Towards People-Centred Economic Reintegration

An analysis of the economic reintegration strategy of the demobilised combatants in Colombia

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Abstract

The objective of the research, presented in this paper, has been to analyse the Colombian Government's economic reintegration strategy of the demobilised combatants from a structural perspective. The suitability of this strategy in the light of the situation of the demobilised population has through a number of semi-structured interviews investigated. In the paper initially an international framework of perspectives and approaches is established - consisting primarily of a market-centred versus a people-centred perspective, each with their respective approach to economic reintegration. In order not to distort the economy, the former focuses on market-driven solutions to economic reintegration, while the latter focuses on the actual reintegration by considering the characteristics of the demobilised population and the general context. The paper finds, that as a result of lack of social consensus and exclusion of key stakeholders in the design of the strategy, the Colombian economic reintegration strategy can be identified as overly market-centred. Therefore, not surprisingly the paper concludes, that in Colombia the two factors, mentioned above, have not sufficiently been taken into account. This explains the great challenges facing the economic reintegration process and the great threats that this poses to the Colombian peace process.

Keywords: Colombia; Disarmament, Demobilisation and Reintegration (DDR); economic reintegration of former combatants; peacebuilding

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Introduction

Disarmament, demobilisation and reintegration (DDR) of former combatants have in recent decades become a key component in peacebuilding processes worldwide (IDDRS 2006: 1.10.0). A major challenge facing every major DDR process relates to the economic reintegration (CIDDR 2009: 60-61). The current government-run DDR process in Colombia is no exception. The primary focus of this paper is the National Government's economic reintegration strategy, which is analysed from a structural perspective.

The initial stage of the current DDR process took place from 2003 to 2006 with the collective demobilisations of 31.671 members of paramilitary groups belonging to the United Self-Defence Forces of Colombia (AUC). During the same period and continuing today a significant number of combatants from other illegal armed entities - mostly from guerrilla groups - have demobilised individually. Hence in total nearly 55.000 combatants have demobilised. Of these 11 percent are women.[1] This paper focuses mainly on the around 34.000 active participants in the government-run reintegration programme (ACR 2012).

Initially the DDR process, as part of former President Álvaro Uribe's Defence and Democratic Security Policy, seemed successful (Spagat 2006; Hristov 2009: 12-13). From 2004 onwards various reports indicated a drastic decrease in homicides, massacres, kidnappings and other grave crimes (CNRR 2011: 32).[2] In recent years, however, many observers' optimism has changed. Already in 2005 a new type of illegal armed groups was identified as having filled the gap left by the paramilitaries (MAPP/OEA 2006: 7).[3] It is estimated that from December 2002 to June 2008 these groups together with non-demobilised paramilitary groups killed or disappeared at

[1] Demobilised minors are not included in these statistics. In Colombia children are not seen as *demobilised* rather as *dissociated* (desvinculados). Their reintegration process is thus significantly different in nature than that of adults. In the last 11 years 4.688 minors have been dissociated from the conflict and been brought into the care of the *Colombian Family Welfare Institute* (ICBF 2011).

[2] The amount of massacres decreased from 115 in 2002 to 37 in 2008 (Guáqueta 2007: 445, CNRR 2011: 30). Kidnappings decreased from 1.708 in 2002 to merely 197 in 2008 (CNRR 2011: 31). In relation to forced displacement it is not possible to identify a clear trend. According to the government figures forced displacement has all in all decreased significantly (Acción Social 2011). Independent figures do, however, not show an overall improvement (CODHES 2011).

[3] By 2010 conservative Police statistics estimated, that these *new illegal armed groups* (NIAGs) counted approximately 3.800 members and were active in at least 159 municipalities countrywide (FIP 2010). NGO estimates claim that these groups have up to 10.000 members and are active in at least 173 municipalities (ICG 2010: 5).

least 4.300 people (ICG 2010: 5). Even though the national homicide rate continues to decrease, the decline has since 2006 been hardly noticeable (el Tiempo 2011a). In regions with high presence of new illegal armed groups (NIAGs), the number of homicides is in fact to be increasing (CNRR 2011: 30-31). This has led the National Commission of Reparation and Reconciliation (CNRR) (2011: 33) to conclude that since a new tendency of crimes and violence in Colombia has emerged.

It is becoming increasingly evident, that part of the demobilised population has joined the NIAGs (ICG 2010: 6). High Councillor for Reintegration Alejandro Éder Garcés estimates rather conservatively this number to be approximately 1.000 (el Tiempo 2011d), while the CNRR (2011: 134) calculates, that at least 17 percent are former members of the AUC, many of these middle and high-ranking commanders.[4] Apart from those who have joined the NIAGs, a perhaps greater part has fallen back into common illegal activities. All in all, more than 6.500 demobilised have been arrested for criminal behaviour (MAPP/OEA 2011: 8; el Tiempo 2011c). The NIAGs have also become a great threat to the reintegration, in the sense, that they are behind the majority of the nearly 2.500 deaths among the demobilised population since the beginning of the process (CNRR 2011: 181-185; Semana 2011a; el Tiempo 2011c).

Monitoring institutions and a number of scholars have drawn a relationship between, on the one hand, the tendency of demobilised falling back into illegal behaviour and, on the other, the lack of opportunities to generate income.[5] In relation to this, International Crisis Group (ICG) (2010: iii) emphasises the need of an improved economic reintegration programme as an important step towards peace in Colombia. International experiences show, however, that this is not easily done (CIDDR 2009: 60). The research presented in this paper investigated the National Government's handling of the complexities facing the situation of the demobilised population in designing the economic reintegration strategy. It thus asked to what extent the economic reintegration strategy is adequately adapted to their situation. The term - economic reintegration strategy - does not only refer to official policy

[4] To support this theory, from January 2006 to August 2009, 15 percent of those captured in police and military operations against NIAGs were former demobilised persons (CNRR 2011: 151).
[5] e.g. The *Organization of American States' Mission to support the Peace Process in Colombia* (MAPP/OEA) (2010: 6), Nussio (2009) and Denissen (2010) - Interviews with demobilised persons strongly support this perception (de Posada 2009).

documents such as the National Reintegration Policy (CONPES 2008). It includes the entire evolution of policy decisions and ongoing changes taken at the national level, which since the beginning of the current process have framed the economic reintegration. Adequately adapted relates to whether this strategy actually manages to offer a realistic and achievable path towards economic security.[6] An adequately adapted strategy can thus be expected to motivate the demobilised to consolidate a civilian life in accordance with law.[7] The next section establishes the theoretical framework guiding the analysis of this paper.

Economic Ideals and DDR

The United Nations (UN) has since the end of the Cold War advocated a liberal peacebuilding model, which promotes elements such as liberal democratic governannce, free markets, strong human rights' regimes and social institutions associated with the modern state. These components are seen as key ingredients to internal and international peace, security and human development (Newman et al. 2009: 7). The existence of a liberal market economy has therefore for many years been perceived as essential to any peacebuilding process (Newman et al. 2009: 3). A free market creates, when the conditions are right, a strong private sector in which entrepreneurism and foreign direct investment can thrive. This leads to economic growth, macro-economic stability and employment creation (Rosling 2006; Sachs 1995). In (post-)conflict societies with demobilised combatants and victims, who seek to generate legal incomes, this is severely needed (Spear 2006). Advocates of the liberal model would therefore solely encourage solutions to economic reintegration, which do not compromise the rules of the market and thereby heavily rely on the private sector. This typically includes emphasising education and training in order to

[6] This follows the Government's definition on reintegration, which was defined in the *National Reintegration Policy* as '…the process through which the demobilised achieves a civilian status, obtains a job and a sustainable economic income…' (CONPES 2008: 7). Throughout this thesis the quotes originating in Spanish and are translated by the researcher.

[7] It should be emphasised, that this paper does *not* seek to draw a simplistic causal relationship between the troubled economic reintegration and the emergence of NIAGs. Other key factors include lack of focus on middle commanders from the illegal armed groups (Arias et al. 2010); the impact of the international normative context (Guáqueta 2007); the impact of the international geopolitical context; corruption amongst politicians; securitisation of the Colombian State (Elhawary 2010); drug-trafficking (Elhawary 2010); and the persistence of dominant masculinities in parts of Colombian society (Theidon 2009).

make the demobilised population competitive on the labour market (CIDDR 2009: 68). Also often micro-entrepreneurship is strongly encouraged (Body 2005: 11).

The advantages of the liberal peacebuilding approach are without doubt significant. Nevertheless, liberal economic reforms can lead to a number of negative externalities, which also can affect the economic reintegration of former combatants (Newman et al. 2009: 17). For instance, cuts in public spending lead to fewer services for vulnerable groups such as former combatants (Hague 2009: 689). Another example relates to the job-market. Even though that in theory the liberal model leads to the creation of jobs, in practice it often creates a competitive labour market in which high unemployment is inevitable (Ahumada 2007: 234). In such a system vulnerable former combatants inevitably will end up as losers (Gómez Meneses 2007: 90). In the end a reintegration programme under the liberal economic model depends on the private sectors' willingness and ability to employ the bulk of the demobilised combatants. Private enterprise is, however, mainly motivated by profit and often not interested in damaging its image by engaging with the victimisers of their clients (Guáqueta 2006: 278). Given this resistance, the only remaining option for income generation is entrepreneurship, which can be very unfavourable for poor uneducated former combatants (Body 2005: 11, 13).

Today, in the light of these negative externalities, many economists and academics advocate a peacebuilding model with a less rigid economic focus.[8] Such a model seeks to balance the economy between, on the one hand, remaining healthy and, on the other, offering adequate resources to the great socio-economic challenges facing a (post-)conflict society, such as economically reintegrating former combatants (Newman et al. 2009: 17-18). Rather simplistically, it could be argued, that whereas the main focus of the liberal peacebuilding model is on strengthening the economy, this approach focuses on providing a realistic path towards economic reintegration and thereby accepts a softer economic focus. Advocates of this perspective would therefore be willing to consider methods compromising the liberal ideal, such as public sector employment (Jennings 2007: 214).

In the light of this above discussion, it is important to emphasise, that the peacebuilding process in Colombia is led by the Government and not by the UN.

[8] e.g. the special issue of *International Peacekeeping* (Vol. 16, Issue 5) from 2009 - also Newman et al. (2009) and Andrieu (2010).

Nevertheless, as discussed later, the strategy seems, at least in economic terms, to be strongly inspired by the liberal peacebuilding approach, which makes the above discussion relevant for this paper.[9] The next section conducts a categorical analysis of the dominant perspectives and approaches in the contemporary debate related to the economic reintegration of demobilised combatants.

Perspectives and Approaches

According to Ideas for Peace Foundation (FIP)[10], the importance of economic reintegration in the contemporary debate on DDR seems neglected. This is unfortunate, given that former experiences teach the immense importance of this component (Puente et al. 2009: 5). In fact, there is in the literature a general agreement, that income generation opportunities for former combatants are essential for the consolidation of peace in a (post-)conflict environment.[11] It is also widely recognised, that income generation remains a major challenge in reintegration processes (CIDDR 2009: 60).[12]

When it comes to *how* to create such opportunities, the literature is more diverse and can be seen as part of the greater debate on liberal peacebuilding. Literature, which overly advocates market-driven solutions to reintegration, is here referred to as *market-centred*. One of the most recognised documents on DDR worldwide is the UN Integrated DDR Standards (IDDRS) from 2006, which in relation to economic reintegration seems quite market-centred. To overcome the challenge of employment it simply recommends '…relevant training, identifying employment opportunities in existing businesses and…creating microenterprises' (IDDRS 2006: 4.30.7.2). Another best practice guide is the Stockholm Initiative on DDR (SIDDR) also from 2006. Its reliance on the private formal and informal sectors is clear:

[9] One indication is the Colombian Government's consistent efforts in liberalising the economy (Fandl 2008: 162).
[10] A Colombian think-tank funded by the private sector (FIP 2011).
[11] For instance the Cartagena Contribution on DDR (2009: 60), the UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration (2009: 24) and Ayalew et al. (1999: v).
[12] e.g. Guáqueta and Orsini (2007: 5), Puente et al. (2009: 31) and Denissen (2010: 337).

> In the absence of strong state and local capacity, the private sector and civil society can provide supporting and sometimes substituting roles, especially in implementation of DDR programming (SIDDR 2006: 29).

Also amongst academics many seem to adhere to the market-centred model.[13] Indeed, in the literature most agree, that it is important to encourage economic reintegration into the private sector. But unlike the above reviewed, an increasing number of analysts at the same time emphasise the need of parallel non-market solutions.[14] Such approaches are here denominated *people-centred*.[15] Jennings (2007, 2008 & 2009), for instance explains, that during the DDR process in Liberia there was a

> …mismatch between training thousands of ex-combatants for employment and the severe shortage of jobs, including in the informal economy. This mismatch was only exacerbated by the…dependence on the private sector to provide the bulk of employment and generate growth - dependence that seems grossly misguided given the private sector's extremely low capacity at the end of the war, notwithstanding the pro-private sector and privatisation policies mandated by the International Financial Institutions (Jennings 2009: 487-488).

She recommends delinking the economic reintegration from the DDR process by promoting large-scale employment projects for all affected groups including former combatants (Jennings 2008: 339-340). This could lead to a number of positive societal outcomes, serving the greater reintegration of the former combatants.[16] She concludes with a severe critique of market-centred economic reintegration:

> In terms of socioeconomic and governance issues, the discussion needs to move beyond market analyses to consider the priorities and how they best can be achieved in view of the political, economic, security and time constraints

[13] e.g. Ayalew et al. (1999: 6).
[14] e.g. Spear (2006: 178), Binford (2010: 532 & 551), Cosgrove (2002: 51) and Solà-Martín (2009: 306).
[15] In the IDDRS (2006: 4.30.4.12) a *people-centred approach* refers to the recognition of different needs '…in the support required by both sexes and those of differing ages and physical ability'. This use of the term is different from how it is used in this thesis.
[16] Given, that it is not in the line with the liberalisation of the economy, the International Financial Institutions are however, normally against such programmes (Jennings 2008: 340).

> and existing capacity in local institutions… [D]onors should be guided by realities on the ground rather than blind devotion to principle… (Jennings 2007: 215-216).

Also the UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration seems rather critical towards the market-centred perspective by stating that while

> …the IDDRS represent[s] progress in making DDR programmes more coherent and standardized, programmes are often isolated from the socio-economic context (UN 2009: 17).

The Policy provides an interesting contribution to the debate related to the financial sustainability of non-market solutions:

> Post-conflict stabilization is not necessarily synonymous with restrictive fiscal and monetary policy. On the contrary, capital account movements, including remittances, aid inflows, foreign direct investment and repatriated flight capital may favour the financing of outlays for demobilization, infrastructure investment and emergency employment programmes without undue pressure on the fiscal situation… There is no pre-set formula or single monetary or fiscal policy mix best suited for achieving these macroeconomic outcomes… (UN 2009: 31).

To sum up, a significant part of the literature acknowledges, that the market alone often cannot absorb a sudden great amount of demobilised and ensure their economic reintegration.

In relation to the economic reintegration of the demobilised population in Colombia, the literature, along the lines of the ACR, tends to advocate a market-centred approach. Indeed, it is generally accepted that the aim of the process is to develop competencies amongst the demobilised combatants so that they can be integrated into

the private sector either through employment or entrepreneurship.[17] The language used in official documents and policies reveals a strong belief in market-driven solutions. For example in the National Reintegration Policy one of the objectives is to

> …offer education to the demobilised population bearing in mind criteria of relevance, quality and opportunity…[in order] to consolidate a process that responds to the needs of the productive sectors…, that allows the demobilised to compete in the labour market, and makes them attractive human talents for business people (CONPES 2008: 48 - translated).[18]

Likewise, in a number of studies, FIP investigates the attitude of the private sector towards the demobilised. The authors seem convinced, that in the case of Colombia the reintegration has to be through market-driven solutions:

> The support of the private sector is essential to involving demobilized combatants in productive activities, whether through direct employment…or by helping them establish their own companies. This idea has gained strength in Colombia… [T]here is…a political expectation that the private sector should contribute more actively to building peace… [S]everal sectors of the international community…also hold this expectation (Guáqueta & Orsini 2007: 5).

FIP argues that the Colombian DDR process, given the strength of the private sector, has a significant advantage in comparison with other cases (Puente et al. 2009: 31). None of these studies explicitly condemn non-market solutions. They do, however, reveal a deep belief in the ability of the market to absorb the former combatants.

In one of the FIP studies, however, the need of the local authorities to directly help generating public and private sector employment for the demobilised is

[17] Interview, 29th July 2011.
[18] Also throughout the ACR's internal evaluation this conviction shines through (Pearl 2008). Another indication of this ideological conviction relates to the best practice guide, the *Cartagena Contribution on DDR* (CIDDR). According to the ACR, the chapter on economic reintegration consists of lessons learnt from the Colombian economic reintegration process (Interview, 14th September 2011). This chapter however merely focuses on strengthening the economy, rather than ensuring the economic security of vulnerable combatants (CIDDR 2009: 59-70).

recognised (Méndez & Rivas 2008b: 16). Also a number of analyses, both from within the Government, from academics and from the media, are more sceptical towards the market-centred approach.[19] In a report the General Attorney criticises the ACR of providing information, which does not correspond with the reality:

> The public policy…, which currently embraces the concept of business plans, does not respond to the need of providing the demobilised access to productive projects. The emphasis, on a business-type focus rather than a focus on rehabilitation and socio-labour restructuring, seems to have been based on an overestimation of the beneficiaries' capacity to fulfil unrealistic conditions (CNRR 2011: 83 - translated).

Another significant critique comes from the CNRR:

> In recent years…the governmental discourse has arguably changed to set out a proposal now centred in terms only related to education and training, under the assumption that such a concept works for the entire the population. This…avoids the urgency…of dealing with…the demand of…some minimum conditions of labour favourability determined for the demobilised population. …[T]here cannot be high expectations on the possible cooperation of the private sector, which in general has been inconsistent with this proposal (CNRR 2011: 88 - translated).

To sum up, part of the literature shows confidence in the Government's economic reintegration strategy. On the other hand, others have accused the strategy of being too market-centred. By analysing the evolution of strategy, the next section investigates whether or not this critique is valid.

The Economic Reintegration Strategy

The first major collective demobilisation process in Colombia involved the guerrilla group 19th of April Movement (M-19) in the early 1990s (Guáqueta 2007: 418).

[19] e.g. Denissen (2010: 338), Porch and Rasmussen (2008: 531) and Quevedo & Pulido (2008).

Relevant for this analysis are the lessons learnt from its economic reintegration programme. A key part of the strategy was the entrepreneurial component. Each demobilised would receive a grant of COP 1.5 million[20] as seed capital for starting up a business, acquiring accommodation or for enrolment in further education. FIP identifies, that in relation to the business option, the grants were disbursed without preliminary assessment of the technical and financial viability of the projects. Neither was the private sector involved in the process. But perhaps most importantly, it is evident, that a significant amount of the demobilised did not have the entrepreneurial profile needed to starting up a business. Consequently, evaluations of the process find, that more than 80 percent of these projects failed. The rest survived with difficulties (Méndez & Rivas 2008a: 11).

In spite of this documented failure, similar components for both the individually and collectively demobilised were adopted at the beginning of the current process (Méndez & Rivas 2008a: 11). For the collectively demobilised the component was called *productive projects for peace* (Quevedo & Pulido 2008). This was an attempt to create big-scale rural or urban cooperatives owned by the associates in order rapidly to deal with the sudden demand of thousands of former combatants, who needed to be activated and earn an income.[21] Each participant would receive a seed capital of COP 2 million[22], which was to be spent on the assigned project (Quevedo & Pulido 2008). It was admirable in that it intended to encourage reconciliation, given that it also involved local peasants and forcibly displaced communities (Méndez & Rivas 2008a: 16).

A total of 157 projects were designed with the potential of involving a total of nearly 6.500 collectively demobilised. Nevertheless, by the end of 2006 only 2.180 demobilised had received the seed capital grant. These were involved in 27 projects, in which, only 45 participants were actively working (Méndez & Rivas 2008a: 16). Already in August 2006 these projects began to loose their dynamic and by November they were practically paralysed (Quevedo & Pulido 2008).[23] Given, that the seed capital is a one-time grant, a great number of participants ended up wasting this

[20] Today equivalent to approximately USD 840.
[21] Interview, the ACR, 14th September 2011.
[22] Approximately USD 1.120.
[23] This led Juan B. Pérez, the coordinator of the programme, to quit his job in May 2007 (Quevedo & Pulido 2008). By 2007 only 17 projects were up running, 8 projects were in the process of being called off and 15 projects had already been closed down (Méndez & Rivas 2008a: 16).

opportunity. An evaluation investigating the failure found that the programme was poorly organised and lacked a proper monitoring system. It also concluded, that the projects faced structural limitations and lack of cooperation with the private sector (CNRR 2011: 82). The projects were established on the basis of demand for employment and not of an opportunity in the market.[24] Given the significant amount of participants in each project, these also suffered from internal conflicts as well as from lack of individual motivation to succeed. Furthermore, also this time it was concluded, that the participants lacked technical knowledge, social ability and entrepreneurial skills to run the projects (Méndez & Rivas 2008a: 17-18). Finally, it was identified, that the projects suffered from lack of participation of local governments - a factor discussed in depth later in this paper (CNRR 2011: 82).

The entrepreneurial component for the individually demobilised was different from the one of the collective demobilised (Méndez & Rivas 2008a: 11). It encouraged smaller projects, which could be individual and designed by the proper participants. Each of these could apply for a seed capital amounting up to COP 8 million[25], which was to be spent on a business initiative, housing or to finance higher education (ibid.). It was generally assumed, that this grant was to be offered to nearly all individually demobilised (Méndez & Rivas 2008a: 15). From 2003 to March 2007 the seed capital was disbursed to nearly 3.400 participants. About half of these spent the grant on business initiatives (Méndez & Rivas 2008a: 12-13). Unfortunately, these faced similar problems as the large-scale collective projects. The programme suffered from poor organisation and lack of a proper monitoring system. Rather than analysing whether there was a market-niche for the projects, the focus was merely on verifying, that the demobilised met the requirements. Neither did the programme manage to offer adequate training for its participants, who also in this case lacked the needed technical, social and entrepreneurial skills (ibid.). It was furthermore identified, that the projects suffered from structural limitations and lack of cooperation with the private sector. Consequently, within two years the vast majority failed and the participants had wasted their seed capital (Méndez & Rivas 2008a: 13). To sum up, it is widely recognised that neither of the initial entrepreneurial components were successful.

[24] Interview, the ACR, 14th September 2011.
[25] Approximately USD 4.490.

In order better to cope with the reintegration process the ACR was established in September 2006 (OACP 2008). By then, lack of durable income generating opportunities, as a key challenge to the reintegration process, had become evident (MAPP/OEA 2011: 6). Consequently, profound changes in the strategy were needed and the appointment of Frank Pearl, a businessman, as High Councillor for Reintegration gave a strong indication of which direction the ACR was going to take (Méndez & Rivas 2008a: 15; Quevedo & Pulido 2008).[26] The ACR was to replace the short-term reinsertion model with a focus on long-term economic reintegration into the private sector (Méndez & Rivas 2008a: 11). The objective was to provide the demobilised with the relevant abilities and skills, so that these could become either competitive in the labour market or self-sustainable entrepreneurs in the private sector (CNRR 2011: 81). In relation to this three new income-generation components were launched i.e. business plans, employability and social service.

The business plans component was launched partly to replace the previous entrepreneurial components. The ACR from the beginning emphasised, that the seed capital would not be for all participants, but only for those, who presented viable projects (Méndez & Rivas 2008a: 15). A business plan could maximum involve five participants and was to be based on market-needs. To a certain degree this component was also offered to peasants and victims of the conflict (Méndez & Rivas 2008a: 19).[27] In June 2009 the International Organization for Migration (IOM) began to support and, through USAID, to finance these business initiatives as well.[28]

In relation to employment, a debate within the Government emerged on whether specific incentives for companies to hire demobilised, such as tax exemption, should be created. Given the resistance against any kind of market distortions, this idea was immediately discarded (Guáqueta & Orsini 2007: 19). Another idea, which emerged, was to make companies that bade for governmental contracts, obliged to hire demobilised. Neither the Government, nor the private sector, supported this

[26] The ACR and how it shaped the reintegration process became well consolidated in 2008 with the *National Reintegration Policy* (CONPES 2008).
[27] The ACR has continued to develop and improve the component. This has in recent years led to initiatives such as the establishment the *Time Bank*, which is an attempt to involve the private sector in consultancy (MAPP/OEA 2011: 7; OACP 2010: 5).
[28] Interview, the IOM, 9th November 2011.

idea.[29] Instead, the ACR launched the employability component. Linked to the job training, this component focused on offering education and training, in order for the demobilised to become employable - meaning competitive on the labour market (Méndez & Rivas 2008a: 11). Resources were initially not spent on actually arranging jobs for the demobilised. The process has however been in constant development and at some point the Government seems to have realised, that some sort of compromise of its principles was needed. Therefore, as a gesture of good will from May to September 2007, 148 companies were lobbied to offer a total of 914 positions to participants of the reintegration programme. It is however important to note, that due to lack of qualifications only 214 of these positions occupied (Guáqueta & Orsini 2007: 9). Lately it has become increasingly recognised, that for the vast majority of the demobilised entrepreneurship is not the solution (Méndez & Rivas 2008b: 16). Consequently, since 2009 the ACR has prioritised employability higher than the business plans component (la Patria 2010, MAPP/OEA 2011: 7). The ACR, through its Corporate Responsibility Unit, has therefore increased its lobbying of the private sector (OACP 2010: 5).

Yet another initiative brought by the ACR was the social service component adopted in 2007. The social service was an initiative specifically developed for geographical regions severely lacking of income-generation opportunities (OACP 2010: 5). For six months the participants were offered a small salary for assisting the Police in controlling the traffic or working for the local authorities in activities such as gardening parks, guarding forests, repairing public schools, adornment etc. This component was seen as a temporal solution and was given relatively little priority. Nonetheless, by 2010 it had benefitted more than 8.700 participants (ACR 2011a).

To sum up, with the establishment of the ACR in 2006, higher priority was given to the economic reintegration. Especially since 2009, the employability component has received an increased focus.

The economic reintegration strategy has recently been further amended by the new Santos Administration, which has taken various legal initiatives involving the demobilised population as well as the victims of the armed conflict. The

[29] Nevertheless, this initiative was to some degree adopted. This led to the employment of approximately 50 participants in road construction (Guáqueta & Orsini 2007: 19).

Formalisation and Employment Generation Law (Ley 1429) creates an economic incentive to employ demobilised. It rules, that employers will enjoy tax exemptions when employing individuals from certain vulnerable groups including the demobilised population (ACR 2011c). In relation to the impact of this regulation there is no data yet.[30] Within the ACR there are however sceptical voices reminding that this subsidy equals less than 10 percent of the salary of the demobilised during a period of maximum three years, which most likely does not create a sufficient initiative towards the employers.[31] The new legal framework also establishes a significant incentive for the demobilised themselves to actively seek long-term formal employment. Participants who have been employed for 12 months can thus apply for a onetime grant for housing equivalent to the seed capital (Res. 163, Art. 21; Dec. 1391, Art. 4). This is likely to be receiving considerable interest, given that the majority of the demobilised do not have decent housing conditions (el Tiempo 2011b).

The new regulations thereby, through different mechanisms, consolidate the ACR's recent focus on employability rather than entrepreneurship. High Counsellor for Reintegration Alejandro Éder today admits:

> We understand that not all the demobilised have entrepreneurial vocation. Therefore we now allow that they spend… [the grant] on livelihood or education (el Tiempo 2011b - translated).

This initiative however follows a significant new restriction. Once the seed capital or the housing grant has been received, the demobilised are no longer eligible to receive the monthly economic support, whether or not their businesses or other initiatives have succeeded (Dec. 1391, Art. 4). This amendment, which involves more than 8.000 participants, is linked to the Government's new plan on graduating the demobilised from the reintegration programme (Res. 163, Art. 31 & 32). Also the participants, who have not received a grant, are affected. For many of them the monthly economic support has been severely reduced. In total, participants can now

[30] Interview, the ACR, 3rd November 2011.
[31] Interview, the ACR, 5th November 2011.

receive a maximum of COP 480.000[32] monthly, but only if participating in all the three reintegration components i.e. education, job training and psychosocial therapy (Res. 163, Art. 19). This means that participants, who have been active in the process for long time, no longer can receive the full economic support. Consequently, many receive monthly a merely COP 160.000[33].

The social service component has under the new framework been redesigned specifically to serve the reconciliation process and the social reintegration. Therefore instead of being a tool for temporary employment in regions with low employment opportunities, it has now become an obligatory non-remunerated component of the reconciliation process (Res. 163, Art. 30). In 2011, perhaps as some kind of compensation, a new initiative was introduced involving the National Road Institute. By regulation, if there is presence of vulnerable populations including demobilised in the region, road construction companies contracted by the Government must employ a minimum of 10 percent of these as their workforce. It is not yet known whether this will be a success.[34] It has however a great potentiality of generating employment for the participants, given that throughout Colombia, road construction is a significant and dynamic sector.

The final recent change with relevance for this discussion, regards the institutional set-up, which throughout the process by FIP, the United Nations Development Programme and others has been criticised (Méndez & Rivas 2008b: 7 & 10). The fact, that the ACR, as an office directly under the Presidency, has been the only responsible for the reintegration, has seemingly been a great weakness. The process has been not only geographically centralised, but also centralised within the state structure. When the ACR was established, throughout the country 27 service centres and mobile units were established. This was an attempt to become present at the local level, where the actual reintegration was to take place (Méndez & Rivas 2008b: 8). Nevertheless, a research quickly found, that the service centres found great difficulties in managing the reintegration under a centralised scheme (Méndez & Rivas 2008b: 10). It also found, that local and regional authorities did not they receive resources for relevant reintegration initiatives (ibid.).

[32] Approximately USD 270.
[33] Approximately USD 90.
[34] Interview, the ACR, 14th September 2011.

The Santos Administration has recognised this weakness and therefore, in November 2011, the ACR was replaced with the Colombian Reintegration Agency (ACR). This new structure aims at being more comprehensive at the local and regional levels as well as at the national level, where it seeks greater involvement of relevant institutions and ministries (Dec. 4138: Art. 5, Para. 6 & Art. 8, Para. 10). It is evident, that the new agency is not an office directly under the presidency, but rather a state institution at the same level as other public entities. It is not, like the ACR, directly responsible for the reintegration. Its mandate is merely be to manage the reintegration process.[35]

All in all it can be concluded that, given the major challenges facing the economic reintegration, the strategy has undergone a significant amount of changes during the process. The next section investigates the result of this evolution by assessing the current state of the process.

The Current State of the Process

According to an evaluation conducted by the ACR of the approximately 4.750 entrepreneurial projects initiated with the use of the seed capital, 70 percent are still up running (ACR 2011b).[36] Other figures and information collected suggest, that this number is exaggerated. The General Attorney, for instance, criticises the ACR of having failed to collect any information of nearly half of the business, which involve more than 60 percent of the beneficiaries (Ordóñez Maldonado 2011: 89).[37] Nevertheless, assuming that the figure is accurate, it is relevant to investigate the number of participants actually benefiting from the entrepreneurial projects. Only the ones having their business up running must be considered beneficiaries, which

[35] Even though this change is not directly mentioned, it is rather clear from the change of language from Resolution 008 from 2009 and Resolution 163.
[36] The study included a sample of 802 productive units (ACR 2011b). Likewise between 70 and 75 percent of the projects supported by the IOM are allegedly still up running (Interview, the IOM, 9th November 2011). This does not include the participants, who received the seed capital for the collective productive projects for peace. Since 2007, 72 percent of the businesses supported have been individual and the remaining have been smaller collective projects (Ordóñez Maldonado et al. 2011: 68). Of these around 1.200 businesses have since 2009 been supported by the IOM (IOM 2011).
[37] FIP found, that the vast majority of the 3.389 individual projects launched from January 2003 to March 2007 failed (Méndez & Rivas 2008a: 13). This does not correspond with the finding from the ACR. Also worth mentioning is, that these numbers are inconsistent with another ACR evaluation, which claims that from 2004 to the beginning of 2008 a total of 287 productive projects and business plans had been supported leading to 837 jobs (Pearl 2008: 9).

amounts to just around 12 percent of the total amount of participants in the reintegration programme.[38]

It is interesting to investigate, whether this relatively small amount of participants genuinely benefit from their businesses to such a degree, that they can be considered economically reintegrated. The data provided by the ACR reveals, that an average business has monthly sales levels just above the poverty line of a family of four (ACR 2011b).[39] The data does however not inform, what the actual profit is. It must however be assumed relatively lower. This finding is in line with research conducted in the region of Urabá, which concludes that only about half of the viable projects are estimated to give a decent living.[40] Until recently, the participants received monthly economic support as well. But, as mentioned in the previous section, today recipients of the seed capital are no longer eligible for this. It can then be concluded that a great part of the alleged beneficiaries of the entrepreneurial component and their families live around, if not below, the poverty line and thus presumably do not have all basic needs covered (Semana 2011b).

[38] In this calculation the nearly 2.200 participants, who lost their seed capital in the failed collective projects, are excluded.
[39] A Colombian minimum salary is COP 535.600 (approximately USD 300). The study from the ACR finds, that one third of the businesses have monthly sales level of more than two minimum salaries, another third between one and two minimum salaries, and the last third less than one minimum salary (ACR 2011b). According to the Colombian Government, a family of four lives in poverty if its monthly income is below COP 760.000 (approximately USD 430) (Semana 2011b). This equals less than €2.5 per person per day - in 2010 a reality for more than 37 percent of the population (ibid.).
[40] Only 53 percent of the projects are seen as viable (Interview, the ACR, 3rd November 2011). It is then only about 25 percent of all projects in Urabá, which produce a decent living.

Case 1: One example to support the above analysis is Luisa Fernanda[41], a single mother of two and participant in the reintegration programme. For eight years she has had a small semi-informal shoe shop in a market in the town of Apartadó in Urabá. As a collectively demobilised she has received COP 2 million[42] from the ACR and COP 2.4 million[43] from the IOM for the business. After paying all expenses her average monthly return is, according to her, around COP 300.000[44]. A representative from the ACR believes, that her true average income might be slightly higher.[45] Nevertheless, Luisa Fernanda, living at her mother's house, depends entirely on the irregular child support, which she receives from the two different fathers of her children. She emphasises, that the reintegration programme does not take into account, that female demobilised, an 11 percent of the total, often have to take care of their children (ACR 2012). Many demobilised women are single mothers, who do not receive support from the fathers of their children.[46] When demobilising often their children are threatened because of their mother's past.[47] The ACR admits, in spite of having the intention of mainstreaming gender, that the programme does not offer special support to women.[48] This means, that even those with young children have to attend the reintegration activities, work and economically survive on equal terms as their male counterparts. Furthermore the training, the entrepreneurial projects and the employment offers mostly relate to traditional male dominated sectors.[49] It is difficult for women to work in hard labour such as road construction. Therefore, all in all, it seems that throughout the process and still today female demobilised are neglected.

The ACR seems to at least partly have recognised the lack of success of the entrepreneurial component. It concludes, that the vast majority of the businesses

[41] All names of demobilised persons mentioned in this paper have been changed.
[42] Approximately USD 1.120.
[43] Approximately USD 1.350.
[44] Approximately USD 170.
[45] Interview, 5th November 2011.
[46] Interview, Taller de Vida, 13th November 2011.
[47] Interview, Iniciativas Mujeres por la Paz, 4th November 2011.
[48] Interview, 5th November 2011.
[49] Interview, Iniciativas Mujeres por la Paz, 4th November 2011.

> …generate income which only cover the minimum living expenses… They develop economic activities with low entry barriers, high levels of informality, low productivity and low local or regional impact (ACR 2011b - translated).

In the light of this failure the ACR is changing its strategy. Therefore in 2011 in the region of Urabá with 2.100 active participants only four applications for seed capital for entrepreneurial projects were considered.[50] One of these is the Malagón fish-farming project.

Case 2: An example of a potentially successful entrepreneurial project is the Malagón fish-farming project in Chigorodó, Urabá. It was initially launched as a major collective project, which was doomed to failure, because it never had the potential to generate a decent income to all the associates involved.[51] Today, Camilo, a seemingly well reintegrated demobilised, is managing the project, which involves six other participants and an external female helper. Each of the participants has a 24-hour shift every eighth day. Given that the full return is reinvested, these do not yet earn a salary. There are several graves dug, which are ready to be used as fishponds. The project therefore has the potential to generate a decent income for the participants involved. It seems that during 2012 the ACR will be funding this project with seed capital in order for the expansion to be possible. Two of the participants are however about to leave the project, given that they would loose their monthly economic support if receiving the grant. Camilo thinks, that the ACR is too slow and that the seed capital is not sufficient to establish a rentable business. Therefore he is also interested in other sources of funding and has almost managed to obtain funding from the local city council. The project is however under risk, given that it is not insured against flooding, fish diseases etc. Nevertheless, Malagón seems to be a durable project.

Malagón is one of the only projects, which the ACR in Urabá can show as potentially successful. It will, however, never have the potential than to employ more than seven participants.[52] This case, together with the one of Louisa Fernanda, are then in line

[50] Interview, the ACR, 5th November 2011.
[51] Interview, Superban, 3rd November 2011.
[52] Even the much referred to Monomacho farming project, which in 2008 began with 146 associated demobilised today still only employs 20 (Interview, the ACR, 3rd November 2011).

with recent studies on microcredit programmes, which find, that it is nearly impossible for a low income entrepreneur to escape poverty.[53] Micro-business initiatives have to reach a certain size, before they can compete on the market. Therefore, rather than being a magic key to poverty alleviation, microenterprise can be seen as merely a way to help unemployed poor to generate enough income to have the most basic needs covered. Another project often emphasised is Superban, the only remaining of the early collective projects.

Case 3: Urabá is a region with a major banana industry. One community-run company, Asobanana, receives, distributes and sells the low quality bananas, which cannot be sold internationally. At the end of 2005, 149 demobilised each received the seed capital to establish a company to supervise this residue. Today 49 of these continue in the project. Superban has a total of 78 contracted employees, who apart from three, all are demobilised. The lowest monthly salary is COP 800.000[54] - including health insurance. Superban pays weekly one day's leave for the employees to attend the reintegration activities. It furthermore has a housing project and it supports incarcerated fellow demobilised. Unfortunately, Superban depends entirely on the ongoing goodwill of Asobanana. In 2011 the contract between the two companies decreased significantly in value. This has created great insecurity amongst the employees. The manager is convinced, that if Superban ceases to exist, the majority of its employees will see themselves forced to take up arms again in order to support their families.[55]

Superban is a successful private enterprise. It does however not exist for its competitiveness, but rather because of the goodwill of Asobanana. Nevertheless, in spite of not being a pure market-solution, it is a valid example of how the entrepreneurial strategy actually can work. Unfortunately, given that it seemingly is the only successful collective project of its kind, it can be concluded that the entrepreneurial component has had a rather unimpressive outcome. In line with this a report by the General Attorney concludes:

[53] e.g. Al Jazeera 2011; Bateman 2010; Inter-American Development Bank 2010 and Singh 2008: 46.
[54] Approximately USD 450.
[55] Interview, Superban, 3rd November 2011.

> [T]he majority of the implemented productive projects [and businesses] do not have their sustainability guaranteed. The low profitability of these businesses forces the demobilised to combine these with other activities (el Tiempo 2011c - translated).

For many demobilised this inevitably refers to illegal activity. To sum up, in spite of receiving great attention, the entrepreneurial component remains weak and benefits a rather small amount of participants. Amongst these, many must be assumed to live in poverty and deep income-insecurity. What remains to be investigated, is whether in recent years the strategy has succeeded in leading more participants to economic independence through employment.

Latest figures show, that from 2007 to March 2012 just below 3.200 participants directly benefitted from the employability programme (ACR 2012). Of these nearly 1.900 have been offered jobs arranged by the ACR (Ordóñez Maldonado 2011: 89). There are however severe inconsistencies in the data.[56] This is a critique emphasised in the earlier mentioned report from the General Attorney, which nevertheless has obtained some interesting trustworthy data. It is evident that of 595 jobs arranged by the ACR in 2008, 20 percent were paid lower than the legal minimum salary, 47 percent offered a minimum salary and only 1 percent more than two minimum salaries (ibid.). In the light of the earlier discussion on poverty it is evident, that the vast majority of these jobs do not offer a decent salary or economic security for the employed and their families.

Apart from the direct support offered by the employability component, the reintegration programme, through the educational components and the lobbying of the private sector, also supports participants on the path towards self-generated employment. An estimated 19.000 demobilised are allegedly working, of which, according to official data, just nearly 8.500 are employed in the formal sector (ACR 2012; OACP 2010: 5).[57] It must be assumed, that the majority of those working in the

[56] e.g. This is not consistent with previous data published claiming that from June 2007 to July 2008 the ACR arranged for around 2.900 jobs (CONPES 2008: 17).
[57] According to the CNRR (2011: 81) in June 2009 less than 3.800 demobilised were working in the formal sector.

informal sector, do not have permanent positions, might only be working part-time, do not earn a decent living, do not enjoy basic labour rights, etc. (Fandl 2008: 164). By excluding these, the official unemployment rate among the participants is around 75 percent. The MAPP/OEA emphasises, however, that also in relation to formal employment, reliable data lack (CNRR 2011: 86).

Case 4: Orlando, 30 years old, is married and has a little daughter. He demobilised five years ago after first spending two years in the military and thereafter four years in a paramilitary group in Urabá. He managed, nearly two years ago, through a friend, to get a permanent full-time job in the biggest supermarket in the town of Apartadó and earns now a monthly wage of approximately COP 700.000[58] including a complimentary health insurance. Apart from having received some relevant training through the reintegration programme, the ACR was not involved in providing this job. His employer is not aware that he is a demobilised. Orlando does not know, what the reaction would be, if it became known. He is in general satisfied with his situation. He only wishes to have the money to be able to live alone with his wife and daughter, given that currently they live at his mother-in-law. He is therefore in the process of applying for the COP 2 million[59] housing grant offered by the ACR under the new legislation. Orlando is very critical towards the economic reintegration programme. According to him, his case is unique and thousands of demobilised are being lost, because the ACR does not offer or arrange employment.

Given the high unemployment rate, the vast majority of the demobilised population live of the economic support provided by the ACR. With the recent reductions, this is not enough to survive. The demobilised are therefore forced to take any sort of occupation. Many live in poor neighbourhoods, where the NIAGS are in the process of consolidating their presence. Given, that the line between informality and illegality is often difficult to draw, they often end up falling back into criminal activities.

In the light of the poor results of both the entrepreneurial programme and the employability component, it is possible to conclude that the economic reintegration strategy in Colombia has not been well suited for the vast majority of the demobilised

[58] Approximately USD 390.
[59] Approximately USD 1.120.

population. What remain to be investigated are the factors behind the choice of this strategy. The next section thus provides a contextual analysis, which leads to an understanding of the political choices affecting the economic reintegration.

Uribe's Project

The greater political context is key to understanding the evolution of the economic reintegration strategy and the position of the ACR. Álvaro Uribe, the President of Colombia, from 2002 to 2010, was controversial, but, due to the relative impressive results of his *Peace and Security Policy*, also relatively popular. The initiative of offering the AUC demobilisation met however resistance amongst the opposition and great parts of civil society. The peace negotiations can therefore roughly be seen as a result of the Government of Uribe - not of the Colombian state. Consequently, the DDR process was designed and institutionalised directly under the presidential office without much assessment and inclusion of other relevant stakeholders. The process excluded the private sector and the local and regional governments, which can be seen as the main potential for employment creation. Furthermore, it excluded community organisations, victims groups and other key stakeholders from civil society. It even excluded other state institutions at the national level. In relation to this, the Manager of Superban states: 'The Government never prepared us. Furthermore it never prepared civil society'.

The strategy was therefore designed and later redefined by a centralised group of policy-makers, who might, or might not, have been fully in touch with the realities on the ground. Therefore the economic reintegration strategy became a one-size-fit-all model corresponding to the theoretical and ideological conviction of the policy-makers in the Uribe Administration (Gómez Meneses 2007: 95). Well aware of the failure of the productive projects during the demobilisation processes in the 1990s, this entrepreneurial concept was embraced, given that it conveniently fitted into their liberal economic conviction. In line with this FIP highlights the '[p]roblems of designing projects in Bogotá without being fully aware of the local context in which the projects were to be launched' (Méndez & Rivas 2008a: 17-18).

It was too late, when the ACR finally began to prioritise the actual economic reintegration and therefore to seek greater involvement from the relevant

stakeholders. Given the lack of ownership amongst these, there was little interest in taking responsibility of the process.[60] Furthermore, often the local authorities represented the opposition, which continued being against the entire DDR process. The easy option was therefore simply to offer the demobilised education and then expect them, without any support from local authorities, to find employment. This proved to be a great error from which the process never has fully recovered.

An appropriate assessment together with an inclusion of local authorities, communities, and other relevant stakeholders in the designing of the strategy could have led to a greater sense of ownership amongst important stakeholders - leading them to take responsibility. This would have allowed for a number of bottom-up approaches specially designed for creating jobs in each regional context. Had this path been followed, it is likely that the current situation could have been avoided.

The Santos Administration does not seem to be aware of this reality. Rather than seeking to prioritise the genuine economic reintegration of the demobilised, it is shifting focus from the demobilised towards the victims. By arguing, that '…even though there is a new government, the ACR remains the same…', the ACR seems convinced, that the new legal framework merely is an outcome of lessons learnt.[61] There is however another factor, which is most likely to have influenced this change of strategy. The Uribe Administration had been very generous to the ACR, while being significantly less generous to initiatives supporting the millions of victims of the armed conflict. Consequently, the victims had the vision that, while the state supported the demobilised, it forgot the victims. As a result the entire demobilisation lacked legitimacy and thus when the Uribe Administration left office, certain changes were inevitable. In the light of the neglect of the victims, this change of strategy is understandable. The majority of the demobilised, however, still have not had a genuine chance to reintegrate economically, given the great deficiencies of the programme. Therefore this new shift is potentially dangerous and perhaps not fair.

To sum up, the demobilised seem today to be punished for the flaws of an early economic reintegration strategy, which was likely to failure from the very beginning. The final section of this paper proposes an alternative strategy, which

[60] There are exceptions e.g. the local authorities in Medellín in Antioquia have since the beginning been highly involved with its *Peace and Reconciliation Programme* (Palou & Llorente 2009).
[61] Interview, 14th September 2011.

seeks to offer a genuine path towards economic reintegration for the demobilised population and thereby avoid putting the peace process at stake.

Towards People-Centred Economic Reintegration

Body (2005: 4) identifies two factors of key importance, when designing an economic reintegration strategy. These are respectively *i)* the state of the economy in terms of demand for labour, business opportunities, and the availability of land and credit, and *ii)* the characteristics of the ex-combatants in terms of education, skills levels, age, gender, entrepreneurial ability, and aspirations. Today, it is generally accepted, that a process of reintegration ought to be designed with this framework in mind, so that the economic reintegration of the demobilised is realistic and achievable.

In relation to the characteristics of the demobilised in Colombia, it is evident that whether they are previous guerrillas or paramilitaries, the majority have had a similar upbringing. They come from economically marginalised rural or urban areas, where they have lived in relative poverty all their life. An estimated 47 percent were minors when first recruited (el Tiempo 2011b). Consequently, the vast majority have low levels of education and have never known other way to generate income than from the barrel of the gun. In the illegal armed groups these young people have often been sexually abused, become addicted to drugs and alcohol and been forced to commit grave human rights abuses (Denissen 2010: 338). Many therefore suffer from post-traumatic stress disorder or have other psychological problems (ibid.). A significant part of them suffer from physical disabilities as a consequence of their involvement in the armed conflict (CIDDR 2009: 52). As mentioned previously, many female combatants are young single mothers, who do not receive support from the fathers of their children.[62] Consequently, when demobilising the majority can be considered extremely vulnerable. They lack basic life skills such as non-violent ways of resolving conflict, civilian social behaviour, and career planning, essential to both the social and economic reintegration (IDDRS 2006: 4.30.9.2.4) In the National Reintegration Policy it seems, that the Government is aware of such vulnerability:

[62] Interview, Taller de Vida, 13th November 2011.

> The vast majority of the demobilised are in a psychosocial state…that limits their ability of social interaction. In other words, they are not prepared to live within an environment of social rules in coordination with a legal framework (CONPES 2008: 20 - translated).

When it comes to the economic context an initial assessment is also of key importance. The recent alleged increase in employment amongst demobilised is not only a consequence of efforts by the ACR, but also because of the contemporary economic context.[63] Given, that Colombia is one of the least affected countries by the global financial crisis, general employment in Colombia is increasing.[64] Porch and Rasmussen (2008: 531) emphasise however, that because of the huge informal sector, the true unemployment rate is much higher than the official rate. According to Fandl (2008: 169), this sector comprises roughly 60 percent of Colombia's workforce. Furthermore, it is important to emphasise, that the economic activity behind Colombia's growth and employment creation, mainly is focused around the main cities. This makes Gómez Meneses (2007: 89) conclude, that because of a deficient labour market, the economic reintegration of former combatants in Colombia cannot succeed. Even in regions with strong economic activity and relative good employment opportunities, the demobilised face employment challenges as a result of stigmatisation by the private sector (Puente et al. 2009; Rettberg 2010: 15). Indeed, the majority of private enterprises seem afraid of damaging their images and are not interested in hiring these (Guáqueta 2006: 298, Guáqueta & Orsini 2007: 6). The ongoing armed conflict must also be taken into consideration. As evident from the high fatality rate amongst the demobilised, the combatants take an immense security risk by demobilising. Because of violence in certain regions and rural economic stagnation, the majority of the demobilised seek to settle in the cities. Other DDR experiences show, however, that urban reintegration is more complex than rural (Ayalew et al. 1999: 16).

This analysis leads to an understanding of the complexities involved in the reintegration process. The ACR, on the one hand, provides initiatives highly suited for this vulnerable population i.e. psychosocial care, group therapy, yoga workshops,

[63] Interview, the ACR, 14th September 2011.
[64] The official unemployment rate is down from 14,6 percent in 2003 to 10,7 percent of the labour force participation (DANE 2012).

reconciliation activities etc.[65] On the other hand, when it comes to economic reintegration, it expects the demobilised to become competitive on the labour market or able to set up a profitable business within few years. With the above in mind, this seems fairly optimistic.

The Santos Administration has shown willingness to compromise the market-centred approach. More incentives of this kind are however needed. Several of the interviewed for this research suggested that it would be relatively uncomplicated to impose a tiny quota on local and regional governments to employ demobilised or to impose such quotas on companies contracted by the government. Enthusiastically, the manager of Superban calls this '…a great proposal'.[66] According to him, if the Government from the beginning of the process had followed such a proposal, today there would not have been NIAGs. When asked about the implication of stigmatisation such a model could bring, he highlights, that stigmatisation is not to be combated by hiding, but by stepping forward and openly seeking reconciliation with the community. This is what they have done in Superban. It is not easy, but it is the only way forward. Likewise Camilo, who has a formal job, recommends, that the ACR should offer '…decent employment for the participants'.[67] He would feel better if the Government had arranged his job, given that in this case he would not fear, that one day his manager and colleagues at the supermarket find out that he is demobilised. He says: 'It is better if the employer knows and accepts, that they are demobilised'.[68]

Indeed nearly all stakeholders interviewed for this research think, that the Government ought to further breach its ideological principles in order to create employment for the demobilised. Representatives from the ACR and the IOM, however, continue defending the logic behind the strategy, by arguing that the explanation behind the current problems is to be found in flaws and shortcomings at the operational level.[69] Indeed the ACR remains optimistic by claiming that the ongoing changes and the latest increase in focus on employability, has improved the process (el Tiempo 2011b). To the above proposal the ACR representatives argue that

[65] Interview, the ACR, 29th August 2011.
[66] Interview, Superban, 3rd November 2011.
[67] Interview, Employed participant, 4th November 2011.
[68] Interview, Employed participant, 4th November 2011.
[69] Interview, 14th September 2011.

simply arranging jobs for the participants is not a durable solution, given that *i)* for the demobilised to generate their own jobs is best in order to avoid the problem of stigmatisation, *ii)* the demobilised do not have the required profiles for the jobs that the ACR are able to arrange, and *iii)* it would not be fair to other vulnerable populations to offer to the demobilised population decent paid jobs.[70] Furthermore, according to them, the logic of motivation is an important factor. One reason behind the failure of the initial collective productive products was lack of motivation on behalf of the participants.[71] Therefore, through economic and moral incentives, the reintegration programme seeks to encourage the private sector to employ demobilised persons. The ACR can thus be seen as seeking to transform the demobilised to become able to compete on the labour market, given that by becoming self-sufficient productive citizens, they will be motivated to stay out of illegality.[72] The National Government is aware, that structural factors provide an obstacle to the economic reintegration (CNRR 2011: 81). Nevertheless, it continues to test whether in fact, in a country like Colombia with a strong private sector, it is possible to overcome structural obstacles and run a people-centred process by the principal use of market-driven solutions.

Indeed, as any other model, the above proposal is not ideal. For instance, it prolongs the affirmative action towards the demobilised, which is not ideal. But, the current model has shown, that it is impossible within a short timeframe to transform former combatants to become skilled, fully competitive and able to get a job as a normal citizen. To create incentives to motivate the participants to do an effort in jobs offered to them seems, at current stage, to be a better option. Another common fear of adopting a people-centred approach is the costs involved. It is however important to take into consideration the immense costs of the current strategy.[73] To this the manager of Superban states, that in relation current economic support schemes '…it is better to give money for work rather than for nothing'.[74] Specifically in relation to the proposal on imposing quotas on private companies the ACR fears, that this would

[70] Interviews, the ACR & the IOM, 14th September & 5th November & 9th November 2011.
[71] Interview, the ACR, 14th September 2011.
[72] Interview, the ACR, 29th July 2011.
[73] From 2007 to 2010 the ACR spent nearly 25 billion pesos on the reintegration process. International development agencies spent more than 43 billion pesos (ACR 2011a). In total this equals more than €26 million.
[74] Interview, 3rd November 2011.

discourage foreign direct investment and the general health of the business sector.[75] It is however questionable, that this model would have such an effect, given the relative small amount of demobilised at the national level. Yet another argument against direct employment creation is the grievance caused in a society severely lacking job opportunities (Gómez Meneses 2007: 94). It is nevertheless important to emphasise, that this problem is structural and no matter what model of affirmative action chosen, grievance against the demobilised would be inevitable. Indeed, as emphasised above, the real reason behind grievance in the case of Colombia stems from the previous government's alleged neglect of the victims.

To sum up, the arguments against direct employment creation are many, but it does not change the fact, that at current stage in the process, this seems the best option in order to ensure genuine economic reintegration.

Conclusions

A liberal ideal seems to have dominated policy-makers in designing and adjusting the Colombian economic reintegration strategy. There has been a focus on entrepreneurship, which in spite of several attempts to make it work, for the vast majority has failed to create economic independence. The initial focus on making the demobilised employable without creating special entries to the labour market, also failed. Lately incentives towards direct job creation have been taken. This might however be too little too late for a significant amount of demobilised, who have fallen, or are in risk of falling back into illegal behaviour. In the light of this, the research concludes that further changes must be taken - especially towards making greater efforts in *i)* direct employment creation, *ii)* strengthening the monitoring and evaluation of the process, *iii)* improving the security the demobilised population, *iv)* making the economic support scheme fairer, and *v)* mainstreaming gender. The Government had the opportunity of learning from the experiences of the M-19 in the 1990s. Today it has the chance again. The theoretical justification of the liberal model is strong. It must however, be adapted to the realities on the ground and the full variety of stakeholders must be included in the process. Furthermore, the strategy must take the characters of the participants and the general context into account. The

[75] Interview, 14th September 2011.

demobilised population consists of such a danger for the peace process, that they must be offered a realistic path towards economic reintegration - also if this entails compromising certain ideological principles.

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