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Local Dimensions of the Colombian Conflict:
Order and Security in Drug Trafficking

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Foreword

This paper is part of a larger research project, 'Coping with Internal Conflict' (CICP), which was executed by the Conflict Research Unit of the Netherlands Institute of International Relations 'Clingendael' for the Netherlands Ministry of Foreign Affairs. The CICP, which was finalized at the end of 2002, consisted of three components: 'Political Economy of Internal Conflict', 'Managing Group Grievances and Internal Conflict', and 'Security Sector Reform'. This paper was written in the framework of the research component 'Political Economy of Internal Conflict'.

Addressing the political economy of internal conflict calls for policies on the basis of good analysis. The purpose of this component was to make such analyses. It carried out studies on Angola, Colombia, Sierra Leone and Sri Lanka. The studies particularly examined the local dimension of political economies of conflict, the interface between the national and the international dimension, and the role of outside actors.

List of Abbreviations

AUC	<i>Autodefensas Unidas de Colombia</i> (United Self-Defence Forces of Colombia)
CINEP	<i>Centro de Investigacion y Educacion Popular</i> (Centre for Research and Popular Education)
DEA	United States Drug Enforcement Administration
ELN	<i>Ejército de Liberación Nacional</i> (National Liberation Army)
EPL	<i>Ejército Popular de Liberación</i> (Popular Liberation Army)
FARC	<i>Fuerzas Armadas Revolucionarias de Colombia</i> (Revolutionary Armed Forces of Colombia)
FEDEGAN	<i>Federación Colombiana de Ganaderos</i> (Colombian Federation of Stockbreeders)

Executive Summary

When analysing the internal conflict in Colombia, one must begin by recognizing the different types of involvement that the government and armed groups (guerrilla and paramilitary) have in the various regions of the country. This analysis allows us to speak of three types of conflicts: micro-regional, meso-regional, and macro-regional. Keeping this in mind, it is possible to understand the dynamic of the combatants' participation in the local economy and to perceive the reasons why Colombia's armed groups have not required extensive foreign support to survive.

Of course, to do this it will be necessary to construct a complete picture of these groups' economic activities and a classification of the regional societies. However, there is not sufficient information to complete this construction, or to understand fully the political economy of Colombia's internal conflict, because the different groups enjoy a great deal of autonomy with regard to the population and to specific communities and groups.

Another factor is the type of economy that Colombia has, which is based on the agro-export model, especially of coffee. Coffee-growing regions have even played a significant role in some stages of the conflict, with the guerrillas having participated in this activity at certain times. Meanwhile, the guerrillas' involvement – especially that of the *Fuerzas Armadas Revolucionarias de Colombia* (FARC, Revolutionary Armed Forces of Colombia) – in the drug business has become more and more intense, not only for economic reasons, but also because of political interests. This leads to the question of the interaction between the local economy and the political legitimacy of the armed groups, the best example being the case of the *Ejército de Liberación Nacional* (ELN, National Liberation Army).

The economic activities of these groups include not only production and sales – both national and international – but also the collection of taxes from individuals and companies. The armed groups, especially the guerrillas, have developed a complex network of ties with foreign entities and individuals, which has not yet been thoroughly examined. There is a lack of reliable information that would allow an understanding of the whole scope of the interface between the national and the international dimensions of the Colombian conflict.

I. Introduction

This document presents major research findings about the political economy of Colombia's armed conflict. This study is part of a larger research project entitled 'Coping with Internal Conflict', which has been carried out by the Conflict Research Unit of the Netherlands Institute of International Relations 'Clingendael'. One component of this project was devoted to the understanding of the political economy of internal conflict.

The Colombian conflict has pitted various guerrilla groups against the Colombian government's armed forces since the mid-1960s and against a heterogeneous force of paramilitary groups since the 1980s. Two of these guerrilla groups are clearly identifiable: the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia* - FARC), and the National Liberation Army (*Ejército de Liberación Nacional* - ELN), both of which exhibit important differences in their modus operandi. There are also self-defence groups, some of which are grouped together in the so-called United Self-Defence Forces of Colombia (*Autodefensas Unidas de Colombia* - AUC), which is also comprised of paramilitary groups from different regions of the country and has a significant and growing presence in mid-sized Colombian cities. Finally, there are the Colombian state's armed forces. It is important to note that the FARC, the ELN, and the AUC have all been designated by the government of the United States as foreign terrorist organizations.¹ Such a designation accentuates the international nature of the conflict and its growing importance as a security problem for the hemisphere, especially as the Colombian conflict intersects more and more with the war on drugs and the international fight against terrorism.

This report presents the major findings on the local dimension of the political economy of the Colombian conflict, but not all relevant aspects could be covered in this study. For instance, on the role of Colombians living abroad in the evolution of the Colombian conflict, only two informative publications could be found, and it has been extremely difficult even to gather primary information about this. Thus, the relations between networks of émigrés living outside Colombia with armed actors inside the country are not very clear. As substantiated in a number of interviews, there are certain connections and even some degree of active involvement on the part of members of armed groups operating overseas, especially within the sphere of international cooperation. Nonetheless, it is not clear what type of links these militants have with Colombians living abroad. Moreover, no information is available on whether or not the remittances sent to Colombia by these immigrants are picked up by supporters of the armed actors, or on how this is done. Insights on this point are partial, and despite multiple efforts are not

¹ There have been numerous declarations in this regard. See, for example, Resolution 358 which the US House of Representatives passed on 6 March 2002, stating that President Bush should send legislation to Congress that will help Colombia 'protect its democracy from US-designated foreign terrorist organizations and the scourge of illicit narcotics', <http://usinfo.state.gov/>.

conclusive.² The only thing that could be established with some degree of certainty is that the international activism and political efforts of the armed actors take place in the sphere of international cooperation, rather than in university circles or in other types of networks.³

The work on the local dimension of the political economy of conflict was carried out based on a review of newspapers, some interviews, and an analysis of various research reports. Because of the novel and virtually unexplored character of the issues addressed, the sources are mainly primary in nature. Information from the research reports and fieldwork of staff members of the Centre for Research and Popular Education (*Centro de Investigación y Educación Popular* – CINEP) was included where pertinent. CINEP is a Jesuit non-governmental organization that has been working on social research and popular education projects in different regions of Colombia for more than twenty years. CINEP staff members were aware of this project's interests and helped with its development. Nevertheless, and despite the fact that many staff members have been working for years in the regions involved in the conflict, they faced considerable difficulties in accessing any kind of information on the various networks that connect the legal and illegal activities of the armed actors. Some staff members indicated that such difficulties, which are to a certain degree inherent in the illegality of the activities, have become more acute because of the growing political polarization of the country, the peace negotiations, and the intensification of the 'dirty war'.

In addition to Colombia's security problems, it is necessary to point out that the results of this study are also limited by the level of dispersion and scarcity of scientific production on the armed conflict. Most of the scientific research has focused on the political-institutional dimensions of the phenomenon, while overlooking its economic aspects. In fact, few studies have attempted to piece together the existing works of sociologists and historians on the historical development of the conflict and its local dimensions with recent studies being conducted by economists and political scientists on the costs of the war and the economies of its actors. Most of the literature on the Colombian armed conflict either fails to address the characteristic questions of what the Clingendael project refers to as the 'Political Economy of Internal Conflict', or it only mentions the issue indirectly. In fact, most of the literature specializing in the development of the Colombian armed conflict deals with the history of the guerrilla groups, the 'economic and political' causes of the war, and its increasing regional differentiation. All of this literature must be considered from the perspective that it was not until the mid-1990s that the political economy, or (in more general terms) the links between economy and violence, began to be dealt with explicitly. This does not mean that these earlier studies overlooked the economic nature of the violence, but rather that they reduced the subject to discussions on poverty or the need for land reform. These factors are extremely important for understanding the armed conflict, but they alone

² Some of the efforts referred to here include a systematic review of printed media, consultation with the journalists who cover the problem of forced migrations and exiles for the newspaper *El Espectador*, informal interviews with non-governmental organizations that take part in different types of international cooperation, and an informal interview with some of the members of the study group on 'the Colombian exodus' from the University of the Andes in Bogotá in March 2002, including Susy Bermúdez, Ann Mason, Gloria Ayala and Pilar Murcia.

³ This was established through various interviews with staff members of social organizations.

cannot explain its evolution. It is only recently that a few studies have been carried out on the 'costs of violence', but there is still no systematic study of the international dimensions of the conflict.

This report tries to give a detailed presentation of the links and dynamics of the political economy of the armed conflict, as reconstructed on the basis of a survey of the printed news media. Although much of the information is anecdotal and fragmented, the report aims to contribute to the discussion, especially in view of its origin and novel character.

While the document aims to describe the most salient situations involving the various actors, the information available has led us to focus attention on the FARC guerrilla group. This organization is the largest guerrilla group, holds most power in terms of land area, and sustains important links with the drug trade.

II. The Local Dimension of the Political Economy of the Colombian Conflict

2.1. Territorial Rationalities of the Conflict's Protagonists

Any discussion of the local dimensions of the political economy of the Colombian armed conflict should begin by recognizing the distinct forms of involvement of the state and armed actors in Colombia's various regions. A geopolitical analysis of the Colombian armed conflict indicates the different types of regional dynamics that this conflict entails. There are micro-regional, meso-regional, and macro-regional conflicts, all involving disputes over territorial hierarchies and economic/political supremacy in given areas. Fernán González discusses the various territorial rationales of the actors in the armed conflict. In the first place, guerrilla groups form in outlying poor rural areas, (open or internal) border areas, from which they extend to richer areas that are more economically integrated into national or international markets, which coexist along with sizeable pockets of poor rural settlers governed by local and regional authorities that are semi-autonomous *vis-à-vis* the institutions and systems of the central government. They also try to link to areas of rapid economic growth and weak institutional presence on the part of the government. These also comprise groups of rural settlers who neither have access to the new wealth being rapidly created in the area, nor to government regulation of social conflicts. The latter is instead provided by the social hierarchies developing in these areas. Finally, the guerrilla groups reach out to formerly prosperous and established rural areas with a certain degree of institutional presence and a good deal of social regulation by local and regional authorities. The economic status of these areas is deteriorating, while their social cohesion and regulation are falling apart, and the government's institutional presence is waning. The best example of this situation is the coffee-producing sector, which was formerly characterized by a prosperous rural population of small to medium-sized landowners that enjoyed good coverage of public services because of the presence of the once powerful Federation of Coffee Producers (*Federación de Cafeteros*).

Conversely, paramilitary groups develop in areas that are relatively more prosperous and integrated into the national or global economy. In these areas there are local and regional semi-autonomous authorities that have already achieved consolidation or are in the advanced stages of consolidation. The upper echelons of these authorities have fallen victim to extortion or have been threatened by guerrilla encroachment and feel somewhat forsaken by the systems and institutions of the central government, whose policies of modernization and reform threaten to undermine the foundation of their traditional power. The government's peace negotiations are construed as a betrayal in the face of a common enemy that the government should be confronting jointly with them. From these areas, paramilitary groups spread into outlying areas with the support of the local authorities that

are achieving economic and political consolidation there. However, the limits of this consolidation represent an obstacle to the expansion of the paramilitary groups.

It is important to distinguish between the aforementioned territorial rationales in order to explain the types of participation of the armed actors in the local economy, their alternate means of generating legitimacy, and their capacity to harmonize with local agendas. Indeed, there are substantial differences between the type of guerrilla groups that develop in commercial farming areas with unionized workers (such as those in the area of Urabá) and those that establish themselves in an area where most of the population are settlers and migrants originating from other parts of the country (south-eastern Colombia, for example). The way that a guerrilla group engages in warfare and the political activities that it implements vary significantly from region to region. From our perspective, the question of the local dimensions of the conflict's political economy and the alternate ways of generating legitimacy must be addressed in the light of the differences between the regional societies and territorial spaces where the actors operate. In fact, the majority of municipalities that experience high or moderate levels of violence are those in which the process of settlement is still under way. In general, 'they are not isolated towns, but rather geographically contiguous municipalities that belong to a single sub-region, which is characterized, precisely, by colonization'.⁴

2.2. Guerrilla Finance

Before further analysing these principles, some general observations should be made about the finances of these armed groups and the overall dynamics of their 'economy'. Unlike other instances of insurgency in Latin America, Colombian guerrillas have never really had to depend on funds from socialist countries abroad or from Colombians living in exile. Even during the Cold War, foreign aid for Colombian guerrilla groups was extremely weak.⁵ According to most Colombian researchers, the financial strength of guerrilla groups lies in their connections with drug trafficking (FARC), and the oil industry (ELN). This is the perspective assumed by Colombian researcher Camilo Echandía, who has studied the military and geographical progress of guerrilla groups, revealing the connection between the growth of these groups and the rise of drug trafficking, as well as the extortion of foreign companies in charge of the construction of the Caño Limón-Coveñas oil pipeline. The economic and military strengthening of the guerrilla groups occurred during the late 1970s and early 1980s.⁶ This strengthening enabled the guerrilla groups to expand into previously unknown territories and compelled them to experiment with new means of political and economic control. It is precisely in these new

⁴ Ortiz, Carlos Miguel, Fernando Cubides and Ana Cecilia Olaya, *La Violencia y el municipio colombiano*, CES, Universidad Nacional, Bogotá, 1998, p. 237.

⁵ Bejarano, Ana María and Eduardo Pizarro, *The Coming Anarchy: The Partial Collapse of the State and the Emergence of Aspiring State-Makers in Colombia*, paper prepared for the workshop 'States within States' at the University of Toronto Toronto, 19-20 October 2001.

⁶ Echandía, Camilo, 'Evolución reciente del conflicto armado en Colombia: la guerrilla' [Recent Evolution of the Armed Conflict in Colombia: Guerrilla Groups], in: *Las Violencias: Inclusión creciente* [Instances of Violence: Increasing Inclusion], compiled by Jaime Arocha, Fernando Cubides and Myriam Jimeno, CES, Universidad Nacional Bogotá, 1998, p. 40 onwards.

areas of guerrilla expansion, which lie outside their centres of origin, where kidnapping is gaining importance as a means of amassing economic resources.

Illustrated in Table 1 below is the overall evolution in the guerrilla groups' revenues, broken down by activity. It should not be forgotten that each of these activities determines a specific type of relationship with the local and regional society and, consequently, a potential area for political options and alternate modes of achieving legitimacy. Hence, one interesting pending task is precisely the completion of this chart from a regional perspective, something that could not be done within the scope of this study because of time limitations, available information and economic resources. This would allow not only for distinctions to be made between the different economic activities of the guerrilla groups, but also for a typology of regional societies based on the form of involvement of the armed actors. This could suggest some answers about the connections between local agendas and armed actors, and between social mobilization and violence, among other issues.

For example, it would be interesting to compare these data with the information collected by the Colombian Federation of Stockbreeders (*Federación Colombiana de Ganaderos* – FEDEGAN). According to FEDEGAN, guerrilla groups have cost stockbreeders 346 billion Colombian pesos (US\$ 173 million), which has been paid out because of extortion (54.6 billion pesos), the rustling and slaughter of livestock (48.4 billion pesos), abductions (57.42 billion pesos), and misadministration (185.58 billion pesos).⁷

At the same time, it is important to read this information from the perspective of the researchers who discovered that since 1994, and subsequent to the dismantling of the Medellín cartel, the growth in the homicide rate has coincided with territorial disputes between the armed actors in the regions where their main strategic resources are located. Some researchers focused on the relationship between the number of homicides committed and volume of cocaine exports, and they found that many regions with higher homicide rates have conspicuously high levels of illicit crops grown in them, as in the region of Guaviare. In other cases, large networks of cocaine dealers are located in these regions, as is the case with the region of Antioquía.⁸ For years, the municipalities of Antioquía that registered the highest number of homicides were those in banana plantation areas, where armed actors (particularly guerrilla groups) had been performing important labour-regulation duties.⁹ Ortiz also calls attention to the correlation between the presence of armed actors and high rates of homicide, although he points out that there is not sufficient information to determine whether the presence of armed actors is the cause of the increased levels of violence. Thus, for example, 'in some cases the presence of the organized actors is associated more clearly with high rates of indiscriminate homicides, at the same time that selective homicides are also high'. In fact, the presence of the organized violent actors acts as a catalyst for 'social cleansing' and the assassination of leaders and political representatives from

⁷ *El Colombiano*, 10 August 2001, p. 12a.

⁸ Castro, Manuel Fernando, Jorge Arabia, and Eduardo Celis, 'El conflicto armado: la estrategia económica de los principales actores y su incidencia en los costos de la violencia 1990-1998' [Armed Conflict: The Economic Strategy of the Main Actors and its Influence on the Cost of Violence 1990-1998], in *Planeación y Desarrollo* [Planning and Development], vol. XXX, July–September 1999, p. 91.

⁹ *Ibid.* and Romero, Mauricio, *Los trabajadores bananeros de Urabá: de súbditos a ciudadanos?* [Urabá Banana Workers: From Subjects to Citizens?], research report, CINEP 2001.

different parties.¹⁰ These same authors insist that ‘the presence of the actors is ambivalent: in some way they promote forms of organization and solidarity under their rule, but they prevent any outbreak of organization when it is civilian and autonomous; they attack the state but they perform to a certain extent functions of a governmental nature, such as police and justice; they claim to reduce common murder but they increase selective assassinations, and with time the very murders that result from their power struggles and collateral financial dealings done under the banner of their revolutionary or conservative causes, depending on which camp they are in; they put down roots in communities based on their promises of security, but they end up committing crimes (kidnapping, extortion) that exasperate the local population and cause people to arm themselves against the groups and take justice into their own hands’.¹¹

In addition to this ambivalence, evidence should be examined that indicates that between ‘1996 and 1998, when the highest number of abductions were recorded in the country, departments reporting the greatest increases were Cundinamarca (50), Antioquía (100) and Valle (60). This coincides with the departments with the highest revenues and the onset of the practice of kidnapping people on inter-urban thoroughfares by means of what are known as “miraculous catches” (*pescas milagrosas*)’.¹² All of this makes it important to take into account the regional diversity in manifestations of violence, both in the repertoire of the armed actors and in the type of armed conflict that develops in the different regions.

Table 1. Guerrilla Group Revenues by Activity (1991-1996) (in Billions of 1995 Pesos)

	1991	1992	1993	1994	1995	1996	Total
Drug trafficking	154.4	157.9	195.4	219.2	238.0	685.4	1,650.2
Robbery and extortion	100.5	102.4	126.9	168.9	214.0	272.9	985.3
Abduction	67.3	68.2	60.1	144.5	250.2	197.9	788.2
Investments	NA	NA	30.1	84.7	NA	NA	114.8
Fund diversion	15.0	15.3	21.8	21.8	23.0	NA	96.9
Other	11.5	11.6	NA	NA	NA	NA	23.1
TOTAL	348.8	355.3	434.2	639.1	725.2	1,155.9	3,658.5
% GDP	0.58%	0.57%	0.66%	0.92%	0.99%	1.54%	

¹⁰ Ortiz, Carlos Miguel, Fernando Cubides and Ana Cecilia Olaya, *La Violencia y el municipio colombiano*, CES, Universidad Nacional, Bogotá, 1998, p. 239.

¹¹ Ibid.

¹² Castro, Manuel Fernando, Jorge Arabia, and Eduardo Celis, ‘El conflicto armado: la estrategia económica de los principales actores y su incidencia en los costos de la violencia 1990-1998’ [Armed Conflict: The Economic Strategy of the Main Actors and its Influence on the Cost of Violence 1990-1998], in *Planeación y Desarrollo* [Planning and Development], vol. XXX, July–September 1999, p. 93.

Source: *Consejería para la defensa y la seguridad, DNP [the DNP Consultancy for Defence and Security] (1998), La paz: el desafío para el desarrollo [Peace: The Challenge Facing Development], TM Editores, Bogotá, p. 78. Inter-Institutional Committee against the finances of subversive groups.*

With a view to emphasizing the heterogeneity of the guerrilla groups and the diversified nature of their economies, it is interesting to examine the composition of their sources of funding. According to some researchers, the FARC's revenue is in the range of US\$ 300-375 million per year.¹³

Table 2. FARC and ELN: Sources of Revenue

Source of revenue	FARC	ELN
Drug-trafficking	48%	6%
Extortion	36%	60%
Abduction	8%	28%
Cattle Robbery	6%	4%
Other Sources	2%	2%

Source: Quoted by Bejarano and Pizarro (2001), *The Coming Anarchy: The Partial Collapse of the State and the Emergence of Aspiring State-Makers in Colombia*, paper prepared for the workshop 'States within States' at the University of Toronto, Toronto, 19-20 October 2001. Percentages are based on calculated revenues for 1999.

2.3. Paramilitary Finance

In the case of paramilitary groups, information is even scarcer. Carlos Castaño, the former AUC chief, acknowledged in an interview that at least 70 per cent of the AUC's funds came from drug trafficking, although he argued that this does not mean that they are drug dealers. The former paramilitary chief claims that his groups are involved in a struggle against insurgency for which different resources may be drawn upon. According to researcher Nazih Richani, 'the paramilitaries have three ways of getting money and resources. They tax small business and multinational corporations whose operations fall within their territorial control. They collect contributions from large landowners and cattle ranchers. And they traffic in illegal drugs'.¹⁴

Ties between paramilitary groups and drug trafficking have been researched in several media. In an article entitled *A Survey of Colombia*, published in *The Economist*, it is estimated that the paramilitary groups earn perhaps US\$ 200 million from activities related to drugs.¹⁵ Other analysts have shown that the paramilitary groups are expanding in areas where drug traffickers began to purchase

¹³ Bejarano, Ana María and Eduardo Pizarro, *The Coming Anarchy: The Partial Collapse of the State and the Emergence of Aspiring State-Makers in Colombia*, paper prepared for the workshop 'States within States' at the University of Toronto, Toronto, 19-20 October 2001.

¹⁴ Richani, Nazih, 'The paramilitary Connection', in *NACLA Report on the Americas*, vol. XXXIV, no. 2, September/October 2000, p. 40.

¹⁵ 'A Survey of Colombia', *The Economist*, 21 April 2001, p. 9.

large tracts of land in the early 1980s. The drug traffickers' investment in land was not precisely for cultivating coca, but rather for extensive cattle ranching.¹⁶

2.4. The Nexus of Economy, Region and Politics

The purpose of this survey is to emphasize the fact that an analysis of the different economic activities of the armed groups leads to a characterization of the regions and to a source of possible political options. As Bejarano and Pizarro point out, the economic strength of the Colombian armed groups is what allows them to be independent from international actors, and, more importantly, from specific population groups. Special attention must be paid in the analysis of this point. From Bejarano and Pizarro's perspective, 'this relative autonomy afforded by the rents extracted from the drug trade also explains why the conflict has degenerated so rapidly in the last decade or so, since neither one of these groups really needs the support of the peasantry or the population at large in order to continue waging its war. Except perhaps for small coca-growing peasants, the drug connection will not create the strong links between these "proto-states" and their tax payers which are expected to come as a result of fighting wars'.¹⁷

The growing autonomy of the actors involved in the war *vis-à-vis* the centres of population only reinforces the conceptual difficulties posed by the analytical models of violent conflicts. In fact, the armed actors do not organically represent a people or various established social groups. Instead, they operate as organized networks of social intermediaries and agents with their own agenda and a more or less 'successful' way of participating in the local economic and political world. The issue is not whether these actors are related to the population groups, but rather how everyone's interests may be adjusted to create better conditions for alliance members.

The presence of armed actors therefore assumes an important role in regions with strategic resources for legal exports, such as oil and bananas, and for illegal exports, such as cocaine, or for the overall structuring of the Colombian society, such as coffee. Now that the general issues regarding the armed actors' economy have been clearly presented, a description of the overall Colombian economy should be made before reviewing some experiences involving these actors' participation in the local economies.

2.5. The Colombian Economy and the Emergence of the Guerrillas

The Colombian economy must be characterized primarily as 'small by international standards and somewhat open ... The most abundant production factors in Colombia throughout the twentieth century

¹⁶ Ortiz, Carlos Miguel, Fernando Cubides and Ana Cecilia Olaya, *La Violencia y el municipio colombiano*, CES, Universidad Nacional, Bogotá, 1998, p. 78.

¹⁷ Bejarano, Ana María and Eduardo Pizarro, *The Coming Anarchy: The Partial Collapse of the State and the Emergence of Aspiring State-Makers in Colombia*, paper prepared for the workshop 'States within States' at the University of Toronto, Toronto, 19-20 October 2001, pp. 33-34.

have been natural resources and a poorly skilled labour force'.¹⁸ As in many Latin American countries, the Colombian economy was historically linked with international markets through its agricultural products, with coffee being the most stable and well known of these. Several analysts have drawn attention to the type of society created within the framework of the agricultural export-based economy, which in turn had laid down the guidelines for the settlement and ownership of land and the development of infrastructure, as well as the relationship between capital and labour.¹⁹

Historically, guerrilla groups emerged and consolidated in regions that were left out of the development of the agricultural export-based economy. With this in mind, we should recall that these armed groups, which formed in the late 1960s and early 1970s, rallied combatants and victims from various opposing sides that had fought during the period in Colombian history known as 'the Violence' (with a capital 'V') of the 1950s. This phenomenon lasted from the late 1940s well into the 1960s, claiming the lives of 200,000 Colombians. Many historians recall that, 'with the exception of the 1910 Mexican Revolution, the Violence of the 1950s in Colombia was the longest, most devastating civil war that took place in any country in the western hemisphere during the twentieth century'.²⁰ Here it is appropriate to mention that guerrilla groups consolidated in areas that were excluded from export-based agricultural development, but they also gathered together and mobilized substantial population groups that were leaving the areas that had become 'integrated' into the coffee-producing economy of the mid-twentieth century. In fact, one of the most interesting elements in the development of the Violence of the 1950s is that it took place primarily in the municipalities devoted to coffee producing, that is, the most economically active municipalities. Several analysts have thus drawn attention to the fact that during this twenty-year period of violence, the cultivation and export of coffee suffered no ostensible reductions. Although some authors make a connection between the current armed conflict and the Violence of the 1950s, for the purposes of this report it should be kept in mind that the emergence of the guerrilla groups was associated with conflicts inherent in the agricultural export-based economy and its characteristic territorial hierarchies.

Accordingly, studying the local economies of the armed conflict demands paying attention to the regional differences between the actors, as well as to the chronological differences in their incursions and activities. The south-eastern part of Colombia, where coca fields are currently widespread and where the demilitarized zone agreed upon between the Pastrana administration and the FARC is located, also happens to be one of the areas to which people affected by the Violence of the 1950s emigrated. In this region, the FARC supported, and in some cases directed, the settlement process. Moreover, the FARC have participated in the growing and commercialization of coca, but they also perform other duties, such as regulating the local economy: 'This takes place with the backing not only of poor farmers, but also of landowners who "want order" and who can rely on protection even from the demands of the peasants as long as they "comply with the prevailing order"'.²¹

¹⁸ Banco de la República, *Comercio exterior y actividad económica de Colombia en el siglo XX: Exportaciones totales y tradicionales* [Colombian Foreign Trade and Economic Activity in the Twentieth Century: Overall and Traditional Exports], 2001, pp. 5-6.

¹⁹ Palacios, Marco, *El Café en Colombia 1850-1970: Una historia social*, El Ancora y Colegio de México 1983.

²⁰ Henderson, James, *Cuando Colombia se desangró*, El Ancora Editores, Bogotá, 1984.

2.5.1. Guerrillas and Coca

At the beginning, the guerrillas were not involved in cultivating and selling coca. They simply took charge of making the functioning of the illegal market more reliable, ensuring compliance with agreements, punishing non-compliance and limiting the abuses of the dealers and landholders, who exploited the settlers. Ramírez comments on these processes: ‘from the beginning of the settlement of the Amazon area, relations between the settlers and the landholders and business interests have been arbitrary, and this situation was continued by the drug traffickers. Evidence of this is the system of indebtedness, by which the business interests profited from the Amazon population: staples such as sugar, coffee, and salt were advanced to the settlers, and in exchange the business owners received the crops cultivated by the settlers at a reduced price ... In this context the residents of these areas accepted the guerrilla groups, who promised them land, loans, markets and social services ...’.²¹ The consolidation of guerrilla groups that ‘regulate’ labour relations and limit the economic exploitation to which various population groups are subjected is a phenomenon that can be observed quite frequently in the various areas open to settlement.

The eventual participation of the FARC in the business of illegal crops was rendered inevitable by their very presence in the area and the development of the war. The need for territorial expansion led FARC guerrilla groups to engage in the business of cultivating, and more recently in marketing, drugs. Nevertheless, and contrary to conventional wisdom, the growing FARC participation in the drug business is not attributable exclusively to economic interests, but to political and military interests as well. Familiarity with and control over the different agents involved in the business of growing illegal crops is also a matter of military security.²² This is especially true because individuals linked with cartels and paramilitary groups ‘entered into’ areas controlled by the FARC through the channels of the drug trade.²³

Ramírez has studied the different factors that contribute to the strength of coca growing in southern Colombia, particularly in Putumayo. In addition to its suitability for the tropical jungle climate and the difficulties in marketing other products, coca is paid for immediately and in cash. In this way, the farmers do not have to worry about marketing, which has been a total failure with legal crops. In her field work in 1998, Ramírez found that ‘the FARC charged between 20 and 40 thousand pesos (US\$ 10-20) per hectare of coca per harvest – every 45 to 60 days – depending on the number of hectares owned by the farmer. If the tract was larger than five hectares, they would charge by kilogram of coca leaves collected or by kilogram of coca paste produced. For example, for 22 hectares, the tax would be three kilos of coca paste per harvest’.²⁴ In addition to charging tax, the FARC also control the behaviour of the *raspachines* or coca leaf pickers, as well as the actions of dealers and the laboratory producers. The coca pickers are generally young and somewhat experienced in ‘milking the

²¹ Ramírez, María Clemencia, *Entre el estado y la guerrilla: Identidad y ciudadanía en el movimiento de los campesinos cocaleros del Putumayo*, ICAN Bogotá, 2001, p. 79.

²² Participation in coca commercialization as a FARC security strategy and not merely as a measure of economic expediency is being studied by the researcher Teófilo Vásquez.

²³ Interview with the researcher Teófilo Vásquez.

branches' of the coca plant, which is harvested every 45 to 60 days, depending on the variety. Being a *raspachin* takes some skill: 'A beginner in the picking of coca leaves can pick 25 to 50 pounds, or one to two sacks, which is not enough to make a living. On a good day, an experienced *raspachin* can pick up to ten sacks. His pay would be 10 per cent of the price of each sack on the day it is collected. In 1998 one (12-kilo) sack of leaves was worth 12,000 pesos, and a good worker could make 25,000 pesos a day. The coca leaf may be sold without processing to a buyer who picks it up on a highway near the plantation'.²⁵ The FARC tries to control the population employed as leaf pickers, and it is common for parents to turn to the FARC to help prevent their children from dropping out of school to work in the coca fields. The FARC limits this labour market to ensure good working conditions for 'the personnel'.

After the coca leaves have been picked, the FARC participates in the process of transforming these leaves into coca paste. According to Ramírez, 'one sack of coca leaves produces between 15 and 20 grams of coca paste. Each hectare harvested produces approximately 5 kilos of paste. In 1998, a kilo of coca paste was worth 1,200,000 pesos'.²⁶ According to his calculations, after deducting the cost of fertilizers, herbicides, pesticides, fungicides, labour and processing chemicals, the profit per hectare harvested that a farmer earned would be 317,000 pesos. For a three-hectare farm, which is the average in the area, a family would receive 950,000 pesos every two months, which is approximately US\$ 475 per month. At 1998 prices, that was nearly double the minimum wage in Colombia. These farmers sell their leaves to the *traquetos*, the representatives of urban drug dealers. According to Ramírez, most *traquetos* today are from the region, and 'to buy the coca paste they come to places the FARC calls shopping centres. The buyer pays a tax to the FARC. In 1998 they charged buyers 20,000 pesos and sellers 50,000 pesos per kilo of coca paste'.²⁷ Another cycle then begins with the production of cocaine.

From coca paste to cocaine there is another process in which the FARC is also involved. In this process there is additional demand for labour, and the involvement of people from urban areas becomes more important. Based on his fieldwork and review of previous studies, Ramírez points out that 'the laboratories where cocaine is produced are also run by local residents, who are paid by the drug dealers. In 1997 a previously cited study found that local business people had to pay the FARC one million pesos in order to establish a laboratory. The FARC did not guard the establishment, they only controlled the market'. Ramírez quotes a former *traqueto* who states that 'the guerrillas only charge the tax; they charge us 40,000 for each loaf and a loaf is a kilo of coca crystal'.²⁸

The following paragraph contains an extensive quotation in which a former *traqueto* interviewed by Ramírez explains the working of a laboratory. María Clemencia Ramírez's work has been given a great deal of attention because it is recent – it was presented as a doctoral thesis at Harvard University in 2000 – and because, when compared to other works consulted, it offers the most useful ethnographic

²⁴ Ramírez, María Clemencia, *Entre el estado y la guerrilla: Identidad y ciudadanía en el movimiento de los campesinos cocaleros del Putumayo*, ICAN, Bogotá, 2001, p. 80.

²⁵ Ibid., p. 84.

²⁶ Ibid., p. 85.

²⁷ Ibid., p. 87.

²⁸ Ibid.

information for the purposes of the project. It is important to note that Ramírez has been working on the Putumayo region and more generally on processes of settlement and construction of identity in south-eastern Colombia for over fifteen years, which makes her knowledge of the area and her information extremely reliable. The former *traqueto*'s description of the working of the laboratory is especially interesting because it reveals the high degree of specialization and interdependence to which the labs give rise, and which are required in the business of producing cocaine:

'To work here, you organize your combo (which can also be called a kitchen or a chongo). A combo has five components: a *bailadero*, a recycling room, a room full of microwave ovens, a kitchen to eat in and *cambuches* to sleep in, which are hardly ever used because sometimes you don't even sleep because you have to be watching in case anything happens. For example, at any moment you might have to run out because the army is coming. In the *bailadero* are the *paleros*, the pressers that make the loafs, and a filterer who makes sure that all of the liquids are good and clean, pure, and he controls the measuring of the liquids. There is a storage person, there is a *retacador* who makes sure that the loaves are nice and compact. In the recycling room, where the liquid is processed to be reused, two people work day and night. There is also a generator man who takes care of all the energy and connections, six or more guards and a cook.'

'The laboratories can be mobile or fixed. Fixed for three or four months; after that you have to move it because by then a lot of people know where it is and it's better to be safe. The workers in the combo are: the owner or boss; the general manager – he doesn't do anything, he just gives orders and makes sure that everything is working right – the chemist – they bring chemists from the universities in Medellín or Cali – the *paleros*, there are six or seven of them and they dissolve the merchandise; the baker; the cooler – he finishes the drying, after the microwaves – the pressers; the labeller – he places a mark on each loaf with a tape and a letter assigned by the boss. That way when they take it to the United States or Europe they know over there who made it.'²⁹

In contrast to what might be the case with the exploitation of a natural resource such as gold or emeralds, the production of cocaine demands a high degree of organization, the development of 'expert knowledge' by some chemists, and teamwork of large groups of people. Uncovering the interplay between the various networks is thus even more complicated than it would be with another type of commodity. This type of organization also means that loyalties and affective ties are developed not only between an employer and his men, but also between those who work together. In order to 'process between twenty and fifty kilos of cocaine, in two weeks of work, twenty to thirty people are required'. None of these individuals can easily be done without, and so the dynamic of the business itself requires the keeping of confidentiality, as well as expertise and experience. According to some researchers, it is only recently that the FARC has taken an active role in the process of recruiting personnel. Previously,

²⁹ Ibid. p. 88.

the guerrillas limited themselves to collecting taxes from the different actors and laboratories. More recently they have been controlling the entrance and exit of individuals from the coca fields, as well as from the various laboratory sites. It is important to remember that these are tropical jungle areas, with scarce infrastructure development and fluid transportation routes that tend to depend on the movement of the armed conflict.

The experience of paramilitary incursions demonstrated to the FARC the need to control directly and actively the *traquetos*' entrance into the buying and selling centres and to design some 'administrative procedures' for establishing laboratories.³⁰

In addition to its intense involvement in the workings of the coca-based economy, the FARC also regulates the region's local domestic economy. Thus, for example, in some municipalities no one may buy or sell land without the permission of the respective armed actor. In municipalities where settlement activities are still in progress, FARC groups control the harvesting of timber and the hunting of animals. In pre-established municipalities that enjoy a certain degree of economic vitality, FARC groups charge taxes to businessmen, regulate livestock moving in and out of the area, and organize 'cultural' and community work days.³¹

2.5.2. Guerrillas and Legitimacy

It is important to speculate what kind of political legitimacy FARC groups may develop in a region where this very legitimacy has served as the chief catalyst for the settlement process. In these areas, guerrilla groups are not viewed as foreign or predatory actors, but as the main regulators of economic activity and, in some circumstances, as the foremost contributor to political security. The many marches led by the coca growers (*cocaleros*) in 1996 should be viewed from this perspective. As affirmed by several researchers, the marches led by the *cocaleros* point towards a certain historical and economic correlation between settlers involved in raising illegal crops and FARC guerrilla groups.

It is futile to try to determine to what degree the guerrilla groups used the settlers to further their own ends or manipulated these marches. What is clear is that, *vis-à-vis* governmental policies bent on the eradication of illegal crops by aerial spraying, both the guerrilla groups and the farmers came to an agreement that allowed them to mobilize, increase the visibility of the region nationwide, and to raise consciousness over the need to discuss anti-coca-growing policies collectively.³² María Clemencia Ramírez has studied the mobilization of the *cocaleros* extensively, as well as their organizing strategies and the way in which they have demonstrated different identities with respect to crop eradication policies. For the purposes of this document, it is pertinent to note that the coca growers' movement demonstrated the degree to which the war on drugs and the counter-insurgency war overlap.

³⁰ This information was obtained through interviews with various people familiar with the region, especially with the researcher Teófilo Vásquez.

³¹ Part of this information was obtained from several interviews conducted with experts on the region, such as the researcher Teófilo Vásquez. Other portions were reconstructed from the transcription of the notices and billboards put up by the different FARC fronts in certain municipalities.

³² Ramírez, María Clemencia, 'Las Marchas de los cocaleros en el Amazonas: Reflexiones teóricas sobre marginalidad, construcción de identidades y movimientos sociales', in *Modernidad, identidad y desarrollo*, ICAN-Colciencias, Bogotá, 1997.

Comments by leaders of the movement, which Ramírez collected and studied, insist that the settlers are neither drug traffickers nor subversives, as the national press and ‘public opinion’ have attempted to stigmatize them. One of the movement’s leaders is quoted by Ramírez as saying: ‘with this peaceful march we want to say to the government that the farmers here are not drug traffickers or subversives: they are farmers. It is not a crime to grow coca here in Putumayo. And another thing is what is legitimate for us. To us it is legitimate to plant coca’.³³

Analysts of the violent conflict have debated analytical categories in terms of an identity/interest dichotomy. Several analysts have thus speculated over whether the coca growers were marching to defend their identity or because their interests were being affected, as if identity and interests could exist in complete isolation from one other, and as if the convergence of interests among actors were not already creating a new type of identity. After analysing the development programme that the government was planning to promote in the Amazon region – that is, in south-eastern Colombia – Ramírez concluded that instead of broadening the power of the state, its development policies, among them crop eradication, actually strengthened parallel forces such as guerrilla groups. Ramírez has studied the fragmentation of the state and the different positions of the various state agents involved in negotiating crop eradication agreements in detail.³⁴

According to the point of view expressed by Ramírez in the text referred to above, the phenomenon of public policy that actually ends up strengthening armed actors hostile to the state is precisely the result of coordination between armed actors and population groups, as well as the different levels of political authority. The Colombian government does not have direct control over all its territory and social groups, but instead entrusts control in some areas to pre-existing power networks. In the words of American historian Charles Tilly, it could be said of Colombia that direct government control and indirect control coexist. Indirect control means that the government delegates its political authority to local power networks that might or might not be nationally coordinated, but which represent the government in the regions. Ramírez has studied the various conflicts between local and central public authorities and has concluded that the state is not a monolithic or rational entity, but rather a disorganized and fragmented group of institutions.

With regard to coordination between the armed actors and population groups, it is important to note that these instances defy analytical comprehension if viewed simply in terms of political legitimacy versus economic pressure. The economies of war are of course prone to political change, but whether or not political control is consented to also depends on how functional and effective this control is in satisfying existing interests or in creating new ones. One of the most important conceptual dilemmas posed by internal armed conflict is the difficult and ideological distinction between economy and politics. When armed actors direct the exploitation of a legal or illegal crop, they are also participating in politics; they are putting together social groups and building forms of identity.

³³ Ramírez, María Clemencia, *Entre el estado y la guerrilla: Identidad y ciudadanía en el movimiento de los campesinos cocaleros del Putumayo*, ICAN, Bogotá, 2001, p. 190.

³⁴ *Ibid.*, p. 195 onwards.

2.6. 'Plan Colombia'

The new context in which the interests of the different actors are created and satisfied is 'Plan Colombia', which places the relationship between FARC guerrilla groups, coca growers, and the government into a new sphere of action. According to several analysts, particularly the researcher Henry Salgado, 'Plan Colombia' reaffirms the age-old tendency of national politics to turn an agrarian problem into a problem of public order and, more recently, of drug trafficking.³⁵ This practice radicalizes the different sectors and leaves coca growers in the hands of guerrilla groups that portray themselves as the only viable providers of political and economic security. Furthermore, the non-technical and traditional crops – such as corn, plantains, cassava, sugar cane, and the labour-intensive rice grown on unirrigated land – are the main legitimate categories of agricultural products cultivated in the transitional zones, or in areas lying between the consolidated settled areas and the settlement frontiers. These activities have been decreasing gradually because of competing illegal activities, and they have little chance for long-term success, since they are carried out in outlying areas with poor-quality soil that is unsuitable for conventional agriculture. Moreover, the high cost of transportation and supplies, together with low productivity, render them uncompetitive.³⁶ Under these circumstances, 'Plan Colombia' and coca growing help consolidate agrarian, farmer-based guerrilla groups, although contrary to events in the past, agrarian reform and the redistribution of land are no longer at stake, but rather land used to grow illegal crops for worldwide consumption.

Several analysts have therefore called attention to the fact that focusing the anti-drug policy on the poor coca farmers has increased the guerrillas' territorial control and legitimacy, and that this has turned the war on drugs into a counter-insurgency war.³⁷ The Colombian government has taken up the demands and anti-drug policies of the United States, whose foreign policy begins with the assumption that in the war on drugs 'the use of external pressure is an essential tool for achieving foreign policy goals ... however, anti-drug efforts have underestimated the fact that the political forces in drug-producing countries are also influenced by domestic pressures. If such pressures are systematically denied, the result can be increasing illegitimacy and weakness of an already weak state. ... The strategy of pressuring the government becomes counter-productive and allies the population with the guerrillas, which presents itself as the ally of the interests of certain groups that have been systematically excluded by the government'.³⁸

³⁵ Salgado, Henry, *Plan Colombia, respuesta militar a una problemática social* ['Plan Colombia': Military Response to a Social Problem Situation], research report, CINEP, 2001.

³⁶ Castro, Manuel Fernando, Jorge Arabia, and Eduardo Celis, 'El conflicto armado: la estrategia económica de los principales actores y su incidencia en los costos de la violencia 1990-1998' [Armed Conflict: The Economic Strategy of the Main Actors and its Influence on the Cost of Violence 1990-1998], in *Planeación y Desarrollo* [Planning and Development], vol. XXX, July–September 1999, p. 127.

³⁷ Vargas, Ricardo, *Drogas, máscaras y juegos: Narcotráfico y conflicto armado en Colombia*, Tercer Mundo Editores, TNI-Acción Andina, Bogotá, 1999 and Ramírez, María Clemencia, *Entre el estado y la guerrilla: Identidad y ciudadanía en el movimiento de los campesinos cocaleros del Putumayo*, ICAN, Bogotá, 2001, p. 53.

³⁸ Tickner, Arlene, 2000, 'Tensiones y consecuencias indeseables de la política exterior estadounidense', in *Colombia International*, no. 49-50, special edition on *La Crisis colombiana: causas y repercusiones externas e internas*, Universidad de los Andes CEI, Bogotá, 2000, p. 58.

Regional differentiation between the different FARC guerrilla groups requires familiarity with their regulatory activities involving the economy of coca and the domestic economy of the settlers, as well as with the role that they play in the unionization of banana workers. It is interesting to examine the ideas of Mauricio Romero on this matter.

2.7. Developments in Urabá

Contrary to historiographical tendencies that simply portray population groups as victims or instigators of the armed groups, the researcher Mauricio Romero has studied the way in which the interests of the armed groups mutate and promote the interests of specific subordinated groups. He states that the alliance between banana workers and guerrilla groups in Urabá during the late 1970s and early 1980s contributed to increased state repression, but also (as a result of guerrilla pressure) to acceptance by the business sector of union and collective bargaining rights. He added that before the emergence of guerrilla groups in that region, banana producers showed no interest whatsoever in modifying their activities in adherence to existing labour laws. The banana producers were able to remain in non-compliance with labour regulations because the whole region of Urabá was only recently settled. In fact, a large share of the property titles in many of the municipalities were not granted until the 1940s and 1950s.³⁹ In this situation, the producers could press forward with their extraction of resources without worrying about high levels of organization in society. It was, and in some ways still is, a frontier society with limits and hierarchies that are not firmly established and with a significant lack of mechanisms for resolving conflicts.

Ortiz *et al.* recall that ‘although banana production continues to be the most dynamic sector of the legal economy in the sub-region, it occupies only 28,000 of the 1,052,500 hectares that compose the eleven municipalities of Urabá Antioqueño. Out of these eleven, only Apartado, Carepa, the north of Chigorodo and the middle of Turbo are used for banana growing’. The authors continue: ‘a total of 300,000 hectares are occupied with extensive livestock ranching within the eleven municipalities, and 100,000 hectares are taken up by agriculture which, besides bananas, includes the typical settlement economy’.⁴⁰ The conflicts in the region of Urabá cannot be separated from its status as a society in settlement, and the fluid nature of this settlement can also be seen in the changing political identifications.

Throughout the war, the Urabá region shifted from domination by guerrilla groups to paramilitary control. While this change was taking place, the banana workers were not just spectators: according to Romero, they formed alliances that redefined the political control of the zone. Clara Inés García assumes a similar stance, recalling that the guerrilla intervention in the Urabá region (and especially that of the FARC guerrillas) facilitated the definition of a regional plan and pieced together the different social conflicts that were hitherto regarded in an isolated fashion. One specific social sector, the banana workers of Urabá, once considered the ‘red corner’ of Latin America and the vanguard of

³⁹ Ortiz, Carlos Miguel, Fernando Cubides and Ana Cecilia Olaya, *La violencia y el municipio colombiano*, CES, Universidad Nacional, Bogotá, 1998.

⁴⁰ *Ibid.*, p. 72.

Colombian insurrection, went on to become part of a successful movement promoting the restoration of order throughout the region.⁴¹ Colombia is at present the world's third largest exporter of bananas, with its chief buyers being the United States, Belgium, Germany, and Italy, and its production of bananas under the political control of the guerrilla groups and more recently of the 'order-restoring' groups has been accompanied by a growth in the country's share of worldwide production. Colombia 'has gradually gained on its Latin American competitors with respect to their share in the worldwide production of bananas. Between 1975 and 1990, Colombia's share rose from 3.8 per cent to 11.6 per cent of all banana exports worldwide'.⁴²

The shift in regional identities and political affiliations, and the overall increase of the country's participation in the worldwide banana market, illustrate the extent to which the interests of armed actors facilitate or hamper the consolidation of local economies. In the case of Urabá, FARC guerrillas had to face and consider the demands of workers and wage earners, thereby differentiating themselves at a regional level from the peasant-based guerrillas of the south. In both cases, the political legitimacy and the possibility of harmonizing the interests and identities of the various social actors is strongly influenced by the type of economy in which such actors are, or expect to be, involved.

2.8. The ELN and Oil

The ambiguous interaction between the local economy and political legitimacy of the armed actors is well portrayed in the case of the ELN's Domingo Laín front. At a time when the ELN was rather weak in the early 1980s, the central government began promoting oil production. Part of the zone where the guerrillas had settled was to be used for oil exploration. Before reviewing this experience, it should be noted that 'Colombia is not, and probably never will be, a great oil producer. The country's reserves are estimated at only 0.3 per cent of all oil reserves worldwide ... Just over 82 per cent of its potential oil-producing areas have yet to be explored; 17 per cent is currently under exploration, and less than 1 per cent is actually producing oil at present. ... The country's largest oil fields are to the east of the eastern mountain range, in areas where exploration and oil-well operations are more expensive than in many other parts of the world and where oil pipelines must be longer and cross mountain ranges to reach the sea'.⁴³

Such is the setting for the encounter between the ELN's guerrilla group and the oil industry. Oil production gave the ELN access to fresh resources, while also demanding the rebels to draw up a new political agenda where the problem of nationalization of natural resources played a prominent role. Known for dynamiting the country's major oil pipeline, the ELN guerrilla movement consolidated its finances by extorting funds from oil companies, but at the same time it managed to partner with population groups that were more or less close to the issue of nationalization of natural resources. This

⁴¹ Romero, Mauricio, *Los trabajadores bananeros de Urabá: de súbditos a ciudadanos?* [Urabá Banana Workers: From Subjects to Citizens?], research report, CINEP, 2001, p. 16.

⁴² Banco de la República, *Comercio exterior y actividad económica de Colombia en el siglo XX: Exportaciones totales y tradicionales* [Colombian Foreign Trade and Economic Activity in the Twentieth Century: Overall and Traditional Exports], 2001, p. 22.

⁴³ *Ibid.*, p. 18.

occurred despite the fact that ‘... after modifications to regulations in the 1980s and 1990s, Colombia is still an oil-exporting country with a public burden in excess of the gross revenues from oil production. In the case of Cusiana – the oil field with the lowest percentage of public stockholdings – the state (including regional entities) receives 80.8 per cent of the value of production. This burden is much greater than that of Argentina (43.6 per cent), Ecuador (62.6 per cent), Peru (63.8 per cent), or Norway (64 per cent), just to mention a few examples’.⁴⁴

2.9. The United States and Oil

The relationship between oil, the armed conflict, and the international dynamic has come to the fore recently. Marc Grossman, the Under Secretary of State of the United States, on a visit to Colombia in February 2002 indicated that the Bush administration had presented to the US Congress a budget proposal for the fiscal year 2003 which includes new anti-narcotics’ aid, but also ‘98 million additional dollars to begin to train and equip Colombian units to protect the Caño Limón oil pipeline’.⁴⁵ During his participation in the press conference, Grossman said that ‘we support this effort to protect the oil pipeline because it is critical to Colombia’s economic success ... It is an important project that will help the Colombian economy ... This pipeline was closed for 266 days last year. Colombia loses approximately 40 million dollars a month, and I believe it is also interesting for those of you who are interested in the environment, that in the past fifteen years attacks on this pipeline have thrown almost two million barrels of oil onto Colombian soil; that is, the equivalent of eight spills like the Exxon Valdez in Alaska. So we think this is a very important issue. We have proposed it to the government of Colombia and we have proposed it to the United States Congress. Well, the money comes from Congress. So we are going to be talking with Congress about this proposal, but I hope that we will be persuasive enough and they will approve it’.⁴⁶

The interest of the United States government in the Caño Limón pipeline can be better understood by reading the ideas of a group of researchers who claim that the anti-drug interest is not the United States’ only interest in Colombia. According to a report consulted, ‘the protection of US oil and commercial interests is also a factor in the plan (Colombia), and the historic links between US allies and the right-wing guerrillas who traffic in drugs belies the exclusive objective of eradicating drug trafficking. The United States imports more oil from Latin America than from the Persian Gulf. And while oil has been historically important for the presidents of the US (and especially so for the current Bush administration, with its emphasis on increasing energy production in the United States and other areas of influence), until recently the oil supplies in this hemisphere have been considered much more secure than oil from the Middle East. But the recent nationalistic rhetoric of Venezuelan President Hugo Chávez, a former army colonel who has flirted with the Colombian guerrillas, has alarmed some US officials. The main oil companies have pressured the US Congress intensely to approve additional military aid to Colombia, with the aim of securing their investments in that country and creating a more

⁴⁴ Ibid., p. 19.

⁴⁵ See ‘Funcionario Depto. de Estado describe apoyo de E.U. a Plan Colombia’, 7 February 2002, <http://www.fiscalia.gov.co/prensa/Ruedas/>.

favourable climate for the future exploration of the vast potential reserves in Colombia. At the same time, Latin America is the fastest-growing market for US exports. In fact, large American corporations with interests in Latin America spent more than 92 million dollars on congressional lobbying in the second half of the 1990s, in part to influence North American policy towards the region. These companies and their employees also donated \$18,900,000 to federal election campaigns in that same period. Businessmen with interests in the region are worried about the economic instability and anarchy generated by the guerrilla violence – not, in particular, by the drug trade’.⁴⁷

2.10. Control over Local Governments and Taxes

In the specific area of oil, the international and local dimensions of the political economy of the Colombian armed conflict come into intense contact, and it will be necessary to follow up on this problem. For now, it is important to recall that more than any other resource, oil production has allowed for a growth in municipal and regional finances. This growth and the increase in oil exploitation at the beginning of the 1990s coincided with reforms aimed at political and administrative decentralization. In the face of such transformations, numerous authors have pointed to the ability of armed actors to infiltrate local governments. Some think that the guerrillas shifted from having an interest in the transformation of the state, to being content with reaching a series of agreements with local political leaders. From their point of view, this shift was concerned with what the institutions had to offer. Hence, from the point of view of FARC groups, ‘if the city halls and municipal councils were to manage resources from oil production, then infiltrating local governments was the thing to do’.⁴⁸ Other scholars, for example the researcher Camilo Echandía, rather than insisting on their intention or non-intention to implement such a strategy, argue that guerrillas ‘have gained access to public resources from local and departmental governments through agreements reached with corrupt officials’.⁴⁹ Various scholars have drawn attention to the fact that rebel groups have consolidated themselves in ‘the role of a local, alternative political class in many regions of the Arauca, Meta, Guaviare, and Caquetá’.⁵⁰ Consequently, they are faced with the task of harmonizing and translating the various social interests into a convincing political proposal.

When studying the local economies of the armed conflict it is necessary to make a differentiation between the regulation of the cocaine economy by FARC groups (and to a lesser extent the paramilitary groups), the intervention of the armed actors in regulating the labour market in banana

⁴⁶ See ‘Funcionario Depto. de Estado describe apoyo de E.U. a Plan Colombia’.

⁴⁷ See the Special Report Project on United States Military Aid to Latin America, linked to Human Rights Abuses, published by the International Consortium of Investigative Journalists, see website: <http://www.icij.org/dtaweb/home.asp>.

⁴⁸ Rangel, Alfredo, ‘Las FARC-EP: Una Mirada actual’, in Malcolm Deas and María Victoria Llorente (eds), *Reconocer la guerra para contruir la paz*, Cerec, Bogotá, 1999, p. 36.

⁴⁹ Echandía, Camilo, ‘Evolución reciente del conflicto armado in Colombia: la guerrilla’ [Recent Evolution of the Armed Conflict in Colombia: Guerrilla Groups], in *Las Violencias: Inclusión creciente* [Instances of Violence: Increasing Inclusion], compiled by Jaime Arocha, Fernando Cubides and Myriam Jimeno, CES, Universidad Nacional, Bogotá, 1998, p.36.

⁵⁰ Palacios, Marco, ‘La Solución política al conflicto armado: 1982-1997’, in *Armar la paz es desarmar la guerra*, Uniandes, Bogotá, 1999, p. 377.

plantations, the economic and extortion-related activities surrounding oil exploitation, and, more recently, control over public resources within local governments. Parallel to all of these macro-activities, armed actors intervene in the 'normal' functioning of local economies in various other ways. For instance, members of the FARC's Front #10 require beverage producers (two national businesses and one multinational company – that is, Bavaria, Postobón, and Coca-Cola) to pay the taxes stipulated in their Law 002 for the eastern Colombian region of Arauca. The amount to be paid is 2 billion Colombian pesos for each company, and, if they refuse to pay, their operations are constantly disrupted. Moreover, the rebels have reportedly stepped up their harassment on juice and soft drink producers in recent years, particularly in northern Tolima, south-western Huila, and along the southern coastline, where marketing of their products is restricted. Commercialization has been completely blocked in other areas, also because of a refusal to pay the taxes required through this law.⁵¹

The FARC's economic structure has been bolstered by the taxes decreed through their Law 002. Since its enactment in 2002, the amount collected has risen to 250 billion Colombian pesos.⁵² The newspaper *El Tiempo* describes how FARC guerrillas have organized this business so systematically that 'in adherence to strict order, they issue notice to their taxpayers on a sector-by-sector basis'. This newspaper also reported how 'in recent weeks they have focused their collection activities on supermarkets and other sales' chains. They have already dealt with the hardware stores, gas station owners, and the pharmaceutical industry – one of the hardest hit by the FARC's version of the "Internal Revenue Service".⁵³

Leaders of the outlying areas have pointed to the former demilitarized zone as a 'bad neighbour'. Guerrilla groups have confiscated 120,000 kilos of coffee beans from coffee producers; investment in the region of Huila (adjacent to this zone) has fallen by 69 per cent, and livestock ranchers there have been robbed of 1,000 head of cattle in the last year alone. Ernesto García, President of the Stockbreeder Fund of Huila, maintains that herds and dairies have been established in the demilitarized zone because of persistent cattle robbery perpetrated against ranchers in Huila. Thus, leaders throughout the region have appealed to the international community, demanding 'an urgent visit by international human rights' representatives'.⁵⁴ Moreover, leaders in Huila are also protesting the implementation 'at gun point of an agrarian reform in Chaparral and Roncesvalles', areas that were once predominantly comprised of vast tracts of land owned by the region's leaders. In short, a study funded by leaders in the Department of Huila that was published by *El Tiempo* gave a categorical verdict: 'In Huila, abduction, cattle robbery, homicide, and arms trafficking have increased 100 per cent under the shield of the demilitarized zone ... aside from the fact that 70 per cent of the guerrilla groups active in Huila operate out of the demilitarized zone'.⁵⁵

With respect to the funding of paramilitary forces, several raids and arrests have revealed a network of ranchers, merchants and businessmen that had been depositing, through organizations and foundations, funds into the coffers of paramilitary organizations. Over 60 businesses and 300 individuals

⁵¹ *El Tiempo*, 12 May 2001, pp. 1-6.

⁵² *El Tiempo*, 25 April 2001, pp. 1-2/3.

⁵³ *El Tiempo*, 25 April 2001, pp. 1-2/3.

⁵⁴ *El Tiempo*, 29 September 2001, pp. 1-16/17.

⁵⁵ *El Tiempo*, 29 September 2001, pp. 1-16/17.

who were funding these groups were exposed, but the nature of the pressure under which these individuals and companies were donating has not yet come to light.⁵⁶ Paramilitary groups may be made up of ‘a local actor, a group of community youngsters ... an outside fighter ... Whatever the case, they join the (armed) conflict with the acquiescence of local representatives and political authorities’.⁵⁷ For instance, Fidel Castaño, a former paramilitary chief, acknowledged in an interview that: ‘self-defence groups have always been financed by individuals with economic interests in the areas where these groups operate ...’⁵⁸ He insisted that after a while ‘there were no kidnappings at the hands of the guerrillas ... and all the ranchers could visit their farms in peace’.⁵⁹ Carlos Castaño, the former AUC chief, assumes a similar stance when he explains that the AUC’s growth ‘occurs inasmuch as citizen groups, [and] leaders from economic sectors appeal to our solidarity’.⁶⁰

To counter the thesis that paramilitaries have joined the conflict in order to get rich, Castaño argues that ‘members of the United Self-Defence Forces – their general staff, for example – are not doing this for money. On the contrary, they have enough already’.⁶¹ Castaño insists that the AUC is not ‘an oligarchic force of landholders; it is a popular force. The majority are people with farms and parcels that at most add up to 500 hectares’.⁶² Thus in areas such as Guaviare and Caquetá, Castaño ‘met with 40-45 top coca bosses ... and invited some landowners’,⁶³ in pursuit of support in his fight against the guerrillas.

The affinity between drug traffickers and paramilitary groups has become clear in southern Colombia, especially in the region of Putumayo, which is today the main focal point of ‘Plan Colombia’. This region was chosen by the drug lord Gonzalo Rodríguez Gacha as his new area of operation, where he trains assassins and processes and stores cocaine. This trafficker, who is affiliated with the Medellín cartel, made this move because he had been hurt by the government’s anti-narcotics operations against the Medellín cartel in the late 1980s and early 1990s in towns such as Puerto Triunfo, Doradal and Magdalena Medio. Gacha’s establishment in Putumayo allowed for the consolidation of paramilitary groups in the region. Thus, for example, a group called ‘the Combos’ formed and became popular, and has wielded significant economic and political power in some of the municipal governments of Putumayo.⁶⁴

The participation of armed actors in the local economies of gold-producing and emerald-producing regions should also be analysed, although this was not possible in the scope of this project. It is known

⁵⁶ *El Tiempo*, 17 June 2001, pp. 1-22.

⁵⁷ Palacios, Marco, ‘La Solución política al conflicto armado: 1982-1997’, in *Armar la paz es desarmar la guerra*, Uniandes, Bogotá, 1999, p. 372.

⁵⁸ ‘Yo fui el creador de los pepes’ [I Was the Creator of ‘Los Pepes’], interview in *Semana*, 31 May 1994, p. 38 onwards.

⁵⁹ ‘Yo fui el creador de los pepes’, p. 40.

⁶⁰ ‘Las autodefensas extrema derecha No por favor!’ [Self-Defence Group: The Extreme Right No Please!], *El Colombiano*, 8 December 1996.

⁶¹ ‘Las ACCU entre ricos y pobres’ [The ACCU between the Rich and the Poor], *El Colombiano*, 9 December 1996, p. 6.

⁶² ‘Las ACCU entre ricos y pobres’, p. 6.

⁶³ *Cambio* 16, 22 December 1997, p. 236.

that there are high levels of political violence in these regions, although the role of armed actors is not well documented. At any rate, the survey done thus far has revealed the ambiguous relationship between political legitimacy and the local economy. Contrary to what is generally believed, armed actors do not entirely dominate local economies. They are permanently subject to redefining their agenda, and they must coordinate their activities with other sectors at the local level. Their success in the game of attaining political legitimacy, while regulating the social economy, depends on such coordinated action. The relative strength that imposing taxes provides for the Colombian armed groups, and the importance with which the groups view the need to regulate local political life, are indications of the kind of regional society that faces them.

⁶⁴ Comisión Andina de Juristas [Andean Jurists Commission], *Putumayo Serie Informes regionales de derechos humanos*, Comisión Andina, Bogotá, 1993, p. 29 and Ramírez, María Clemencia, *Entre el estado y la guerrilla: Identidad y ciudadanía en el movimiento de los campesinos cocaleros del Putumayo*, ICAN, Bogotá, 2001, p. 76.

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