exceptions, appropriation of the peace process should be national.

**Participation of Civil Society**

Peace prospers only if it provides opportunities for all. Paramount to this end is a continuous consultation process, involving all stakeholders: the
government, opposition groups, the private sector, NGOs, and the media (box 4.4). As a neutral mediator between the groups within a divided society, the international community can play an important role by fostering participation and providing an impartial space for dialogue. It can do this by organizing informal meetings, workshops, study tours, and other activities with and for all segments of society. Wherever the international community is directly involved in the process, it also needs to find ways to work effectively with all groups.

Accumulated social capital is the backbone of every society, and every country has a civil society that, in one way or another, gives social capital a voice through political means. Social capital encompasses civil organizations and their networks as well as unwritten mores and rules that facilitate coordinated action and enable people to undertake cooperative ventures for mutual benefit.

Civil conflicts erode trust and the social structures that facilitate investment. Fear, mistrust, and lack of capacity (organizational or otherwise) can be a larger obstacle to getting macroeconomic policies right or reviving investment than physical damage to infrastructure. Rebuilding social capital is therefore central to the reconstruction of civil society. Civil society and local communities can play an active role by discussing and making proposals and recommendations, to both the government

**Box 4.4**

**The Involvement of Civil Society in Guatemala**

In Guatemala, peace agreements have shown the importance of involving civil society in the process. Not only did the agreements acknowledge the role of the Civil Society Assembly in presenting proposals to the negotiating table, but they also created diverse opportunities for different sectors of society and the government to discuss proposals for implementing the agreements and seeking consensus. The joint commissions between the government and indigenous organizations, the involvement of civil representatives in discussions and reforms of constitutional and judicial issues, and the participation of civil society in the implementation of measures regarding land ownership gave the process a solid base for sustainable peace. All this allowed significant sectors of society to identify with the peace agreements, creating a sense of ownership of the process.

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2 Social capital has been defined as "the trust, norms and networks that can improve the efficiency of society by facilitating the coordination of actions between individuals" (Putnam 1993, 167).
and the private sector, that reflect the needs of the broader society. They can also propose institutional mechanisms for addressing these needs and monitoring implementation of their recommendations. Establishing new social and economic relationships and reweaving the social fabric of war-torn societies and communities, through joint reconstruction activities and rebuilding of mutual trust, are important steps toward lasting reconciliation.

**The Empowerment of Civil Society and Decentralization**

*Empowerment*

People caught in a violent conflict know their particular challenges better than any outsider. Thus, empowering those people and listening to them is an important element of planning project interventions. Participatory approaches take more time and may thus be perceived as unsuited to the transition phase. Yet the positive response elicited by opening the planning and implementation processes, and the community’s willingness to ensure the success of projects it considers its own, fully justify the time spent on such preparations.

To be effective, empowerment must be accompanied by two fundamental processes: decentralization, which also implies giving people the opportunity to participate actively in the decisionmaking process, and capacity building, to ensure that the participants in the process have the capabilities to make the maximum use of their potential.

*Decentralization*

To bridge the gap between the State and its citizens, as well as to improve the capability and effectiveness of state institutions, mechanisms are needed to increase openness and transparency, strengthen incentives for participation in public affairs, and bring the State closer to the communities it is meant to serve. Experiences throughout the world suggest some clear starting points:

- Promote broad-based, public discussion and evaluation of the direction to be taken by national policies and the priorities that they reflect.

- Encourage the direct participation of users and beneficiary groups in the design, delivery, and provision of local public goods and services and in the monitoring of those processes.
• Strengthen the capacity and efficiency of accountable local organizations and institutions instead of replacing them with a more centralized body.

• Introduce strong mechanisms for monitoring and supervising the use of public goods.

• Focus on processes and incentives for building accountability and competition at the local level.

Capacity Building

Peace will last only if all social groups can actively participate in it. In any post-conflict situation, the main impediments to this participation are insufficient capacity and institutional deficiencies at both the local and national levels. A violent conflict has many victims, causing the loss (due to death or displacement), for example, of professionals and community and other leaders. This erodes the society’s capacity to deal with the challenges that arise after conflict ends. The participation of civil society, therefore, needs to be supported through training and capacity building on technical, economic, and legal issues to ensure its effective participation in the reconstruction process. A good example is the struggle of the Mayan organizations in Guatemala to train their leaders to participate fully in the peace process and in their country's development.

In Lebanon, the State cannot attend to the economic and social demands of its citizens, such as providing basic services, because of limited institutional capacity for planning and implementing projects and a lack of qualified and experienced staff. Lack of financial management capacity in Haiti and Mozambique and the desire to see quick results led donors to administer funds and programs themselves, bypassing government institutions. Neglecting the creation and strengthening of viable national institutions has serious long-term consequences: when donors begin to leave the country, there are no local organizations to assume the role they played.

Yet, to earn the trust of donors, governments need to show a strong commitment to reforms to improve budget transparency, accountability in the use of public resources, and administrative efficiency. Experience shows that building up institutions and capacity during a war-to-peace transition is much more difficult than providing physical infrastructure and that, especially at the local level, this work requires time and resources. Without such investment, however, beneficiaries
cannot make use of their empowerment. Thus, considerable effort is critical to maintain short-term achievements. Local participation in planning is an important part of capacity building. Other pertinent elements include:

- administrative reforms: upgrading the qualifications of civil servants and reviewing wage and incentive structures
- training and technical assistance programs
- simplicity of institutional and program design
- local management of funds and project implementation under the supervision of the central government and the donor
- use of local contractors, workers, and service providers
- partnering arrangements between local and international NGOs.

Technical assistance projects, like those undertaken by the World Bank in Cambodia, Rwanda, and the West Bank and Gaza, can provide critical short-term relief. The inclusion of national human resources in the activities of international organizations can also impart critical on-the-job training. Rwanda offers an instructive example of the ways beneficiary involvement and political commitment can make decentralization, participation, and capacity building work together to rebuild social capital (box 4.5).

**Supporting Peace**

International assistance in the conflict resolution and transition phases is a high-risk investment, but with high potential for tremendous returns in the benefits that peace and development can bring to a country or region. One of the most successful peacekeeping operations, in Mozambique, is clear testimony to this. Yet the potential for destabilization is always present. Investments in physical and human capital after hostilities end can be lost quickly if the conflict resumes. Angola is a case in point, where two attempts at implementing a peace accord, in 1992 and 1998, have failed. Liberia also faces difficulties in peace implementation. Yet, instead of reducing its involvement, the international community should respond to the challenge by maintaining its commitment and credibility.
Box 4.5
REBUILDING TRUST IN RWANDA THROUGH RECONSTRUCTION

In post-colonial Rwanda, the centralization of the government impeded the effective fight against poverty at the local level—with dramatic sociopolitical consequences. To overcome this legacy, the new government initiated in 1996 a community-based approach to respond to the massive return of refugees from the former Zaire and Tanzania. The project’s key objectives were to strengthen capacities at central and local levels through a comprehensive training program, including project and environmental management; to establish community-based systems for the procurement and disbursement of equipment and other resources; and to develop transparent financial management procedures at the community level.

This approach introduced an innovative implementation mechanism to nurture partnership between the community and the local administration, to empower people to make choices, to decentralize planning and move regulation of the different stages of projects and their financial management to the local level, and to enhance self-sufficiency among the rural population. The project has not only helped individuals and groups, but it has also revived the local economies and united communities around tangible activities. The key elements of the overall strategy focus on decentralization (political strategy), financial autonomy (economic strategy), and partnership (social strategy). Ultimately, the project can be seen as a comprehensive economic and social investment for a peaceful future.

A Framework for Transition Interventions

The international community’s involvement in the post-conflict phase can be divided into three generic phases, as was done, for example, in Bosnia and Herzegovina and in the West Bank and Gaza. These phases were:

- provision of technical support and assessment of conflict-related damages and social and economic reconstruction needs, including funding and resource mobilization requirements

- provision of short-term emergency financial support, including budget support, for the reintegration of displaced populations, demining, disarmament, and demobilization as well as early reconstruction activities (such as rehabilitating the social and economic infrastructure and generating employment) and reasonable stabilization (for instance, inflation control)
• implementation of long-term, sustainable interventions such as economic adjustment, the creation of a nurturing environment for private sector development, and the creation of partnerships between the private and public sectors. Effective public sector management, governance, judicial reforms, institution building, adequate investments in human resource development, and poverty alleviation must all be promoted.

The three phases can be distinguished in many post-conflict situations. However, interventions need to be flexible and should be based on emerging opportunities, not rigidly predefined blueprints. Interventions should also be multisectoral, giving equal consideration to social and economic concerns. An overemphasis on physical reconstruction that fails to address social concerns, as occurred in Lebanon, should be avoided, for it could trigger further political instability.

The critical element in reconstruction should be the link between the short and long terms. A strategic framework should be developed by the government, civil society, and the international community early in the process, addressing, in particular, the timing and sequencing of scheduled interventions.

Local appropriation of the process is essential to success. For instance, in Rwanda, a joint program was launched by means of an assessment mission in late 1996, at the same time that refugees returned en masse. The mission, consisting of representatives from the government, the UNDP, and the World Bank, recommended a coherent but flexible, emergency reintegration and reconstruction program, based on consultations with beneficiaries. This framework still guides individual bilateral and multilateral donor interventions.

The scheduling and sequencing of policy interventions need to reflect local conditions and the peace agreement commitments as well as local capacity for planning and implementation. Interventions should be geared mainly toward skill development, employment creation, and private sector development to reduce poverty and offer peaceful employment and income generation alternatives. The sequencing may purposefully contradict conventional wisdom about development interventions. For example, fiscal consolidation through civil service reform and subsidy reductions may be considered the appropriate tool for containing a high budget deficit. However, a policy of inclusion, containing some form of power sharing between initially opposed groups, may be more prudent. The 1993 elections in Cambodia, for example, led to the creation of a coalition government that attempted—unsuccessfully—to strike a balance between the two major parties. The politically necessary powersharing arrangement also led to a large expansion of the civil service—
sometimes a single ministry even had two ministers. Another example is Sierra Leone, where the reduction of food subsidies to the army in 1996 led to mass defections and, in 1997, to a breakdown of peace.

Principles for International Cooperation

Political neutrality and scrupulous observance of the details of peace accord provisions are two indispensable rules for involvement by the international community in activities related to conflict and peace. Sensitivity to the sociopolitical context and close and continuous interaction with the government and the other players are also important to reach a full understanding of their roles in the peace process. Such participation can require a significant financial and moral commitment. Peace building, reestablishment of trust, and reconciliation all take time. By adhering to these guidelines, the international community can help maintain faith in the peace process.

International actors should be led by their comparative advantages. In the case of the West Bank and Gaza, for example, the World Bank's advantage was based on its capacity to advance the development through macroeconomic strategies and sectoral policy analysis. It was also based on its long history of tackling complex institutional, regulatory, multisectoral, and financial issues, particularly in relation to the private sector. Basic support, in this case, was the provision of small, labor-intensive infrastructure projects.

Comparative advantages do not derive only from institutional expertise. National context is an important determinant. Different actors can also perform different roles, depending on the specific nature of the transition. Conflicts may occur over the respective roles of different agencies in aid coordination and other work, and this may require consensus building among all parties concerned so that individual interventions will be fully complementary. An example of this is the cooperation between the UN High Commission for Refugees (UNHCR) and the World Bank in providing assistance to Afghan refugees in Pakistan and to Kosovar refugees in Albania.

During the conflict resolution stage, international support should be in line with the objectives and goals of the peace process. The latter guides the international community, setting priorities and defining mechanisms for its fulfillment. Countries with a strong institutional capacity will be able to lead the process with support from the international community. A good example of this type of coordination is in Guatemala, where international agencies have coordinated their support to the reconstruction process through a Consultative Group, which has been effective.
The weaker a country's capacity to coordinate foreign aid, the more it will have to rely on a lead agency to ensure the planning and implementation of a comprehensive reconstruction program. Coordination allows more leverage through partnerships and burden sharing, as was the case in Bosnia and Herzegovina and in the West Bank and Gaza. A host country's reluctance to be led or coordinated may, however, limit the role a lead agency can play. Another potential obstacle is the donor's desire to keep a high profile, as manifested, for example, by tying aid to certain conditions. However, without a clear lead agency, interventions can be piecemeal, as was the case in Namibia, and overall cooperation could be less formal, as occurred in Rwanda.

The transition from conflict to peace invariably requires extraordinary efforts by the international community to respond to emergency and development needs and to act together to the greatest extent possible. Thus, the organized transfer of responsibilities from international emergency agencies to national development agencies is critical. The UNHCR has been implementing rapid-impact projects to facilitate the reintegration of refugees in many countries throughout the world, such as El Salvador and the Democratic Republic of the Congo. However, maintenance and extension of both the infrastructure and the capacity created by such projects will probably need assistance from agencies such as the UNDP, regional development banks, or the World Bank. Coordination, from the beginning, between the government and the agencies involved, facilitates the transfer of responsibilities.

**Financing Reconstruction**

An important responsibility of the lead agency may be the management of a trust fund either for individual programs (such as the Veterans Assistance Program in Uganda) or for the overall reconstruction process, as was the case in the West Bank and Gaza (box 4.6). Trust funds require, among other things:

- flexible arrangements for delivering assistance and for program administration
- local use of recognized accounting services to increase transparency and citizen and donor confidence
- cash flow arrangements that link implementation and associated absorptive capacity
- a mechanism for tracking donor assistance and monitoring performance (for example, the development of comprehensive matrices).
**Box 4.6**
**THE HOLST FUND IN THE WEST BANK AND GAZA**

The World Bank has been administering the Holst Fund, set up in 1994 to finance start-up costs—such as investments, consumables, and salaries—of the Palestinian Authority and its agencies. After playing a major role in sustaining the Palestinian fiscal system between 1994 and 1996, the Holst Fund is now used primarily as a vehicle for supporting employment generation activities and, occasionally, as budget support. The fund has disbursed a total of US$248 million, contributed by 26 multilateral and bilateral donors, including US$212 million for budget support and US$36 million for employment generation activities.

Although the activities of the Holst Fund have wound down from their peak in fiscal years 1995 and 1996, and the donors are unlikely to provide further large-scale direct budget support for the Palestinian Authority, it was agreed to keep the fund open, at least until the end of calendar year 1998. This reflects an appreciation for the fund’s flexibility as a mechanism for delivering assistance as well as for the Bank’s ability to manage the program more easily.

Trust funds can be a valuable tool for resource mobilization. However, they, as well as other interventions, often suffer from administrative shortcomings—including delayed donor disbursements—and standard procedures that may not be consistent with emergency needs, such as those in certain areas of Northern Ireland and the West Bank and Gaza. Standard project preparation may take too long, arrangements for procurement of equipment and other goods and services may be tedious and come “tied” (conditioned), and decisionmaking processes may be overly centralized. The simplification of procedures, in particular for community-based projects, and the timely delivery of goods and replenishment of funds help to overcome such bottlenecks. For example, special grants by the government of the Netherlands made possible the start-up of the reconstruction process in Bosnia and Herzegovina when other resources were not yet available.

**SUSTAINING PEACE**

Sustaining peace requires candid and continuous consideration of the origins of violent conflict. Structural issues must therefore be addressed. Only through political, social, and economic reforms and programs will the words of a peace agreement become reality. Sustaining these efforts is the most difficult part of the transition, requiring political consensus at
both the national and the regional levels. For example, the national legislature may have to approve the reforms; the private sector needs to be willing to join ventures with other sectors of society; funds have to be available; and the work of international agencies and NGOs must be coordinated. Sustaining peace also requires advance planning—that is, developing strategies for the medium and long term such as institutional strengthening, agrarian reform, and education and health activities.

**Toward Inclusive Reconstruction and Development**

The specific context of violent conflict varies from country to country, but the exclusion of some groups and the alienation of citizens of the State have always been major factors, as they were in Guatemala, Nicaragua, and Northern Ireland. International assistance to the reconstruction process needs to take into account the different types of exclusion. Projects intended to provide all groups with new opportunities have to be willing to take more risks than traditional development projects. Adequate planning and implementation mechanisms are also needed.

Exclusion can take many forms. It can be political, social, economic, ethnic, or regional. Political exclusion is the lack of opportunities for certain social sectors to participate fully in the political arena. The Salvadoran and Guatemalan peace agreements addressed precisely this problem, proposing constitutional, legal, and institutional reforms to ensure wider social participation in the decisionmaking process. Elections and a new Constitution enabled all groups in post-apartheid South Africa to participate in the political process. In Lebanon, the Ta’if agreements restructured the political system by creating a cabinet composed of equal numbers of Muslims and Christians. Addressing ethnic exclusion means fighting against discrimination and marginalization, recognizing ethnic minorities’ cultural rights, and facilitating their participation in the political, economic, and social structures, as in the Guatemalan peace process.

Targeting regional exclusion means overcoming imbalances between regions, particularly between rural and urban areas. Regional considerations in war-to-peace transitions are important because local situations, resource endowments, and management types vary from one place to another. Communities may use their own resources to resolve political conflicts and violence in different ways. On a more general level, overcoming regional exclusion also means revitalizing agriculture and the rural economy and reducing poverty. Possible measures to support small-scale agriculture include land tenure arrangements offering security of access, a market-based distribution system for inputs and outputs with adequate producer prices, and the promotion of alternative crops (box 4.7).
Box 4.7
THE LAND FUND PROJECT IN GUATEMALA

Guatemala has a large population of low-income, indigenous communities, especially in the rural highlands. These areas are among the poorest in the country, with insufficient public and social services, infrastructure, and economic opportunities. The Land Fund project in preparation creates economic opportunities for rural groups, not only by facilitating access to land, but also by providing support to productive projects through credit, technical assistance, and the strengthening of local communities.

Within a generic framework, therefore, design and implementation of transition strategies may vary if the interventions are to address local problems. In Sri Lanka, for example, government reconstruction projects in the war-torn North and East include specific attempts to stimulate local entrepreneurship, local processing of marine and agricultural produce, and penetration of wider markets. This approach is intended to help reestablish a viable local economy, with job opportunities for displaced persons returning, thereby reducing regional disparities.

Failure to address such disparities may plant seeds for future conflict. For example, years after the current government took power, the most affected districts of northern Uganda had yet to benefit from any noticeable reconstruction assistance. These districts, which coincided with political polarity during the war, have again become a breeding ground for resistance. Likewise, the concentration of reconstruction assistance in Beirut did little to overcome regional imbalances in Lebanon. The former Zaire provides an even more dramatic example of regional neglect. Despite its wealth of natural resources and potential for regional development, many provinces and territories remain enclaved, lacking access even to neighboring regions, much less to the outside world. This situation ultimately sparked a violent conflict.

Overcoming social exclusion means involving all social groups in the decisionmaking process. The first step consists of building trust between the different communities to promote reconciliation. Although trust building is a long-term process, positive experiences with community-based reconstruction already exist in a variety of countries, including Northern Ireland (box 4.2), Rwanda (box 4.5), and Colombia. These projects contain a number of special features: inclusion of groups hitherto outside the mainstream, by opening up opportunities for their economic and social advancement; promotion of contact, dialogue, and partner-
ships; use of local problem-solving mechanisms; and the idea that process is as important as the product and that sustainability is more important than efficiency in the long run.

Similarly, in El Salvador during the conflict, local communities had already initiated a community-managed approach to primary education, which later received assistance from the international community. Activities supported included teacher training, a school-based health and nutrition program for the poorest municipalities, and a pilot fund for testing alternative methods of providing basic education through municipalities and private, nonprofit institutions. The participatory nature of the project contributed to consensus building and the sustainability of the peace process. Of equal importance is participation in government decisions, which requires the creation of mechanisms for public participation in state programs and the inclusion of representatives of local organizations in national institutions. A pertinent example is the Guatemalan institution dealing with land issues, which includes the participation of representatives from rural and indigenous organizations in the design and implementation of its programs.

Private Sector Development and Employment Generation

Although governments and the international community play an important role in post-conflict reconstruction, ultimately it is the private sector (formal and informal), especially small- and medium-size enterprises, that will have to stimulate economic recovery through employment and income generation. Governments need to provide an environment conducive to overcoming economic exclusion and helping the private sector develop. Such an environment should include certainty about the political future, fiscal stability, a favorable legal and institutional framework, a supportive economic infrastructure, and a skilled labor force (box 4.8).

Sustainable Employment

A distinction must be made between the short-term creation of temporary jobs and long-term employment-generating programs. Short-term programs are intended to keep certain population groups occupied in return for income. For example, labor-intensive work initiatives might employ poor or vulnerable groups in building public infrastructure. However, these plans are limited in duration. Sustainable employment generation needs to be linked to skills development through, for instance, on-the-job training and informal sector apprenticeship programs (box 4.9).
Box 4.8
THE FINANCIAL SERVICES APEX INSTITUTION IN SOUTH AFRICA

South Africa’s Financial Services Apex Institution is a mechanism dedicated to improving the institutional framework. It supports the development of self-sustaining retail intermediaries, serves as a catalyst for the introduction of techniques and innovations based on international best practices in microenterprise finance, and intermediates resources from organizations with funds to retail financial intermediaries that finance microenterprises. Two means, both geared toward reducing transaction costs, are used to induce banks and financial intermediaries to lend to black microenterprises: incentives to serve that market and an institutional development program to introduce best practices.

Box 4.9
THE PROVINCIAL REINTEGRATION SUPPORT PROGRAM IN MOZAMBIQUE

The primary objective of this pilot program in the provinces of Manica and Nampula was to provide training and employment opportunities to war-affected populations, especially former soldiers, but also internally displaced persons and returning refugees. The achievements of the pilot program over a one-year period were quite impressive: More than 2,100 veterans received training from formal sector training providers and informal sector apprenticeships. Almost three-quarters of the participants were trained informally, through apprenticeships (training-cum-employment subsidy) at about two-thirds of the normal unit cost, with the same level of employability as those trained formally. This confirmed the original program design hypothesis that training as close as possible to the point of actual employment would, at a lower cost, increase chances of finding employment.

In addition, more than 300 employment-oriented microprojects were financed, reaching more than 4,700 direct beneficiaries. The pilot program allowed for a comparison between a more emergency-oriented approach, geared to short-term occupation, and a more development-oriented approach, focused on creating viable and sustainable microprojects with stricter criteria for project selection and monitoring. Both approaches have produced good results. Moreover, although insecurity continues in some parts of the country, there seems to be no systematic relationship between the prevalence of crime and the number of demobilized soldiers in a community. Thus, both emergency and development approaches seem to be equally valid, at least in the immediate aftermath of conflict.
An innovative example of small enterprise development can be found in Kenya. On the assumption that small businesses are an integral part of the national economy, a survey was conducted to identify their needs and characteristics as well as environmental, financial, and regulatory obstacles, market constraints, inadequate business premises, and inadequate tenure arrangements limiting performance. The ensuing informal sector development project provided business development services, information-sharing mechanisms, and, most important, secure tenure arrangements, thereby enhancing the potential and effectiveness of the small-scale informal sector.

The creation of jobs and small business can also have a direct impact on violence. For instance, in El Salvador, more people were murdered after the signing of the peace agreement than died in fighting or other violence in any year during the civil war. A common explanation for this outburst of violence is that some demobilized soldiers decided to make a living with their guns. Comprehensive reintegration assistance might have created alternative income sources and prevented violence from escalating.

One error of conventional economic wisdom is recommending privatization of State-owned companies too early in the transition process, in an effort to help the State focus on and finance critical key social interventions. Experience in Eastern Europe and the former Soviet Union demonstrates that privatization, if it is not properly planned and excludes civil society, can lead to a further concentration of assets in the hands of a very few (box 4.10). Moreover, instead of exposing themselves to international competition, privatized enterprises often continue to

**Box 4.10**

**Privatization in Russia**

According to David Satter (1998):

Privatization took place in two stages: voucher privatization and money privatization. During the voucher privatization, each citizen was entitled to a voucher with a face value of 10,000 rubles which was supposed to be used to buy shares of Russian industries. In practice, however, these vouchers were useless to individual citizens and were bought on the street by shady commercial and criminal organizations which used them to purchase Russian industries at an extremely low price. During money privatization, the prices for the most desirable enterprises were fixed, with the help of local privatization officials, so as to benefit criminal business conglomerates. Many auctions took place only on paper. If genuine bidding did occur and a powerful group was outbid by an insistent competitor, the successful bidder could easily pay for his tenacity with his life. In the end, giant enterprises were sold for pennies (p.23).
enjoy practically monopolistic powers, thus denying consumers any benefits in the form of low prices and quality products and services, that might have been expected from the sale of state assets.

The guarantee of property ownership is a basic economic right. In Uganda, for example, prudent fiscal and monetary policies and the successful implementation of a demobilization and reintegration program created favorable macroeconomic and security climates. However, only after the restoration of private property, seized from the Asian minority expelled in the 1970s, could the private sector fully rebound. Negative economic consequences of the constitutional change in South Africa have so far been limited because property rights have been maintained. In contrast, the threat to private property owned by the Chinese minority in Indonesia has severely impaired business confidence.

International financial institutions can play an important role in private sector recovery (box 4.11). Their involvement in the process helps increase confidence by reducing uncertainty associated with investment in a post-conflict situation and helps improve the overall environment for private sector activities. It also shows others that the time is ripe to address the national reconstruction, as was the case in Uganda. Private sector assessments can be an useful tool in this process, as evidenced in Lebanon. Such assessments may include an accurate picture of private sector concerns and discussion of the characteristics, problems, and needs of small- and medium-size enterprises. They can also broaden understanding of the need to take certain steps, such as increasing dialogue among the government, the private sector, and other groups; creating an incentive framework; and eliminating institutional and other obstacles. An example of the last is the improvement of the legal and regulatory framework for financial institutions.

Natural Resource Management

Conflict often occurs when some social groups are excluded from access to and use of natural resources. Warring factions may forcefully gain access to such resources as precious stones or timber and use them to purchase weapons or pay their soldiers. Angola, Cambodia, Liberia, and Sierra Leone are examples of resource-rich countries where disputes over access to such natural resources by various warring factions has prolonged conflict and led to the depletion or deterioration of valuable resources. During the transition phase, this potential natural wealth must be turned into a real incentive for reconstruction and development and increased well-being for the population.

As experience in the Democratic Republic of the Congo illustrates, post-conflict countries' long-term vision should be to derive the greatest
Thematically, the World Bank Group is giving serious attention to supporting the creation of a viable investment environment and has put in place a series of projects that seek to create or to rationalize key legal, regulatory, and financial systems. Together, the Bank and the International Finance Corporation (IFC) have forged a partnership that features project work and joint efforts to expand private sector transactions and financial intermediation, advance laws in the financial and commercial sectors, and establish or strengthen the institutions charged with implementation. In designing and implementing these projects, all three sister organizations (Bank, IFC, and Multilateral Investment Guarantee Agency [MIGA]) are working together to combine their relative strengths in the program.

The World Bank collaborates with other Bank Group organizations to promote cofinancing with bilateral and multilateral donors, the private sector, and NGOs. The World Bank and IFC are working together on three operations in the West Bank and Gaza: the Microenterprise project, the Gaza Industrial Park project, and the Housing project. MIGA initiated its Palestinian Investment Guarantee Fund with an initial investment of US$19 million; nearly US$11 million in additional subscriptions has subsequently been raised from other donors.

benefits from their resources, while preserving environmental quality and biodiversity. In the mining sector, for instance, a legal and regulatory framework may be required to encourage competitive participation of the private sector—including the small artisan sector—and to strengthen property rights. In forestry, the following are key elements: a transparent system for granting concessions (for instance, by auction); a fiscal structure specific to the sector, favoring balanced exploitation rather than hoarding; increased national value added in wood processing; support for national parks; and biodiversity protection.

Reintegration of Displaced Persons

Violent conflict and war uproot individuals, families, and entire communities in affected areas. Since many of these displaced persons left most or all of their belongings behind, their predicament requires special attention. Neighboring countries that take in refugees deserve assistance—for
example, Malawi, which hosts Mozambican refugees, or Pakistan, which hosts Afghan refugees. So do neighboring regions or cities that are ill equipped to tend to the needs of thousands of internally displaced new residents, as has been the case, for example, in Algeria and Angola. The plight of displaced populations in camps often attracts large sums of financing for those individuals. However, the needs of equally poor people who stay behind should not be neglected, as happened during the refugee crisis in Rwanda.

**Key Factors**

Once a violent conflict ends, the most significant obstacles to the return of displaced populations are lack of local security and limited housing, employment, land, and social opportunities such as education, health, and public services. This was seen clearly, for example, in Bosnia and Herzegovina, Cambodia, and Rwanda.

For internally displaced persons, the decision about returning to their communities or staying in their new environment depends largely on several factors. Governments intending to facilitate the voluntary return of displaced populations should place special emphasis on effective and sustainable reintegration measures. However, reintegration programs should be implemented on a communitywide basis to bring benefits to all needy groups in the area. Projects that favor returnees—to the detriment of the receiving communities—increase the risk of social conflict between the displaced and the other citizens, as was the case in Guatemala. Instead, projects should be designed to help foster a spirit of trust and reconciliation through joint decision-making that benefits all groups, as occurred in Rwanda. Special interventions should always be planned with the full participation of all affected groups and should also be linked to national, regional, and local planning systems.

When thousands of ethnic Albanians from Kosovo fled from the former Yugoslavia into Albania, an emergency of great proportions was created, requiring a rapid response. The World Bank's Post-Conflict Fund provided a grant to the government of Albania to support community development projects that could provide immediate employment and productive projects in the localities most affected by this involuntary immigration. Responding to the needs of displaced populations in a timely manner with financial resources that prevent destabilization has beneficial results. This lesson is being applied in Albania. Addressing the needs of displaced persons even before the conflict’s resolution can serve as an important deterrent to further deterioration of fragile conditions in neighboring countries.
Environmental Impact of Displacement

Assistance to returnee communities needs to be complemented, however, by assistance to the former host communities, especially if some of the displaced decide to remain there. The concentration of displaced persons often has a severe impact on the host communities' economy as well as on their infrastructure and natural environment. The border areas of Thailand and Pakistan, for example, have deep scars from such experiences. Rehabilitation in areas affected by displaced populations is essential, preferably during the crisis, as is currently taking place in Albania.

Forced migration poses an even greater threat to the environment. Although new settlements come about as a result of violent conflicts, they parallel the expansion of the agricultural frontier, using the same type of slash-and-burn agriculture common in Brazil and Indonesia. Bringing these new settlements into coherent regional development planning not only enables the settlers to access services from which other internally displaced individuals may benefit but also helps protect ethnic minorities and their environment, countering encroachment on land for activities such as logging (legal or illegal), as occurred in Cambodia.

Demining and Disarmament

A major barrier to the return of displaced populations and to rural economic and social recovery are landmines, which—because they are located beneath the ground—affect personal security long after hostilities end. Mine clearance is often an essential activity in post-conflict situations, such as those in Angola, Cambodia, and Mozambique. The ultimate goal of a mine-clearing program is to recover land for human activities by clearing areas known to contain mines and confirming whether or not an area is mine-free. Without mine clearance, certain parts of the country may come to an economic standstill, leading to more waves of forced emigration.

Whereas humanitarian mine clearance aims at diminishing mine-related risks in everyday life, mine clearance for reconstruction supports rehabilitation projects. Both are undertaken to help rebuild society and save lives. Landmine clearance is slow and expensive. Therefore, it should be undertaken only after detailed assessments and surveys to facilitate prioritization of the areas according to their general impact on recovery and development. Surveys are usually based on informal maps, prepared by former soldiers, and historical information, provided by local inhabitants.

A reliable information system must be developed for each demining project. An estimate should also be prepared on the number of mines, the
TOWARD AN ARCHITECTURE FOR SUSTAINABLE PEACE AND DEVELOPMENT

size of contaminated areas, the location of minefields, and mine distribution patterns. Examples of possible interventions include capacity building to support the development of national or local demining centers, financing of landmine clearance programs in particular areas to assist in the reintegration of displaced populations and reactivation of the local economy, and, finally, support for demining programs targeted at specific sectors, such as transportation or agriculture.

Unlike demining, where standards for clearing mines are well established and extensive training is available, light weapons disarmament has not yet become systematic in post-conflict situations. Norms are needed on the accumulation of light weapons, as well as mechanisms for public participation in creating such norms. In 1997, the General Assembly of the OAS ratified the Inter-American Convention against Production and Trafficking in Illegal Firearms, Munitions and Explosives and Other Related Material. This agreement has enabled Latin American leaders to work at the local level to support programs to eliminate the tools of violence systematically and nationally.

In recent years, it has become apparent that obtaining peace requires policies that prevent violence by focusing on its most ubiquitous tools: small, light weapons. During the post-conflict period, attempts must be made to reduce these arms. Broad state policies that establish norms against accumulation of light weapons are also necessary. Different cycles in a conflict require different approaches to arms control. For example, forced disarmament may work during a conflict if imposed by military means. In a post-conflict situation, however, programs for weapons collection by voluntary relinquishment may be more conducive to peace.

The reduction of weapons in a post-conflict situation must be accompanied by broad state policies, for example, establishing norms to control the possession and accumulation of light weapons. Thus, disarmament can both reduce the possibility of armed violence and emphasize the symbolic and political values that underlie such an act. This is particularly true when a country is engaged in a transition from war to peace, and measures that build confidence between warring parties are essential. Similarly, disarmament is a key component of the demobilization and reintegration programs known to reduce the potential for increased violence. But disarmament in such situations will require the cooperation of local authorities, the police, and judicial personnel.

Demobilization and Reintegration of Former Soldiers

Both personal and economic insecurity are inevitable by-products of violent conflict. Death, displacement, and disinvestment affect transaction costs and labor mobility and, hence, production. The most drastic recent
example is Rwanda, where the GDP in 1994, i.e., in a post-genocide time, reached only 60 percent of the prewar level. The reestablishment of security is, therefore, one of the most critical tasks of the transition phase. The demobilization and reintegration of former soldiers and strengthening or reform of the judicial system are two of the most important interventions.

Demobilization and reintegration of former soldiers from armed forces and police forces can be an integral part of a peace accord, as was the case in El Salvador, Guatemala, and Mozambique. In other cases, however, it may be more opportune, for reasons of power sharing and reconciliation, to integrate former rebel forces into a unified army to be demobilized later, as was done in Uganda and Cambodia.

The ultimate objective of reintegration programs is to offer former soldiers a peaceful and sustainable alternative to fighting: income not earned at gunpoint. Important components of this strategy include the creation of a temporary safety net for the critical short-term reintegration phase and the provision of demand-driven reintegration assistance according to the mode of subsistence. Reintegration assistance might include facilitating access to land, training and skills development, and information on employment opportunities. Another possible component is psychosocial counseling (box 4.9). The special needs of female, child, and disabled former soldiers must also receive attention.

Issues requiring special consideration are the personal security of former soldiers who have laid down their arms in the communities where they settle and avoiding resentment among the local population, which calls for considering community well-being when providing reintegration assistance. Comprehensive planning and implementation of these programs have worked well in Cambodia, Ethiopia, and Uganda, but failure to address these problems was a costly mistake in Sierra Leone in 1996–97.

Promoting Justice and Reconciliation

Violent conflict leaves scars of fear, mistrust, and resentment. These wounds are deepened in a powerless culture. Coming to terms with the past is the most difficult challenge for a society emerging from violent conflict, from Bosnia and Herzegovina to Guatemala to Rwanda. Governance with genuine adherence to the principles of human rights is an essential requirement for helping a society come to terms with itself. Reconciliation also requires concrete activities that produce tangible results for the people who are being asked to reconcile and forgive (box 4.5).

One of the most difficult tasks for a post-conflict government is to address the issue of human rights violations and abuses of justice during the confrontation. Whether through war crime tribunals—as in Rwanda
and the former Yugoslavia—or Truth Commissions—as in Guatemala, El Salvador, and South Africa, legal and moral sanctions are essential in the reconciliation process. Good governance and the fight against powerlessness in a post-conflict situation originate in the State’s capacity to reconcile with society, accept its responsibilities, and lay the foundation for a wide-ranging, trust-building effort.

Table 4.1 offers some examples of the way several Latin American nations have handled the reconciliation process. There is no single right way to accomplish this task, but the mere existence of a political process enables the creation of forums for civil society to publicly express its concerns and frustrations as an essential part of the healing process.

These processes must necessarily address structural problems in the justice system to ensure that abuses and violations will never happen again. This is the aim of Guatemala’s Truth Commission. Judicial reforms must take into account the legacy of years of conflict and certain social segments’ mistrust of the justice and security systems. The erosion of the rule of law in general, and the justice system in particular, are direct

<table>
<thead>
<tr>
<th>Reconciliation process</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>El Salvador</th>
<th>Guatemala</th>
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<tr>
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<td>No</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Demobilization</td>
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<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
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<td>Purges</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Trials</td>
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<td>No</td>
<td>Yes</td>
<td>Yes^a</td>
<td>No</td>
</tr>
<tr>
<td>Dirty war</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Truth Commission</td>
<td>No</td>
<td>Yes^b</td>
<td>Yes</td>
<td>Yes^c</td>
<td>Yes</td>
</tr>
<tr>
<td>Negotiated settlement</td>
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<td>No</td>
<td>Yes^d</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Disarmament</td>
<td>No</td>
<td>No^e</td>
<td>No</td>
<td>Yes</td>
<td>No^f</td>
</tr>
<tr>
<td>Human rights abuses and violations</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

^a. Related to specific crimes.
^b. Church-run.
^c. UN-mandated commission and National Commission.
^d. Election.
^e. Election of civilian president.
^f. Parallel.
results of violent conflict, especially when linked to powerlessness. Sustainable peace will be achieved only if reconciliation with justice is promoted.

In many cases, there is simply no judicial system or it does not function properly. In such cases, institutions that inspire citizens with confidence in the judicial system and the police force must be created or reformed (box 4.12). This challenge is as acute in Northern Ireland as in South Africa. Pertinent interventions include reforming institutions and organizations, training judges, and coordinating different branches of government.

CONCLUSIONS

Over the last 16 years, successive presidents of the Republic of Colombia have undertaken numerous efforts to end violence in the country. The government of President Andrés Pastrana has made peace one of his administration’s key objectives and has intensified dialogue with civil society and the international community to support the peace effort.

Acknowledging that a peace process will take time and will engage a very wide range of actors should not serve as an excuse for losing sight of the ultimate goal: ending the war in Colombia. From the experiences described in this chapter, it is clear that we are dealing with a long-term process and that our initial steps are just that: the beginning. Peace will require political, economic, and security commitments with the capacity

Box 4.12
JUDICIAL REFORM IN GUATEMALA

Judicial reforms should be inclusive, adapting to society’s specific characteristics and—above all—ensuring that justice will be dispensed without regard to politics. The Justice Reform project is a good example of a comprehensive approach to a multicultural, multiethnic, and multilingual society, stricken by 35 years of internal war. The issue of powerlessness that affected major segments of the population, the deep wounds caused by mistrust, and the lack of judicial guarantees for the people’s rights are an essential part of Guatemala’s Justice Program. The design of this project included the participation of previously excluded segments of Guatemalan society. It is also an excellent example of interinstitutional coordination between multilateral agencies (the World Bank, the Inter-American Development Bank, the United Nations, bilateral donors, and the government).
to ensure that what results is a sustainable and inclusive process that builds peace for all citizens. We have an important opportunity to benefit from the experiences and lessons of other countries still building peace. Our success in designing pre-accord incentives, creating economic strategies for post-conflict reconstruction, and engaging a wide range of national actors in a dialogue on postwar needs will determine whether the peace process will be sustainable.

This discussion suggests that global experience in war-to-peace transitions can provide valuable lessons for making, owning, supporting, and sustaining peace in Colombia. Having backed such processes in countries the world over, the international community is well placed to assist the Colombian government and people. A joint evaluation of national interventions for peace, in the context of international experiences, may be a first step in that direction. However, the international community's participation in the peace process has to be defined and led by Colombians themselves, in accordance with their needs and aspirations.

REFERENCES AND BIBLIOGRAPHY


Achieving peace and promoting economic and social development are the two main challenges facing Colombia. The analyses presented in this volume indicate that violence and armed conflict in Colombia result from a complex group of economic, social, historical, and political factors. For decades, economic growth has coexisted with poverty and inequality in the distribution of income and wealth, in the access to economic opportunities (jobs, education, credit), and unequal capacities to influence public decisionmaking. Colombia also has a long history of armed conflict: confrontations between liberals and conservatives in the nineteenth century; the period of "la violencia" in the mid-twentieth century; and the escalation of armed conflict since the 1980s and 1990s with the onset of drug-trafficking and the emergence of paramilitary groups. Internal conflict is indicative of the profound difficulties besetting Colombia's political institutions as they try to confront their society's underlying conflicts.

A prosperous, peaceful, and democratic Colombia needs a new social contract, which is founded around the principles of peace, prosperity, and social justice.

Achieving peace requires broad domestic consensus and effective economic and institutional policies that promote economic growth, job creation, equal opportunity, institutional transparency, and civic education on the values of work and peaceful coexistence.