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What will peace demand from Colombia?

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What will peace demand from Colombia?

Bonn, 12 August 2013. For the first time in more than 60 years there may be a real prospect of an end to civil war in Colombia. The oldest active civil conflict in the world has left about 220,000 people dead – most of them civilians – and millions as internal refugees. Putting an end to bloodshed and displacement is good news. The question today is not whether a peace treaty will be signed, but rather how the country will be able to redress long-standing social grievances and make peace lasting. Even after the treaty is signed, Colombia will remain a country fractured by gaping social and economic divides.

This is where things stand: last year the government and FARC (Revolutionary Armed Forces of Colombia), the largest guerrilla group in the country, agreed to a six point agenda with the goal of ending the conflict and setting the terms of FARC's transformation into a political force. Since last October, formal negotiations have been carried out behind closed doors in Havana under the international facilitation of Venezuela, Chile and Norway.

This is not the first time that FARC and the government have attempted a rapprochement. So what is different now and why is there optimism? First, FARC are at their weakest militarily. The government of President Uribe (2002-2010) combated the guerrillas aggressively: many commanders were killed; FARC's numbers dropped from around 30,000 to 8000, and most insurgents were pushed into remote corners of the country. This might be the last chance for the guerrillas to walk out alive. Second, the Colombian economic and political establishment is widely, if cautiously, supportive of the process. The team of government negotiators includes industrialists, seasoned politicians and retired army and police chiefs. Finally, the talks are being held without a ceasefire – so the government is not seen as having relinquished its upper hand.

The results so far are encouraging. The parties

announced agreements on the issue of land tenure and rural development – a topic at the heart of the conflict – and are moving onto other items on the agenda. Still, success is not assured. There are many remaining difficult issues such as the conditions for FARC's political participation, a possible amnesty, and addressing human rights violations accumulated over the years by both sides. Also, while opposition to the process is relatively marginal, it is loud and well financed (a notable opponent is Uribe himself). Some worry that peace with FARC will not mean the end of violence. There are still other armed groups vying for control of the lucrative drug trade and illegal mining, and some factions of the guerrilla might be reluctant to surrender. This danger was highlighted in the recent demobilisation of paramilitaries, many of which continue to operate under other names. Finally, the general elections in May 2014 make the political climate uncertain.

Although the national and international attention focuses on the talks in Havana, the bigger challenge for Colombia will lie in fulfilling the expectations and commitments of peace. A pressing and neglected problem will be how to distribute the country's recent prosperity. Thanks to improved security, not peace, Colombia's economy has grown solidly over the last years, driven by an export boom of precious minerals, coal and oil. Not all Colombians have profited equally from these successes, though. Colombia remains one of the most unequal societies in the world. While visitors to the booming cities may be unaware, almost half of the country remains isolated, forgotten by state institutions, and very poor.

These are old problems in Colombia. War is as much their symptom as it is their cause. A peace treaty might end the crossfire, but real change will require a wholesale reassessment of the country's development model and social contract. Optimism is good, and even necessary, but peace will bring new challenges for the Colombian state. Without war, politicians will lack one of their fa-

avourite excuses for the country's myriad problems. The state will be expected to invest more in rural areas, expand social programmes, and redistribute income more evenly – especially in those regions where it now has virtually no presence. The Colombian state has traditionally served a small, powerful elite. Without a stronger and more efficient state able to play a proactive role in the promotion of development, peace could simply reinforce the current trend of non-inclusive growth and leave major social expectations and demands unfulfilled.

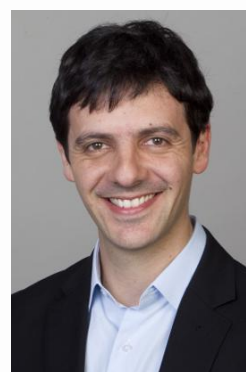
The financial cost will be immense; where will all this money come from? Colombia has a mixed record in trying to balance social achievements with sound fiscal policy. In 1991, a new Constitution significantly expanded citizens' rights but the growing expenditures were not backed up sufficiently on the revenue side. The deficits that ensued are a problem that the country, long regarded as an example of solid public financial management, is still trying to manage. Could Colombia head into a scenario similar to that of post-1991? Some opportunities call for moderate optimism. Potential reduction in military expenditures – currently 4 % of GDP – might liberate valuable resources for social expenditures. In addition,

the mining and oil sectors, which are set to expand even more during the years to come, offer a huge potential for new revenue. Yet for practical and symbolical purposes, taxation of wealthy segments of society will be crucial to fulfil the fiscal requirements of peace and to increase legitimacy of a new social contract. Uribe successfully rallied the wealthy to finance the fight against guerrillas through a "war tax". The prospects of a fairer and more inclusive Colombia may well hinge on the capacity of the first peacetime government of Colombia to get the wealthy to pay a "peace tax".

The budgetary implications of consolidating peace may not grab as many headlines as the conversations in Cuba, but they may be just as important. Empty promises and unfulfilled expectations will make a peace treaty less legitimate – or worse, lead to violence again. Without doubt, this is the closest the parties have been to a comprehensive agreement in years. The opportunity is too big to miss. Everything must be done to achieve an agreement, but only if the state can realistically deliver on its promises. An open discussion about the type of society that Colombians want, how to pay for it, and how the costs will be distributed, cannot be postponed.



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