



Peace in Colombia: A New Growth Strategy

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To cite this article: Forrest Hylton & Aaron Tauss (2016) Peace in Colombia: A New Growth Strategy, NACLA Report on the Americas, 48:3, 253-259, DOI: [10.1080/10714839.2016.1228174](https://doi.org/10.1080/10714839.2016.1228174)

To link to this article: <http://dx.doi.org/10.1080/10714839.2016.1228174>



Published online: 19 Sep 2016.



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FORREST HYLTON AND AARON TAUSS

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Colombia's peace deal is a remarkable achievement, but its economic implications are troubling.

There is no denying the historical importance of the accords signed between the Colombian government of President Juan Manuel Santos and the country's largest guerrilla group, the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*, FARC), on June 23, 2016. Yet, in terms of social struggle from below and popular mobilization, the pomp and circumstance in Havana obscured as much as it revealed. Outside of Colombia—and due to the media blackout, within it as well—only a tiny minority of observers and activists were aware that the country's largest protest movement in decades had just receded.

In contrast to the *paro cívico* (civic strike) of 1977—a pivotal event in contemporary Colombian history insofar as both the Left insurgencies and the Colombian military concluded that a nationwide insurrection was imminent thereafter, and prepared accordingly—this year's protests were overwhelmingly rural. In early June, peasants and rural workers paralyzed more than 100 roads throughout the country, and without exception, indigenous groups did the same—from Nariño and Cauca in the southwest to Magdalena and the Guajira in the north, and from the plains and jungles of the east and southeast (Arauca, Casanare, Meta, Guaviare, and Putumayo) to the mountains of the west (Quindío, Caldas, and Antioquia). For their part, thousands of Afro-Colombian fishermen and their families shut down the Pacific port of Buenaventura, one of Colombia's most important trading hubs, through which enormous volumes of cocaine leave the country and Chinese goods enter it, opening and closing the circuit of narcotics exports and contraband imports.

What united the most recent protest movements was their rejection of the government's agricultural policies that increasingly threaten the livelihood of millions of small-scale peasants and their demand to reverse the over 40 free trade agreements—none of which were under discussion in Havana—that have been signed into law and implemented during the past two decades. Indigenous peoples and the *Congreso de los Pueblos* (People's Congress), a radical democratic movement loosely aligned with the National Liberation Army (*Ejército de Liberación Nacional*, ELN), Colombia's second largest insurgency, demanded a seat at the negotiating table in Havana, as well as the inclusion of the ELN in the peace process. Yet the mobilization in June was largely a product of the Colombian government's unwillingness to fulfill promises it made during a previous round of rural protests, which followed the 2012 implementation of the U.S.-Colombia free trade agreement. The concessions hinged on mitigating the disastrous effects of mining and extraction projects, large-scale industrial agriculture, and free trade agreements in the countryside in the context of Colombia's longstanding armed conflict.

Led by former president and current senator Álvaro Uribe, the direct descendants of the United Self-Defense Forces of Colombia (*Autodefensas Unidas de Colombia*, AUC)—the counterinsurgent paramilitary movement founded in the mid-1990s that took over many of the country's regions and localities under the auspices of Plan Colombia, and which ostensibly started to demobilized in 2003—threaten to plunge the country into a bloodbath reminiscent of the one that led to the physical elimination of *Unión Patriótica* (Patriotic Union, UP), *A Luchar* (roughly, Let's Struggle), and the

Frente Popular (Popular Front)—political parties linked to guerrilla insurgencies—during the late 1980s and early 1990s. While such threats cannot be taken lightly, given the unprecedented collaboration on security issues between top FARC commanders and generals in the Colombian Armed Forces, it is fair to say that the prospect of total war has finally receded, and there are now grounds to expect that the definitive ceasefire announced in Havana will hold.

In terms of what peace means for new extraction and mining projects, free trade, and foreign investment, however, we would do well to take the statement of Juan Carlos Echeverry, president of what remains of Ecopetrol, Colombia's state-owned oil company, at face value. In an April 2016 press conference, Echeverry said: "With peace, we hope to be able to go into Caquetá, Arauca, and Catatumbo [Northern Santander] with greater strength, and Putumayo with much greater strength." The source, Alfredo Molano, is one of Colombia's most respected columnists, published in *El Espectador*, one of Colombia's leading newspapers. In other words, Ecopetrol is betting that once a peace deal is inked, FARC strongholds in the south and east—to which we might add the Chocó on the Pacific and the Middle Magdalena in the heartland—will finally be open to foreign investment in mining, petroleum, and biofuel production.

In the Serranía de la Macarena in Meta, for example, where the FARC's headquarters were located for decades, the National Authority of Environmental Licenses has already granted the Huepecol Operating Company rights to carry out oil exploration within a 150-kilometer radius. However, due to popular protest, as well as official opposition from a range of government agencies, the licenses have been suspended, though not revoked. In addition to oil exploration, the construction of a mega-highway, which would open the way to investment in African palm oil and sugarcane in the surrounding region, is now underway. The question then becomes: Will the "peasant reserve zones" (special areas of land designed for the protection of small-scale



A sign in the Colombian town of Corregimiento Farallones in Antioquia, Colombia reads: "Let us Defend our Rights to Water, Land, and Food Security. No to Mining!" September 26, 2013. JAMES RODRÍGUEZ

agriculture) proposed by the FARC be strong enough to resist the envisaged expansion of Colombia's extractive, agro-industrial and export-oriented model of accumulation, or will the FARC's leading commanders end up negotiating the terms of surrender?

Remaking Class, State, and Markets in War and Peace

From the point of view of Colombia's government, a peace accord would not only "normalize" the country by bringing the longest armed conflict in the western hemisphere to a close; it would also open new paths for the accumulation of capital and deepen existing ones. According to Colombia's National Planning Department, a successful conclusion of the ongoing negotiations would increase Colombia's annual growth rate by up to 1.9 percent over the next decade by increasing investment—both domestic and foreign—as well as exports and savings. Such a scenario would primarily benefit Colombia's four major conglomerates—the Sindicato Antioqueño, Grupo Sarmiento Angulo, Grupo Santo Domingo and Grupo Ardila Lülle—transnational mining and agribusiness corporations, financial speculators, and large landowners. Given these lucrative prospects, it's hardly surprising that the government's enthusiasm

about a peace deal is also shared by Colombia's National Business Council (*Consejo Gremial Nacional*, CGN), which represents some of the country's most important business associations, like the National Association of Industrialists (*Asociación Nacional de Industriales*, ANDI), the National Association of International Commerce (*Asociación Nacional de Comercio Exterior*, ANALDEX), the Colombian Federation of Livestock (*Federación Colombiana de Ganaderos*, FEDEGAN), and the Agricultural Association of Colombia (*Sociedad de Agricultores de Colombia*, SAC). Transnational institutions dedicated to the management and the promotion of global capitalism, like the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO) have also shown enthusiasm for a peace deal. In its tendency to personalize social relations, the oligarchic Colombian media often links the peace talks to President Santos' ambition to "make history," but there is a great deal of investment—foreign as well as domestic—at stake.

Similar to other countries in the region (with the exception of Cuba), Colombia has experienced a profound restructuring of both its economy and the institutional and legal framework of the capitalist state over the past two decades. The so-called *apertura económica* (economic opening) initiated under President César Gaviria in the early 1990s emerged as a response to the structural crisis of import-substitution industrialization—the capitalist development model pursued by most countries in the region after World War II. In concrete terms, Colombia's economic opening was comprised of reduced tariffs, financial deregulation, privatization of state assets, and the liberalization of foreign trade. The country also began to import heavily subsidized agricultural products, primarily from the United States and Western Europe. Not only did trade liberalization have a negative impact on employment in the countryside, it also facilitated the concentration of land and the expansion of agribusiness and oil and mining activities, which, paradoxically, favored the dramatic expansion of the FARC and the ELN, as both insurgencies focused on extracting rents by extorting multinational corporations. At the same time, the share of non-traditional agricultural exports, such as cut flowers and fruits, increased to the detriment of domestic food crops like maize, wheat, barley, potatoes, beans, and soybeans. As a consequence of the economic opening and Colombia's armed conflict, agriculture's share in GDP declined from 21.8 percent in 1990 to 6.2 percent in 2015.

In political terms, Colombia's neoliberal restructuring during the 1990s led to the transnationalization of class relations and thus fundamentally reconfigured the state at the national as well as regional and local levels. This restructuring simultaneously strengthened elements within Colombia's ruling bloc that were oriented towards the global accumulation of capital, on the one hand, and domestic agribusiness, which has long been linked to paramilitarism, narcotics exports, and the conquest of regional and local political power through the violence of "primitive accumulation," on the other.

Geographically, the transnational fraction of the elites—linked to finance, high politics, law, the media, licit imports, and exports—is based in major cities like Bogotá, Medellín, Cali, and Barranquilla, but spends significant time abroad, especially through education and tourism. Meanwhile, the country's agribusiness interests are located in the heartland of Tolima (rice), the Panamanian frontier region in Urabá (bananas, African palm, and cattle), northeastern Cesar and the Guajira along the Venezuelan frontier (cotton, African palm, and cattle), the area southeast of Bogotá (corn for biofuels, African palm, and cattle), and the Valle del Cauca in the southwest (sugar and corn for biofuels). The leaders of this fraction of the ruling bloc use the cities of the transnationalized elite to manage their credit and finances, even as the densely populated urban peripheries fill up with the children of those displaced by the war. Many join gangs, and some of those who survive ascend into the ranks of the narcotics trade and organized crime.

The late 1990s also saw the last attempt at negotiations between the Colombian government of Andrés Pastrana and a guerrilla insurgency that was as militarily strong as it was politically weak. Predictably, those negotiations, known as the Caguán peace talks, failed, mainly due to the resistance of the rural oligarchy, the military, the United States, and, above all, right-wing paramilitaries linked to the explosion of the narcotics trade and the spread of agribusiness. Yet, the FARC's escalating brutality, evidenced by the routinization of kidnapping, and symbolized by the cylinder bombing of Bojayá, Chocó, on May 2, 2002—an event in that took the lives of 74 Afro-Colombian civilians—played a major part as well. So did the Colombian media, which crafted counterinsurgent narratives that alternated with news about show business. This time, however, the talks in Havana counted on the support of all major fractions of Colombia's ruling class—urban elites, including its

major media outlets, large landowners, and the military. Notably, the most recent peace talks have been backed by the United States, and contrary to what occurred in the late 1990s, the new negotiation agenda excludes any significant changes to the country's political economy.

Lockdown Neoliberalism: Plan Colombia Breaks the Impasse

The peace talks in Caguán coincided with a severe financial crisis that threw the country into a deep economic recession at the turn of the century. An IMF/World Bank-imposed structural adjustment program subsequently aimed to shift Colombia's neoliberal accumulation model even more towards the extraction and export of minerals and hydrocarbons, primarily oil, coal, nickel, and gold. The new development strategy depended heavily on foreign investment and accelerated the country's incorporation into the transnational production chains of an increasingly globalized capitalism. The main exceptions to that pattern were cattle ranching and the narcotics trade, both of which were dominated by regional and local capital, and both of which provided a material basis for the expansion of paramilitarism.

Furthermore, Plan Colombia proceeded in tandem with the Caguán talks. From 2000 onwards, the bilateral agreement significantly tilted the balance of power in Colombia's armed conflict in favor of the Colombian Armed Forces and the AUC, which launched a brutal counterinsurgency campaign before and during the implementation of Plan Colombia. The military support of the United States—as well as paramilitary massacres and forced displacement that the AUC carried out—allowed Colombia's armed forces to recuperate most rural areas controlled by the FARC. This, in turn, provided the foundation for private property rights and the expansion of free trade and foreign investment under Álvaro Uribe's presidency. At the same time, the agro-industrial entrepreneurs that backed the AUC achieved both regional political power and a monopoly over territory and property rights, and hence land rent and local political office. In the end, part of the agro-industrial fraction of the ruling class came under criminal investigation for their ties to paramilitarism. Its opposition to the peace process, led by Senator Álvaro Uribe, has hitherto proven ineffective. Free trade agreements have decisively weakened the economic base

of traditional agro-industrial elites in cattle, sugar, and rice, while strengthening those linked to African palm and biofuel production. What unites agro-industrial elites is their opposition to peace and justice in the countryside. Although the national associations and their leaders support peace, significant opposition to the negotiations with the guerrillas persists at the base.

Over the past decade, Colombia has experienced an unprecedented boom that has transformed its national economic landscape. The overall size of the country's economy and per capita GDP quadrupled between 2003 and 2013. During this period, the size of the police and armed forces doubled, while the military budget tripled. The implementation of a militarized, export-oriented growth strategy allowed Colombia to become Latin America's fourth largest economy, after Brazil, Mexico, and Argentina. Nearly two-thirds of the country's exports now go to the United States, Canada, and the European Union. Oil is Colombia's most important commodity, accounting for over 45 percent of the country's total exports and attracting more than 30 percent of all foreign direct investment.

Thus, the sharp fall in oil prices since July 2014 has significantly reduced foreign investment, which, in turn, has affected public finances. This development

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has forced the Santos government to rely more on public investment in large infrastructure programs and on countercyclical fiscal and monetary policies in order to boost economic growth and create a "favorable investment climate" for transnational capital. Hence the importance of the peace talks in Havana, as well as the unlikely prospect that the government will invest significantly in the implementation of the accords. The presence of guerrilla insurgencies still represents Colombia's biggest political challenge and "security threat" for the expansion of extractive projects and agribusiness in the countryside. According to the Ministry of Mines and Energy, guerrilla attacks directed against the infrastructure of the oil industry, primarily



Alicia Tamanis, an Embera Chami woman and coffee grower from the Karmata Rua Indigenous Reserve in Jardín, Antioquia, Colombia, works on her harvest. October 6, 2013. JAMES RODRIGUEZ

the 480-mile long Caño Limón-Coveñas pipeline and the Caño Yarrow operation, have cut into oil profits and thus reduced government revenues.

Improving security, however, is not only relevant for the expansion of Colombia's extractive activities and the industrial agriculture that the paramilitary advance secured. In light of falling oil prices and Colombia's declining reserves, tourism is increasingly moving center stage in the national economy. In comparison to neighboring Peru, Colombia's tourism industry is incipient, but it is expected to grow at double-digit rates over the next several years. After oil and coal, the tourist industry is currently the third most important sector of the economy for the generation of foreign exchange. This trend is likely to intensify in a postaccord context.

Colombia's shift towards a model of accumulation based on free trade and foreign direct investment has fundamentally transformed the social relations of production and property in both the cities and the countryside. The implementation of a counterinsurgency

strategy backed by the United States not only propelled the forced displacement of millions of peasants (predominantly by state and paramilitary forces) and the subsequent appropriation and commercialization of stolen lands. It simultaneously accelerated the process of rural and urban proletarianization—a necessary condition for the deepening of commodity production and capital accumulation. Since the passing of the Victims and Land Restitution Law in 2011, only 3.4 percent of all presented cases have been solved. Those displaced from rural areas have filled the country's cities to the breaking point, increasing the ranks of organized crime groups linked to narcotics exports and urban counterinsurgency, while cattle, corn, and African palm have taken over the countryside.

Following the largest land grab in Colombian history—5.5 million hectares were stolen or usurped between 1999 and 2007—land is now more concentrated than ever. According to last year's agrarian census—the first in 35 years and only the third in Colombia's

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history—just 0.4 percent of the population owns 46.4 percent of total land. At the same time, 70 percent owns about five percent. The census also showed that 81.5 percent of Colombian land that is considered apt for agricultural activity is pasture mainly used for cattle ranching, mining, and agribusiness, while only 20 percent is used to sow crops. In addition, the census offered evidence of astonishing levels of inequality: for example, 73 percent of the rural population between the ages of 17 and 24 lacked access to education and 20 percent of the rural population between the ages of 5 and 16 did not attend school. What's more, 45 percent of the population lived in poverty—more than double the rate of poverty overall, and triple the rate of urban poverty. Moreover, 90 percent of rural producers lacked access to credit. Between 2012 and 2015, meanwhile, food imports from the U.S. grew by almost 500 percent, from 1.5 to 7.3 million tons. The most notable imports included corn, rice, milk, oats, lentils, sorghum, wheat, barley, potatoes, beans, and meat. Imported foods now account for 30 percent of Colombia's total food consumption. This has led to a major shift in Colombia's balance of trade: in 2011, Colombia sold \$9 billion USD more to the U.S. than it bought, but by 2015, the country bought \$5 billion USD more than it sold. In just four years, Colombia's commercial deficit in agriculture grew by nearly 800 percent.

Accumulation and Resistance: The Conflict to Come

From the perspective of the Colombian government and the class interests it serves, the peace accords will help consolidate this most recent period of primitive accumulation and “stabilize” the country for local and transnational investment. In other words, the Santos government is pushing for the negotiated removal of the country's biggest political obstacle to the extensive reproduction of Colombia's accumulation model that has emerged over the past three decades.

As the FARC's leader, alias “Timochenko,” noted in an important interview with Piedad Córdoba,

the tireless former Afro-Colombian senator and peace activist, the peace accords do not address free trade and foreign investment in mining, energy, and agribusiness. Neither do they call into question the institutions of Colombia's capitalist state and property relations in the countryside. Land reform, long considered the FARC's *raison d'être*, was not part of negotiations, even though land restitution is an official government priority, with its attendant bureaucracy, mandated by the Victims and Land Restitution Law of 2011. Instead, the focus has been placed on unused and unproductive lands, rather than on the expropriation of large rural estates—an untold number of which were acquired illegally through paramilitary “blood and fire” between the 1990s and 2010. The transnational fraction of Colombia's oligarchy is not genuinely interested in any substantial and meaningful change in rural property relations, or in challenging the revanchism of local and regional elites linked to land theft and the drug trade. This also becomes evident in Colombia's National Development Plan for the next three years, which focuses on the promotion of large landholdings, increasing food imports, agro-industrial development, and infrastructure megaprojects—all of which will open the door ever wider for investment in the countryside. It remains to be seen whether the leading groups and firms in Colombia's private sector will invest in peace. More likely they will continue to invest heavily in private security.

Despite these prospects, a peace deal makes it possible—at least in theory—for the FARC to contest these issues through political rather than military means. And in light of the scope of the most recent mobilization in the countryside, if Colombia was still a largely rural country—as it was when the FARC formed in 1964 in the wake of a failed U.S.-backed counterinsurgency campaign—there would indeed be grounds for optimism.

However, Colombia's present and future will now be decided in the cities in which the majority of the population today lives and has lived for most of the

FARC's existence. The greatest challenge facing the Colombian Left, including the FARC and its allied organization, the *Marcha Patriótica* (Patriotic March), is to make headway in the urban peripheries, which are dominated by organized crime and neoparamilitary groups. In Cali, student activists on the revolutionary left, many of whom fought a 2011 bill to privatize public higher education and won (albeit in the short term), have begun to run for and win elections as presidents of neighborhood councils, known as *Juntas de Acción Comunal* (Communal Action Committees). *Marcha Patriótica*, *Congreso de los Pueblos*, and the youth organization, *Juventud Rebelde* (Rebel Youth) all recognize the importance of urban organizing. But so do the neo-paramilitary groups, particularly the Urabeños. Calling themselves *Autodefensas Gaitanistas de Colombia* (Gaitanist Self-Defense Forces of Colombia)—an allusion to the now defunct AUC—neoparamilitaries shot Paula Campaz Cortes, aged 14, and Yurany Preciado, aged 16, in Tumaco, the southernmost port city on the Pacific, on May 23 and 24, 2016, and then tied their bodies to trees with signs pinned between their legs that read, “*Por perra*” (“For being a bitch”). On May 25, the body of their friend Any Ximena Arboleda Rosero, a youth organizer with *Juventud Rebelde* and *Marcha Patriótica*, and daughter of an important Colombian peasant leader, was also found by the side of the road. The three teenagers had met up on the evening of May 23 and disappeared soon after.

In the wake of the latest wave of popular resistance and social mobilization, the issue of synchronicity and cooperation between urban and rural protest movements will be the key for the construction of a more democratic and inclusive country in the post accord context. There is no doubt that the peace process opens the door to a revitalized urban Left, rooted in public universities and peripheral neighborhoods—and therein we find grounded hope for the future. Yet as the killings in Tumaco suggest, the possibility that neoparamilitary groups could unleash another round of bloodletting to block radical democratic advances must be kept in mind as well. Time will tell if Colombian history repeats itself—in both cases as tragedy—but there is a real chance it will not. In that case, the peace accords will have marked a significant departure from business as usual, and Colombia's proverbial solitude may finally come to an end. ■

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