

# Colombia and Free Trade Agreements: Between Mobilisation and Conflict

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On 19 August 2013, community organisations and social movements linked with the agrarian sector launched a national strike in Colombia that quickly took on the character of a popular mobilisation as other social sectors joined the protests. Health, education, and transport workers, as well as urban, indigenous, and afro-descendent organisations filled the streets and roads throughout the country. There was strong repression on the part of police and military forces in areas of dispute, characterised by excessive use of force against the protestors.

The demands presented to the national government, and the mobilisations which at times took the character of a popular uprising, demonstrate that this is not a momentary upset but rather is the result of structural problems related with the production model, the political system, and land tenure – conflicts that have intensified in the recent years since the 2011 Free Trade Agreement (FTA) with Canada and the 2012 FTA with the United States came into force. This situation presents a clear perspective of the possible impacts of the FTA with the EU, which was provisionally implemented in July 2013.

## **The combination of structural factors behind the resistance**

Historically land has been deeply concentrated in Colombia, but this has been exacerbated in recent years by a counter- agrarian reform that displaced four million people from their territories. This offensive by armed paramilitary groups intensified between 2002 and 2010, leading to a violent land grab of 8 million hectares on which multinational and private national companies are developing big infrastructure or extractive projects. Official figures<sup>1</sup> show that land concentration is worse now more than ever: while in the 1950s about 55% of the population held fewer than 10 hectares and only 7% of the country's land, in 2010 77.6% of landowners hold 13.7% of the land.

The Santos government has been claiming that its implementation of the 2011 Law 1448 on Victims and Land Restitution is addressing this dispossession of land, The law is marketed to the international community as evidence of progress in peacemaking in Colombia. Law 1448 is presented as a response to the situation of displaced peasants, but in fact lays the ground for the creation and consolidation of a market for land titles. The implementation of the Law has also been shadowed by the assassination of peasant leaders who were to receive restituted land, particularly in Colombia's Caribbean coast. According to the Colombian Movement of Victims of State Crimes – known for its Spanish acronym MOVICE – in the first five months after the law's implementation, 28 leaders were assassinated<sup>2</sup>.

Proposals for land management through the creation of Peasant Reserve Zones (known for its Spanish acronym ZRC) have been rejected by the government. The ZRCs are entities recognized by the Constitution and legislated in the 1994 Law 160. One example of the government's disregard for the ZRC took place recently in the region of El Catatumbo, where local communities declared a strike for more than one month to protest the government's failure to implement a ZRC for that region. El Catatumbo is a emblematic case because the government reversed its decision to create the ZRC after reaching agreements with the government office that regulates these kind of projects, the Colombian Institute for Rural Development (known for its Spanish acronym INCODER), and after spending large sums of money in the process. The reversal is likely due to pressure from transnational corporations and companies interested in exploiting the natural patrimony in the area, which is rich in coal and metal reserves.

Under the same logic, agrarian policies have favored agro-industrial production over peasant farming through subsidies and promotion of large agro-industrialists that have resulted in land grabbing by transnational capital. Agricultural production is facing one of the largest crises in recent years due to the increase in low-price imports with which national production cannot compete. As a result, peasant farmers have requested that the government enact policies to protect domestic production through subsidies and price controls both for inputs as well as for final

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<sup>1</sup> Geographic Institute Agustín Codazzi (IGAC)

<sup>2</sup> MOVICE

products.

Similarly, there has been fierce resistance to the mining-energy policy of the Santos government that promotes extractive projects all over the country through guarantees for foreign investment. This expansion of extractivism has been facilitated by the legal and violent dispossession during the years prior to his mandate while he was serving as defense minister.

Although the government has attempted to present this policy as one of the drivers of development and a great economic innovation for the country, in reality it responds to the World Bank's program on oil, gas, and mining promoted in Colombia since the 1950s, seen in mines the size of El Cerrejón in La Guajira (the second largest open pit coal mine in the world), or La Loma in El César that have failed to deliver benefits for the majority of Colombians after 30 years of exploitation. Instead these regions have become known for impoverishment, environmental conflicts, diversion of precious water sources and forced displacements faced by communities whose territories were occupied.

The current mining-energy policy in Colombia ignores the productive vocation of the country, puts pressure on essential ecosystems that regulate the hydrological cycle, and contradicts constitutional principles that guarantee a healthy environment.

The discourse of mining as the best development path also contrasts starkly with the state's abdication of its role to regulate or hold companies accountable for their exploitation of Colombia's natural patrimony. The increase in corporate rights over human rights has been aggravated by the criminal acts of some of these companies that have collaborated with paramilitaries and resulted in legal cases at international tribunals. The result has been a return to an economy focused on primary resources, the loss of the most productive areas, and the "de-agrarianization" of the countryside where peasants (small scale farming) have no future.

In the current context, the combination of mine-energy, land tenure and agrarian policies has resulted in a crisis for the countryside which runs through different sectors of Colombia's economic and social structure. The resistance to these policies have turned them into scenarios in dispute by those who demand that their political, economic, social and cultural rights are more important than corporate profits.

## Free trade agreements and the aggravation of social conflict

Colombia's productive economy has been historically based on the production of primary goods, largely for export. In this sense, products that traditionally drove the Colombian economy were coffee and its derivatives, which remained the largest export product until the 1990s. Similarly, the production for export of oil, coal, and banana had an important place in the country's productive matrix.

While there was a development in manufacturing and light industry between the 1950s and 1980s, linked to the coffee-producing elites, the growth in industrial production was stalled from the 1990s due to the imposition of trade liberalisation policies that caused a de-industrialisation process, with the resulting deterioration in working conditions and increases in unemployment, as well as increased dependence of the internal market on imports both of capital and consumer goods.

The trade liberalisation process was accompanied by an increase in financial capital flows, which absorbed resources from other sectors of the economy, primarily those destined to the provision of social rights (for example social protection programmes). This in turn increased the volatility and vulnerability of the economy and led to a financialization of the economy and public policies, through the creation of policies aimed to guarantee financial stability and the rapid privatization of health, pension, and education sectors, which depend increasingly on financial actors, such as private pension funds. The beneficiaries of this process were large national economic groups and transnational actors that increased their participation in the Colombian economy.

This is how the decade of 2000 culminated in an economy that returned to a primary-product focus, intensifying historical social problems and inequality. In this period, exploitation of natural patrimony became the main motor of the national economy, as has been presented above. Policies were also put in place to offer legal and physical security for foreign investments, a policy called "searching for investor confidence through democratic security", which ultimately guaranteed the territorialization of transnational capital in Colombia<sup>3</sup>.

It is in this context that Alvaro Uribe's government, and later that of his successor Juan Manuel Santos, negotiated Free Trade Agreements (FTAs) with different blocks of countries, which were all notable for the asymmetry between the countries' economies. The Colombian government negotiated, for example, with the United States, Canada, the European Free Trade Association (EFTA), and the European Union. It is currently negotiating, among others, with the Pacific Alliance, South Korea, and Israel.

The approval and implementation of these treaties was stalled for several years primarily because of existing concerns about the human rights situation in Colombia. In 2010, the government agreed to some standards for respecting labor rights, which had to be accomplished in a specific time frame (the Action Plan-United States, the Labor and Environmental Protection Agreement with Canada, and the Roadmap with the EU).

However, as exemplified by the action plan with the United States, two years after its signing there have been no substantial improvements in working conditions for Colombian workers. A report produced by the National Trade Union School (Escuela Nacional Sindical) showed that indirect contracting continues to exist; that there are no protections for the right to collective association for the majority of the population; only 30% of the working population has decent working conditions; labor inspections have been ineffective; and 93.4% of assassinations and 99.9% of threats to workers remain impune (unpunished). Additionally, in this period there have been 47 assassinations, 18 assassination attempt, 6 forced disappearances, and approximately 760 death threats to workers and union leaders<sup>4</sup>.

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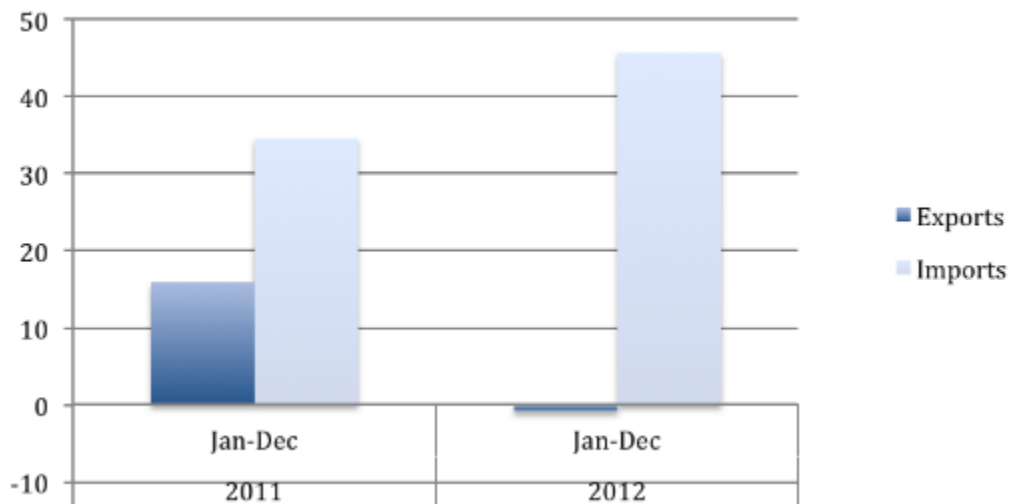
<sup>3</sup> See: Comisión Intereclesial de Justicia y Paz. Colombia: Bannacol. A company implicated in paramilitarism and landgrabbing in Curvaradó and Jiguamiandó. FDCL – Hands off the land Alliance. August 2012.

<sup>4</sup> National Labor School (Escuela Nacional Sindical)

Nor has there been an improvement in the human rights situation of the country<sup>5</sup> and even less regarding the actions of transnational corporations. Many companies (Anglo Gold Ashanti, Drummond, Pacific Rubiales, El Cerrejón, among many others) have been denounced for their activities on the ground and for causing communities' loss of territorial sovereignty as a result of the companies replacing the State in the regions, undermining the state's duty to guarantee rights with a questionable corporate social responsibility whitewash.

Faced with criticism from diverse constituencies on the negative effects that signing FTAs would have on the country, it was argued during the negotiations that there would be “winning” and “losing” sectors but that the treaty would generate positive impacts for the whole of the Colombian economy. To compensate for the foreseeable possible losses, some additional subsidies and funds would be created. One of those funds, the Secure Agro Income (known for its Spanish acronym AIS) was used as economic pay-back to those who supported Alvaro Uribe’s re-election, which turned into one of the biggest cases of corruption in the last decades, because it was proved that the subsidies weren’t used to support a productive project but instead for land tenants who presented fake land titles. Uribe’s agriculture minister was in jail for more than two years because of this scandal<sup>6</sup>.

One year after the implementation of the FTA with the United States and two years after the implementation of the FTA with Canada, it is possible to identify some of the losers of these agreements and the economic model that underpins it. They are the same people who have initiated one of the largest protests in Colombia in the last two decades.



*Variation by percentage in the volume of import and export of primary products.  
Source: Colombian Foreign Trade Ministry.*

<sup>5</sup> See: ODHACO et al and Grupo de Trabajo sobre el Examen Periódico Universal

<sup>6</sup> See: [http://www.cambio.com.co/paiscambio/847/ARTICULO-WEB-NOTA\\_INTERIOR\\_CAMBIO-6185730.html](http://www.cambio.com.co/paiscambio/847/ARTICULO-WEB-NOTA_INTERIOR_CAMBIO-6185730.html)

Although the FTA was presented as an opportunity to increase exports of agricultural goods that had been traditionally produced in the country, the rural sector is facing one of the largest crises in recent years as a consequence of the increase in imports of cheap agricultural products. This has created a situation of inequality and imbalance in which national production cannot compete. As can be seen in the graph below, between 2011 and 2012, the volume of imports of primary goods (the main exports sector) increased by 45.6% while exports decreased by 1%<sup>7</sup>.

Those most affected have been coffee, potato, fruits, milk, rice, and vegetable producers. These are essential products in Colombia's basic basket, implying that there is an ever increasing dependence on foreign trade to guarantee the provision of food in the country. The last governments have focused on *food security*, which can easily consist of importing food and in that way supposedly guarantee the population's access to food. In contrast, organizations and social movements from the countryside defend the idea of *food sovereignty* - for which territorial control is a fundamental condition - in addition to special protection of essential ecosystems for a holistic hydrological cycle, since without water, under attack by the current development model, we cannot think about food.

<b>Variation by percentage in volume Import and Export of Coffee</b>		
	2011	2012
Import	43.3%	52.5%
Export	79.0%	-32.8%

*Source: Colombian Ministry of Foreign Trade*

Not only do national producers have no access to subsidies for production, but they face structural problems like lack of covered aqueducts and sewage infrastructure, lack of access to healthcare and education, deficient roads and transportation and high costs for their inputs. This situation is aggravated by the absence of the State as the entity responsible for guaranteeing social rights and it has resulted in the impossibility of peasant farming as an economically sustainable activity. The percentage of people in rural areas living under the poverty line of less than COP190.000 per month (USD100) has reached 65%, while those in extreme poverty - living on less than COP90.000 (47USD) per month is at 33%<sup>8</sup>.

This in turn has led to the deterioration of conditions in the countryside and an increase in inequality reproducing the historical reasons for the armed conflict.

One of the most problematic issues in Colombia's FTAs is related to the so-called sanitary and phytosanitary measures that regulate sanitary conditions for the production and export of agricultural goods. Following the trade agreements, the national government promoted Decree 9.70 that regulates the use of seeds and prohibits the use of those seeds that are gathered by farmers from prior harvests, forcing them to buy certified seeds (usually produced by agro-industrial corporations), with sanctions that could include imprisonment for those who do not comply with this law. Although social pressure led to the government's withdrawal of the measure, it is likely that its objectives will be implemented through other mechanisms, so as to comply with commitments included in the FTA. This implies a total loss of food sovereignty, as national production will become dependent on the provision of seeds, many of them transgenic. This also presents a profound threat to the cultural wealth associated with traditional seeds, community management of forests and waters, and will lead to the disappearance of biodiversity in national production.

<sup>7</sup> Colombian Foreign Trade Ministry (Ministerio de Comercio Exterior Colombiano)

<sup>8</sup> National Planning Department (DNP for its acronym in Spanish)

Faced with the situation described here, peasant farmers have requested that the government enact policies to protect national production, subsidies and price controls of inputs and final products, as well as democratic and legal guarantees to the access of property and land use.

## ***Conclusions and forecasts***

Having briefly reviewed some of the historical conditions that have led to the current situation in Colombia and that were aggravated by the implementation of the Free Trade Agreements, it is evident that the current economic model has failed as a result of a combination of several factors.

First, the policy of de-agrarianisation of the countryside to facilitate the entrance of foreign products and the territorialisation of transnational capital has generated devastating impacts and conflicts for peasant communities. This – combined with the mining-energy policy and the conflicts that it generates through the inevitable territorial dispossession – leads to a scenario of social discontent, pressure on territories, systematic rights violations, and increased precariousness of living conditions of ethnic communities. The realisation by many city-dwellers of their ongoing connections with rural areas (from which previous generations had migrated) and the threats to that relationship caused by these policies brought together an unprecedented alliance linking the countryside with the city.

Despite the promotion of trade liberalisation and attraction of foreign investments reinforced by the FTAs as tools to develop the Colombian economy, the results of the first years of implementation is that Colombia has returned to a primary-product economy and increased its dependence on the foreign market. This has deepened structural problems and further deteriorated living conditions of peoples in rural as well as urban areas, thereby intensifying socio-environmental conflicts. An agrarian policy that addresses historical and structural problems of concentration of land and that promotes peasant farming continues to be urgent and necessary.

It is important to keep in mind that there have been no substantial or sustainable improvements in human rights and labor rights in the country, which shows non-compliance to the signed agreements that were conditional to the approval of the FTAs. There remains an open question regarding the application of monitoring, evaluation, and control mechanisms established in the framework of those agreements.

Although the FTAs have been presented as non-negotiable, the social awakening in Colombia is leading to calls to re-negotiate or suspend the treaties that have been already ratified and are currently being implemented, as those with the US, Canada and specially with the EU, because this last one hasn't been ratified in all the Member States. It raises the need for the more in-depth examination, critiques and opposition to the treaties that the government expects to sign with South Korea, Israel, and the Pacific Alliance, among others.

It is also worth noting that the agrarian and popular mobilisations speak to a double movement that is being registered in Colombian society. On one side, the increased visibility of peasant farmers by urban sectors and by layers of society that once again understand the importance of the sector regarding the guarantee to life in the country. At the same time, and as the other side of the same coin, an understanding by peasants that they are a political actor with the right to food sovereignty and territorial control and the ability to demonstrate power in relationships that have been historically controlled by landowners and national elites

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