



Ending the internal conflict in Colombia

A peace-building agenda

Fundación **Ideas para la Paz**

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1. *Fundación Ideas para la Paz* (FIP) is an independent think-tank supported by the business community. Its mission is to contribute ideas and proposals to help overcome the internal conflict in Colombia. Since 1999, FIP has been committed to supporting peace negotiations, and this will continue to be one of its priorities. The internal conflict in Colombia will necessarily end through one or more sets of negotiations, which will need adequate preparation and technical assistance if they are to succeed.
2. In January 2002, the founders of FIP signed an "Agreement for Democracy" which set forth the Foundation's basic guidelines: support for peace negotiations; rejection of all forms of illegitimate coercion and of terrorism; respect for human rights; and support for political, social and economic reforms within the framework of the democratic process and democratic institutions, which must both uphold their legitimacy and honour their obligations.
3. It is nonetheless increasingly evident that the internal conflict in Colombia is undergoing a process of transformation. New and more anarchical forms of violence and new methods of coercion are appearing on the horizon. Society as a whole must take urgent action to stop this trend. For that reason, FIP intends to broaden the scope of its activities, so that it can make effective contributions to the creation of conditions for peaceful coexistence in Colombia.

The complexity of the internal conflict

The internal conflict in Colombia will necessarily end through one or more sets of negotiations, which will need adequate preparation and technical assistance if they are to succeed.

4. Colombia's conflict is particularly complex. There are three armed groups or associations of groups operating beyond the pale of the law, surrounded by widespread networks of organized crime. The characteristics of each group change with the same regularity as the country's geography. In all cases, the tendency towards fragmentation is strong. Solutions thus require a great capacity on the part of government to design and implement policies. At the same time, there are today clear limits to the state's capacity for autonomous action. For the conflict to be solved, different sectors of civil society, including the business community, must play an active role.
5. Any effort to build conditions for peace in Colombia must therefore start by unraveling the complexity of the problem. In other words, there must be an understanding of the dynamics of the illegal armed groups and of the role various actors can play in articulating solutions, without removing the principal

responsibility for directing peace policy from the state. This also means that *the terms* which shape the debate about conflict and peace must be properly defined. Precision in the use of words makes it easier to reach a consensus that opens the door to a solution.

The international context

The challenge is first to develop strategies that articulate international cooperation with national resources effectively; and second, to ensure that solutions match the state's international obligations.

6. The international context adds to the complexity. For the international community, it is not always easy to interpret Colombia's internal conflict; there is a tendency to look at it in the same light as quite different conflicts in other Latin American countries. It is essential to recognise the peculiarities of the Colombian situation, as well as the elements it shares with other conflicts, so that the more urgent needs can be identified and the international cooperation made more relevant.
7. At the same time, the international community has its own interests and differences, which shape perceptions of the Colombian conflict. One example is drug-trafficking, the main source of funds for the illegal armed groups. Although there is a consensus regarding the role that legal and illegal natural resources play in current conflicts -in several cases, such as the so-called *Kimberley process* against the illegal diamond trade, many measures have met with success- the same does not happen in the case of drug-trafficking. There is no policy coherence and in most cases the recognition of shared responsibility produces few concrete measures.
8. Despite the need for international support, solving the internal conflict is first and foremost in the hands of Colombians themselves. Unlike many other countries with similar situations, Colombia has resources in its history and its people to build a solution. As the historian Eduardo Posada has noted, in parallel to a succession of violent episodes, Colombia has a tradition of democratic life and democratic associations - even at times when this and other continents had given up on democratic rule- that must be claimed and consolidated. The same could be said of peace processes and reintegration of former combatants.
9. So the challenge is first to develop strategies that articulate international cooperation with national resources effectively; and second, to ensure that solutions match the state's international obligations.

10. The possibility of overcoming the internal conflict hangs on a proper understanding of the role of the various actors involved. The FIP has made considerable efforts to contribute to this task. It has, for example, the most complete database on peace negotiations in Colombia. But today there is an additional element that makes both analysis and the formulation of solutions difficult: the overlapping of the phases of conflict.

Phases of conflict

In Colombia, the different phases of the conflict are all present at the same time. In many ways, it is not an exaggeration to say that the post-conflict stage has already begun.

11. Experiences in other parts of the world in conflict resolution, especially in the last ten years, have contributed to the development of several instruments and procedures to facilitate peace settlements and the equally difficult tasks of managing post-conflict scenarios. One of FIP's priorities has been to draw lessons from other countries. But the unique character of the Colombian conflict means that a flexible approach is needed in order to attend to apparently disparate problems. In Colombia, the different phases of the conflict are all present at the same time. In many ways, it is not an exaggeration to say that *the post-conflict stage has already begun*.
12. One example of this is demobilisation. Disarmament, demobilisation and reintegration (DDR) has been widely studied. But its implementation in Colombia is still a problem because demobilisation is already taking place -some 7,000 combatants have individually laid down their arms (December 2004), and soon whole fronts or blocks may decide to do the same, as has started to occur with the paramilitary groups- but the conditions that usually allow DDR to proceed are not present. UN guidelines, for example, insist that DDR programmes must be part of a peace agreement and of a post-conflict strategy for national reconstruction, with timetables and precise benchmarks. How can such a plan be set up, and how can the cooperation of international organisations and agencies be secured when the conflict is still going on and it is not clear whether overarching peace talks will ever take place?
13. Peace in Colombia will not be achieved in a clear-cut framework that allows for a neat separation of 'conflict' from 'post-conflict', as was the case in Central America. Or rather, the demarcation between the two will be extended over time, as agreements are reached with different groups in different parts of the country. This requires a flexible strategy that anticipates events and allows for rapid responses that help lay the foundation for sustainable peace. That is why it is key to *prepare for the post-conflict*.

14. Many analysts agree that the conceptual framework of post-conflict should have four basic elements: *security*, without which the other tasks would be impossible, but which also requires much thought (e.g. What should the composition be of the forces of law and order in the post-conflict phase?); *justice*, i.e. rule of law and respect for civil rights; *economic recovery*, as a basis for sustainable peace; and *democratic participation*, which is also an element of reconciliation. This framework will be used to guide the projects undertaken by FIP.

Post-conflict – an opportunity

The way in which a country resolves an internal conflict determines the nature of the institutions on which its future is built: it determines the kind of country it will be.

15. The Colombian conflict shares two features with other present-day conflicts. First, whatever its origins, its development has been associated to an institutional vacuum -an absence of 'rules of the game'- either because the institutions themselves have been weakened by the conflict and by the rising levels of crime, or because the state has simply never been physically present in large parts of its own territory. If that is the case, then pilot projects and experiences that help to strengthen local institutions and can demonstrate the advantages of peaceful coexistence could become building-blocks and models for peace. It is therefore important to understand an early preparation of the post-conflict phase as *an opportunity*.
16. Second, the conflict in Colombia is increasingly driven by an economic logic, which is the result of the illegal activities of the armed groups and the damage done to employment in rural areas. Evidently, if peace is to be achieved, economic opportunities must be created in order to discourage people from starting and remaining in an illegal activity. A number of studies (*Jobs After War*, ILO) show that unemployment is one of the main threats to the stability of peace agreements. This is particularly true of unemployment in rural areas, which are precisely the parts of the country where the conflict has taken root.
17. Finally, post-conflict offers a much wider and more permanent opportunity. The way in which a country resolves an internal conflict determines the nature of the institutions on which its future is built: it determines the kind of country it will be. And that includes the way in which the state and society organize themselves to address the post-conflict phase. The right strategy will not only offer opportunities to re-incorporate those who have suffered from, or taken part in, the conflict. It will also make the responses to these needs a basis for future development and for the strengthening of democracy.

The transformation of violence

Just as the post-conflict phase represents an opportunity, if it is not properly attended to it also carries with it a great risk: the transformation of violence.

18. Just as the post-conflict phase represents an opportunity, if it is not properly attended to it also carries with it a great risk: the transformation of violence. According to World Bank studies (*The Role of the World Bank in Conflict and Development*), a full 44% of the countries that sign peace agreements undergo a revival of violence within the next five years. Because in Colombia the illegal armed groups are closely linked to organized crime, the probability of continued violence is much greater.
19. Experiences elsewhere illustrate the point. In El Salvador, for example, there was a major demobilisation: 8,000 FMLN combatants (and another 6,500 associated with them) and 30,000 members of the armed forces. By 1995, three years after the peace accords were signed, the murder rate was 117 per 100,000 population, by far the highest in the continent (almost double the already high Colombian rate of 65). A 1998 Inter-American Development Bank report states that *"The problem of crime is so great that Salvadorians are more alarmed by criminal violence than they were by the war-related violence of the late 1980s."*
20. The risks for Colombia are much greater. Despite the subsequent increase in crime, demobilisation in Salvador was an undoubted success, for a number of reasons. There was unity of command over the troops and a clear political context (combatants understood that *"the war's over"*) which allowed commanders to exercise greater control over their troops and reinsert them into civilian life. There was also a framework for the peace agreement, with a series of deadlines, and all the international technical assistance required. None of this is true of the Colombian situation, in which central control within the illegal groups is increasingly weak, combatants have little political discipline and are surrounded by extensive networks of drug-trafficking and organised crime. All this makes it much more likely than in El Salvador that they will resort to crime.
21. The risk of an unsuccessful demobilisation is therefore two-fold: first, that demobilised combatant may be absorbed by organised crime; and second, that the illegal groups may themselves become criminal organisations, maintaining their power to exert pressure in another ways. If the post-conflict phase is not managed in the right way and in a timely fashion, there could easily be a 'fossilisation' or perpetuation of violence, which would mean that violence would continue independently of any possible peace accords.

The internal conflict and the business community

As in any country with a vigorous business sector, in Colombia globalisation, privatisation and deregulation of markets in recent years has meant that business plays an increasingly important part in public affairs. What business does or fails to do is therefore a decisive factor in overcoming the internal conflict.

22. The success of demobilisation and the return of internally displaced persons to their homes hangs above all on the possibilities of employment. In cases where special funds have been allocated to create employment (Mozambique), demobilization has been a success. Employment must come from special government programmes designed to absorb thousands of demobilized men in the short term; but an important part of the long-term solution will necessarily depend on the private sector. However, business cannot assume that responsibility without some appropriate framework that allows for employment to be offered without impairing productivity. One of the tasks in which FIP will be engaged is to help construct that framework, in particular designing formulas for reinsertion of former combatants that combine economically sustainable proposals with attention to the personal needs of these men and women.
23. The role of business nonetheless goes much further than the creation of jobs. As in any country with a vigorous business sector, in Colombia globalisation, privatisation and deregulation of markets in recent years has meant that business plays an increasingly important part in public affairs. What business does or fails to do is therefore a decisive factor in overcoming the internal conflict. This implies a greater responsibility, even if businesses' role can only be *complementary*: it cannot and should not take on the responsibilities of government and state institutions.
24. What is this wider role of business? It is evident that business activity in conflict zones entails major costs and risks, including risks for the reputation of companies. The issue therefore is how to respond to such challenges. Some multinationals have chosen to leave the country rather than to take on the risks of possible claims in their home countries simply because they operate in conflict zones. It is highly probable that as globalisation progresses - free trade agreements, etc.- Colombian companies will find themselves exposed to a much stricter oversight of their activities. This is a worldwide trend and Colombia is not an exception; but it is also an argument to broaden the role of business, rather than limit it.
25. The other side of that coin for Colombian business, aside from the risks, are the opportunities to contribute decisively to ending the internal conflict. Probably no other country with such a complex conflict has such a highly developed business sector. What contributions can business make to overcoming the

conflict beyond the creation of jobs and prompt payment of taxes?

26. Business can help in two areas -if the diagnosis is correct that the overcoming of the conflict in its widest sense depends above all on institution-building. First, and looking inwards, it can ensure that it has a positive impact on its institutional environment. That would include, for example, making sure that its operations respect human rights and do not weaken local institutions. Second, and looking outwards, it can create mechanisms to transfer knowledge and skills to the public sector at the local and national levels. Many businesses in this country have had successful experiences in this area, directly or through their foundations. What is now needed is for these experiences to be collected and replicated.

Institutions and rules of the game

The strengthening of the rules of the game, accompanied by vigorous business activity, is certainly one of the cornerstones for consolidating peace.

27. Institutions seem to be the meeting-point between the interests of business and those of society at large. Institutions are in fact nothing other than "*the rules of the game of society*", in the well-known words of economist Douglass North. Their role is to "*reduce uncertainty by establishing a stable structure for interaction*", making it possible to plan for the future. And that is an interest that is shared by individual citizens, the business community and the whole nation.
28. The strengthening of the rules of the game, accompanied by vigorous business activity, is certainly one of the cornerstones for consolidating peace. Recent studies (Dani Rodrick, *Institutions for High Quality Growth*) have shown empirically that (1) all examples of successful development are the collective result of decisions of businessmen prepared to take risks and innovate, but (2) that is only possible if there is a strong institutional structure in place (property rights, rule of law, a regulatory apparatus against fraud and corruption, transparency in government, institutions to settle political and social conflict and a cohesive society).
29. But this in itself poses a greater challenge. The era of nation-building and of state-managed development, with all that implies in terms of the state's autonomy in planning policy and financing projects, is a thing of the past. The question is therefore: how can institutions be strengthened for the benefit of society, within the constraints imposed today by the international system?

30. A broader and more flexible approach is required. It is precisely because of the changes in recent decades in the relationship between the state and society that the strengthening of governance (i.e. the political *capacity* to conduct the rules of the game for society for the common good and the *results* of that action) needs greater coordination between the private sector and society at large. The smooth functioning of the rules of the game today relies on a bottom-up structure more than on a top-down one.

31. The strengthening of governance entails a strengthening of the legitimacy of public administration in two ways. The legitimacy which is derived from effective policy (good government), and the legitimacy that is derived from participation in and support for such policies. These two dimensions of legitimacy are naturally inter-related: to the extent that public administration meets certain standards of performance and inclusion or response to needs, it receives greater support and encourages participation. In this wider view of governance, business can play a key role in strengthening legitimacy, not only by helping to transfer its standards of efficiency and effectiveness to the public sector, but also by adopting and promoting standards that go beyond entrepreneurial activity as such.

The promotion of standards and codes

The Global Compact is only the most visible example of the international trend to develop standards and codes of conduct for business.

32. Internationally, the adoption and promotion of standards has received strong backing from the Global Compact, an initiative which United Nations Secretary General Kofi Annan launched in 1999. It encourages civic-minded and responsible businesses to become part of the solution to the challenges posed by globalisation. This will be achieved to the extent that the private sector internalises and promotes UN principles on human rights, labour rights, the environment, and the struggle against corruption, as enshrined in the Universal Declaration of Human Rights, the Declaration of Principles of the International Labour Organisation, in the Rio Declaration and in the UN Convention against Corruption.

33. The Global Compact is only the most visible example of the international trend to develop standards and codes of conduct for business. The ILO and the OECD have long been promoting guidelines in that direction. More recently, the European Commission has done the same through the European Multistakeholder Forum on Corporate Social Responsibility and especially with the approval of the *Draft Norms on the Responsibility of Transnational Companies and other Businesses Enterprises*

with regard to Human Rights by the UN's Sub-Commission for the Promotion and Protection of Human Rights. These are not binding, but they might become so; and if they do, the Human Rights Commission may eventually monitor the behaviour of businesses in the way that it supervises governments today. Whatever the direction of the debate on voluntary or mandatory codes of conduct, there is no doubt that in the future private sector companies will be increasingly subject to compliance with international social and environmental standards.

34. In Colombia, there has already been at least one major initiative in this field: the implementation of the Voluntary Principles on Security and Human Rights by oil companies. The Voluntary Principles are an initiative of the US and UK governments, several oil companies and representatives of civil society (unions, NGOs, corporate social responsibility organisations) that establish guidelines to ensure that security measures taken by businesses follow international human rights standards and in general help to strengthen the rule of law. Colombia has taken the lead in this area, thanks to the efforts of the major oil companies. It is important to extend this scheme of conduct outside the extractive industry. This is a task that FIP has proposed to address, as some of its members are Voluntary Principles signatories.

The strengthening of local institutions

Whatever the direction of the debate on voluntary or mandatory codes of conduct, there is no doubt that in the future private sector companies will be increasingly subject to compliance with international social and environmental standards.

35. If peace finally depends on the strengthening of institutions - and on the understanding that an institution is not just a state agency, but comprises all the rules of the game that govern society- it is reasonable to argue that *peace is local*. It is above all at the local level that there can be a direct impact on the working of public institutions and in general on the practices that help to build social capital. It is therefore important to adopt standards and principles inside businesses and to ensure that they interact with the institutions around them, for example through alliances with local authorities and communities.
36. Focusing on the development of local institutions, in addition to helping to make public administration more efficient and more legitimate, has another advantage: it bridges the gap between conflict management and the development needs of the post-conflict phase. Recent studies on post-conflict situations agree that good administration requires 'enabling conditions' to facilitate the implementation of reconstruction programmes. This framework naturally includes the creation of

employment, but also other elements that the private sector may be able to contribute and which are associated precisely with the standards that were mentioned above: transparency and effectiveness, respect for human rights, capacity building, and respect for the environment.

A space for reconciliation

Reconciliation, in its broadest sense, is nothing less than the restoration of trust between members of society and between them and their institutional surroundings.

37. The case of demobilisation is a good example of the benefits of an integrated local strategy. Many of the most successful recent experiences have started by engaging local communities. It has been shown that this reduces costs, since communities find it easier to identify their needs and the actions required to satisfy them. That is, demand drives and structures reconstruction. But there are two other key elements: wider participation in decision-making, as a contribution to the strengthening of civic identity and of institutions; and the road to reconciliation, since former combatants from different groups, as well as the community at large, receive the same benefits. And when they see that reintegration works for the common good, they find it easier to accept those who were formerly outside the law.
38. The key is to construct a *space for reconciliation*. Opportunities must be created for the reincorporation of former combatants. At the same time, there must be a legal framework that guarantees the demands of justice, especially the rights of victims to reparations, are taken into account, so as to restore the fundamental balance of society. But the stability of peace will also depend on the construction of a *discourse* of reconciliation that includes all those who have suffered from the conflict or taken part in it and signals to them that they have society's support.
39. Reconciliation, in its broadest sense, is nothing less than the restoration of trust between members of society and between them and their institutional surroundings. It is the restoration of the rules of the game in society on the basis of certain values and shared purposes.

A peace-building agenda

40. Following the framework given here, FIP has proposed -within its natural limitations as a think tank- to draw up a peace-building agenda for the construction of peace. The agenda has three basic themes or areas:

- conflict and peace negotiations;
- construction of peace and post-conflict; and
- conflict prevention and the private sector

Each area contains a series of programmes and each programme contains several projects (see www.ideaspaz.org). Not all the projects will be implemented at the same time. But the projects as a whole are a 'road map' to guide FIP's activities in the next few years. With this road map and with the support of its founders and of its national and international allies FIP hopes to fulfill its mission: to produce analyses and propose solutions that contribute to overcoming the conflict and to mitigating its effects.