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THEDIALOGUE

FEATURED Q&A

Has Colombia Found a Peace That Will Last?

Speaking at the cadet's school in Bogotá this week, Colombian President Juan Manuel Santos spoke of the national security benefits of his peace accord with the Revolutionary Armed Forces of Colombia. // Photo: Government of Colombia.

Q The Colombian government and the Revolutionary Armed Forces of Colombia on June 23 signed a cease-fire, agreeing to end hostilities in their more than five-decade armed conflict. The signing took place in Havana, where the two sides began peace talks in November 2012. The cease-fire will take effect when a final peace deal is signed, which President Juan Manuel Santos has said he hopes will happen by July 20. Following the inking of the peace deal, the Colombian people would vote in a referendum for its passage. As the peace negotiations enter their final stage, how likely is it that the Colombian government and the FARC will be successful in convincing the rest of Colombia's citizens to agree to the deal? What is the main thrust behind the opposition to a peace deal? What are the main obstacles to implementing the cease-fire and the other aspects of the deal, if Colombians do vote in favor of it in the referendum?

A **Marta Lucía Ramírez, former Colombian defense minister and foreign trade minister:** "The negotiation agenda between the Colombian government and FARC advanced towards the 'end of conflict' as the bilateral ceasefire, cessation of hostilities and laying aside of weapons accord was reached. However, the absence of a definition of terms at the beginning of the peace dialogues allowed the FARC to continue to recruit children, keep hostages under their power, extort and participate in narcotrafficking. The lack of a conceptualization of justice that condemns all of those responsible for crimes against humanity, and additional requests from the FARC under the name

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TODAY'S NEWS

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Pacific Alliance Presidents Convey Unity, Optimism

"Mexico has opted for regional integration, to accompany, not to go it alone," Mexican President Enrique Peña Nieto said Thursday in Chile, where the presidents of the Pacific Alliance are meeting.

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ECONOMIC

Venezuela, Colombia Defense Ministers Meet

Colombian Defense Minister Luis Carlos Villegas met with his Venezuelan counterpart, Vladimir Padrino López, in Caracas on Thursday to discuss security on their 1,400-mile shared border, which has been closed for nearly a year.

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ECONOMIC

Mexico Surprises Markets With Rate Hike

Mexico's central bank, led by Agustín Carstens, unleashed a bigger-than-expected interest rate hike Thursday.

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Carstens // File Photo: Government of Mexico.

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POLITICAL NEWS

Pacific Alliance Presidents Convey Unity, Optimism

Leaders attending the Pacific Alliance Summit in Chile this week are striving to convey public images of unity in the wake of recent trends leaning away from multilateral accords, such as the Brexit vote in the United Kingdom last week and political controversy in the United States over the Trans-Pacific Partnership, EFE reported. Mexican President Enrique Peña Nieto, who spent most of this week in Canada ahead of the North American Summit in Ottawa Wednesday, said that the four Pacific Alliance countries share economic and political similarities that have enabled them to make great progress in a five-year period. "Mexico has opted for regional integration, to accompany, not to go it alone," Peña Nieto said Thursday on a panel with the other three Pacific Alliance presidents. Outgoing Peruvian President Ollanta Humala said the Alliance has managed to get rid of the ideologies and focus solely on concrete measures to benefit citizens, EFE reported. The four member countries in recent years have generally shared an economic vision of market liberalization and open trade policies,

Peña Nieto, Humala, Bachelet and Santos (L-R) // Photo: Pacific Alliance.

in contrast to the leftist and more ideologically driven countries of the region, such as Ecuador, Brazil and Venezuela. Chilean President Michelle Bachelet on Thursday urged her colleagues to expand integration efforts with Mercosur, the Southern Cone trade bloc, in order to obtain greater benefits. Paraguay and Uruguay are already observers of the Pacific Alliance, and now Argentina under the administration of conservative President Mauricio Macri has joined as an observer as well. Costa Rica has been a longstanding observer and is likely to join the Pacific Alliance as a full member soon. The member countries also share challenges, with global economic headwinds that have battered their currencies and low commodities prices that have emptied state coffers. The four finance ministers Thursday said they were seeking new ways to build financial integration as the next phase of cooperation. "The alliance has advanced in commercial agreements, in migratory and diplomatic agreements, but a fundamental step for the bloc and one which has enormous value, that we can bring about, is financial integration," Colombian Finance Minister Mauricio Cárdenas said in a speech at a pre-summit business conference, Reuters reported. The ministers said that among the key goals would be to allow pension funds from the countries in the bloc to make a broader range of investments in each other's economies, a step that could bring more investments to major infrastructure projects.

ECONOMIC NEWS

Mexico Surprises Markets With Aggressive Rate Hike

Mexico's central bank unleashed a bigger-than-expected interest rate hike Thursday, the Financial Times reported. The 50 basis point increase brings the policy rate to 4.25 percent. "External conditions have deteriorated significantly, something that could adversely impact future inflation," Banxico said in a statement. Mexico's peso jumped by as much as 1.7 percent Thursday on the news. The currency had sank to a record low of 19.51 pesos per dollar last Friday after the United Kingdom's referendum to leave the European Union, bringing the peso down more than 6 percent this year. Wall Street economists described the move as "bold and justified" in light of recent trends in core inflation and the need to anchor

NEWS BRIEFS

Alcoa Wins $470 Million Contract With Brazil's Embraer

Lightweight metals producer Alcoa on Thursday announced a long-term contract with Brazilian aircraft maker Embraer valued at approximately $470 million. Alcoa will supply aluminum sheet and plate for Embraer's new E2s, the second generation of its E-Jets family of commercial aircraft. The planes are scheduled to enter into service in 2018. The multi-year agreement makes Alcoa the sole supplier to Embraer for proprietary wing skins and fuselage sheets on the E2 line of jets. Alcoa employs approximately 58,000 people in 30 countries.

Harvest Natural Resources Exits Venezuela

Financially struggling Harvest Natural Resources on Thursday announced that it is leaving Venezuela and selling all its assets there for about $100 million to an Italian-Venezuelan consortium called CT Energy. Last month, the Houston-based company said that during the first three months of 2016, its Petrodelta unit drilled and completed six development wells in Venezuela and sold 3.96 million barrels of oil, at an average of 43,507 barrels of oil per day, an increase of 9 percent over the same period in 2015.

Canada Launches Task Force to Study Potential Marijuana Regulations

Canada's government launched a task force Thursday to study the regulation of recreational marijuana ahead of a legalization measure the government plans to send to parliament next year, the Associated Press reported. Prime Minister Justin Trudeau had promised to legalize the narcotic during his 2015 campaign. The team will review systems for regulating marijuana production, distribution and sales.

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the currency. "What the central bank is doing is telling speculators they should think twice" before shorting the peso, Bloomberg News analyst George Lei said Thursday. Mexico's government has announced billions of dollars in budget cuts this year in anticipation of more complex global financing conditions, Dow Jones reported. Banxico said Thursday it continues to maintain a 3 percent annual inflation target.

Venezuela, Colombia Defense Ministers Discuss Border

Colombian Defense Minister Luis Carlos Villegas met with his Venezuelan counterpart, Vladimir Padrino López, in Caracas on Thursday to discuss security on their 1,400-mile shared border, UPI reported. "In this re-opening of national dialogue and cooperation between Colombia and Venezuela, the national interests of both countries will win," Villegas said Thursday afternoon over social media. The border has been officially closed for nearly a year, but its difficult terrain and sparsely populated frontier is notoriously porous for smugglers and other illicit activities. Last year, President Nicolás Maduro began a crackdown on smugglers in areas presumed to be profiting from Venezuela's lopsided subsidies on gasoline and other staples and declared a state of emergency in several municipalities. More than 2,000 Colombians living illegally in Venezuela were deported and about 22,000 Colombians were estimated to have left in fear of deportation, according to media reports. Trade between Colombia and Venezuela, strained even before then, had declined from $7 billion six years ago to a relative trickle last year. President Maduro was scheduled to meet with Villegas in the presidential palace last evening. On Thursday, López said Maduro was "evaluating the border situation," El Universal reported. The two defense ministers discussed ways to collaborate in fighting organized crime, paramilitary groups, illegal migration and smuggling activities. [Editor's note: See related **Q&A** in the Sept. 8 issue of the Advisor.]

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of 'provisos,' or conditions, on which they are not yet agreed; crimes against soldiers and police officers in state of defenselessness; attacks on civilians and infrastructure, with the spilling of millions of barrels of oil into rivers; and armed political proselytism in La Guajira are all attempts to mitigate the emergence of true peace. It is difficult to measure the progress of negotiations, as the FARC has accepted to recognize the decision of the Court on the terms of plebiscite or agreement to leave aside weapons (although there is no inventory of them), and at the same time is insisting to negotiators that they should have the best results in justice, political participation and their responsibility for drug trafficking. FARC commanders claim to be senators without paying for their crimes against humanity and giving reparations to their victims. They could not take power by armed force and now seek to take it through politics. In this matter we cannot be naive and give them wrongful advantages to achieve their goal. Beyond predicting the success or failure of the government-FARC negotiations, I am convinced that we must invite all Colombians to read the accords with a sense of responsibility before voting 'yes' or 'no' in the plebiscite."

Adam Isacson, senior associate for the regional security policy program at the Washington Office on Latin America: "Even before the June 23 ceasefire breakthrough, polls showed a decisive, but not overwhelming, majority of Colombians inclined to vote 'yes' in an eventual plebiscite on a FARC peace accord. As it envisions the guerrillas fully disarming in six months, the new accord may increase that majority further. Still, hardline opponents of the negotiations have gained much media coverage and have used social media very effectively. They argue that the peace deal doesn't punish FARC human rights abusers severely enough, that it will impose a leftist economic model in the countryside, and that the guerrillas could have been defeated on the battlefield. Their arguments, and President Juan Manuel Santos' political unpopularity, may convince many Colombians to vote 'no,' or abstain from participating in a plebiscite. No matter what, implementing the peace accords will be difficult. The ceasefire phase will test the FARC leadership's control over its fighters. Despite the presence of 300-400 United Nations observers, it may offer opportunities for would-be spoilers to attack demobilizing guerrillas. And it's easy to imagine the complex, phased weapons handover falling behind schedule. Once implementation of the full peace accords begins, challenges will include resistance from paramilitary and organized crime groups, and their allies in local-level state institutions; anger at the slow pace at which the government, hampered by managerial shortcomings, is likely to act; and a lack of money, thanks to low oil and commodity prices, with which to pay for some expensive commitments."

> **"The ceasefire phase will test the FARC leadership's control over its fighters."**
>
> **— Adam Isacson**

John A. Cope, senior research fellow at the Institute for National Strategic Studies at National Defense University: "Assuming Colombians vote in a referendum on the passage of a final peace deal, there will be at least five different categories of voters with different mindsets about transitioning from war to peace. In each category there are people who seek justice for past deaths and destruction and others

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who seek peace and stability at all cost. Both groups will vote according to the perceived ability of the peace deal to realize their objective. It is difficult to anticipate the outcome. The categories include: 1) citizens living in large cities who remember feeling trapped and fearful but not personally threatened—President Uribe opened highways and brought relative peace to city dwellers 10 years ago; 2) citizens living in small cities, towns, and rural communities often with minimal government presence—

> **"The ceasefire agreement is not as detailed as it's been sold to be."**
>
> **— Juan David Escobar Valencia**

they continue to suffer directly by violence and want stable governance; 3) citizens who have lost family/friends to violence or have been displaced—they tend to want justice; 4) citizens who support the FARC and its Marxist-Leninist ideology, live in areas dominated by the FARC, or have family members in the organization; 5) citizens on either side or third parties interested in exploiting opportunities for profit from the FARC's demobilization. If the referendum passes, there are three immediate obstacles. First, the FARC must concentrate all forces in 23 'Transitory Hamlet Zones for Normalization' and eight encampments, which challenge their command and control. Second, the government must grab control of FARC's economic/drug zones and deny access to BACRIM, the ELN and others. Third, Bogotá must find ways to convince communities across the country to accept the reintegration of FARC members. These will all be difficult challenges."

Juan David Escobar Valencia, director of the Center for Strategic Thought at the Universidad EAFIT in Medellín: "Like the myth of Pandora's Box, so goes the negotiations with the FARC terrorist group, and the recent 'bilateral ceasefire.' While they may appear to be magnificent gifts, the moment you open the box, out jumps a whirlwind of evils. The ceasefire agreement is not as detailed as it's been sold to be. I'll detail some of its dangers here: 1) The agreement does not have any mechanism for certifying the number of weapons the FARC has and that they are going to hand over. 2) The FARC has not assumed any responsibility for the use of landmines, which are weapons of war. 3) For more than a year now, the FARC has been outsourcing weapons, men and illegal activity to the ELN terrorist group, allowing the FARC to appear inactive while continuing to control illicit business and mass extortion of the population that has been unleashed during the negotiations. 4) The document of the bilateral ceasefire supposedly leaves the guerillas inactive, but the exact terms leave at large at least half of the FARC's members. 5) The timetable for the staggered surrender of the weapons that the FARC decides to turn in shows that the plebiscite will take place during the period where the FARC will still have most of its weapons. 6) The peace agreement that is being negotiated does not oblige the FARC to return its enormous funds, which amount to billions dollars. This means it's impossible to guarantee that the FARC will not acquire more arms in the future."

The Advisor welcomes comments on its Q&A section. Readers can contact editor Gene Kuleta at **gkuleta@thedialogue.org**.

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