

# Project Maria Caicedo

## Development of Inclusive Markets to Build Peace in Colombia

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Bienvenidos  
CORREGIMIENTO  
"San Lorenzo"

**Working in the Peasant Reserve Zones of the Cimitarra River Valley, Catatumbo and Tuluá, this project works towards the transformation of war economies into peace economies.**

Project María Caicedo was a participatory research project, designed to capture the voice of those left behind (through the years of conflict in Colombia, and by the subsequent efforts to bring peace) and involved in **illegal economies in the rural Colombia**. This research provided key building blocks in the foundation of peace in Colombia through the transformation of war economies to peace economies in Peasant Reserve Areas (ZRC, by its acronym in Spanish). The project took a systemic approach, which involves the political and economic systems at the local and national levels, seeking to give the most marginalised people a voice and ultimately power to emerge from poverty.

### Why are we focusing on illegal economies?

Colombia is the largest producer of coca leaf in the world. Since 2000, United States has allocated USD 10 billion in an attempt to stop its production, with more than 1.6 million hectares being sprayed in an attempt to eradicate coca plantations. But the cultivated area in the country has increased by an average of 45% per year – with 177,000 hectares in 2017 being used for growing coca. As is evident, the fight against drugs has failed.

### Methodology

Participants were members of social organisations and communities of the ZRCs and some were involved in local value chains. The main tools used in the project were:

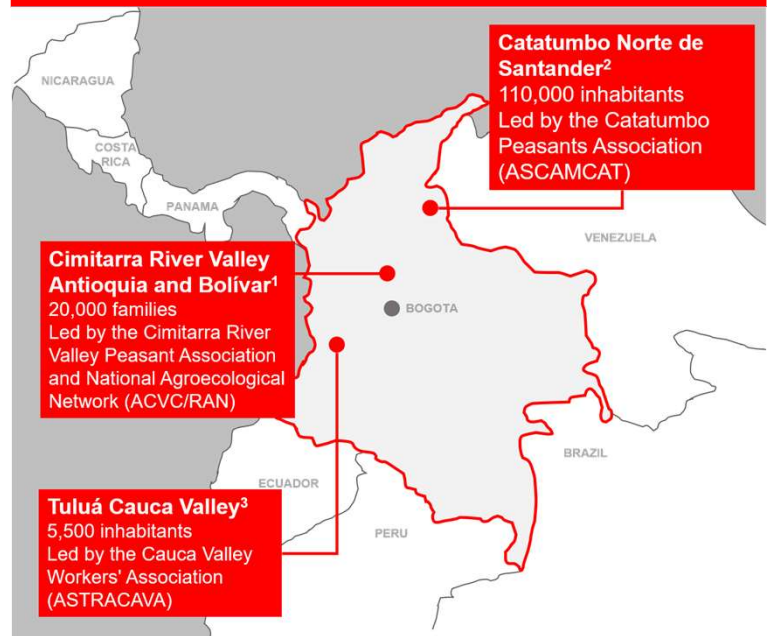
- Mapping actors in focus groups and individual interviews with key informants
- Three participatory workshops in three ZRCs to understand their historical, political and socio-economic development
- A study of cocoa, coffee and livestock at the macro and micro political, economic and social level to understand and identify actors, rules, transactions and problems that prevent them from being inclusive

- A study of the coca base paste value chain (PBC) in two ZRCs to understand this economy from the voices of the community
- An analysis of the national policy regarding agricultural development.

### What are peasant reserve zones?

The ZRCs are stabilised, protected agricultural areas that promote the strengthening of peasant economies. They were brought into law by the Colombian government in 1994, following protests against the colonisation of the peasants' land by entrepreneurs. They were also established in order to stop the proliferation of coca crops. The Peace Agreement proposes the ZRCs should be used as a tool for peace and social justice, specifically in "upholding the social, economic and cultural rights of peasants and their participation in regional planning and decision-making."

The research was based on three case studies, located at different locations across Colombia.



### The Peace Agreement

The peace agreement in Colombia consists of six individual agreements. The two agreements that were taken into account for this research were:

- The Integral Rural Reform (the first agreement) that proposes the inclusion of land titling in the rural development model, development plans to be undertaken in collaboration with local residents, the implementation of National Plans covering infrastructure works (such as roads and electricity), a rural education model and the promotion of the peasant economy.
- The Comprehensive National Program for the Substitution of Illicit Crops (PNIS), part of the fourth agreement, which addresses the causes and consequences of illicit crops by finding alternative livelihoods.



### Result 1: There are structural causes of poverty and marginalisation that have constituted war economies in the Peasant Reserve Zones

**Economically:** Inherent inequalities in Colombia, lack of land ownership and assistentialism, lead peasant communities to prefer illegal economies – because of their advantages within the context of war. Land problems are characterised by little to no land titling and the expansion of the agricultural border. On the other hand, for example, whilst Colombia opening up to international markets in 1992 has had some benefits, it has also meant that smaller national companies have not been able to compete with international companies in food production and agriculture.

**Financially:** The lack of land ownership, qualifications and political will makes it difficult to access formal financing for Colombian peasant communities. It is clear that there is no political will of the national and local government to finance the establishment of new ZRCs and implement its Sustainable Development Plans, both at the national and local levels. So far, the ZRCs included in the investigation have been funded only by cooperation and multilateral agencies.

**Politically:** The concentration of political power and repressive drug policy are the basis of the development model in Colombia.

**At the socio-cultural level:** the Colombian countryside maintains a mentality of a war economy characterised by a state of distrust not only between the community and the state, but also among the different market players (e.g. intermediaries, private sector, armed forces). On the other hand, the lack of education and the appropriation of a *cocaine culture* (drug culture) by communities has prevented opportunities for young people that allow them to create new perspectives for the future.

Together with the community we understood that a war economy refers not only to the presence, access and participation in an illegal economy in a context of war, but to all the structural factors and causes of marginalisation and poverty. These lead to the "illegal or legal" economy succeeding based on its own rules, which prevents the development of legal inclusive markets.

### Result 2: The existence of adaptation processes in the Peasant Reserve Zones.

The resilience processes (adaptability of a community to an adverse state) found in the communities are the potential generators of change. These are:

**1. Community processes for territorial management and defence of human rights;** The formation of the ZRCs allowed the political participation of peasant communities in spaces of dialogue, which allowed them to have power and voice (e.g. their participation in the Havana negotiating table of the Peace Agreement). This has also facilitated social cohesion in communities, coordination between actors, learnings gained in a context of war and, consequently, collective action for the same interest. Women have also been empowered in this context, who even participated in Havana by bringing the gender issue to the negotiating table.

**2. Participation in the economy of coca base paste (PBC).** In the context of war, the coca base paste economy is a livelihood for peasant communities that has allowed them to subsist and stay in the territory. The analysis of the evidence is that this value chain, despite being illegal, behaves as a legitimate market system with its components and standards, consolidated for decades, benefitting many participating actors as well as local legal markets.

Armed groups regulate the coca base paste production system, which is prevalent given the illegality of the product, even creating a tax system and production rules.

Young people and women have also found a space in the PBC economy. In one of the ZRCs, it was found that young people participate in committees responsible for regulating coca leaf harvesting activity. Additionally, women participate in almost all links in the PBC production chain – collecting leaves, purchasing, cooking of food and transportation.

### Result 3: Existing value chains in The Peasant Reserve Zones - Coffee and Buffalo, Economies of Peace in The Visited Areas

In economic terms, the Cimitarra River Valley and the Cauca Valley have stronger organisational processes that have allowed for the development of business models such as buffalo rearing and coffee. While the coffee and livestock sector have greater political power, it is important to highlight the preference for cocoa cultivation in the implementation of the Peace Agreement. Finally, in sociocultural terms, coffee and livestock are once again the most relevant sectors for peasant communities in the ZRCs under study.

### Result 4: Mixed effects of the Peace Agreement on the development of markets and value chains for peace in the peasant reserve zones visited.

By 'mixed effects', we mean positive, negative and other not-so-clear results of the implementation of the Peace Agreement affecting the transition from war economies to economies of peace. These include:

- The enthusiasm of the peasant communities for the signing of the Peace Agreement and the short-term expectations generated from its implementation
- The slowness in the implementation of the Peace Agreement
- The election of Ivan Duque as president and the lack of political will he has shown
- Geopolitical pressures from the United States
- The increase of violence by the reconfiguration of the territory by armed groups and drug traffickers who have come to fill the spaces left by the FARC, to the detriment of the security conditions. Consequently, the violation of human rights of peasants has increased through threats and killings of social leaders
- Spraying with glyphosate becomes a threat to health and agriculture.

The advantages of the coca base paste value chain in a context of war and underdevelopment in rural areas

1. Regulation of the market by armed groups in the absence of the Colombian State
2. Constant cashflow, being a short cycle crop and having a reliable market by constant demand both in the internal and external market and has trust relations that facilitate credit
3. Ease of informal lending – sowing coca generates guarantees to the lender who informally grants credits to small producers, in kind or in cash
4. Ease of collection and transport of base paste – it is not perishable and because of its size and weight is easy to transport. The purchase transaction is made directly by the buyer on the producer's farm or in the nearest town
5. Inclusion of women and young people in the chain actively allows them to obtain income and financial independence that in other closed economies they would not be able to obtain for the care of their family and of themselves, which allows the permanence of this population in the territory.



In two peasant reserve zones, there is evidence of more established legal economies, in the form of coffee and buffalo rearing.

## Answering the research question

### How can Christian Aid facilitate market access in rural reserve zones affected by armed conflict and with the presence or risk of illegal economies for peace-building in Colombia?

At the beginning of the project, there was a focus on developing an inclusive market for a whole peasant reserve zone, across all its municipalities. It became clear from the research however, that in order to see changes, we need to be less ambitious. For now, we need to focus on a municipality – to work at a more local level, and to understand how existing market structures can be strengthened.

Through participatory Market Systems Development (PMSD), a new project will seek to generate adaptive processes, not escalation and replication, that from the local level, improves the quality of life of farmers through the improvement of the selected value chain.

So far it is clear that in policy terms, Christian Aid could support social organisations like Coccam in public policy on drugs and peace, both locally and globally, through the construction and implementation of advocacy tools and agendas to influence public policy decision-making bodies for the benefit of farmers. It is important to make an impact on the implementation of the Peace Agreement, which depends on access to markets being viable for the Colombian countryside.

## Conclusions

As long as the structural causes of poverty and marginalisation, and the conditions of war remain in place, the necessary conditions for the development of an illegal economy will remain, and legal economies will not be set up in a viable market for peasant communities. Efforts to improve value chains will not be scalable or replicable, as the short-term effects will be countered by the long-term effects of the structural causes of poverty and marginalisation.

In the social and political sphere of the peasant reserve zones, peasant organisations have gained learning and experience through social cohesion, political participation and training. This sets the foundation for a potential economic model of development built from the ground up.

It is concluded that a war economy refers to an illegal (or legal) economy developing in territories where the structural causes of poverty and marginalisation are present in war contexts. In the case of Colombia, the war economy is set up when state absence occurs in rural territories; symbolic, political or economic violence of the State; a punitive drug policy; geographical and political isolation of communities; the absence of health and education services; and the presence of armed actors.

Forced eradication of coca crops becomes a threat that drastically influences farmers' decision-making against the planting and/or production of legal permanent crops such as coffee or cocoa.

More information about value chains at the local level is needed.

It is important to generate learning and have sufficient information for the escalation and replicating of an economic model, through a robust monitoring and evaluation system in terms of participation and feedback.

Finally, it highlights the importance of such research for the formulation of development alternatives. This research has made it easier to understand Colombia's rural problem from a systemic approach that feeds from different inputs where there is an action-reaction relationship.

**In conclusion, until the Comprehensive Rural Reform is implemented by integrating the PNIS as established in the Peace Agreement, economic transformations from war economies to peace economics cannot be made.**

## Authors:

The full report of Project Maria Caicedo was written by Celia Dávila, Programme Officer at Christian Aid, and Susana Vesga, Programme Support Officer at Christian Aid

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