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**Plan Colombia:
A Plan to Solve What Problem?**

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Jose Andres Egas Loaiza

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MEMBERS OF THE EXAMINING COMMITTEE

**Dr. Eric Ross
Dr. Cris Kay**

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Enquires:

Postal Address:

**Institute of Social Studies
P.O. Box 29776
2502 LT, The Hague
The Netherlands**

Telephone : -31-70-4260460

Telefax: -31-70-4260799

e-mail: postmaster@iss.nl

Location:

**Kortenaerkade 12
2518 AX, The Hague
The Netherlands**

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ACRONYMS

ALCA (FTAA)	Free Trade Area of the Americas
ARI	Andean Regional Initiative
EU	European Union
FARC	Revolutionary Armed Forces of Colombia
FIP	Investment for Peace Fund
GDP	Gross Domestic Product
GNP	Gross National Product
ILO	International Labor Organization
IMF	International Monetary Fund
NGO	Non Government Organization
PC	Plan Colombia
U.S. / U.S.A.	United States of America
WB	World Bank
WTO	World Trade Organization

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Plan Colombia: a Plan to solve what problem?

Chapter 1: Introduction, Methodology and Design

1.1. Introduction

The recognition that Colombia is currently suffering from one of its worst national socio, economic and political crisis is probably the only point where the State, the guerrilla and paramilitary forces, and the civil society of Colombia in general, together with the international organizations and other foreign governments, agree.

It is hard to find an official document or other analysis of the present Colombian situation that does not recognize the weakness of the current economy after suffering continuous falls of the real gross domestic product (down as much as 3.5% in the last few years). Unemployment has soared from below 9% in 1985 to over 20% in 2000/01, and national production has fallen 5.1% while the population has grown 1.9%, all of which adds to the chronic problems of social disintegration, and poverty. It is also agreed that the crisis is intensively hitting low and middle-income families, as the concentration of resources deepens, favoring only 3% of all households. Two out of every three Colombians are socially excluded, the rate of homicides continues to be the highest in the world (30,000 killings per year) and the number of displaced people is now close to 2 million people. Moreover, the main victims, either of the social and economic regime or of natural disasters, are those that live under conditions of exclusion and vulnerability (Cordova Ruiz, 2001; U.S. Department of State, 2001b; <http://www.socwatch.org.uy/2002/colombia.htm>).

Unfortunately, the disagreements start when different stakeholders offer explanations for the root causes of the crisis as well as when they propose and attempt to implement projects for its improvement.

In 1999, the government of Colombia with the support of the government of the United States of America (U.S./U.S.A.), the International Monetary Fund (IMF), the World Bank (WB) and the socio-politic and economic national elites, proposed a comprehensive national plan for development and social improvement. This initiative, named Plan Colombia (PC), is according to the government, 'a comprehensive plan for peace, prosperity, and the strengthening of the State' (Presidencia de la Republica Entidades, 2002).

The final version of Plan Colombia (PC) resulted from the revision, and inclusion of a strong military anti-drug component of previous proposals that emphasized on civil society and

economic and social development. It officially includes ten strategies designed to address the problems Colombia faces: economic, fiscal and financial, military, judicial and human rights, counter-narcotics, alternative development, social participation, human development, peace and international affairs. These strategies include actions to stabilize the economy, promote trade and investment, stop drug activity at the production and trading levels, reform the judicial system, promote democratization and social development, and further the peace process in general (Idem; CEDHU, 2000; White, 2000).

The Plan, however, has been considered by many others as a neo-liberal/market-oriented strategy, which will not solve the problems of those suffering most from the current crisis. The Plan, it is argued, will contribute to a further accumulation of resources and an increase of profits by elites and international enterprises (Ahumada, 2000; Chomsky, 2000; CNC, 2000; Mondragon, 2000 & 2001; Petras, 2001; Ross, 2002).

With this background, the objective of this paper is to understand the nature of Plan Colombia within the historical development of the country and the Andean region as a whole. In order to do this, it will first briefly illustrate the historical socio, politic and economic context of Colombia's current crisis. Secondly, with the use of a political economy approach to neo-liberalism as a theoretical framework, it will make a case that Plan Colombia has a role to promote policies oriented to investment expansion and globalization, which will serve as a mechanism to maintain the status quo, inequality and social exclusion. Finally, it will analyze the evolution around the formulation of the Plan within the national and international context and, with the use of regional comparisons, argue that Plan Colombia proposes to deal with the core problems of socio-economic development and poverty.

The hypothesis of this research paper, then, is that Plan Colombia forms part of a neo-liberal agenda, oriented to the opening of the economy to the global market and to private enterprises, which, after little more than a decade, has produced contradictory results in regard to the reduction of social inequality/exclusion, the improvement of socio-economic conditions for the majority of the population and social-economic development of the country in general.

Because Plan Colombia itself is an initiative under construction, this paper will not specifically refer to the consequences of the Plan, but rather to the underlying neo-liberal principles that Plan Colombia is based on, and the implications that such an agenda and policy could have within the present development model in Colombia.

1.2. Research Questions

In order to reach the main objective of this research, the main question to be answered is

- To what extent is Plan Colombia a new kind of development policy that begins to address core problems of socio-economic development and poverty?

In order to answer this question, the paper will, as its secondary questions, consider:

- To what extent is Plan Colombia a subset of general neo-liberal policies and, if so, to what extent can it serve as a real poverty alleviation/development mechanism?
- To what extent are the national defense and the counter-narcotics strategies, perhaps the most well-know features of the Plan, pre-requisites for national and foreign private capital investment?

1.3. Methodology, data and limitations

The research is based on secondary data and analysis of the Plan including macro and micro economic as well as socio and demographic indicators and resource distributions, official estimates and proposed achievement targets.

For the theoretical framework, the paper uses a political economy approach to neo-liberalism through the works of Consuelo Ahumada, James Petras, and Noam Chomsky. The case study information is based on the official documents of the Colombian government as well as of the USA and other Andean regional governments, together with statistical information obtained through the World Bank, the IMF, and Non-Profit Organizations (NGOs). For the Colombian background and socio-economic information, the paper uses the writings of Agudelo, Bushnel, Garcia and Jayasuriya, Pearce, Ahumada, Mondragon, among others. Moreover, up to date information and current analysis of the impact of PC and other neo-liberal programs are based on internet sites including Human Rights Watch, CIA, ZMagazine, Center for International Policy, Colombian Report, and various newspapers from the Andean region, and the USA.

Some of the limitations the research had to overcome include source's biases, lack of current data and analysis, limited discussion of the problem to be studied, uncertainty of the impact and consequences of the application of the Plan, and the unclear position of stakeholders due to the multiplicity of interests at play. Furthermore, the size of the problem,

together with the time and space limitations, has forced the paper to refer exclusively to the study of the underlying neo-liberal principles Plan Colombia is based on, and the implications an agenda and policy proposal such as this could have within the present model being applied in Colombia.

1.4. Organization of the paper

This paper consists of 5 chapters. Chapter 1 describes the introduction, the methodology and the design of the paper. Chapter 2 reviews the socio-historical background surrounding the proposal of Plan Colombia. In Chapter 3, the paper gives an overview of a political economy approach to the neo-liberal model, which is covered together with the discussion of some of the implications its application has had for the region and Colombia. The analysis of Plan Colombia as part of the neo-liberal project and in terms of other similar regional plans is discussed in Chapter 4. Here it looks at the development of the Plan as part of the neo-liberal hidden agenda as well as its role in promoting neo-liberal policies, and in comparison to similar regional plans. Finally, in Chapter 5, the paper will summarize the limitations and refer alternative proposals to the Plan's shortcomings as a development plan.

Chapter 2:

Socio-historical background surrounding the current crisis and the proposal of Plan Colombia

From a historical perspective, it is difficult to argue and sustain that Colombia's present time crisis is the result of single unrelated events, or that the solution to the current crisis can be planned focusing on the coverage of practical¹ needs emerging from them: 'For some the crisis has so many strands to it, that they see no clear explanation or pattern which could clarify it' (Pearce, 1990: 3).

The history of Colombia has special characteristics, but it has followed a common underlying phenomenon of capital-accumulation and social exclusion developed in the region. The Spanish control and exploitation of Colombia ended with the birth of a new republic with a marked division between the slave-owning and mining west and the agricultural and manufacturing east, with a highly stratified and hierarchical society, and high social tensions (Pearce, 1990: 14-15).

The beginning of the Republic was characterized by attempts to reconstruct the economy involving discussions between 'issues of protectionism and industrialization versus free trade and integration into the world economy' (Idem: 16), the establishment of religious, economic and political powers concentrated in a handful of elite families, the birth of the two main political powers of Colombia among the ruling class (liberal and conservative), and popular reaction and confrontation between the oligarchy and the exploited population (Pearce, 1990; IGC, 2001; Garcia et al, 1997).

From a political perspective, the establishment of the two main political parties was surrounded by conflicts and civil wars, originated by 'personality differences and disagreements over issues such as the abolition of slavery, centralism in national politics, and the role of the church in social and political life' (Garcia et al, 1997: 2). This continued up to the XX century and can be seen as part of the root cause for the existence of the current violence in Colombia.

From 1850 until 1960, including exclusively the eight general civil wars, the 'War of the Thousand days' and the conflict of 'La Violencia', all liberal-conservative rooted confrontations, produced over 400.000 deaths and even more displaced families in the country

¹ Practical needs referring to the solutions of present time requirements, and as opposite of structural needs, for which we refer to actions that focus on the re-structuring of the inequalities underlying the social systems.

(CNC, 2000). During this period, the democratic establishment in Colombia was not transparent and democratic in practice: '...the political system directly and indirectly constrained the participation of the masses in political activity. ... This restriction essentially disenfranchised the lower classes' (Idem: 4). Moreover, beyond the differences and disputes, the two political forces are characterized for being parties of the elite, having a great deal in common, ignoring party differences and working together when their interests and control of society were threatened, having economic/social and family ties that bound them together, and believing that the elite should guide society, the state should intervene in social and economic development and that the control of the state guarantees access to power and privilege (Garcia et al, 1997: 3).

From an economic perspective, even though they were politically divided, both parties agreed on basic economic issues such as expanding the agricultural frontier, the distribution of land among the elites, and increasing the population in the low lands to help with the production of exporting goods by incrementing the labor force (Pearce, 1990). Only during the 19th century, '73 percent of the two million hectares given out ... were granted in concessions of more than 1,000 hectares' (Idem: 22), but little attention was given to peasants and legal and illegal mechanisms were put into place to prevent them from acquiring land or protesting against the situation (Pearce, 1990; Garcia et al, 1997; Mondragon, 2000a).

Having been one of the weakest economies in the continent, Colombia was able to increase its productivity through the introduction of export goods such as coffee, bananas, cotton, oil and mineral exploitation. However, this process did not come free of social exclusion. Mining and mineral extraction was taken away from individuals and given to controlled concessions. Land accumulation through concessions was prioritized, benefits were given to large investments through credits and resource acquisition, and the government prioritized the introduction of foreign companies / investments and privatization as part of its economic recovery plans. Furthermore, peasants were given no alternative for improvement but to migrate and settle in small unproductive and marginal lands where they would later be left with no other choice than to join the labor force (Pearce, 2000; CNC, 2000).

In addition, in the 20th century, the growth of the economy allowed the country to build its industry while improving its transportation system and creating a national market along tighter international trade bonds (Pearce, 2000; Garcia et al, 1997). This, together with the poor conditions in the countryside, produced high levels of rural-urban migration and high urban growth and has resulted in further deteriorating of living standards at core of the city centers (Idem).

Here forth, while Colombia's overall macro-economic results could indicate a successful story, e.g. the growth of the GDP has remained between 3 and 5.3 percent for most of the last 5 decades, Colombia's micro-economic indicators show an unemployment rate of 20.8%, the existence of an informal sector higher than the formal counterpart, a total poverty rate of 49-60.1%, a GINI coefficient of 0.562 with the lowest 10% only receiving 0.58% and the highest having access to 45.49% of the income, an urban rate which has grown from 57% in 1957 to 74% in the present time, an external debt of \$34 US billion, and an annual military expenditure of \$3-4 US billion (3.4-3.6% of GDP) (Sarmiento Anzola, 2002; World Bank report 2000 quoted by CEDHU 2000; Pearce, 2000; CIA, 2002; CNN, 2000; Colombian Support Network, 1996).

From a social perspective, Colombia's life as a republic has not been a successful story as shown by the macro-economic statistics. Overall, 'Colombian society has been highly stratified, with a caste-like elite, a correlation between skin color and class membership, and limited vertical mobility' (IGC, 2001). Moreover, social exclusion and resource/power accumulation promoted violence and corruption as mechanisms for controlling the excluded population, and elites undermined civil participation and movements/unions organizational attempts (Pearce, 2000; Mondragon, 2001a; Garcia et al, 1997; Sarmiento Anzola, 2002):

'...social intervention has not been seen as a significant function of the state. The state's role has been primarily to provide the conditions for private sector-led growth. ... The relationship of the state to the people is therefore one of neglect, and in many areas, abandonment. The modernization and expansion of one sector of the economy has taken regardless of the rights and needs of the majority of the population' (Pearce, 2000: 115).

Furthermore, the creation of guerrilla and paramilitary forces has been used by the two main political forces as a mechanism and tool for political warfare, by social groups among the excluded population and revolutionary forces as a means for social participation and pressure, and by the economic elite and government/army forces to prevent social upheavals, protect their interests and fight extortion and revolts (Idem).

Moreover, the standing guerrilla movements in Colombia, especially the Fuerzas Armadas Revolucionarias de Colombia (FARC), have the unique characteristic of representing the peasantry, and not only being the military branch of a political party. This characteristic has given them the opportunity to not only maintain their social position over nearly 60 years of existence, but to also acquire stronger support among the excluded population during this

last decade when the Colombian crisis has worsened while the neo-liberal model of ‘apertura’², has been openly implemented (See Table 1). These characteristics have influenced Colombian society to such a degree that it has been impossible for the government, and for the international community as a whole, to propose paths of development that could have excluded the FARC and its petitions for social and economic justice and inequality. Furthermore, it is important to notice how this guerrilla movement has been able to acquire enough political-military power that they represent a serious threat to the market interests, especially by commanding resource rich areas, such as the case of the Putumayo area in southern Colombia³.

Table 1 – Colombia before and after 1990

Indicator	1980	1985	1990	1995	1999
Population, total (millions)	28.45	31.66	34.97	38.56	41.54
Unemployment, total (% of total labor force)	9.10	14.00	10.20	8.70	20.8*
Population below the poverty line	...	...	...	55*	59.8*
Rural population (% of total population)	36.10	33.00	30.50	28.20	26.52
Urban population (% of total population)	63.90	67.00	69.50	71.80	73.48
Land use, arable land (% of land area)	3.57	3.65	2.89	1.86	...
GNP growth (annual %)	4.55	2.13	3.95	1.68	-5.46
GDP growth (annual %)	4.10	3.09	4.01	5.20	-4.29
Overall budget deficit, including grants (% of GDP)	-1.76	-2.71	3.93	-2.30	-7.00
GINI wealth concentration coefficient	...	...	...	0.556*	0.591*
Ranking on the Human Development Index	...	...	...	57*	68*
Human Development coefficient	...	...	...	0.836*	0.764*

(Source: World Development Indicators 2001 except the indicators with *, which have been taken from <http://www.socwatch.org.uy/2002/colombia.htm>)

Finally, Colombia has three other characteristics that distinguish it within the region. First, during the last five decades the Colombian government has been characterized as being a macro successful story while not completely following a specific political-economic tendency. Colombia was never fully market oriented and while establishing protectionist policies, it maintained certain import-export liberties, applied structural adjustment programs, and did not fully reduce government expenditure (Garcia et al, 1997; Pearce, 1990). Second, Colombia was the first country to receive a World Bank overseas mission and the resulting influence of its reports on the socio-economic development plans have been extensive, especially through the works and political influence of the mission’s chief economists, Lauchlin Currie⁴ (Ross, 2002).

Finally, even though a neo-liberal tendency can be tracked to earlier times, Colombia only entirely adopted the neo-liberal model in the 90s, much later than other countries in the region. With president Barco’s administration (1986-1990), the Colombian government

² ‘Apertura’ or the “opening up” of Colombia to foreign investment. (Ross, 2002: 31)

³ See appendix 2: Colombia Political.

⁴ Lauchlin Currie was also a member of the team in charge of the formulation of the Marshall Plan.

clearly started adopting the neo-liberal model for Colombia with full support by the IMF, WB, USA government, and the national and multinational economic elites (Ahumada, 1996; Ahumada et al, 2000). Moreover, it was with the administration of president Cesar Gaviria (1990-1994) and with his successors⁵, in order to reduce the declining conditions and increasing crisis in the country, that the model was placed in practice starting with the establishment and application of a new Constitution with neo-liberal principles (Idem).

⁵ President Gaviria's successors were president Ernesto Samper (1994-1998), president Andrés Pastrana (1998-2002) – proponent of Plan Colombia-, and the newly elected president Alvaro Uribe (2002 -...).

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Chapter 3: Neo-liberalism and its theoretical justification

‘... never before, at least during its recent history, has Colombia lost so much of its national identity, and for so little in return. “If you are not able to put your house in order”, seems to be the watchword that is coming from abroad, “we will do it for you”’ (Ahumada et al, 2001: 13).

3.1. Political Economy and its Approach to Neo-liberalism

Political economy has been described as a ‘multi-paradigm study of the economy which emphasizes features such as the distribution of income, the dynamic rather than the static nature of capitalist economies, capital accumulation and the generation and uses of an economic surplus’ (Sawyer, 1989: 3). As a general overview, political economy tries to understand and explain society by emphasizing the use and creation of resources, by looking at the economy as part of a historical process, and by considering how economic and political institutions play a significant role in shaping economic events. Furthermore, this approach sees the economy as something more than a mechanism, it includes the analysis of the institutions that ‘form, structure and operate through, or channel the operation of the market’ (Idem: 6). Moreover, it emphasizes the importance of social classes and the conflict of interests between them as a major consideration in the study of social reality.

From here, based on the political economy analysis of social scientists such as Consuelo Ahumada, James Petras and Noam Chomsky, the paper argues that the Colombian’s present crisis has not benefited but recrudesced with the implementation of over a decade of neo-liberal policies. Furthermore, it is proposed that the deep recession and deteriorating socio-economic conditions of the population (as described in the previous chapter) can be seen as a result of the economic aperture and the neo-liberal market oriented measures.

Here forth, during our analysis, we will consider that within the current international system and present wave of globalization, the Colombian and U.S. government/State, the new neo-liberal elite and its technocrats, the multi-nationals, the traditional socio-political-economic elites, and plans such as Plan Colombia serve as macro institutional actors/agents⁶ to promote and implement the market oriented policies, and to maintain control over the general population, and the forces pretending to stop the model, such as the FARC.

⁶ This paper considers such agents/actors as our units of analysis.

It is not possible, as mentioned by Ross and Ahumada, to understand the Colombian crisis and conflict if the structural conditions of the country are not taken into consideration or comprehended within a wider national and international context. Colombia, for example, has been one of the Latin America countries with serious income distribution disparities; but this inequality has historically more to do with the poor equity and justice in the distribution of resources than with the existence of a large population living in poverty. Moreover, solutions cannot be drawn exclusively under neo-liberal propositions where it is argued that the market's invisible hand will reproduce its positive results or under Malthusian presumptions where 'overpopulation' is considered as the main source of rural poverty and conflict (Ross, 2002: 3).

Here forth, in order to understand the cause and origin of the present crisis, we should refer to the principles of neo-liberal theory, which has been widely promoted by the last four Colombian governments, the national new elites and the international institutions and U.S. government, and has become one of the cornerstones of the Colombian government as stated in the 1991 Constitution.

As we have seen with the neo-liberal policies applied in Colombia and the Latin American region,

'the policies that detach from the neo-liberal premises emerge from four central theoretical principles: the positive role of inequality; the elimination of the economic and social function of the State, and therefore, of any re-distributive action by it; the market operation in all the spheres of human activity and, finally, the validation of the subjectivity as a criteria of the truth and, as a consequence, as a source of explanation of economic, political and social phenomenon' (Ahumada, 2000: 115).

Neo-liberalism bases itself on the priority of individual choice, rather than to social equality. Neo-liberalists argue that inequality results from individual choices, which have contributed to economic development and overall efficiency. They propose that egalitarianism only serves to impair the normal function of the market by giving the power of individuals to the State. However, as mentioned by Ahumada, neo-liberal arguments reinforcing inequality have resulted in the model's defense of income concentration and the implementation of measures such as the abolition of direct and introduction of indirect taxes; which happen to be some of the requirements international institutions are giving to Third World countries as pre-requisites for the continuation or the dispatch of new loans and foreign aid and have resulted in such a level of accumulation where, in Colombia, '... the ten biggest businesses of the country absorb 75% of the market [m]eanwhile, the situation of the most fundamental sectors of the

economy, industry and agriculture, is alarming' as reported by newspaper El Tiempo (Ahumada, 2000: 109).

By following the second principle and promoting the elimination of the social function of the State, neo-liberal policies have resulted in the elimination of some of the last security networks the Colombian population had, as with the privatization of health and social security services, and its profitable transfer to the private sector. Moreover, the intent to promote the operation of the market in all spheres has resulted in a Colombia where, being one of the most stable countries of the Latin American region in previous decades, is actually the opposite, as discussed in the previous chapter.

Furthermore, government programs such as the Salto Social⁷ not only glorify previous government programs but promise to continue with the same policies: "The government will not only maintain the process of 'apertura', but will also consolidate it through a more aggressive internalization strategy..."; meanwhile, the governments have consciously chosen to avoid the analysis of the roots of the crisis and to describe the socio-economic problems as conditions which have nothing to do with the application of the policies, validating the results based on its subjectivity as a criteria of the truth (fifth principle): 'On the other hand, continues the document, the agrarian crisis manifested itself in the loss of nearly 230.000 work places in the rural areas of the country between 1991 and 1993; in the same period a dramatic increase of the poverty levels has been registered, and the percentage of the rural population living in indigence conditions was raised from 26.7% to 31.2 %...' (Data taken by El Salto Social: Bases para el Plan Nacional de Desarrollo 1994-1998, Presidencia de la Republica, capitulo 3, p.51 cited by Ahumada, 2000: 16-17).

Finally, neo-liberals propose that the State should restrict its work to the formulation, interpretation and reinforcement of laws previously agreed upon, which will promote the market's well-functioning and the disappearance of socio-economic inequalities by allowing the laws of supply and demand do their invisible work for the overall benefit of society.

However, these presumptions ignore the essential signs of how individual nations and the global markets work: the existence of monopolies, the influential role of multinational corporations, a lack of equal conditions, as well as the role that the State in some developed countries plays to open up markets and improve the benefits its companies have within the global economy; which can be illustrated by the influence governments, such as the U.S., have when setting bilateral or multilateral agreements that will benefit them over others as with the case of Free Trade Area of the Americas (ALCA/FTAA).

⁷ 'Salto Social' (Social Jump) is the name president Samper gave to its national development plan.

Moreover, some other questionable basic guidelines include the belief that human beings and society can be understood as unities, that make choices individually and rationally, looking always for the maximization of their well being. Neo-liberal theorists do not explain the lack of real choice, voice, and access for the majority of the population in all countries; as is the case in Colombia: 'according to a recent study of the World Bank, the 6.5 million people that live in extreme poverty in Colombia, which corresponds to 18% of the population, are under these circumstances because they only have access to 3.6% of the total income of the country. Meanwhile, 10% of the rich population receives 40% of the national income' (Ahumada, 2000: 16-17).

A further analysis of the neo-liberal projects implemented shows two factors, which in the eyes of critical social scientists, are essential to the feasible application of the model: the consolidation of the political power in the hands of the neo-liberal technocratic elite and the exclusion of other sectors, political as well as social, by creating authoritarian mechanisms of control and exclusion to prevent social unrest (Ahumada, 2000; Ahumada et al, 2001; Chomsky, 2000/a; Petras, 2001/b/c).

The fact that neo-liberal projects are set by new elites formed by technocrats, who argue to have neutral political positions in their countries and present themselves as the only carriers of solution for their countries crisis, serves the model to give an image of impartiality and distance from any national and international socio, political or economic group, while also giving the idea that economic problems can only be taken on by them. In Colombia, starting with the Barco administration the presence of technocrats increased in the high spheres of power but it was with the 1991 Constitution, through the use of political manipulation, that president Gaviria made sure the Executive government was able to acquire extra power to implement the neo-liberal model by these new neo-liberal elites. Moreover, the neutrality of this supposedly impartial neo-liberal elite is more than questionable due to its lack of criticism of the order of things, the deep problems of the region, the lack of complaints to the dictates of the international institutions and the double standard of the U.S. Empire, as with Plan Colombia which will be analyzed later during this paper. Even further, president Samper, Pastrana and now Uribe have been able to expand and strengthen, with the support and supervision of the U.S.A. government, a repressive apparatus which has resulted in the criminalizing of social protest in order to stabilize and protect the neo-liberal system, as we will see with the case of Plan Colombia and the Andean Region Initiative (ARI).

The strengthening of the technocratic elite, surrounding the Executive branch, has been a key factor in the isolation of the unsatisfied population in order to prevent social upheaval, which could interfere with the implementation of the neo-liberal project. It is argued that the

neo-liberal model can only take place through changes in the labor force and regulations, which have already had negative impacts on Colombia as well as on other countries in the region with the increase of the informal sector, and the diminishing of real income, among others.

3.2. The generalization of the Neo-liberal model

The generalization of the neo-liberal model has a connection with the end of the Cold War and the reformulation of the politico, economic and military structure around the globe. As described by Consuelo Ahumada and Eric Ross, it was the result of a combination of factors at a national and at an international level. However, the circumstances under which the present neo-liberal policies are given create a division between the developed countries promoting the model and benefiting from the profit of its investments by its multinationals, and the developing countries having to open up their economies while having to accept further restrictions and price reductions onto their own products, as in the case of Colombia's coffee. These changes have meant the intensification of the U.S., and European, control over Third World countries, while the social and economic crisis, worsened by the external debt problem, has made Third World countries lose any chance of negotiation with the powerful economic countries represented by the IMF and other international financial institutions (Ahumada, 2000: 51).

In the case of Latin America, the United States was able to acquire a monopolistic role of social, political and economic influence when multinational corporations started investing in resources and industry in Latin America and a mutually beneficial non-written alliance was created with the national elites; because of which, for example, Colombia has never had a full agrarian reform nor a redistribution of the influence and power of the traditional elites over the State. Through time, however, we can see how the State has played an important role in the application and implementation of the global order. Furthermore, the neo-liberal governments have been able to implement new 'cliental practices' through which they have weakened the traditional institutional channels of participation while allowing the president to have direct relations with popular sectors through a series of mechanisms dependent onto the Executive branch (Ahumada: 2000; Petras: 2001 & 2001c; Rippy: 1976).

By the end of the 1980s and the beginning of the 1990s, foreign dominance had spread in the region and, while on the one hand, international institutions were not willing to accept any type of national government opposition, on the other hand, the presidents of the countries in the region show no desire to challenge these regulations (Ahumada: 2000; Petras: 2001). Increasingly throughout this past decade, all countries in Latin America have implemented

neo-liberal stabilization and structural adjustment programs prescribed by the international organizations which ask for the opening of their economies to the international markets, reduction of public expenditure with the exception of a limited number of social programs on health and education, a privatization process, and introduction of foreign investments, among others requests.

Borrowing money has been perceived as a symbol of strength and market confidence by the Western nations and their multinationals (Ahumada, Consuelo in Ahumada et al, 2001: 16), which have brought large financial unbalances for the national budgets of developing countries due to the excessive borrowing resulting from the neo-liberal agenda. However, the solution proposed by the financial international institutions has reduced the capacity of developing countries to satisfy the most basic needs of their populations while making them increasingly less self-sufficient. Furthermore, if countries were not able or if it was considered inconvenient to apply the whole package of recommendations, refusing to acknowledge the negative impact that such measures could have, the international institutions have started using their influence to stop aid packages and external financial and development agreements.

In the case of Colombia, we can see how the neo-liberal policies of the last decade have been a fundamental cause for the deepening of a pre-existing socio-economic crisis. It is important to see how these policies have been beneficial to foreign companies and the U.S.A., and how the new agreements and 'development plans', such as Plan Colombia, with international governments and organizations, help the new elite to implement the neo-liberal model. Paradoxically, even the debt renegotiation process has served as a tool for the application of the neo-liberal model in the region, which has resulted in the country's lack of ability to reformulate national development policies, all the while strengthening the power that international organizations have, to set national goals.

It is also crucial to understand how Barco's incipient neo-liberal model was consolidated with the formulation of the new National Constitution of 1991, by Gaviria's government, giving the president new powers to implement a policy of 'apertura' (Ross, 2002: 31), through 'the articles 226 and 227 [which] establish that the State will promote the internalization of the political, economic, social and ecological relations and the economic, social and political integration with other nations' (Ahumada, 2000: 196). As Chomsky puts it, '[t]he neo-liberal order that was formalized in 1991 ensured that this repressive environment would continue, in order to enforce the requisite measure of social stability on which foreign investment depended. Colombia became what was arguably the paramount example in South America of a country where the "way to maintain a favorable climate is to create a society with

formal democracy, but equipped with devices to ensure that it doesn't function to impede what really matters: enriching the wealthy'" (Chomsky 1997).

President Gaviria's government included, in their pro neo-liberalism crusade, a series of measures which included, besides the formulation of the Constitution, labor reforms, restrictions to the rights of gremial organizations, tax legislations, and health and social security reforms, among others. These modifications, and the ones which followed with the new governments, allow foreign citizens to invest freely in any sector of the Colombian economy, to the point that the largest financial groups have increased their profits, as the neo-liberal policies have been able to consolidate, while national productive sectors have suffered from poor economic conditions (Ahumada, Consuelo in Ahumada et al, 2001: 48).

In a time period when the results of a decade of neo-liberal policies should be able to be clearly visible, the neo-liberal model does not produce the expected goals (Refer to Table 1, page 10). The implementation of the neo-liberal model has produced a national crisis of the productive and social sectors where 'the agrarian sector was the first victim from the policies of Gaviria's government and its successors, and it ended up badly hurt from the opening of imports as well as from the dismembering of the official agrarian institutions..., food imports went from eight hundred thousand tons in 1991 to seven million tons in 1998..., one million hectares stopped being produced, and peasant displacement reached two million people ..., and in the beginnings of the decade of the nineties the National Planning sentenced to death five cash crops: wheat, barley, sorghum, soy, and corn' (Ahumada, Consuelo in Ahumada et al, 2001: 36). Today, 53.6% of the Colombian population has no access to potable water, and nearly 65% of the same population lacks sewage systems. Around half of the urban population and 80% of the rural does not have social security, 19% of Colombians never receive medical treatment, and the housing deficit in the country is of approximately two million units. During the same period, the social sector was reduced to three components (education, health and employment) while the percentage of the budget dedicated to them was reduced, all the while the neo-liberal elite was greatly benefited from the implementation of the policies. As mentioned by critics of the process, 'the 1991 reform ... aim for the reduction of the role of the economy, unloading the social functions that traditionally belonged to the State and convoking the private sector for them to assume it' (Ahumada, 2000: 202-203).

As a way to reduce the impact of such policies, the Colombian government, including other governments in the region, created assistance programs and social emergency funds in response to international institutions and governments suggestions which shown concern for the increasing levels of social unrest due to poor social conditions, as well as hoping to maintain enough national support to govern. Moreover, the government has refused to curve

its line of policy and has shown by signing the Intention Agreement with the IMF (signed in 1999, same year when Plan Colombia was publicly launched), that they will continue supporting the neo-liberal free market model and that they will act accordingly with the principles of the World Trade Organization (WTO) (Ahumada, Consuelo in Ahumada et al, 2001: 26).

It is argued, though, that in order to maintain social order and follow such compromises, in a time period when the crisis is becoming harder to control, the national and international neo-liberal elites are increasingly using authoritarian mechanisms to defend their common interests. In Colombia, for example, 'to defend the neo-liberal state against the forces of protest and resistance, military expenditure tripled in the four years from 1991 and 1995. But this was possible only because the United States supplied financial and logistical support to Colombia military, and indirectly, to the paramilitary forces linked to them under the pretext of clamping down on the drug traffic' (Ross, 2002: 33). Moreover, it is also discussed that 'in practice, the real threat are nationalist military forces and participatory democratic political systems that challenge the dominance of the [neo-liberal / U.S. model], [that t]he principal problems as defined by U.S. military strategists have to do with controlling the social consequences of neo-liberal economic policies and the economic exploitation of Latin America' (Petras, 2001).

Not ending here, the deepening of the neo-liberal model in the region, guided by the U.S. and its supported international institutions, the 'exploitation and pillage via local client regimes deepened', originated renewal attempts of local organization and opposition, mostly encircled around 'nationalist regimes' (Petras, 2001b). As Latin America has continued to be a private backyard for the neo-liberal exercises of the U.S., the increasingly growing social dissatisfaction contributes to the strengthening of the challenging of the empire as with the growing guerrilla movements in Colombia, the Chavez presidential regime in Venezuela, and the Indian and peasant movements in Brazil, Ecuador and Bolivia as well as trade union and urban movements in Uruguay and Argentina. In response to these challenges, Washington has devised a two-pronged complementary strategy: the Free Trade Area of the Americas and the Plan Colombia/Andean Initiative both of which are designed to increase U.S. control and deepen its capacity to accumulate resources and wealth (Petras, 2001b).

ALCA is seen as 'a logical outgrowth of the advance of the neo-liberal doctrine imposed by U.S. policymakers and their Latin American clients since the mid-1970s. While it purports to speak of 'free trade' [the ALCA] resembles the mercantilist system of earlier imperial systems' (Petras, 2001b). As James Petras puts it, the America's agreement fails to become a real free trade agreement because it allows the U.S. to maintain productive subsidies

while forcing other countries to cancel theirs. It is structured in such a way that the U.S. maintains its benefits, while creating a monopolistic competition giving trade preferences to those complying with the empire's rules of the game. Moreover, he continues, ALCA takes place in a moment when, while maybe being economically ready, the social inequalities, the high levels of poverty, the lack of jobs, and the disappearance of the middle class, have produced a conflictive social atmosphere with a 'generalized opposition not only to ALCA but to neo-liberal policies which precede it. ... To defend its dominant position and to deepen and extend it via ALCA, Washington is engaged in building a vast military empire, which is militarizing Latin American politics. Plan Colombia and the Andean Regional Initiative are only the biggest and most visible aspects of the defense of empire' (Idem).

Chapter 4:

Plan Colombia as part of the neo-liberal project **and as a multipurpose initiative**

4.1. Plan Colombia: a Plan with many faces but one underlying principle

In order to overcome the socio, political and economic problems in the country, and in order to avoid the numerous limitations other past proposals have had to bring about development and end the violence in Colombia, the government's latest attempt is a policy proposal drafted by the Colombian's President Pastrana administration and supported by the U.S. government in 1999 called 'Plan Colombia: plan for peace, prosperity, and the strengthening of the state', a 'comprehensive plan' whose final version resulted from the reformulation of previous proposals by the Colombian government supported by U.S. government officials (White, 2000).

4.1.1. Plan Colombia 1998 version

In December 1998, under direct instruction by President Pastrana, the Office of the High Commissioner for Peace of the National Department for Planning of the Colombian Presidency, with the support of a selected group of people chosen from the civil society, completed one of the first versions of the official Plan Colombia presented to the national and international community at the end of 1999.

The original version of the plan was written with a slightly critical perspective of the reality of the crisis. Some of its strong points included the recognition that violence and insecurity are the main problems of the Nation and that they have deep roots originating in severe economic and political exclusion, and in the exercise of a weak democracy based on inequality and poverty. Here forth, the Plan recognized that the costs of the conflict included not only the loss of human, physical and natural capital, but also the creation of uncertainty, insecurity and distrust in society which diminishes the social cohesion in the country as well as produces the expansion of illicit crops, the diversion of public and private investment, the re-assignment of resources to combat violence while reducing social investment, the increase of the transaction costs of the economy and the diminishing of its productivity, among others (Presidencia de la Republica, 1998).

The Plan, which was clearly stated as a complement for the official president Pastrana's Development Plan 1998-2002 –'Change to build Peace'–, proposed that negotiation

is an indispensable tool for the de-activation of the forces generating violence. Through a participatory process for the identification and execution of the necessary actions to build peace, Plan Colombia was supposed to serve as a mechanism to bring all different actors of the conflict, and society in general, together. This process was meant to promote a long-term State 'integral policy for peace' and was designed to include a negotiation process together with political reform, to strengthen democracy and the channels of participation, and actions focused on regions where violence had reached a critical point or was associated with factors as the forced displacement and the presence of illicit crops⁸ (Idem).

By recognizing the existence of large mistakes in the conception and execution of public policies in the past, the first version of Plan Colombia considered it more important to have a series of steps to respond to any appearing needs at the different stages of intervention. In addition, the 1998 Plan proposed an increase of tools and power of the Executive branch while indicating that peace promotion should be a cooperated participatory activity of public and private investment within a new institutional framework not only limited to solving the struggle with the guerrillas but to end violence in general.

Summarizing, the Plan was supposed to be directed toward the improvement of the economic, social and environmental conditions of the population in affected zones through guided actions and investments. However, more than developing emergency and reconstruction programs to respond to the crisis, for the Plan, the achievement of a long-lasting peace was closely linked to the application of social and economic actions necessary, not only to determine the dynamics of the conflict in these areas, but also to prevent and neutralize their expansion into other areas. For this, it required the application of special actions to diminish violence, improve living conditions, offer long-term profitable alternatives to development and to complement the investments proposed in the actual development plan (Idem).

The region's objective for the 1998 Plan were areas that have had continuous guerrilla and paramilitary presence as well as zones with the presence of illicit crops because they have not been able to benefit from fundamental investment actions for their economic and social development, and because these areas are not only characterized for their violent environment in which cohesion and social capital are absent, but also because the strategy against narco-trafficking is an integral part of the peace policy. Similarly, the Plan considered as focal regions those zones with environmental conflicts generated by the expansion of the agrarian

⁸ According to the Plan, violence and the armed conflict affect the whole country but their consequences are worse in certain areas, affecting mainly to one differentiated section of the population, where the different aspects of the conflict interrelate with other subjective factors that are directly associated with the reduction of social cohesion, the decreasing of institutional legitimacy, poor government action, and the absence of the State in those areas (Presidencia de la Republica, 1998).

frontier and the presence of illicit crops that have caused the indiscriminate destruction of the forest, disrespect of indigenous and black people's territorial rights, generated the loss of biodiversity and food security, and speed up the depletion of the water resources, all of which not only deteriorate the environment but also deepen the social conflict and facilitate the conditions for violence (Presidencia de la Republica, 1998).

The government proposed that actions should be articulated according to the specific characteristics of the different areas of intervention, while focusing on five spheres of action with a human-environmental perspective. The first sphere of action, development of productive processes, included the creation of sustainable economic and environmental activities as income alternatives for the population by promoting participatory productive projects through strategic alliances. According to the 1998 Plan, the participative productive projects were supposed to count with the active participation of the community at all stages, and were going to be structured as business organizations with high productivity and competition levels. In order to secure this, the main role of the government was to initiate the projects and to orient and facilitate the participation of the private sector and the civil society in the alliances.

The promotion of human capital, the second sphere of action, proposed to serve the population who were victims of violence and to foment the development of the citizens allowing them to be economic and socially productive. In order to do this, the Plan proposed to establish relief programs for the victims of violence by compensating them (economically) for any losses caused through the implementation of insurance and indemnity to widows, orphans and disabled people. Besides this, the Plan included the identification and quantification of the displaced population, the establishment of temporary areas for the care of displaced people, and strategies of an adequate return. The third sphere, creation of infrastructure for peace, was created to promote projects for rural social infrastructure (housing, electricity, potable water and sewage), and complementary investments to productive projects. Moreover, it proposed the development of productive infrastructure such as gathering centers, storage and exchange points, and slaughterhouses.

The strengthening of social capital, the forth sphere, was supposed to create the institutional schemes to warrant the existence and fulfillment of the 'rules of the game' (Idem). Through promotional programs of pacific cohabitation, the Plan, aimed to support the development of alternative mechanisms for conflict resolution, networks against domestic violence, peace centers and justice houses, as well as centers for conciliation and conflict mediation. Plan Colombia in its original version, through this strategy, tried to deepen the decentralization process and to strengthen the effective presence of the State in the territory to promote the regional development processes where the communities would act as the main

actors. Finally, with the fifth sphere, the promotion of environmental sustainability, the Plan wanted to sponsor projects that were sustainable and would help maintain a balance between economic growth, the rise of the quality of life of the population and the conservation of natural resources. It requested for promotion of programs of territorial re-organization and forest management.

The Plan suggested that in order to complement these spheres, simultaneous actions and investments should be carried out through the implementation of sector strategies. These could be directed to the short, medium and long term promotion of the agrarian sector, the strengthening of the civil society, the development of infrastructure, the re-institutionalization of justice, and the recovery of security. Plan Colombia was supposed to improve upon the application of programs and policies of coexistence and civil security that focused on a stronger preventive and pedagogic content as strategy for the reduction of violence, without exclusion of control interventions. Finally, in order to implement investment and peace policies, the Plan proposed to create an Investment for Peace Fund (FIP), a financial tool to facilitate the mechanisms of the State (Presidencia de la Republica, 1998).

While recognizing some of the virtues of the Plan, it fell short in its analysis of and proposed remedy for the Colombian crisis. The Plan had large aspirations and formal goals, but it did not define programs or projects or even include any quantitative plans or targets (Molano, Alfredo quoted by Ahumanda et al, 2001). The document, while recognizing that the roots of the conflict originate in the economic and political exclusion, did not really propose any major institutional changes, or any redistribution of resources or power. While it proposed the expansion of the State presence, major civil participation, and negotiations to stop and eradicate violence, in practice it left the position of elites and the current 'rules of the game' unchanged.

Moreover, though the Plan referred to the causes of the expanding crisis in Colombia and mentioned that past policies were partly mistaken, it did not explain that both government actions and policies had resulted in a deterioration of the socio-economic conditions of the excluded sectors of the population, especially after neo-liberal policies had been implemented. It also overlooked a possible correlation between the increase of violence/crisis, the deterioration of socio-economic conditions and the implementation of IMF/WB neo-liberal policies. This, however, can be explained by the fact that the plan was directed to the market economy and, as described within the Plan, was meant to support the Plan of Development from president Pastrana, which was structured along the lines of the neo-liberal policies promoted by IMF/WB and implemented by the Colombian government since 1990.

The Plan Colombia in its 1998 version, however, is hardly recognizable in the final Colombian Government official Plan which was presented in 1999. By comparing these two documents we can see that the approach and emphasis of the Plan were altered in essence and content.

4.1.2. Plan Colombia Official version, 1999

The official version of Plan Colombia (1999) shifts its focus from the original version by proposing that, due to the changing national and international characteristics and in response to the challenges of the new millennium, this 'comprehensive' Plan was meant to confront the growth of drug trafficking and the economic, political and cultural 'globalization' process (Center for International Policy, 2001: 2).

This Plan indicates that Colombia, even with its 40 years of continuous growth, has not been able to incorporate its population into the productive process, or reduce poverty or exclusion in the country, while drug trafficking has 'fuelled' violence and corruption and become a destabilizing force. The drug trafficking has generated a vicious cycle which has altered the national economy, diminished national resources, reversed the advances made in the distribution of land, and harmed the State by contributing to the war apparatus of the armed groups attacking the government. Moreover, it has created a crisis of credibility at the different levels of the government, originated the proliferation of corrupt practices in public and private spheres, produced uneasiness among investors and served as a barrier to the improvement of the economic and social conditions of the country within the framework of globalization (Idem: 2-4; White, 2000).

In order to fix the crisis and recover the capacity of the State, the official Plan argues that a mid to long-term community and institutional building process is essential. This process is meant to develop from a consensus within Colombian society, to strengthen the State in order to regain citizens' confidence and renew the basic norms of peaceful coexistence, while consolidating its responsibilities to resolve the '40 year-old historical conflicts', to start the construction of strong and viable economic activities, and to promote an anti-narcotic strategy under the principles of 'reciprocity and equality' between consumer and producing countries (Center for International Policy, 2001).

Furthermore, the 1999 document argues that the accomplishment of the goals proposed, and the success of the peace process, will depend on the restructuring and modernization of the police and military forces as well as the creation of an effective judicial system in order to consolidate a sense of security and defend and promote human rights. It will also depend the reformulation of national institutions and strengthening of civil

participation, and the development of specific programs to guarantee access to education and adequate health system with special emphasis on the most vulnerable population. Moreover, it success, it is argued, will promote the strengthening of the economy with the participation of the private and public sectors and the State through a demand-oriented focus supported by an alternative development strategy, stronger opening to the global markets, on a strong international support, and on a successful eradication of the main factors responsible for the increasing production of illegal crops (Idem).

The five spheres of action and the focalized coverage proposed by the 1998 Plan have been transformed into a nation-wide open approach including ten cross-cutting elements, that detail the basic focal interests of the Plan, and five more specific approaches, giving the concrete measures to be implemented in order to achieve the goals of the Plan. In total an estimated cost of \$7.5 billion dollars was meant to be covered by the Colombian government with the support of the U.S. government, and the international community and institutions.

As far as the ten elements go, the final version of the Plan includes, first, an economic strategy that generates employment, supports the ability of the State to collect tax revenues and allows the country to have a viable economic force to counterbalance narco-trafficking. For this, the expansion of international commerce, accompanied by enhanced access to foreign markets and free trade agreements that attract foreign and domestic investment, is key to the modernization of the economic base and job creation. Second, a fiscal and financial strategy that includes tough austerity and adjustment measures. Third, a national defense strategy to restructure and modernize the Colombian Armed Forces and the National Police, enabling them to re-establish the rule of law and to provide security throughout the country, fighting organized crime and armed groups. Fourth, a judicial and human rights strategy to re-establish the rule of law and to ensure equal and impartial justice to all Colombians.

The fifth counter-narcotics strategy, in partnership with other nations, was to combat production and consumption of drugs and stop the flow of resources to the insurgency and armed groups which are fueling violence. Sixth, a strategy for alternative development promoting agriculture and other profitable economic activities while considering economically feasible environmental protection measures. Seventh, a social participation strategy aimed at collective consciousness-raising including working with local business and labor groups, in order to adopt more productive models, and to strengthen the agricultural communities. Eighth, a human development strategy to guarantee, within the next few years, an adequate education and health system in order to provide opportunities for every Colombian and help vulnerable groups. Ninth, a peace strategy that aims for a negotiated peace agreement with both the insurgency and armed groups. Finally, an international strategy to confirm Colombia's

leadership in the consolidation of the principles of shared responsibility, integrated action and balanced treatment of the drug issue.

Furthermore, the five approaches are meant to achieve an economic and social recovery through promotion of trade and investment, to have a negotiation process with the armed conflict, to promote the anti-narcotic strategy, to support the process of institutional strengthening and of social development, and to further the peace process in general.

Here forth, the government recognizes, the 'Approach to Colombian Economy', the economic crisis of the nation and states that the main objectives should restore confidence in the Colombian economy through measures that stabilize the macroeconomic environment. This includes a return to fiscal balance, and the re-establishment of a healthy banking system to lay the basis for sustained growth. As priorities, the approach states the need for financial consolidation and international financial assistance which will allow coverage of the security and counter-narcotics spending requirements⁹, as well as its pressing social and public investment needs. Some of the measures proposed include a continuation of public spending cuts, the freezing of salaries, the rationalization of regional public finance, social security reform, the privatization of public companies and banks, the opening of the Colombian economy, and the establishment of a social safety net with targeted public works. In addition, the Colombian plan involves developing trade intelligence on world demand and advancing regional and inter-regional integration under strategic guidelines focusing on the expansion of Colombia's access to the international markets for products for which it has a competitive advantage. Moreover, it proposes the establishment of alternative crops, as mechanisms for illicit crops eradication, in response to the challenges of a modern agricultural sector (Center for International Policy, 2001).

The second approach, the 'Colombia's Counter-drug Strategy', argues that the instability in the country is caused by four 'violence-generating agents'¹⁰, whose actions lead to physical, psychological, economic, social and political violence in the country. Of these agents, the Plan sees narco-trafficking as the largest unstable factor representing not only a national but an international security threat, and as the central violence generating factor throughout Colombia. Based on this, it is proposed that in the next six years, 50% of narcotics cultivation, processing and distribution must be reduced through the interdiction of narco-trafficking organizations and allied groups, the establishment of government control over key

⁹ According to the Plan, the funds going to the military, police, and judicial system have been reduced dramatically (20%) in the last couple of years. However, according to the Commission in charge of rationalizing the expenditure and the public finances, the defense expenditure grew in the last decade of the 20th century at a speed two times faster than the GDP (from a 2.2% in 1980 to a 4.5% 1995) (Cordova Ruiz, 2001).

¹⁰ Narco-trafficking organizations, subversive groups, illegal "self-defense" groups and common criminals.

drug production areas with emphasis on the Putumayo area and southern Colombia¹¹, and the destruction of crops through fumigation and other eradication mechanisms. Moreover, the approach also includes the strengthening and modernization of the police, military forces and judicial system, the neutralization of the trade's financial systems, the integration of regional and international anti-narcotic efforts, and the creation and expansion of alternative development in affected zones (Center for International Policy, 2001).

Through the third approach, the 'Justice Sector Reform', the plan intends to ensure a fair, accessible and independent system of justice through the investigation, prosecution and secure incarceration of narco-traffickers, human rights abusers and violent criminals. It also promotes the criminal deprivation of illegal profits and the recapture of resources for the State, the combat of contraband and strengthening of narcotic interdiction, and the elimination of corruption and drug demands within the country.

The strategy for 'Democratization and Social Development', the Plan's fourth approach, is meant to reduce the causes and manifestations of violence by reinforcing social participation and collective consciousness. This approach is based on social participation to generate economic, social and cultural conditions that make the eradication of illicit crops viable in peasant-economy areas and indigenous reserves. In order to do this, the approach emphasizes the promotion, respect and protection of human rights and the prevention and care of the internally displaced by establishing an early warning system to detect imminent violence. Also emphasized is an appropriate response to warranty all citizens' basic rights, the creation of a plan for alternative development which will encourage peasants to abandon illegal crops by offering resettlement or micro-business opportunities, the promotion of strategies for sustainable development, and the incorporation of local communities into the social and development strategy (Idem).

Finally, the fifth approach, the 'Peace Process', according to the Plan itself, is one of the country's top priorities and forms part of a 'grand alliance against narco-trafficking, corruption, and the violation of human rights, as part of the government's resumption [of responsibility] as the sole guarantor of law and order' (Idem: 27). This approach includes the development of the peace process itself, considerations of the impact of the armed conflict within civil society, and the role of the international community. Furthermore, the approach specifies the need for the strengthening of the State's security forces to maintain an effective presence throughout the country, and the need for not only financial but also military and police cooperation from the international community.

¹¹ The Plan proposes a one-year short-range police-military-judicial effort against Putumayo and southern Colombia, a two-three year medium-range police-military-judicial effort against southeastern and central Colombia, and an extended integral effort throughout the country over three-six years.

Not surprisingly, the official 1999 Plan Colombia has been widely criticized. As Alfredo Molano indicates, the official Plan opted to ignore that economic inequality, the absence of opportunities for progress, low social cohesion, the diminished institutional legitimacy, and the poor capacity to govern that the authorities have, are some of the important root factors promoting violence and illicit cultivation. Achievements in the Plan from the first version were erased on behalf of a neo-liberal oriented vision (Molano, Alfredo in Ahumada et al, 2001).

However, the problem with the move away from the original focus to a Plan bent on responding to the growth of drug trafficking and the globalization process, starts with the forces promoting this change. The official plan was never presented to the Colombia society and was promptly altered, after having been presented to the U.S. State Department and defined as a 'catalog of good intentions', by a new special team of Colombian and U.S.A. government officials (Idem; Cordova Ruiz, 2001). The official Plan was completely unknown to the country until the year 2000 when it was distributed in English. It was initially discussed and approved by the U.S. Congress followed by the Colombian Congress. Furthermore, instead of supporting the National Development Plan as the original version of the Plan stated, it was meant to replace it.

As the former Colombian Congresswoman, Piedad Cordova Ruiz, states 'the Plan Colombia in its [official] version, far from being a promise of peace, prosperity and strengthening of the State, will bring exactly the opposite for Colombians, deepening the social, political, environmental and armed conflicts' (Idem; Cordova Ruiz, 2001).

The Plan itself is based on the disputable assumptions that the narco-traffic and the armed conflict are causes of the Colombian crisis and the government's lack of legitimacy; that violence and drugs are the reasons why the government has not been able to include all citizens in the productive process and improve their socio-economic conditions even with decades of continuous economic growth; that the armed conflict has only 40 years of existence, is mainly rural, and obeys expired ideologies having support of less than 4% of the population; and that the financial resources delegated to the armed forces and the justice system have been decreasing, which has ended up in the government's weakness to face the diverse conflicts and control the territory.

Moreover, the impact of the application of market-oriented neo-liberal policies, the historical social inequity and inequalities, the existence of violence long before the drug boom in the 1970s, poor income distribution, high levels of political and economic exclusion, high concentration of resources, low salaries and high levels of poverty, as well as a general

disrespect of social, economic and cultural rights suffered by large popular sectors, are not even taken into account as possible causes for the current levels of violence Colombia is suffering, nor as considerations for the proposal of possible solutions. Plan Colombia 1999 ignores the historical reality of Colombia where the lack of a process of political negotiation together with the unwillingness to promote a deep transformation of the current political and social structures keep generating exclusion and poverty.

Adding to the problematic bases of the Plan, the objectives of the strategies proposed do not seem to coincide with the way the budget has been distributed nor with the proposed activities to be implemented:

Table 2 - Costs by programs and funding sources of Plan Colombia (millions U.S. \$)

Programs	State	%	Credit	%	Aid	%	Total	%
Economic Policies	225,92	6,2	8,13	2,2	822,70	23,3	1.056,75	14,0
Democratization and Social Development	690,66	18,8	72,16	19,5	874,49	24,8	1.637,31	21,7
Peace Process	6,00	0,2	0,00	0,00	48,04	1,4	54,04	0,7
National Defense: Security and Justice	2.741,00	74,8	289,00	78,3	1.780,00	50,5	4.810,00	63,6
Total	3.663,60	100	369,28	100	3.535,22	100	7.558,10	100
% Participation	48,5		4,9		46,6		100	

(Quoted by Cordova Ruiz, 2001)

Starting with the Peace strategy, this core process according to the Plan's own wording, has only an estimated 0.7% of the total cost of the project. Meanwhile, the campaigns proposed to promote this initiative reflect an unwillingness to consider the structural root of the conflict. Together with a change of law, it seems that, instead of promoting social participation, the Plan is promoting mechanisms to facilitate the destruction and legitimacy of any social protest.

At the same time, the Social Development strategy intends to promote health and education while the imposition of austerity and adjustment measures are expected to create drastic cuts in the social expenditure of the government. The Plan fails to consider how crop eradication will produce social, economic and environmental consequences and, even worse, by aiming to neutralize the crisis by improving security in the south of the country, ignores that it is in the north, where paramilitary forces have the largest influence, where it is most needed.

The national defense, security and justice strategies, on the other hand, represent 64% of the entire budget. This not only contributes to a further military orientation of the conflict but also reveals the path the Plan is following. Plan Colombia possesses 'a fundamental ingredient: investment in war equipment, logistics and military intelligence, all of this with an increasing influence of the U.S.A. Military Special Forces in the conflict. ... Reaching in this

way to a mortal equation: "the U.S.A. gives the military technology and arms and Colombians provide the death." (Cordova Ruiz, 2001).

Additionally, Colombia's long history of arbitrary imposition in the fulfillment of the law and abuse of the system by those in power, seems to be ignored and even worse promotes through the establishment of 'Regional Justice Courts where defendants are tried by secret prosecutors, secret judges, convicted with secret or paid informants and evidence, and often cannot criticize evidence or cross examine witnesses until after they have been convicted' (Colombian Support Network, 1996). In addition, the socio-economic elites are not questioned nor are their connections to narcotics unveiled, the military forces' corruption and human rights violation scandals seem to be erased, and the State's-paramilitary connections seem to suddenly disappear in the eyes of Plan Colombia. Even though the Plan mentions the 'self-defense groups' as co-promoters of violence with strong ties to narcotic production, they too seem to disappear when actions to eradicate violence, corruption or narco-trafficking are proposed.

The Economic strategy suffers from the same weaknesses of the overall Plan. It proposes neo-liberal policies, which do not question the current structural conditions, as solutions to the crisis. The official document does not stop to analyze how the expansion of the same policies being applied for over a decade in the country, which have deteriorated the current economic condition of the majority of the population, will reduce violence and improve the living conditions in Colombia. Moreover, elements considered part of the fiscal plan to improve the international prestige of Colombia seem to say little about the average Colombian, living under the poverty line, besides returning back to them an inevitable increase in unemployment. Recognition of the negative short-term impact of the Plan's consolidation of unemployment and other social problems, contributes nothing to a population living through social system cuts with no knowledge of exactly how long this short-term will take (INOTA, 2001).

Finally, an additional aspect of the Plan that has been widely criticized is the changing chameleon-like nature that the Colombian and U.S. governments seem to give to the Plan. Plan Colombia is strongly promoted as a 'comprehensive development and peace plan' to gain support in Colombia and Latin America. The same Plan is sold as an 'anti-narcotic initiative with a major emphasis on security' in the U.S.A., and the Plan is presented to the international community, mainly European Union (EU) and Japan, as a 'peace, humanitarian and social investment Plan' (Mondragon, 2000a). Unfortunately for the social and development components of Plan Colombia, which do not really benefit from U.S. security aid and suffer from the national budget cuts, the inability to make compatible this changing nature has

resulted in the international community refusal to sponsor such a Plan based on reservations regarding the excessive military focus of the plan, and human rights considerations, among others.

4.2. Plan Colombia: a multipurpose initiative

4.2.1. Plan Colombia as a neo-liberal requirement

Colombia's official enrollment in neo-liberalism is only a decade old, as the re-formulation of the Constitution illustrates, but the neo-liberal policies have influenced the State for much longer. Plan Colombia's roots can easily be traced back to the creation of Operation Colombia, the country's first development plan elaborated by Lauchlin Curie under the World Bank veil, and has been considered even by president Pastrana as a Plan Marshall for peace (Molano, Alfredo in Ahumada et al, 2001: 113-114).

The Colombian society has not been able to detach from a socio-political structure based on a 'gamonal'¹² tradition, which has created a socio-political façade known by its supporters as the 'oldest democracy' of Latin America¹³ (Mondragon, 2000a). For centuries, the problems and solutions for the Colombian crisis have been linked to the accumulation of resources and power. The Colombian reality, starting with the political and geographical division of the territory, does not reflect the population needs, but serves as a mechanism to maintain traditional control through electoral, economic or social mechanisms of which violence plays an important role. In order to maintain the system, the elites have used its own supporters, as well as other social institutions such as religion, security forces and self-defense groups, to destroy any social alternatives and any sign of social discomfort (Idem).

Early attempts such as the 1936 law 200, which could have served to establish a redistribution of properties and a re-activation of the economy in the hands of peasants, were meant to fail and were turned into mechanisms for exclusion and displacement. The process, promoted through artificial rise of land prices, the expansion of paramilitary forces, the aperture of the economy allowing for an increase of food imports of as high as 700%, the destruction of wheat, barley, sorghum, soy-bean and corn crops, and through the expansion of the economy of narco-trafficking, produced migration flows into urban areas and changes

¹² An individual or group of people who traditionally possessed resources (especially land), were closely related to the socio, politic and economic power, linked to the capital, etc.

¹³ The Jesuit priest Javier Giraldo has called this system a 'genocidal democracy', and Eduardo Galeano called it a 'democritatorship' (a civilian dictatorships that appear democratic on the surface) (Mondragon, 2000).

which have turned Colombia into an urban country (Mondragon, 2000a; Ahumada, Consuelo in Ahumada et al, 2001: 36).

The present conditions in the country, and especially in the agrarian sector, are only the end result of this historical process. Forty-five years ago Currie proposed a program of accelerated mobility in order to achieve a reduction in the rural population and to promote modernization through cash production and industrialization. Plan Colombia seems to be the latest scheme of the government and the elites following Currie's advice through a pull-push mechanism. Moreover, the violence and the crisis can also be seen, as proposed by the insurgency and critical voices of the conflict, as the ability to resist, economically as well as politically and militarily, on the part of the peasantry. (Mondragon, 2000a)

From this point of view, the problem the elites seem to continue having is how to "defeat" this resistance and eliminate the "inefficient" traditional peasants, "who grow marginal lands in properties of anti-economic sizes", or in accepting that the peasantry can open an alternative economic and social path if they count with the support of massive programs, if they are provided with the adequate means of production and, if they are permitted to consolidate their own peasant economies and culture, as a way to develop their own associative mechanisms and business initiatives...' (Idem). The peasantry does not only have to face the process of national exclusion but also the transnational capital and the globalization model that the 1991 Constitution has promised to defend and Plan Colombia is trying to implement.

Some of the priorities that seem to have been contemplated during the re-formulation of the plan, besides the official aperture of the economy and the anti-narcotic security strategies, include oil and mineral extraction, electricity production, water and biodiversity access, as well as the construction of at least four transportation mega-projects (the dry canal Atlantic-Pacific and its rail connections with the Medellin-Buenaventura rail system and the Pacific highway to Medellin and Pereira, the highway Uraba-Maracaibo and the vial system to Antioquia-Venezuela, the intercommunication system river Orinoco – river Meta – Buenaventura, and the intercommunication system river De la Plata – Amazonas – Napo – Putumayo – Tumaco, with the river and dry ports in Puerto Asis.) (Mondragon, 2000a).

The results that Currie's suggestions and the elite's model implementation have caused are well known. Not intending to repeat the poor indicators already stated, the form of violence associated with it, land and resource struggles, has become particularly traumatic. There has been an increase of informality and urban poverty, unemployment has reached a structural character, universal education is far from been achieved, and neither the government nor the market have been able to compete in international trade with the national products; all

of which are supposed to be eradicated through the implementation of Plan Colombia and the continuation of the neo-liberal policies of the last decade (Mondragon, 2000a).

On one hand, Plan Colombia, behind the drug veil, serves to force the imposition of neo-liberal policies and to prevent and diminish any social protest resulting from the recognized consequences some policies could have over the excluded sectors of the population. The economic strategy adjusts fully to the IMF/WB guidelines of fiscal equilibrium, stabilization of the economy and liberation of the market in return for U.S. support and international financial aid and serves as a medium to attract foreign investment and promote expansion of commerce (Ahumada, 2000: V; Petras, 2001a).

Under the heading of 'stabilization measures' of its economic strategy, the Plan proposes the privatization of State public companies, including the utility and mining companies, as mechanisms to stop the economic and banking crisis; however, it says little about the elimination of the agrarian crisis undergoing at least a 9 year decrease (INOTA, 2001; Mondragon, 2000a). Other measures to stop the crisis include the increase of sales tax and the reduction of income and company taxes, the elimination of social investments, the reduction of labor costs and of employment positions within the government, the freezing of salaries excluding high position employees and high level politicians. Moreover, they also include a proposal for future approval for the increase of retirement age and fees for retirement funds, the elimination of elemental worker conditions, the dissemblance of social subsidies, and the elimination of subsidies for water, electricity, trash collection, and telephone services of the lower sectors of the population as well as for the health subsidized system (Mondragon, 2000a). Furthermore, through this proposal of the so-called 'strategic alliances' and the re-acquisition of land and resources by the security forces for the State and its re-organization into 'productive activities' based on private participation –mainly permanent cash crops-, new waves of land and resource accumulation seem to be flourishing on behalf of the national elite and the transnational capital.

These proposals, however, cannot be surprising to anyone. During the campaign for its re-formulation and approval by the Colombian and U.S. governments, foreign investment connected to the oil and mining industries pushed for the inclusion of certain modifications, which opened new profitable intervention frontiers¹⁴ (Mondragon, 2000a). The response of the proposal has been positive among the capital sources and investors while quite prejudicial to

¹⁴ Since 1999, the number of oil exploration and exploitation contracts has rapidly increased. Only between January 2000 and July 2001, 54 new contracts were signed which only left as untouched reserves the Pacific oil fields – considered by the US as special reserves for military contingencies- and the southeastern Amazon –where the peasant insurgency is strong- (Mondragon, 2000).

the excluded population. The strategic alliances¹⁵ and the promotion of large-scale crops, such as vegetable oil, wood, rubber or ranching, have resulted in the further transformation of an economy based on peasant/indigenous subsistence agriculture into large bulks of cheap manual labor sources. At the same time, the lack of proposals for structural change serves to promote the expansion of the 'gamonal' system of power, with the support of foreign investment and international commerce, and the transformation of the countryside into a productive business while promoting decentralized investment (Idem).

On the other hand, searching behind the neo-liberal premises of macro-economic development and social improvement, the strengthening of the model through the application of the Plan seems to give little hope for an already excluded population. Moreover, it is frustrating that Colombia, since the full introduction of neo-liberal policies, has ended 40 years of economic growth, illegal crops have increased in size even while the anti-narcotic efforts have been reinforced by the government, and has been showing a reduction of business enterprises, which is contrary to the aims of the neo-liberal policies. By the beginning of the last decade, 500 large enterprises registered around 69% of the GDP while only providing 3% of the employment. First, since the neo-liberal policies have been implemented, small businesses have been hit hard due to the opening of imports and the introduction of foreign investment; second, even though there have been periods of large economic agrarian growth, they did not show any major improvements for the poorest but an increase of landowners' profit (Mondragon, 2000a). Studies done by the International Labor Organization (ILO) in Colombia show no correlation between the reduction of salaries and the increase of employment, as neo-liberal policies promote (Mondragon, 2000a). Finally, the reduction of social investment and the transfer of such services to the private sector do not seem to help alleviate the family sources already badly hit by the crisis (Ahumada, Consuelo in Ahumada et al, 2001).

In a country where social protest has taken the form of guerrilla and armed upheavals, where narco-traffic has expanded nationally and become one of the only economic alternatives for the excluded population as well as a source of easy income-raise among the socio-economic elite, and where violence has been used as a tool for social cohesion; an intervention with a strong military focus, as the official version of Plan Colombia proposes, serves as the only mechanism to continue with the improvement of private profits and national macro-

¹⁵ The products proposed for the creation of strategic alliances have had market problems, e.g. African palm prices have decreased, in 1999, by 25% at the international market and 31% the national counterpart. Moreover, the price

economic indicators' goals of the neo-liberal model, without having to implement any structural social change which might weaken the socio-economic status of the elite.

4.2.2. Plan Colombia as an anti-narcotic intervention

It is argued that the application of Plan Colombia will not serve to reduce the crisis; moreover, it will serve to ensure a stronger polarization of its actors and positions (Molano, Alfredo in Ahumada et al, 2001). If we take a step back and critically analyze the economic logic behind the drug production, we would have a strategy different from the one proposed by the Plan. As discussed before, the levels of inequality and social exclusion have been creating a situation where economic accumulation has left most citizens in the country with no real share of the resources and the income of the nation. Furthermore, the application of neo-liberal policies have complicated their social-economic reality by further reducing their subsistence sources and employment opportunities as well as their social security networks. With no other economical sustainable source of income, illegal crops have become the mean of survival for displaced and excluded peasants and land-less workers.

Against this reality, and based on the distribution of funds and the emphasis that these strategies have within the document and its budget, Plan Colombia has opted to propose a military approach as the central solution for the drug phenomenon. Illegal crops are seen through the plan as an activity, unrelated to any socio-historical context of the country, which began nearly four decades ago and started promoting violence and expanding the national crisis. Because of this, the Plan's police-military-judicial effort is meant to return the control of the crisis to the government in a process that should take no more than ten years. Physical eradication by force or aerial fumigation, armed interventions of narco-trafficking organizations and allied groups and the areas under their control, and the strengthening and modernization of the police, military forces and judicial system seem to be the center objectives of the initiative.

Unfortunately, the Plan is based on disputable assumptions. The arrival of drugs in the country not only began due to appropriate environmental conditions for its production but also as a consequence of U.S. interventions in other drug producing countries, causing the so-called 'balloon-effect'. The spread of crops can be seen as a consequence of a lack of socio-economic opportunities among the large sections of the excluded population. As happened in Bolivia and Peru in the 1970s and 1980s, illicit crops expanded along excluded and displaced populations and colonization projects looking for a source of security (Ross, 2002: 29). Narco-

trafficking has not been the source of the socio, political, and economic problems in Colombia; it has only complicated the scene. The Colombian crisis and its manifestations (violence, corruption, illegitimacy) have existed long before the production of drugs expanded in the country (Caballero, Antonio in Ahumada et al, 2001).

The war on drugs has two battles to fight: the elimination of the production, and the prevention and reduction of consumption. Plan Colombia, however, has been designed to fight only the first battle.

Reasons for this choice are many. The government's argument is that the war against drugs will be carry-out by a mutual international partnership between producer and consumer countries, and that Colombia's role is to cease being the world's first producer (Center for International Policy, 2001). Another perspective, however, is that drug eradication and fumigation serve as a new mechanism for clearing out the land of unnecessary peasants and disturbing insurgency groups (Mondragon, 2000).

The problem with the war against drugs being fought by a producer country is that Colombia, though the largest drug producer, is not receiving the majority of the profits from the business. As described by Mondragon, the drug business is a North American and European enterprise: 'For every \$0.25 a possible fumigated peasant earns, a courier earns 1 dollar, the Colombian mafia 18 dollars and the North-American and European mafia between 40 and 60 dollars' (Idem). What the mafia earns is no-where near to the profits of the international financial system. Therefore, by putting a major emphasis on the peasant and countryside intervention of production, Plan Colombia also ignores the elites in charge of the actual trafficking and distribution of drugs, and the existence of the financial resources that are maintaining the Colombian economy, inflating the land prices, etc.

Plan Colombia's strategy is quite simple and direct: It is meant to attack supply in order to promote a reduction of demand (Vargas, 2001). This strategy, however, is clearly not working: production has not changed in Colombia (See Table 3 above). Even worse, the drug cartels and large organizations that used to control production have, apparently, disappeared and the whole production process has been democratized, expanded and acquired larger mobility in order to avoid armed interdiction: this all while the U.S. policy shifted from a war against the trafficker to a war against the growers (World Policy Institute, 2000).

Table 3 - Coca Cultivation and Eradication in Colombia (1994-2000, hectares)

	Total Coca Cultivated	Coca Sprayed	Coca Killed
1994	44,700	3,696	4,910
1995	50,900	24,046	8,750
1996	67,200	19,306	5,600
1997	79,500	41,847	19,265
1998	101,800	N/A	N/A
1999	122,500	42,000	N/A
2000	137,600	61,000	N/A

(Source: 'U.S. Department of State, Bureau for International Narcotics and Law Enforcement, 2000', quoted by Crandall, 2002: 85).

Over thirty years of anti-narcotic interventions, that ignore the socio-economic root of the problem, promote the clearing out of properties and follow market oriented tendencies, have diminished the pillars of society. What started as a police problem over thirty years ago is now the worst crisis of the Nation and has created what analysts like to call a 'narcocracia'¹⁶ (Caballero, Antonio in Ahumada et al, 2001). Programs, which expected to eradicate the illegal activities, have only pushed the crops and their producers further away into inhabited territories and their instruments, forced eradication and fumigation, have only proven useless for a problem based on poverty and exclusion (Soberon G., Ricardo, 2002). The socio-economic impact of the structural adjustment policies and the liberalization of the market and commerce, in countries with large sectors of the population excluded, have forced large groups to continue and increase their illegal production in order to maintain a basic income where no other alternative is available to them. Herein, while the anti-narcotic strategy serves as a counter-neo-liberal initiative, the expansion of drugs within Colombia is a perfect market generated strategy; Colombian illegal producers act with the purest economic logic: they cultivate the product, which in practice, has the largest advantage and benefit within the framework of the international market (Chomsky, 2000a).

The other battle, the destruction of drugs demand, is the other proposal continuously not seriously implemented by the consumer countries. The U.S. government, for example, has opted to fight the drug war by contributing with financial resources while allowing others to pay with human, economic and environmental costs¹⁷. This policy, which seems to be online with other U.S. anti-narcotic programs implemented in Peru and Bolivia, not only serves to maintain the war and the displacement outside the streets of U.S. cities but also contributes to the reinforcement of the socio, economic and political influence and control the U.S. has over Colombia and other Latin American countries in similar situations (Caballero, Antonio in

¹⁶ Referring to a democracy under the control of narco-trafficking.

¹⁷ 'A Rand study ... found that funds spent on domestic drug treatment were 23 times as effective as "source country control" (Clinton's Colombia Plan), 11 times as effective as interdiction, and 7 times as effective as domestic law enforcement' (Chomsky, 2000a).

Ahumada et al, 2001: 126). Through a series of mechanisms, including the U.S. sponsored drug certification process, direct military intervention, financial contribution or political pressure, the U.S. government, with the support of the neo-liberal elites and the transnational companies and institutions, is contributing to the setting up of market conditions, the eradication of barriers for their companies and products, and the establishment of anti-subversive systems to prevent social protest.

Furthermore, some of the contradictions of Plan Colombia, along with the ideological neo-liberal model that it supports, are that the installment of alternative development plans to eradicate crops will, first, require a modification of the commercial treaties the government has agreed to in order to maintain a suitable market and price and provide an acceptable family subsistence level and compete with the profits of drugs. Secondly, Plan Colombia leaves wide areas of territory untouched, which will allow production to expand deeper into the countryside (Mondragon, 2000a). Moreover, some of the areas untouched by the Plan include the territories under the control of paramilitary forces, such as Choco and Uruba, and it also contributes to the clearance of the largest zones previously untouched.

Probably one of the worst hypocrisies of the war against drugs is the informal participation in the Plan of the paramilitary forces. These so-called 'self-defense' groups, originally formed by the military forces of Colombia with direct orders from the Executive branch, are some of the largest public supporters of the State, the neo-liberal model and of Plan Colombia and its 'developmental' strategies. These armed groups, who by doing the dirty jobs that the government and its security forces are not allowed to do, have been responsible for the clearance of large territories, massacres, violations of human rights, and have publicly acknowledged to having financial support of drug dealers. The Colombian and the U.S. governments, even when recognizing the narco-traffic origins of the paramilitary forces and the need to protect the country's population from their activities, have omitted the description within the Plan of how these organizations will be dealt with, while fully elaborating on how to deal with guerrilla groups, the other agent of violence that the Plan argues have drug sponsorship (INOTA, 2001). The policies against the paramilitary forces, as proposed by James Petras, include a two-track policy: paper criticism and large-scale support (Petras, 2001c). As described by Noam Chomsky, 'The drug war is always the pretext for something else' (Chomsky quoted by Colombian Support Network, 1996).

4.2.3. Plan Colombia as a regional model

Plan Colombia seems to have growing importance due to the region's changing socio, political and economic conditions. In a region with increasing popular dissatisfaction and deteriorating socio-economic conditions, Plan Colombia is seen as a possible solution and stabilizing force in an area of great geo-physical importance for the market and the world economy.

Colombia is not only the bridge between Central and South America and one of the entry points to the Amazon jungle but it is also a country that, while having access to the Pacific and Atlantic oceans, possesses large quantities of natural resources. Colombia is strategically located in an area where growing instability and critical civil cohesion is pressuring the traditional elites to start searching for alternatives to the neo-liberal model which has not achieved the expected results after at least three decades of existence (Vazquez, 2001). Hence, the importance of the proposal of Colombian president Pastrana's government is that it can also be seen as a war over three factors: territory, natural resources, and population.

Even though the economic interests are substantial for the Colombian government and the resolution of the crisis is one of the major reasons for the original proposal of the Plan by the Colombian authorities, the interest of the U.S. and the international communities is not black and white. As proposed by James Petras, the solution to the Colombian crisis and the importance of its military emphasis against the insurgency is geo-political. First, the insurgency is a force challenging the hegemonic model. Second, the FARC and other insurgency forces of Colombia, the populist government of Venezuela and the indigenous and popular organizations of Ecuador have turned the region into a 'radical triangle' where popular discontent is flourishing and regional alternatives, with the support of forces in Brazil, Peru and Bolivia, are taking shape against the U.S. proposal of a market-oriented free trade area throughout the Americas (AFTA) and in favor of regional initiatives such as the consolidation of MERCOSUR and the Andean Countries Pact, also allowing Cuba to integrate into the regional economy against the U.S. blockade. Finally, the region is of major importance for the exploration and production of oil, of which the U.S. is the main consumer, as well as the mineral extraction, electricity production, and water supplies, all of which represent a major source of income for U.S. enterprises (Petras, 2001c).

Unfortunately for the social alternatives trying to become real alternatives within the region, the U.S. sees them as attacking forces against its regional hegemony and historical supremacy and invincibility (Idem). The open exposure of the negative consequences the neo-liberal model could have on the levels of inequality and poverty, has been seen as attacks

on the national elites and the Colombian and U.S. governments. In order to defend their interests, Plan Colombia not only represents a clear indication of the type of intervention the U.S. is willing to back up, but it is visibly the step towards what has become a re-prioritization of the area by the U.S.A. government and a more direct intervention. Plan Colombia not only results from a directed reformulation of the 'good intentions' of the Colombian government, as discussed before, but has the concrete objective of returning the national control to the government and the elites while reducing the levels of social protest.

Returning to past interventions of national crisis within Latin America, in the last couple of years the U.S. government has not only promoted and supported Plan Colombia, but has also openly supported the Chavez coup d'etat, and intervened in the falling of the government of president Fujimori in Peru and the dispersion of the 'Popular Junta' in Ecuador. Through political and economic pressures, the U.S. has secured the establishment of the neo-liberal model in the region, the establishment of dolarization attempts such as the one in Ecuador, Argentina and El Salvador, the training of national military personal by U.S. forces as well as the participation of U.S. troops in national military activities in the region, and the construction of new military bases in the area to replace Panama's former installations¹⁸.

Moreover, the uncertain results Plan Colombia could have due to the constantly changing factors in Colombia, and the importance of reducing the conditions for its duplication within the region, has ended up in a U.S. reformulation of a regional anti-narcotic program named the Andean Regional Initiative. On one hand, this initiative, which continues with the neo-liberal anti-narcotic model imposed in the region by the U.S. government in the past, proposes itself as a mechanism of prevention for other countries in the region to contain the civil conflict outside their borders, and to be prepared for a possible wave of people who have been displaced due to the Colombian conflict and, more importantly, for a new 'balloon-effect' of drug trafficking along the region. On the other hand, the expansion of the Plan into the Andean Regional Initiative can also be seen as another way for the U.S. to illustrate not only the geo-political importance discussed above, but the distance it is willing to go to maintain and protect its 'national interests', as well as a contribution for the indispensable social order the national elites and the markets need to continue its control over the natural resources.

¹⁸ Besides installing multiple bases within Colombia, the governments of Ecuador and The Netherlands have allowed the U.S. to build bases in Manta and the Caribbean.

Chapter 5: Conclusion

‘...the consequence of a period of crisis does not manifest itself only through the material conditions of the citizens ... but implies a rupture of the known conditions, which transforms people in their capacity to orientate and organize their present conduct and to foresee what could happen to them in a close future’ (Castillo Cardona, Carlos in Ahumada et al, 2001: 143).

It is hard to sustain that Plan Colombia represents a new kind of development initiative or that the national socio-economic crisis will be solved after its implementation, which was one of the possible outcomes of our research questions. The government of Colombia seems not to have the willingness or the intention to search for the historical causes of the Colombian crisis, or to improve the poor conditions the excluded as well as the displaced people are living under (Cordova Ruiz, 2001).

Plan Colombia needs to go back to its origins and to reformulate its analysis, its aims and its budgetary needs, by trying to point out solutions for the factors producing poverty, exclusion, displacement, social de-cohesion, human rights violations, and lack of good governance in the country. A reformulation of this type requires a departure from a change of its theoretical and political bases. As proposed by Ahumada, a redefinition where ‘development’ cannot be confused with ‘economic growth’ as the neo-liberalists supporters of the model seem to propose (Ahumada, 2000: 289-290). Moreover, a new plan needs to give a deeper analysis of the way resources have been accumulated, how power has been historically distributed and implemented, how agrarian changes have played a major role in the construction of the national conflict, and how government policies and the market’s actions have intervened and contributed to the deterioration of the unequal conditions of the majority of the population.

As analyzed throughout this paper, it is doubtful that Plan Colombia will even be able to fulfill the reduction of its narco-trafficking as described in its objectives. However, if the objective is to clear out the land to promote other types of productive activities, the plan seems to be contributing to the rural-urban migration and to the displacement of people due to guerrilla and paramilitary violence, the drug eradication interdictions, and due to market pressures. Furthermore, the Plan appears to be promoting the political and economic status quo that has served the Colombian elite and foreign business interests to increase their power and resources throughout Colombian history (INOTA, 2001).

Plan Colombia seems to have other objectives than the ones described throughout its actual document. Plan Colombia can be seen as the nation's political and economic elite trying to fight the insurgency and the popular unrest, while implementing the neo-liberal policies, protecting and expanding their social, economic and political interests, and creating mechanisms to stop future instability. Plan Colombia, as well as the Andean Regional Initiative, can be looked at as mechanisms trying to expand, protect and consolidate the economic interests and political power through a military mechanism and an economic and political intervention while, at the same time, trying to fuel the military industrial machinery by facilitating the armament and training, and fuel its economic sectors by securing profits and markets and creating a better access to strategic raw materials, especially energy sources (Petras, 2001). Furthermore, Plan Colombia seems to serve as a way to eradicate the disposable population from productive areas, to set the right conditions for the development of mega-projects, to promote neo-liberal policies and the liberalization of the market, to contribute to the expansion of profits of large investments and enterprises, and to control the population in a time when 'structural adjustment' programs were predicted to create social protest.

The recent election of the right-wing conservative president Alvaro Uribe does not bring much hope to those expecting a change of policy and a reformulation of Plan Colombia. President Uribe, not only has publicly announced the continuation of president's Pastrana proposal, but he has expanded it by giving extra-judicial powers to the security forces, personally promoting an increase of U.S.A. funding to the Plan and its expansion within the country and the region, establishing a 'tax of war' to increase army resources, creating a 'one million informants network' to obtain information from citizens in exchange for a cash payment, as well as proposing new neo-liberal plans for Colombia and campaigning for a full application of the FTAA treaty as early as 2004 (www.elcomercio.com).

Fortunately, not everything seems dark in the search of a solution to the Colombian crisis. Alternatives to the formal and informal objectives of Plan Colombia have been proposed by the peasantry, unions, NGOs and other civil society organizations for as long as the neo-liberal model has been implemented and during the formulation, discussion and approval of the Plan itself.

In order to change the root causes of the conflict through the transformation of social relations, proposals include, first, the establishment of communal planning and management programs directed to build power and capacity for environmental, social, and productive management in local communities, and to return the equilibrium between the resources and the abilities of the state and between the opportunities and social obstacles. Second, the

establishment of mechanisms to bring the use of the land into line with its productive agro-ecological potential by reducing the inflated price of land and increasing the income gained from the appropriate use of the land, creating peasant reserves, and promoting agrarian reforms alternatives with the support of the State in order to secure a market and acceptable prices for its products. Third, initiatives for the reorientation of the economy towards a political economy of sustainability, and of territorial reorganization with a major emphasis on the reorientation of the administration of territorial entities with their limits, adjusting them to the social, economic, geographical, ecological, and cultural realities. Adding to this, proposals also include the defense of the cultural diversity of the nation, and the use of dialogue as the method for resolution of conflicts instead of military confrontation which is suggested for the solution of the problems of land title and development of the soil, but that is also applicable to the specific problem of the solution of the national armed conflict, and to the treatment of the problem of illegal cultivation. Finally, other proposals are centered around integrated regional sustainable development projects of the agrarian issue, the reintroduction of citizens to a democratic system and the real application of human, cultural, economic and political rights.

All of these proposals, which could easily be the source of future research, are linked to the solution of the agrarian crisis, the colonization process, and the mechanisms of socio-political exclusion because the destruction of the productive sectors, the accumulation of resources and the systematic exclusion of the population has resulted in a forceful dependence of illegal exports, oil, and other mega-projects that have appeared in the rural areas, while the majority of the population is now living in cities and is presently trying to survive the negative consequences of the socio-economic downturn (Mondragon, 2000a). At the same time, these proposals are meant to recognize that the rupture of the political, economical and social participation is a mechanism of exclusion and that the real problem is not what is being produced but the social framework that needs both violence and conflict for its development.

1. Die Bedeutung der Sprache in der Kultur

Die Sprache ist ein zentraler Bestandteil der menschlichen Kultur. Sie ermöglicht die Kommunikation zwischen den Menschen und ist somit ein wichtiges Werkzeug zur Übermittlung von Wissen und Erfahrungen.

Die Sprache ist nicht nur ein Mittel zur Kommunikation, sondern auch ein Spiegelbild der Kultur. Die Wörter und Sätze, die wir verwenden, spiegeln die Werte, Normen und Traditionen einer Gesellschaft wider. Die Sprache ist somit ein wichtiges Instrument zur Identifizierung und Unterscheidung von Kulturen.

Die Sprache ist auch ein wichtiges Werkzeug zur Schöpfung von Identität. Durch die Verwendung von Sprache können wir uns selbst und andere definieren. Die Sprache ist somit ein wichtiges Element zur Konstruktion von Identität.

Die Sprache ist ein wichtiges Werkzeug zur Übermittlung von Wissen. Durch die Verwendung von Sprache können wir Wissen von einer Generation zur nächsten weitergeben. Die Sprache ist somit ein wichtiges Element zur Überlieferung von Wissen.

Die Sprache ist ein wichtiges Werkzeug zur Schöpfung von Gemeinschaft. Durch die Verwendung von Sprache können wir uns mit anderen verbinden und eine Gemeinschaft bilden. Die Sprache ist somit ein wichtiges Element zur Schöpfung von Gemeinschaft.

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<http://www.state.gov>

<http://www.zmag.org>

1. The first part of the report is a general introduction to the subject of the study. It is a very important part of the report, as it sets the context for the study and provides a brief overview of the findings.

2. The second part of the report is a detailed description of the methodology used in the study. This part is also very important, as it provides a clear and concise explanation of the methods used to collect and analyze the data.

3. The third part of the report is a detailed description of the results of the study. This part is the most important part of the report, as it provides the evidence for the conclusions drawn in the final part of the report.

4. The fourth part of the report is a detailed discussion of the results of the study. This part is also very important, as it provides a clear and concise explanation of the findings and their implications.

5. The fifth part of the report is a conclusion. This part is the final part of the report, and it provides a clear and concise summary of the findings and their implications.

6. The sixth part of the report is a list of references. This part is also very important, as it provides a clear and concise list of the sources used in the study.

7. The seventh part of the report is a list of appendices. This part is also very important, as it provides a clear and concise list of the additional materials used in the study.

8. The eighth part of the report is a list of figures. This part is also very important, as it provides a clear and concise list of the visual aids used in the study.

9. The ninth part of the report is a list of tables. This part is also very important, as it provides a clear and concise list of the data presented in the study.

10. The tenth part of the report is a list of footnotes. This part is also very important, as it provides a clear and concise list of the additional information used in the study.

11. The eleventh part of the report is a list of acknowledgments. This part is also very important, as it provides a clear and concise list of the people who helped in the study.

12. The twelfth part of the report is a list of references. This part is also very important, as it provides a clear and concise list of the sources used in the study.

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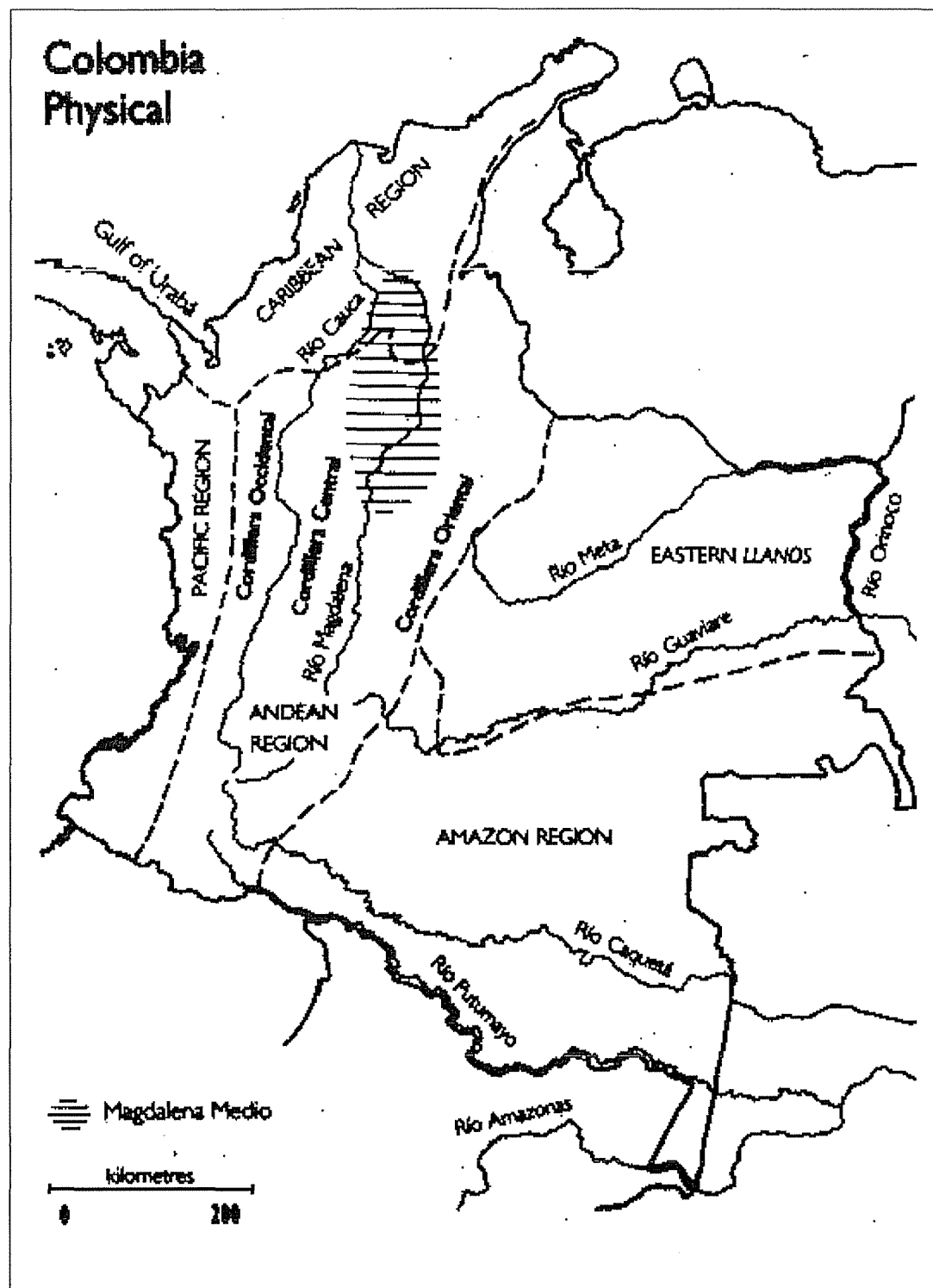
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ANNEX 1
COLOMBIA PHYSICAL



ANNEX 2
COLOMBIA POLITICAL

