

## Income generation and peace processes: Perspectives on economic reintegration of ex-combatants in Colombia

International lessons learned indicate that ex-combatants consistently identify income generation as one of the key factors for successful reintegration,<sup>1</sup> and this has been shown to be the case in Colombia. A study<sup>2</sup> was carried out by IOM/USAID in 2015, in seven departments with a high presence of illegal armed groups, which concluded that the ability to generate income, together with security, was one of the most important variables for ex-combatants when choosing a location for reintegration. Successful economic reintegration of ex-combatants is also a critical element in achieving a durable peace, given the evidence of a strong connection between limited income generation and recidivism among ex-combatants.<sup>3</sup>

In Colombia, economic reintegration experiences initially centered on collective productive projects, but this has shifted in recent years towards a greater focus on individuals and on the development of job-related skills.<sup>4</sup> In the current peace processes with the FARC and ELN, the economic reintegration component has been the subject of much debate in the media. While many unanswered questions remain, there are compelling reasons to suggest that the economic reintegration of both groups will have a strong collective element. In order to promote informed debate, this Spotlight therefore analyzes the presents the evolution of government policies on economic reintegration over the past decades, and presents findings from a recent study by IOM/USAID on the factors for success for collective productive projects.

### EVOLUTION OF ECONOMIC REINTEGRATION EXPERIENCES IN COLOMBIA

One of the first documented strategies for economic reintegration was in the 1990s, with collective and individual productive projects that offered seed capital for business ventures for ex-combatants. According to available information, more than 80% of the projects failed due to lack of business skills among participants and a lack private sector engagement.<sup>5</sup>

In 2003, when the collective demobilization of the Colombian Self-Defense Forces (AUC) paramilitary group began, economic reintegration support was provided by the Program for Reincorporation into Civilian Life, with seed funding for large-scale agricultural projects for groups of 300 to 600 people.<sup>6</sup> The Program, created in 2002 with a focus on individual demobilizations, faced capacity constraints in assisting the 31,920 individuals who demobilized from the AUC, along with a large number of individuals demobilizing from other groups (13,769 by the end of 2006).<sup>7</sup> The economic reintegration approach had limited success due to logistical issues, lack of land, limited understanding of local markets and issues related to

#### 1990s

Collective productive projects with seed capital for business ventures for groups of ex-combatants.

#### 2002-2006

##### Program for Reincorporation into Civilian Life

Collective productive projects with seed funding for large-scale agricultural projects.

#### 2006-2011

##### High Council for Reintegration

Emphasis on projects with individuals or small groups. Employability, job training and psychosocial assistance.

#### 2011

##### Colombian Reintegration Agency (ACR)

Incentives for 'graduation', support for finding formal employment, and access to housing and education.

cooperative work and integration between local populations and ex-combatants.<sup>8</sup>

With the creation of the High Council for Reintegration in 2006, the economic reintegration model was restructured to focus more on projects with individuals or small groups, and the promotion of employability, job training and psychosocial assistance.<sup>9</sup> The new approach also involved a shift from mainly short term assistance for 'reinsertion' to longer-term 'reintegration' focused on building individual skills to help ex-combatants avoid recidivism. This holistic and tailored approach has been shown to positive results.<sup>10</sup> According to an evaluation<sup>11</sup> carried out in 2011, three out of four participants were able to generate some type of income and 70% of the 4,750 small business projects continued to operate. Of these, one-third generated an income of more than two minimum wages, another third between one and two minimum wages, and the remaining less than one minimum wage. In 2011, the High Council for Reintegration was replaced by the Colombian Reintegration Agency (ACR), and the ACR has promoted incentives for 'graduation' of beneficiaries, support for finding formal employment, and access to housing and education.

## CURRENT PEACE PROCESSES: A MORE COLLECTIVE APPROACH?

Collective productive projects may take on more importance with the demobilization of the FARC and the ELN. Limited information is available on what an eventual reintegration process would look like, and even less about the economic reintegration component, but there are strong indications that any eventual peace agreement will include a significant focus on collective approaches to economic reintegration of ex-combatants, given the partial agreements reached with the FARC and the announcements made on the process with the ELN (see *Spotlight for April 2016*).

For example, an analysis of the partial agreements reached between the GOC and the FARC suggests that there will be a significant focus on collective approaches, to be directed not only at former combatants, but also at members of receiving communities. One of the objectives of the partial agreement on illegal drugs reached with the FARC is to create productive policies and opportunities for farmers, through promotion of more collective and social economic approaches. The partial agreement on comprehensive rural reforms calls for agricultural production incentives and more supportive, cooperative approaches for the rural economy. In addition, experts agree that given the identities and skills of members of the guerilla groups, an eventual reintegration will be mainly community-based and rural.<sup>12</sup> Taking this new context into account, how should the government respond and adapt?

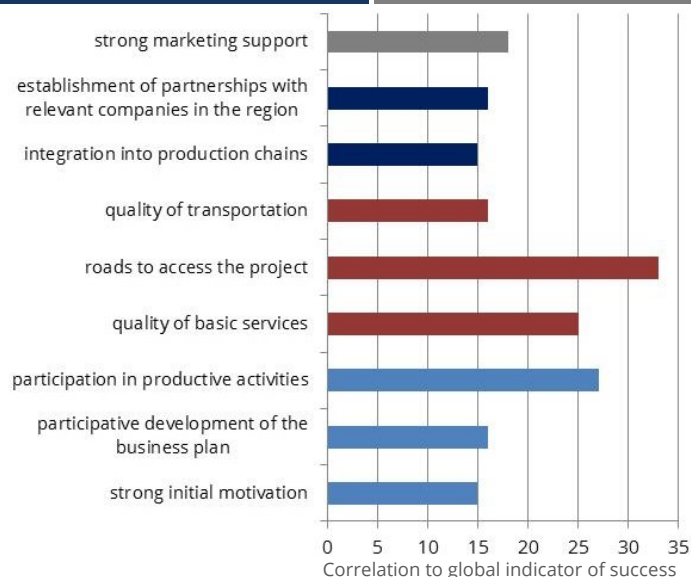
## ADAPTING TO A NEW CONTEXT: FACTORS FOR SUCCESS AND LESSONS LEARNED

Any eventual peace agreement reached is likely to call for more collective approaches to economic reintegration. The question therefore arises, how to best promote a successful model for economic reintegration in this new context? There is an immediate need to deepen our understanding of factors for success or failure of collective approaches to economic reintegration. An exploratory study carried out in 2015 by IOM, with funding from USAID,<sup>13</sup> examined capacities for generating sufficient income, relations between costs and benefits, and the sustainability of 57 collective productive projects in Colombia, which included ex-combatants as well as others not involved in reintegration processes.

The study concluded that the most successful collective projects had a number of characteristics in common,

according to three indicators of success: efficiency, effectiveness and sustainability. Giving equal weight to each indicator, a global indicator of success was constructed. The study then organized into four categories the factors that appeared to have the greatest impact on the global success of each project, as follows:

<b>Effective Participation</b> <ul style="list-style-type: none"> <li>• Strong initial motivation</li> <li>• Participative development of the business plan</li> <li>• Participation in productive activities</li> </ul>	<b>External conditions and infrastructure</b> <ul style="list-style-type: none"> <li>• Quality of basic services</li> <li>• Roads to access the project</li> <li>• Quality of transportation</li> </ul>
<b>Integration into regional production networks</b> <ul style="list-style-type: none"> <li>• Integration into production chains</li> <li>• Establishment of partnerships with relevant companies in the region</li> </ul>	<b>Business management</b> <ul style="list-style-type: none"> <li>• Strong marketing support</li> </ul>



While these findings are important, more studies are still needed. One of the most important lessons learned from DDR processes in Colombia and other countries is that there are no universal recipes for success, and models must be adjusted to fit the context.<sup>14</sup> As peace processes with the FARC and the ELN continue to evolve, approaches for economic reintegration will be needed that can take into account and learn from the recent experiences in Colombia and international best practice, while adapting to the context and the particular characteristics of each armed group and the peace agreements they reach.

1 United Nations (2006). *Integrated DDR Standards*. Chapter 4.30: Reintegration.

2 IOM (2015). "Investigación para análisis de las causas que llevan al éxito o fracaso de los proyectos asociativos de generación de ingresos a nivel rural y urbano". Perdomo, Arango, Vargas and Portela.

3 Throgren (2013). "Towards People-Centred Economic Reintegration? An Analysis of the Economic Reintegration Strategy of Demobilised Combatants in Colombia." *Colombia Internacional* 77, January-April 2013.

4 Ibid.

5 Fundación Ideas para la Paz (FIP) (2008). "Alternativas de generación de ingresos para desmovilizados: El Programa de reinserción a la vida civil y la Alta Consejería para la Reintegración". July 2008.

6 FIP (2016). "Desarme, Desmovilización y Reintegración: retos para el caso colombiano". January 2016.

7 FIP (2014). "Retorno a la legalidad o reincidencia de excombatientes en Colombia: Dimensión del fenómeno y factores de riesgo." June 2014.

8 FIP (2008).

9 Throgren (2013).

10 FIP (2016).

11 National Planning Department (DNP) (2011). *Evaluación Reintegración Social y Económica*. Dirección de Evaluación de Políticas Públicas. Departamento Nacional de Planeación (DNP).

12 Nussio, E. and Howe, K. (2012). "What if the FARC Demobilizes?" *Stability*, 1(1): 58-67; International Crisis Group (2014). "El día después de mañana: las FARC y el fin del conflicto en Colombia." Report on Latin America N°53. December 2014.

13 IOM (2015).

14 United Nations (2006).