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Oil Palm in Colombia: Conflict Myths & Realities

Fundación
SEGURIDAD
& DEMOCRACIA

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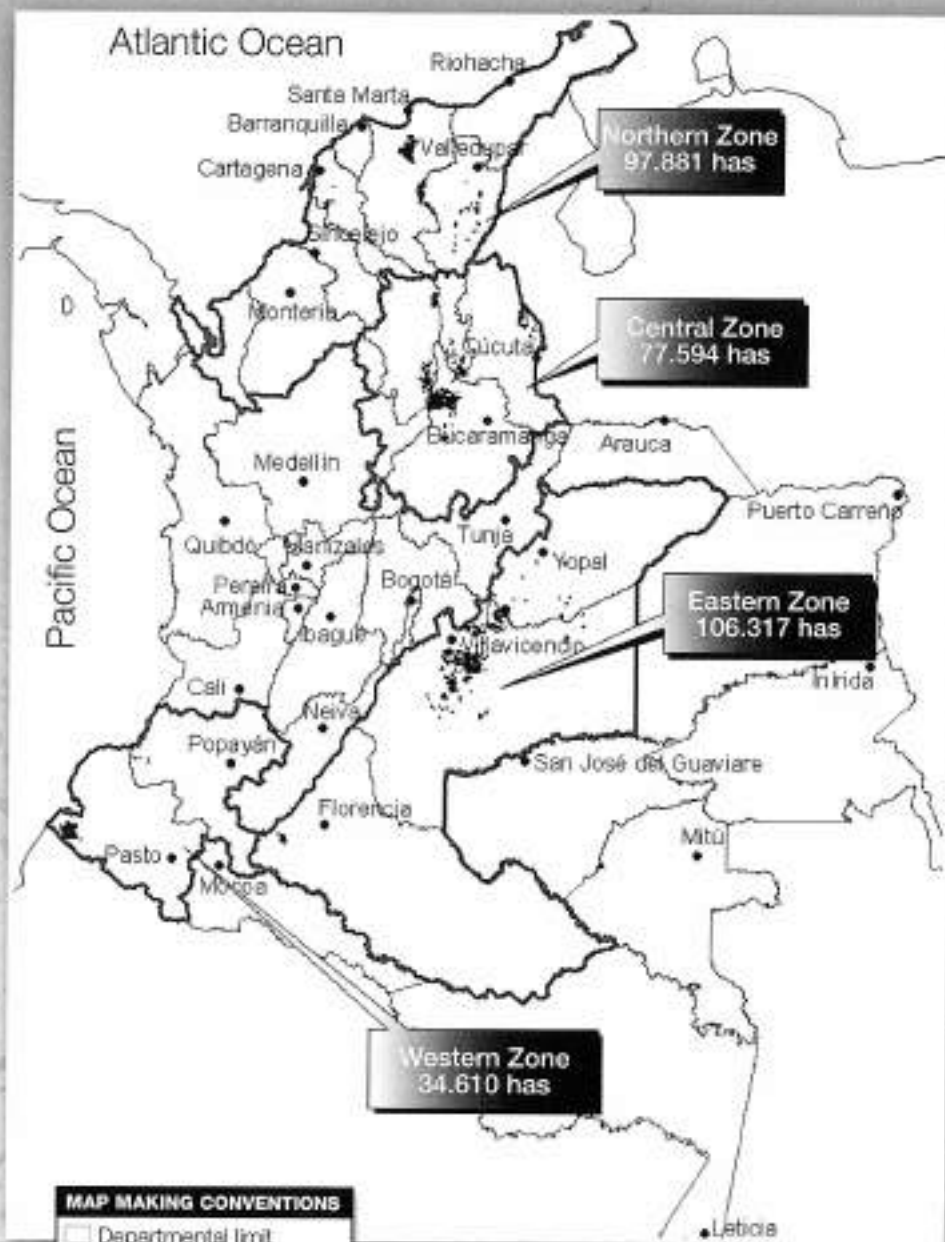
Oil Palm in Colombia: Conflict Myths & Realities

Bogotá, D.C., June, 2009

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**SEGURIDAD
& DEMOCRACIA**

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Production Zones of Oil Palm in 2007



MAP MAKING CONVENTIONS

- Departmental limit
- Oil Palm limit zone
- Department Capital
- Oil Palm growing



Research conducted by the Security and Democracy Foundation.

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ISBN: 978-958-98341-5-2

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Oil palm

has a history in Colombia

Oil palm, besides its own native history, has a long-standing and very significant history in our country. However, its arrival and cultivation in Colombia have been distorted through its association with global concerns about the biofuel boom and, at the national level, with the agricultural crisis and the armed conflict that afflict Colombia. These representations, with the inevitable value judgments they entail concerning the potential environmental, food security, and human rights impacts, ended up creating a distorted image of this agroindustrial product as an opportunistic and upstart newcomer to Colombia's vast rural potential.

Initially, the presence of oil palm in Colombia was linked to an economic and institutional fact of notable historical importance: the promotion of commercial agriculture by the state in the 1950s, particularly visible in the case of cotton, and extended to other oleaginous plants, including oil palm.¹ This type of public intervention was part of what started in the 1930s as an inward-oriented economic growth strategy based on the substitution of imports and State protectionism to counteract the adverse effects of the international economic crisis of the time.

In fact, as pointed out by an analyst, if in the 1930s there was a driving force behind Latin America's economic growth, that driving force was industrialization aimed at import substitution. In this stage, various international economies showed an impressive capacity

¹ Marthe Luz Ospina Bozzi & Doris Ochoa Jaramillo. *Palma Africana en Colombia. Apuntes y memorias.* (African Palm in Colombia. Notes and Memoirs) Vol. 1. Fedepalma. Bogotá D.C., 2001. P. 45. Vol. 1. Fedepalma. Bogotá D.C., 2001. P. 45

to transform themselves and generate new leading sectors within the manufacturing industry.²

In Colombia, these economic developments were accompanied by legislative efforts, most notably the 1936 N° 1 Act, which gives the State a clear constitutional mandate to intervene the economy "in pursuit of the common good" and starts, at least in formal terms, a well-defined form of State interventionism in our country.³ This was expressed later in 1948 with the Law of Mandatory Absorption, which sought to channel the supply of agricultural products toward State-protected agro-industrial operations.

In the early 1950s, this gave rise to the Institute for Cotton Development (IFA for its initials in Spanish), a semi-official institute that in 1957 started to promote various oilseeds such as sesame, peanut, coconut, castor-oil seeds, soybean, and oil palm. An agreement between FAO and IFA created a task force to conduct a study on oilseeds in Colombia. The taskforce's final report, presented in June of 1959, recommended that an agro-industrial development strategy for oil palm be developed, highlighting its economic advantages and important social contributions such as "providing many small, poor rural villages suitable for oil palm cultivation, (...) with resources that are higher than the ones they have today" and the turning of oil palm research farms into colonizing bases for the surrounding areas.⁴

Government support to oilseeds, evident in the State's presence in IFA, was later cemented even further with Law 26 of 1959, which ordered the banking system to earmark 15 percent of its deposits for agriculture, livestock and fishing promotion and development, and to establish lines of credit for long-term industrial plantations, including oil palm. These conditions remained fairly unchanged until 1968, within a special, long-term policy different from that of commercial coffee agriculture in terms of public financing and landholding systems.

² Carlos F. Díaz-Alejandro. *Notas sobre la historia económica de América Latina*. (Notes on the Economic History of Latin America). Ensayo sobre historia económica de Colombia. (An essay on the economic history of Colombia) Fedesarrollo. Bogotá. 1980. P. 206-207.

³ Luis F. López Garavito. *Intervencionismo de Estado y economía en Colombia* (State Interventionism and Economy in Colombia). Externado de Colombia University, Bogotá, 1992. P. 69.

⁴ Ospina Boczi & Ordoña Jaramillo. *Op. cit.* P. 54.

In fact, 100% of the coffee growers were landowners while “only 50% of the Palm growers who depended on state financing were land-renters and the remaining 50% landowners.”⁵ In any event, it is important to take into account that this credit liberality was not due to a particular government trait, but to a special moment of the peripheral economies, under the special circumstances of the Post World War II global economy.

In fact, the forced savings of foreign exchange reserves during the war created an availability of financial resources that allowed the Colombian economy to open up to new growth and reform possibilities. Among the emerging change options, an important consensus was reached: “To turn the Central Bank (Banco de la República) into the institutional core of a financial policy aimed at promoting economic development (...) with instruments, not only for quantitative control, but also for the general guidance of banking policies,” as stated in the 1951 final report of the Economic Development Committee.⁶

Besides the credit incentives given to agroindustry, the inclusion of the oil palm in the official agricultural colonization objectives was also very important, at least at the level of formal institutional plans and explicit government purposes. Since 1962, the Colombian Institute for Agrarian Reform (Incora) took charge of the import substitution of various agricultural products, including oilseeds, one of the Economic and Social Development Plan’s main objectives adopted by the government for the 1961-1970 decade. In fact, one of its main colonization projects was justified as follows: “Oil palm has been chosen as the main oilseed crop to be promoted in Colombia because of its high yield, the high availability of tropical land suitable for its cultivation, and its rapid growing pace, among other reasons.”⁷

It was a great prospective vision, which was strengthened by the recognition of its social agrarian dimension, which would improve the

⁵ Oscar Delgado. *La estructura agraria en Colombia (Agrarian Structure in Colombia)*. Lectures on Colombian economy. Jesús Antonio Bejarano, Compiled by: Procultura S.A. Bogotá, 1985, P. 74.

⁶ Mauricio Avella Gómez & Carlos Caballero Argüez. *La economía política de la reforma financiera. (Political Economy of the Financial Reform)* Lectures on Colombian economy. Op. cit. P. 119-120.

⁷ Incora. *Proyecto de colonización con base en plantaciones de palma Africana (Colonization Project Based on African Palm Plantations)*, cited by Ospina Bozzi & Ochoa Jaramillo. Op. cit. P. 70.

quality of life of the population that would become involved in the future agricultural and industrial developments provided by the project. The plan included 2000 hectares planted with palm in each of the 5 major regions of the country (Norte de Santander, Magdalena, Cauca, Nariño and Caquetá), because, as Incora said, "This is the only way for the project to have a meaningful impact on the overall economy."⁸

Unfortunately, and in line with the country's ill-fated agrarian reform, almost nothing was done about it, considering the final result: a few small crops scattered throughout the national territory, and colonization programs as initially proposed. Incora shelved the project and everything ended up as just one more example of empty official rhetoric about important state policies to be implemented for the agricultural frontier. Later, a small project was implemented in Belén de los Andaquíes, but it did not achieve any meaningful results.

There was an odd temporary coincidence between the ambitious and sometimes abstract official oil palm projects, and the discreet and concrete steps taken by the private sector engaged in the oil palm business. In 1962, in Bogotá, Incora presented its *Colonization Project Based on Oil Palm Plantations* and in that same year, a group of entrepreneurs created the National Federation of Oil Palm Growers (Fedepalma). It was only a temporary coincidence, as 8 years later, Incora abandoned its colonization plan and Fedepalma, whose initial purpose was to maintain good relationships with the government to support its praiseworthy palm projects, organized in 1965 the Third Congress of Oil Palm Growers, whose final statement was strongly critical of the government's initiatives.

In fact, the statement pointed out that "the reasons for failing to meet the goals set in the original oil palm promotion program were an inadequate government policy (...) and the lack of the necessary personnel and resources to meet those goals."⁹

⁸ *Ibidem*,
⁹ *Ibidem*, P.89.

Two years later, in response to the government's 1967-1971 Quadrennial Import Substitution Plan, in which oil palm was recognized as a good alternative to imported oils- Fedepalma presented its first strategic proposal: *Oil Palm in Colombia: 1967-1992 Development Plan*, which openly contrasted with the incoherent and self-destructive inconsistencies of the Department of Agriculture, in respect to which it stated that: "We cannot continue with the traditional absence of plans, waiting for things to work out by themselves. We need a global-oriented economy, producing foreign-currency revenues in non-saturated markets."¹⁰

In any event, and aside from governmental inconsistencies, the incipient oil palm agroindustry was protected against external competition, as evidenced by the fact that by the mid 1960s, oil imports required a deposit in the Central Bank equivalent to 120% of the total value and a 40% customs duty.¹¹

This was the result of a long and consistent protectionist policy established in the first decade of the 20th century, characterized by imposing stiff trade and foreign investment barriers, which provided agriculture with special protection. Under this protectionist scheme, the agricultural sector accounted for 30% of the total GDP in the early 1960s and kept growing steadily during this decade, thanks largely to the good performance of non-traditional exports, resulting from the dynamism in global trade and a good economic environment.¹²

As is well known, the productive activities of the agricultural sector are very diverse in nature and orientation, and they depend essentially on whether they are destined for domestic or export markets. In a situational analysis of the sector, the economist Absalón Machado pointed out the particular cyclic nature of oilseeds, as exemplified by the sharp drop in production in 1978 caused by the cotton industry crisis, the slight recovery in 1983, and the fluctuations caused by the

¹⁰ Ernesto Jaramillo y otros. *La palma africana en Colombia. El programa para su desarrollo 1967-1992. (African Palm in Colombia - Program for its Development -1967-1992)* Fedepalma. Bogotá, 1967.

¹¹ Ospina Bozzi & Ochoa Jaramillo. Op. cit. P. 88.

¹² Gabriel Montaña Llamas. *Políticas macroeconómicas y desarrollo agropecuario (Macroeconomic Policies and Agricultural Development)* Lectures on Colombian economy. Op. cit. P. 189.

uneven cotton trade performance that affected soybean, sesame and oil palm crops. Of these crops, "only oil palm continues to show a rapidly growing trend, but it carries little weight among oilseeds and is not expected to significantly affect the group's production curves." He added that the recovery lines during the studied period can only be explained "by oil palm's excellent yields, while the average yields of the other oilseeds are stagnant."¹³

The references given above regarding the arrival and development of oil palm cultivation show that in no way was it the upstart newcomer that disinformation and, in some cases, intentional distortions would have one believe. On the contrary, this crop has been linked to the agrarian industry from the onset of the modernization of the Colombian economy. Paradoxically, this economic modernization took place during the Great Depression of the 1930s and World War II in the early 1940s.

In fact, as many economists have pointed out, the relative progress of the manufacturing sector began in the 1930s, showing significant growth during the 1940s and 1950s. Similarly, commercial crops increased significantly after 1950, driven by the great cotton expansion, which, since the 1960s, "turned the country from cotton importer to exporter."¹⁴ It is amidst these developments that, as mentioned earlier, oil palm begins to gain importance under the auspices of IFA with its two initial divisions: Cotton and Oilseeds Divisions, the latter a great promoter of oil palm cultivation in Colombia.

In conclusion, oil palm has been present in Colombia since the import substitution period and its necessary protectionist component, until present-day globalization with its free trade components and high international competition standards. Just as it took advantage of protectionist conditions during the development stage between 1930 and 1986, oil palm has also shown its ability to adapt to the new

¹³ Abselón Machado, *Tendencias recientes en la agricultura (Recent Agricultural Trends). Lectures on Colombian Economy*, Op. cit. P. 94-96.

¹⁴ Salomón Kaimenovitz, *Desarrollo de la agricultura en Colombia (Agricultural Development in Colombia)*, Editorial La Carreta, Medellín, 1978. P. 69.

requirements and possibilities of the free trade policies that began in 1986 during the Virgilio Barco administration. By 1990, there was a new economic development model, in which non-traditional exports were the driving force behind economic growth.

Oil palm and global, national, and local development

The role that oil palm has played in Colombia, as well as its prospects and future development, were clearly expressed in the 15th International Conference on Oil Palm held in Cartagena in late September of 2006. In the national assessment presented by Fedepalma, concerning which type of oil had become the main vegetable oil produced in the world, some important facts were revealed.

In the specific case of the Americas, in spite of the low consumption of palm oil relative to other continents, the gap between consumption and production has widened in the last few years. While in 2002 production and consumption were about 1.4 and 1.6 million tons respectively, in 2005, these indicators climbed to 1.8 and 2.2 million tons respectively, increasing the difference from 200,000 to 400,000 tons during that period. This is a significant fact considering that in the same period, palm oil exports to Europe from the Americas, especially from Colombia, Brazil and Ecuador, rose from 50,000 tons in 2000 to 273,000 in 2005. In the specific case of Colombia, palm oil exports rose from 112,000 tons in 2002 to 247,000 tons in 2005, that is, their growth rate was 30.2%.¹⁵

Aside from giving concrete oil palm development and trade indicators, Fedepalma's report clearly states the strategic drivers that could make it possible for the oil palm agroindustry to significantly contribute, locally and globally, to "economic growth, the well-being of the population, the conservation of natural resources and biodiversity, particularly in the producing countries," considering aspects such as:

¹⁵ Jens Mesa Distington. *Nuevas oportunidades para un posicionamiento estratégico del aceite de palma en el mercado mundial (New Opportunities for a Strategic Positioning of the Oil Palm in the World Market)*. 15th International Conference on Oil Palm - Fedepalma. Cartagena, September of 2006. P. 7.

- Palm oil production in a socially and environmentally sustainable manner
- The beneficial role of palm oil in human health, its versatility and multiple uses as a healthy alternative to soft oils such as soybean and rapeseed oils, which need to go through a partial hydrogenation process to make them harder and more stable. This process causes the formation of trans fatty acids that have adverse effects on human health.
- The potential of oil palm agroindustry and palm oil as a major source of energy generation and production of clean, renewable biofuels.¹⁶

According to the document, this is a sustainable development project, comprehensively undertaken as "the guiding principle for the present and future of oil palm agroindustry at the global, regional, and local levels," where "economic, social and environmental sustainability" is an integral part of business activity.¹⁷

These considerations fit into the country's need to find a fast and sustainable growth path. However, in terms of concrete achievements, even the most judicious statements can end up undermined by factors that are linked to varied and complex circumstances. For this reason, although it can be said that sustainable growth significantly reduces poverty, it is also true that it does not guarantee social equality. In fact, from the 1930s to the late 1990s, Colombia reached levels of income, education and health that put it among the top developing countries, although violence and social inequality kept rising.¹⁸ Therefore, it could be said that the relationship between inequality and violence may be stronger than the relationship between violence and poverty, a very important factor to consider when it comes to establishing which actors and policies must be involved in the solution of the social crisis.

¹⁶ *Ibidem*, p. 10

¹⁷ *Ibidem*.

¹⁸ Marcelo M. Glugala, *Colombia: fundamentos económicos de la paz (Colombia: Economic Fundamentals of Peace)* Summary, Several authors, World Bank - Alfaomega, Bogotá D.C., 2003. P. L & LXVII.

In the case of our country, there has been lack of clarity regarding the roles and responsibilities of the public and private sectors in achieving an adequate social and economic development model. In fact, there are very few economic and social analyses of the tasks that both the State and the civil society must undertake to devise and execute strategies to fight against poverty, inequality, and violence.

Additionally, it does not seem to be clear that economic growth significantly affects the levels of inequality only when the poor are provided with the necessary tools to adequately participate in the increases of the Gross Domestic Product. This is even more the case when, according to a study by the World Bank, inequality can be impervious to positive public policies, as has been the case in our country for the last four decades in spite of land redistribution initiatives, housing programs and subsidies.¹⁹

In any event, studies on our economic growth have shown "Colombia's ability to fight against poverty," citing the period between 1978-1995 when the percentage of Colombians under the poverty line fell from 80% to 60%. This was a period in which "extreme poverty dropped even quicker, from 45% to 21%, and rural poverty, although worse than urban poverty, recorded significant reductions during the period between 1978 and 1988."²⁰

Development strategies, growth targets, and wealth distribution policies are the socioeconomic variables within which productive projects are embedded. These variables also define the actors, competences and responsibilities of those who from public or private sectors act in specific fields, in convergence, but also in healthy competition protecting their specific interests.

Sector growth and the growth of the general economy are convergent objectives; while competition objectives seek individual gains, and specific objectives. For instance, the reduction of poverty and

¹⁹ *Ibidem*.

²⁰ Carlos Eduardo Vélez y otros. *El reparto del crecimiento, pobreza y desigualdad (Growth Distribution, Poverty and Inequality) Colombia. Economic fundamentals...* Op. cit. P. 73.

social inequality are the responsibility of the State, as the representative and protector of society's interests.

Wealth distribution, the fight against poverty, and the reduction of social inequality are not specific tasks of the business community. The triple challenge that Colombia faces today –ensuring peace, restoring economic growth, and ensuring a fair redistribution of benefits– are the responsibility of the State, whose strength and governability ensure individual rights and freedoms, within the framework of the rule of law and equal opportunities. It is a State with a comprehensive and coherent labor law that allows workers to access fast and efficient labor claim scenarios. This type of State does not yet exist in Colombia, but it is not the duty of the business community to build it.

Nonetheless, private business groups may decide to contribute from their particular strategic positioning, as it is the case with Fedepalma and its vision of Corporate Social Responsibility, which contributes to the provision of housing, education, health, recreation, and community services to mitigate social inequity. Or, in view of the public sector's weaknesses and incompetence, the business sector may decide to go above and beyond its responsibilities relating to subjects such as environmental protection, and take on additional tasks and commitments.²¹ Furthermore, it could from its particular interests, such as that of productivity, foray into associative activities with small and mid-sized producers to increase their production and business capacity through the adequate use of productive resources along the agroindustrial chain of production.

This is the successful case of the *Strategic Alliances* (which is discussed later in this document), an innovative paradigm of collective action, linked to economies of scale that integrate small and mid-sized peasant units with large agroindustrial companies and contribute, within the vision of "Corporate Social Responsibility" stressed

²¹ Rodríguez B. M. & Van Hoel B. *Gestión ambiental del sector de la industria de la palma de aceite en Colombia* (Environmental Management of the Oil Palm Industry in Colombia). Fedepalma. Bogotá D.C., 2005.

by Fedepalma in its 15th International Conference, to turn government economic development models into actual economic modernization and social redistribution plans shared between the State and the various private sectors.

Returning to the business vision of sustainable development as the guiding principle of oil palm agroindustry at the global, national and local levels, cited at the beginning of this chapter, it is important to ask oneself what is the real context and projection of this praiseworthy corporate purpose. Particularly, considering that maintaining solid sector and macroeconomic policies is the fundamental basis for economic growth, productivity, and employment in the rural sector. Unfortunately, although “the free market policies that were adopted in the early 1990s were a step in the right direction, they were not sustainable, and many of the characteristic distortions of the agricultural sector in the past are, in one way or another, still present today.”²²

Modernization was not well received by many sectors, and rural actors played a leading role in their urge to hamper free market policies: “specific agreements were negotiated with interest groups; the intervention of market regulators was reestablished (the operations of the Agricultural Marketing Institute [Idema]); complex price band systems were devised; stabilization funds were created, and protectionist policies were reestablished for certain products (cereals, oilseeds, sugar, rice and milk). The fundamental principles of free trade were partially applied for a brief period of time, not enough, however, to have a real impact on the economy.”²³

Today, 18 years later, the attempt to develop a strategy to improve productivity and competitiveness, based on the country’s comparative advantages, is a task yet to be completed. This can be accomplished as long as the agricultural industry, rural workers and public and private institutions have a much more open attitude.

²² Adolfo Brizzi, Natalia Gómez & Matthew McMahon, *Agricultura y desarrollo rural (Agriculture and Rural Development)*- Colombia. *Economic fundamentals...*, Op. cit. P. 440.

²³ *Idem*, P. 424.

It is well known that, in spite of Colombia's capacity to produce a wide range of crops in its tropical and subtropical regions, most of the land is devoted to extensive, low productivity cattle farming, with adverse effects on annual and permanent crops. This was particularly evident in the period between 1990 and 1997, when the area devoted to annual crops, already below its actual potential, was drastically reduced, and only partially offset by the increase in permanent crops where oil palm played a significant role.²⁴

It would seem that from the country's comparative advantages perspective, Fedepalma's corporate development strategy is compatible with the modernization of the Colombian agricultural sector and in line with some public policies for the preservation and adequate use of natural resources. According to the Secretary of Mines and Energy, Hernán Martínez, Colombia could become a major player in the biofuel industry as, according to government figures, in 42 million hectares devoted to pastures there are only 25 million heads of cattle. Of this area, 6.5 million underutilized hectares could be planted with oil palm, without touching, as the Secretary stated, a single inch of jungle. "We will not expand the Colombian agricultural frontier. We will use this underutilized land," he declared.²⁵

Five months later, this argument was corroborated by the Secretary when he answered the question of whether there was a risk of reducing food production: "No, because we are expanding the agricultural frontier; we are not penetrating the agricultural frontier with biofuels, which was what the United States did. Indonesia did something even worse: it destroyed the forest to expand the agricultural frontier. We will not touch an inch of jungle; we are more focused on cattle land: to have 39 million hectares of grazing land instead of 42 million."²⁶

These considerations, together with government calculations that 5 million people who are dependent on this business will create

²⁴ *Idem*, p. 432.

²⁵ *Semana*, ¿Alimentos o gasolina? (Food or Gas?) Bogotá D.C., 8 October, 2007, p. 68-70.

²⁶ *El Tiempo*, El reportaje de Yamid: 6 millones de hectáreas ganaderas deberían ser para biocombustibles. (6 Million Cattle Grazing Hectares Should Be for Biofuels) Bogotá D.C., 30 March, 2008.

approximately 1,200,000 direct and indirect jobs by 2019²⁷, confirm the social, environmental and economic dimensions of Fedepalma's corporate strategy.

Consequently, private and public interests would converge, as evidenced by the fact that Colombia has been adapting its legislative framework, tax legislation and pricing structure to the new biofuel developments, considering that 400,000 barrels per day of biofuels could be produced over the next 10 years.²⁸

Despite unfounded suspicions, this convergence does not affect environmental goals and commitments, as evidenced by the achievements of our country in the most recent International Environmental Performance Index, produced by environmental experts at the universities of Yale and Columbia in the United States.

Colombia ranked 17th in the 2007 Environmental Performance Index, and ranked 9th in 2008, among 149 countries, above countries such as Holland, Canada, the United States, and France. Costa Rica, which made environmental protection a national priority, ranked 5th and was the only Latin American country that scored better than Colombia in that regard.²⁹ Two developing countries ranking among the top 10 in environmental performance disprove the notion that the fight against poverty is not compatible with environmental protection goals, as has been argued by countries like Brazil, China, Indonesia, and other countries that have already harmed the environment in order to be in the place where they are in the present.

In any event, there will be more economic development as our countries move forward, and the demand for energy will increase in that same proportion. This development will combine different energy sources like fossil fuels and clean renewable energy sources based on wind, solar, and biofuel technologies that are compatible with the current Colombian conditions, as explained later in this document.

²⁷ *¿Food or Gas? Op. cit.*

²⁸ *Idem.*

²⁹ *El Tiempo*. Colombia, noveno país más ecológico (Colombia, Ninth Most Ecological Country). Bogotá D.C., January 24, 2008.

The truth is that Colombia, one of the world's top 10 countries in environmental performance, as pointed out on the front page of *El Tiempo*, is also on the spotlight of a debate staged by NGOs and the Academia about possible adverse effects of oil palm on social, environmental, and economic processes. As far as NGOs are concerned, one could cite as an example the accusation made to the oil palm agroindustry relating to the "disastrous effects on food security, access to land, and work conditions of the local populations."³⁰

As far as academia is concerned, one could cite statements concerning the manner in which agro-biofuels will not only generate polluting greenhouse gas emissions, "but will also increase deforestation processes in vulnerable areas. They will displace food production in farmland areas, and will increase staple food prices, reinforcing the concentration of capital in large corporations, with no significant impact on the current development models based on high consumption of fossil energy. In the long-term, these crops could be detrimental to the environment and to the peasant economies that would be displaced by these large plantations."³¹

National and international debates show that biofuels have moved from being a low-cost, environmental alternative to non-renewable and highly contaminant resources such as petroleum and coal, to being a factor of agricultural disturbance that affects the food supply, causing food prices to surge and, consequently, propitiating serious food crises.

According to the price index produced by *The Economist*, prices have risen drastically, recording the highest figure since its foundation in 1845. In real terms, prices have increased by 75% since 2005.³² This upward trend, according to some critics, is underpinned by the fact that bioethanol and biodiesel are produced from specific agricultural products such as cereals, sugarcane, and oilseeds, with the ensuing rise in farmland and food prices.

³⁰ Fidel Mingorance, *El flujo del aceite de palma Colombia-Bélgica-Europa. Acercamiento desde una perspectiva de derechos humanos (The Flow of Palm Oil Between Colombia-Belgium/Europe. An Approach from a Human Rights Perspective)*. HREV-CBC, Brussels, Belgium, November of 2008, P. 9.

³¹ Tomás León Sicart, *Nueva reconfiguración del campo colombiano (New configuration of the Colombian countryside)*. UN Periódico, National University of Colombia, Bogotá D.C., 16 December, 2007.

³² *Semana. Alerta alimentaria (Food Alert)*, Bogotá D.C., 14 January, 2008, P. 58.

Agro-biofuels are at the center stage of a complex controversy in which two opposing currents of thought advocate for their own economic, social, political and cultural interests, although not always explicitly. Therefore, as it is usually the case with similar controversies, it is better to try to objectively identify the reasons, regardless of origin and actors, that allow one to identify pros and cons of the problem, that are not based on biased considerations, simplifications and naïvetés that attempt to go against the flow of the global energy crisis that, in spite of the difficulties and slow results, will continue to push forward with technical advances and innovations to change the global energy matrix, still dominated by fossil fuels. This trend towards alternative energy is growing stronger, driven by rising oil prices.

In the case of Colombia, one could say that the use of land for biofuel production is not only a step in the right direction for new technological applications to develop cleaner fuels and improve fossil fuel efficiency, but also in the recognition that the risks identified in other countries do not apply to our particular situation. In fact, there is more than enough farmland in our country, considering that of approximately 28 million hectares of farmland, only 5 million are actually being used for that purpose.

This is a food security foundation to which one should add the growing biotechnology prospects to extend the agricultural frontier into areas traditionally excluded because of drought, salinity and erosion. To this effects, the considerations made by Carlos Gustavo Cano, Joint Director of the Central Bank and former Secretary of Agriculture, become relevant: "An important technological leap forward will take place over a 3 to 5 year period that will reverse the pessimistic view on food security, to the point that the skyrocketing food prices will drop much earlier than originally projected."³³

³³ *Ibidem*.

In spite of the security margin given by the large amount of land suitable for agriculture, there still are concerns about possible adverse consequences arising from that same great potential of land available for biofuel feedstock production. In a recent study by the University of Wisconsin on biodiesel export potential among 223 countries, Colombia ranked 6th in "the *Top Ten* list of developing countries with the highest biodiesel export potential and profitability in this business."⁸⁴

According to the analyst Tomás León, such expectations, if fulfilled, would force the country to "rethink the agricultural sector, not only in its fundamental role as productive sector and driving force behind socioeconomic development and peace processes, but also in its role as the engine for spatial reconfiguration of the productive activities and thus a major player in the territorial planning."⁸⁵

These concerns are based on the presumption of a new energy export model that will unleash a bioenergy avalanche over all types of lands (suitable or not, with easy or difficult access, biophysical limitations for these types of crops, etc.) and that given the lack of environmental and social principles, would have the possibility of finding loopholes to avoid even the territorial planning regulations that were built with great effort over the last few years.

This export model would, on the one hand, consolidate the "Colombian latifundium" with long-term projects and, on the other hand, could "concentrate even further the country's agroindustrial capital," affecting "working conditions in the new plantations or in large monoculture fields." A new export model resulting from global policies issued and imposed by central countries with strong economies, to the detriment of dependent countries like Colombia, which are being forced to modify their agricultural production processes, thus affecting not only territorial planning but also the chain of production, the use of the land, trading channels and, in general, the

⁸⁴ Tomás León. Op. cit.

⁸⁵ *Ibidem*.

agricultural development model. This, of course, will have an impact on the development model of peripheral countries and particularly on Colombia.³⁶

Fortunately, it seems that this alarmism has its limits and, based on these limits, one can encourage moderate thoughts, as was the case with the academic we have quoted above who, four months later, remarked: "In Colombia, the debate can be made more nuanced because there still is enough farmland that can be planted with oil palm without competing with food crops or clearing forest land."³⁷

In any event, even without knowing what that new and strange agroindustrial export model of productive latifundium may be, it is possible to say that the liberal, democratic, and capitalist nature of the Colombian sociopolitical system makes unviable the forced and sudden irruption of any development model, imposed based on eventual global policies and interests, just as proposed by the apocalyptic arguments described above.

In spite of the simplistic distortions of globalization, it does not entail the free circulation of particular interests where the dominance of a few competitors is assigned from the onset. On the contrary, it implies a wide field of competencies and interdependencies among public and private actors, in which the economic, political, social, and environmental standards and regulations play an increasingly important role.

The global space cannot be presented as a vast hunting reserve where winners' and losers' roles are ensured without distorting the truth and ignoring the seriousness that an international development like the one we are experiencing today deserves. Globalization is also, especially in the case that we are interested in highlighting here, a supplemental driving force and an opportunity for the comparatively weak regional and national spaces to claim the modernization as a fundamental right of their citizens.

³⁶ *Ibidem*.

³⁷ *Semana*. ¿Colombia es vulnerable? (Is Colombia Vulnerable?) Bogotá, 21 April, 2008. P. 51.

Part of this issue was discussed at the recent G8 meeting, when the World Bank presented an unexpected document stating clearly and directly its views on the role that biofuels play on food security. According to this document, corn biofuels significantly affect the global food balance, whereas biofuels produced from other sources such as sugar cane, pose no threat to food supplies.

The document did not hesitate to point out the case of the United States, where 30% of the cereal belt is devoted to biofuel crops, as "the most responsible for skyrocketing corn prices, making the family shopping basket and animal feed production more expensive in countries that are net corn importers."⁸⁸

That is a very different scenario than that of other countries such as Brazil and Colombia where ethanol is, for the most part, produced from sugarcane. In our case in particular, Colombia is working on an ambitious biodiesel project based on oil palm.

⁸⁸ Juan Camilo Restrepo. *La querrela de los biocombustibles (The Biofuel Controversy)*. Portafolio. Bogotá D.C., 15 July, 2008.

Economic and social geography of the palm oil in Colombia

3.1 Oil Palm growing zones

Oil palm crops and oil mills are located in 4 areas: North, Central, East and West, with a total of 330,000 hectares covering 96 municipalities in 16 departments. The sample for this study came from 8 departments (Casanare, Meta, Santander del Sur, Norte de Santander, Cesar, Nariño, Bolívar and Magdalena) and 14 municipalities (Villanueva, Cumaral, San Martín, Puerto Wilches, San Martín, San Alberto, Tibú, Tumaco, María La Baja, Ciénaga, Zona Bananera, Fundación, El Retén and El Copey).

The following table shows the cultivated area and growth potential in each zone:

Zone	Current area (hectares)	Potential
Central	77.594	693.103
North	97.881	579.493
West	34.610	66.865
East	106.317	1'933.821
Total	316.402	3'273.282

Source: MADR/Corpoica-Cenipalma, 2007.

Additionally, there are 56 oil mills in this large area, distributed as follows: 16 in the North Zone, 10 in the Central Zone, 23 in the East Zone and 7 in the West Zone. The aggregate production of palm oil accounted for 1.6% of the agricultural GDP, in average, for the period between 1996 and 2006. Palm production grew by 5.9%, moving up from 409,000 tons to 711,000 tons in that same period.

Figures show that the annual production yields of crude palm oil, in tons per hectare, evidenced an upward trend between the early 1990s and 2007, with an average of 3.64 per unit of area harvested. This shows that the productivity levels of the Colombian oil palm growing areas are comparable to international levels. This is a noteworthy fact, considering that production costs in Colombia are significantly higher than those in, for example, Malaysia and Indonesia (with 90% of the world's total exports of oil palm), due to circumstances such as technological lagging; low-scale production; inefficiency of some productive factors like access to land, credit and infrastructure, and Country-competitiveness deficiencies due to legal stability and security issues associated with rural violence.

However, and although Colombian exports account for only 0.91% of the global exports of palm oil, Colombian production has advanced significantly. In 2006, while Malaysia and Indonesia had a total of 4.17 million and 5.15 million hectares planted with oil palm, and a production of 15.9 and 15.8 million tons, respectively, Colombia had 301,000 hectares of palm oil and a production of 711,000 tons of palm oil in that same year.⁵⁹

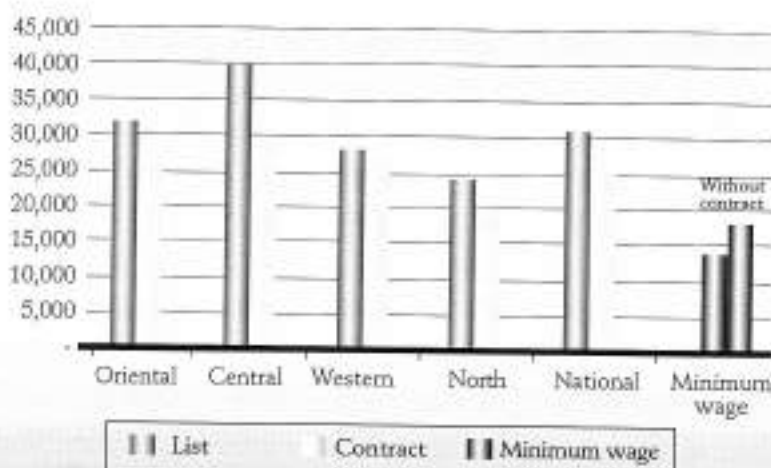
By mid-2007, Fedepalma prepared a production cost update report in the four oil palm growing areas, according to a sample of 42 surveys in oil palm plantations and mills. Surveys were designed based on fixed and variable costs. Results showed that fixed costs accounted for approximately 30% of the total costs, as follows: 10.4% for machinery, equipment and infrastructure; 11% for land; 10.1% for crop establishment, nursery, land preparation and planting, including labor and agrochemicals. Variable costs accounted for 52.2% of the total costs, including crop maintenance and harvesting activities, agrochemical inputs (fertilizers, pesticides, herbicides and seeds) and technical assistance. The remaining 10.4% includes other variable

⁵⁹ Departamento Nacional de Planeación, *Estrategia para el desarrollo competitivo del sector palmero colombiano*. (National Planning Department: *Strategy for the Competitive Development of the Colombian Oil Palm Sector*) Conpes Document 3477, Bogotá D.C., 9 July, 2007. P. 5.

costs like infrastructure and equipment maintenance and operation (fuel, lubricants, spare parts and animal maintenance). Administration costs account for approximately 15.5% of the total agricultural cost. This figure is considered to be significantly high, considering the size of the plantations.⁴⁰

Thus, fixed costs take the largest share (investment in the oil mill), accounting for 46% of the total cost. Variable costs (labor, fuel, maintenance and spare parts) account for 35%, and administration costs account for 19%. The report highlights the high proportion of the fixed costs, which calls for better utilization of the installed capacity in order to mitigate those cost overruns.

The following chart shows labor costs per day in Colombian pesos for 2004:



Fuente: Elaboración propia.

Based in the above chart, we can highlight the following important facts: a) the Central Zone has the highest wages both in contracts and payroll, with Col\$ 30,000 and Col \$40,000 pesos/day, respectively. b) The North Zone has the lowest wages with Col\$ 19,000/day for

⁴⁰ Duarte Guterman & Cia. Ltda. *Actualización de los costos de producción del aceite de palma* (Update of the Palm Oil Production Costs) Report 3. 18 June, 2007. P. 15-16.

contracts and Col\$ 24,000/day for payroll. c) The average minimum daily wage, including benefits, is approximately Col\$ 18,000 pesos, and Col\$ 14,000 without benefits.

It should be understood that high production costs are largely due to the high labor costs, which are by far the largest cost component. This can be partially explained by the high salaries paid in the sector.⁴¹

3.2 Oil palm and agricultural development

Any consideration about the Colombian agricultural sector's development, either in terms of results or expectations, must be based on actual facts and signs of potential economic growth of the country. Although this growth cannot be classified as one of the economic miracles of the world to have emerged over the past 60 years, it has nevertheless been positive over six decades (except for 1999), and the average annual growth rate of 4.5%, can be classified as outstanding.

According to external and internal analysts, Colombia has managed to eliminate the strong macroeconomic instability cycles that have had devastating effects on the majority of Latin American countries in the last few decades. According to this, a sustainable growth in the next years is an actual possibility, as long as "the security conditions do not worsen significantly, the macroeconomic management continues to be prudent, a healthy business environment is maintained, and the natural resources are managed in a responsible manner."⁴²

The agricultural sector, therefore, plays an important role in the country's sustainable growth, as it accounts for 14% of the national GDP, 23% of the labor force and 28% of total exports. This contribution is subject to various threats due to an inefficient allocation of resources, evidenced by a significant decline in rotational crops since the

⁴¹ Ibidem, P. 22.

⁴² Krishna Challa. *Cómo hacer posible un crecimiento sostenido (How to Make Growth Possible)*. Colombia. Economic fundamentals... Op. cit. P. 25.

1990s which, although partially offset by an increase in permanent crops, compromises this sector's future because "most of the area that used to be devoted to agriculture is now devoted to low-productivity extensive cattle production."⁴³ This is a matter of great concern, considering that most of it is extensive cattle grazing, and approximately 40% of the total production is in the hands of 4% of landowners.

To say that the rural sector is instrumental in the development of the country may sound redundant. However, it must be stressed in order to keep in mind that the rural environment is much more than just agriculture. In fact, considering that towns with a population of up to 10,000 are part of the rural world, we have a much more complex and strategic dimension of the role that these particular social and economic activities play in the national development process. Therefore, we cannot represent the development of the country in terms of de-ruralization and urbanization as antagonistic processes that indicate large social and economic imbalances.

Global productivity and competitiveness requirements provide the concept of rural development with a new approach, in which the need for diversification calls for the improvement of local infrastructure, improved access to land and credit, contractual transparency and security, and trust in production and market alliances.

Productivity, competitiveness, and diversification are the basis of any market-based growth strategy that can provide Colombian agriculture with comparative advantages in the increasingly demanding international markets. However, according to experts in the subject, "in spite of its remarkable ecological diversity and its rich natural resources," Colombian agriculture "has not produced important innovations to diversify into more profitable crops (with some exceptions such as oil palm and banana) and exploit its rich potential in global markets."⁴⁴

⁴³ *Idem*, p. 49.

⁴⁴ Adolfo Britzi et al. *Agricultura y desarrollo rural (Agriculture and Rural Development)*. Colombia. Fundamentales... Op. cit. p. 442.

The positive economic outlook of oil palm, with bioenergy as a new transformation element, should be viewed within the context described above not only for this specific crop, but also for the entire Colombian countryside. In fact, based on the global demand for biofuels and the government goal of having by 2012 fuel blends of up to 20% using palm oil, sugarcane and sugar beet as feedstock, rural activities in the country may begin to change drastically.

It would not be exaggerated to say that with diesel and ethanol we would be clearing the way towards a new production rationale of business economies fed by increasing numbers of crop production centers and agroindustrial processing plants; a new rationale that could even encourage the reconfiguration of the anachronistic extensive cattle production system that predominates in Colombia, as the need to free up land to meet the growing demand for biofuels, without affecting the food supply, would contribute to "increase the per-hectare carrying capacity from 0.5 to an average of 1.5 head of cattle/hectare."⁴⁵

Oil palm is a notable example of the search for more diversified and productive activities in the Colombian agricultural environment. Its share in the real value of the national agricultural production is quite significant, considering the percentages recorded in 2006: 5.0% in relation to agricultural production; 2.9% in relation to agriculture and livestock production; and 9.1% in relation to permanent crops.⁴⁶ According to reports from the Department of Agriculture and Rural Development, there are 14 major permanent crops (banana, cacao, plantain, tobacco, oil palm, *arracacha*, sugarcane, coconut, *maguey*, yam, yucca, fruit trees, coffee, and flowers), seven of which are statistically noteworthy, including oil palm, because of its significant annual growth rate.

Since the 1990s, oil palm growth rate has outpaced the annual domestic consumption of palm oil, evidenced by the steady rise in exports. In fact, the export supply of palm oil grew from only 7%

⁴⁵ Edmer Tovar Martínez, *Bioenergía cambia el mapa agropecuario* (Bio-Energy Changes the Agricultural map). Porfolio. Bogotá D.C., 7 April, 2008.

⁴⁶ Fedepalma, *Los rostros de la palma* (The Faces of the Palm) Bogotá D.C., October 2007, p. 29.

in 1995 to 25% in 2000 and 33% in 2006.⁴⁷ In 2007, the value of the total domestic production of palm oil was 528 million.

Palm oil market outlook (thousands of tons)

Year	Domestic production	Tradition of consumption	Domestic diesel consumption	Biodiesel consumption	Total consumption
2007*	733	421,7	4.770	8,8	430,5
2008**	777,6	415,7	4.942	37,7	453,4
2009**	858,1	431,8	5.120	243,3	675,1
2010**	981,9	442,5	5.304	504,2	946,7

Source: Edmer Tovar Martínez, "La bioenergía cambia el mapa agropecuario"

The above considerations about the importance of oil palm in the country's agricultural development will be highlighted in the type of regional presence in each of the 4 oil palm growing zones established nationwide.

A. East Zone

In this area there are approximately 106,317 hectares planted with oil palm, accounting for 29.4% of the total production of crude palm oil. It covers 4 departments and 29 municipalities, of which 3 were selected as a representative sample for this research study: Villanueva (Casanare), Cumaral (Meta) and San Martín (Meta). There are 21 oil mills located in nine municipalities.

In Villanueva, where farming is the main economic activity, oil palm crops occupy 11.5% of its territory, and there are 3 mills for the production of crude palm oil.

In Cumaral, whose economy has been traditionally based on cattle ranching (52,300 head of cattle) and rice production (4,493 hectares),

oil palm surpassed rice with 5,750 hectares cultivated. According to official municipal reports, “the technological leadership of oil palm exploitation has been evident. There are two large companies in our territory engaged in the production and processing of palm oil: Hacienda La Cabaña, which has a plant for the extraction and processing of palm and kernel oils, as well as for the production of cooking oil, margarine and animal feeds; and Plantaciones Unipalma de los Llanos S.A., located in the rural district of Veracruz, which has an oil mill processing plant (...).”⁴⁰

In San Martín, where 63% of the territory is devoted to cattle ranching, and approximately 1.74% to agriculture, oil palm is the most important crop with 6,513 hectares.

B. Central Zone

The Central Zone comprises 77,594 hectares, accounting for 30.5% of the total production of crude palm oil. It encompasses five departments and 28 municipalities. It has 10 oil mills located in seven municipalities. Four municipalities were selected for the fieldwork: Puerto Wilches (Santander del Sur), San Martín (Cesar), San Alberto (Cesar) and Tibú (Norte de Santander).

In the Central Zone the municipality of Puerto Wilches is noteworthy. There the main economic activity is oil palm production, followed by extensive cattle farming and petroleum extraction. There is one oil processing plant and four large oil palm plantations in this municipality: Palmeras de Puerto Wilches (created in 1987 by small and medium-sized oil palm growers), Bucarelia, Monterrey and Brisas.

Agricultural and petroleum exploitation form the basis of San Martín's economy. The main agricultural activity is oil palm production with five plantations, most notably Palmas del Cesar and Agroince, and one oil processing plant, followed by rice cultivation.

⁴⁰ Webpage of the municipality: www.cumeral-meta.gov.co

San Alberto has four large oil palm plantations, geographically shared with the municipality of San Martín, and the same rice production tradition. Indupalma is the most important company in this municipality.

Tibú is a newcomer to the oil palm industry. It comprises 4 areas with distinct economic structures. The first one comprises the urban area and the rural district of Tres Bocas; the second area includes the rural districts of Campo Dos, La Llana, Petrólea and Campo Giles; the third one comprises the rural districts of Pachelli, Vanguardia and Versalles; and the fourth area comprises the rural district of La Gabarra.

The main economic activities in Zone One consist of trading and oil palm production; in Zone Two, oil palm production, cattle ranching, cacao and subsistence crops; In Zones Three and Four, characterized by their mountainous topography, there are illicit crops and some coffee and fruit trees. The petroleum industry is present in all four zones, except in Indian territories, located north of the municipality.

Some entrepreneurs brought oil palm to the municipality in the 1960s and set up an oil mill, which was later sold to Incoder in 1985, after one of the owners was murdered by the guerrilla. Incoder expanded the ownership of the oil mill to include 48 local partners. The operation exists today with the name of Cooper (Cooperativa Palmas de Risaralda), and has 400 hectares planted with oil palm.

C. West Zone

This Zone comprises 34,610 hectares, located in the municipality of Tumaco, accounting for 9.9% of the total crude palm oil production. There are eight oil mill processing plants in this municipality.

The main economic activities in this municipality consist of oil palm production, cacao, and small-scale fishing. Oil palm cultivation in the municipality began in the 1960s, and surpassed cacao as the region's leading economic activity. The consolidation of the oil palm industry was largely due to the interest of large companies from Valle

del Cauca and Bogotá, attracted by State incentives for locating businesses in that region.

Later, with the expansion of oil palm plantations, small and medium-sized farmers joined the business. The 38,000 hectares that are currently planted with oil palm are distributed as follows: 20,000 hectares belong to large companies, 10,000 to medium-sized companies, and the remaining 8,000 hectares to small producers.

D. North Zone

The North Zone comprises 97,881 hectares, accounting for 30% of the total production of crude palm oil. It covers 8 departments and 37 municipalities, with 14 oil extraction plants in 10 of those municipalities. Seven municipalities were selected for this research study: María La Baja (Bolívar); Ciénaga, Zona Bananera, Fundación and El Retén (Magdalena); El Copey and Codazzi (Cesar).

María La Baja is a large and strategic municipality endowed with abundant water resources, with rich, fertile soils that are suitable for a wide variety of crops. 90% of its territory is suitable for agriculture and cattle ranching. It has large swamps that are rich in aquatic resources, and numerous streams that make up the important María La Baja irrigation District.

The importance of oil palm in the region's agricultural development became evident during the rice crisis in the late 1990s, when, with a modest outlook for the crop, the oil palm growers association Asopalma, was created in 1999. This association has been gradually becoming a rural development alternative, and today benefits more than 400 families.

Therefore, with 16,000 hectares of farmland, of which 4,000 are planted with oil palm (about 25% of the total farmland), this crop becomes an important production factor in the region's development. The improvement of the quality of life of the population, particularly in terms of public utility services and infrastructure was highlighted by a priest who stated: "Ever since the oil palm arrived in the region,

María La Baja has electric power 24 hours a day and the streets are paved; before oil palm this was unthinkable (...) additionally, the benefits in terms of employment are undeniable (...) although most of the people that they hire come from other municipalities, like Codazzi.”

Nevertheless, there are complaints that oil palm has taken away jobs and subsistence cropland, affecting food supplies and prices. However, this argument has been refuted by those who state that: “although it is true that some rice and yucca growers have been displaced by oil palm, for obvious profitability reasons, those products still can be grown because, of the municipality’s 16,000 hectares of farmland, only 4,000 are devoted to oil palm cultivation,” and as small and medium-sized palm growers put it: “It is a market problem that is not for us to solve.”

The municipalities of Ciénaga and Zona Bananera share similar histories, as Ciénaga was part of Zona Bananera until it was incorporated into a new municipality in 1999. Ciénaga’s economy consists primarily of coffee in the Sierra Nevada de Santa Marta, and coal exploitation (Drummond), fishing, and oil palm production (two oil palm processing plants), in the coastal area.

The economy of the Zona Bananera, is more related to banana and oil palm plantations. It has two important oil mills in Ciénaga and Aracataca, which belong to the same owners of most of the oil palm plantations in both municipalities.

In Fundación, the mountainous part of the municipality has small cattle operations, coffee, and subsistence crops, while on the flatlands there are large areas devoted to cattle ranching and oil palm cultivation. There are 7 plantation companies founded by a family that more than 40 years ago began shifting from banana to oil palm.

The municipality of El Copey comprises 3 rural districts. Its economic activities consist of small subsistence crops, coffee farms and large areas devoted to cattle production on the higher grounds of the districts. On the flatlands, there are small cattle operations and a large oil palm plantation called Palmeras de la Costa with an oil process-

ing plant. This company was founded in the early 1970s when some large landowners began switching from cattle and banana production to oil palm, due in part to the serious conflicts associated with banana labor unions.

3.3 The oil palm labor market

There has been a steady growth in terms of the number of people employed by the oil palm industry. Some recent figures show that the industry employed 86,195 people in 2005; 93,795 in 2006 and 101,888 in 2007. In 2005, the oil palm industry accounted for 34,478 direct jobs and 51,717 indirect jobs; in 2006, for 37,518 direct jobs and 56,277 indirect jobs; and in 2007, it accounted for 40,755 direct jobs and 61,133 indirect jobs. That is, the number of people who benefited increased from 430,975 to 509,438 over a three-year period.⁴⁹

According to a report released in October of 2007 by Fedepalma, the average payroll salary is equivalent to 1.7 times the minimum legal salary, and the contract income is equivalent to 1.4 times the minimum legal salary. According to Fedepalma, this figure is "three times higher than the average income in rural areas for payroll workers and two times higher than for rural contract workers."⁵⁰

According to the 2008 agricultural statistics of the Department of Agriculture, oil palm ranks within the top 9 job generators among permanent crops, as shown in the following table:

⁴⁹ Sources: Fondo de Fomento Palmero, Fondo de Estabilización de Precios, Oil World, Fedepalma.

⁵⁰ Fedepalma. *Los rostros de la palma (The Faces of the Palm)*. Op. cit. P. 45.

Direct jobs created, by crop

Crop	2005 (preliminary)	2006 (preliminary)
Coffee	765.894	757.529
Sugarcane (for brown sugar)	333.070	316.577
Plantain	171.759	170.559
Fruit trees	162.135	167.810
Traditional Yucca	92.792	87.053
Cacao	54.557	57.223
Oil Palm	44.048	49.598
Sugarcane	37.000	35.751
Banana	36.276	36.650

Source: Aries Leiva, Andrés Felipe, Minister of Agriculture and Rural Development, Agricultural statistics - Department of Agriculture and Rural Development, Bogotá D.C., 11 February, 2008

Of the total direct jobs created by the 20 permanent crops (1,900,563 in 2005 and 1,888,650 in 2006), oil palm accounted for 2.32% of the direct jobs created in 2005 and 2.63% in 2006, or a 0.3% increase.⁵¹

The oil palm industry provides formal employment. Its business structure guarantees access to social security services including health, workers' compensation, pension, occupational health and industrial safety. Up to the mid 1990s, labor relations in large oil palm companies, particularly in the North and Central Zones, were affected by the political activism of union organizations, strongly influenced by the petroleum workers union, USO, and some illegal armed groups like M-19 and the ELN. However, labor relation conflicts between workers and employers at the initial consolidation stage of the agroindustry soon demonstrated that the defensive actions of both parties had to form a common understanding: that salary demands,

⁵¹ Permanent crops are: export quality banana, cacao, sugarcane, export quality plantain, black tobacco, export quality black tobacco, oil palm, amacacha, caña miel, caña panela, coconut, maguay, yam, plantain, traditional yucca, industrial yucca, fruit trees, coffee, rubber and flowers.

on the one hand, and capitalization, on the other, must be the result, not the precondition to build a common economic project.

In view of the distinct possibility that such demands could lead to the shutting down of some companies and the elimination of employment sources, the parties agreed that making hiring practices more flexible was the only way to make profitability, as a condition for permanence in the market, compatible with employment stability.

Consequently, a new hiring model was implemented, different from the traditional union hiring practices so closely tied to capital-work conflicts as a structural political fight. This model of Associative Work Cooperatives (CTA), endorsed by the International Labor Organization (ILO), abides with and conforms to the law in terms of social security, contributions, and administration costs. The fact that members of a cooperative cannot join labor unions was repudiated and discredited by Unions interested in reversing their declining membership.

In any event, the capital-work relationship within the oil palm industry is no longer the traditional employer-employee relationship, but a business approach in which the quality of the supply and the verification of results are the priority. These cooperatives, which have helped in oil palm development, "have successfully involved workers in productive associations that allow them to purchase inputs, tools and equipment under more favorable market conditions, and manage their own enterprises in a lawful manner."⁵²

However, these cooperatives have been criticized from extreme perspectives that regard their efficiency as the result of a lack of worker organization, of competition among workers, and even an alleged armed coercion by paramilitary groups in favor of the large businesses; a coercion that "controls the quality of the work, the care of the tools, not to mention the workers' safety and health," stated a

⁵² Mauricio Acuña Aguirre. *Es el momento de dar el salto (This is the Time to Take the Leap)*. Palmas Fedepalma. Bogotá. Vol. 29. N° 2. 2008. P. 115.

commentator according to whom this model “helps increase profits because it allows companies to enter into inequitable contracts with the associations, with the acquiescence of the workers. Additionally, by placing the associations in the role of employers, companies reduce their administrative and political burden: the worker assumes the employer’s transaction costs, hindering the possibility of exercising class solidarity.”⁵³

It is obvious that the labor association concept promoted by the oil palm industry does not correspond to the image of class struggle and confrontations between employers and workers described above. A significant number of Colombian businesses and workers have opted to move away from those old stereotypes and have developed consensus-building and conflict resolution processes that are more in line with the current globalized world. In this perspective, the purpose is not to deny the existence of employer-employee conflicts, but to favor economic convergences over antagonistic slogans that are external to the specific scenarios where social wealth is created.

Oil palm growing areas are perfect scenarios to verify, through each of the four zones, how this undoubtedly different capital-work relationship works.

A. East Zone

The plantation company *Palmera Santa Ana*, located in the municipality of Villanueva, Casanare, has four cooperatives, whose number of members depends on the oil palm’s harvesting cycles. One of the advantages for the workers is that by improving the harvesting practices, they remain involved in the oil palm business almost year-round, increasing their production and income stability.

This is one of the cooperatives’ main advantages, as confirmed by one of the respondents: “when there is no harvesting, cooperative

⁵³ O Loingsigh, Gerardo. *La estrategia integral del paramilitarismo en el Magdalena Medio de Colombia (The Integral Paramilitary Strategy in the Colombian Magdalena Medio)*. www.prensarural.org. Bogotá D.C., September of 2002.

members work in other related activities such as mowing, irrigation, fertilization, weed control, etc. (...)."

According to the manager of one of the cooperatives, there are other benefits besides stable, year-round income, as the families of affiliated members are provided with social security services, recreational activities, and savings accounts for education and housing projects. Currently, there are three housing projects underway for cooperative members in the municipality of Villanueva.

According to the interviewed manager, it is important to note that although the workers' earnings are lower during off-harvest season, they are comparatively higher than in other settings such as cattle ranching, citrus, and rice crops, where labor is characterized by being temporary, informal, and seasonal.

Located in the municipality of Cumaral, Meta, where the main economic activities consist of oil palm and cattle production, the Hacienda La Cabaña has 5 cooperatives that offer additional economic activities aimed at their members' families. Among the most valued activities are the income opportunities offered to women by the *cachama* aquaculture and citrus projects.

The San Marcos plantation is located in the municipality of San Carlos de Guaroa, Meta. This plantation combines direct employment with cooperative systems. It has four plantations and one oil mill with 54 regular payroll workers and 60 workers organized in cooperatives.

The municipality of San Martín, Meta, has very particular characteristics and a different vision of the oil palm business. Located here is the Association of Displaced People of San Martín (Asdesan), made up of people uprooted from their homes by violence, mostly in Guaviare, Vichada, and the former demilitarized zone in Meta.

It is important to highlight the special oversight system implemented by the company Bucarelia for its cooperatives in the Central Zone as a result of the complaints filed by the Asdesan representative concerning alleged irregularities in salary deductions. It is also

important to note that Associative Work Cooperatives are, as mentioned before, internationally endorsed entities regulated by the National Labor Relations Act.

Finally, the municipality of Acacías, Meta, traditionally a rice growing area, has been shifting to oil palm cultivation due to the successive rice crises, in spite of the fact that the investment required for rice is substantially lower and is recovered in 6 months, while the investment in oil palm is recovered in 6 years. Nonetheless, oil palm is the most labor-intensive crop, it offers more stability, and has the highest number of people affiliated to the social security system.

B. Central Zone

In Puerto Wilches, there are five large oil palm plantations; three of them, Monterrey, Brisas, and Bucarelia, were created more than 40 years ago. Bucarelia has 5,000 hectares planted with oil palm; however, there is no concentration of ownership by large companies because 60% of the land planted with oil palm belongs to small and medium-sized producers.

One of the main benefits that oil palm brings to the region is employment. This activity accounts for 50% percent of the jobs in the region, compared to 30% in Ecopetrol, 10% in cattle ranching, and 10% in fish farming. The oil palm industry provides permanent and occasional jobs, either through the company itself or through cooperatives or strategic alliances. For example, Bucarelia has 270 payroll workers, and the cooperatives hire between 450 and 600 workers during low and peak seasons, respectively.

Given the high number of cooperatives in Puerto Wilches, (approximately 200), this research study decided to delve deeper into this type of organization. The general manager of Bucarelia, where 10 cooperatives are provided with special oversight systems to ensure proper management of funds, said: "The cooperative model was strengthened by the State with the passing of a law in 1992 that promotes associative work and job banks (...). Additionally, coopera-

tives have a different vision where workers are business owners, and that makes them different from those who just provide a service (...). It is an efficient option that breaks with the traditional employer-employee scheme (...). The problem is that not all businesses handle cooperatives in the same way.”

In relation to some opinions in the municipality as to how the increase in prices is due to the oil palm boom, the same manager said that it is a mistaken vision: “One only has to remember that Puerto Wilches before oil palm was all about extensive cattle farming (...) there were no yucca or corn crops of any significance (...) then, one doesn’t understand why they make that association with oil palm (...), in the case of Puerto Wilches not a single hectare of corn was displaced by oil palm. On the contrary, oil palm made the land productive from the agricultural perspective (...) violence is what is driving land prices higher.”

There have been two labor unions in Puerto Wilches since the mid-1980s: Sintrapalma and Sintrainagro, the latter from the banana growing region of Urabá. However, unions have been losing power for various reasons. According to some workers and businesses, the improvement of the negotiating and conflict resolution capacities between the parties has opened new labor relation roads for a younger labor force attracted to the cooperatives, while union membership has been declining, in part due to the retirement or indemnification of its members.

From the workers’ perspective, in the opinion of a 10-year unionist, “Unions are getting weaker because younger generations prefer cooperatives, as they are not regarded as just labor intermediaries, but as generators of productive projects for its members.”

Additionally, the cooperatives of Puerto Wilches, San Alberto and San Martín have a very strict auditing system to ensure compliance with social security requirements, as well as the assistance from the oil palm companies concerning the productive projects to be implemented. To this end, the companies have a business development of-

fice in charge of providing the cooperatives with training and monitoring activities.

In Tibú, the oil palm, cacao, and petroleum sectors are the largest employers. In the case of oil palm, the presence of Humanitas, a private, solidarity cooperative that helps in the economic reintegration of displaced persons, with the support of the International Organization for Migration (IOM), is noteworthy. However, although the cooperative's initial intention was to have 80% of its members from displaced populations and 20% from the local community, in fact local members are the majority because very few of the displaced people stayed in the municipality. The cooperative has 150 members, who work mostly in oil palm companies, and to a lesser extent in cacao plantations.

C. West Zone

There are 12 large oil palm companies in Tumaco: Palmas de Tumaco, Palmeira, Santafé, Santa Helena, Salamanca, Miranda, Manigua, Astorga, Agrogán, Palmar Entre Ríos and Palmapac. Workers are hired under different types of contracts. Management positions are filled through direct hiring; 70% of oil mill and field workers are hired through cooperatives, and the remaining 30% through contractors. However, 9 of these companies said that they try as much as possible to do their hiring through cooperatives because, in many cases, contractors do not pay the social benefits to which workers are entitled. The oil palm business is the largest source of employment in the region, as it accounts for approximately 7,200 jobs.

D. North Zone

The largest sources of employment in María La Baja are oil palm plantations, cattle ranching, and sugarcane production. Here, the oil palm industry is represented by Asopalma, an association made up of more than 400 peasant families that, according to its representative, provides more than 1500 permanent and temporary jobs.

The municipality's processing plant has a cooperative with 200 members who also work in the plantation. The Municipal Attorney's Office and the Government Secretariat concur in the important benefits that the oil palm industry provides to the municipality in terms of employment, but criticize the little interest taken by other businesses in social investment in the municipality. The representative of Asopalma has insisted, however, that the employment provided to the displaced population is, in fact, a considerable social investment. This argument was supported by the representative of one of the associations of displaced people, who said: "Oil palm has given more empowerment to the civil population in María La Baja."

In Ciénaga, the oil palm industry is the largest employer of the municipality, followed by Drummond and C.I. Mar Caribe. The oil palm sector employs the largest number of unskilled workers, approximately 50%, compared to coal, for example.

Workers are recruited through direct hiring procedures and through cooperatives that are highly committed to productive projects such as swine raising, fruit production, and integrated farms. According to respondents, there are no labor unions related to oil palm plantations in this municipality.

In El Copey, the municipal Town Hall and the company Palmeras de la Costa are the top employers of the municipality. There are two cooperatives and one labor union, Sintraproaceite, founded in 1983, with an extreme left agenda. This union led several serious labor conflicts, over a 10-year period that ended in 1993 with an agreement in which the unionists accepted to convert debt into shares, acquiring 20% interest in the company and one seat on the Board of Directors.

Later, Sintraproaceite created two cooperatives that provide maintenance, transportation, and general services to Palmeras de la Costa. This shows that it is possible to have alternative labor organizations and good labor relations between employers and employees.

3.4 The oil palm industry and social development

Social responsibility, generally exhibited as a flamboyant ethical concept alluded to in speeches by politicians and industrialists, is becoming a concrete national, regional, and local development factor in the plans and programs of modern industrial companies. From ethical values, as they were called in the past, responsible social actions have been turning into economic values, to the point that the social sphere is no longer a simple philanthropic projection, but an investment that has effects on the companies' profitability and competitiveness.

The concept of Corporate Social Responsibility (CSR) has become an added value in the sustainability process of productive projects, as attested by the *Global Pact*, a UN Organization that promotes the CSR, in which our country has the honor of ranking fourth in the number of companies and organizations that have joined the Pact, and number one in terms of effective participation in its programs.⁵⁴

In the case of oil palm, beyond the relevant strictly economic indicators, what can be said about its social sustainability and profitability?

Let us begin by remembering that the development of oil palm activities in our country has been based on large and medium-sized plantations, operated by individual business owners, so that the participation of small producers (less than 20 hectares) has been marginal both in terms of total area and production.

Results of the 1997-1998 oil palm census showed that small producers accounted for about 3.7% of the total planted area, confirming the assumption that oil palm is viable only at large-scale operation levels. However, by the end of the last century, this idea began to change with a new paradigm of small operations establishing new forms of partnerships and strategic alliances among themselves and

⁵⁴ María Clara Valencia, *Responsabilidad Social. Un excelente negocio (Social Responsibility: An Excellent Business)*. El Tiempo, Bogotá, D.C., 22 April of 2008.

with large agroindustrial enterprises, based on previous experiences in other countries such as Malaysia, Costa Rica and Venezuela.

A new notion of social sustainability emerged within economic development that, in the case of the Colombian oil palm industry, tends to regard competitiveness and fairness not as antagonistic forces, but as complementary components. The concrete result would be the establishment of Strategic Alliances between large agroindustrial corporations and small producers, as "an organizational option within the vertical and horizontal integrations where value chain agents coordinate their interests and solidarity ties."⁵⁵

This new solidarity and social capital perspective within the traditional productivity and profitability horizons inherent to capitalist enterprises is, however, not exempt of debate. According to some members, concentrating on issues related to "social interests, substitution of illicit crops and peace policies," posed the risk of relegating basic competitiveness issues to a second tier.⁵⁶

According to the majority of the members, the alliances were justified not only from the social perspective but also from the capitalist perspective, because the incorporation of small producers increases profits by improving the scale of production and business capacity.

In short, the involvement of small producers brings competitive advantages to the industry because, as pointed out by Strategic Alliance advocates, competitiveness depended "not only on the crop's characteristics, but also on the skills of the people involved in the plantations."⁵⁷

In any event, by 2005, 25% of the area planted since 1998 belonged to 83 Strategic Alliances, with a total of 52,000 hectares of oil palm owned by 4,586 farmers, of which 664 were women. This indicates that one out of six producers is a head-of-household woman. These Strategic Alliances are located mainly in the North and Central oil

⁵⁵ Tertulias Palmeras. *Alianzas estratégicas en palma de aceite en Colombia (Strategic Alliances in Oil Palm in Colombia)*. Characterization study. Document N° 77. Fedepalma-ICA-Finagro. Bogotá, D.C., October of 2008. P. 2.

⁵⁶ *Idem*. P. 3.

⁵⁷ *Idem*. P. 5.

palm growing areas, with 45,379 hectares (83%), and in the West Zone with 4,750 hectares, and East Zone with 2,280 hectares.

According to oil palm producers, these differences can be explained by "the regional concentration of support resources, both from the national government and from international cooperation, aimed at promoting viable productive projects to help populations displaced by violence, and at developing alternatives to illicit crops."⁸⁸

Different stakeholder groups participated in the creation and shaping of the Strategic Alliances, including small and medium-sized landowners, former and current plantation workers, and people engaged in other agricultural activities in the selected areas.

Promoters included business and peasant leaders and plantation managers "who managed to convince producers of the benefits of the strategic alliance system for the region's long-term development."⁸⁹

It is also important to note that by the time when Fedepalma had 83 Strategic Alliances, the International Standardization Organization (ISO), -whose purpose is to promote the establishment of international standards for manufacturing, trading and communication, among others,- was beginning to draft the soon-to-be issued ISO Standard on Social Responsibility.

As pointed out by those who participate in its drafting, the standard intends to prevent that, in this market globalization era, companies be determined by market opportunism in their relationship with social, economic and political environments, and instead encourage verifiable margins of reliability, transparency and creation of value for all the stakeholders: consumers, workers, suppliers, neighbors, etc.

The Strategic Alliances created by the government and the oil palm sector promoted social actions that have further encouraged, for example, the creation of schools in their areas of influence, to the point that "there has been an important growth in access to education

⁸⁸ *Idem*, P. 8.

⁸⁹ *Idem*, P. 12.

by new generations in the oil palm growing areas. Today, the proportion of the population with preschool education, and the literacy rates in the rural areas of oil palm producing municipalities are higher than the national average.⁶⁰

As for environmental responsibilities, the “sustainable oil palm” principle has led the industry to encourage palm oil companies to seek the ISO 14000 certification on environmental management. Today, three of the existing 56 oil palm companies are already ISO-certified. In parallel with this campaign, there is an international initiative called the Roundtable on Sustainable Palm Oil (RSPO), which has issued principles and criteria for the certification on sustainable production of palm oil. “We think that non-certified oil palm products will be very difficult to trade in the future,” said the Executive President of Fedepalma, Jens Mesa Dishington.⁶¹

In fact, compliance certifications are becoming more and more a requirement to access global markets. Given that the consolidation of social responsibility and environmental protection programs must comprehensively ensure a proper management of resources, Fedepalma, financed with funds from the Oil Palm Promotion Fund, created the Sustainable Development Program to support the business in that strategic purpose.

Below are some noteworthy examples of strategic alliances at municipal level, in order of importance:

A. East Zone

In the municipality of Cumaral (Meta), Hacienda La Cabaña has implemented a Strategic Alliance as an opportunity to provide sustainable alternatives to displaced people. The project started with 200 hectares of oil palm, involving 26 people who were provided with training in the different aspects of the business.

⁶⁰ María Clara Valencia. *Op. cit.*

⁶¹ *Idem.*

B. Central Zone

In Puerto Wilches, the strategic alliances have been historically linked to three large oil palm companies: Palmas Monterrey, Palmar Brisas, and Bucarelia. Bucarelia started as a small operation, 50 hectares, in the mid-1960s, and today has 5,000 hectares planted with oil palm. Later, came Palmeras de Puerto Wilches, made up of small and medium-sized oil palm growers from the municipality and other parts of the Cesar Department.

Along with this experience with small crops, one should mention the peasant farm model, similar to the Strategic Alliance model, promoted by the Peace and Development Program for the Magdalena Medio (PDPMM for its initials in Spanish), sponsored by the Catholic Church and led by the Priest Francisco de Roux. This program has played a leading role in human rights promotion and has significantly contributed to the region's economic development and rural employment.

The PDPMM, Ecopetrol, and the Municipal Town Hall created the Asociación de Palma de Sabana de Torres (Asopalsat) to face the social and economic crisis generated by the restructuring of the oil company in 1998, and the clashes between a Farc, ELN, and paramilitary groups. Today the association has an oil palm project with 98 families, in 980 hectares, 10 for each family. The project includes housing purchase and improvement programs, personal loans and y higher education scholarships.⁶²

Palmas del Cesar, located in the jurisdiction of both the municipalities of San Alberto and San Martín, has an important strategic alliance experience with 500 members distributed in 3,000 hectares. The project participants are small farmers who own between 20 and 40 hectares of land. They receive technological assistance and are provided with training in the establishment and maintenance of crops, as well as assistance in the use of seedlings and plant nurseries.

⁶² El Espectador. *Desplazados y productivos (Displaced and Productive)*. Bogotá, D.C., week of 17 - 23, February of 2008.

The case of Tibú is of special importance because it differs from the Strategic Alliances in that one of the associative components does not come from the private sector but from the government. In fact, the new stage of the oil palm crop began in 2002 with the illicit crop substitution policies implemented by the National Government through Plan Colombia.

The substitution of coca for oil palm was proposed to small and medium-sized farmers who since 1998 started mobilizing against coca eradication, without viable economic alternatives. It was in this context that the Asociación Gremial de la Palma Africana de Campo Dos (Asogpados) was created with 133 members and 1050 hectares. Later, 10 similar associations were created with the same name and consecutive numbers starting with 2 (3, 4, 5, up to Asogpados 9, plus Asogpados Nor), for a total of 651 members and 5,330 hectares planted with oil palm.

As José Cáceres, General Manger of Asogpados, concludes: "We decided to cultivate oil palm thanks to the government initiative, supported by Plan Colombia, to partner with the farmers in the substitution of illicit crops (...)." "The support to small and medium-sized producers to strengthen their productive projects is in fact a contribution to peace, considering the level of public unrest in the municipality of Tibú," he added.

These same trade associations cooperate with the Municipal Town Hall in development plans: "Our association has an enormous social capital, and we work directly with the community. In this particular case, we formed an alliance with the Mayors to provide residents with infrastructure. The municipality guarantees health and education, which is the area for which it has resources, and we help with road construction and maintenance, which is the area for which the municipality lacks resources," said one of the managers

There are also Strategic Alliances, as models of association with private agents in the region. This is the case of Asogpados Tres, where a group of peasants formed an association with a private business

within the AID's MIDAS program that supports a project to plant 38,000 hectares with oil palm. In this project, the farmers agreed to sell the product to the owner during a specified number of years, in exchange for up to 49% of the shares in the oil mill.

C. West Zone

One of the features that characterized the oil palm activities in Tumaco was the establishment of several associative organizations (peasant associations, Cordeagropaz and Palmasur), integrated in the search for an optimal agroindustrial development, thanks to the initiative and ongoing support provided by local oil palm companies.

Peasant associations are made up of small and medium-sized farmers organized by type of labor within the chain of production; Cordeagropaz, created and supported by oil palm companies, is a corporation for the agribusiness development of Tumaco; it was founded in 1999 to advise small and medium-sized farmers on business and technical practices, including oil palm cultivation, processing, and trading. Palmasur, which comprises six peasant associations, was conceived to optimize the processing and commercialization of the oil palm fruit. In all these cases, oil palm companies have been promoting these initiatives, participating in their Board of Directors, and providing support funds.

From the beginning, Cordeagropaz was presented as a local government initiative to organize oil palm production through the Strategic Alliance system. With loans to small landowners (2 or 3 hectares of land), a promotion and support project was implemented that was well received by the farmers, as it was an alternative to the coca bonanza that started in the early 1990s.

The associative initiatives of Cordeagropaz were well received by both the oil palm companies that guaranteed to purchase the harvest, and peasants who had a secure, profitable economic activity. In this manner, strategic alliances were formed with seven previously established peasant associations, as production centers around the

processing plants and with buy/sell agreements between the parties. In the search for a solid institutional shield, Cordeagropaz had to secure the support of other institutions such as SENA, Antonio Nariño University, Port Authority, Chamber of Commerce, Ecopetrol, and Corpoica in order to procure funds goods and services, technology transfer and infrastructure for the organization.

Palmasur was created in 2006 as an oil palm trading company. It is made up of six peasant associations and has 318 members. By acting collectively, peasants have gained greater negotiation power against large companies. The associations meet on a monthly basis to discuss trading and production issues, and they hold General Assemblies once a year to appoint the Board of Directors.

Consequently, Tumaco is one of the places where the organization of oil palm activities is more rational and visible. Based on 38,000 hectares planted with oil palm, the different productive agents are distributed as follows: 20,000 hectares for large companies, 10,000 hectares for medium-sized producers, and 8,000 hectares for small producers. Unfortunately, oil palm plantations in this area have been severely affected by a disease called "bud rot," which has significantly reduced their production capacity.

D. North Zone

The municipality of María La Baja is one of the first and most significant cases of Strategic Alliances. The process started with a government project called "Sample Plots," which evolved into the Association of Oil Palm Growers, Asopalma. This association started with 126 peasants and 533 hectares. Today, it has 4,000 hectares and 400 participant families.

According to Asopalma representatives, many peasants decided to engage in oil palm cultivation largely due to two factors. Firstly, the crisis of the rice industry, the largest employer at that time; and secondly, because the irrigation district was practically out of service due to the serious public order situation. Consequently, oil palm cul-

tivation came as an immediate and effective way to reactivate the irrigation district. As it was an area with no oil palm history, the model implemented consisted of small associated producers who sell their harvest to large companies during the useful life of the crop, estimated at approximately 20 to 25 years.

The Governor of Bolívar, Miguel Raad, actively promoted the cultivation of oil palm in María La Baja; thanks to his enthusiasm Mr. Carlos Murgas, one of the most important businessmen in the region, decided to participate in the activity. Although some respondents believe that the bulk of the profits goes to the processing plants, the majority of peasants who have invested in this business said that this option has taught them to think like entrepreneurs and has improved their quality of life, something unthinkable in any other of the region's crops.

In the municipalities of Fundación, Zona Bananera, and El Retén, Fundalianza, a business organization charged with encouraging Strategic Alliances in the region, is worthy of mention. On its initiative, a 500-hectare project was started in 2000 with 58 families, who own from 2 to 100 hectares of land. One of its members stated: "At that time we had no other choice, we were wary but decided to invest in the oil palm business." Another member added: "We were tired of planting rice and losing our harvest most of the time (...) others tried banana, but that didn't go too well either. That was when some of us started to plant oil palm; when people realized that, in spite of the debt, it was a profitable business, they started to engage themselves in that business."

Oil palm companies can form alliances with different associations or cooperatives, as is the case with the company Tequendama that has an oil mill in Aracataca and plantations in El Copey, Aracataca, and El Retén, organized in 3 cooperatives and 2 associations with a total of 164 families. Farmers may be members of both organizations, as explained by one of the respondents: "The truth is, I don't know what the difference between them is; the only thing I know is

that cooperatives have Administration Councils and the associations have Board of Directors, but we are the same people who work with the company (...); with the associations we are paying 5-year loans granted by Pinagro. We set aside 10% of our earnings to pay loans back, together with 20% of the benefits that we have for being members of the cooperative."

Fundepalma is the foundation charged with social investment. It is made up of 7 oil palm companies committed to the social well-being of the region. Some of the most important projects carried out by Fundepalma include the construction of the Aracataca hospital in cooperation with Drummond, Fundaunibán, and Ecopetrol; support to the secondary education in Algarrobo, in the border with El Copey; and several health, education and housing projects in the municipalities of Algarrobo, Fundación, Aracataca, El Retén, Zona Bananera, Pueblo Viejo, and Ciénaga, where there are large oil palm plantations.

4

African palm and rural insecurity

As an agro-industrial activity, oil palm is an important driver of social and economic development in rural communities because of its capacity to generate new companies, income, jobs, and regional infrastructure, while at the same time propitiating the development of new and modern production and marketing relations.

In the specific context of the Colombian public order situation, and particularly in the rural areas that are the main scenario of internal armed conflict, these same features end up being viewed in a different way due to the high levels of confrontation, mistrust, insecurity, and violence that poison many social interactions in our country.

In this context, the business development process may not be evaluated strictly in economic terms, but instead is sometimes interpreted as a central component, and an undoubtedly perverse one, of a deliberate political and military design to deepen capitalist exploitation. African palm has thus become, from this viewpoint, a symbol of the thirst for profits, the environmental insensitivity, and the overreaching thrust of capitalism in its neo-liberal stage of globalization. As an example, take the following view of a well-known environmentalist organization from Uruguay, a country where oil palm is not and cannot be grown: "Definitely, the real reasons for the expansion of this crop have nothing to do with improving the living standards of southern hemisphere countries or with protecting the environment. Quite the contrary, the boom in oil palm plantations serves the in-

terests of both the local elites and multinational companies, which partner up to their mutual benefit.⁶³

Let us also see what a well-known Belgian Non-Governmental Organization says about African palm in our own country: "After reviewing all the palm production centers, the conclusion is reached that (human rights) violations are not isolated incidents that occur at certain companies or plantations, but rather they (form) part of a production system or model (...). Since the start of this decade, all new oil palm plantations have been developed in the same geographic areas where the paramilitaries have expanded their presence (...). This oil palm territorial control strategy finds an important ally in the policies of the government (...), which is also clearly seeking to regain economic, political and military control over large areas of Colombia that are beyond its reach (...). This coming together of illegal and criminal activities with government policies and international investment forms part of the Colombian palm development model."⁶⁴

These two views are highly representative of an ideological reductionism that seeks to make the complexities of the economic world fit into a narrow and outdated framework of exploitation of mankind by mankind, and consequently views business development as just one more component of the mechanism used by the establishment to ensure the continuity of a production model that fosters inequality and unfairness.

This reductionism continues to circulate under the apparently neutral heading of "African palm and armed conflict in Colombia," a label that is common currency in the socio-political literature, wherein the oil palm crop and armed conflict are linked through a highly misleading equivalence. In effect, does not this equivalence imply that there is a correlation between violence and the oil palm agro-industry, and that the latter fosters the former?

⁶³ World Rainforest Movement. *El amargo fruto de la palma aceitera (The Bitter Fruit of the Oil Palm)*. Uruguay, September of 2001. P. 7.

⁶⁴ Human Rights Everywhere. *El flujo del aceite de palma Colombia-Bélgica/Europa (The Flow of Palm Oil Between Colombia-Belgium/Europe)*. Acercamiento desde una perspectiva de derechos humanos (An Approach from a Human Rights Perspective). November of 2006. P. 24, 33 and 34.

It is well known that from the standpoint of many in the anti-capitalist field, any substantial economic investment is suspect, in principle, of resorting to over-exploitation and violence to achieve its specific objectives. In this view, lack of security is not a negative loss-producing factor, but is somehow a gain for the business accounting scheme. This is evidently incompatible with the true and tested logic of modern capitalist development that has left the excesses of wild capitalism behind. On the contrary, the lack of security represents a threat to the production systems of the Colombian oil palm industry and its insertion in global markets; here, the industry is a victim that in no way benefits from the Colombian armed conflict.

It is true that there have been instances where certain palm plantations have been involved in highly conflictive local situations, as we shall discuss in the case of Chocó in the final chapter of this paper, but this does not justify portraying the oil palm agro-industry as a system or model of illegal and violent actions against the peasantry, as part of a conspiracy involving government policies supposedly aimed at ensuring territorial control through blood and fire.

The verifiable fact is that, as announced in the title of this chapter, the African oil palm business has developed in a highly complex and sometimes critical context of rural insecurity that has conditioned, to a great extent, its projects and activities. But this insecurity is the result of various criminal factors, the most noteworthy of which are, for the effects of this paper, the following: drug trafficking; subversive, counter-insurgency and common criminal armed organizations; arms smuggling and trafficking; takeover of lands and displacement from properties. Given its complexity and extensiveness, this violence must be acknowledged and treated based on its particular conditions as a multi-variable phenomenon that includes various stages, inflection points, and recurrences.

Consequently, the geographic distribution of the Colombian armed conflict is the end result of complex historical, economic, strategic, and political factors that cannot be simplified or reduced down

to a single cause. As we shall show below, it is absurd to sustain that oil palm crops are behind the country's violence and insecurity, based on a single and foreseeable causal relationship. To this effect, we will use as indicators the number of attacks, kidnappings, acts of sabotage and illegal hold-ups performed by armed groups in municipalities throughout the country, and compare them to the number of acts performed in the 16 municipalities where 70% of the area cultivated with African oil palm is concentrated.⁶⁵

Based on the above, we will find that the map of violence in Colombia does not coincide with the map of the national palm growing industry. In 2001, when the most important surge in violence took place in Colombia, irregular groups carried out 4,021 acts of violence, only 252 of which occurred in the 16 aforementioned municipalities, i.e., only 6.2% of the acts of violence. In 2006, when as a result of the government's successful security policy the number of violent acts dropped substantially, there were 1,986 acts of violence, 45 of which occurred in the palm growing areas, i.e., only 2.2%. Stated differently, it may be said that between 94% and 98% of violent acts derived from the Colombian internal armed conflict take place in areas where not a single African oil palm has been planted. In other words, the violence lies elsewhere and is unrelated to palm activities.

Nevertheless, the scope of irregular armed group presence in Colombia is very large and affects the immense majority of Colombian municipalities. We may measure this presence in terms of the number of municipalities where combats between the government's armed forces and irregular armed groups have taken place. In this context, in the time period between 1998 and 2008, a total of 892 municipalities have reported combats between the public forces and guerrilla organizations; 64 of these areas have palm crops, i.e., only 7.1% of the total. And during that same time period there were combats between

⁶⁵ The 16 municipalities are the following: Acacías, Agustín Codazzi, Arauca, Barrancabermeja, Cebuyero, El Copey, El Retén, Paratobuena, Puerto Wilches, Río Viejo, San Alberto, San Carlos de Guaroa, San Martín, Tumaco, Villanueva and Zona Bananera.

the public forces and the Autodefensa (paramilitary) groups, emergent armed groups and common criminals in 512 municipalities, only 63 of which were palm growing municipalities, i.e., only 12% of the national total. As this indicator shows, 93% of the guerrilla groups and 88% of the other armed groups were present in municipalities where there is no African oil palm.

From another perspective, if instead of looking at the number of municipalities one considers the number of combats that have occurred in them, the result is that the intensity of the confrontation has been lower in the palm-growing locations than in the rest of the country. Thus, only 2.7% of the combats between the public forces and the guerrillas, and only 6.5% of the combats against other illegal groups, have occurred in palm-growing municipalities.

Neither may we affirm that there is a direct relationship between the size of the palm plantations in a given area and the occurrence of violent acts or the presence of illegal armed groups. In fact, in many municipalities with large palm plantations there is very little presence of irregular groups, and there are other areas with smaller planted areas but a large presence of irregular armed groups.

These are the cases, for example, of Puerto Wilches and Tibú. In the former, where 30,000 hectares of palm are planted, there has only been one attack by an irregular armed group over the past ten years, whereas in the latter, where planted areas amount to only one tenth of the former, there were 42 attacks over the same time period.

In summary, the facts and figures indicate that the geographic distribution of the vast majority of violent acts committed by irregular groups and the interventions by government public forces have taken place outside the palm-growing regions and are unrelated to plantation size. Consequently, it is not true that the map of violence of irregular armed groups coincides with the palm-growing map, as part of a supposed model implemented by Colombian palm growers, the main feature of which is violence and over-exploitation of peasants, as certain NGOs have claimed.

Now then, beyond these apocalyptic views concerning the perverse nature of African palm, what is the real situation of the crop at this time, when overcoming rural insecurity is apparently no longer a top concern in the country?

On this matter we must acknowledge that we are still in the stage that began in 2002, with the peace talks with the Autodefensa paramilitary groups, during which close to 33,0000 fighters were demobilized and are now facing complex and uncertain procedures in terms of their legal, economic, social, and political reinsertion.

This stage has not yet concluded both because of pending issues regarding the reinsertion process and because of the deficiencies of the process itself, which has led to the creation of newly-emergent armed groups formed by renegades who did not demobilize, demobilized members who have returned to their old ways, and common criminals. In any event, the main trend has signified a drop in public insecurity at the national level and in the 16 municipalities that account for 70% of the palm growing industry, as indicated in the following chart that shows a downward trend in incidents at the national level, by Autodefensa groups and in palm-growing areas:

Year	National Total Kidnappings	National Total Autodefensa Groups	Total Palm- growings Municipalities
2000	3.576	190	17
2002	2.885	165	12
2005	800	53	1
2007	291	1	0

Source: Fundación Seguridad y Democracia.

Another important aspect of public insecurity has to do with the military activities derived from the confrontations between irregular armed groups and the Armed Forces. These acts, classified in general as the activation of land mines, ambushes, and harassment, often

have collateral effects on the population, ranging from the death of civilians to displacement of persons from their dwellings. The proportion between the total number of attacks at the national level and those attributed to the Autodefensas was always very low, since the counter-insurgency nature of the Autodefensas led them to avoid confrontations with the public forces and to focus their military efforts against the guerrillas and the regions that supported them. The percentages of this indicator and their downward trend become evident in the following chart, which also records the first attacks made by the emerging groups.

Year	Total attacks	% Participation by AUC	% Participation by emerging groups
2000	458	1.1	0
2002	536	0.9	0
2005	622	0.8	0
2007	351	0	0.8

Source: Fundación Seguridad y Democracia.

In 2007, the zero percent figure under the AUC (Autodefensas paramilitaries) column reflects the disappearance of the AUC, while the 0.8 percent figure represents the first appearance of newly-emerging groups. This last figure could signal a trend towards a new period of rural insecurity, which may be different from the past, but is just as critical. This new wave of criminal activity is different from that of the AUC because it is not motivated by counterinsurgency activities other than territorial disputes with the guerrillas for control over the drug trafficking business. These disputes are generally being resolved either through forceful control over the territories or, as has been increasingly the case lately, through agreements reached between the two parties.

In the future, under a scheme of territorial control based on force and sustained by the business of planting, processing, and shipping of drugs, coercive measures on the population will be more based on intimidation rather than direct violence in order to obtain additional extortion-based income and forced complicity. Additionally, the efforts to neutralize the Armed Forces will rely more on corruption than on the force of arms.

The still strong and broad-based intimidation capacity of the guerrilla, combined with the fact that the emerging groups currently have direct or indirect presence in 24 of the country's 32 departments, clearly indicates the difficult conditions that agro-industry in general and palm growing in particular are facing.

This is a new challenge for Colombian business, which must continue to lend its support to the government's efforts to fully recover security throughout the national territory. Below we discuss the presence of these insecurity factors in each of the palm-growing regions, based on observations made in the field and collected in this paper.

A. Eastern Zone

The municipalities of Acacías and San Martín form part of a drug trafficking corridor that connects the southern and central areas of the country, which has put them at the center of a long feud, since the 1980s, for territorial control between the now demobilized Autodefensa groups and the Farc guerrillas. The latter managed to gain control over the plains, forcing the guerrilla into the foothills area, but later the Autodefensas began to fight among themselves for control over the departments of Meta and Casanare, thereby increasing insecurity levels for the local population.

Acacías has been traditionally a rice-growing municipality, although the success of the palm crop has led to a gradual reduction in rice planting. As part of the drug-trafficking corridor that joins the southern and central areas of the country, the area was the regional headquarters of the Autodefensas, the site of their demobilization, and

the central location for the regrouping of the illegal groups into new criminal bands that, according to the Police commander in the area, continue to extort property owners, including African palm growers.

According to an officer of the Acacias Overseer's Office (Personería), there is in the municipality a large number of displaced persons from Guaviare, La Uribe, Puerto Lleras, and the former peace-talks area. The population is also very concerned about demobilized fighters, because the government reinsertion efforts have been clearly insufficient.

According to the Municipal Overseer's Office, although the security situation is serious, the presence of public forces is insignificant: two police stations with ten officers each. The two army battalions in the area are devoted exclusively to the protection of oil drilling activities.

San Martín has been under military siege twice: the first time by the guerrillas, which imposed a harsh rule until the late 1990s, and the second time by the Autodefensas, which after 2000 expelled many peasants and imposed a generalized climate of intimidation among the civilian population. The representative of Asdesan, an organization of persons displaced by violence from the southern departments of the country, with its head office in the municipality, acknowledges that the palm agro-industry does provide jobs to the population, but at the same time expresses unspecified reservations about the job cooperatives.

The municipality is also used a transit station for coca leaves on their way to chemical processing laboratories because, according to information provided by the police station, it is part of a corridor that communicates the southern area of Mapiripán with Villavicencio and Bogotá. The illegal crops that feed the drug trafficking network are located in the region of La Macarena, while the laboratories are in the rural area of San Martín.

There is an organization of demobilized fighters in San Martín, and 280 of these ex-combatants live in the town center. In the opinion of some persons who were interviewed, they justify themselves as being in charge of looking after the area following the demobiliza-

tion of the Autodefensas, but "they are still the same people, doing the same things, but now they are more discrete (...). You need to put quotation marks around the word demobilized."

At the police station they confirm the same opinion when they assert that this NGO of demobilized fighters "lends itself to carrying on with the same coordination activities that the paramilitaries used to have in place." This view is also shared by persons at the Acacias police station. Lastly, the same interviewees argue that the lack of employment opportunities in San Martín and the failure or insufficiency of work projects for the demobilized fighters is leading them back into crime.

According to many locals, the leader of this resurgence in crime is Pedro Oliveira, a.k.a. "*Cuchillo*" ("The knife"), who did not demobilize and whose traditional center of operations was the north of Guaviare and eastern Meta. From these areas he expanded into Vichada and eastern Casanare, where he made an alliance with the paramilitary organization Autodefensas Campesinas de Casanare (ACC) of Martín Llanos, which also did not demobilize, to the point where they currently control the entire eastern sub-region.

Villanueva, a municipality in the department of Casanare, has endured solid and aggressive presence of irregular armed groups since the mid-1980s: Farc fronts 28, 38 and 56, the ELN and the Autodefensas. Despite the demobilization of the latter, new emerging bands have been appearing on the scene and have begun to extort cattle ranchers, farmers, retailers and oil companies. According to the People's Overseer (Defensoría del Pueblo), Casanare is a strategic region for illegal armed groups because it connects the south of the country with eastern and central Colombia.

B. Central Zone

Puerto Wilches is an important transit station for irregular armed groups because of the existence of two strategic corridors for the transportation of troops, arms and drugs: one that communicates

with the San Lucas and Perijá mountain ranges, and the other at the intersection of the Magdalena and Sogamoso rivers. In terms of territorial distribution, the stronghold of the Farc guerrillas was in the mountainous region, whereas the Autodefensas paramilitaries held the municipality's flat areas, a structure that seems to remain in place today, since despite the demobilization of the AUC a large number of those demobilized are now in new criminal gangs and continue to use the river to transport coca. In this regard, it should be taken into account that although there are no illegal crops in the area, there are laboratories that process the paste brought down from the mountain ranges of San Lucas and Perijá in southern Bolívar and Cesar.

The climate of insecurity in Puerto Wilches is highly sensitive. Manufacturers, retailers and transportation companies complain about how the demobilized fighters and new criminal gangs seem to be teaming up to extort citizens. These concerns, collected for this study, refer specifically to the palm sector. One of them states that some of the palm cooperatives have been created by demobilized fighters and do not abide by the official rules for their establishment and operation, and are therefore dubbed "illegal." Another mentions extortions against some palm companies by armed outlaw groups.

In any case, the pressure being exerted by certain demobilized groups and emerging gangs against palm growers in the area is evident. This was partly seen during the recent strike of February of 2008, which was sparked by wage demands of the workers' cooperative of Palmas de Monterrey, and was later joined by cooperatives from other palm-growing companies. According to a police officer who was interviewed, although the main promoter of the strike was the workers' union Unión Sindical Obrera (USO), some members of illegal armed groups such as Águilas Negras and some relapsed demobilized fighters also joined in. Finally, after one month of inactivity the strike was lifted, once the main salary demands were granted.

In San Martín, the guerrilla was the prevalent force between 1988-1992, until the first Autodefensa groups came on the scene, taking

action against murder, kidnapping, extortion and cattle theft. The guerrilla retreated to the high grounds of the municipality that limits with the Perijá mountain range, from where it has continued to sporadically make incursions into the area, even at present.

Following demobilization, new criminal gangs have appeared on the scene seeking to control drug trafficking, abetted by a non-determined number of demobilized fighters. According to reports from an officer of the Government Secretariat, once again the security "contributions" that used to be demanded by paramilitaries to maintain security in the area are being charged by the former fighters: "It's still the same (...); they keep on collecting money from the properties (...), they charge by the hectare, and one knows it is to maintain safety in the area (...)."

In San Alberto, which limits with San Martín, the guerrillas also maintain a presence in the highlands of the municipality where sustenance crops are alternated with coca bushes, unlike the low flatlands where the palm plantations are located; however, other than cattle theft, the subversive groups do not exert major pressure on the area. It is in this area of southern Cesar, where the municipalities of San Alberto and San Martín are located, that the emergent band Águilas Negras, with 100 men, has established the starting point of a long drug trafficking corridor that runs up to the Sierra Nevada mountain range.

Tibú is a strategic location for the armed conflict because it lies on the border with Venezuela and provides a great deal of mobility towards that country. It has extensive illegal crop plantations as well as processing laboratories in the mountainous areas. The area also produces substantial oil revenue, which makes it attractive for the armed actors as a target for extortion. The guerrillas, especially the Farc and to a lesser extent the ELN, have been present in the area for many years, particularly in the rural districts of La Gabarra and Pachelli. Consequently, it did not take long for the Autodefensas to appear on the stage with their bloody feuds for control over turf and drug trafficking resources.

As a result of the above, according to Monsignor Camilo Calderón, the forced displacement situation has been of great concern in the region, not only because of the immediate impact of the phenomenon, but also because of the insufficiency of government efforts and those of some private entities to solve the victims' dramatic situation.

According to the aforementioned bishop, no jobs are made available to those who have demobilized but, quite the contrary, opportunities are closed to them and there are no mechanisms for reparation and reconciliation. Instead, there is apprehensiveness and there are threats against those who attempt to recover their lost rights and working conditions. The Municipal Overseer (Personero) holds a very different view: he maintains that there is effective assistance available to those who have demobilized, as demonstrated by the existence of a cooperative that groups them together and guarantees them employment.

As to the demobilization of the Autodefensas, which began in 2004, one should recall that the Catatumbo Block, under the leadership of Salvatore Mancuso, was one of the groups that most clearly disarmed and turned itself in, including its high and mid-level commanders and foot soldiers. Nevertheless, the emergence of new bands such as Águilas Negras seems to include, according to some versions, a few demobilized fighters, although other opinions hold that these are new criminals in the area, who have been brought in by drug trafficking bosses who are interested in once again wresting the old drug trafficking corridors away from the guerillas, which are once again present in their old territories of La Gabarra and Pachelli.

In any case, and according to many of the sources asked, the guerillas' presence has intensified lately in the areas that are nearest to Venezuela, since in the rest of the municipality there is a greater presence of the public forces to protect the citizens, which has helped to substantially improve the perception of security. According to those interviewed, the perception of insecurity compared to the years 2002, 2003, and 2004 is substantially better now, although it is increasingly

clouded due to the sporadic presence of the new armed gang Águilas Negras, and rumors of a new agreement between the Farc and ELN to redistribute the illegal crop areas and drug trafficking routes.

C. Western Zone

Tumaco is a strategic municipality because it lies on the border with Ecuador and has three river-ways that connect with the Pacific Ocean. It has three distinct geographic terrains, a fact that has led the irregular groups to adapt their illegal activities: a) a flat and somewhat hilly area near the Central or Pan-American highway that connects the town center with the municipality of Pasto and where palm is the main crop, b) a mountainous rainforest area in the higher parts of the rivers where, next to coconut, cacao, and oil palm plantations, irregular groups have also planted large coca fields and numerous laboratories, c) a coastal area where the main activity is small-scale fishing but that holds numerous coves and tide inlets that provide easy routes for exporting drugs and importing drug processing supplies.

A widely held view is that illegal armed groups and drug traffickers are present throughout the municipal territory. The guerrillas, the (now demobilized) paramilitaries and new groups such as Los Rastrojos have split up the territory so as to each ensure its own coca routes. Thus, the guerrillas are located on the higher parts of the rivers and the paramilitaries on the lower grounds, the town center, and the coastal area.

In such a context, it is not surprising that insecurity in the region has been on the rise, particularly since the fumigation efforts in Putumayo forced illegal crops to move to Nariño and especially to Tumaco. The arrival of coca plantations directly affected the palm agro-industry, because the environment of insecurity led to numerous desertions by administrative staff, particularly of skilled workers. It also became difficult to find unskilled workers because illegal crop harvesting and processing jobs offered the locals more attractive wages than traditional oil palm work. Besides, some of the proper-

ties of the palm companies were taken over by peasants who planted coca bushes; later they were found to be under the protection of the guerrillas or paramilitaries.

In any event, given the area's strategic importance for the government's security policy, both at the internal and external levels, the government has strengthened the presence of Public Forces throughout the region, which has improved security levels. Nevertheless, data collected in the field suggest that some companies and large and medium-sized plantations are still subject to extortion and intimidation. According to a report by the Secretary of Government and the Overseer (Personería), illegal groups such as Farc and ELN continue to collect "security" payments, a fact that a representative of the farmers' associations does not hesitate to confirm.

Currently, and following the demobilization of the Libertadores del Sur Block (BLS), many of its leaders took up arms once again as a result of a deal made by Carlos Mario Jiménez, a.k.a. *Macaco*, to sell the franchise to the emergent group Los Rastrojos, "including the structures, laboratories, routes, contacts and links with certain authorities."⁶⁶

D. North Zone

At María La Baja, the illegal armed actors have established a drug trafficking corridor due to its proximity and exit routes to the ocean in the northern part of the municipality, an area that covers 25% of the municipal territory and where most of the palm plantations are located.

According to sources at the People's Overseer Office (Personería del Pueblo), regarding the existence of coca processing laboratories, these are mostly located in the "rural district of Yanguma as an exit route for the drugs, because from here you can reach the ocean through the

⁶⁶ Coyuntura de Seguridad: Los grupos armados emergentes en Colombia (Colombia's Emergent Armed Groups). Fundación Seguridad y Democracia, N° 20. Bogotá D.C., January-March, 2008. P. 10.

area of Cartagena and Bocas de Ceniza.⁸ The Government Secretariat adds that in a location known as La Pista, near the ocean, not only are shiploads sent by sea through Canal del Dique to the Cartagena Bay, but also small aircraft are used in the same direction. In the southern part of the municipality, where 90% of traditional agriculture is located and which communicates with the higher areas of Montes de María, insecurity is related to the guerrilla threat, which has been present for many years.

At María La Baja, which was one of the epicenters for the demobilization of the Autodefensas from Montes de María, numerous complaints are voiced regarding the persistence of fighters who have not demobilized or have gone back to their old ways and continue to commit crimes. The Overseer's Office (Personería) confirms that "there are still cases of extortion payments and patrols to control the population." These payments cover all economic levels: while small farmers only pay \$10,000 per hectare, some businesses must pay large sums for each hectare planted in palm or rice. Nevertheless, according to the Police station, the situation of insecurity is not as bad as before. Rather, according to the police, the problem has been the increase in common criminals and drug dealing in the town center. In any event, the municipality has considerable public force presence, including Police and Army units, in addition to a rural soldier program.

In terms of internal migrations, according to sources interviewed in the field, María La Baja is one of the municipalities with greater inter-municipal displacement. All sources agree that the rural townships and districts that are located in the southern area and near Montes de María are the ones that generate the largest numbers of displaced persons towards the municipal town center. This explains why there are over five associations of displaced persons in the area that owe their existence to land ownership problems in their places of origin, due to the domination exerted by various illegal armed groups that pressure the population to take sides in supporting one faction against the other.

Ciénaga and Zona Bananera have been strategically important areas in the armed conflict and were instrumental in the booms, first of marihuana and later of coca, not only as basic links for the transportation corridor for people, weapons, and drugs between the inland of the country and the Atlantic coast, but also because of their proximity to the Sierra Nevada mountain range, where illegal crops and irregular camps are located. This is confirmed by a civic leader who was interviewed: "Coca plantations are currently grown in parts of Sierra Nevada, particularly in the case of San Pedro de la Sierra, and currently several manual eradication programs are being implemented, as well as dismantling of laboratories."

Another issue that has affected the two municipalities since demobilization is the level of unemployment, which propitiates an increase in criminal activities. When asked about the consequences of the demobilization of armed groups, an officer of the mayor's office pointed out: "The situation for those who demobilized is complicated because there are no jobs for them, employers do not readily hire them, and the end result is that the informal economy of the region is growing (...); some of them work in jobs such as driving motorcycle or bicycle taxis, informal employment, others belong to the Salvavías (Road Saver) program of the National Police, but in many cases they despair and turn back to crime (...). You should also keep in mind that the companies do not hire demobilized fighters, which makes them come up with schemes (...); there are over 300 demobilized fighters in our region in a very complex situation (...)."

Lastly, El Copey is an important municipality for the armed groups in strategic and tactical terms, because it is a required passing point for the routes that connect the Eastern and Caribbean areas with Ciénaga, Santa Marta, Cartagena, and Riohacha.

Insecurity in the area can be traced back, first to the 1980s, with a highly visible presence of Front 39 of the Farc in the mountainous area of the municipality; later the Autodefensas moved into the plains area, and as a result of the confrontation the guerrillas retrenched and

the paramilitaries began to rule through generalized extortion of the population. Currently, the presence of illegal crops is highly visible in the mountainous area of the municipality, where several drug processing labs have been dismantled, combined with the theft of gasoline from the pipeline that crosses through the region.

In the central and northern areas of Cesar, following the demobilizations, several emergent gang structures have been reported. One was formed by the demobilized fighters of the AUC Northern Block, whose presence ranges from the north of the department to the south, in Aguachica, and La Guajira, in the north. Another is the Águilas Negras group that works from the center towards the north. Yet another gang is that known as Los Mellizos, which covers several parts of the department from the south to the north. The main focus of all these structures is drug trafficking, ranging from planting to processing and handling of traffic routes for supplies and drugs. There are five groups in total with close to 1,000 men in arms.⁶⁷

⁶⁷ *Idem*, p. 18.

Agro-Industry and land policy: the case of African Palm

The history of land ownership in Colombia, as in most of Latin America, is a history of conflict between rural parties. In colonial times, land ownership was determined through land allotments made by the political establishment, involving the allocation of huge territories, performed in an arbitrary and circumstantial manner. The system remained in place after the independence campaign and during the first years of the Republic.

Since then, all we have done is consolidate our main territorial feature: a huge concentration of land ownership. Our Gini coefficient of 0.86, an indicator of relative inequality that ranges from zero to one, where zero is optimal distribution and one is total inequality, is in itself highly indicative. We are in the same company as other Latin American countries such as Brazil (0.85) and Peru (0.91), but in sharp contrast with Asian countries that have grown much faster in recent decades such as Japan (0.38), Taiwan (0.45) and Thailand (0.45),⁶⁸ which undertook solid and progressive agrarian reforms of a capitalist nature after the Second World War.

In Colombia, for over 20 years, land property models have shown a clear trend towards increasing concentration in large properties at the expense, mainly, of mid-sized properties.

Between 1984 and 1997, the proportion of small properties dropped slightly from 23.1% of total land area in 1984 to 21.4% in 1997, while mid-sized properties posted a larger drop, from 30.5% to 24.8%, which implies that although the larger properties "decreased

⁶⁸ Isabel G. Lavedenz and Klaus Deininger. *Políticas de tierras (Land Policies)*. Colombia. *Fundamentos económicos*. . Op. cit. P. 492.

somewhat in number, their share of the total increased from 46.3% to 53.8% over this time period." The same conclusion is even more marked if "we take the physical area as the base for the comparison," since over the same time period the total large property area increased from 32.50 to 45.00.⁶⁹ However, it should be taken into account that many of the production units are not the property of a single owner, but of a large number of small farmers organized in associations. For this reason, the property-based calculations are distorted and do not adequately reflect reality.

From this unequal distribution of land ownership it is possible to infer, at least in part, that the country's agricultural possibilities are not fully utilized. According to data from the Instituto Geográfico Agustín Codazzi for 1985, of a total of 114 million hectares, close to 12.6% is suitable for agriculture, 16.8% for pastures and the remainder, 70.6%, for forests and non-agricultural uses. Now then, during this same time period only 4.6% of the land that suitable for agriculture was being properly used for this purpose, and by 1999 only 3.9% was being properly used. Consequently, according to the aforementioned study, "between 1987 and 1999, the land used for agricultural purposes dropped from 4.6 million hectares to 3.9 million, which implies that currently less than one third of the area that is suitable for agriculture is being used for this purpose."⁷⁰

But the most striking fact is that, in addition to these highly revealing figures and a historic waste of production resources, in our country a type of land use is allowed to thrive and grow because of the insecurity, sub-utilization, and speculation that are restraining agricultural growth. We are referring to extensive cattle ranching, which represents one of the most prominent economic distortions and which conceals the social distortions that have accumulated throughout our national history.

⁶⁹ *Idem*, p. 493.

⁷⁰ *Idem*, p. 495.

Thanks to this concealment, these perverse causes of rural backwardness, such as the use of land for extensive cattle ranching and excessive use of pastures, are seen as simple results, in general circumstantial, of a backwardness that will eventually correct itself over time. But how can it be merely circumstantial that 38.7 million hectares are used for cattle ranching, primarily of the extensive kind, when there are 21.5 million hectares suitable for agriculture in the country, but only 3.7 million are used for transitory and permanent crops? As one analyst points out, cattle ranching uses almost three times the area it should occupy "at the expense of agriculture by small and industrial farmers, and also at the expense of forests that should be protecting the soils and water sources. The result is that one third of the usable land is sub-utilized in extensive ranching, when it could be used for agriculture; another third, that should be covered by forests to protect the hillsides, is over-used either for subsistence farming or pastures, and only one third is properly used, because the land is truly suitable for this use, as is the case of cattle ranching in the Eastern Plains."⁷¹

As befits this use given to the land, the distribution pyramid is just as alarming: "In 2000, three million small farmers with properties of less than 20 hectares each owned somewhat less than seven million ha; 442,000 mid-sized farmers with properties of between 20 and 200 ha owned almost 17 million ha, and 47,000 large owners with properties of more than 200 ha owned 51.4 million hectares. The two extremes of the rural pyramid offer the most striking figures: Two million micro-farmers with properties of less than one hectare owned 1.3 million ha, while 2,200 land owners with properties of more than 2,000 ha owned 39 million hectares."⁷²

The effects that unproductive land use and unequal property distribution have on the chronic nature of violence in Colombia cannot

⁷¹ Alejandro Reyes Posada, *Justicia social, reducción de la pobreza, crecimiento económico y paz* (Social Justice, Poverty Reduction, Economic Growth and Peace). Paper presented at the Houston Series Conferencia, Cartagena, November of 2007.

⁷² *Ibid.*

be ignored. But it is quite different to use this fact, in the context of a simplistic ideology, to sustain the equivocal thesis that social injustice is the direct cause of violence. Beyond these types of presuppositions and narrow views on a genetic causality of the origins of the conflict, what is true is that at this time the factors that lead to the persistence of organized violence are the most consequential, and we must therefore discuss their economic, social and political origins.

Over the past ten years one of the main objectives of illegal armed groups has been to establish a military financial structure to support their war efforts, and their drive for territorial expansion and greater destructive power has led them to resort to ever-higher levels of extortion, economic kidnapping and drug trafficking. These types of criminal activities imply control over territories (to hide the kidnapped persons and for planting, processing, and transporting of drugs). This was effectively achieved over the course of the war, not only thanks to the military capacity of the criminals, but also because of the incapacity of the government to ensure its institutional presence, and also to a large degree by the economic, social, and geographic features of the main scenarios of the conflict.

As was mentioned earlier, one of the main features is the rural backwardness in terms of land ownership, property, and use, which creates large areas that are far removed from the modernization processes of capital and labor, and are therefore prone to the emergence and creation of illegal practices, groups and interests.

From this perspective, the role that the unproductive cattle ranching monopoly has played in creating the conditions that have helped strengthen and widen the scope of the war scenario is obvious. One should consider, for example, the opportunities that extensive cattle ranches offer in terms of concealing drug trafficking money and how the availability of enormous uncultivated territories, far removed from social and government controls, enable the establishment of numerous routes for transporting coca paste, chemicals for process-

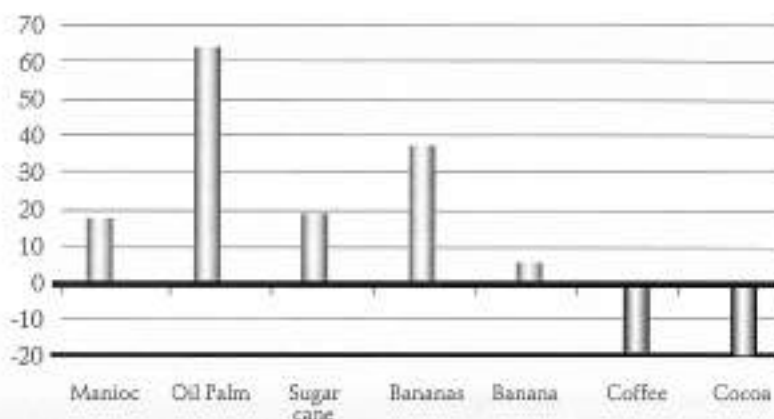
ing cocaine, and the drug itself from the laboratories to their final shipping locations.

One must also consider the opportunity it offers the guerrilla groups to leave their jungle hideouts and move into extensive ranching areas, as has happened in the departments of Meta, Caquetá, Córdoba and the Mid-Magdalena region. Lastly, one must keep in mind that in most cattle ranching areas that have been affected by guerrilla presence and where agrarian conflicts are present, the new owners have resorted to hiring their own security through the creation of paramilitary groups.⁷³

In addition to this capacity to induce illegality and violence, by operating as a piggybank for both legal and illegal capital, one should add that Colombian extensive ranching also has an inertial nature that opposes using suitable lands for agriculture and freezes them, based on outdated and antisocial calculations of property revaluation. Consequently, given the extension and the quality of the lands that are unproductively concentrated by the agro-extensive monopoly, it is of utmost importance to be clear about the fact that an adequate land property policy for the current stage of national and global development can only be developed with a view towards the optimal development of the nation's agro-industry.

In spite of the increasing use of large production areas for cattle ranching, following a trend that goes back many years, Colombia has displayed a great capacity to produce a wide variety of tropical and sub-tropical crops, although the growth and productivity of these has not been consistent over time. In any event, in the context of the outstanding increase of 175,000 hectares of permanent crops that has been recorded since 2000, the leading role played by oil palm is most noteworthy, as indicated in the following graph:

⁷³ Camilo Echandía Castilla. *El conflicto armado y las manifestaciones de violencia en las regiones de Colombia (The Armed Conflict and the Manifestation of Violence in Colombian Regions)*. Violence Observatory. Presidency of the Republic, Bogotá D.C. 1999. P. 66.



Source: Adolfo Brizzi et al., "Agricultura y desarrollo rural (Agriculture and Rural development)," Colombia, fundamentos económicos... Op. cit. P. 432.

Now then, according to a Department of Agriculture forecast up to the year 2010, permanent crops increased by 61,162 hectares between 2006 and 2007, and the increase was 128,873 hectares between 2008 and 2010. The corresponding increases for African palm are 27,163 hectares over the first time period, and 85,710 hectares in the second.

But the aforementioned inconsistency of growth rates does not alter the end results of agricultural production, considering that the time period between 1994 and 2005, which includes two years of considerable growth – 1995 and 2000 – includes "seven years of zero growth, one year of negative growth and a certain level of reactivation starting in 2003."²⁴ Currently, the outlook is not better considering that the sector's growth in 2007 was 3.18%, compared with overall economic growth (GDP) of 7.52%.

It is still somewhat peculiar that despite the modest growth, the 31st Agricultural Business Opinion Survey seems to indicate that inconsistent rural growth has not affected the levels of business optimism

²⁴ Salomón Kaimanovitz, "¿Qué le pasa a la agricultura? (What is Happening to Agriculture?) El Espectador, Bogotá D.C., 26 April to 3 May, 2008.

or pessimism to the same extent. Agricultural businessmen remain pessimistic about the high costs of supplies and the revaluation of the peso, as the Executive President of Fedepalma, Jens Mesa Dishington pointed out three months after this survey. He said that the revaluation of the local currency against the dollar had “generated total losses over the last three years equivalent to a full year of production in the sector”; however, he noted that it had been possible to “mitigate the impact thanks to good international prices.”⁷⁵

On the other hand, businessmen are optimistic in terms of improved security, availability of credit, interest rates, improved demand, commercialization, and access to new markets. According to the breakdown of the survey by sector, the most optimistic are oil palm, sugar cane, flower, bananas, cattle for beef, potato and vegetable farmers. The pessimists are cotton, rice, maize, soy, and sorghum growers.⁷⁶

Two points of this survey are worth highlighting. One is that despite the still insufficient growth of the rural economy, there is an important group of businessmen who are committed to modernizing agriculture. They announced plans to invest in new production projects, to expand their current planted areas, and to improve infrastructure. Another is that oil palm growers and beef cattle ranchers appear side by side in this survey, which highlights the fact that what is dragging down the modernization of the ranching sector is idle investment and frequently crime-related money laundering, and not, of course, productive investment. The consensus seems to be that what Colombian agriculture needs is more investment, rather than subsidies, as was explicitly recommended three months later at the forum on “Growth of the Agricultural Sector,” held at Universidad de los Andes. At this event, it was stated that according to the latest World Bank development report, in most countries where subsidies were

⁷⁵ El Espectador. *Palmicultores pierden US\$700 millones* (Palm Growers Lose US\$ 700 million). Bogotá D.C., 29 May, 2006.

⁷⁶ Portafolio. *Agro: buenas expectativas de precios, pero insumos caros* (Agriculture: Good Price Expectations, But Expensive Supplies). Bogotá, 16 February, 2006.

important, these were being replaced by "investment in technology and infrastructure, something that is not happening in Colombia."⁷⁷ "Subsidies to the agricultural sector have not contributed to a change in production. These subsidies represent a perverse economic policy,"⁷⁸ added Alejandro Gaviria, the Dean of the School of Economics at Universidad de los Andes.⁷⁹

Consequently, a land ownership policy that would foster an appropriate development of the rural sector and its insertion in global production trends and international markets, as a public responsibility of the government and as a private responsibility of the agro-industrial sector, must share the imperative and immediate need to propitiate fundamental changes in land ownership, relations, and use. This of course does not call for an ideologically-based agrarian reform of land redistribution, as if this were a way to distribute equal portions of justice itself, but rather for the design of a broad-based and participative agricultural development program involving the most backward sectors of the population.

It is this perspective of agricultural sub-utilization that pulled a shroud over extensive cattle ranching, which in the end favors tax-evaders, drug traffickers, paramilitary bosses, and guerrilla commanders, thereby stimulating violence. In contrast, modern agricultural utilization should contribute to improving the added value of the sector, making it more accessible to a greater number of small farmers, and contributing to lifestyles that would discourage violence as a social and economic alternative.

In other words, let the countryside begin to experience a true and shared orientation towards economic growth and sustainable social development. One of the main tasks in order to accomplish this would be to reorient extensive cattle ranching towards more coherent forms of use of land and labor.

⁷⁷ El Espectador, *El agro requiere inversiones más que subsidios (Agriculture Requires More Investment than Subsidies)*, Bogotá, 14 May, 2008.

⁷⁸ *Idem*.

Agro-industry is not the apocalyptic threat that sets out to raze the Colombian countryside in a drive to conquer natural resources and exploit human beings, as some views that currently circulate hold, inspired by highly ideological interests and undeniably biased and simplified arguments. It is rather the other way round, if two consequences are taken into account: The first, that for the State, rural industries are a means to induce development, because through its land policies it can achieve its socio-economic redistribution objectives; the second, that for private enterprise these industries are the most timely and sure ways to gain access to global capital markets once productivity and competitiveness have grown.

The sense of opportunity, extension, and social and economic weight of the global bio-fuels industry has a special meaning for us, given the particular features of our country. In the case of sugar cane, for example, Colombia has productivity levels that are much higher than the global average (between 100 and 120 tons of sugar cane per hectare in five, six and up to ten harvests),⁷⁹ and it only produces one million liters of ethanol per day, based on surplus sugar that is not sold to the external market. This quantity comes quite short of international and local demand, taking into account that one of the measures to be adopted by the country to counteract the increase in oil prices is to increase the proportion of ethanol blended into gasoline, a level that has currently been set at 10% and which, according to short-term goals, is to be doubled, as indicated in the newspaper *Portafolio*: "The government's plan to reach the target of a 20% bio-fuel blend by 2012 will change the agricultural landscape, reallocate crops, modernize the cattle ranches, create agro-industrial projects and apply business criteria to all production activities (...). If this new challenge for the agricultural sector becomes a reality, in less than 20 years the main feature of the Colombian rural landscape will be

⁷⁹ *El Espectador*. Interview with Rodrigo de Campos, Brazilian bio-fuel expert. Bogotá D.C., 30 June, 2008.

a business-dominated agriculture and a combination of plantations and agro-industrial processing facilities.⁹⁰

But the most outstanding fact is that the ethanol that replaced 10% of gasoline for transportation over three years was made using sugar cane that used to be exported as refined sugar. The main feature of sugar cane is its high energy content: eight units for each unit of energy used for the crop and ethanol production, compared to a yield of 1.3 energy units for maize, a crop that is highly sensitive in terms of food reserves. Thus, as the IDB points out, Colombia would need "less than 120,000 hectares of sugar cane to substitute 20% of its gasoline consumption for ethanol by 2012 – in a country where 41 million hectares are used as low-productivity prairies."⁹¹

Thus, as the President of the Bank concludes, instead of indiscriminately attacking bio-fuels, it is best to support the efforts that will ensure their sustainability, particularly considering that "the authorities of Brazil and Colombia are already developing certification systems that will enable producers to guarantee compliance with internationally-accepted standards. And the IDB will soon publish 'sustainability guidelines' to help all the parties interested in this process evaluate potential bio-fuel projects."⁹²

As to African palm becoming a supplier of sulfur-free bio-diesel, an important event that favors this has been the approval by the Congress of the Republic, in mid-June of 2008, of a law that requires Ecopetrol to improve the quality of the diesel fuel used in vehicles in order to reduce pollutant emissions. As is known, these emission levels tend to be catastrophic, keeping in mind that the international average is 500 ppm (particles per million), while the diesel fuel sold in Bogotá contains 1,200 ppm, and the diesel fuel sold in other cities have concentrations of around 4,500 ppm. The law establishes a schedule of progressive reductions until 2012, when diesel fuel should

⁹⁰ Edmer Tovar Martínez. *Bioenergía cambia el mapa agropecuario* (Bio-Energy Changes the Agricultural Map). Portafolio. Bogotá D.C., 7 April, 2006.

⁹¹ Luis Alberto Moreno. *Por qué el BID apoya los biocombustibles* (Why the IDB Supports Bio-Fuels). El Tiempo. Bogotá D.C., 27 July, 2006.

⁹² *Ibidem*.

reach 50 ppm, one more environmental target to be achieved, recalling that in 1990 we were the first in Latin America to reduce the lead content in gasoline.⁵⁹

It should be acknowledged that Ecopetrol had already foreseen the need to improve diesel quality by importing fuels with lower sulfur content for mixing and light crude oils from Caño Limón and Cusiana; it had also planned to build biodiesel plants using palm oil. The approval of the law, however, has led to a specific plan to build a biodiesel plant in the Mid-Magdalena region, near the Barrancabermeja refinery, with expected production of 2,000 barrels per pay in a joint venture with seven palm growers from the area.⁶⁴

In any event, from the start of this year the Executive President of Fedepalma, Jens Mesa Dishington, had acknowledged these favorable conditions when he declared that it was necessary to “develop new palm projects under strict environmental and social sustainability criteria.”⁶⁵ Regarding the outlook of palm and of the agricultural economy in general, the government itself had pointed out through the Secretary of Agriculture, Andrés Felipe Arias, that for the first time in many years the country had established specific expectations over a 20 year horizon on ten production sectors with an exporting potential and capacity to generate employment, wealth, and added value.

According to the Secretary, some of the products the country should place its bets on include, in the top two spots, the main derived products from African palm: oil and bio-diesel. And specifically on the use of land, he pointed out that the goal was “to promote better crop distribution through the establishment of clusters based on soil quality, infrastructure and market access potential.”⁶⁶

The redistribution of crops is of the highest importance because it points to the need to reevaluate and reassign the uses given to land, which is a central aspect of any land policy with a strategic view,

⁵⁹ El Espectador. *Aprobado ley que mejora el diésel (Law to Improve Diesel Was Approved)*. Bogotá D.C., 13 June 2008.

⁶⁰ *Ibid.*

⁶¹ Edmer Tovar Martínez. *Op. cit.*

⁶² *Ibid.*

based on the inter-dependence between territorial and population reordering. Only in this way will it be possible to use less land for cattle grazing (it should shift, at least, from the 0.5 heads of cattle per hectare today to 1.5), thereby freeing the 6.5 million ha that are under-utilized in extensive cattle ranching, and increasing the areas used for palm even more in the future, without compromising the conservation of forests or food supplies.

We may now return to the issue discussed previously, concerning the transformation of the Colombian agricultural map and the supposed competition between bio-fuels and food crops. Of the colliding arguments on the issue, some of which have already been discussed in this paper, an option is perhaps to take the middle road between the numerous analysts who argue in favor of the two currents: the one that fears a food shortage and environmental damage to forestry resources, and the one that defends the possibility of producing bio-fuel without environmental damage or food shortages.

Considering that many of the generalizations held by each of the sides are not justified, it is true that in the specific case of our country the reasoning of the government is quite valid in terms of promoting ethanol and bio-diesel projects, in the sense that "in addition to having sufficient land that is suitable for planting raw materials for bio-fuels, such as sugar cane, oil palm, jatropha, beets, and yucca, Colombia has updated its legal framework and price structures and created tax incentives to develop new projects. What is missing (...) is a good production infrastructure."⁸⁷

As to the rest, according to the same governmental considerations, our country is an exception in terms of bio-fuels because these are produced from lands that are available and "that have not been well utilized in terms of cattle ranching."⁸⁸ And in the event of a not so temporary world food crisis, that is already in its third year, it is possible

⁸⁷ Semana. ¿Alimentos o gasolina? (Food or Gasoline?) Bogotá D.C., 8 October, 2007. P. 70.

⁸⁸ *Idem*.

that in Colombia bio-fuels are serving as a whipping boy for the self-imposed limitations of other crops such as rice, for example, as seems to be revealed by the manager of this industry's trade group, Rafael Hernández, who stated: "National production has also been affected by the arrival of bio-fuels, since oil palm plantations have substituted some 50,000 hectares that used to be devoted to rice. According to the figures, the size of the drop in rice planted areas is equivalent to the size of the rice shortage the country is facing."⁸⁹

The fact is that oil palm is just one of the 17 locally-produced food products that fully satisfy internal demand; alongside these are eight products where we are not self-sufficient and where demand must be complemented through imports. Rice production is very much in line with demand, which means that any drop in production or planted areas, "as is currently the case with some 50,000 hectares, generates a shortage that must be made up for through imports or higher prices to the consumer. The country produces the amount of rice it needs, but there is no surplus."⁹⁰

In conclusion, in the case of Colombia, "the bio-fuels strategy must continue, because there is no risk that this activity will compete with the production of food for daily consumption," as stated by Luis Arango, former Vice-Secretary of Agriculture and former director of Corpoica.⁹¹ The products that are involved, sugar cane for ethanol and palm oil for bio-diesel, only occupy 0.5% and 0.3% of the total agricultural area, respectively. But the most important aspect of all this is that the sugar cane and oil that are being committed will not affect the internal market, because they are targeted at export markets.

Food safety is a concept and, of course, a reality of utmost strategic importance for each country individually and for the world in general, but there is no doubt that it has become a sort of apocalyptic evocation that is used to achieve specific social, political, and economic effects.

⁸⁹ El Tiempo. *Sin arroz para todos (Without Rice for All)*. De Domingo a Domingo. Bogotá D.C., 27 April, 2008.

⁹⁰ Edmer Tovar Martínez. *Entre sembrar e importar (Between Planting and Importing)*. El Tiempo. De Domingo a Domingo. Bogotá D.C., 20 April, 2008.

⁹¹ Idem.

It is only in the framework of these interests that one can explain, though not justify, the fact that the alarm bells go off on food safety in a country like Colombia that has almost five million hectares planted, compared to an extension of suitable land that is five times greater.

A quite different and entirely justifiable matter is to call attention to the fact that certain government agrarian policies have lacked foresight and fallen prey to specific economic situations, as occurred in the early 1990s, when the doors were opened wide to large imports of subsidized food with the objective of lowering the cost of living, without realizing that this relief could turn around at any time due to a rise in international prices for these goods. Thus, what may be now a consequence of these past mistakes is not, as one analyst puts it, "the fault of bio-fuels, but of macroeconomic decisions made 18 years ago."⁹²

But the fact that is most worth highlighting at this time is that a new agro-industrial reality is coming to the scene of the Colombian countryside with significant comparative advantages at the international level, keeping in mind that its projects do not compromise the future of food crops or of native forest reserves. The Colombian government has set the goal of planting two million hectares of oil palm and one million hectares of sugar cane for bio-fuels by the year 2020. In the case of oil palm, the plan implies the establishment of a new company to be formed by Ecopetrol to process 2,000 barrels of bio-diesel per day.⁹³

In the department of Cesar, a new processing plant has already begun to produce bio-diesel and plans call for the plant to produce up to 50,000 tons per day of palm oil. Another four bio-diesel plants in the Atlantic Coast and Eastern Plains areas will start to operate towards the end of 2008, for a total of 265,000 tons of palm oil, which "will make the country the top bio-diesel producer in Latin America."⁹⁴

⁹² Mauricio Botero Calcedo, *Mitos y realidades de la crisis alimentaria II (Myths and Realities of the Food Crisis II)*. El Espectador, Bogotá D.C., week from May 4 to 10.

⁹³ El Tiempo, *3 millones de hectáreas para biocombustible en el 2020 (3 million hectares for biofuel in 2020)*. Bogotá D.C., 8 May 2008.

⁹⁴ El Tiempo, *Las exportaciones que prometen (Promising Exports)*. Bogotá D.C., 21 April 2008.

Lastly, it is important to mention the governmental decree that establishes a new class of Special Permanent Free Trade Zone that provides special official benefits for their creation and operation. This measure will generate employment, promote agro-business development, and have a large economic and social impact in the oil palm sector. The new free trade zone located in Mamatoco, Magdalena, will benefit 900 palm-growing families, will generate 748 new jobs, and produce close to 100,000 tons of bio-diesel.

These projects do not target bio-fuels alone but food production as well, taking into account that beyond the current five million hectares that are currently being used for agricultural production, it opens up 20 million hectares of agriculturally suitable land to productive investment, which could turn the country into the "food basket of the world, just when it is becoming evident that due to population growth and the entrance of the poorest sectors into the consumer economy, global food demand in the 21st century is about to grow exponentially (...). You do not have to be a planning genius to see the impact that a transformation of this size would have on the economic reality of Colombia. It could well be the way out to achieve economic development in our country."⁹⁵

The new realities of bio-fuels and food safety could open up a solid, broad-based, and sustainable development strategy for the countryside, with the decisive inclusion of productive lands and active farmers. The fact is that agro-industry could become the foundation of an economic network that spreads throughout the country based on the dynamics generated by a broad-based and reliable granting of land titles, the productive redistribution of lands, an extensive communications network, effective and accessible links to financial capital for the various sectors of the rural population, and in general everything that favors the integration of the Colombian countryside into the global economy.

⁹⁵ *Revista Dinero*, Editorial, Bogotá D.C., 11 April, 2006.

The displacement of farmers

Land and farmers have been a central issue for all societies, either from their origins or due to economic, social, or political evolution. Within this broad perspective, land and farmers have formed a historic duality in the sense of mutual opposition and integration which, in turn, has imprinted the specific nature of the four great social systems in the history of humanity: slavery, feudalism, capitalism, and socialism.

In each of these systems, the relationship between land and farmers has been determined by the specific dynamics of retention or expulsion of farmers from the land: retention in slavery and feudalism, and expulsion in capitalism and socialism. The first two systems retained the farmers to the land through the forceful conditions of slavery and serfdom as the basic matrix of their socioeconomic structures. In the two latter systems, however, the matrices were based on the disenfranchisement of farmers as a basis for the subordination of the countryside to their specific economic and social development projects. Disenfranchising the farmers was the means to free the land and open it to the logic of capital, in the first case, or to the logic of state-sponsored redistribution, in the second.

The above historic outline is relevant to the specific subject matter of this chapter, in order to establish the two starting points of the discussion that follow: 1) Rural displacement, as a basic form of disenfranchising farmers due to changes in property and land use, is an inherent component of the consolidation of capitalist and socialist structures. 2) Rural displacement can occur in a perverse manner, such as through the use of government or privately sponsored violence to attain political or economic objectives. This means that farmer disenfranchisement can be attained either through proper and legiti-

mate mechanisms of competition between economic interests or, in extreme cases, through the violent and criminal expropriation of the resources of others performed by the government or private agents.

It is clear that in the Colombian case the above premises only become visible within the context of the evolution that has linked the country with the world capitalist economy since the early days of the republic. During most of the 19th century, the main feature of this evolution was a slow transition period of a primarily agrarian regime towards capitalism, where the population was primarily rural rather than urban, with the establishment of few and small cities and several large towns. These urban concentrations were primarily "simple residential centers of urban land owners, plus a few artisans and public servants."⁹⁶

It was in this context of rural landowners that the first historic opportunity to disenfranchise farmers came up, at the Congress of Cúcuta in 1821, which targeted the community-owned properties of Indian reservations. This effort was finally frustrated because of the lack of resources to carry it out, but in 1839 the first results were achieved when the government managed to have "most of the Indian lands that remained in Cundinamarca, Boyacá, Santander, Tolima, and Huila distributed and acquired primarily by land owners and rich businessmen."⁹⁷

In the lowlands of the provinces of Popayán and Pasto, in the southwest of the country, land allocations were performed "in huge extensions to military men, politicians and businessmen who had purchased bonds backed by land to finance the public treasury."⁹⁸ Despite these events, including the expropriation of church-owned properties (which only covered 1.5% of the productive area at the time), capitalism continued to evolve slowly, as mentioned earlier, and there was no evidence of a major drive for the formation of capi-

⁹⁶ Jorge Orlando Melo. *La evolución económica de Colombia 1830-1900 (The Economic Evolution of Colombia 1830-1900)*. Manual de historia de Colombia. Instituto Colombiano de Cultura. Bogotá D.C. P. 141.

⁹⁷ Salomón Kalmenovitz. *El régimen agrario durante el siglo XIX en Colombia (The Agrarian Regime of the 19th Century in Colombia)*. Manual de historia... Idem. P. 224.

⁹⁸ Idem. P. 225.

tal and a corresponding proletariat, but rather the consolidation in power of interests that were more social and political than economic, which ruled over lands and populations that were still far removed from strictly capitalist production and commercialization systems.

In 1863, with the Constitution of Rionegro and the weakening of the central government's power, the sovereignty of the States offered the local landowners in power their second great opportunity to disenfranchise the farmers by placing in the hands of a minority of private owners huge tracts of land. This accumulation of land was to a large extent enabled by the numerous civil wars caused by the decentralization of the power of arms, which gave the local elites a free hand to distribute lands and mines. Thus, up until 1881, while direct allocations of unused properties to settlers added up to less than 0.05% of the vacant lands available,⁹⁹ it is fair to say that during the entire 19th century the Republic handed out property titles over huge tracts of land to just a few individuals.

Regarding the 20th century it may be said, at least during its first three decades, that the allocation of vacant lands by the government had only managed to strengthen huge unproductive estates, thereby worsening the growing problem of access to lands for the majority of farmers. Then the third opportunity for farmer disenfranchisement came along, involving the issue of unused properties, in the sense that the owners of the property titles expelled the settlers from their lands using different forms of violence, while these reacted, using different forms of defense.

In his address to Congress in 1933, the President of the Republic, Enrique Olaya Herrera, warned about the restlessness of the small farmer population "to the point of causing some agitation and a few actual confrontations in certain areas of the country: this has to do with the issue of property over lands that have been farmed by people

⁹⁹ *Ibidem*, p. 234.

who claim to be settlers in vacant plots, but which other persons claim to be their private property (...). With adequate legislation on these matters, many of the conflicts could be reasonably resolved (...) and the risk, remote but undeniable, of a violent reaction against property rights could be avoided."¹⁰⁰

The matter of adequate and timely legislation to expedite the mobility of labor and land was put off until the late 1950s, when some measures were explored without much success, such as a presumed tax rate that would punish properties that were inefficiently used. As to the matter of the "remote but undeniable" risk of dangerous reactions, these were actually already taking place right under the president's nose, if we recall that conflicts over land control were already visible in the late 1920s with the active presence of socialist and leftist liberal groups.

The inter-party violence that was unleashed after 1948 and which took place mainly in the countryside incorporated much of the exasperation of the agrarian struggles of the 1920s and 1930s. These struggles, which were originally a part and expression of the harsh farmer disenfranchisement process caused by local capitalism, would later take on the characteristic forms of economic coercion and extra-economic violence.

As a result of the loss of their traditional forms of property ownership due to the actions taken by the landowners and the passive response of the government, farmers throughout the rural frontier sought to reestablish their ownership through groups of armed farmers, who accompanied by their women, children and elderly, occupied non-farmed areas, made camps and made the axe and the rifle the symbols of their willful colonization campaign. This is how *armed colonization*¹⁰¹ came into existence, as an organizational form that led to the colonization of vast regions, and that would also lead in 1964

¹⁰⁰ Darío Mesa. *El problema agrario en Colombia 1920-1960 (The Agrarian Problem in Colombia 1920-1960)*. La agricultura colombiana en el siglo XX (Colombian agriculture in the 20th Century). Biblioteca Básica Colombiana. Colección. Bogotá, 1976, P. 107.

¹⁰¹ Willem Ramírez Tobón. *La guerra rural en Colombia: ¿una vía hacia la colonización armada? (The Rural Guerrilla in Colombia: A Route Towards Armed Colonization?)* Estudios Rurales Latinoamericanos. Bogotá, August-May 1981, P. 199-205.

to the establishment of the Farc as a mobile and revolutionary guerrilla “that fought for political change.”¹⁰²

The purpose of this brief historical overview is to outline the social, economic, and political matrices that have led to the phenomenon of forced displacement in the Colombian context. The first thing to point out is that the definition that is currently used in our country, that of the Permanent Consultation on Internal Displacement in the Americas of 1993, is more operational than conceptual: “A displaced person is anyone who has been forced to migrate within the national territory and to abandon his/her place of residence or habitual economic activities because his/her life, physical integrity or freedom have been violated or are at risk due to the existence of any of the following man-made situations: internal armed conflict, internal disturbances or tensions, generalized violence, massive violations of human rights, or other circumstances derived from the above situations that may drastically alter public order.”¹⁰³

As indicated in the above quote, the definition of forced displacement is circumscribed to situations of armed conflict, but it omits other determinant factors such as, for example, natural disasters, restrictions to immigration and, in general, any type of economic coercion that may become clearly threatening by preventing the development of individual liberties.

The above definition, although it does cover very important cases, tends to leave out an important conceptual dimension in the sense that displacement has a structural nature that goes way beyond a casuistic event that makes it particularly visible in the here and now of the history of nations. This is very important because when one looks at the different systems of production in the historical and global perspective that we summarized at the beginning of this chapter, we find that many development processes imply the decomposition

¹⁰² Resistencia (Resistance). Programa Agrario, N° 19, May of 1969, P. 8.

¹⁰³ Inter-American Human Rights Institute. *Memoria de la Consulta Permanente sobre Desplazamiento Interno en las Américas (Memoirs of the Permanent Consultation of Internal Displacement in the Americas)*. San José, Costa Rica, 15 April, 1993.

of previous forms, which in the rural context translates into the retention or expulsion of farmers.

The acknowledgement of this, especially by the public power entities that establish impact mediation and treatment policies, may mark the difference between a peaceful and consensual inducement towards the goals of development or the forceful and arbitrary imposition of the policy. Or, in the case of forced displacement due to economic forces involving the modernization of agriculture, within a development model that offers sufficient margin to relocate the affected or converted population, it becomes a devastating reproducer of exclusion and poverty due to its short and mid-term effects.

The main trend in our country, unfortunately, has been towards a highly exclusive form of development. Colombia could very well hold a record in terms of shortcomings in the application of reforms applied to the overall economy, society, and the rural sector: It never carried out the old first-generation reforms (progressive liberal agrarian reform, for example); the late first-generation and second-generation reforms were carried out badly or incompletely (broadening of markets and institutional promotion to improve competitiveness and quality), and the possibility of implementing the third-generation reforms has not even been considered (equal opportunities, response to the social demands of the various groups involved in rural livelihoods).¹⁶⁴ Thus, the huge debt owed to the agricultural sector cannot be repaid by looking back to a countryside that no longer exists, as old utopian agrarian redistribution schemes continue to sustain. Instead, we need to adapt the agricultural sector that truly exists to a development model that is able to reconcile the asymmetries between sectors with the type of global capitalism that exists today.

This change in perspective offers two important advantages. The first is that it clearly differentiates two distinct trends within the general

¹⁶⁴ Absalón Machado, *Reforma agraria, desarrollo rural y desplazados (Agrarian Reform, Rural Development and Displaced Persons)*. *Desplazamiento Forzado Interno en Colombia: conflicto, paz y desarrollo (Forced Internal Displacement in Colombia: Conflict, Peace and Development)*. Acorur, Codhes. Bogotá D.C., 2001. P. 115.

displacement phenomenon: One is of the economic type, where the individual leaves behind his living conditions and work due to the structural logic of the social production system, and where no illegal actions intervene. The other is of the socio-political type, where the separation has been performed through the imposition of insufferable restraints and violent actions, which is to say, through illegal procedures.

Now then, based on these differences, the policies towards displacement can and should be different. In the first case, depending on the level of social sustainability that has been reached through a development model, it is possible to correct the displacement that occurs naturally as a result of the system's economic forces and the decomposition of certain farmer groups, for example by means of policies to diminish inequality and increase economic and social opportunities for the affected population. In the second case, the scope of the development model itself should reduce as much as possible the costs of violent displacement through dispositions on payment of damages and medium and long-term alternatives for socioeconomic reinsertion.

In face of the displacement that is currently taking place in the country, points of view that are interested in clearly defining the causes of the phenomenon and establishing the corresponding treatments are not receiving much attention. Quite the contrary, simplistic causal views are the ones that predominate in dealing with the issue, to the point that displacement is viewed as a conscious and deliberate objective of the Colombian capitalist regime, and the government's agrarian policies as a simple tactical game to further the individual interests of businessmen and politicians.

The claim that "displacement does not occur because there is a war, but rather there is a war so that there will be displacement," and that consequently the rural population is "the target to be eliminated or expelled in order to carry out the strategic plans of territorial control that may be military, but are motivated by great economic

interests,¹⁰⁵ is eloquently representative of the deformity of this type of views. In the specific case of African palm, this view enables the formulation of claims such as the following: "The high level of causality between forced displacement and land theft is highly evident, as is the causality between land theft and palm plantations. Forced displacement has been induced at every palm complex, and in every one there are cases of illegal land appropriations."¹⁰⁶

The first thing to note in claims such as the above is how they disregard the fact that the displacement of populations is a general phenomenon with two variables, internal migratory flows and internal forced displacement, which, although are different, may converge in the same geographic locations and motivations, which therefore makes it difficult to precisely identify them as agents of integration or conflict.

In the first of these two variables, we find five important features: a) A high level of mobility between departments and municipalities to the point where migration flows vary "enormously between one location and another due to the country's great economic and cultural diversity, so while some economically depressed areas lose a high percentage of their populations, the ones that are more developed or have higher economic growth receive more population and become saturated with immigrants."¹⁰⁷ b) Internal migrations in Colombia are closely associated with the search for better living and working conditions, depending on two characteristics of the migrants: high unemployment rates and high working skills. c) These features, viewed as unsatisfied expectations, may lead to increased frustration and feelings of exclusion that may stimulate forms of aggression based on the

¹⁰⁵ Jorge Enrique Rojas. *Desplazados: lógicas de guerra, incertidumbres de paz (Displaced Persons: War Logics, Peace Uncertainties)*. Idem. P. 34.

¹⁰⁶ Fidel Mingorance. *El flujo del aceite de palma Colombia-Bélgica/Europa (The Flow of Palm Oil Between Colombia-Belgium/Europe)*. Acercamiento desde una perspectiva de derechos humanos (An approach from a human rights perspective). HREV. CBC. Brussels, 2008. P. 39.

¹⁰⁷ Norma Rubiano and Eduardo Granados. *Migraciones internas y violencia en Colombia: el precio de los equilibrios regionales (Internal Migrations and Violence in Colombia: The Price of Regional Equilibria)*. *Desplazados, migraciones internas y reestructuraciones territoriales (Displaced Persons, Internal Migrations and Territorial Restructuring)*. Centro de Estudios Sociales. Universidad Nacional. Bogotá D.C., 1999. P. 90-91.

principle that “violence is the extreme form of exclusion.”¹⁰⁸ d) The departments that are most attractive to the immigrants “are precisely those that also face a greater level of conflict, and they consequently reach even higher levels of violence.” Consequently, the researchers we are quoting raise the hypothesis that “immigration may become a factor that exacerbates or generates violence in the locations where the immigrants have settled.”¹⁰⁹ e) When immigrants are separated between those who come from the same department and those who come from other departments, the study found that the correlation between “violent deaths and inter-departmental immigration rates is practically non-existent,” whereas the “correlation with intra-departmental immigration is strong and positive.”

The researchers therefore conclude that “the relationship we have observed between migration and violence undoubtedly shows that in itself migration does not generate violence, except under certain conditions and in specific contexts.”¹¹⁰

We should recall that there is a definition of forced internal displacement that has been adopted by the Episcopal Conference of Colombia, the Colombian government and the Inter-American Institute for Human Rights that states that displaced persons are those who are forced to migrate within their own country because their lives, physical integrity, or liberty have been threatened. In this context, the situations that are mentioned as causes for displacement are: “Internal armed conflict, internal disturbances or tensions, generalized violence, massive violations of Human Rights, breaches of International Humanitarian Law or other circumstances derived from the above situations that may drastically alter public order.”¹¹¹

¹⁰⁸ *Idem.* P. 102.

¹⁰⁹ *Idem.* P. 98.

¹¹⁰ *Idem.* P. 103.

¹¹¹ Michel Agier and Odilo Hoffmann. *Pérdida de lugar, despojo y urbanización (Loss of Place, Dispossession and Urbanization). Un estudio sobre los desplazados en Colombia. Desplazados, migraciones internas y reestructuraciones territoriales (A study on displaced persons in Colombia. Displaced persons, internal migrations and territorial restructuring).* Centro de Estudios Sociales. Universidad Nacional. Bogotá D.C., 1999. P. 107.

But although the above definition has been formally well received by distinguished national and international institutions, it is important to take into account that the complex nature of the Colombian situation and specific current developments make it worthwhile to make a careful observation of the different types of population movements, in terms of forced displacement and internal migrations. From this perspective it should be possible to recognize, for example, that the magnitude itself and the complexity of the aforementioned causes for displacement (armed conflict, generalized violence, etc.) overflow by far the responsibilities of certain public and private agents, as many ideological rather than analytical argumentations would have it.

The blame that is placed, in the case of African palm, on this industry as a direct or inducing agent for numerous forced displacements is yet another application of the same mold according to which any social or economic dysfunction of the capitalist system is the result of the criminal and unlimited drive of business to increase profits. The intention is not to deny the excesses of some particular companies, as we shall discuss in the final chapter of this paper regarding certain palm plantations in the department of Chocó, but to show that the discourse on the existence of a Colombian palm model based on forced displacement is biased and untruthful.

In any event, it should be kept in mind that of all the municipalities in Colombia, 72 have African palm plantations. Of these, as indicated earlier, 16 municipalities account for 70% of total palm crops, and in these, over the past 16 years, only 3.6% of the forced displacements in the country have taken place.

Additionally, of the ten municipalities in the country where there has been most forced displacement, there are only three municipalities that have palm plantations -Valledupar, Tibú, and Fundación- and in these municipalities the planted areas are small, given that none of them is among the top 16 municipalities in terms of palm growing at the national level. Of these three municipalities, the one

that has the largest amount of palm plantations is Tibú, where the great majority of land owners are small farmers.

The fact is that 84% of total forced displacement in Colombia has taken place in areas where not a single hectare of African palm is planted, which implies that a causal relationship between forced displacement and palm crops cannot be established. Rather, what does become evident is that in the locations where there are substantial planted areas there has been very little forced displacement, and where planted areas are small there has been much more forced displacement. A similar correspondence could be established for other crops such as maize and rice, for example, although these are not singled out as industries that expel the farmer population.

There is, nevertheless, an exception in the case of Tumaco, the only case where there is a substantial number of displaced persons in an area with significant palm plantations, although the municipality is not included in the top 30 municipalities in terms of displacement in the country. Nevertheless, this is a very special case because of its insertion in the national armed conflict and because of a particular history that began in 1995, when the coca plant fumigation efforts in the south of the country forced many plantations to move to Tumaco, turning it into a drug trafficking stronghold thanks to the large number of sea coves and inlets that facilitate the transportation of drugs and drug producing supplies out of and into the area.

Thus, the widespread presence of drug trafficking there is one of the factors to be taken into account for the displacement of population, a situation that contrasts with that of the municipality of Puerto Wilches, which has palm plantation areas similar to those of Tumaco, but has presented five times less forced displacement, with the additional peculiarity that the population itself blames the displacement on the floods caused by the river during the rainy season. At the other end of the spectrum is the case of Valledupar, which has 15 times less palm than Tumaco, but twice the number of forced displacements.

These comparisons once again show that there is no cause-effect relationship between palm plantations and forced displacements of the population, and that the claims made in this sense are only the result of preconceived ideologies interested in demonstrating the existence of a business economic model that is only capable of using the old ways of heartless and savage capitalism.

African palm

in the Urabá region of Chocó

According to the NGO *Human Rights Everywhere* (HREV), African palm is a meeting point for “illegal and criminal acts” that under the protection of local government actions and international interests seeks to position itself as “a means for economic development that is useful in the pacification of the country.” But in reality, according to this view, as far as the Colombian government is concerned, the oil palm crop is above all a means for the government to achieve territorial, economic, political, and military control over large territories of the country that are currently beyond its reach.

Additionally, on the international front, the proposals and assistance of foreign organizations such as the World Bank and the Inter American Development Bank only amount to strategies for the expansion of global capitalism disguised under the banner that “medium and long-living crops have a greater exporting potential, a greater capacity for survival in an open economy and provide great benefits in terms of the pacification process by generating sustained growth in the agricultural sector.”¹¹²

Based on these features, the NGO states that there is a Colombian palm development model, to conclude that Chocó, a standard-bearing region in terms of “the greatest number of violations, crimes and irregularities associated with the palm crop that have been committed in Colombia,”¹¹³ is a standard case of the aberrations that have been committed in the rest of the country.

¹¹² Fidel Mingorance. Op. cit. P. 33.

¹¹³ Ibid.

The first thing that needs to be said about the claims of the aforementioned NGO is that the logic of its argumentation is focused on the interest of showing, based on a specific regional case that is highly exceptional, a supposedly generalized behavior in the rest of the country. The basis for such a misleading procedure is to generalize the particular circumstances of the department of Chocó, and more specifically the area of Urabá in Chocó, to the rest of the country.

The fact is that in many ways Chocó is a special case, given its marginalization from the opportunities that are accessible to most regions in the country, as evidenced by the following figures from Dane (the National Statistics Department) as they apply to the Afro-Colombian ethnic group that represents 74% of the population of Chocó: "The average literacy level of the Afro-Colombian population is two points below the national average (88% and 86%, respectively); the national average professional population is 7% and in the case of the Afro-Colombian population it is 4%. The infant mortality rate at the national level is 26.9 per thousand children, whereas the average for the Afro population is 48.1 and for the total infant population of Chocó it is 77.5. Lastly, the average life expectancy at the national level is 72.8 years, but for the Afro-Colombian population is 64.6 and for the total population of Chocó it is 58.3 years."¹¹⁴

For the purpose of this study, the most noteworthy aspect of this Afro-Colombian population is that they are communities that own collective properties and which have ancestral cultural practices. These communities are protected by Law 70 of 1993, which implements the constitutional mandate to defend their collective property rights over the lands, the forests, and the forest cover that exists in these territories, "and involves a preferential right to the use and extraction of resources from the subsoil, and the right to prior consultations

¹¹⁴ Dane (2006) Colombia, a multicultural nation, its ethnic diversity.

when the extraction of the resources involves hydrocarbons, coal, minerals, salts or strategic minerals.¹¹⁵

There are also international safeguards in place such ILO Convention 169, which commits the government to guaranteeing the protection of their property and possession rights over the lands where they have traditionally lived, which was ratified by Colombia in June of 1989 and has been in force since September of 1991.

With the application of these safeguards and Law 70 of 1993, the goal of which was to write up collective titles on 5,600,000 hectares of land, the government began to award titles to the ethnic groups of Chocó under the condition that the properties could not be seized, the titles would not prescribe, and that they could not be transferred. According to reports from the Presidency of the Republic, by 2007 titles had been granted on 5,177,000 hectares, a figure that was confirmed by the Consulting Group on Human Rights and Displacement (Codhes by its acronym in Spanish), when it confirmed the delivery between 1996 and 2007 of 5,198,967 hectares of lands with titles, to the benefit of 62,640 families.

By November of 2000, Incora had managed to award Afro-Colombian communities the unused lands located in the basins of the Curvaradó and Jiguamiandó rivers in the Urabá region of Chocó. But by the end of 2004, 23 private-sector investors associated to palm-growing companies had carried out a massive purchase of properties and improvements "from different persons considered individually, without the consent of the traditional authorities represented by the community councils."¹¹⁶

The official reaction was specific and prompt. In the first months of 2005, the Colombian Institute of Rural Development (Incoder, by its acronym in Spanish) indicated that part of these territories located in the basins of the Curvaradó, Jiguamiandó and Domingodó rivers

¹¹⁵ Plan integral de largo plazo para la población negra, afrocolombiana, palenquera y raizal (Integral Long-term Plan for the Black, Afro-Colombian, Palenque and Raizal population). Documento del Equipo Plan Integral Comisión de Estudios. Documents from the Integral Planning Commission Studies Team, National Planning Department - DNP -, May 2007.

¹¹⁶ El Tiempo. "Es una investigación amparada en falsedades," dicen palmeros (Palm Growers Say "It is an investigation Supported by Falsehood"). Bogotá D.C., 23 December, 2007.

had been improperly occupied by the entrepreneurs. It issued a resolution act to suspend any planting and to return the 14,881 hectares, most of them planted with African palm, because they had been "occupied in bad faith."¹¹⁷

In June of that same year, the Peoples' Defense Office (Defensoría del Pueblo), through resolution 39, documented its warnings on evictions and illegal appropriation of community lands in these same river basins. In mid-2006, the Secretary of Agriculture, Andrés Felipe Arias, based on the opinion issued by the Consultation Chamber of the Council of State that the property rights of the black communities had precedence over the unused lands located in the Pacific basin, announced that his office would take legal action to declare the invalidity of any legal resolutions that had allowed the illegal takeover of community lands, and legal actions to recover the loans made to the investors by Finagro and Banco Agrario.¹¹⁸

Towards the end of 2007, the Nation's attorney general, Mario Iguarán, pointed out that "after having received over a hundred statements, of performing legal inspections at the palm growing companies, at oil companies, at banks, public notaries, and public document registration offices, the Attorney General has opened a formal investigation and ordered the representatives of several companies to appear for questioning (...) for allegedly committing, among other crimes, conspiracy, usurpation of lands and, a very serious one, forced displacement."¹¹⁹

From what we have discussed pertaining the background of African palm in the Urabá region of Chocó, so far it is not evident that the region is a highly representative meeting point for illegal and criminal actions, government policies, and private international interests, according to the supposed Colombian palm growing model proclaimed by HREV.

On the contrary, faced with the emergence of this particular project of taking over lands to plant oil palm, which in no way can be general-

¹¹⁷ *Ibid.*

¹¹⁸ *El Espectador. El dossier de los palmeros (The Palm-growers' Dossier)*. Bogotá D.C., 27 January to 2 February, 2008.

¹¹⁹ *El Tiempo. Por desplazamiento forzado, a indagatoria empresarios de la palma (Due to Forced Displacement, Palm Businessmen are Brought in for Questioning)*. Bogotá D.C., 23 December, 2007.

ized to palm growing throughout the national territory, what should be highlighted is the timely and clear response of the central government, of the legal system, and the mass media, which supported the claims of local communities. Moreover, the capacity of the locals to claim their rights is closely linked to the formalization of these rights through constitutional mandates and legislation that were promoted by a State which differs significantly from the image that is being circulated by the above-mentioned NGO, which claims that everything is simply a result of a "law-breaking and socially harmful agro-industrial development model, supported by violence exerted by paramilitary groups to expand and exert control over the territory."¹²⁰

Even the most general feature of Chocó that could be projected to the national level, armed conflict, also turns out to have very peculiar characteristics. According to a report of the Human Rights Observatory, several overlapping features come together here to produce a very special type of regional conflict. These are the result, in a very express manner, of the strategic position of the territory which, thanks to the corridors that connect it with the Pacific coast, the border with Panama, and the interior of the country, favor the development of illegal activities such as arms and drug trafficking. The jungle area also provides hideouts for illegal armed groups and facilitates the illegal extraction of mining and forestry resources;¹²¹ and even the collective form of land ownership by the community ends up favoring, as indicated by the Observatory, the intimidation and displacement of Afro-descendant communities by illegal armed groups.

Starting in the mid-1970s, the black communities in the Urabá region of Chocó began to report the presence of the first Farc guerrilla groups in the rural areas of the municipalities of Carmen del Darién and Belén de Bajirá. By the mid-1980s, they had turned the area into a large operational region with five guerrilla fronts: numbers 5, 8, 34,

¹²⁰ HREV, *Op. cit.* P. 48.

¹²¹ Programa Presidencial de Derechos Humanos y Derecho Internacional Humanitario. Observatorio para los Derechos Humanos y DIH (Presidential Program for Human Rights and International Humanitarian Law. Observatory for Human Rights and IHL). 2007.

57 and 58. By the mid-1990s, and as a counter-reaction, the Autodefensas had already consolidated the *Elmer Cárdenas* block under the command of Fredy Rendón, a.k.a. *El Alemán* (the German), who had established a front earlier in the Urabá region of Antioquia in response to the presence of the EPL guerrilla. Thus, starting in early 1997, and as one of the most visible results of the violent confrontation between the guerrillas and Autodefensas over territorial control, a continuous exodus of farmers began towards the urban centers of Quibdó and other smaller towns in Chocó.

After 2001, new investors began to plant oil palm and, according to a verification commission formed by Incoder and the Peoples' Defense Office (Defensoría del Pueblo), they reached 22,022 hectares of planted areas in the collective territories of Jiguamandó and Curvaradó, 4,183 ha of which had been planted in 2005, 16,000 ha had been prepared for planting palm and 810 were used for cattle ranching.¹²³

Lastly, in early February of 2008, the legal representatives and directors of eight of the 14 companies that were registered in the region began to answer questionings before the Human Rights Unit of the General Attorney for the alleged usurpation and invasion of lands and waters of the Afro-descendant communities from the basins of the rivers Jiguamiandó, Curvaradó and Domingodó, "in a practice that could also configure the crimes of damages to the property of third parties, illicit enrichment, and prevarication of action and omission."¹²⁴

The peculiarity of Chocó as an incubator and developer of processes linked in one way or another to the Colombian armed conflict does not, then, allow simple deductive generalizations applicable to the overall national reality, and much less regarding an agricultural activity such as African palm, a crop that enjoys a growing and solid presence not only in terms of territorial extension but also as a factor of production and trade at the national and international level.

¹²³ Defensoría del Pueblo (Public Defense Office). *Defensa Resolución N° 32. Violación de los Derechos Humanos por siembras de palma africana en territorios colectivos de Jiguamandó y Curvaradó/Chocó (Violation of Human Rights Due to Planting of African palm in Collective Territories of Jiguamandó and Curvaradó/Chocó)*. 2 June, 2005.

¹²⁴ *El Espectador. El dossier de los palmeros (The Palm Growers' Dossier)*. Bogotá D.C., 27 January to 2 February, 2008.

The business association of palm growers, Fedepalma, has publicly acknowledged on several occasions the seriousness of the case in the Urabá region of Chocó, but always pointing out that it was a singular occurrence, as indicated in the two such statements we review below. In the first, in response to a specific situation in which "there has been forced displacement of the population, problems with property titles and the development of plantations without environmental management plans," in addition to offering to cooperate "with the authorities in order to clarify all these situations, to ensure that if any of the irregularities that are claimed are effectively proven they will be punished with the full weight of the law."¹²⁴

In the second, in the newspaper *El Espectador*, in referring to the "unfortunate episode in the Urabá region of Chocó, whose protagonists are neither members of Fedepalma nor companies with a long track record in the business, I must point out that it is an event that causes great pain to the entire oil palm agro-industry, and which we have rejected on several occasions; we have asked the judicial system to act with all the severity that the case merits, according to the law and regulations in force, as we do not wish these events to become repetitive, and, quite the contrary, we hope that this will prevent the entry of other unscrupulous investors into the Colombian palm industry."¹²⁵

The palm growing tradition does not fit the image portrayed by the Belgian NGO and some Colombian emulators who dare make generalizations for the entire national territory, based on the following stages: 1) paramilitary assault or conquest. 2) illegal appropriation of the lands: theft or purchase through armed intimidation. 3) planting of oil palms 4) palm complex = Plantations + Processing plants. 5) flow of palm oil towards the national and/or international markets. 6) territorial control.¹²⁶

¹²⁴ Letter from Jens Mesa Dashington, Executive President of Fedepalma, to the Colombia-Venezuela Border Pastoral, Bogotá D.C., 30 July, 2007.

¹²⁵ Jens Mesa Dashington, *Cartas de nuestros lectores (Letters From Our Readers)*, *El Espectador*, Bogotá D.C., 17 May, 2008.

¹²⁶ Fidel Mingorance, *Op. cit.* P. 34.

Evidently, the application of a mold like the above to the entire palm growing agro-industry has the purpose of portending the supposed proclivity of the industry to associate with illegal armed groups, regardless of their particular situation. With such generalizations there is no longer any reason to investigate up to what point and under what specific conditions these illegal associations arise or are caused by the presence of specific events that facilitate and propitiate the achievement of certain economic, political, and military ends. For example, that a type of plantation such as African palm, by having the advantage of generating a greater number of work days per hectare and consequently allowing larger demographic concentration, could end up aiding the paramilitaries in gaining military control over the populations in its areas of influence.

This, as the analyst Gustavo Duncan points out, makes it “less expensive to keep watch over the inhabitants of a town than a mass of inhabitants spread out over huge tracks of land, while at the same time this clustering increases the visibility of the loyalty of individuals and eventual infiltration of guerrillas or other Autodefensa factions.”⁴¹⁷ But these are features and advantages that are inherent to industrial agriculture, so their convergence with African palm in the region of Chocó is not due to an implicit proclivity of the crop to associate with the worse forms of exploitation and delinquency, but a specific juncture of place and time in the context of the Colombian armed conflict.

The fact is that the history of oil palm in Chocó has been linked to a context of permanent pressure by the illegal armed actors. Already in the mid-1990s, the pressure of Farc and EPL has sparked, from the neighboring region of the Urabá region in Antioquia, the displacement of many cattle ranchers and banana growers who emigrated to Chocó in order to switch to the palm business. One of these companies,

⁴¹⁷ Gustavo Duncan. *Los señores de la guerra. De paramilitares, mafiosos y autodefensas en Colombia* (The War Lords. On Paramilitaries, the Mafia and Autodefensas in Colombia). Editorial Planeta. Fundación Seguridad y Democracia. Bogotá D.C., 2006. P. 102.

located in the basin of the Curvaradó River, was established through an association of ten partners and 52 families that had been displaced by violence over an area of 3,800 hectares.

As to their relationship with the Autodefensas, some of the associates revealed that from the start "talks had to be held with them, because as is well known, wherever there are armed groups, if you want to work you have to talk to them, because there is practically no government presence." And now, along with the Farc, new emergent groups have appeared on the scene in a fight with the guerrillas for control over the mid San Juan region, in the south of the department, an area of important drug trafficking corridors that communicate with the Pacific coast.

In any event, the basins of the Jugiamiandó and Curvaradó rivers, and their neighboring regions, were areas of turf wars between guerrilla and counter-guerrilla groups, to the point where their fights, combined with the interventions of the public force through the National Army, produced massive population displacements in the years 1997 and 1998, leading to the disintegration of collective territories and the fraudulent purchase of community lands at low prices by many businessmen who took advantage of their plight.

In early 2008, the opening of criminal processes against the palm growing companies by the Nation's General Attorney, the calling in for questioning of 23 new palm investors, and the investigation ordered against the officers of Incofer whose conduct may have favored the illegal transfer of lands, were a clear indicator that what happened in the Urabá region of Chocó was an irregular case, that was identified as such by the Colombian legal system and, in the event the facts are proven in court, will be subject to the penalties foreseen for illegal behaviors. Consequently, this event cannot be generalized to the national palm agro-industry, as is the intention of those who wish to make the industry an unsuccessful corroboration of their own prejudice about modern business development and globalization in Colombia.

Conclusions

The increased notoriety of the African oil palm industry due to certain recent national and international events has made the crop and its industrial processing the center of sharply differing and diverse opinions. The present research paper started out by pointing out that oil palm is neither a newcomer nor an upstart in the national economy, and that since the mid-20th century it has been a component of the government drive to promote commercial agriculture, as part of the inward-looking growth strategy that was adopted in the 1930s.

In this manner, in 1962 Incora (the Agrarian Reform Institute) assigned it an important role in the country's colonization plans because of its attractive oil yields, the wide availability of tropical lands for planting, and the social dimension of the foreseen projects due to their capacity to promote the improvement of rural living standards.

Consequently, the plan called for planting 2,000 hectares of palm in each of the five main regions of the country (Norte de Santander, Magdalena, Cauca, Nariño and Caquetá), since, in the words of Incora, only then would it have "a true significance in the context of the overall economy." All this made oil palm a highly visible part of the institution's efforts to promote commercial agriculture within the development framework of the time.

As to the role that agro-industry in general and African palm in particular might have played in the country's development, an issue that has been debated since the 1960s, our analysis clearly indicates that it is not the responsibility of the business sector to adequately distribute the benefits from growth, fight against poverty, and reduce social inequality. These are tasks that must be taken on by the State, once endowed with the institutional strength and the political will to do so.

But the government in Colombia is still in the development stage. Colombian business does its share of the work by carrying out its specific economic activities, but the task requires a joint effort and the involvement of the entire nation. The business sector is an essential part of this collective development effort, which can only be sustained in economic, social and environmental terms through the commitments and responsibilities taken on by business.

These are commitments that Fedepalma has taken on from its "Business Social Responsibility" perspective, by providing numerous housing, education, health, recreation and community services that help mitigate social inequality in its areas of influence. A more strategic initiative from an economic standpoint has been its experience in the cooperative organization of small and mid-sized growers, which has helped increase their scale of production, and thereby their business capacity, in order to adequately leverage their production resources throughout the agro-industrial chain. This is known as the Strategic Alliances initiative, a valuable paradigm of collective action aimed at achieving economies of scale, which unites small and mid-sized farming units through associations with each other and with large agro-industrial companies.

In any event, in the common framework of the nation's comparative advantages, it is possible that the strategies of the corporate sector, in this case spearheaded through Fedepalma, and those of the Colombian government, can converge around the common cause of modernizing the agricultural sector and the adequate preservation and use of natural resources.

This convergence is expressly mentioned by the Department of Mines and Energy when it states that Colombia can set an example in the bio-fuels sector since, according to government calculations, nearly 42 million hectares that are devoted to pastures only hold 25 million heads of cattle. If the density of the cattle population per hectare were adequately increased, close to 6.5 million hectares could be freed and used, for example, to grow oil palm, without touching "a

single square centimeter of jungle” or broadening the Colombian agricultural frontier, and without affecting the country’s food production. On the contrary, lands that are currently being used inefficiently would simply be put to better use.

Consequently, the above would seem to indicate that the debt owed to society in terms of the development and modernization of the countryside has ended up becoming a comparative advantage that will enable us to plant new crops to produce bio-fuels. It turns out that in this ironic twist of fate, bio-fuels are not only at the forefront of new technical applications to develop cleaner technologies and increase the performance of current fossil fuel sources, but they are also particularly well suited to our nation’s particular conditions in that we do not face the same visible risks as other countries where, due to the lack of new land, planting of crops to make bio-fuels could affect food supplies. In effect, our country has more than enough land for agricultural use, considering that of a universe of land that is suitable for agriculture calculated at between 22 and 28 million hectares, less than five million are currently used for this purpose.

In terms of the territorial expansion of oil palm, this paper has approached it from the perspective of the crop’s economic and social geography, as discussed throughout the third chapter of this document. There, we indicate some of the main features of the large planted areas of this crop in 96 municipalities and 16 departments, where there are 53 post-harvest processing plants with combined production that accounted for up to 1.6% of agricultural sector GDP in the time period between 1996 and 2006.

Currently, oil palm accounts for 5% of agricultural sector GDP and 9% of permanent crop production. There are four big palm-growing areas located in the North, Central, Eastern, and Western parts of the country. We also highlight some representative cases of the contributions that oil palm makes in favor of local agricultural development, the generation of employment, and the creation of specific forms of

cooperative land use, as is the case of the Strategic Alliances between small, mid-sized and large growers.

On the issue of African palm in the context of the Colombian armed conflict, we considered it important to discuss the argumentative reductionism of those who freely establish causal relationships between the violence endured by the Colombian countryside and the oil palm agro-industry, as if the latter were the cause of the former.

We state that, quite to the contrary, insecurity is a threat to the nation's oil palm production efforts and its insertion in global markets, and that it is therefore a victim, rather than a generator or beneficiary of the Colombian armed conflict. And although there are situations where certain palm crops have been involved in very conflictive local contexts, as in the case of Chocó, this does not justify portraying the palm agro-industry as a system or model of illegal and violent acts against the peasantry.

As the figures themselves show, the overwhelming majority of violent acts committed by irregular groups, the distribution of violent acts throughout the national territory, and the intervention of the government's public forces, have taken place, in the great majority of the cases, in areas where no oil palm is grown, and furthermore, when they do occur in palm-growing areas, there is no correlation between these acts and the size of the plantations. Consequently, it is not valid to say that the map of violence and illegal armed groups coincides with the map of palm growing, as portrayed by certain NGOs that claim the existence of a supposed palm oil model, the main features of which are violence and the over-exploitation of peasant workers.

Neither can the catastrophic phenomenon of forced displacement be attributed to oil palm, as some claim. Obviously on this issue there are also widely-held over-simplified views on causal relationships according to which displacement is the result of three interrelated causes: a) a conscious and deliberate drive by the Colombian capitalist establishment. b) A simple tactical game by the government's

agrarian policies to benefit the individual interests of certain capitalists. c) A drive to establish African palm as a vehicle for the heartless logic of capital accumulation.

The truth is that 85% of forced displacement in Colombia has occurred in rural areas where not a single African palm is planted, and that the 16 municipalities where 70% of the oil palm crops are concentrated account for only 3.3% of the total displaced population. It can also be seen that only three of the ten municipalities with the highest displacement rates have palm plantations, and very small planted areas at that. All this indicates that there is no cause-effect relationship between palm growing and forced displacement of the population.

This paper has allowed us to recall that in a process as complex as population displacement it is essential to look at two different causes. One is of the economic type, where the separation of the individual from his/her living and working conditions is caused by the structural logic of the social production system, without involving any illegal acts; the other is of the socio-political type, where separation is achieved through insufferable constraints and violent actions, which is to say illegal procedures. Only based on this differentiation is it possible to strictly learn the causes of the phenomenon and to establish the necessary treatment measures. These measures can only be made visible and applied through a solid and bold land policy that acknowledges the extent to which the unproductive use of land and its unequal distribution have affected and will continue to affect these two variables of forced population displacement.

Lastly, in the final chapter we have addressed the issue of the Urabá region of Chocó, but pointing out first that this issue has been subject to the same misleading logic that was discussed earlier. In other words, a misleading interest in making general inferences based on a specific and highly exceptional regional case, portraying it as a behavior that supposedly applies to the entire country's palm industry.

A matter that we, social researchers who have devoted a substantial amount of time to this study, have found especially striking is

the fact that these criticisms have made the oil palm agro-industry a kind of model that can be assembled and disassembled depending on the timing and the needs of each particular type of prejudice. In the face of this, we can only restate what we already highlighted earlier in this paper: a) the statement made by the industry group that these "protagonists are neither members of Fedepalma nor companies with a long track record in the industry." b) The emphatic acknowledgement that what happened in Chocó was a particular situation where "there has been forced displacement of the population, issues involving property titles and the development of plantations with no environmental management plans." c) Their offer to cooperate "with the authorities in order to clarify all these situations, to ensure that if any of the irregularities that are claimed are effectively proven they will be punished with the full weight of the law."

The Colombian oil palm crop and agro-industry offer great potential in terms of economic and social development in the Colombian countryside over the next decades, leading to a substantial increase in employment and income for farmers, the modernization of the agricultural sector and narrowing the gap between the countryside and the cities. These shall be its great, solid and long-lasting contributions to peace in the country.



S Y N O P S I S

There is a clear difference between the regions which, lying within the cultivated part of Colombia, are dedicated to the growing and the processing of oil palm and those regions, lying outside that cultivated area, where illegal armed groups operate. That is the central hypothesis of this work produced by the Security and Democracy Foundation and directed by Alfredo Rangel. The work's principal conclusion is that there is no relationship between violence on the one hand and the cultivation and processing of oil palm on the other.

This research work shows how the presence of illegal groups does not correlate with the development of palm oil crops carried out by more than seven thousand oil palm growers

in four regions of Colombia: the Northern Zone, the Magdalena Medio, the Eastern Plains, and Tumaco. On the contrary, oil palm has been an alternative for agro-industrial development, pushing much-needed development and at the same time generating stability and progress from those regions.

The work is based on the fact that 85% of forced displacement in Colombia has occurred in regions where not one oil palm tree has been planted, and that the 16 municipalities where 70% of palm oil crops are found account for only 3.3% of the total displaced population. Only three of the ten municipalities with highest rates of displacement have oil palm production, and in all of these the cultivated area is very small.