

Alternative Developments in the Andean Region 2018-2028



Åsa Stenman & Maj-Lis Follér

Latin American Studies - School of Global Studies
University of Gothenburg
June 2008

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Åsa Stenman & Maj-Lis Follér
Latin American Studies
School of Global Studies, University of Gothenburg

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1. Introduction and methodological considerations

The objective of this report¹ is to analyze alternative developments in the Andean Region in Latin America for the period 2018-2028. The analysis will consider both regional and global relations, in terms of political, economic, military and social issues. The problems related to the production of narcotics and the illicit trade of drugs and arms, often associated with security and violence will be particularly dealt with. Special focus will be given to the relations with the US, EU, China and India, as well as the regional organizations CAN- Comunidad Andina (Andean Common Market) and MERCOSUR- Mercado Común del Sur (Common Market of the South). The domestic political development will be analyzed taking into account possible conflicts that each of the countries included could be involved in, strategic natural resources, scarcity of natural resources, ethnic politics as well as colonial relations. The Andean Region is defined differently according to which criteria that are used. With a geographic criterion all countries where the Andes are passing through should be included, but here Chile and Argentina will be excluded. A political-economic definition could focus on the existing regional cooperation organizations. The main regional organization is CAN – and the member countries in this organization are Bolivia, Colombia, Ecuador and Peru and earlier also Venezuela who withdrew in 2006. Paraguay is a member of MERCOSUR that includes most of the countries in the South (Argentina, Brazil, Paraguay

¹ This report is commissioned by the Swedish Armed Forces, Försvarsmakten and its focus and limitations are thus defined by the established terms of reference.

and Uruguay). This report will include the countries of Venezuela, Colombia, Ecuador, Peru, Bolivia and Paraguay².

The current and future developments in the region based on the concepts of *actors*, *structures* and *causes*. The analysis of existing conflicts applies a multidimensional perspective where the security concept goes beyond its military meaning to encompass economic, social, cultural, and political aspects.³ The analysis will follow an explanatory model that was developed in our earlier reports⁴, which will serve as a framework to build three different scenarios for the future. The model does not cover all the factors that could possibly affect future alternative developments, but based on our experience, analysis and the literature survey, we have chosen to focus on the variables that are most probable to have a decisive impact on future developments: external relations, regionalization – strategies of integration, inequality – distributional policies, democratization, organized crime, militarization – methods of conflict resolution and environmental degradation and stress (see also Appendix 6).

2. Theoretical remarks

Several of the issues that will be analyzed in this report are sufficiently interesting and important to also discuss them at a theoretical level. However, due to the character and scope of this report we will have to limit ourselves to some more limited remarks in relation to the most relevant concepts or issues. In our earlier reports⁵ we have discussed the definition of future studies, regionalization, security and securitization and will therefore be very brief on these issues here. The security concept used in this study is multidimensional. We believe that this is especially important in a context where structural inequalities are large, the hierarchies strong and the culture of rights is weak and often contested by traditionally authoritarian institutions like the police and the military (which is valid for the Andean region). In many of the Andean countries the military has also had a different role and power in the society compared to its original or traditional role of defending borders and citizens against external threats. In the debate on security, security-related issues and transnational threats, the concept of securitization is becoming widespread. “Securitization is an act through which policy-makers label (a “speech act”) certain non-military dangers which are seen as posing an

² Even though Paraguay is not really part of the Andean region it will be included due to contractual reasons.

³ See for example Abrahamsson et al. 2001.

⁴ See Follér and Stenman 2006, Dominguez et al 2007 and Stenman 2007

existential threat to the survival or well being of states” (Acharya 2005:4). Others have pointed out that securitization also implies that the usual ‘rules of the game’ can be offset and that emergency measures are allowed (Roe 2004:281). In the debate related to the Andean region several issues are becoming securitized⁶, for example drug trafficking, guerilla movements and certain social activism. Many analysts have pointed to the risk of securitizing. Such risks could be that militarized measures are being prioritized before other measures that might be more suitable to overcome the underlying causes of the problem or conflict (Acharya 2005, Roe 2004, Barry 2005:19-20). But also that actions that earlier were seen as part of social activism in the civil society increasingly are being defined as illegal or a threat in the name of national security. It would be important to raise the question of the risks of securitization when we discuss for example the effects of Plan Colombia and the Andean Regional Initiative (ARI) or the current development in Colombia where oppositional politicians and social or human rights activists are threatened with judicial processes due to the criminalization of any type of contacts with the guerilla movement FARC (based on the US decision to define FARC as a foreign terrorist organization⁷ and thus an enemy in their war on terrorism). On these issues there are usually relatively large divergences between the US perspective and the Latin American perspective (although heterogeneous). Such divergences have also been decisive in the development of the regionalization processes and the conflicting interests of the currents of Latin Americanism versus Pan Americanism. During long periods the US endorsement of Pan Americanism and hemispheric initiatives has hindered the development of more independent Latin American regionalization processes. One recent example where the US met strong resistance was the Free Trade Area of the Americas which has now been replaced by a strategy of bilateral free trade agreements. On the other hand, the foundation of UNASUR (if dynamic and sustainable) will probably be a step forward for Latin Americanism⁸.

3. Historical background

As we mentioned earlier the Andean region is not homogenous and Paraguay is usually not included into the Andean region. However, as Latin American countries they share important characteristics. There are also sub-groups within the Andean region with more similarities, for

⁵ See Follér and Stenman 2006, Dominguez et al 2007 and Stenman 2007

⁶ This securitization stems primarily from the US discourse and policies and not from the Latin American part. However, due to the historical hegemonic position of the US in Latin America (especially in Mesoamerica and the Andean region) we believe it is highly relevant to discuss these issues.

⁷ See US State Department 2005 (definition and list of Foreign Terrorist Organizations)

example between Colombia-Venezuela and Ecuador-Peru-Bolivia. We will here apply a regional perspective in order to crystallize important historical processes, structures or events that will serve as basis for the future analysis.⁹

The Andean region has a long pre-colonial history with advanced indigenous communities long before the time of the Spanish colonization in the last years of the 15th century. The areas of today's Peru, Bolivia, Ecuador, northern Chile and Argentina and parts of Colombia constituted what is known as the Inca Empire. This empire-building was brought to an end by the Spanish conquest in 1532. The Spanish vice-royalty of Peru was established in 1544 and the vice-royalty of Nueva Granada (Colombia) in 1739. The colonial period was characterized by the extraction of metals for the Spanish Crown and the establishment of a new structure of agricultural production, based on large estates (latifundios or haciendas) owned primarily by Spanish settlers but also the Spanish Crown and the Catholic Church. Both mining and agriculture were dependent on the forced labour of the indigenous population. The Andean region was not a major destination for the slave trade from Africa (compared to Brazil or the Caribbean) but the Caribbean regions of both Colombia and Venezuela today have minorities of African descent due to slave labour at the latifundios and as a result of escaped slaves from other regions (such as the Caribbean or Brazil). The combined effects of the conquest and the colonization process reduced the indigenous population dramatically, deprived them of their rights and their land and stigmatized indigenous culture and values (Knippers Black 2005:79-84,103-106). The size of the indigenous population at the time of conquest has been subject to revisions and discussions, but most analysts agree that the colonization process nearly exterminated the indigenous population. For example, the pre-conquest population of Peru has been estimated to about 9 million people, which by 1620 had reduced to approximately 600 000 people (Cook 1981:114). Entering the new millennium the indigenous population of Peru has been estimated to about 22 million people¹⁰ (Knippers Black 2005:46, 50).

The struggle for independence from Spain in the Andean region started around 1808 and finally resulted in the following nation states: Colombia (1810), Venezuela and Paraguay

⁸ However leaving the whole Mesoamerica and the Caribbean outside

⁹ Even though the historical background might be seen as a little long, we believe that it is important for the reader in order to better understand and evaluate current and future developments.

¹⁰ In Ecuador the indigenous population was estimated to 10 million and in Bolivia 8 million corresponding to 30 and 57 percent of the population, respectively (Knippers Black 2005:79). It is of course difficult to do these estimations and the numbers cannot be taken as exact. In quantitative studies the ethnic identity is often defined based on the mother tongue.

(1811), Peru (1821), Ecuador (1822), and Bolivia (1825). During and shortly after the independence struggle there existed different initiatives to form larger republics or federative republics, for example an union of Bolivia and Peru or the republic of Gran Colombia (Venezuela, Panama¹¹, Colombia and Ecuador), formed by Simon Bolivar in 1819 but dismantled in 1830. Since that period all countries are formal republics with constitutions in most cases similar to that of the United States of America. In the post-independence period most countries also developed a two-party system, usually divided in one conservative and one liberal party. The parties were often aligned with different economic sectors of society; the conservative party usually consisted of and was supported by the traditional agricultural elite while the liberal party had its bases in commercial or emerging industrial sectors. In the late 19th century economic liberal ideas became dominant in the Andean region (as in many other countries on the continent) which in most countries implied privatization of land owned by indigenous communities and the Church, the expansion of export crops like coffee and the liberalization of trade (Glade 2005:232 ff).

During the nineteenth and part of the twentieth century most of the Andean states were subject to internal instability and disputes over natural resources and/or political power between political and economic groups or regions (often highland versus lowland regions with different economic and political characteristics)¹². One of the most severe was the War of Thousand Days (1899-1902) in Colombia which resulted in about 100 000 deaths (Hartlyn and Dugas 1999:253-256). Others were for example the Saltpeter War 1879-1884 (Chile against Peru and Bolivia), the War of the Triple Alliance 1864 (Paraguay against Brazil, Argentina and Uruguay) and the Chaco War 1932-1935 (Bolivia against Paraguay). Bolivia lost territory in both wars leaving it landlocked since Chile annexed the coastal strip. Several of these conflicts also had a neocolonial aspect where economic interests of primarily the United States, England and France fueled the conflicts (Chasteen 2001:175-177).

There are two single historical events that deserve separate mentioning; *the 1952 revolution in Bolivia* and the period of *La Violencia* in Colombia 1953 to 1957. In Bolivia a new political movement grew strong in the aftermath of the Chaco war (1932-35) when the traditional

¹¹ Panama declared its independence from Spain in 1821 and entered the Gran Colombia. At the dissolution of Gran Colombia, Panama became a province of Colombia. In the context of the US plans to build the Panama Canal, Panama declared independence from Colombia in 1903 and after the completion of the Canal in 1914, the US achieved the control of the Canal Zone (Knippers Black 2005:335-6)

parties lost credibility and strength. The MNR (Movimiento Nacional Revolucionario) was founded in 1941 as a reformist revolutionary movement and one of its leaders was Victor Paz Estenssoro. The MNR argued in favor of the nationalization of the tin mines and improving labour rights. Paz Estenssoro won the presidential elections of 1951 but the military prevented him from taking office. Popular protests were widespread and the MNR received support from a group of militaries. Armed militias were formed by the MNR and supporting groups of peasants and miners. One year later the military was forced to resign and the MNR formed a government with Estenssoro as president. The MNR government put an end to the oligarchic regime that had controlled the executive power since independence. During the protests against the military, indigenous groups had occupied land and miners had taken over mines, the MNR government legalized these takeovers as part of the economic reforms. Indians were also granted full citizenship for the first time since colonization. The MNR reform period came to an end in 1965 with the military coup led by Hugo Banzer after a prolonged period of internal struggles within the MNR and increased resistance from the oligarchic elite and its military allies (García 2005:460-63).

The period called *La Violencia (1949-53)* in Colombia is an illustration of the violence inherent in its political system and the explosiveness of the frustration resulting from marginalization and repression. Colombia was ruled by Conservative authoritarian governments from 1886 to 1930 and by Liberal governments from 1930 to 1946. In 1946 the Conservatives returned to government. In April 1948 the Liberal political leader Jorge Gaitán was murdered. This caused a violent uprising in Bogotá against the Conservative government and sparked a bloody civil war between the government, supported by military and police, and the Liberal party and other oppositional groups which formed armed militias. Around 200 000 people¹³ were killed in the period 1949 to 1953, when a military coup forced the Conservative government to resign (Knippers Black 2005:394-395). In July 1957 a National Front was proposed with the idea that the Liberal and Conservative parties would govern jointly. The National Front finally ended *La Violencia* and all governments from 1958 to 1986 consisted of bi-partisan coalitions (Hartlyn and Dugas 1999:250-251).

As we have mentioned earlier Paraguay is not directly comparable to the other Andean

¹² The present autonomy claims by the Beni, Pando and Santa Cruz regions in Bolivia illustrates some aspects of these political/economic cleavages between regions which dates back many decades.

countries and the country has some special characteristics that are worth mentioning. Nationalism, militarism and protectionism have been strong features of Paraguayan politics ever since the 19th century. The modern state of Paraguay has its origins in the rebuilding of the nation after the defeat in the war against the Triple Alliance which was a demographic disaster for the men in Paraguay. Since then the country also developed a special relationship with Germany who helped rebuild the army after the defeat. There were also substantial inflows of German immigrants which have later developed to a specific group with a considerable political influence. A second wave of Germans came after the Second World War, many highly placed Nazis. Alfredo Stroessner who led the country as a dictator from 1954 to 1989 was a descendant from the first wave of German immigrants. This has also led to especially strong racial cleavages with two main identities as white or indigenous.

The *economic history* of the Andean countries largely corresponds to that of Latin America in general. The liberalization campaigns in the late 19th century opened up the economies to global markets, concentrated land further to export-oriented *latifundios* and invested in communications and infrastructure to promote trade (primarily exports). Most countries became dependent on a single or very few export crops: for example coffee and bananas in Colombia; cacao and bananas in Ecuador, and guano¹⁴ in Peru. In general, the incomes from export were concentrated to a limited elite thus strengthening existing income inequality. In many cases the export sector became dominated by foreign companies, for example the US United Fruit Company in the case of bananas in Colombia and Ecuador. Venezuela discovered oil early in the 20th century and became an important exporter of petroleum in the 1920's. For Bolivia, mining, and to some extent oil, remained important for export incomes. The international economic crisis in the 1920's and 1930's had strong negative effects on the export-dependent economies in the Andean region and created an enabling space for alternative models of economic growth that to different degrees came to dominate economic policies the coming decades.¹⁵ Examples of such policies were the agrarian reforms in Ecuador in 1964 and 1973 and the reforms of the 1952 revolution in Bolivia. In the 1960's many of these policies also received support from the Alliance for Progress. Due to the political context many of the economic reforms were only partly or poorly implemented

¹³ Other estimate reach 300 000 deaths, sometimes depending on the time period (see for example Hartlyn and Dugas 1999:253-256)

¹⁴ Bird's dung used as fertilizer and manufactured by imported Chinese labour.

¹⁵ Guided by CEPAL policy proposals, later known as import substituting industrialization (ISI) strategies and Latin American structuralism

which contributed to the negative economic results that became evident in the late 1970's with excessive borrowing, large budget deficits and inflationary peaks. However, the industrialization policies also contributed to increased urbanization and a growing middle class which had effects on the political and social processes in the countries. In many of the Andean countries the debt crisis and the subsequent structural adjustment policies increased the dependence of the US as the major trading partner. This is especially true for Ecuador that also took the step, in January 2000¹⁶, to abandon the national currency and instead adopted the US dollar (Andrade and North 2005:433-4).

The *political system* that developed in the Andean region after independence was characterized by constitutions similar to that of the United States and two-party systems often mirroring competing economic and/or regional elites. The early constitutions did however, in most countries, not grant any rights to the indigenous population and have traditionally fostered a strong presidential power based on the *caudillo*¹⁷ culture with its roots in traditional militarism. In the Andean region for example Ecuador recognized the indigenous communities in 1937. However, illiterates were given the right to vote as late as 1978 and it was first in 1998 that the Ecuadorian state recognized the collective rights of the indigenous population (Andrade and North 2005:424-432). The characteristics of the two-party system have differed between the Andean countries. While Colombia developed a strong, vertical two-party system that penetrated society also in social and cultural aspects (with negative effects for conflict resolution), other countries like Ecuador or Venezuela developed alternative civil society organizations that served as a complement to the political parties. Different models of power sharing between the two political parties or regional elites have also been applied during different periods: for example the bi-partisan coalitions in Colombia (1957-1986) or the two party alternations scheme in Venezuela (1958-1988). But the region has also suffered periods of military dictatorships: Bolivia 1965-1978, Paraguay 1954-1989, Peru 1968-1980 and Venezuela 1908-1935. The democratization processes that started in the late 1980's did in most cases not imply major changes in the basic political system. It would also be important to remember that earlier civilian governments were many times authoritarian and in for example Ecuador, military governments implemented more socioeconomic reforms than the civilian governments. Thus, it is not possible, in general, to

¹⁶ There are now three countries in Latin America that have adopted the US dollar as national currency: Panama in 1904, Ecuador in 2000 and El Salvador in 2001.

talk about a return to democracy, but rather an incipient process of democratization. Colombia and Peru has also been subject to armed conflicts between the government and guerrillas¹⁸, and in Colombia, reinforced by paramilitary groups. This political process developed parallel with the debt crisis (starting in Mexico 1982) and the subsequent process of structural adjustment programs that caused severe stress on the socio-economic situations and led to protests from different social movements.

The development of *the Colombian conflict* needs to be analyzed in some depth due to its implications at the regional and hemispheric level. During the 1970's several guerrilla movements grew stronger in Colombia, partly due to external influences and partly due to discontent with the limited democratic development in the Colombian society. The largest peasant based guerrilla organization was FARC (Fuerzas Armadas Revolucionarias de Colombia) which was formed in 1964 with close links to the communist party and its roots in the period of La Violencia. Other guerrilla groups were urban-based M-19 and the EPL. Peace accords, mainly armed truces, were signed between three guerrilla groups (FARC, M-19 and EPL) and the government in 1984 but were not long-lasting. M-19 and EPL joined (as ELN) and resumed fighting in 1985. One consequence of the peace accord was that a new left movement was formed, Unión Patriótica (UP), by members of the FARC, the communist party and other leftist groups. The objective of the UP was to achieve radical social change through peaceful political activism and electoral participation. However, UP was subject to a repressive campaign and more than 1000 of its members and leaders were murdered in the period 1985 to 1991. This is another illustration of the persistence of violence and the limits of democracy in Colombia (Hartlyn and Dugas 1999:276-279). Similar campaigns of extermination have been directed towards trade unions, human rights organizations and other oppositional groups. Modern Colombia has gone through two major crises which have both severely weakened the state and negatively affected the situation of human rights and democracy. The first, which we discussed above, was the period called La Violencia and the second was the double war against drug cartels and insurgent forces in the end of the 1980's, which also included massive violations of human rights mainly committed by the Colombian military and paramilitary groups. One indicator of the severity of the latter crisis was the

¹⁷ Caudillo is a common term in Latin America to denominate the tradition of strong male leaders (often militaries) at all levels of the society, the image of a father protecting the people of the country or the village.

¹⁸ In Peru the major group, Sendero Luminoso, lost most of its power in 1992 when the leader Abimael Guzman was imprisoned. Another guerrilla group, the MRTA (Movimiento Revolucionario Tupac Amaru), was active from the early 1980's to around 1997, but is now demobilized. Their leader Victor Polay has been imprisoned.

escalation of crime rates; at the beginning of 1990's Colombia had reached one of the world's highest homicide rates. Corruption levels also increased in a dramatic and damaging way. Another consequence of this development was the growth of private security firms which came to outnumber the National Police, together with the privatization of security. The privatization of security had started earlier in Colombia; in 1968 self-defence militias were legalized as part of the counter-insurgency war. This law was later withdrawn but in practice most self-defence militias continued as paramilitary groups. Death threats against judges and journalists are very common (Pizarro and Gaitán 2006:70-71). The Pastrana administration (1998-2002) started negotiations with FARC and ELN where one of the results was the creation of a demilitarized zone (as large as Switzerland) in San Vicente del Caguán for the guerrilla movements as a confidence building measure. The present Uribe administration (elected in 2002) changed the strategy and has focused on a military offensive to weaken FARC, and programs to demobilize the paramilitary organisation AUC. The prolonged conflict has also resulted in a humanitarian crisis as the number of internally displaced persons has now reached 3 million people (UNHCR 2008).

4. External relations and regionalization

This chapter will discuss the external relations of the Andean countries and related regionalization processes. It will end with a more thorough analysis of Plan Colombia and ARI (the Andean Regional Initiative) due to their influence in the region. The focus in this latter part is mainly on Colombia, but the effects of the developments in Colombia influence the countries which share borders with Colombia such as Ecuador, Peru, Venezuela and Brazil. This was evident during the incidence in March 2008 when members from FARC were killed on Ecuadorian territory which will be discussed in more in detail as an example of the spill-over effects of the Colombian conflict.

External relations

The single most important external actor for the Andean countries is still the United States for historical, political and economic reasons.¹⁹ Some Asian countries (for example China, Taiwan and South Korea) are becoming more significant due to their economic investments in the region. China is rapidly increasing its economic ties with Latin America, especially in countries like Argentina, Brazil, Chile and Venezuela, with the primary objective to secure

¹⁹ This has been discussed more in detail in our earlier reports.

the supply of raw materials to Chinese industries (Ellis 2005:v-vi). Latin American voices have been raised that one of the advantages of the Asian cooperation is that they impose less conditions compared to Europe or the United States (Deutsche Welle 09/05/2008). The Comunidad Andina is also actively seeking to widen their cooperation towards the Asian countries, especially China, India and Thailand as well as with the APEC (see below) and the ASEAN²⁰ (www.comunidadandina.org, www.indianembassy.org.pe). As a former colonial power Europe has historical ties to Latin America. In the case of the Andean region this is especially true for Spain. The Comunidad Andina and the European Union is currently negotiating an association agreement between the two regions that should be signed in 2009.²¹ The third negotiation round in Quito in April 2008 revealed asymmetries both between the Andean countries (Colombia and Peru versus Ecuador and Bolivia) and in relation to the European Union. The European countries emphasized the issues of migration and drug trafficking while the Comunidad Andina focused on economic and trade issues. Civil society organizations have criticized the agreement²² for being an instrument for neocolonial interests to control strategic natural resources through the demands to open up for privatizations of for example water resources. They also point to the asymmetries between European demands of democratization and liberalization in Latin America whilst Europe is enforcing harsher immigration laws and criminalizing migrants (www.comunidadandina.org).

However, none of these actors can be compared to the United States as a single actor due to the current US position as the major global power and the historical ties between the US and the Andean countries. It is difficult to see how this could change drastically as long as the position of the US as a global power stays intact and their interests in the Western Hemisphere does not change.²³

In terms of multilateral or international actors, the UN, international financial institutions and the OEA could all have a significant influence in the countries of this region. International corporations linked to the oil or gas sector could also be considered an important actor, at least in a specific period of time or in a defined sector of the society. Unfortunately, transnational criminal networks are also important networks whose actions and strategies have an impact on the development in the Andean countries.

²⁰ Association of South East Asian Nations

²¹ The third round of negotiations was held in Quito in April 2008.

²² See for example Declaration of Enlazando Alternativas III, published on the CAN web site.

At the regional level the political cleavages have deepened with the elections of progressive, left-oriented governments in Venezuela (1999), Bolivia (2005) and Ecuador (2007) as well as the recent election of Fernando Lugo in Paraguay (2008). These cleavages are especially clear on issues related to the role of the US in the Andean region, where Colombia and Peru have much friendlier relations with the US.

Processes of Regionalization

At the hemispheric level, the OEA (Organización de los Estados Americanos, OAS in English) is still the most important organization, which was also confirmed at the Special Conference on Security in Mexico 2003. At this meeting the participating states approved the Declaration of Security in the Americas, which recognizes and formalizes a number of instruments to promote dialogue and resolve conflicts in the Western Hemisphere, for example the TIAR (Interamerican Treaty of Reciprocal Assistance), the Inter-American Commission on the Control of Drug Abuse and the Inter-American Anti-Terrorist Committee (Rojas Aravena 2004:8). The earlier initiative to create a hemispheric free trade area failed but was replaced by a strategy of bilateral free trade agreements (for example between the US and Colombia and Peru, respectively). It is doubtful if free trade agreements could be defined as processes of regionalization due to their limited scope but they do affect the prospects of other projects of regional integration, which can be observed in the case of CAN.

Another international cooperation organization that is gaining importance in Latin America and the Andean region is Asia-Pacific Economic Cooperation (APEC) that was founded in 1989. The organization now has 21 member economies, among them Peru, Chile, Mexico, the US, Canada, China, Australia and Russia (www.apec.org). Colombia and Ecuador is currently seeking to enter the organization. CAN is also seeking to enter APEC with the objective to be accepted as member at the 2008 Annual Summit Meeting in November in Peru (www.comunidadandina.org).

At the Latin American level there are many different cooperation schemes and dialogue processes that stand on a long tradition of integrationist projects. One of them is the Grupo Río (eg. *Mecanismo Permanente de Consulta y Concertación Política*), a dialogue forum for

²³ See for example Buzan and Waever 2003, Oliva and Serbin 2002 and Fuentes and Álvarez 2005.

the Latin American governments. Their main activity is the annual meetings between the heads of state and foreign ministers of the 20 member countries of Latin America and the Caribbean. It was founded in 1986 in Rio de Janeiro as a successor of the Contadora group²⁴ and the Support Group of the Contadora²⁵ that were formed in order to promote and support a peaceful resolution of the conflicts in Central America in the 1980's. The 2008 annual meeting was held in the Dominican Republic and served to resolve the acute crisis after the Colombian attack against a FARC camp in Ecuadorian territory.

The main organization of cooperation in the Andean region is the *Comunidad Andina* (CAN) that was founded in 1969.²⁶ The origin of CAN was the efforts of regional integration pursued during the 1960s within the framework of the import substitution industrialization policies and inspired by the development thinking (*desarrollismo*) of the CEPAL. The founding members were Venezuela, Colombia, Ecuador, Peru, Bolivia and Chile. Chile left CAN in 1976 when the Pinochet regime in Chile disagreed with the integrationist economic policies of CAN. Chile returned as an associated member in 2006. In 1989 the inward looking regionalization model was abandoned in favour of the ideas of open regionalism (www.comunidadandina.org). Venezuela decided to withdraw from CAN in 2006 with the argument that the free trade agreements recently signed between Colombia, Peru and the US, respectively, would have negative effects on the Venezuelan economy and society. The country instead decided to start negotiations with MERCOSUR. The main goal of CAN is to develop a common foreign policy in order to strengthen security and democratization in the region. Another objective is to increase the efforts to control drug trafficking and corruption. At present CAN is less dynamic partly due to the political differences between the member countries.

In the face of new more progressive governments in South America other regional cooperation projects have also arisen. One is ALBA (Alternativa Bolivariana para las Américas) that was launched by President Chavez as a response to the US endorsed project of the Free Trade Area of the Americas. Current members are Venezuela, Cuba, Nicaragua, Bolivia and Dominica but ALBA also collaborates with civil society organizations in non-

²⁴ The Contadora group was founded in 1983 by Colombia, Mexico, Panama and Venezuela. The original appeal to form the Contadora group came from the Swedish Prime Minister Olof Palme and the Nobel Prize Winners Gabriel García Márquez, Alfonso García Robles and Alva Myrdal.

²⁵ This group was formed in 1985 by Argentina, Brazil, Peru and Uruguay.

²⁶ Prior to its formal constitution the group was known as Pacto Andino or Grupo Andino.

member countries in Latin America. Some of the key projects involve petroleum and medical operations (www.alternativabolivariana.org). Another important novelty is the formation of the Union of South American Nations (UNASUR)²⁷ that was formally founded by twelve South American countries in May 2008.²⁸ The objectives of UNASUR are to unite CAN and MERCOSUR and to promote integration in the areas of economics, finance, security and trade. However, the plan to establish a common Defence Council (focusing on conflict resolution and not primarily traditional military cooperation) at the first meeting was hindered by Colombian President Uribe that abstained with the argument that his country need to prioritize the struggle against terrorism (Página12 2008). UNASUR and ALBA can be seen as complementing cooperation schemes that overlaps but could also be interpreted as two different and partly competing projects²⁹ where UNASUR (strongly promoted by Brazil) is supported by the Latin American/CEPAL tradition of *desarrollismo* while ALBA is a more radical project (endorsed by Venezuela) based on the vision of solidarity and Bolivarian ideas.

OPEC and oil in the Andean region

Venezuela is one of the initial members of OPEC (Organization of Petroleum Exporting Countries) that was founded in Baghdad in 1960³⁰. Ecuador joined the organization in 1973 but withdrew in 1992 due to economic reasons (high member fees and low production quotas), they rejoined OPEC again in November 2007 (Andrade and North 2005:436, www.opec.org/aboutus). Venezuelan President Chavez is also seen as one of the key actors in the reactivation of OPEC in the early 2000. Both Bolivia and Brazil are considering joining the OPEC. Especially the plans of Brazil raises many speculations of the development of future oil prices and the power of OPEC considering recent discoveries of off shore oil on the Brazilian coast.³¹ This development has caused certain concern in the US who see OPEC as an opponent to their own security interests relating to the oil market.

Plan Colombia and the Andean Regional Initiative

²⁷ UNASUR could be seen as a successor of the Comunidad Sudamericana de Naciones that was launched in 2004.

²⁸ Founding members are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay and Venezuela.

²⁹ See for example Burges 2007

³⁰ Current members of OPEC are Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, The United Arab Emirates and Venezuela. The organization represents around two thirds of the global oil reserves.

³¹ See for example <http://business.timesonline.co.uk> on May 10, 2008 and <http://cnnmoney.com> on February 22, 2008.

In 1998, during the Pastrana administration (1998-2002), the relations between Colombia and the US became closer and Colombia started to play a key role in the US policy towards Latin America. The same year Colombia became the third largest (after Israel and Egypt) recipient of US military aid which in 1999 reached the level of around 300 million US dollars (Pizarro and Gaitán 2006:54, 57). Several US top officials also expressed their opinion that Colombia is the Western Hemispheres major security problem, even more important than Cuba (Pizarro and Gaitán 2006:55). Bilateral assistance continued to increase and resulted in the so called Plan Colombia which received the support of the Bill Clinton administration in 2000. This package was expanded regionally in 2001 when the Andean Regional Initiative (ARI) was adopted by the national governments based on the financial support of the US. Both packages were focused on drug crop eradication, military assistance, alternative development projects, judicial reforms and support to displaced persons. Colombia was the largest recipient, but assistance was also channeled to Panama, Brazil, Ecuador, Peru, Bolivia and Venezuela. Even though the packages included a wide range of different measures, in the implementation phase over 70 percent consisted in support to the police and the military (Pizarro and Gaitán 2006:53-54). As part of Plan Colombia, joint task forces were also established where units from US organs like DEA (Drug Enforcement Agency), CIA, US Southern Command and the Pentagon Section for Latin American Affairs cooperate with Colombian police and military (Pizarro and Gaitán 2006:58).³² After the terrorist attacks in the US on September 11, 2001, the countries were allowed to use the funds from Plan Colombia and ARI, also in the counterinsurgency war: “For Colombia, the most significant *official* outcome of the events of September 11 was that it cleared the way for Washington to take on the guerrillas, *who were no longer considered insurgent forces, but terrorist movements financed by drug trafficking*” (Pizarro and Gaitán 2006:61). This development has also led the US Southern Command to pinpoint certain areas in South America as especially vulnerable as a growing ground for terrorist groups due to its inaccessibility and lack of government control: the border between Brazil, Paraguay and Argentina; the borders between Brazil, Peru and Colombia (Tabatinga and Leticia corridors); the border between Colombia and Ecuador (Lake Agrio)³³; the Darien region between Colombia and Panama; and Suriname (Ibid p. 61, 284) (see also appendix 4). Consequently, FARC, ELN and AUC were all defined as terrorist groups by the US and later also by the EU (www.state.gov/s/ct/rls/fs/37191.htm).

³² Plan Colombia Phase II (2007-2013) was launched by the Colombian government in 2007.

³³ Which is also where Colombia intervened into Ecuadorian territory in March 2008 in order to attack a FARC camp.

According to Pizarro and Gaitán (2006) Plan Colombia could correspond to the needs of Colombia to rebuild and reform the state and at the same time fight against the drug trafficking. However, they point out that there is a lack of attention to issues such as poverty and income inequalities as well as of the fact that the war on drugs have negative aspects such as environmental and human damages due to aerial fumigation or the risk of spreading cultivation to other areas, which happened when cultivation spread to Colombia after intense eradication campaigns in Bolivia and Peru in the late 1990's. There are some observations that such a trend of spill-over to the neighbouring countries (Bolivia and Peru, but also Ecuador and Venezuela, which have not experienced extensive coca cultivation earlier) could have started after the campaigns against coca cultivations in Colombia in 2003 (Pizarro and Gaitán 2006:53-54, 58, 67).

According to Pizarro and Gaitán (2006) the level of US intervention in the Andean region (ex financial support, joint military missions in Colombia, air base in Manta/Ecuador³⁴) is reaching the same levels as in El Salvador and Nicaragua in the early 1980's and in Vietnam in the early 1960's. However, US officials do not seem to foresee any full-scale US intervention in Colombia, but rather a continuation of the on-going two track policy (counterinsurgency and war on drugs). The option of a joint Pan-American intervention does also seem out of the question at present, due to the strongly diverging views on the Colombian conflict between the different governments in the region (Pizarro and Gaitán 2006:63-64). As will be discussed below, the March 2008 incident and the subsequent diplomatic activities showed clearly both the divergent views on the conflict and the will of the regional leaders to stop an escalation or spill-over of the Colombian conflict.

The March 2008 Colombian intervention into Ecuador

Even though this was a single event we believe that it is an important incident that illustrates the current development of the inter-American military, political and diplomatic relations. In the early hours of March 1, 2008, the Colombian Air Force bombed a FARC-camp in Ecuadorian territory, 1800 meters from the Colombian border. The Ecuadorian and Colombian versions differ on several points, as stated in the report from the OEA mission (OEA 2008). According to the Colombian government they had received information that

³⁴ The Manta air base should be handed over by the US to Ecuador in 2009.

Raul Reyes (second-in-command of the FARC) was in the Lake Agrio, Ecuador, and decided to launch an attack against Reyes. According to Colombia, 10 conventional bombs were dropped by eight planes and afterwards helicopters with Colombian military and police entered the camp in order to recover the body of Raul Reyes and another FARC commander. One Colombian soldier died during the operation. When Ecuadorian military arrived to the place of the attack (by mid-day) they found 22 bodies and three injured women. According to Colombia they received human intelligence on the location of Raul Reyes at Lake Agrio only a few hours before the attack that was originally planned against a supposed FARC camp in Colombian territory. Again according to Colombian authorities, the bombs were launched from Colombian air space. Ecuador has questioned this version. They claim that it is not likely that the location of the camp were defined based on human intelligence due to the precision of the bombings. Further, according to the Ecuadorian government the planes that launched the bombs came in south-north and north-south direction, both in Ecuadorian air space. They also claim that the bombs were not conventional but far more advanced that would be expected from the Colombian Air Force. The Ecuadorian military confirm that they received information from its Colombian counterparts in the morning of March 1 that there had been a confrontation between the Colombian Armed Forces and a non-state armed group of Colombians in Ecuadorian territory. President Rafael Correa of Ecuador also stated that he received a call from his Colombian counterpart informing him that a confrontation that started in Colombian territory had surpassed the Ecuadorian border where it had resulted in 18 deaths (including a Colombian soldier)³⁵ and 11 wounded or captured. In its mission report OEA concludes that Colombia committed a violation of Ecuadorian sovereignty, also violating several Inter-American conventions and agreements, and negatively affecting the relations between the two countries (OEA 2008). This incident immediately caused tensions in the whole Andean region. However, it was also interesting to observe how the existing regional cooperation schemes started to work in order to mediate the crisis. On March 5, the OEA summoned a consultative meeting of the foreign ministers, issued a resolution and appointed a commission that would investigate the matter. The resolution clearly defines the Colombian attack as a violation of national sovereignty and international law (OEA 2008:15-17). A few days later, an earlier scheduled meeting of the *Grupo de Río*, served as a forum for dialogue about the crisis. There were intense discussions at the meeting among the present heads of state and ministers. President Uribe of Colombia finally presented his excuses to President

³⁵ Later it has been confirmed that four Mexican students as well as an Ecuadorian citizen were killed in the attack (www.jornada.unam.mx/2008/03/21, www.lahora.com.ec – 2008/03/11).

Correa of Ecuador and also said it would not be repeated. The meeting issued a declaration that express profound preoccupation of the Colombian attack and considers it a violation of the national sovereignty of Ecuador and the international law. The declaration also expressed the support to the mission of OEA that had been assigned to investigate the attack.

Two interesting observations can be made from the above. First, it clearly shows the risks that the Colombian conflict implies for the region as a whole. We also believe that it is problematic that the Colombian state was prepared to violate Ecuadorian territory with the clear objective to attack the FARC camp without considerations of whom might die in the attack. As stated by both the OEA and the Grupo Río, this was an obvious violation of international law. Second, it is positive to see how well the regional schemes worked in this situation to mediate the conflict and assist in clarifying what really happened. The meeting of the Grupo Río was decisive in resolving the acute crisis and promote a climate of dialogue instead of confrontation.

5. Domestic developments

This part of the report will focus on the variables more closely related to internal factors like the socioeconomic development, democratization, organized crime and the role of the military. The question of the social and political mobilization based on ethnicity will be more relevant in some countries (Ecuador, Peru and Bolivia) due to the high proportion of indigenous population in these countries and the strength of the current indigenous movements in these countries.

5.1. Socioeconomic development and inequality

According to the Millennium Declaration, adopted by the United Nations in 2000, the proportion of people that live on less than 1 USD per day should be halved until 2015. The Millennium Declaration also sets up objectives on decreasing hunger, achieve universal primary education, promote gender equality, reduce child mortality, improve maternal health, combat HIV/AIDS, ensure environmental sustainability and develop a global partnership to achieve these goals. In Latin America the prerequisites and the current achievements to reach these goals have been quite uneven. For countries like Bolivia, with a high incidence of poverty as well as high inequality levels, it will require high growth and considerable political efforts to achieve the target. For other countries, like Ecuador, with lower poverty incidence and less inequality, it will require lower levels of growth and more attainable political efforts

to achieve the targets. According to CEPAL, Ecuador, Peru and Colombia are probably the Andean countries with the highest probability of reaching or coming close to reach the Millennium Goals in 2015 while Venezuela, Paraguay and Bolivia are quite unlikely to meet the targets. However, CEPAL also clearly states that the possibility of achieving the targets will depend on the political commitment of the governments as well as all the sectors of society. They also pinpoint the fact that without efforts to improve the present inequality structures it will require considerably higher growth levels in order to reach the target to halve extreme poverty by 2015 (CEPAL 2005).

In Appendix 5 we have selected some human development indicators in order to illustrate some aspects of the social and economic development in the Andean countries. In terms of human development, Bolivia ranks considerably lower than the other five countries, which is also reflected in the other indicators. Venezuela has the highest GDP per capita, 4214 USD, and Bolivia the lowest, 974 USD. This can also serve as an example of the differences between the individual countries in the region. The share of population that live on less than 1 USD per day is highest in Bolivia (23 %) and lowest in Colombia (7 %). On the other hand, inequality is almost as high in Colombia as in Bolivia. Inequality is lowest in Ecuador. The inequality level in Venezuela and Ecuador is only slightly higher than in the United States.

5.2. Democratization and political developments

It is not easy to analyze the development of democracy and the condition of the political systems. There are no obvious quantitative measures that are commonly used and accepted by all researchers. However, we believe that there are some indicators that can be useful as a basis for further discussion and analysis. The homicide rate could work as an indicator of the violence in society. Human rights abuses as analyzed in the Political Terror Scale (PTS) are important for countries with a past and present history of military dictatorships and authoritarian regimes. Freedom House indicators of civil liberties and political freedoms offers us an appraisal of the condition of liberal democracy. The indicators of Transparency International on the perceptions of the level of corruption give us a picture of how people experience the transparency, integrity and efficiency of the state. Finally, we will also discuss the current political developments and ethnic politics in the Andean countries.

Violence in a society is something that affects not only the individual but also the overall social, political and economic development. One indicator of violence is the annual homicide

rate (see Appendix 2), estimated by PAHO (Pan-American Health Organization). Violence has been a problem in many Latin American countries for many years. Democratization and socioeconomic development have decreased the level of violence in some of them but in others, and then especially in Colombia, violence is still a serious problem that affects many different aspects of life. Colombia has the highest homicide rate in Latin America, about 79 deaths per 100 000 persons, and it has not decreased considerably since the 1980's. After Colombia, Venezuela has the second highest rate while Peru and Bolivia experience low homicide rates. Another way of trying to measure the level of violence is based on reported human rights violations. The PTS has been created based on the annual reports on human rights of Amnesty International and the US State Department, respectively.³⁶ The PTS lists the worst offenders of human rights during different time periods. The only Latin American country that enters among the top ten is Colombia³⁷. Colombia, which ranked 4,5 in 2006, is thus defined as a category 4 country: *“Civil and political rights violations have expanded to large numbers of the population. Murders, disappearances, and torture are a common part of life. In spite of this generality, on this level terror affects those who interest themselves in politics or ideas”* (www.politicalterroryscale.org/about.html), for example people working with opposition politics, trade unions and human rights or against impunity and corruption.

In Appendix 2 we have included indicators measuring the level of corruption as well as the status of political rights and civil liberties. In the evaluation of Freedom House all Andean countries are defined as partly free, except for Peru that is defined as free due to a better ranking on political rights. Venezuela gets the worse ranking on both political rights and civil liberties compared to the Andean countries. The index is interesting but of course an object of political values and also too aggregate in order to show smaller nuances. Transparency International elaborates an index of the perceptions of corruption and among the Andean countries Venezuela and Ecuador receives the worst ranking while Colombia and Peru score the highest. These results might be seen as slightly paradox but it could also be interpreted as a confirmation of the difficulties of measuring social processes and social interaction as well as of the importance of careful case studies. However, indexes like these can serve as an important complement, which can also be said about the risk analysis evaluations included in Appendix 3. Global Insight evaluates the development in individual countries in relation to

³⁶ The PTS has been developed by a team of researchers from the University of North Carolina, see www.politicalterroryscale.org . The five level scale originates from the work of Freedom House.

³⁷ In 2006 Colombia is number five, in 1996-2006 number two and in 1976-2006 number three.

economic factors, political development, legal system, taxes, corporate conditions and security. The target group for these evaluations mainly consists of international corporations and businessmen. All of the Andean countries score above the Latin American average, i.e. with higher risks. Peru is defined as a medium risk country while Venezuela, Ecuador and Bolivia are considered high risk countries. Colombia is defined a significant risk country, however, it is the country that exhibits the highest risk in the single category of security. In terms of the political development, Bolivia and Ecuador are considered to be the most risky among this group of countries. The value of this kind of indicator might be limited but it can still serve as an eye-opener of how the perceptions and evaluation of risks and security can differ depending on the perspective and the target group. Another important conclusion is that these different indicators confirm to a large extent what we have discussed earlier in this study and will be useful in the analysis of possible future developments.

The current political developments

The political development in the Andes during the last years has resulted in polarization and sometimes confrontations between governments with different views on the current situation as well as visions for the future. With the election of Hugo Chavez in 1999, Evo Morales in 2005 and Rafael Correa in 2007, these Andean countries form a group that strongly advocates a development model independent from US hegemony, colonialism and neoliberal economic policies. It is still too early to make any conclusions of the newly elected president, Fernando Lugo, in Paraguay and his government. However, there are several factors that indicate that the government of Lugo would try to endorse a similar development project as Bolivia, Ecuador and Venezuela (or Brazil). Anyhow, the election of Lugo, an earlier bishop that was supported by a center-left alliance based on a program of democratization, social reforms and anti-corruption measures, finally broke, at least temporarily, the political hegemony of the Colorado party which had held the executive power since 1940. Thus, we believe it would be important to study in more detail the recent developments in some of these countries.

In *Venezuela*, the oil industry was nationalized in 1976, long before Chavez, and with the increasing oil revenues in the 1970's the country could have had possibilities to make important investments for the future development of the country. However, the weaknesses of the dominant system (clientelism, inefficiency, corruption, populist policies focusing on gaining social support) contributed to a development in almost the opposite direction. The year 1989 is often pointed out as the ultimate turning point when the government introduces a

package of neoliberal policies in order to manage the economic crisis (due to accumulated economic imbalances and a period of relatively low oil prices). However, the reactions were strong, leading to the so called *Caracazo*, nationwide social protest, sometimes violent, in February 1989. Earlier that month there had also been an unsuccessful coup attempt led by Hugo Chavez and other military officers. In 1998 Chavez won the presidential election with 56 percent of the votes. The two party system had, by then, lost most of its credibility and there were widespread popular discontent with the economic development. In 1999 a constitutional assembly was elected (the party led by Chavez received 71 percent of the votes) and a new constitution was adopted promoting participatory democracy as a method of developing and partly dismantling the former representative democracy. Initially, the relations with the US were diplomatic and respectful (from both parties) but they started to deteriorate rapidly. The US mistrusted Venezuela's reluctance to give US military access to its national territory in pursuing drug traffickers from Colombia. Another point of dispute was the initiative of Venezuela to work for a revitalized OPEC. The US was also against the increased cooperation between Venezuela and Cuba (including special agreements on oil exports). Relations further deteriorated with the polarization of US foreign policy after the September 11 attacks in the US in 2001. Confrontations between the two countries peaked after the initial support of the US to the coup attempt in Venezuela in April 2002. The US took an officially neutral stand only after the OEA had condemned the coup attempt. Another coup attempt was staged against Chavez in December 2002, but finally both failed. However, after these events the Chavez administration has publicly denounced the US support to the opposition in Venezuela and the coup attempts. As one of the results of the coup attempts the government also took more direct control of the state oil company (several top officials had been involved in the coup attempts) (Ellner 2005:409, 412-421).

The developments in *Bolivia* in the 1980's and 1990's, closely linked to reactions to the neoliberal economic policies, paved the way for the historical election in 2005 when Evo Morales, of the Aymara people and former leader of the coca grower's organization, became President. Morales was the leader and co-founder of the political organization MAS (Movement toward Socialism) that became successful in channeling the popular discontent and protest against government policies of budgetary cut-backs and privatizations of natural resources. MAS also participated in the elections, Morales was elected to Congress and was very close to win the presidential elections in 2003. The protests against the government policy of selling out the resources of natural gas finally forced President Sanchez Losada to

resign in 2003 (García 2005:464-7). Further on we will discuss more on Bolivia both in relation to ethnic politics and the issue of the cultivation of coca.

In *Peru*, the coca cultivation and drug trade accelerated and became a serious problem. In 1985 president Alan García from APRA was elected, but the economic situation in the country became worse than ever. After him came Alberto Fujimori in 1990, who promised to clean up the economic situation with neoliberal reforms and to defeat the guerilla. With the support of the military he dissolved the parliament in April 1992 and became almost a dictator. Sendero Luminoso was almost defeated with the capturing of its leader Abimael Guzmán in September 1992. Alejandro Toledo was president from 2001 until 2006. The economy grew under his time and one of his major legacies was the free trade agreement (TLC) reached with the US. Since 2006 Alan García is the president for the second time.

Colombia is and has been the bridge or link between South America and North America in many different aspects due to its geopolitical location; between the Pacific, the Caribbean, the Andean and the Amazon region as well as the proximity to the Panama Canal and the petroleum industry of Venezuela add complexity to the conflict pattern. This context could also explain why the domino theory³⁸ is gaining more attention in US military thinking (Pizarro and Gaitán 2006:56). It is obvious that the US, other international organizations and Colombia's neighbours are concerned with the risk that the Colombian conflict (both the armed conflict and the drug trafficking) might spread in the region. However, the perspectives as well as the responses are diverging. Buzan and Waeber express another aspect of this when they conclude that America consists of two security complexes (North and South), but that the Andean North is in many way trapped in between these two and that the US war on drugs and Plan Colombia could, in the future, lead to that, at least part of the Andean North (Colombia and possibly more countries) will instead be integrated into the Northern sphere (Buzan and Waeber 2003:337-339).

The geographical condition in the border regions is another important aspect to take into account when analyzing the Colombian conflict and its long duration and persistence. The Colombian border is twice as long as the US-Mexican border and meets with Panama,

³⁸ US president Eisenhower made this concept well known after France was defeated at Dien Bien Phu Valley in Vietnam in 1954 which was adopted by the Kennedy administration in its analysis of Indochina and was later

Venezuela, Brazil, Peru and Ecuador. Most of the border is with the Amazonian tropical forest area characterized by scarce population and little economic exchange across the border (with the exception of Colombia and Venezuela). It thus results very difficult to control (Pizarro and Gaitán 2006:56). Colombia has also an on-going conflict over maritime borders with Nicaragua.

Ethnic politics in the Andean Countries

The central Andean countries have the highest proportions of indigenous population in Latin America; Bolivia 57 percent, Peru 41 percent and Ecuador 30 percent.³⁹ Indigenous movements and mobilizations have become a significant part of the Andean countries, especially in Bolivia and Ecuador. The indigenous social movements in Bolivia, Peru, Ecuador, Colombia and Venezuela were formed in the 1960s and 1970s. At first there was a period of separation between indigenous organizations in the highland and in the lowland (the Amazon). The highland peoples promoted agricultural rights and cultural autonomy, but in the lowland with less dense population the groups were organized to defend their territory, culture and language from interventions from the state, religious groups, ranchers, colonists or private companies trying to exploit the forest and the land. During the 1980's the indigenous movements gained strength and became more politicized. They also started to cooperate more on the national and regional level. Several factors contributed to this development: the discrimination and exclusion from common political parties, the activism in relation to the 500 years anniversary of the arrival of Columbus (1989) and the international attention to ethnic identity (not least from donors) (Van Cott 2006:158, Follér et al 2007:5-11).

The movements were strengthened during the 1990s and resulted in improved indigenous rights and more inclusion in the national political life. Indigenous peoples are today governing on municipality level and regional government in most of the Andes and they have gained more power in the national politics; for example with the election of Evo Morales as president in Bolivia or with Ecuadorian CONAIE and Pachakutik movement (Van Cott 2006: 160). In the case of Ecuador the Catholic Church also played an important role in promoting social mobilization in the indigenous communities when they reoriented the Church based on the liberation theology and sought political alliances with peasants instead of the elites. During

widely applied to Latin America (for example in relation to the interventions in Chile, Nicaragua, El Salvador and Grenada) (Pizarro and Gaitán 2006:282)

the 1990's the indigenous movement in Ecuador grew to be one of the most influential social movements and became one of the leaders in the popular protests that ousted the presidents in 1997 and 2000 and forced the convocation of a Constituent Assembly (Andrade and North 2005:427-9).

The case of Bolivia also illustrates the confrontations⁴⁰ that might come as a result of the rise of an earlier marginalized group to power and how this can constitute a threat to existing structures. At least in the case when there is an outspoken objective to reform the economy, as in the case of the government of Morales.

5.3. Organized crime, violence and drug trafficking

Organized crime in the Andean region is to a large extent intertwined with the cocaine business. Colombia, Bolivia and Peru are the world's major producers of cocaine and the largest suppliers to the US market. Recently, the US war on drugs has also created conflicts with some governments in the region (Venezuela, Bolivia and Ecuador) who for various reasons oppose the conditions related to bilateral cooperation in this war on drugs. The Latin American response to US pressures is also often that the US should make equal efforts to control the demand for drugs in their own country as they do when it comes to control the supply.

In Bolivia, the coca plant is part of the tradition and culture in the indigenous communities and there exists legal coca cultivation in a defined area in the Yungas region north of La Paz in order to satisfy local demand. However, when the demand for cocaine escalated in the US in the 1980's, this opened up for increased coca cultivations in the Andean region. In Bolivia, illegal cultivation of coca escalated rapidly primarily in the Chapare region (east of La Paz) where, in the 1990's, up to 35 000 hectares of illegal coca cultivation supported about 70 000 local peasant families. However, during the period 1995 to 2000, a counter-campaign was launched with the support of the US. It peaked when 3 000 military troops were sent to Chapare to destroy the coca cultivations. About 70 percent of the illegal coca plantations were destroyed but also the livelihoods of thousands of families who had based their economy on

³⁹ Only Guatemala, and to a much lesser degree Southern Mexico, has a similar proportion of indigenous population and Southern Mexico (Knippers Black 2005:46).

⁴⁰ The departments of Santa Cruz, Pando and Beni have pursued votings to support their claims for autonomy from the central government in La Paz. The three are lowland departments rich in natural resources and dominated by white or mestizo population.

the incomes from the coca. It is in this context that the coca producers started to organize themselves, one of the leaders being Evo Morales (of the Aymara people) (García 2005:464-465).

In the 2008 International Narcotics Control Strategy Report from the US State Department *Colombia* is defined as the principal supplier of cocaine with a majority of the supply going to the US. The report acknowledges the commitment and efforts of the Colombian government to decrease cocaine production but states that much remain to be done. There is also a substantial production of heroine focused on supplying the US market. The report also points out three foreign terrorist organizations (as defined by the US State Department) in relation to cocaine production and drug trafficking in Colombia (FARC, ELN and AUC). FARC is considered to control and take advantage of large territories of coca plantations, while the ELN only to a limited extent take part in the coca business. AUC is largely considered to be demobilized at the time of the report (US State Department 2008:121).

Bolivia is pointed out to be the third largest supplier of cocaine and is also an important transit zone for Peruvian cocaine. The majority of the cocaine coming from or going through Bolivia is destined for South America or Europe. In contrast to Colombia, the Bolivian president and the government are pointed out, by the US, as a problem due to their policy to make a distinction between cocaine and coca and defend the traditional position that coca has in the indigenous culture. This stance is shared by the US report (US State Department 2008:107) and the annual report from the corresponding United Nations authority (INCB 2008:68). Both reports acknowledge the effort of the Bolivian government to eradicate illegal cultivations of coca in mainly the Chapare region. However, they also criticize the plans to industrialize legal coca production in accordance with the new drug policy adopted by the Bolivian Government in December 2006 (Ibid). In the US report it is also mentioned that the European Union is financing a study (to be concluded in 2009) to determine the actual demand of coca originating from the indigenous culture in Bolivia (US State Department 2008:107). This conflict is one illustration of the cleavages that exist between different projects or visions of a future Andean region that also has its roots in the colonial and neo-colonial history of this specific region and Latin America in general. In their 2008 report the International Narcotics Control Board⁴¹ called upon the Governments of Bolivia and Peru

⁴¹ The INCB is a UN organ with the mission to monitor the implementation of UN Drug Control Conventions.

to eliminate the use of coca leaf (based on the 1961 convention), including chewing (INCB 2008:108) and manufactured coca products, for example coca leaf tea (INCB 2008:73-74). This caused strong reactions in Bolivia where the government officials declared that the recommendations of INCB were based on ignorance and colonialist attitudes. They compared this recommendation with a global prohibition of the use of tobacco or alcohol and said they were going to defend the cultural value of the coca (Indymedia Bolivia 2008/03/09). For the indigenous women the coca leaf is an important part of traditional medicine where the coca leaf for example is used by the women during child birth.⁴²

In the 2008 report from the US State Department, *Ecuador* is considered a major transit country for illicit drugs destined for the North American market. *Paraguay* is also defined as a major transit country for Andean cocaine on route to South America and Europe. The country is also seen as a place where the Colombian FARC exchanges cocaine for currency and weapons. *Peru*, like Bolivia and Colombia, is one of the major producers of coca and cocaine. In the report the present García administration receive recognition for showing strong political will to decrease illegal coca cultivation after some “initial concessions to coca growers” (US State Department 2008:138).

Venezuela is considered to be a major transit country which also shows signs of increased trafficking and some illicit coca cultivation. The majority of the drugs transited through Venezuela is destined to the US market, but there are observations of expansion in trade routes through West Africa to Europe. In their report, the US State Department expresses concern over what they see as a refusal from Venezuela to cooperate bilaterally on counter narcotics issues (US State Department 2008:148). This is contrasted by the UN report (INCB 2008) where Venezuela is described as an integral part of several regional and global cooperation schemes on controlling narcotics (INCB 2008:66-68)

In the 2008 report of the UN International Narcotics Control Board (INCB), they emphasize the nexus between drug trafficking, organized crime and violence, which is characteristic for several South American countries. The UN report also makes the observations that the cultivation of coca shifts between the countries of Colombia, Bolivia and Peru. When

⁴² Interview with Bolivian senator and leader of an indigenous women’s organization in Chapare

eradication is successful in one country it usually, with some time lag, increases in the other two, or vice versa (INCB 2008:66).

5.4. Militarization and conflict resolution

Several of the Andean countries can be compared to the post-conflict countries in Central America in terms of the degree of militarization of the society, especially Colombia. They also share certain aspects with other Latin American countries; the history of military interventions in political and social issues, the increased securitization of problems related to drug trafficking and the change in US policy after the events on September 11, 2001. There is a clear risk that these factors are mutually reinforcing and spreading over the borders in the region. In the present situation, when the Andean countries pursue quite diverging political projects the transnational character of the developments can cause additional tensions and crisis (for example the Colombian attack in March 2008). The prolonged conflict (with all its different facets) in Colombia is one important factor related to many of these issues. If the conflict is not resolved in a satisfactory and sustainable manner the probability to resolve other problems becomes limited. In Colombia, the militarization and violence is considerably higher than in the other Andean countries, there has also been a prolonged problem with paramilitary groups that in many cases has worked closely with the Armed Forces (Human Rights Watch 2001:1-5).

5.5. The implications of environmental stress and degradation

Global environmental degradations are aspects that will have impacts on the security of the future world situation. The most common discussion today related to environmental degradation is the global warming. The predictions are that it will affect different regions – natural and human systems- of the world in different ways. A report commissioned by the Comunidad Andina conclude that the estimated cost of climate change for the Andean region could be as high as 30 billion USD per year in 2025 and that in 2020 40 million people could experience severe water shortages especially in Quito, Lima and La Paz, due to the melting glaciers in the Andes (www.comunidadandina.org/Publications)

The Andean countries comprise different ecosystems; with a dry coast zone, the Andean mountains with steep slopes, and the highest regions with cold climate and glaciers. There are also parts with temperate climate and the hot and humid tropical part, the Amazon, with mostly a tropical rain forest climate. The region also includes one of the world's largest

underground water resources: the Guaraní reservoirs in Paraguay. These ecosystems are affected differently by today's environmental changes and human activities.

Some visible changes in the rural areas of the Andes are the degradation of watersheds with increased flooding and land erosion. It is human beings, who many times cause the environmental degradation. The exploitation of the forest for timber and cattle ranches by the large landowners is one cause of this degradation, but also that the poor are forced to cultivate their crops on steeper slopes and to cut wood for preparing their food and to keep warm. Many organizations have also called for attention on the environmental impact of Plan Colombia its focus on aerial spraying of chemical herbicides. These fumigations have had severe effects on the people, the food crops and the soil that are exposed. The sprayings also hit small scale growers comparatively harder than large scale growers. According to UN estimates in 2004, 93 percent of all coca fields in Colombia could be defined as small (less than 3 hectares) (Ramírez 2005). There have also been continuous protests from both local community based organizations, economic cooperatives and international organizations against the fumigation campaigns, due to their negative effects on alternative food crops and the people (WOLA 2008, Witness for Peace 2007, Transnational Institute 2004). The Ecuadorian government has also complained due to the spreading of chemical herbicides into Ecuadorian territory where aerial spraying is forbidden (WOLA 2008:10).

In the Andean countries there are also the natural climate variability of the current El Niño along the coast in the Pacific Ocean close to the borders to Peru, Ecuador and Colombia – which cause droughts, other ecosystem changes and climate variability affecting the agriculture (IPCC 2007). In Peru, the glaciers, which are the source for fresh water, are melting due to global warming (Smith and Vivekananda 2008:16). Water and land for cultivation of crops is crucial to many of the more than 50 million people living in the Andes. Scarcity of water and severe soil erosion in many cases holds back rural development, increase urbanization and worsen poverty. When people are not able to survive on traditional farming, the possibilities for the coca/cocaine industry and degradation opens up. It could result in different forms of protests or insurgencies. The migration from the rural areas to the cities is strong in the Andean countries. In the region there is also a mobility of people from the rural and urban areas to the U.S. and Europe. The mobility is many times due to economic factors and poverty, but there are also ecological reasons behind the flight from a rural area where the survival as a farmer is everyday more difficult.

In the Andean region there are today environmental threats with an increased desertification along the coast (e.g. in Peru), increased crop's pests and diseases and increased erosion and landslides on the slopes of the Andes. The change in climate affects the health situation of the population in the rural areas of the region. In a population already suffering from chronic malnutrition, changes of temperature and precipitation will result in more diseases⁴³, to areas not earlier affected (Larrea and Freire 2002). This phenomenon will happen in rural as well as urban areas due to climate change and bad sanitation.

The regional water resources will become increasingly stressed by higher demands to meet the need of growing populations and economies (IPCC 2007). There are signs of scarcity of fresh water in different parts of the Andean countries combined with the discussion on privatization of water resources. In Cochabamba, Bolivia, water became a commodity through contracting water distributions to the private sector. The prices of water increased and there were violent protests in April 2000 with more than 100 people hurt (Smith and Vivekananda 2008: 40). Other conflicts related to water – fresh water and for energy - may arise among users and regions and between countries that share common river basins. The world's largest hydroelectric dam Itaipu, on the Paraná River on the border between Paraguay and Brazil and close to the border to Argentina, is just one example of vulnerable regions. There is also an ethnic and democratic dimension to these issues. The indigenous populations has a different view on natural resources as assets that cannot be owned privately which strongly contradict the neoliberal policies of privatizing for example water, gas or oil. In the current situation this is especially clear in the case of Bolivia. Increased stress on the ecosystems can be transformed to national, regional or global security threats or risks. According to Smith and Vivekananda (2008), Colombia, Peru and Bolivia are in the future at risk for armed conflicts due to climate change. Ecuador and Venezuela are at risk for political instability due to climate change in the future (Ibid 2008:28, 60).

Another issue that is currently debated on a global level is the possible conflict between bio-fuels and food crops, especially concerning corn, sugar cane and soya. This is directly related to the Andean region and their closest neighbours. Both Brazil and Paraguay produce soya used for the production of bio-fuels like ethanol, while for example Bolivia is heavily

⁴³ The threats are vector-borne diseases, such as malaria, dengue and Chagas' and infectious diseases such as cholera.

dependent on food imports. A future conflict and trade-off between the use of agricultural products for food or bio-fuels would increase the prices and the cleavages between producer and consumer states, regions or different sectors of society.

6. Potential future scenarios 2018-2028

To elaborate scenarios about potential future trends of conflict patterns and security risks in the Andean region, we have used the model presented in the introduction and its explanatory variables that have been discussed in chapters 4 and 5 (see also Appendix 6). The objective has been to identify the most important and decisive factors for the future development of this region as well as analyzing the historical and contemporary social, political and economic context.⁴⁴

The normative assumptions made in the following discussion/outline are based on the earlier analysis: that diversified external relations would be more rewarding for the region than US hegemony, a more equal distribution of resources and incomes would positively affect both human security and socio-economic development, a deepened democratization of the societies would improve the legitimacy and efficiency of state authorities and make it easier to combat organized crime. These are by no means controversial assumptions and can easily be found in international reports and well-known academic research. However, to implement policies to fulfill the goals linked to these assumptions require substantial political will and long-term commitment from many actors, not least the national governments. It is also likely that such policies, at least in some cases, could lead to confrontations or conflicts with the existing power structures (see for example the ongoing conflict in Bolivia).

We believe that there are some key issues that probably will be decisive in determining the future development specifically in the Andean region. The first is the Colombian conflict that threatens to destabilize the region. The second is the rights and status of the indigenous peoples, which will be important in Ecuador, Bolivia and Peru.

Worst Case Scenario: Conflicts, insecurity, interventions and ethnic marginalization

- US political and economic hegemony have increased. Earlier radical projects in Venezuela and Bolivia have been removed with the support of US interventions with

⁴⁴ Due to the limited extent of the report it has only been possible to briefly discuss these issues.

the arguments that these countries threatened to destabilize the region due to their lack of cooperation in the war on drugs.

- Another possible development is that the separatist movement in Bolivia centered in the Santa Cruz region, with the support of the US, divided the state of Bolivia which finally contributed to the fall of radical indigenous projects.
- The Colombian conflict has not been resolved in a sustainable manner. Colombia has collaborated closely with US troops in order to dismantle FARC (defined as narco-terrorists) however the policies to dismantle the drug trafficking organizations have been less successful.
- The integration policy with organizations such as MERCOSUR and CAN has failed. The OEA is dominated by the U.S. Most of the dynamics in the earlier regionalization process has been lost.
- The democratization level is uneven in the region. There are civilian governments and elections in Peru and Ecuador, but the state has more or less eroded in Colombia with severe effects on security in the neighbouring countries.
- Inequalities and poverty have increased, causing migration both to urban centers and other countries. Organized crime and violent groups find fertile grounds for mobilization.
- Drug trafficking have not decreased but maintain its stronghold over primarily Colombia, Bolivia and Venezuela.
- The weak states, corruption and the lack of democratization have had a negative impact on policies to promote ecological sustainability. The maneuvering margins for the national governments have decreased after extensive policy reforms to privatize natural resources like water, oil and gas.
- Water shortages are common and cause many conflicts. The use of land is unsustainable due to poverty and also conflicts over water. One struggle is between farmers and the owners of the coca/cocaine industries, which deteriorate the environment. The water problem is due to the privatizations and a general scarcity of water due to melting glaciers.

Best Case Scenario: Regionalism/integration, democratization and reduced poverty

“The South Americans were indoctrinated to believe that we would not function, that we are poor, that we fight a lot and need to depend on the United States or the

European Union. What has really happened is that the geopolitics of South America changed” President ‘Lula’, Brazil, May 2008 ⁴⁵

- The U.S. hegemony has decreased and replaced by a model of Latin American integration where the Andean region is linked to its Southern neighbours such as Brazil, Argentina and Chile. The earlier organizations CAN and MERCOSUR have integrated and developed an agenda of cooperation in politics, economy, security and development.
- The process of democratization has been deepening. The political responses to ethnic conflicts, abuse of human rights, anti-corruption actions and to fulfill the Millennium Development goals by 2015 have more or less succeeded in the Andean Region. Bolivia is still lagging behind but has made progress.
- The Colombian conflict has improved through comprehensive, long term policies aimed at increasing legality, democracy and human rights. Concerted socio-economic efforts to erase the growing ground for the cocaine industry has achieved important results. The earlier impunity has to a large extent faded away and the judicial system now has a much higher level of credibility and public confidence.
- In Bolivia, Ecuador and Peru, indigenous rights have been revalued and the nations have been able to progress in transformative processes, which acknowledge the indigenous history also in praxis and considerably decrease racism in the societies.
- Environmental problems are dealt with at the local, regional and national level based on the principles of dialogue and shared responsibilities. New technology is used to clean contaminated water and to re-use household water for agricultural use.

Mixed Scenario: Integration in the region, weak democracies, reduced poverty

- International economic cooperation is important and the region has strong trade agreements with China, India, EU and the U.S. But there is also broad-based regional cooperation. The earlier regional organizations have joined into one organization with influences from the E.U.
- The democratization processes have deepened, but even if the poverty level is reduced in most of the countries there are still large inequalities due to the lack of consistent policies to tackle this problem. Corruption is still a problem in most countries.

⁴⁵ Authors’ translation, www.pagina12.com.ar/diario/principal/index.html 27/05/2008

- The struggle against drug trafficking has not reached the expected results. The main problem has been the lack of coordination and the persistent levels of inequalities that maintain a fertile ground for the cultivation. The drug trafficking organizations have been quite successful in establishing transnational networks that resist poorly coordinated efforts to decrease cultivation and trafficking.
- The global warming has made the desertification of parts of the coast zone worse. In the Andes the glaciers are melting and the water problems for the farmers are acute. New water technologies have not been sufficient and the scarcity of water have forced more people from the rural regions into the cities resulting in increased unemployment and deteriorating health conditions in urban slums. The best exit option for many is migration to the US or Europe.

7. Concluding comments

The purpose of this report was to analyze alternative developments in the Andean Region in Latin America for the period 2018-2028. This has been done considering both the regional and global intra-state relations, in terms of political, economic, military and social issues including the problems of illicit trafficking and possible conflicts over strategic natural resources such as water, gas and oil. Special focus has been given to the relations with the US, the EU and the regional organizations OEA, CAN and MERCOSUR. The domestic political development has been analyzed taking into account possible conflicts that each of the countries included could be involved in, strategic natural resources as well as colonial relations.

In terms of the perspectives for future development the Andean countries have different starting points and different conditions but they also share certain important realities as part of the same regional complex. The Colombian conflict is a crucial issue for the future as well as the widespread poverty in Bolivia and in certain groups in the other countries, where ethnic identity is decisive factor. Consider!!

The geopolitical location of Colombia; between the Pacific, the Caribbean, the Andean and the Amazon region as well as the proximity to the Panama Canal and the petroleum industry of Venezuela add complexity to the conflict pattern.

To be continued...

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CAN: www.comunidadandina.org

Freedom House: <http://freedomhouse.org/>

Global Insight: www.myinsight.globalinsight.com.ezproxy.ub.gu.se

Indymedia Bolivia: <http://bolivia.indymedia.org>

OAS/OEA: <http://www.oas.org>

OPEC: www.opec.org

Transparency International: www.transparency.org

PAHO: www.paho.org

Appendix 1: Acronyms

ALBA	Alternativa Bolivariana para las Américas
APEC	Asia-Pacific Economic Cooperation
APRA	Alianza Popular Revolucionaria Americana (Peru)
ARI	Andean Regional Initiative
AUC	Autodefensas Unidas de Colombia
CAN	Comunidad Andina/Andean Common Market
CEPAL	Comisión Económica para América latina (also ECLAC)
CIA	Central Intelligence Agency (US)
CONAIE	Confederación de Nacionalidades Indígenas de Ecuador
DEA	Drug Enforcement Agency (US)
ELN	Ejército de Liberación Nacional (Colombia)
FARC	Fuerzas Armadas Revolucionarias de Colombia
INCB	International Narcotics Control Board (also JIFE)
MAS	Movimiento al Socialismo (Bolivia)
MERCOSUR	Mercado Común del Sur/Common Market of the South
MNR	Movimiento Nacional Revolucionario (Bolivia)
NAFTA	North American Free Trade Area
OEA	Organización de los Estados Americanos (also OAS)
OPEC	Organization of Petroleum Exporting Countries
PAHO	Pan-American Health Organization
UNASUR	Unión de Naciones Sudamericanas
UNDP	United Nations Development Program

Appendix 2: Some selected indicators

	Freedom House 2007			Transparency Int.		PAHO
	Political Rights	Civil Liberties	Status	CPI	Rank	Homicide Rate
Bolivia	3	3	PF	2,9	105	0,4
Colombia	3	3	PF	3,8	68	79,7
Ecuador	3	3	PF	2,1	150	16,2
Paraguay	3	3	PF	2,4	138	20,7
Peru	2	3	F	3,5	72	3,0
Venezuela	4	4	PF	2,0	162	34,5

Freedom House:

www.freedomhouse.org

Freedom in the World 2007, Tables & Charts, Subscores, 2007 edition
 PR= Political rights (electoral process, political pluralism, participation, functioning of government)

CL= Civil liberties (freedom of expression and belief, associational and organizational rights, rule of law, personal autonomy and individual rights)

F= Free, PF=Partly Free, NF=Not Free

Transparency International:

www.transparency.org/policy-research/surveys_indices/cpi/2006

Corruption Perceptions Index (CPI), scale 10-1

CPI Score relates to perceptions of the degree of corruption

as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

Ranking countries 1-179

PAHO:

www.paho.org

Estimated mortality rate from homicide (per 100 000 pop) 2001-2005

Human Rights Abuses

The Political Terror Scale

www.politicalterror scale.org/about.html

	2005		2006		Average
	Am	US	Am	US	2000-2006
Bolivia	2	3	2	3	2,4
Colombia	5	4	5	4	4,9
Ecuador	3	3	3	3	3,0
Paraguay	2	3	3	3	2,5
Peru	3	2	3	3	2,6
Venezuela	3	3	3	4	3,1

Ranking based on yearly reports from Amnesty International (Am) and US State Department (US).

Rank 1-5 where 5 is worst

Appendix 3: Risk analysis of Andean countries

Rank	Country	Current Overall Risk		Pol	Eco	Sec
		Index		25%	25%	10%
2	Venezuela	3,80	High	3,75	4,00	3,75
3	Ecuador	3,73	High	4,00	3,75	3,25
4	Bolivia	3,65	High	4,00	3,50	3,00
8	Paraguay	3,30	Significant	3,50	3,00	3,00
11	Colombia	3,15	Significant	3,50	2,50	4,00
16	Peru	2,86	Medium	3,25	2,50	3,25
	Latin America	2,58	Medium	2,61	2,83	2,45

Source: Global Insight (April 2008)

The total number of ranked countries in Latin America is 42 (highest risk ranks 1)

The index is a weighted average based on an evaluation of the political development, economy, legal system, taxes, corporate conditions and security.

We have chosen to show the aggregated index as well as the specific indexes

related to the political development, the economy and security.

The risk related to the political and economic development represents half of the aggregated index while security only represents 10 percent.

Appendix 4: Areas of conflict and/or weak state control (shadowed border areas)



Appendix 5: Human Development Indicators

HDI rank	Country	Population milj	GDP per capita USD 2004	Yearly GDP per capita % growth 1990-2004	Life Expectancy Years	Literacy rate %	Poverty Below 1 USD %	Income Distribution 20% Richest	Gini-coefficient
	<i>Medium HDI:</i>								
70	Colombia	44,9	2176	0,5	72,6	92,8	7,0	62,7	58,6
72	Venezuela	26,3	4214	-1,2	73,0	93,0	8,3	49,3	44,1
82	Peru	27,6	2490	2,1	70,2	87,7	12,5	58,7	54,6
83	Ecuador	13,0	2322	0,2	74,5	91,0	15,8	58,0	43,7
91	Paraguay	6,0	1220	-0,8	71,2	nd	16,4	61,3	57,8
115	Bolivia	9,0	974	1,2	64,4	86,7	23,2	63,0	60,1
	<i>Comparison:</i>								
8	USA	295,4	39883	1,9	77,5	nd	nd	45,8	40,8
5	Sverige	9,0	38525	1,8	80,3	nd	nd	36,6	25,0

Source:

PNUD (2006) Informe del Desarrollo Humano

HDI (Human Development Indicator) is based on life expectancy, literacy rate, gross enrolment rate and GDP per capita.

HDI 1-63 High, 64-146

Medium

nd=no data available

Appendix 6: An outline of the explanatory model (Andean region)

Security & Future Conflicts	= External Relations	+ Regionalization/ Strategies of Integration	+ Inequality/ Distributional policy	+ Democratization	+ Organized Criminal Networks	+ Militarization/ Methods of Conflict Resolution	+ Environmental stress and degradation
a) <i>worst case scenario</i> - Increases the risk for conflicts	a) US hegemonic, interventionist, weak external relations with others	a) globalization, integration based solely on market economy principles, asymmetry and imbalances increase	a) minimal policy measures	a) "electoral democracy", Institutional framework cracking down, confrontations with civil society	a) organized crime widespread and transnational, its strength equals or replaces the state	a) conflicts are resolved by force/coercion	a) Water scarcity, environmental degradation cause social crisis that is met by violence of the state
b) <i>best case scenario</i> - decreases the risk for conflicts	b) US non-hegemonic, wide range of relations with others	b) regional integration from below, objective to balance asymmetries and decrease socio-economic differences	b) active policy for more equal distribution	b) participative democracy, institutional framework strengthened, active policy to improve social rights, active dialogue state-civil society	b) organized crime successfully limited through reform policies and regional cooperation	b) conflicts are resolved by dialogue and negotiations	b) Preventive policies, regional cooperation have limited the effects of environmental degradation, social stress met with dialogue and cooperation
c) <i>mixed scenario</i>							