COLOMBIA’S RESURRECTION:
ALTERNATIVE DEVELOPMENT IS THE KEY TO
DEMOCRATIC SECURITY

by

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This thesis examines the role of alternative development in the Colombian and U.S. governments’ counter drug strategies. Both governments include alternative development as a part of their policies, but provide limited funding to the programs when compared to the funding for forced eradication and security measures. Existing policies have produced reductions in drug cultivation in many areas and the Colombian government has made gains in security throughout the country, particularly the remote rural regions. These gains make conditions in Colombia suitable for large-scale alternative development supported by increased funding. Both governments are addressing components of successful alternative development programs, but funding disparities are hindering the effectiveness of the programs. While the international and European communities are staunch supporters of alternative development, the funding provided by them has been limited in scope because of disagreement with the U.S.-backed eradication policies. The U.S. and Colombian governments in conjunction with the international community must focus more on alternative development in order to consolidate the recent gains in democratic security.

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COLOMBIA’S RESURRECTION: 
ALTERNATIVE DEVELOPMENT IS THE KEY TO DEMOCRATIC SECURITY

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ABSTRACT

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Thank you to my mother and father for all of their encouragement and incredible faith in me. And to Sarah, thank you for giving me your support, attention, and love.
I. INTRODUCTION

The Colombian conflict over drugs and territorial control is devastating in its impact on the civilian population and has become a crisis in the eyes of the world. By the 1990s a significant growth in coca production took place because of the decline of plantations in Bolivia and Peru brought about by eradication and alternative development efforts. Illicit crops found ideal conditions in the peripheral areas of the Colombian countryside where there was a low level of state presence and a social base in the form of the campesino settlers.

Throughout the 1980s, armed actors in the Colombian countryside had been involved in the drug trade, but the increase in coca cultivation in the 1980s would lead to an escalation of the conflict between these actors. The drug-traffickers, who slowly became landowners, contributed to the creation of paramilitary groups and established a significant presence in the countryside during the 1980s. The phenomenon began to extend as groups appeared such as the United Self-Defense Forces of Colombia (AUC), which was formed as an umbrella group for paramilitaries from across the country. The expansion of illicit crops also led to the transformation of the relationship between the guerrillas and drug trafficking. At the beginning, the Revolutionary Armed Forces of Colombia (FARC) limited itself to regulating relations between the campesino coca growers and the drug traffickers, but gradually became more involved in levying tax on the crops, and later the production and even trafficking of coca. The income derived from illicit crops increased the FARC’s autonomy, as the group no longer had to depend on its integration into the rural communities.

The defeat of the Medellin and Cali cartels in the mid-1990s by the Colombian government allowed insurgent and paramilitary groups to expand their participation in the drug business, precisely at the moment when coca cultivation was shifting into Colombia. The conflict over land became more intense as the insurgents and paramilitaries jockeyed for control of the coca- and opium-producing territories and the income they produced. The violence
decimated the rural population and forced many farmers to flee their land. The inability of the state to control this conflict and protect the peasants of rural Colombia has contributed to a crisis of legitimacy of the political regime. In the absence of the state, violence has become the mechanism for the resolution of private and collective conflicts in the countryside.

In sum, the struggle between the paramilitaries and guerrillas for control over lands devoted to coca cultivation since the mid 1990s has contributed to the undermining of the legitimacy of the Colombian state, especially in the countryside where the state has been unable to protect its citizens’ lives, and an explosion in coca production. Many different combinations of policies have been advocated as a solution to Colombia’s problems. This thesis attempts to understand the role that alternative development strategies might play in any solution to the problems of drugs and rural violence in Colombia. This has been a particularly controversial issue in U.S.-European relations, with the countries of the European Union sharply criticizing U.S. assistance to Colombia for its insistence on forced eradication and military interdiction of drugs. European countries, in contrast, advocate economic and social programs as the main remedy for the explosion of coca cultivation and the delegitimization of the state in the countryside.

Chapter II evaluates the role that alternative development plays within Colombia’s current strategy, backed by the U.S., to regain control of the insurgent-occupied areas of the country and reduce coca and opium production. It finds that there have been many gains made since the introduction of Plan Colombia in 1999 under President Carlos Pastrana and Colombian President Álvaro Uribe’s Democratic Security and Defense Policy in 2003, not only in the realm of drug eradication, but also in terms of state consolidation and security. But are the governments of Colombia and the United States taking advantage of the opportunities presented by these gains? This chapter argues that alternative development is necessary to consolidate the gains made in the eradication of coca and the establishment of state legitimacy in the countryside. While recent Colombian government policies explicitly address alternative development, Plan
Colombia fails to provide adequate funding for it to be effective and the *Defense Policy* subordinates it to security concerns.

A small percentage of the multi-billion dollar Plan Colombia aid package from the U.S. has gone toward alternative development programs. This disparate ratio indicates that the importance is being placed on eradication rather than economic and social development. Similarly, Colombian President Uribe’s *Defense Policy* chooses to attack the problem of security before shifting the focus onto alternative development. However, the success of eradication programs creates a segment of the rural population that must find a new way to make a living. These farmers may not initially have been in the rural labor market and either need training and education to reenter the formal work force or should be given a viable crop substitute on which they can subsist.

Chapter III seeks to understand the components that make alternative development programs successful and attempts to determine whether those components exist in Colombia. It finds that Colombia has made significant efforts to incorporate many of the ingredients necessary for a successful alternative development program into their drug control strategy with the continued support of the United States, but international support is just as vital to success.

Forced eradication efforts have been denigrated by the international community, but are indeed necessary to give illicit farmers an incentive to participate in alternative development. Other ingredients such as improved monitoring and evaluation of programs, clear government commitment to alternative development, viable replacement crops and markets for those crops, and improved social infrastructure are needed to make alternative development successful. While some of these are being incorporated into the Colombian and U.S. government strategies, the ingredients that are needed to further the successes realized by the eradication efforts are being grossly under funded.
Finally, Chapter IV evaluates the extent to which the international community and the European community have implemented the kinds of trade policies and financial support programs necessary for alternative development to succeed in Colombia. Colombia is reaching out to the international community for economic assistance not only in the form of aid packages and loans, but also through preferential trade agreements and Free Trade Areas (FTA). Bilateral agreements have been made with numerous countries and the on-going Free Trade Area of the Americas (FTAA) negotiations, while stalled in general, are generating strong regional support and solidarity. The European Union has maintained preferential trade arrangements with Colombia for many years and is even looking to expand their trade in conjunction with continued financial support for economic and social development.

Many international organizations are also lending support to Colombia. The United Nations is orchestrating numerous projects to build infrastructure and help farmers move away from the illicit crop industry. The Inter-American Development Bank (IADB) and the World Bank have also provided financial assistance to Colombia primarily for rural development. Along with these measures, the gains in security realized under President Uribe have led to much improved economic growth in the country.

Despite this level of support, current alternative development programs and initiatives in Colombia need to be increasingly funded and supported as an integral element of resolving the illicit drug problem and reconstructing democratic stability. The concluding chapter argues that Colombia, the United States, and the international community should focus more on alternative development to achieve democratic security. By continuing alternative development programs in Colombia it may make regaining control of occupied lands more likely, directly leading to state security.

Drugs and armed actors are arguably at the root of Colombia’s problems. The government faces three sets of armed actors recognized as terrorists by the United States -- the left-wing Revolutionary Armed Forces of Colombia (known in Spanish as FARC), the left-wing National Liberation Army (ELN), and the right-wing United Self-Defense Forces of Colombia (AUC) – which operate in areas of the country where the government presence is weak. Fueling the conflict between the government and the guerrillas, and between the FARC and AUC themselves, is the drug industry. The FARC and AUC are warring over control of lands where coca is cultivated and drugs are trafficked, while the government is attempting to eradicate illicit crops and regain control of the countryside. Caught in the middle of the violence are the citizens of Colombia. Specifically, the farmers who grow the coca and poppies are faced with forced eradication of their only income source by the government on one side, and coercion and even more violence from the armed factions on the other.

Given the centrality of drugs to the armed conflict in Colombia, many observers have advocated drug control policies as part of the solution to the country’s political violence, but have often disagreed over what kinds of counter-drug policies should be promoted. Some observers have stressed the centrality of alternative development as part of the solution to the conflict in Colombia. In contrast, the Colombian and U.S. governments have focused on the need for forced eradication of coca and the establishment of state control over the countryside as necessary prerequisites to alternative development programs.

This chapter describes Colombian government policies over the past six years and the levels of U.S. funding for these policies and evaluates the extent to which these policies have laid the groundwork for alternative development.
Introduced during Colombian President Carlos Pastrana’s administration (1998-2002), Plan Colombia has the framework, and U.S. financial support, needed to provide economic development, enhance political stability, increase domestic security, and reduce drug production and trafficking. However, the disparate distribution of funds in favor of forced eradication suggests that economic reforms are believed to be of lesser importance to achieving the ultimate goal of a secure state. The Democratic Security and Defense Policy, written and unveiled by Colombia’s new President Álvaro Uribe in 2003, reemphasizes the need for the Colombian government to regain control of the country, but places the onus on the citizens to help reestablish security in remote areas. Both Plan Colombia and the Democratic Security and Defense Policy assert that security and drug eradication are paramount goals. The question of what to do with the farmers whose crops are eradicated is answered in the form of alternative development, albeit sparingly in both documents.

The chapter begins by examining the genesis of the violence and security problem in Colombia because this is important to understanding the strategies adopted by the U.S. and Colombian governments. The conflict between the FARC and AUC and the Colombian government over land control and drug cultivation prompted the drafters of Plan Colombia and the Democratic Security and Defense Policy to outline strategies that it is hoped will engender a resolution to the problem. This chapter shows that government policies have led to certain successes in the areas of drug eradication and the establishment of security in the country.

A. DRUGS AND ARMED ACTORS

Drug trafficking in Colombia has directly contributed to increasing levels of violence since the mid-1990s, the destabilization of the democratic government, and the weakening of the economy. Drug production and trafficking provides approximately $1 billion per year to illegal armed factions in Colombia.\(^1\) The

FARC (Revolutionary Armed Forces of Colombia) alone is reported to have made over $700 million per year from drugs and kidnappings.² The AUC (United Self-Defense Forces of Colombia) earns approximately $300 million per year and 70% of that comes from drugs, according to its founder Carlos Castaño. These well-financed narco-terrorists pose a significant threat to U.S. interests in Colombia and the stability of the entire Andean region. The FARC and AUC are the two most dangerous factions because of the violence they inflict on the country as a result of their continuous fighting over control of the coca producing territories. The FARC claims to have 18,000 members and was started in 1966 by communist militants and peasant farmers seeking to defend themselves against the wealthy land-owning elites. The AUC boasts a smaller number of forces (approximately 8,000), but because it consists of several different paramilitary groups it is more fragmented and difficult to target with military force.³

³ The number of FARC and AUC members was taken from http://www.terrorismanswers.com/groups/farc_print.html, accessed 04 June 2004.
Figure 1. Areas of Coca Production

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The initial linkage between the guerrilla forces and the drug industry grew out of the industry’s need for protection for its production and trafficking operations in the 1980s. The FARC had its roots as a Marxist revolutionary movement in the 1960s, with ideals based around land reorganization and the establishment of a communist-agrarian state. But with the decline and fall of the Soviet Union in the late 1980s, the FARC saw their funding disappear as well. The group then turned to the drug industry to fill their financial gap. The FARC had already begun to protect coca fields and processing labs in the 1980s, and even established pseudo-labor unions in certain areas with taxes, established wages, and regulations for the coca workers. As the FARC’s involvement in the drug trade grew during the early 1990s, it reportedly grew fourfold, and from 1998 to 2000 it expanded from an estimated 7,000-10,000 troops to between 10,000 and 15,000 troops.

The insurgents’ presence in many of the remote areas in Colombia is facilitated by the government’s lack of presence in rural lands. In 1999, President Pastrana ceded an area twice the size of New Jersey to the FARC as a concessionary gesture during peace negotiations that eventually stagnated. President Uribe then was stuck with the task of reclaiming these lands. The struggle between the insurgent groups and the government of Colombia (GOC) has resulted in the deaths of over 4,000 people every year, with an additional 3,000 kidnappings.

Colombia saw a dramatic increase in coca production beginning in the 1990s, which greatly contributed to conflict in the countryside as FARC and AUC fought over drug production and the government forcefully eradicated illicit crops.

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A crackdown against coca cultivation and trafficking by the Peruvian and Bolivian governments in the mid-1990s led to a shift in cultivation from those countries into Colombia (Figure 1). The farmers in Peru and Bolivia were taking part in crop substitution programs and the governments were increasing their eradication efforts while improving infrastructure and transportation in an effort to wean the farmers off illicit crops. In 1995, seventy to eighty percent of the cocaine distributed on the international market was processed in Colombia. Yet, in the same year there were only 55,900 hectares (1 hectare = 2.5 acres) of coca under cultivation in Colombia.\(^8\) This figure was less than in Peru, but more than in Bolivia, which had 115,300 and 48,600 hectares respectively.\(^9\) While the numbers declined in Peru and Bolivia over the next five years to 34,100 and 14,600 hectares, respectively, the numbers for Colombia skyrocketed to a high of 150,900 hectares in 2000.\(^10\)

Immediately prior to the increase in coca cultivation in Colombia, the U.S. and Colombian governments successfully dismantled the Medellin and Cali cartels, thus providing an opening for FARC and AUC to increase their role in coca cultivation. The Medellin cartel was headed by Pablo Escobar, who had a bellicose relationship with the guerrillas. While building his wealthy drug empire he began aggressively pursuing the insurgent factions in order to maintain his own land holdings. Aiding his effort was a new group formed by Fidel Castaño and his brother Carlos, the AUC. These paramilitaries began to war with the FARC, the peasants, and the government. When the cartels eventually were toppled by the U.S. and Colombian governments, the AUC and FARC were poised to take their place.

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\(^8\) Clawson and Lee, 17.


\(^10\) Ibid.
B. GOVERNMENT OF COLOMBIA AND U.S. STRATEGIES

Facing increased coca cultivation, violence in the countryside, and a guerrilla force flush with drug money and capable of inflicting serious defeats on the Colombian military, the government acted quickly to respond. Plan Colombia was initiated by President Carlos Pastrana (1998-2002) and identifies drugs as the fuel for the conflict in Colombia. According to the Plan, the primary objective was for the state to regain control of the entire country, many areas of which are currently inhabited by guerrilla forces. It intended to achieve this goal by launching a massive eradication effort against coca crops in southern Colombia. This strategy has continued under Uribe’s Democratic Security and Defense Policy, which stresses governmental control of the country as the primary objective for achieving peace and security.

U.S. policy toward the Colombian drug problem thus far has consisted mainly of military interdiction, both aerial and maritime, Special Forces training programs, and aerial fumigation. It includes attacking the transportation and organizational network by interdicting the movement, logistical transshipment, and funding of the product. The strategy’s main elements are: to increase the collection of intelligence about the drug traffickers and their transportation net; improve CNP checkpoints on frequently traveled roads; raise the number of traffic stops made by the Colombian Navy on rivers and by the Colombian army at international checkpoints; expand drug-detection technology to all international airports and seaports; and establish a Heroin Task Force at the U.S. Embassy in Bogotá.\(^{11}\) Restrictions on the numbers of U.S. military troops and advisors that could be in Colombia and a limited Congressional mandate had kept the United States from overtly entering Colombia’s war against the insurgents and narco-traffickers. However, the events of 11 September 2001 led the U.S. Congress to increase those limits to 400 personnel in each category and to authorize the use of lethal force in the name of antiterrorism efforts.\(^{12}\) In addition to the eradication


program, the U.S. Agency for International Development (USAID) has been working with the government of Colombia on strengthening its institutions and promoting alternative development as a means of drug eradication.

The proponents of Plan Colombia claimed its successful implementation would end Colombia’s civil war, revive the nation’s economy and put the narco-traffickers out of business. In order to execute the $7.5 billion, six-year plan as conceived by the Colombian and U.S. governments, Colombia asked for $3.5 billion in international aid to supplement $4 billion of its own funding. Since 1997, Colombia has received $3.67 billion from the U.S. alone in support of military and police assistance programs, designed primarily to support forced eradication and drug interdiction efforts. Only $646.42 million has gone to support economic and social programs: seven percent to alternative development; four percent to human rights and judicial reform programs; four percent to aid the displaced; two percent to law enforcement; and less than one percent for other social and economic reforms. Of the $573 million FY2004 funding package $150 million was earmarked for alternative development. Pursuant to the military phase, farmers whose coca crops were eradicated would be offered some minimal funding for alternative crops, while little aid would be made available to those campesinos forced to flee their homes and their land.

In 2001, the Andean Regional Initiative (ARI) was implemented by the Bush administration. This new program was designed to be an extension of Plan Colombia, strictly targeted to social and economic development in Colombia and


six surrounding countries: Peru, Bolivia, Ecuador, Brazil, Panama, and Venezuela. ARI professed three goals, the first of which was to deepen democracy through judicial reform, anti-corruption measures, human rights monitoring, and encouraging the peace process in Colombia. The second goal was to promote sustainable economic development and trade liberalization through alternative development, environmental protection, and renewal of the Andean Trade Preference Act (ATPA). The third was to reduce dramatically the supply of illicit drugs to the United States from the source countries through eradication, interdiction and fumigation. The major selling point for the Bush administration’s plan in Congress was that over half of the program’s $882.29 million was to be used for social and economic development. In the 2003 budget, however, only $149.2 million of the $597.3 million total for Colombia was earmarked for these programs.\(^{17}\) The request for FY2004 has similar numbers, $150 million designated for economic development out of $573 million.\(^{18}\) The rest of the funding is divided between varieties of programs ranging from “Promotion of Peace,” to “Strengthening of Democratic Governance.” The Plan also involves continued training and support to the Colombian military and the Colombian National Police (CNP) in order to provide a security environment in which it will be possible for Colombia’s social development and judicial programs to flourish.

In contrast to Plan Colombia, which in practice was largely centered on forced eradication (the “push into southern Colombia”), the general objective of President Uribe’s Democratic Security and Defense Policy is “to strengthen and guarantee the rule of law throughout Colombia, through the reinforcement of democratic authority: the free exercise of authority by the democratic institutions, the effective application of the law and the active participation of the citizen.”\(^{19}\) It is a policy oriented more toward protecting the citizens than destroying the narco-traffickers and insurgents. It is predicated on the assumption that the root of the

\(^{17}\) Ibid, 5, 37.

\(^{18}\) Ibid, 38.

violence is not primarily poverty or inequality but the Colombian government’s historical inability to enforce its authority. The task of establishing security is placed on the three branches of government, the international community, and the citizens of Colombia rather than on the military and police forces alone.

The Policy is divided into five sections: (I) Democratic Security and Defense Policy, (II) Threats, (III) Strategic Objectives, (IV) Six Courses of Action: Coordinate, Strengthen, Consolidate, Protect, Cooperate, and Communicate, and (V) Financing and Assessment. The first lays out what security means for Colombia, including the role of the government and its responsibilities. The second identifies terrorism, illegal drugs and finance, arms trafficking, kidnapping and extortion, and homicide as the major threats to the security of the state. The third section describes the objectives of state consolidation and control, protection of the people, elimination of the illicit drug trade, maintaining military deterrence against aggression, and efficiency within the administration, while the forth section details exactly how this will be accomplished. The final and shortest of the sections deals with the financing of the Policy and means to assess its efficacy.

The new approach taken by the Policy recognizes the problem of the guerrillas and the paramilitaries more as a matter of individual security than as a war. “It [security] is rather the protection of the citizen and democracy by the state with the solidarity, cooperation and commitment of the whole society.”

This implies that every military commander is to ensure that no person is kidnapped, blackmailed, threatened, or murdered under the new policy.

The Democratic Security and Defense Policy lays out explicit strategies for protecting Colombia’s citizens and infrastructure. What distinguishes it from Plan Colombia is that most of these strategies have little to do with the military. For example, in order to cut the homicide rate in Bogotá by fifty percent, the Policy calls for greater human and electronic intelligence gathering, a better command and sharing of information, clearly defined priorities, and more cooperation among state institutions. The annual report of the International Narcotics Control

\textsuperscript{20} Ibid.
Board states succinctly that “Security is not principally a matter of coercion: it is the constant and effective presence of democratic authority, based on the collective effort of the whole of society.” This is exactly the premise behind President Uribe’s policy. This is not to say that the military does not play a strategic role in the elimination of the drug industry. Conversely, the military has been tasked by President Uribe to break the fighting will of the narco-terrorist organizations through decisive operational success and protection for the civilian population. This will be accomplished through the disruption of the terrorist’s military power, growth, and financing.

The Defense Policy denotes three pillars that it describes as the basis of democratic security. The first of these, protection of the rights of all citizens, demonstrates Uribe’s dedication to establishing equal rights. By stating outright that farmers and businessmen, men and women will all have the same rights, he is accomplishing two objectives. Not only does he loosen the hold that the narco-traffickers have over the rural farmers, but he also unifies the country. Since the entire population is guaranteed the same rights, every Colombian citizen instantly has a vested interest in the maintenance and protection of those rights.

The second pillar is the protection of democratic values, pluralism, and institutions. This means ensuring that open political debate and competition within the political arena continue. This protection is extended to opponents of the administration as well as supporters.

The third pillar of the Policy is popular participation. Stopping violence is the current administration’s top priority, but it also calls on the citizenry to denounce crime, pay taxes, offer jobs to demobilized paramilitaries, absorb the displaced, refuse to pay ransoms, and cooperate with the authorities. Popular participation is vital to peaceful conflict resolution. “Democratic participation is

21 Ibid.
not only expressed through the use of the vote, but also through the observation and promotion of the civic values which uphold...the freedom of every individual.”\(^\text{22}\)

The *Policy* asserts that the illegally armed groups feed on the absence of a central authority and that the way to protect citizens is to guarantee the presence of strong and legitimate institutions across the whole country. Because the government does not possess the resources to place a soldier in every corner of Colombia, the reclamation of territorial control will take place gradually, beginning with the most strategically important zones. In practice, however, the government has been under pressure to proceed on all fronts at once in order to show results. With insurgent groups asserting their presence in forty percent of the country, security becomes difficult to achieve.\(^\text{23}\) Despite this fact, there are inroads being made by the Colombian government toward a secure state.

The government currently has in place a special squad of soldiers and federal policemen, supported by the mobile brigades, in addition to the battalions in the mountains blocking the guerrillas from passing to the plateaus. Once this group secures the area and the local district attorney’s office has tried those who have committed crimes there, the process of consolidating state control will begin.

Thus far, the military has certainly been the most effective tool of government in restoring state control and administrative services to contested areas; although the Constitutional Court pulled many of its teeth when it declared that military courts were unconstitutional. State coordination, even within the military, has obvious flaws. The *Policy* clearly says that “the lack of effective coordination among institutions has perhaps been one of the greatest deficiencies in the state’s response to the citizens’ security.”\(^\text{24}\) In order to guarantee security, the plan mandates the creation of a Security and National Defense Council, through which the president will coordinate the execution of the

\(^{22}\) Ibid.  
\(^{24}\) *Democratic Security and Defense Policy.*
national security strategy with the ministries and the Public Force (the armed forces and the National Police). It also mandates the creation of an integrated “Board of Intelligence,” comprising the directors of the intelligence agencies, which will produce analyses on which the President and the Minister of Defense can base decisions. This last point is crucial because inter-departmental jealousies continue to hinder antiterrorism operations.

Colombia has adopted a strategy of tax enforcement to fund the Policy. Soon after his inauguration in 2002, Colombian President Alvaro Uribe decreed a “State of Internal Disturbance” under which the government imposed a one-time tax on the wealthiest segment of the Colombian population. This tax provided between $800 million and $1 billion and was dedicated exclusively to security.\(^{25}\) In addition, the government will brandish another “big stick” in the face of those involved in the illicit drug industry. All lands, property, and assets of persons engaged in illegal activities will be seized by the state and reapportioned for the benefit of society. The efficacy of this law depends on the ability of the state to enforce it. This coordination of state action and bolstering of state mechanisms, the judiciary being paramount, is at the heart of Uribe’s policy.

Alternative development is mentioned only sporadically throughout the Policy and even then is overtly subjugated to security. In the Six Courses of Action section it states, “Economic development and employment opportunities also require a climate of security to permit investment, trade, and local authority spending for the benefit of communities, all of which have suffered constant predation by illegal armed groups.”\(^{26}\)

The first direct reference to alternative development comes in the fourth section under the subheading Elimination of the Illegal Drug Trade. The Policy states that, “Alternative programs must be realistic and sustainable and provide an income for farming and indigenous families who currently live from the


\(^{26}\) Ibid.
proceeds of coca and poppy cultivation.”\textsuperscript{27} These programs are identified as the primary method of ending illegal drug cultivation. However, almost no elaboration is offered on the tactics involved. A sentence dictating that reforestation programs could provide legitimate income to farmers and jumpstart environmental conservation receives little elaboration. Immediately following this statement is the call for financial support from the international community based on co-responsibility. This idea of co-responsibility is revisited in the second and final mention of alternative development in the Policy. In the \textit{Six Courses of Action} section it states, “Every country which shares responsibility for the illegal drug problem should make a joint effort to: offer alternative employment opportunities and financial support to small-scale coca and poppy farmers who voluntarily eradicate their crops….”\textsuperscript{28}

\textsuperscript{27} Ibid. \\
\textsuperscript{28} Ibid.
C. GAINS IN SECURITY AND ERADICATION

In an attempt to rectify the problem of illicit drug cultivation in Colombia, President Uribe instituted a number of controversial steps with regard to law enforcement. Beginning in October 2002, he invoked emergency powers granted under the 1991 Colombian constitution that allowed security forces to make arrests without warrants and impose strict controls on movements in conflict-ridden areas of Colombia. These emergency powers may be declared for ninety days, and then renewed for two additional ninety-day periods. In order to further efforts to regain control of Colombia, the Uribe administration also introduced legislation in April of 2003 that would give security forces permanent powers to tap phones and to search homes without warrants in all parts of the country. This is highly indicative of the law enforcement strategy contained within the Democratic Security and Defense Policy.

President Uribe is also streamlining and reforming the Colombian military so that it is more effective, professional and capable of capturing narco-terrorist leaders or otherwise disrupting the command level of the illegal armed factions in Colombia. The recently reorganized CD Brigade now has greater reach and effectiveness. It is able to operate throughout Colombia with an improved ability to attack the drug-industry leadership.29

President Uribe’s policies have thus far led to significant gains in eradication and security, earning his administration support from the international community and laying the groundwork for future alternative development efforts. Kidnappings have been reduced, the murder rate has declined, the AUC has agreed to partial demobilization, and the hectares of illicit crops under cultivation has greatly decreased. Following the failures of the Pastrana administration in its attempts to negotiate with the insurgents and the near-creation of a de facto FARC state within Colombia, this appears to be a ray of light for the people of Colombia.

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29 The paragraph is a compilation of information gathered from the, “International Narcotics Control Strategy Report-2002.”
The Colombian Ministry of Defense reported that the number of kidnappings has been reduced by 23.7% since July 2002. This is a dramatic achievement toward establishing security and recovering the faith of the Colombian people in the government. A further indicator of the success the GOC is the decline in the murder rate by almost half within the same time frame. These two statistics provide tangible evidence to Colombian citizens that the administration is truly taking back control of the country. Estimates of how much of the country the FARC, AUC, and ELN are present in vary between forty and fifty percent, however, and provide far less solace to the people.

Uribe has not ruled out negotiations with the paramilitaries as a means of realizing peace. In May 2004 the Colombian government reached an agreement with ten leaders of the AUC to continue demobilization negotiations in Córdoba, a northern province, in the wake of the suspected murder of Carlos Castaño by his own AUC colleagues. The offer on the table would have the AUC leaders confined rather than imprisoned for five to ten years, but would not make their privileges contingent on continued demobilization. While this may seem overly generous to the Bush administration, which is seeking extradition of many of the groups’ leaders on drug charges, and to human rights organizations that blame the AUC for violence against noncombatants, it may nevertheless be too stern for the purported 20,000 members of the AUC.

Coupled with the partial demobilization of the AUC is the capture or killing of members of the various guerrilla organizations. Over 8,400 members of the FARC and ELN have been captured since Uribe took office and almost 2,500 have been killed. Moreover, the number of insurgents who voluntarily disarmed and surrendered increased by eighty-nine percent in 2003 to more than 2,200, showing that these fighters feel the state can afford them adequate

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31 Ibid, 4.
32 Ibid, 4.
protection for the information they provide. This valuable information on future attacks, drug trafficking routes and schedules, and locations of leaders and camps has helped increase the rate of extradition to the United States of criminals charged in drug and terrorist related offenses. In 2003 alone, sixty-seven individuals were extradited to the United States.

The most important result of improved security is what it has done to the drug trade and illegal crop cultivation in Colombia. Uribe promised during his presidential campaign that counter-drug efforts would be centered on aerial eradication and alternative development. Since then the GOC reports that there has been a thirty-two percent decrease in the amount of illicit crops grown in Colombia. Further, the U.S. Department of State reported that approximately 130,000 hectares of coca and opium were destroyed by aerial fumigation in 2003. However, this is a far cry from the more than 196,000 hectares claimed to have been sprayed by the CNP. The Colombian estimate would account for the elimination of over 46 tons of cocaine valued at $12.6 billion. The U.S. Department of State report estimates that 144,000 hectares of coca were under cultivation in 2002 (estimates for 2003 are not yet available), indicating a 26,000 hectare reduction from the previous year. Accuracy in these estimates is difficult to come by as seen by the variance above. However, the important point is the trend in the numbers, which has been steadily downward during Uribe’s term. Most importantly, both the U.S. and Colombian governments agree that eradication has been extremely effective in key areas of the Colombian

33 Ibid, 5.
countryside such as Putumayo, where the U.S. government estimates over 80 percent of the coca has been destroyed.\footnote{Central Intelligence Agency, “Major Narcotics Producing Nations: Cultivation and Production Estimates, 1998-2002,” p. 8.}

Another important factor in reducing the amount of illegal drugs coming out of Colombia was the restoration of the Air Bridge Denial program in 2003 after a two-year hiatus. Numerous aircraft used for smuggling have been destroyed or captured along with several tons of cocaine. Moreover, this aggressive program is forcing the traffickers to both invent new methods of transportation and invest more capital in shipping, rather than reinvesting the profits in further cultivation.

All of these gains are contributing to the paramount goal of state consolidation under the Colombian government and the eradication of drug crops. The question remains, however, whether the Colombian government will be able to consolidate these gains through the successful implementation of alternative development programs.

President Uribe has brought to his country a new sense of confidence. He has pushed through the Colombian legislature inspiring legislation designed to restructure the state, and has produced a national security strategy that explicitly defines Colombia’s intentions and outlines a pragmatic plan to accomplish its mission. This strategy will utilize government resources to destroy illegally armed factions and the drug trafficking that funds them.

The \textit{Democratic Security and Defense Policy} is a document that will require time to determine its full efficacy. However, the results thus far are promising. The government has been able to reduce the amount of land under coca cultivation for the first time in a decade and has begun to establish a government presence in many areas where this did not exist. Both of these advances are necessary for the success of alternative development programs. As the recent experiences of Bolivia and Peru demonstrate, these programs require state control over the areas in which they are to be implemented – a condition which President Uribe’s administration has begun to fulfill. In addition, successful alternative development programs require that peasants understand
that illicit crop cultivation is no longer a viable option. The government’s vigorous eradication efforts have made this clear to peasants in key areas of Colombia, particularly in the Putumayo region, thus facilitating the implementation of alternative development in those areas.

In sum, the stage has now been set for the pursuit of alternative development programs necessary to consolidate the gains made in eradicating coca crops and establishing state legitimacy. These programs are necessary to help peasants establish a living that does not depend upon cultivating illicit crops, thus consolidating the reductions in coca cultivation achieved through eradication programs. In addition, alternative development programs are an important demonstration of the state’s concern for the well-being of peasants in many long-neglected areas, thus helping to consolidate gains in state legitimacy achieved through recent security efforts. The following chapter discusses the extent to which Colombia is prepared to implement these necessary alternative development programs.
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III. COMPONENTS OF SUCCESSFUL ALTERNATIVE DEVELOPMENT PROGRAMS

Can alternative development contribute to the resolution of the drug problem in Colombia? One of the greatest challenges for alternative development policy in Colombia’s current situation is to be effective and meet objectives in the midst of the government’s struggle to regain control of the country. In the short term, military interdiction and police raids may destroy a few illicit crops and produce the arrests of a few traffickers. But without continued and proportional support of alternative development, these gains will not be consolidated. A more equitable distribution of funding between the military and police and alternative development will make the advantages to the farmers of participation in crop substitution or voluntary eradication programs more obvious, thus garnering more support for the programs.

More than a year has passed since Uribe introduced the Democratic Security and Defense Policy, and the government has made several gains in the elimination of the drug industry and the reconstitution of the country under state control. These gains in security could be setting the foundation for an effective alternative development program, but it is important to understand what the necessary ingredients of such a program are. This chapter will examine the components of a successful alternative development program and evaluate whether the U.S. and Colombian governments have the appropriate policies in place for alternative development to succeed.

A. THE CHALLENGES OF ALTERNATIVE DEVELOPMENT

The 20th Special Session of the United Nations General Assembly recognized the definition of alternative development as,

…a process to prevent and eliminate the illicit cultivation of plants containing narcotic drugs and psychotropic substances through specifically designed rural development measures in the context of sustained national economic growth and sustainable development efforts in countries taking actions against drugs, recognizing the particular socio-cultural characteristics of the target communities
and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs.\textsuperscript{40}

Discounting the fact that coca cultivation is illegal, it does have features that make it attractive to farmers and difficult for governments to replace with substitute crops. One is the ease of marketing. Unlike substitute crops that have the added expenses of delivery to market and competition for customers, coca is often picked up right at the field by the buyers. Another advantage of coca farming is the immediacy of crop yields. An income generating harvest can be produced in less than two years from initial planting, while alternatives can take as many as four years to produce.\textsuperscript{41} Another quality of coca that makes it attractive is the relative ease of farming compared to other crops. Coca, native to the Andean highlands, by nature is a hardy bush that can survive harsh conditions. Less than two percent of the land in Colombia is considered arable, making any crop that can subsist on poor quality soil and little water enticing.\textsuperscript{42} Another benefit is the rapid realization of a return from the initial investment in coca plants. In addition, the relative ease of producing coca paste from the leaves of the coca plant has stifled any attempt at industrializing the coca-producing regions for alternative crop production. Necessary accoutrements such as sheds and chemical precursors are easily obtained and transported. Electricity, running water, and sewage removal are either not required or provided by the most basic means.

Although these factors may make coca farming seem desirable, there are several reasons why farmers may find coca cultivation repellant. The most obvious disadvantage is the violence associated with coca farming. Narco-traffickers use violence both to induce participation in the coca industry (i.e., plant


it or die) and as a means of conflict resolution. Disputes between buyers and farmers regarding prices are frequently settled with violence. Conflict also could arise over perceived cheating on the side of the farmer, or fear that the farmer will expose the traffickers to the government. In either case, guilt or innocence is subject to the perception of the narco-trafficker. The paramilitaries in Colombia bring an additional level of violence to the industry. They often use coercion in the isolated areas they control to elicit money or supplies from the coca farmers.43

Another disadvantage is the rising cost of coca production as a result of the eradication efforts. Forced eradication, while viewed by critics as iniquitous to farmers and contributing to the rural support of insurgent groups, is fundamental to creating an environment where alternative development can be effective. Without demonstrable consequences for illicit cultivation farmers have less motivation to stop or seek alternatives. This leads to the necessity of having these alternatives in place in order to avoid the possibility of farmers migrating to the insurgent labor market.

With the escalating levels of violence and eradication in recent years, there seems to be a growing willingness among farmers to abandon coca and poppy cultivation if offered an economically viable alternative. Given this, it would seem to make sense for both the Colombian and U.S. governments to invest the necessary resources in alternative development programs. The question then becomes: what are the necessary ingredients for a successful alternative development program?

B. INGREDIENTS OF SUCCESSFUL ALTERNATIVE DEVELOPMENT PROGRAMS

First and foremost, the success of alternative development programs requires a strong state presence that is able to provide security to its population. Without such protection, many Colombian farmers would face serious retribution from armed groups such as the FARC and AUC for switching to legitimate crops.

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43 Clawson and Lee, 154.
The escalation in activity by these groups, which increasingly involves violence against the civilian population, is turning those who live in the coca-producing areas into military targets. As the 2002 GAO report on the status of alternative development in Colombia noted, the experiences of Peru and Bolivia underscored the importance of government control over project areas. Effective and sustained interdiction operations must be complementary to alternative development rather than the focus of state activities. Difficulties have arisen in the past because the Colombian government did not control large parts of the coca-growing areas.

Experts also agree that policy makers interested in providing alternative to coca production should make a clear, official commitment to the goals of economic development.\(^{44}\) The experience of other countries indicates that the strength of the overall economy is an important factor in shaping whether or not individuals turn to coca production. In Peru, for example, the recovery of the national economy in the mid-1990s helped draw urban residents, who had earlier fled to the countryside in search of a living growing coca, back to the cities and the legitimate economy.\(^{45}\) Since much of the land used for coca cultivation is not suitable for alternative crops, national policymakers must consider more general economic development programs as an alternative for coca growers.

Clawson and Lee outline five elements of successful crop substitution programs in *The Andean Cocaine Industry*.\(^{46}\) First, suitable replacement crops must be introduced and must offer reasonable income parity with coca. This does not mean that the exact monetary amount should be near the value of coca, but rather the risk premium associated with illicit crops should be discounted from their market value. Simply put, farmers will accept a lower income if it is safer. This requires funding for agricultural research to determine which crops are going to thrive in different areas and provide a living for the farmers. The chosen crops

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\(^{44}\) Clawson and Lee, and the Feldafing Conference both state this point.

\(^{45}\) Clawson and Lee.

may in fact increase the profit margin of the farmer, as did coffee in Peru.\textsuperscript{47} Nontraditional, high-value export crops should be tested (e.g., black pepper in Bolivia).\textsuperscript{48}

Second, there must be a market for the legal crops and farmers must have access to these markets.\textsuperscript{49} If the farmer cannot reach his customers with the produce, or if the cost of transporting the produce is so high that the profit is all but eliminated, the market becomes obsolete. In recognition of these obstacles, alternative development programs sponsored by the United Nations and USAID have begun to upgrade existing roads and bridges and provide transportation at lower cost to the farmer, thereby improving the legal crops’ attractiveness.\textsuperscript{50} The farmers need sufficient compensation to compete with the ease of coca market access. Subsidies to one sector, however, can have a strong negative effect on another in a weak economy. While the farmers are better off with improved market access and thus will be less likely to cultivate illicit crops, commercial truckers who have been involved in legitimate industry and commerce from the start pay the price for the farmer’s prior illegal activity by having to lower their reserve wages to compete with government-subsidized transportation.

Third, appropriate industrialization must be present to process the crops and retain the “value added” within the producing country.\textsuperscript{51} These technologies can range from rudimentary fans in simple storage facilities to complex canning factories and refrigerated storage. Particular crops require processing just to reach a market. Without preservation papaya and roses, for instance, would lose their value in a matter of days. Major markets such as the United States and the European Union would be inaccessible to perishable crops.

Fourth, alternative development should provide social infrastructure so as to improve the quality of life for the farmer.\textsuperscript{52} Schools, medical clinics, and

\textsuperscript{47} Ibid, 157.
\textsuperscript{48} Ibid.
\textsuperscript{49} Ibid, 143, 157.
\textsuperscript{50} USDS, \textit{“International Narcotics Strategy Report.”}
\textsuperscript{51} Clawson and Lee, 157.
\textsuperscript{52} Ibid, 158.
recreational facilities may not directly contribute to the alternative development effort, but they will make inroads into winning the “hearts and minds” of the narcotics farmer. Even if substitute crops do not yield as much disposable income as coca, farmers will be compensated with improvements in lifestyle.

Fifth, alternative development tends to work between where farmers create cooperatives. The purpose of these organizations is to increase the power of the farmer with respect to the buyer and the market. As cooperation improves among the farmers they can begin to improve technical skills and the cultivation of legitimate crops. In Colombia, these cooperatives may also help to regain control of areas that are currently dominated by armed groups.

A successful alternative development program must be able to monitor the peasants to ensure that funds provided are used to produce only substitute crops and those peasants do not follow their typical strategy of continuing to cultivate small plots of coca as insurance against the failure of the alternative crops. Alternative development requires tremendous trust on behalf of the farmers - that not only will the substitute crops take to the soil in the region, but also that there will continue to be a favorable market for the crops in the future. While complete crop substitution initially may not be reliable enough for most farmers to provide a living for their families, interspersing legitimate crops with the coca as part of a transition process is often seen by farmers as a more viable option. In this regard effective monitoring of alternative development programs is necessary.

The comparative experience demonstrates that the characteristics in this chapter are necessary for the success of alternative development efforts. The following section evaluates the extent to which these characteristics are present in the Colombian case.

C. EVALUATING ALTERNATIVE DEVELOPMENT IN COLOMBIA

President Álvaro Uribe (2002-present) has developed a strategy that is substantively different from that of the preceding administration of Andres Pastrana (1998-2002). Under the Pastrana administration, alternative

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53 Ibid.
development was no more than an afterthought, to alleviate the problems caused by aerial spraying when Plan Colombia was introduced, but few farmers were monitored to ensure their compliance. Protests by rural farmers in 1996 had underscored the magnitude of former President Ernesto Samper’s (1994-1998) failure to substitute legitimate sources of income for illegal crops. Poor institutional management, which led to the elimination of PLANTE, the agency responsible for overseeing alternative development, revealed further faults within the Pastrana administration.

Uribe has indicated that his alternative development policy is not an afterthought and that its implementation is based on developing the country regionally. The initial alternative development program, with voluntary eradication undertaken in exchange for financing of local projects implemented by USAID, however, had little to do with Uribe’s regional development scheme. On the contrary, the eradication plan was based on the Colombian government’s commitment to Washington to eliminate illicit crops from a particular area, for which the only indicator of success was crop reduction, not regional development.

Despite government advances, lack of control over the coca-growing lands is the biggest obstacle that the Colombian government must overcome. Without control it is impossible to monitor alternative development programs or provide access to markets for legal crops that may be seized by insurgents. Further, any improvements in social infrastructure or industrialization would only benefit the insurgents in land they control. Coupled with difficulty in maintaining consistent eradication operations and coordination between these and alternative development programs, Colombia’s previous attempts at alternative development had not seen success.

The introduction of the Town Soldier program in 2002, which provides military and police training to local men and women, impedes the ability of armed

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55 Ibid, 12.

56 Ibid.
groups to establish control over the population. This severely hinders the ability of guerrilla and paramilitary groups to control territories that constitute strategic points for commercialization and routes for illegal transactions (smuggling of drugs, arms and ammunition). As a result, they are less able to undermine local political authority, take advantage of the lack of governance, or create greater uncertainty and a general sense of insecurity. Further, because of an increased security presence these groups are less able to exert pressure on the farmers to continue to grow illicit crops. Despite these advances, security remains an issue in many areas and limits the ability of the government to carry out sustained eradication operations and alternative development programs.

In the recent past, the weakness of Colombia’s economy has left its population even more vulnerable to the enticements of illegal crop cultivation. Economic policies outlined in Plan Colombia seemed to exacerbate this danger. Under “Stabilization Measures” in the section titled, “Approach to the Colombian Economy,” Plan Colombia states that public companies and banks are to be privatized, including the utility companies and the state's coal mining company. Such privatization of state-owned companies will inevitably lead to massive layoffs, further increasing unemployment at a time when cutbacks in government spending as stipulated by the IMF will remove any vestiges of a social safety net for those affected. This action may promote a migration of workers from the formal market to the rural informal market in search of any work, including cultivation of illicit crops, thus directly undermining any progress toward drug eradication.

Plan Colombia attempts to address these issues when it states, “Assistance is essential to minimize the short-term negative impact of fiscal consolidation on unemployment and other social problems, which ultimately

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57 The Town Soldier program projects having 55 percent of the municipalities in Colombia involved by 2005. GOC-Ministry of Defense, 8.

increase the spread of illicit activities.” And yet, none of the U.S. aid package in support of Plan Colombia is directed towards coping with the expected “unemployment and other social problems” the Plan is likely to make worse.

Also, the reference in the Plan to the “short-term negative impact of fiscal consolidation” fails to denote exactly how long the short term will likely be. Many Latin American nations implemented their fiscal austerity and adjustment programs according to IMF dictates more than a decade ago, and during that time the income disparity between the region’s rich and poor has increased dramatically, as has the number of people living in poverty. There is no evidence that this disturbing trend will turn around in the near future, which leads to the conclusion that the short term is at least 10 years. Under the Pastrana administration Colombia saw economic growth that was uncharacteristic of Latin American countries in the last decade. However, this growth was marred by the high deficits incurred by the government which grew at a greater rate than the economy. President Uribe’s gains in security thus far have garnered support from the U.S., but economic recovery will take longer to manifest. The fighting between the government and the guerrillas necessary to increase security within the country is both driving away economic development and setting the stage for it.

The 2002 USGAO report states, “The overall alternative development approach in Colombia entails reaching agreements with communities to voluntarily eradicate illicit crops in exchange for help finding other income-producing opportunities and other assistance.” The incentives provided to small farmers are designed to induce them willingly to destroy their coca crops. Following the signing of an eradication pact by such farmers, Plan Nacional de

59 Ibid.
60 Ibid.
61 Colombia had a 3.6 percent growth from 1990-2000 compared to many Latin American countries which experienced negative growth rates. The Economist, World in Figures-2003, 68.
Desarrollo Alternativo (PNDA), Colombia’s alternative development program (also known as PLANTE), planned to provide them with food crop seeds and plants or other immediate assistance.

From a strictly ecological perspective many of the areas that currently grow coca are suited for nothing else. Only two percent of the land in Colombia is arable. The rest is stricken with an overabundance of rain, soil with highly toxic levels of minerals including iron and manganese, and terrain more conducive to mountain goat breeding than farming. Because coca is essentially a native weed that flourishes in these harsh conditions, straight crop swapping is not feasible for most coca farmers. In order for them to participate in typical substitution programs the farmers would have to migrate to more hospitable lands. The government does not account for the fact that most of the arable land is already under legal cultivation and would not support additional farmers.

Between December 2000 and July 2001, thirty-three manual eradication pacts involving 37,775 families were signed in nine districts of the Colombian Putumayo region. Of these, 6,000 families lived in the district of Puerto Asís. In February 2002, parts of the food security project had been delivered to 1,800 of them, representing 4.8% of the total number of families committed to the pacts and only 30% of those in the pilot district of Puerto Asís. Considering that the first pacts were signed in December 2000, delivery to these 4.8% of the families occurred over a period of fourteen months. This undertaking closely reproduced the limitations of the alternative development model implemented in Peru and Bolivia, whose basic measures of success were the degree and speed of the forced eradication. While in principle the pacts and food security projects were consistent with the ingredients of successful alternative development, the failure to deliver supplies by the Colombian government spread doubt among the

64 CIA factbook Colombia webpage

65 Clawson and lee, 148.
farmers as to the viability of the programs. This forced them to revert back to illicit crops despite their demonstrated willingness to change.  

Reduction of coca crops in the shortest possible time was the priority of these programs. Therefore, planners sought to establish a firm starting date for manual eradication that would help ensure its dissuasive effect. The strategy of strengthening communities as a step toward regional development and the creation of a culture of regional identity, as Uribe later conceived in the *Policy*, was nearly invisible. Moreover, trust between the government and communities based on a vision of area development was also eroded.

Community members and local authorities regarded dietary self-sufficiency as a necessary step in creating sustainable conditions for the region’s population. It was considered a way to lay the foundation for a peasant culture that would produce consumer goods and strengthen basic social and economic networks. This project sought to solidify joint efforts between local authorities and communities to achieve an improved basic level of subsistence and dietary sustainability that would supplant the poverty level subsistence of many farming families.

The original idea was to ensure the sale of surplus goods produced by initial investments in dietary self-sufficiency (e.g., poultry farms, sale of milk and meat, subsistence products, fruits), to raise income to a level that would make it possible to sustain and reproduce activities in this area. Another goal was to provide the inputs, seeds and technology needed for activities that would result in surplus production.

However, the required technical and financial assistance was not delivered and the Colombian government cancelled a study that would have evaluated the potential for production, requirements for equipment and

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66 All data in this paragraph was taken from the USAID website; available from http://www.usaid.gov/locations/latin_america_caribbean/country/colombia/; Internet; accessed 17 June 2004.

67 Information in this paragraph was taken from *Drugs and Conflict*, “Alternative Development and Conflict in Colombia,” (Transnational Institute, June 2003).

68 Ibid.

69 Ibid.
resources, and general technical planning for such a program. Officials also blocked a proposed evaluation of the conditions necessary for ensuring access to and control over the production chain for marketing surplus products. This is a further example of the way state decisions can cause the government to lose the faith of the people. If the citizens of a democracy do not believe that the government can accomplish the objectives it sets, the government destroys the very foundation of its power.\textsuperscript{70}

Since the 2001 implementation of the USAID alternative development program in coca growing areas, only eleven percent of the money apportioned has been used. Farmers are continuing to grow illicit crops, and drug production shows no sign of declining in certain regions such as Guaviare, which saw a thirty-eight percent increase in 2002.\textsuperscript{71}

Along with these roadblocks, Colombia faces additional obstacles in implementing the alternative development programs. The level of compliance by the farmers participating in such programs continues to be questionable. The 2002 USGAO report also identifies weak state and commercial institutions, lack of funding from the European Community, and the remote location of many of the project sites as further hindrances.

The main reason for Colombia’s inability to monitor and evaluate alternative development programs in the past has been the weakness of state institutions. This was brought to light in the 2002 USGAO report detailing the problems alternative development is facing in Colombia.\textsuperscript{72} This report stated that monitoring of farmers who agreed to voluntary eradication was largely left to peer pressure within the given community, in the absence of an official procedure. The ability to oversee these programs requires state control of the region in which they are implemented. Actions to correct this shortcoming are beginning

\textsuperscript{70} Ibid.
\textsuperscript{71} CIA Report on Drug Cultivation in Latin America, 2.
\textsuperscript{72} House of Representatives, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Committee on Government Reform, \textit{Drug Control Efforts to Develop Alternatives to Cultivating Illicit Crops in Colombia Have Made Little Progress and Face Serious Obstacles}, U.S. General Accounting Office, Washington, D.C., 2002, 14.
to take shape under PLANTE which was revived and strengthened under President Uribe and his administration. As an example of better government oversight, some farmers who agree to voluntary eradication are able to mark their fields with Global Positioning System (GPS) equipment to avoid aerial fumigation.73

President Uribe’s alternative development policies attempt to rectify many of the shortcomings of preceding efforts; however security continues to be the paramount problem. Much of the Democratic Security and Defense Policy is aimed at reestablishing security in the country, but more attention needs to be paid to alternative development programs that will be implemented after security has been improved.

President Uribe’s alternative development policy recognizes the effects of the armed conflict on the areas where illicit crops are produced and therefore addresses these issues in the state security strategy. The Colombian government has designed an “integral intervention strategy based on the creation of economically and environmentally sustainable alternatives for the development of areas in conflict.”74 This shifts the focus from a reactive alternative development program to a proactive ongoing regional development program. It also recognizes the importance of state control in eradicating drugs and fostering development, and attends to the problems raised in the USGAO 2002 report.

Based on community participation, the strategy seeks to increase the scope and effectiveness of the state’s policies in these regions, developing a secure atmosphere that eliminates the need for emergency aid by ensuring the sustainability of the substitute crops. This apparently is an attempt to reduce the size of the stick in the “carrot and stick” approach, recognizing the connection between armed conflict, illicit crops, and the absence of state legitimacy.

Thanks to Uribe’s policies, alternative development is no longer to be seen as playing a subservient role to aerial spraying. Instead, it serves to empower the state in producer zones by focusing on regional economic strength. This implies

73 Sesin.

74 Departamento Nacional de Planeación (DNP), Bases del Plan Nacional de Desarrollo “Hacia un Estado Comunitario.” Page 54 (Web version).
that the government is willing to adopt more flexible criteria for planning its substitution strategy that are adapted to the specific conditions of the conflict in each region.

Development priority is given to projects that offer advantages in the areas of employment; income; strengthening of community organizations; and consolidation of programs and projects aimed at making local and regional development self-supporting. This approach acknowledges the need for policymakers to make adjustments based on the status of the internal armed conflict, and seeks to diversify alliances with civil society organizations.

Uribe’s development strategy is made up of three components:

− Production and income-generating projects;
− Institution building and strengthening of communities;
− Construction and improvement of physical and social infrastructure.

The first component includes a proposal to implement forestry projects for 50,000 families presently involved in the cultivation of coca and opium poppy. A total of 150,000 new hectares of forest would be established for commercial uses and 120,000 for protection of watersheds and headwaters, along with plans for titling and management of nearly one million hectares of natural forest. The institution-building and community-strengthening component aims at re-establishing trust in the state, increasing levels of acceptance and legitimacy and solidifying mechanisms for stimulating development and security. The political basis of the development programs is the establishment of security, which is understood to include community participation and the building of local governmental institutions.

There have been many gains made since the introduction of Plan Colombia in 1999 and President Uribe’s *Democratic Security and Defense Policy*, not only in the realm of drug eradication, but also in terms of state consolidation. Some of the necessary ingredients for successful alternative development programs have been addressed and still others have not. The maintenance and increase in forced eradication efforts vital to the success of

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alternative development has seen staunch commitment from both the U.S. and Colombian governments. The introduction of Uribe’s policy in itself demonstrated that Colombia has separated their national law enforcement strategy from their alternative development strategy and has a clear commitment to both, but coordination between the two is tenuous.

Colombia’s government has made significant efforts to incorporate many of these ingredients into its drug control strategy, with the continued support of Washington. However, the development program continues to propagate some of the failures identified in the 2002 USGAO report. “Poor coordination of alternative development, interdiction, and eradication activities limits the mutually reinforcing benefits of these actions.”76 While the establishment of security and a government presence in the coca-growing regions of the country indicates that the Colombian government is beginning to address many of the issues that have plagued alternative development in the past (i.e., monitoring and evaluation, market access, and establishment of farming cooperatives), the economic well-being of the farmers following eradication is still not sufficiently addressed. Much of the money for alternative development is being funneled toward crop substitution programs while social infrastructure and local rural industrialization in support of the new crops is being neglected.

76 USGAO report, 3.
IV. INTERNATIONAL ORGANIZATIONS AND THE EUROPEAN UNION INVOLVEMENT IN COLOMBIAN ALTERNATIVE DEVELOPMENT

The success of any alternative development program will rely on the support it receives from the international community. Colombia has explicitly indicated that it is counting on alternative development support from all nations whose demand for drugs contributes to the problem of coca cultivation in Colombia. Moreover, other U.S. financial obligations around the world (e.g., Iraq and Haiti) are making it more and more difficult for Washington to shoulder this responsibility alone. Along with this funding, developed nations must pursue trade policies that reinforce the alternative development initiatives. Farmers who are willing to grow pineapple instead of coca should not be slapped with tariffs or non-tariff barriers that further discourage legal farming. Given their past affinity for alternative development programs, international organizations and the European Union would seem to be ideal candidates to support such efforts in Colombia. However, compared to Bolivia and Peru, alternative development investments in Colombia have been almost negligible and funneled predominantly through UN channels. Up to 1996, international donors devoted only about $33 million to these projects.77

There are currently over 250 organizations, including governmental, private sector, finance industry, and international non-profit, that are involved in alternative development programs in Colombia.78 This would seem to indicate that alternative development holds a relatively high status within the international community. The EU alone has been steadily increasing its financial support in Latin America from €425 million in 2001 to €609 million in 2003 in the name of


sustainable economic and social development and the fight against poverty.\textsuperscript{79} This chapter reviews the extent to which other nations individually, international organizations, and the European Union have provided managerial and monetary support to alternative development programs in Colombia and have implemented trade policies that guarantee access to markets for these crops.

\section*{A. BILATERAL SUPPORT}

Colombia has received bilateral alternative development support from several countries over the past years, although the sums involved are small relative to the needs. Bilateral support is expected to increase, as demonstrated by a 1999-2002 contribution of $15 million from the United States to co-finance licit income-generating activities in the opium and poppy growing areas.\textsuperscript{80} Germany funds a rural development project in the Cauca region, and the European Commission supports an Amazon Basin Fund program. The European Commission is furthermore expected to continue and extend a project, at present supported by the United Nations Drug Control Program, on a multi-purpose satellite-based monitoring system to monitor coca growing regions and farmers involved in voluntary eradication programs. This particular project is essential to the Office of the National Alternative Development Plan (PLANTE) to improve their currently deficient monitoring and evaluation of voluntary eradication programs as well as for the overall technical improvement of Colombia in the years ahead. Direct responsibility for coordination and supervision of alternative development plans and projects in Colombia lies with PLANTE, which has at present twelve decentralized offices in illicit crop areas.

Bilateral and regional trade agreements such as the Andean Community have made inroads toward improving the marketability of legal crops. In addition, the proposed Free Trade Area of the Americas, encompassing North, Central


\textsuperscript{80} Center for Strategic and International Studies, “The Losing Battle of Alternative Development in Colombia,” CSIS online [home page online]; available from http://www.csis.org/pubs/prospectus/01spring_rivero.htm; Internet; accessed 17 December 2003.
and South America, would open many new markets within the hemisphere to Colombia. Although negotiations have been fraught with contention, endangering the 2005 deadline, bilateral partisanship is spreading solidarity among Latin American nations. This is leading to a multitude of beneficial trade agreements that otherwise would have been unrealized. Colombia and Venezuela were able to achieve completely liberalized trade with one another by 1992. Since 2000, Colombia has also entered into five different Bilateral Investment Treaties, with Great Britain, Peru, Cuba, Spain, and Chile.\textsuperscript{81} In addition, Colombia is negotiating a Preferential Trade Agreement with India, which would add to the $92 million in trade the two countries did in 2001.\textsuperscript{82} The Andean Community of Bolivia, Colombia, Peru, Venezuela, and Ecuador eliminated sixty-seven percent of tariff lines by 2001\textsuperscript{83} and has agreed to create a common market by 2005 in addition to the Free Trade Agreement that already exists between the Community and MERCOSUR.

International support for Colombia’s alternative development efforts is important to demonstrate a global commitment to the fight. Whether the aid comes in the form of money or preferential trade agreements is unimportant compared to the overall effect.

\section*{B. INTERNATIONAL ORGANIZATIONS}

International support is vital to success. The Feldafing Declaration made this explicit: “Being convinced that the potentials of alternative development have only partially been exploited we call on the international community to

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\item \textsuperscript{82} Information taken from Indian Ministry of External Affairs, “India-Colombia Bilateral Relations,” \textit{MEAIndia Online} [home page on-line]; available from \textit{http://meaindia.nic.in/foreignrelation/colombia.htm}; Internet; accessed 09 June 2004.
\end{itemize}
\end{footnotesize}
allocate more funds to alternative development. Sustainable alternative development requires long-term measures.”

The United Nations Office of Project Services (UNOPS), working on behalf of the UN International Drug Control Program, has fostered an alternative development approach that raises prospects for better lives for farmers in drug-producing areas. Over the past ten years, UNOPS has managed alternative development projects valued at $118 million in ten drug-producing countries: Afghanistan, Bolivia, Colombia, Lao People’s Democratic Republic, Lebanon, Myanmar, Pakistan, Peru, Thailand and Viet Nam. Its policies take into account the economic, social, political and legal aspects of illicit drug production, and aims to restore and sustain livelihoods and social stability. Specialized project management for alternative development, supplied through UNOPS, aims to create new income-earning opportunities for the poor, mainly by assisting with the production of legal cash crops, such as coffee or cocoa. UNOPS also assists communities in establishing local means to process, transport, and sell crops in an attempt to ensure livelihoods are sustainable after outside development assistance ends.

The key element UNOPS has been unable to promote, however, is community involvement. Farming associations and other organizations that are committed to the production of legal crops and that possess enough power to resist pressure from drug traffickers to participate in the underground economy, are a requisite to the success of such programs. Associations must set their own goals to establish legitimacy, which UNOPS can only help achieve. UNOPS does provide a broad range of assistance, such as agricultural extension and other advice to help farmers produce alternative crops; support in identifying crops that are in demand by international and local consumers; technical assistance in starting up crop-processing facilities; assistance in establishing credit systems that enable farming associations to grow, process, market and transport crops; instruction in business management and accounting; guidance in

84 Feldafing Declaration, 3.

packaging and marketing goods; and assistance in achieving other rural-development objectives identified by the community, such as building schools and roads and constructing water supply and sewer systems.86

International Narcotics Control Board (INCB) President Philip Emafo noted, “The drug problem is often seen primarily as a social problem, but our report shows that it also has serious economic consequences which impact on the overall development of a country. While social problems of drug abuse are felt in the developed countries, the major economic impact of the illicit drug trade is in the developing world.”87 Further, the annual report by the INCB finds that long-term economic development is simply not possible if a country has failed to implement an effective system of controlling drugs. The INCB therefore urges the international community to help developing countries in their drug control efforts.

The Inter-American Development Bank’s (IADB) involvement in alternative development in Colombia began in 1996 with a $150 million loan strictly for developing the rural areas that were targeted in eradication strategies.88 The four-year loan was the first of its type the IADB had ever issued, and the bank’s policymakers recognized the potential difficulties involved. In addition, in January 1999 the IADB began a program to improve the international competitiveness of Colombia’s farm system in light of the opening of the country’s economy. The IADB delivered over $12 million to Colombia in 2000, of which 24% went to reform and modernization of government institutions. None of these funds, however, are specifically allocated for alternative development.

The five-year 1999 international competitiveness program totaling $145 million has two subprograms. The first, agricultural technology, supports the reorganization of agricultural production by developing new technologies through


priority research programs of interest to the public and private sectors. The second, agricultural health and quality, supports institutional reforms in the National Agricultural Protection System and was designed to introduce higher food quality measures. This is essential for access to EC markets.

The World Bank’s Country Assistance Strategy (CAS) for Colombia includes a lending program of up to $3.3 billion through June 2006. Three priorities of the new CAS that was released in January 2003 are: achieving rapid and sustainable growth; ensuring that all Colombians benefit from growth, particularly those living in poverty; and building an efficient, accountable and transparent government administration. To promote sustainable growth, the CAS will support initiatives and operations in the following areas: fiscal reforms, including the tax system; economic policy aimed at reducing poverty and inequalities; financial sector policies to ensure the health and financial sustainability of the banking system and to foster capital markets development; infrastructure to foster competitiveness and improve services to the poor; private sector initiatives that will foster a favorable business environment; rural development, to increase productivity in the countryside, work opportunities and provision of social services to vulnerable groups, including rural diversification for those affected by the international coffee crisis; and environmental and natural resource management to ensure environmental sustainability. Although alternative development is not specifically mentioned, the general economic growth and rural development measures should indirectly benefit the alternative development programs.

Open markets and increased foreign investment should provide a boost to the growing Colombian economy. Colombian Finance Minister Alberto Carrasquilla announced in April 2004 that economic growth estimates had been

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91 Colombia’s average annual economic growth from 1990-2000 was 2.8 percent. The Economist, “Pocket World in Figures,” 2003 edition, 126.
increased to 4%. This is a rise from previous estimates of 3.3% and was attributed to improved security, low interest rates, and rising investment.\textsuperscript{92} Despite these positive contributions from IADB and the World Bank, the International Monetary Fund (IMF) requires economic policies, called Structural Adjustment Programs, that undermine the efforts of the Colombian government to improve the situation in the countryside.\textsuperscript{93}

As a part of its macro-economic improvements, IMF fiscal policies include downsizing the public sector, mainly through privatization, and reducing public sector spending. The Colombian government had been attempting to regain physical and political control of the state, but these policies risk reducing its ability to provide basic needs to the population. By cutting spending in these areas the government loses legitimacy in the eyes of the very people with whom it particularly needs to maintain trust. The most vulnerable sectors, especially rural farmers, who would benefit from increased spending for social programs and alternative development funding, have felt the burden of these policies. For example, Plan Colombia notes that when it opened its economy to foreign investments and trade during the 1990s, “the result was the loss of 700,000 hectares (1.75 million acres) of agricultural production to imports during the decade, which in turn proved to be a critical blow to employment in the rural areas where Colombia’s conflict is mainly staged.”\textsuperscript{94} The Plan blames this on the retardation of the expected modernization of agriculture, which it attributes to the violence related to drug trafficking.

An additional disadvantage of receiving all of the loans from the World Bank and IMF is the increased debt incurred. Once Colombia begins to realize \hfill 
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improvements in the countries economy and a reduction in the illicit drug industry, the repayment of the loans will become a new problem. Proponents of the loans would argue that along with the improved economy would come increased GNP, but this money should be reinvested into Colombia to ensure continued success.

C. EUROPEAN UNION

The European Union has generally favorable trade policies in place for drug-producing countries like Colombia, but has not backed up its rhetorical support for alternative development with sufficient levels of financial assistance. In 2001, trade relations between the EU and the Andean Community amounted to about €16 billion, nearly double the amount in 1991. Trade with the Andean Community currently represents 0.8% of the EU’s total trade, while the EU represents 14.1% to the Andean Community. Primary production (raw materials) makes up 77% of Andean exports, while 85% of the EU’s exports are manufactured products.\(^{95}\) From 1990 to 2000, exports from the Andean Community to the European market grew by 60%. The most recent figures available show that, due to the Most Favored Nation (MFN) clause of the General Agreement on Tariffs and Trade and the Generalized System of Preferences (GSP), 90% of products exported by the Andean Community to the EU are exempt from custom duties.\(^{96}\)

Much of this increased trade can be attributed to the GSP, which was designed to encourage access to the European market for exports from developing countries. The European Union has granted Latin America preferential access conditions (exemption or reduction of tariffs) for all industrial products as well as numerous agricultural products. Since 13 December 1990, the EU has granted special GSP preferences for those Andean countries committed to tackling drug production and trafficking (since 1995 for Venezuela).

\(^{95}\) All figures and information in the preceding sentences were found on, http://europa.eu.int/comm/external_relations/andean/intro/index.htm, accessed 06 December 2003.

\(^{96}\) Ibid.

After the GSP regulation covering the period between 1999 and 2001 expired, the EU Council of Ministers agreed to renew the GSP on 10 December 2001. This new regulation codifies in a single text many of the recent additions to the GSP regime, and includes exoneration for countries with a significant drug-producing problem as well as Central American countries. It is valid from 1 January 2002 until 31 December 2004 and will most likely be renewed.97

The GSP and more specifically the GSP “drugs” (i.e., special agreement for those Andean countries committed to fighting drug cultivation) is a key element in trade relations between the EU and Colombia. As a result of either MFN or GSP tariff rates, most exports from Colombia are exempt from custom duties. The special GSP “drugs” in particular facilitates access to European markets, notably of alternative development products (e.g., coffee). In this manner, trade policy contributes to the European Community’s (EC) development co-operation objective of promoting economic growth through crop substitution in drug-producing countries. To the extent that rural poverty is one of the root causes of conflict, the EC trade policy vis-à-vis Colombia also contributes to diffusing that country’s ongoing violence.

The EU has laid out a policy supportive of alternative development in its “Colombia Country Strategy Paper”: “There is no alternative to the Peace Process. There is no military solution which could lead to a lasting peace.”98 Further, the EU identified four areas it considers critical to achieving this “lasting peace”: social and economic development and combating poverty; alternative development; support for the reform of the judiciary sector; and support and promotion of human rights.99 To further these strategies, the EU allocated thirty million euros for alternative development in 2003.100 Considering the overall

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97 Ibid.
99 Ibid.
100 Ibid, 25.
value of the program was €105 million, this was a relatively large percentage.\textsuperscript{101} However, the commitment by the EU in real money terms to alternative development continues to fall short of their rhetoric. The U.S. support for alternative development is a similar percentage, but the absolute amount of assistance far exceeds that of the EU. The Strategy Paper goes on to affirm continued EU involvement and encourages the international community to join it, stating, “It is clear that Colombia needs the continuous support of the international community to respond effectively to those challenges.”\textsuperscript{102}

International support for alternative development in Colombia appears to be genuine. Bilateral agreements and favorable treatment in trade have laid some important groundwork for continued alternative development. However, monetary support for alternative development continues to be deficient. Preferential trade agreements and the elimination of tariffs for counties battling drug problems are steps in the right direction. The increased market access for farmers involved in voluntary eradication programs provides incentive for illicit farmers to follow suit. However, the failure of the EU is seen in their support of the other necessary ingredients for successful alternative development. The insufficient funding (i.e., only €30 million compared to $150 million from the U.S.) for improvements to social infrastructure and industrialization greatly reduce any benefits from better market access.

\textsuperscript{101} Ibid.
\textsuperscript{102} Ibid, 17.
V. CONCLUSION

Colombia’s illicit drug industry has led the country into a downward spiral since the 1990s. However, the gains made with Plan Colombia and the Democratic Security and Defense Policy have created the conditions for alternative development to contribute to the reduction of coca cultivation in Colombia. Farmers have shown their willingness to participate in voluntary alternative development programs and forced eradication efforts have significantly reduced the amount of drugs being cultivated in a number of areas. These areas are prime candidates for increased alternative development programs.

Chapter II found that alternative development is being utilized as part of the counter drug strategies of both the Colombian and U.S. administrations. Plan Colombia initialized the push for alternative development, but grossly underfunded the program, leading to failures that the USGAO noted. These failures were caused by a number of factors that all indicated a weak state presence in the regions where the programs were being implemented. The Bush administration launched the Andean Regional Initiative (ARI), putting more stress and, more importantly, money into alternative development. Moreover, the ARI provides aid to Colombia’s neighbors to help prevent coca production from shifting across the border. At the same time, Colombian President Uribe introduced his Democratic Security and Defense Policy to reclaim the state for Colombians. The emphasis was placed on reestablishing security in the state with particular focus on the rural areas where government presence is almost negligible. However, alternative development was marginalized in the document and was not indicated as a vital piece the Colombian security puzzle.

Chapter III showed that the U.S. and Colombian governments are attempting to address some of the necessary components that make alternative development programs successful. The pronounced lack of security in remote rural regions, as evidenced by the increased presence of paramilitaries and insurgent groups, has been stemmed setting the stage for ingredients such as
improved infrastructure and monitoring procedures to take hold. However, with the focus on eradication efforts and security within Colombia the gains in those areas cannot be used to their full potential. Although this improved security will contribute to the receptiveness of farmers who can rely more on the government for protection against the armed actors, they are not being provided with enough alternative development assistance to consolidate reductions in coca production. More emphasis needs to be placed on giving farmers, who are now able to give up drug cultivation because of increased government presence in rural coca growing regions, a viable alternative.

Chapter IV showed that the international community and the European Community have implemented favorable trade policies and provided financial support that Colombia needs for alternative development programs to succeed. The reduced or eliminated tariffs make markets more accessible for farmers involved in voluntary eradication programs. Further, the bilateral agreements entered by Colombia ensure the markets will remain accessible. While foreign markets are of major significance to Colombian farmers, the increased regional solidarity developed by the FTAA negotiations could create a powerful community of Latin American farmers.

The financial support for alternative development programs from the international and European communities has been beneficial and will most likely see results if they can increase the level of support to equal or better that of the U.S. The limited funds currently being committed have little impact on the many needs of Colombia noted in chapter III. International organizations such as the World Bank, IMF, and IADB have provided money in the past in the name of alternative development and with the gains made in security and government presence their continued and increased funding for these programs becomes even more important. The Colombian government must strike a delicate balance between the benefit of the additional money the loans provide and the detriment of the additional debt. Any gains made by these loans could be severely reduced by the loss of government resources in paying off the loans in the long run.
The U.S. government has been focused on eradication programs as the primary means of fighting the drug industry. The international community, in contrast, has espoused economic development as the main strategy in the war on drugs. The Colombian government is understandably concentrating on internal security and increased state presence. The coordination between these individual pursuits will lead to a genuine reduction of coca production and increased state legitimacy. Eradication efforts cannot be marginalized, but should not continue to take center stage in the counter-narcotic strategies. Increasing the funding for alternative development programs in the wake of the continued success of eradication efforts is the most effective strategy for the U.S. and Colombian governments.
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