

# BULLETIN

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## Colombian Government-FARC Peace Negotiations and Their Implications

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*On 18 October, in Oslo, the Colombian government and the Revolutionary Armed Forces of Colombia (FARC) formally will begin new negotiations aimed at seeking an end to their country's 50-year-old internal conflict. While it is uncertain if the outcome of the talks will be positive, if they do succeed they will contribute to Colombia's stability and further improve its economic attractiveness and regional position. The changes in the country will favour its cooperation with the EU, which should support Colombia by legitimising the peace process, and enhancing financial and technical assistance for peace and stability initiatives.*

**Rationale for the Talks.** Colombia has been affected by the conflict between the government and FARC since the mid 1960s. The guerrilla movement, originally driven by communist ideas, turned into a criminal group characterised by its use of violence and kidnapping, and self-financed through drug trafficking. It is, however, not the only such armed group active in Colombia. Other major groups are the National Liberation Army (ELN)—ideologically close to FARC—and neo-paramilitary organisations consisting largely of former members of the right wing United Self-Defence Forces of Colombia (AUC), officially demobilised in 2006.

Neither military measures, nor several past attempts at negotiation, have proved successful in resolving the conflict. Alvaro Uribe's presidency (2002–2010) was marked by a refusal to negotiate with rebels, but President Juan Manuel Santos—defence minister in Uribe's government—re-opened the possibility for new talks. Two-year exploratory contacts with FARC began, and led to an agreement to start formal negotiations in October. The talks will be held in camera, but reports will be disclosed periodically. Norway and Cuba will serve as guarantors and hosts of the negotiations, while Venezuela and Chile will “accompany the process.”

**Prospects for Settlement of the Conflict.** Reaching a consensus between the Colombian government and FARC will not be a simple task. The agreed agenda and terms for talks (“General Accord”) are broad, and agreement on all points is required before a deal can be reached. Furthermore, there will be no ceasefire during talks, and the timeframe is limited to months and not years. Importantly, the talks have the wide support of Colombians and, arguably, remain the only viable way to end the conflict. The relative weakness of FARC is in the government's favour. This weakness results from army action in the past decade, the loss of the guerrillas' top leaders in recent years, and the deterioration of FARC's legitimacy after it was recognised (along with ELN and AUC) as a terrorist organisation by the United States, the EU, and others.

Nevertheless, there are several risks and constraints associated with the process. It is doubtful not only whether FARC really wants peace, but also whether all the rebels (especially those who benefit from the drug trade) will accept the deal. In addition, even if ELN (the second major guerrilla group) eventually joins negotiations, there remains the problem of how to cope with neo-paramilitary groups. There are even more challenges for potential post-conflict transition and the reconciliation process, which are certain to be long and marked by controversial trade-offs. For instance, while victims will expect compensation and justice, the government will need to find public acceptance for the necessary impunity for FARC members who will demobilise. The sustainability of the process will not be possible without its integration with broader plans for social development, in which ex-FARC members will have to be included along with feasible alternative futures such as employment or a professional formation.

**Potential Consequences for Colombia.** The country could certainly benefit from peace in terms of overall stability. Security conditions might improve, depending on the effectiveness of the guerrilla movements' demobilisation. Consequently, human development will be facilitated, with greater funds potentially available for social policies. A reduction in drug-trafficking activities is also widely hoped for as it may mean Colombia would no longer be the main source of cocaine trafficked to the U.S. and Europe.

Improved security will enhance the environment for doing business in Colombia. Yet, despite the internal conflict, Colombia was one of the best performing economies in Latin America. This was mainly thanks to adequate macroeconomic policies, the consequent market liberalisation, and revenue from the export of primary resources. During 2002–2007 it registered the second highest average growth in the region, after Peru. The estimates for 2012 and 2013 oscillate around 4.5% GDP increase. These figures also explain why Colombia is seen as one of the emerging economies referred to as CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa). The end of the conflict could accelerate positive trends, as suggested by the government's argument that access to land in the east of Colombia (currently under FARC's control) would allow expansion of agricultural production and potentially add two percentage points to the recent GDP growth rates.

A positive outcome of the negotiations will certainly strengthen Colombia's international position. Traditionally seen as a close ally to the U.S. and with politics dominated by security-related issues, Colombia under President Santos has diversified its foreign policy directions visibly. It has improved relations with Venezuela and Ecuador (crucial in dealing with FARC) and actively sought closer ties with Asian economies, mainly, China. To this end, it established the Pacific Alliance, together with Chile, Peru and Mexico. The main goal of this organisation is to strengthen economic relations with Asia. Colombia also aspires to join APEC and OECD. As a more stable, economically attractive and influential country in the region, Colombia will be one of the main actors in Latin America.

**Implications for the European Union.** The EU has been one of the major donors to Colombia, for projects related chiefly to peace and stability. Yet, despite a rise in bilateral trade volume, the country has not become one of the EU's important commercial partners. In 2011 it was 5<sup>th</sup> among the EU's Latin American trading partners, with a 6% share, and 41<sup>st</sup> (with a share of 0.4%) among all EU trade flows. An end to the conflict in Colombia will certainly serve as an incentive for EU members to intensify commercial cooperation with Colombia. Nevertheless, swift ratification of the FTA signed by the EU with Colombia last May will be much more important in this context.

Although the restricted character of the negotiations with FARC makes direct involvement of the EU impossible (or even undesirable in this phase), the EU could still support the talks in other ways. It will surely be instrumental in legitimising the process and its results. It also could offer consultation and expertise—when needed—on various topics included in the "General Accord." Furthermore, cooperation in identifying FARC's financial assets, which have, presumably, been invested in some EU countries, would be of valuable help to the Colombian government.

The EU will have a much greater role in strengthening the basis for post-conflict transition. To this end, it should continue financing projects related to social development and institutional consolidation, and which will facilitate re-integration of the ex-rebels. The recently signed EU-Colombia agreement on de-mining is an example of a specific field in which the EU will play an important role. It will also be important for the EU to cooperate with Colombia on exploring opportunities to counter drug-related issues, which the peace process may provide.

Closer EU-Colombian cooperation will favour Poland's trade and investment engagement with Colombia as one of the prospective Latin American markets for Polish firms. The Polish government-led business mission to the country in November will offer a suitable chance to discuss commercial opportunities in the context of the peace talks, which should lead to a reduction in the risks associated with doing business with Colombia. These opportunities for Polish companies exist particularly in exporting machinery and electrical equipment, along with chemical and base metal products. As the second largest military spender in Latin America, Colombia also remains an attractive partner for cooperation in the defence sector. Furthermore, the government's large long-term plans for developing the country's infrastructure offer Polish companies the opportunity to become suppliers of construction materials and equipment. Efforts on a bilateral level should be supported by more active Polish engagement in debates on EU-Colombia relations, mainly on the means to support the peace process, accelerate ratification of the FTA, enhance anti-drug dialogue, and contribute to development projects in Colombia.