Greed or Grievance?

Situating Geographies of Resistance in Colombia

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DRAFT ONLY

If development scholars are to accept the *incorporation theory* of globalization, in which accumulation by dispossession is understood to subjugate the Global South, putting extreme downward pressure on both human and environmental welfare[1], then it becomes critical to consider on what grounds a reactionary, grievance-based struggle for *disincorporation* might be objectively and justly challenged. To that end, this paper presents a case study of the developmental impact of armed resistance in Colombia, where two Marxist-Leninist insurgent armies — *Fuerzas Armadas Revolucionarias de Colombia* (FARC), and *Ejercito de Liberación Nacional* (ELN) — are locked in an increasingly violent, four-decades-long civil war in opposition to the capitalist regime.[2] Rebels say they are fighting on behalf of *el pueblo*, the Colombian people; sixty-four per cent of whom live below the national poverty line.[3] The question is: *why, and under what rubric of logic, might the legitimacy of the rebels' war be challenged?* I argue herein that instead of effecting *disincorporation*, or greater economic and socio-political autonomy for the popular class, the Colombian insurgency demands *reincorporation*, evidenced by a negative correlation between the consolidation of rebel power (via land and resource appropriation) and the disintegration of basic welfare entitlements for Colombia's majority. Engaging theoretical and empirical research on the political economy of civil war, I argue that the single greatest impediment to development in Colombia may not

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[1] Dr. B. Riddell, "Incorporation of the Third World." Lecture given at Queen's University, September 26, 2005. Dr. Riddell argues that globalization has resulted in the peasantization and proletarianization of the peoples of the Third World.
[2] "We are revolutionaries who fight for regime change… and as revolutionaries […] we are obligated by the circumstances to seek out the alternative path: the path of a revolutionary army that fights for power." Declaration made by Colombian rebels who founded FARC. Cited in Jaime Castro, Repuesta democrática al desafío guerrillero (Bogotá: Editorial Oveja Negra, 1987), p. 9.
[3] United Nations Human Development Report (UNHDR), "Human and income poverty: developing countries" <http://hdr.undp.org/statistics/data/indicators.cfm?x=25&y=1&z=1> (November 1, 2005)

be the long-term impracticability of *laissez faire* capitalism, but rather the short-term profitability of armed resistance.

Theorizing war is, by all accounts, a problematic endeavour. In the tradition of moral philosophy and jurisprudence, it is generally accepted that where the alternative is tyranny, war may be a rationally justifiable means of self-defense, provided: [i] that it is not unduly protracted; and, [ii] that its agents uphold the covenants of international humanitarian law.[4] Where tyranny is abstracted to define global capital, it informs a scholarship that tends to be deeply sympathetic toward Third Word resistance. Such is the case with the work of James Petras. In a recent article entitled *FARC Faces the Empire*, Petras celebrates Colombian insurgents as "the most powerful and successful guerrilla army in the world, confronting neoliberal regimes and their U.S. backers."[5] Scholarship of this type gives countenance to the rebels' grievance narrative, underwriting the civil war as a means to an end. Oppositional scholarship suggests that the Colombian insurgents seek an end without means: "Despite territorial expansion," reads a 2003 United Nations (UN) development report, "this war has been a failure. A failure for FARC and for ELN, who after four decades of armed struggle are still far from taking power."[6] The UN calls the Colombian conflict a "losers' war," which has outworn all claims of legitimacy and dragged a nation to its knees. This position is consistent with the praxis of the gatekeepers of development finance, i.e., International Monetary Fund (IMF) and World Bank (WB), which have historically regarded civil war as an

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[4] United Nations Development Program (UNDP), "Solutions to escape the conflict's impasse" (2003) See Chapter 3, "Degradation: A losers' war" <http://www.pnud.org.co/2003/EnglishVersion/Chapter3.pdf> (October 29, 2005) , pp. 1-2.
[5] James Petras; Michael M. Brescia, trans. "The FARC Faces the Empire," *Latin American Perspectives*, 27:5 (September 2000), p. 134.
[6] UNDP, "Degradation: A losers' war," p. 1.

"irrational," "unmitigated calamity for all concerned."[7] According to Frances Stewart and Valpy FitzGerald, "the Bretton Woods institutions appear to see armed conflicts in or between developing countries as temporary interruptions to an established economic development path."[8] Despite the fundamental disconnect between means and ends implicit in the above theories, they share a common flaw: not one considers the fiscal utility of war — an oversight which I would suggest has profoundly negative consequences for development. Drafting policy for a war economy requires rethinking the traditional tendency to assume that war is the *end* and abuses the *means*. As David Keen has argued, it is important to consider the opposite possibility: that the *end* is to engage in abuses or crimes that bring immediate rewards, whereas the *means* is the war and the perpetuation of war."[9] In order to demonstrate the cogency of that argument to the present study, it is necessary to first review the empirical conditions of the Colombian insurgency, and to position its principle agents.

Founded in the 1960s with no more than a few hundred troops combined, FARC and ELN today account for a 20,000-plus network of soldiers that is active in at least sixty-five percent of Colombian municipalities,[10] generating earnings of $1.5-million USD per day, or about $550-million annually.[11] Given that both FARC and ELN subscribe to socialist ideology (and hence to overarching principles of nationalism and agrarian

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[7] Mats Berdal and David Malone, eds., Greed and Grievance: Economic Agendas in Civil Wars (London: Lynne Rienner, 2000), pp. 3-4.
[8] Frances Stewart and Valpy FitzGerald, eds., War and Underdevelopment Vol. 1 (New York: Oxford UP, 2001), pp. 2-3. Stewart and FitzGerald note that the offhand treatment accorded to war by IMF and WB is inconsistent with the fact that "half of the fifty countries classified by the UN as 'least developed' have experienced major armed conflict in the last twenty years."
[9] David Keen, "Incentives and Disincentives for Violence;" in Berdal and Malone, eds., Greed and Grievance, p. 28.

[10] Catherine LeGrand, "Colombian Crisis in Historical Perspective," *CJLACS* 28:55-56 (2003), pp. 176-177.
[11] Alfredo Rangel Suárez, "Parasites and predators: Guerrillas and the insurrection economy of Colombia," *Journal of International Affairs*, 53:2 (Spring 2000), p. 585.

reform), and that they share a common set of income procurement strategies (namely drug trafficking, extortion, kidnapping, and systematic theft), there exists a strong tendency among scholars to conflate the rebels' platforms, or simply to focus on the activities of FARC, which, with 18,000 troops, is the manifestly dominant group. Indeed, Petras vindicates this trend by suggesting that "complete harmony exists between the (FARC) insurgency and other popular struggles."[12] I would argue however, that it is expedient to disaggregate the rebel typology, if only briefly, in order to examine the push and pull between FARC and ELN. Only then will it be possible to defend an approximation of the extent to which Colombia has been incorporated into a war economy.

That FARC should be characterized by a more militant sense of territoriality than ELN is explainable, to some degree, by its origins. While the ELN was founded by a handful of university students rallying to an exogenous *cause célèbre* (the triumph of the Cuban Revolution), FARC emerged as a more direct and pragmatic response to domestic crisis: the 1964, state-ordered aerial bombing of Colombia's *Independent Republics*. Supported by the Colombian Communist Party, the republics were considered safe-havens for unaffiliated peasants and disenfranchised liberals seeking to escape the brutality of *La violencia*, an unyielding, eighteen-year partisan conflict (fought largely over land and resource claims), which killed as many as 300,000 Colombians from 1946 to 1964.[13] As much a function of Cold War diplomacy as national consolidation, bombardment of the republics led to an exodus of refugees who regarded the state as

[12] Petras, "The FARC Faces the Empire," p. 138.
[13] Alfredo Molano, "The Evolution of the FARC: A Guerrilla Group's Long History," *NACLA* 34:2 (2000), pp. 23-31.

public enemy number one. It is from the ranks of these refugees that FARC evolved. "The new migrations," explains Catherine LeGrand, "became self-defence movements of armed colonization," settling unoccupied public lands in the eastern plains and along the northern edge of the Amazon jungle.[14]

The refugee resettlement areas have historically remained under FARC control. Today, the rebel army holds *de facto* authority over a 40,000-square-kilometer formerly demilitarized zone in south-central Colombia,[15] where eighty percent of the world's cocaine is cultivated and processed; in total, it is active in sixty-three national fronts.[16] Similar to any licit government with the means to enforce constituent compliance, FARC generates the bulk of its revenue through compulsory taxation. Fees levied on the coca industry (from peasant farmers to traffickers) are estimated to generate about $200-million USD per year, which accounts for about half of FARC's annual revenue. The remainder is derived from: civilian and commercial extortion (36%), kidnapping for ransom (8%), and systematic theft, especially of cattle (8%).[17] While all of these revenue streams are also exploited by ELN, the emphasis given to each income strategy varies, as does the animus with which each strategy is pursued.

At its height in 1996, ELN had 5,000 troops. Heavy combat losses against state armed forces and paramilitaries, however, have reduced the group's membership to

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[14] LeGrand, "Colombian Crisis in Historical Perspective," pp. 175-176.
[15] The zone was ceded to FARC by the Colombian government in 1998 as "a precondition for peace negotiations." In 2002, it was officially rescinded due to the rebels' failure to comply with the conditions of détente. At the time of this writing, however, the Colombian military has yet to reassert control over the region. LeGrand, "Colombian Crisis in Historical Perspective," pp. 178-179.
[16] Javier Guerrero Barón; David Mond,trans., "Is the War Ending? Premises and hypotheses with which to view the conflict in Colombia," *Latin American Perspectives*, 28:1 (January 2001), p. 26. U.S.-backed drug eradication campaigns in Bolivia and Perú during the 1980s opened up a comparative advantage for Colombia to produce coca for commercial markets (its involvement was previously limited to processing coca grown elsewhere). FARC's control over the coca zone has resulted in its establishing a "functional alliance" with drug traffickers, although the rebels deny direct trafficking. See, Rangel Suárez, "Parasites and predators," p. 587.
[17] All statistics from Rangel Suárez, "Parasites and predators," p. 585.

about half that number today.[18] Similar to FARC's *de facto* authority in the coca zone, ELN has an established presence in Colombia's oil-rich regions and generates the lion's share of its revenue (up to 60%) through petro-extortion. According to Jenny Pearce, ELN was "virtually rebuilt" with extortive rents from oil multinationals Mannesmann and Occidental, which were encouraged to advance payment to guerrillas after their pipelines were bombed.[19] While Colombia's rebel armies rarely engage in direct confrontation, FARC has been highly critical of ELN's relationship with patron multinationals and is on record as denouncing the latter's *Awake Colombia…They are Stealing Our Oil!* campaign as little more than vacuous rhetoric. "ELN blew up the (Mannesmann-Occidental) oil pipeline enough to guarantee the continued flow of royalties and to publicize their legitimizing discourse around oil," Pearce says. "They did not aim to *stop* the flow of oil."[20] FARC's solution has been to challenge ELN's authority by initiating more aggressive attacks in key oilfields like Caño Limon.[21] Despite FARC's escalation of turf wars, however, multinational oil companies continue drilling in Colombia and both rebel groups continue to profit from petro-extortion — to the tune of approximately $40-million USD per year. Secondary revenue streams for ELN include: kidnapping for ransom (28%), drug trafficking (6%), and cattle theft (4%).[22]

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[18] Alexandra Guáqueta, "The Colombian Conflict: Political and Economic Dimensions," in Karen Ballentine and Jake Sherman, eds., The Political Economy of Armed Conflict: Beyond Greed and Grievance (Boulder: Lynne Rienner, 2003), p. 77.
[19] Jenny Pearce, "Beyond the perimeter fence: Oil and armed conflict in Casanare, Colombia," London School of Economics (2004) , p. 13. <http://www.lse.ac.uk/Depts/global/Publications/DiscussionPapers/DP32_Beyondthe PerimeterFence.pdf> (October 21, 2005)
[20] Ibid., p. 14.
[21] Ironically, while ELN and FARC both claim to have launched attacks against Occidental on behalf of the indigenous U´wa people, it was not the rebel offensive, but rather the civil society protest by the U´wa and, equally if not more importantly, the reduced earnings projections for the project which ultimately convinced Occidental agree to reduce drilling in the area. See, Atossa Soltani and Kevin Koenig, "U'wa Overcome Oxy," *Multinational Monitor* 25:1-2 (January-February 2004) <http://multinationalmonitor.org/mm2004/04jan-feb/jan-feb04corp2.html> (November 1, 2005)
[22] All statistics from Rangel Suárez, "Parasites and predators," pp. 585-589.

Two things are evidenced by the disaggregation of the rebel typology: [i] that the Colombian insurgency suffers from a discernible bipolarity;[23] and, [ii] that despite this bipolarity and with few exceptions (e.g. the clash over petroleum interests), each rebel group has secured relative autonomy of income from a common basket of revenue schemes — so that where FARC extorts the drug industry, ELN extorts oil; and where FARC maintains a largely rural bias,[24] ELN exploits urban centres.[25] This combination of what appears to be a varnishing of political differences and a dovetailing of economic ones has led scholars such as LeGrand to conclude that "neither FARC nor ELN retains much of an ideological vision and they are not doing much political organizing; rather they (and particularly FARC) are engaged in war as business."[26] Although I support LeGrand's conclusion, I believe more explanation is needed as to *why* that should be the case. The complaint is not simply that FARC and ELN generate surplus revenue from war (should the rebels' revolt be legitimate, capital accumulation to finance its execution might, in fact, be wholly justified[27]); instead, the argument here is that protracted insurgency has led to the incorporation of a *war economy*, which demands the perpetuation, not the resolution, of conflict. In order to defend that thesis, I will re-

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[23] According to Guerrero Barón, the stand-off between rebel armies over oil points to an underlying "fragmentation" of the resistance movement, which "reduces the chance that any of the contending groups has of consolidating any kind of project, and renders effectively impossible a negotiated settlement" to the war. Guerrero Barón, "Is the War Ending?," p. 25.

[24] FARC's "obsession with gaining control of the countryside and its refusal to take the war to the cities" led some members to defect in the 1970s to form a separate rebel army known as M-19. See, John Otis, "Fighting Among Themselves," Houston Chronicle Online (August 3,2001) <http://www.chron.com/disp/story.mpl/special/rebelheld/986658.html> (November 5, 2005)

[25] With only one-sixth the membership of FARC, ELN carries out twice as many kidnappings, mainly in urban settings. Ransom for Colombian hostages averages $100,000 USD; for foreigners, up to $1.5-million. Rangel Suárez, "Parasites and predators," pp. 592-593.

[26] LeGrand, "Colombian Crisis in Historical Perspective," p. 179; see also, Otis, "Fighting Among Themselves."

[27] Paul Collier explains this in terms of the collective action problem of grievance-based struggles, whereby it becomes necessary to "cream off" rent from predatory activities so that "rebel recruits can be paid during the conflict rather than be dependent upon promises." Paul Collier, "Doing Well out of War: An Economic Perspective," in Berdal and Malone, eds., Greed and Grievance, p. 100.

aggregate the rebel platform and position it against the capitalist juggernaut to which it professes resistance. To be fair, it seems appropriate to begin, once again, at the beginning.

There is general consensus among scholars that the genesis of insurgency in Colombia is rooted in a legitimate, grievance-based struggle. Indeed, even the Colombian elite has agreed in principle to the revolt's "objective causes," namely widespread poverty, exclusionary power, land concentration, etc.[28] The mobilization of armed resistance in Colombia emerged during and immediately after the period known as *La violencia.* Of the hundreds of thousands who died during the partisan conflict, more than ninety percent were peasants and working class civilians.[29] Alarmed by the scale of tragedy — and undoubtedly aware of the legitimacy it conferred on the Communist party's support of *Independent Republics* — the Liberal and Conservative parties effectively called a truce in 1958, signing the National Front pact, which guaranteed a rotating presidency until 1974. The pact largely solidified the capitalist class, if only superficially: "This was a kind of elitest, restricted democracy," says LeGrand, "a return to the 'politics of gentlemen' who arranged the affairs of the nation over drinks at the Jockey Club."[30] Among the disenfranchised, class consciousness was awakened. The "alphabet soup of guerrilla groups"[31] that formed during this time is a testament to widespread grievance — grievance that was further reinforced by the

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[28] According to Guerrero Barón, constitutional changes, increases in social spending, and land reform programs evidence an elite understanding of the need to negotiate. Guerrero Barón, "Is the War Ending?," pp. 14-19.
[29] See, Francisco Posada. Colombia: Violencia y subdesarrollo (Bogota: Antares-Tercer Mundo, 1969), pp. 149-150.
[30] LeGrand, "Colombian Crisis in Historical Perspective," p. 173.
[31] Otis, "Fighting Among Themselves." ELN was established in 1964; FARC, officially, in 1966, although its founders were united as a self-defence unit in 1964, when the Marquetalia Independent Republic was bombed. Other armed groups also formed during this period, include: EPL (Ejercito de Liberación Popular), a pro-Chinese Marxist group established in 1967, and M-19, a non-Marxist nationalist army, which split from FARC in 1972. EPL largely disbanded in 1991; M-19 demobilized and formed a political party in 1990.

emergence of *dependency theory*,[32] which suggested that the popular class was not only subjugated to a local elite, but that Colombia itself was eternally condemned to the periphery of a world capitalist system. Supported by empirical data drawn from the history of Latin America, *dependency theory* had particular resonance in the region. Certainly, it seemed to describe the situation in Colombia.

From 1945 to 1976, a period that roughly delineates the frame of reference of insurgent leaders, Colombia experienced rapid growth of foreign indebtedness, much of it owed to First World governments and international development agencies such as IMF and WB, which had been founded at the end of the Second World War. In 1965, Colombia's outstanding public debt totaled $5-million; by 1976, it had skyrocketed to more than $4-billion.[33] Giving credence to dependency argument, there emerged during this era what Raúl A. Fernández calls "two capitalisms": one imperialist in nature; the other, nationalist.[34] According to Fernandez, the imperialist form of capitalism demanded Colombia's growing reliance on the First World (most notably to the United States, and most commonly in the agricultural sector); while nationalist capitalism ensured the perpetuity of a local, land-bearing elite. The role of confederating the two capitalisms, Fernandez argues, fell to international financial institutions (IFIs), whose policy it became to ensure Third World export of select foodstuffs *to industrialized*

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[32] "We must conclude," wrote Andre Gunder Frank in 1966, "that underdevelopment is not due to the survival of archaic institutions and the existence of capital shortage in regions that have remained isolated from the stream of world history. On the contrary, underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself." Andre Gunder Frank, "The Development of Underdevelopment;" reprinted in Karen A. Mingst and Jack L. Snyder, eds., Essential Readings in World Politics (New York: WW Norton, 2004), pp. 86-93.
[33] Raúl A. Fernández, "Imperialist Capitalism in the Third World: Theory and Evidence from Colombia," *Latin American Perspectives*, 6:1 Socialism and Imperialism in the Caribbean (Winter 1979), p. 42.
[34] Ibid., pp. 54-61.

nations (assuming such export would not handicap First World producers) and Third World import of manufactured goods and subsidized agricultural products *from industrialized nations*. The result, not only in Colombia but across the Third World, was a breakdown of subsistence agriculture – the war on subsistence -- and an increase in land concentration among the capitalist class.[35]

By all accounts then, it could be reasonably expected that the popular class in Colombia — those most victimized by *La violencia,* most excluded by the National Front coalition, and most adversely affected by 'development' — would rally behind the one vehicle that seemed to give expression to their grievance: revolution. In its infancy, the guerrilla platform broadly favoured social justice, political democratization and land redistribution, staunchly opposing all forms of foreign influence; forty years later, hindsight makes evident that it is the rebels themselves who have profited most from the influence of IFIs and the expansion of the global marketplace. The reader will recall, for example, the earlier argument by Stewart and Fitzgerald that *the Bretton Woods institutions appear to see armed conflicts as temporary interruptions*. The tendency of IFIs to see war as "temporary" has encouraged the development of loan packages based on an assumption of imminent peace, without regard for how economies operate during conflict.[36] So, from 1960 to 1974 — while Colombian rebels were carrying out what LeGrand has called a *colonization* of unoccupied public lands — foreign lenders channeled $2.3-billion into

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[35] Ibid. In 1951, Colombia had 212,000 hectares of wheat; by 1975, only 30,000 hectares. The nation became a net importer of U.S. wheat, advantaged by economies of scale. Over the same period, the number of Colombian *latifundios* (estates with more than fifty hectares), while the number of *minifundios* (farms with less than ten hectares) declined. The comparative inefficiency of cash-crop peasantry means that export demand has largely been filled by large, commercial farms. In the coffee sector, for example, plots with less than four hectares account for almost seventy-four percent of farms, but contribute less than twenty-seven percent of production.

[36] Ironically, say Stewart and FitzGerald, "war conditions are a major reason why the adjustment programs they (IFIs) recommend often fail to work." Stewart and FitzGerald, eds., War and Underdevelopment, p. 3.

Colombia, seventy percent of which was earmarked, as it would have been in the case of any state not under siege, for urban infrastructure.[37] The result was an effective *carte blanche* for rebels in the hinterlands. FARC, for example, became the supreme authority of the coca zone principally because the region was near-fully devoid of state presence.[38] If the rebels' power was initially articulated almost exclusively in terms of territoriality, however, that has all changed as a result of accelerated capitalism.

The expansion of the global marketplace has profited the Colombian insurgency in two main ways: [i] as we have seen, through predatory earnings on high-demand primary commodity exports (from drugs to oil, gold, coal, emeralds and coffee); [ii] through portfolio investments (secured with revenue from drug trafficking, extortion, kidnapping and systematic theft). In the first instance, the rebels' justificatory argument is that predation serves a redistributive purpose: rent is ostensibly diverted to the popular cause from one or both of Fernández' *two capitalisms*.[39] While that may be true, the extent to which predatory earnings are domestically laundered and reinvested in the welfare of the popular class is open to question. Further, there is the issue of *how* those earnings are laundered. According to Alfredo Rangel Suárez, small- to medium-size business owners in Colombia, often those facing financial difficulty, "are *forced* to accept the guerrilla group's funds as investments in their businesses, allowing the group to seize part of the

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[37] Fernández, "Imperialist Capitalism in the Third World," p. 43.

[38] A similar error worked to the benefit of ELN. In the interest of decentralization, the Colombian state in the early-1990s enacted laws to ensure a higher percentage of petro-royalties remained in the country's oil-producing zones; these zones, however, were already ELN-controlled, meaning oil rents were exposed to guerrilla manipulation. See, Guáqueta, "The Colombian Conflict," pp. 84-85.

[39] Diversion from "one or both" of the *two capitalisms* is determined by whether the origin of the company extorted is multinational, national or joint-venture (a partnership between one or more alien companies and the Colombian state).

business and ensuring it a regular income."[40] Revenue not laundered in Colombia through direct investment enters the global capital market through portfolio investment. It is estimated that eighty percent of guerrilla earnings are laundered and invested in the formal domestic and international economy.[41] "Millions of pesos that were once buried in bundles in the middle of the jungle have been invested in high-profit, increasingly sophisticated businesses," says Suárez.[42]

Under inspection, the relationship between Colombia's insurgents and global capital appears more symbiotic than antagonistic. While there is a tendency among scholars to describe the Colombian civil war in terms of a "negative stalemate,"[43] or a "mutually hurting condition,"[44] I would suggest that such phrasing evokes a sense of neutrality which obscures the fact that the rebels' ability to profit from and thereby sustain conflict comes via the reinforcement of a regime it pretends to resist and at the expense of the popular class it claims to help. Javier Guerrero Barón's reference to the "inertia"[45] of armed resistance thoroughly fails to capture the incorporative character of Colombia's war economy.

From 1993 to 2003, the number of illegal agents in the Colombian civil war increased by one hundred fifty-seven percent.[46] The rush to war is indicative not only of a lack of welfare-enhancing options in the formal sector, but also of a "get-rich-quick

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[40] Italics mine. Rangel Suárez, "Parasites and predators," p. 596.
[41] Guáqueta, "The Colombian Conflict," p. 102, ff. 19.
[42] Rangel Suárez, "Parasites and predators," p. 597.
[43] Guerrero Barón, "Is the War Ending?," p. 26.
[44] Nazih Richani, "The Politics of Negotiating Peace in Colombia," *NACLA* 38:6 (2005), p.21.
[45] Guerrero Barón, "Is the War Ending?," p. 19.
[46] UNDP, "Degradation: A losers' war," p. 4. The annual rate of population growth during the same period was less than two percent.

mentality,"[47] which despite being infrequently satisfied at the troop level nonetheless remains an archetype of the war's most notorious agents.[48] The million-dollar windfalls claimed by a select few, however, cannot offset what the war has cost Colombia in terms of economic and socio-political development. Paul Collier estimates that civil war, on average, results in negative economic growth of more than two percent per year. That means that Colombian society today, after forty-one years of conflict, has an income eighty percent lower (*ceteris paribus*) than what it would have had without war.[49]

Scholars who argue that Colombia's foreign indebtedness is "oxygen for the fire of war,"[50] generally fail to consider the extent to which the conflict consumes human, environmental and financial resources that might otherwise service debt repayment. As Collier argues, civil war extracts not only a hard cost from society (in dollars and lives) but a range of corollary socio-political costs. Given that life is less predictable during war, Collier says, "people shorten their time horizons, or equivalently, discount the future more heavily."[51] The result is a shift in the calculus of opportunistic behaviour in society at large. Increased criminality is encouraged, Collier explains, by the fact that the state at war tends to redirect public spending from the police to the military, which lessens the risk of punishment for committing crime. Colombia provides a textbook case: in 1990, military expenditure accounted for slightly more than two percent of

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[47] Francisco E. Thoumi, "Why the Illegal Psychoactive Drugs Industry Grew in Colombia," *Journal of Interamerican Studies and World Affairs* 34:3, Special Issue: Drug Trafficking Research Update (Autumn 1992), pp. 37-63.
[48] I refer here, for example, to FARC co-founder Manuel Marulanda, who rose from humble beginnings to head an organization that today makes three times the annual earnings of the *Banco de Colombia*, one of Colombia's largest banking institutions; and to Pablo Escobar, former head of the notorious Medellín drug cartel, who, like Marulanda, was raised by modest means and was able to exploit Colombia's war economy to earn himself a top spot on Forbes magazine's list of the world's richest men in 1989.
[49] Collier, "Doing Well out of War," p. 101.
[50] Susan George, The Debt Boomerang (Boulder: Westview, 1992), p. 166.
[51] Collier, "Doing Well out of War," p. 101.

GDP; by 2003, with guerrillas stepping up resistance in response to *Plan Colombia*,[52] that figure had doubled to more than four percent.[53] Today, with police operating on a skeleton budget, more than ninety percent of serious crimes in Colombia remain unsolved[54] — an alarming statistic, made decidedly worse by the fact that there are an estimated 25,000 to 40,000 violent deaths *per year* across the country, only eighteen percent of which are directly attributed to political conflict.[55]

It has been said that what Colombia faces is "a revolutionary situation without a revolutionary outcome."[56] In the same way that disenfranchised peasants were forced to flee *La violencia* four decades ago, so today, perhaps more disempowered than ever, they are forced to flee yet again. Since 2002, civil war has compelled more than three-million Colombians — many of whom describe "receiving threats, being subjected to torture, or seeing relatives or neighbours killed" — to abandon their communities, giving Colombia the dubious honor of having the world's second largest internal displacement crisis after Sudan.[57] Where four decades ago, the popular class was denied a political voice by the National Front Pact, so today, its political potential is threatened by the self-same group of freedom fighters that purports to represent it.

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[52] Launched in 2000, *Plan Colombia* is a $3-billion-plus bilateral drug eradication program between the U.S. and Colombia.
[53] UNDP, "Human Development Index: Colombia" <http://hdr.undp.org/statistics/data/countries.cfm?c=COL> (October 30, 2005) It is estimated that the military would have to double its size yet again in order to successful defeat the insurgency. LeGrand, "Colombian Crisis in Historical Perspective," p. 187.
[54] See, Freedom House, "Freedom in the World: Colombia" (2004) <http://www.freedomhouse.org/research/freeworld/2004/countryratings/colombia.htm> (November 5, 2005); and U.S. Department of State, "Colombia: Country Report on Human Rights Practices" (1996) <http://www.usemb.se/human/human96/colombia.html> (November 5, 2005)
[55] ICRC, "1995 Annual Report on Colombia." (May 31, 1996) <http://www.icrc.org/Web/Eng/siteeng0.nsf/iwpList143/DEBCA0B3BEC 32C0EC1256B660059D0E8> (October 20, 2005); and LeGrand, "Colombian Crisis in Historical Perspective," p. 166.
[56] Guerrero Barón, "Is the War Ending?," p. 21.
[57] Human Rights Watch (HRW), "Colombia: Millions Displaced by Conflict Denied Basic Rights," (October 14, 2005) <http://www.hrw.org/english/docs/2005/10/14/colomb11864.htm> (October 29, 2005)

Since the 1990s, Pearce says, accelerated land and resource appropriation has "reduced (the insurgent's) need to rely on building a social base and political support, while enabling them to prolong the war."[58] What has occurred in Colombia is not disincorporation, but reincorporation. Those scholars who support the rebels, and James Petras is one, argue that the insurgents "have hundreds of thousands of sympathizers throughout the country."[59] Even with a million sympathizers, however, the rebels' support would pale in comparison to the approval ratings of Colombia's right-wing president, Álvaro Uribe, who came to power in 2002 on a ticket to end the civil war — at all costs.[60] Time will tell if Uribe's national security agenda will accomplish that goal. Meanwhile, however, it is incumbent upon the development community to undertake further research in order to better understand how economies operate in a state of war. As Mats Berdal and David Malone have argued: "What is usually considered to be the most basic of objectives in war – that is, defeating the enemy – has been replaced by economically driven interests in continued fighting and the institutionalization of violence at what for some is clearly a profitable level of intensity."[61]

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[58] Jenny Pearce, "Policy Failure and Petroleum Predation," *Government and Opposition* 40:2, pp. 152-180.
[59] Petras, "The FARC Faces the Empire," p. 134.
[60] BBC Online, "Profile: Alvaro Uribe Velez" (June 21, 2005) <http://news.bbc.co.uk/2/hi/americas/3214685.stm> (October 25, 2005)
[61] Berdal and Malone, eds., Greed and Grievance, p. 2.

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