

Peace in Colombia is everybody's business

There is not a great deal of positive news in the world today. And yet, one of the most positive developments concerning peace and conflict has gone largely unreported. Last month, the world's longest running conflict came one giant step closer to its end with the signing of the permanent ceasefire^[1] between the Colombian government and the Revolutionary Armed Forces of Colombia (FARC). While the rest of the world, and the UK more specifically, woke to the shock news of Brexit, Colombians all over, starting with myself, rejoiced with the unprecedented announcement.

It was about time. For too long has our country suffered and endured the painful effects of war. The human cost is unrecoverable: over 220,000 lives were lost. This means that an average of 11 people were killed every day for the past 50 years. Millions have fled the country either to save their lives or seek better opportunities. But the human cost is unfortunately not the only one. The conflict has taken a massive toll on the economy. A study^[2] by one of the most prestigious universities in the country has shown that the conflict has taken an average 4.4% of our GDP each year. In 15 years alone, the conflict cost the country \$330 billion. The \$29.1 billion we'll spend this year as part of our defence budget makes it the highest in Latin America, representing 3.5% of our GDBP. Around 6.6 million hectares of land have been either abandoned or illegally grabbed, representing 13% of the country's surface.

The study also asked business people from all sectors and sizes in the main cities how they have been affected by the conflict and found that for instance, sales decreased an average of 33% as a result of broken distribution chains and damaged infrastructure, and that they have lost approximately 40% of business opportunities. The study projects that without war, the economy could grow 1.5% more per year and that the country could double its GDP every 8 years, as opposed to the 18 years it has taken us to do that so far.

Rebuilding the economy

How will we achieve this? The key lies in the idea of integration. The economy will need to integrate those who have been traditionally left out as well as integrate the regions of the country that have been isolated by the war and its destructive effect on infrastructure. And so this need for economic integration and inclusion will rely heavily on three factors:

- **The need (and moral imperative if you ask me) to develop rural Colombia.** The dramatic increase of urbanisation in the past decades has meant that many cities have thrived, but it has also made us forget about those rural areas suffering the greatest impacts from the armed conflict. Hence the government's priority to build "territorial peace" in these regions. From an economic perspective, this means that issues like access to land for its productive use, access to technology, information, credit and markets will be key requirements for the development of that forgotten rural Colombia.
- **The boost to Foreign Direct Investment (FDI) and the opportunities of promoting new sectors in the economy.** This would be particularly true for sectors such as the tourism industry. For example, studies anticipate that with a peace agreement tourism could increase from the 10-12% that is today to 20% annually.
- **The prioritisation of employment and creation of value chains, including procurement and distribution, as the key elements of a healthy economy.** By creating jobs, markets and infrastructure, the economy will be in a better position to bring the benefits of growth to all.

By working on these three factors, Colombia's economy will certainly be closer to bringing peace through prosperity. As we continue to argue at International Alert, the economy can certainly have peace outcomes in terms of improving *people's incomes and livelihoods*, and therefore their *ability to save and invest*; providing the State with more revenues through *taxes that can then be reinvested as services*; and ensuring that there is *social and environmental sustainability* underpinning all these economic opportunities.

Private sector must take the lead

So who will drive the process of economic integration in this post-conflict stage? A large part of the answer to that question lies in the private sector. As the president of the National Business Association of Colombia^[3] (Andi, as it stands in Spanish) has said: "Economic inclusion can only be generated by the private sector and its markets. The government and non-profit organizations can help by providing solutions in the short and medium term but they will not be the ones to provide an alternative for sustainable subsistence".

But it is not only about jobs and markets. Economic integration will also need to come with a very strong social inclusion and cohesion element needed for peacebuilding. As the High Commissioner for Reintegration, who we work closely with, has stated, victims, ex-combatants, investors and business people are all actors of the "new dynamics of integration, job creation and sustainable business".

It is indeed exciting times in Colombia. The possibility to truly address some of the issues that have created the conflict or allowed it to continue for so long, such as economic and political exclusion, is at our doorstep.

At International Alert we will continue to work with the private sector as we have for the past 17 years, to offer incentives and alternatives to engage in economic activities that contribute to peace, while working with the Government and international community to support their efforts to engage and partner with the private sector to do the same. We will also continue to support and work alongside our civil society partners so their work can benefit those communities who have been excluded and denied opportunities. By doing this we will be able to ensure, from our corner, that everybody is in because peace is everybody's business.

Find out more about our work in Colombia and how we support economic development for peace.^{[4][5]}

Referencias

- 1.^ signing of the permanent ceasefire
(www.international-alert.org)
 - 2.^ study (economia.uniandes.edu.co)
 - 3.^ National Business Association of Colombia
(www.andi.com.co)
 - 4.^ Find out more about our work in Colombia
(www.international-alert.org)
 - 5.^ we support economic development for peace.
(www.international-alert.org)
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