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PEACEBUILDING and the private sector

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We understand that conflict is natural to society. We understand conflict to be the confrontation of differing interests, ideas and agendas that is inherent to social and political life. Moreover, we believe that conflict can play a positive role in social dynamics as a driving force of innovation and change, when effectively managed.

Interpeace, Strategic Position Paper

Granada, Colombia
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PEACEBUILDING AND THE PRIVATE SECTOR

By Ana Glenda Tager
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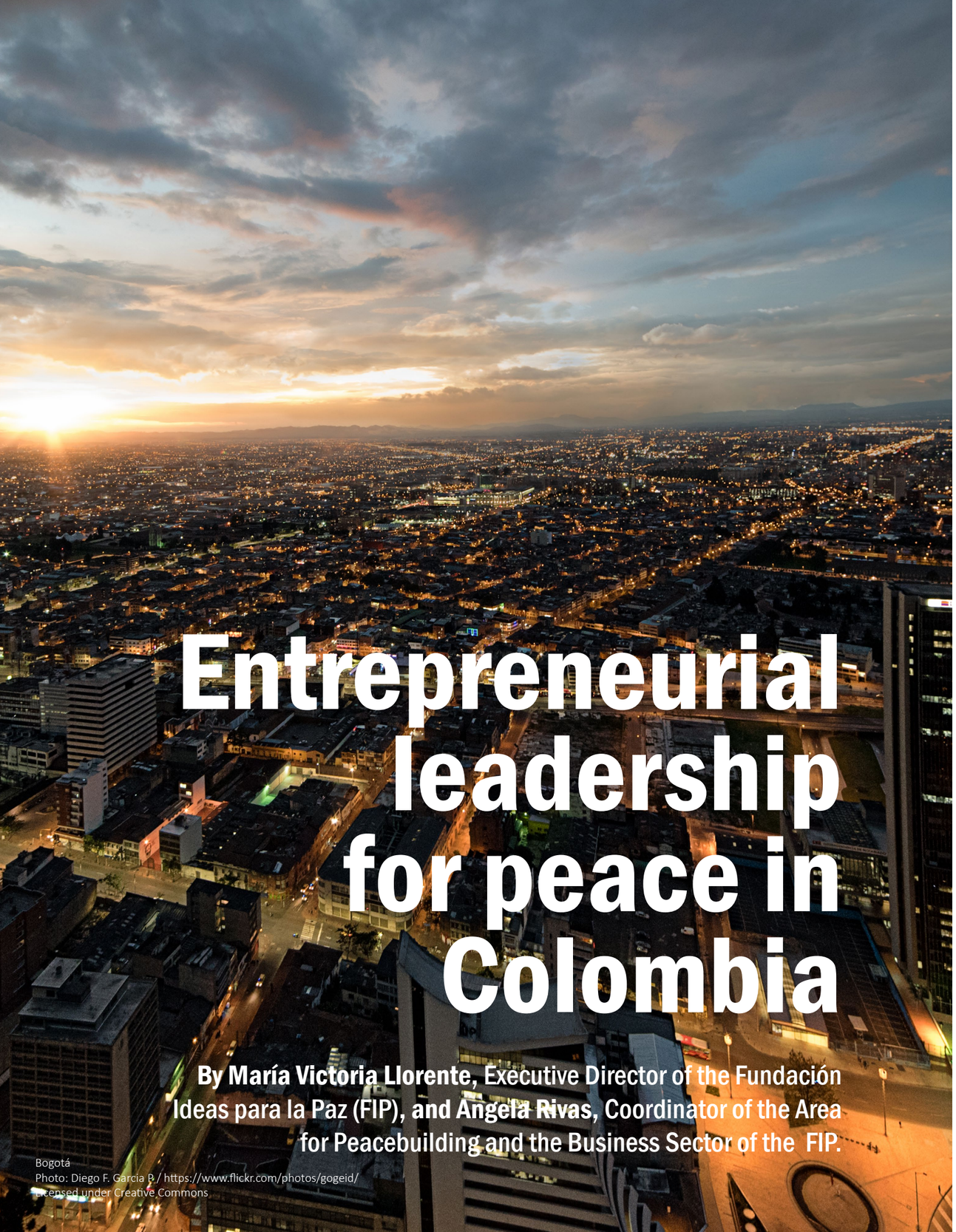
At Interpeace we are convinced that the various actors and groups that make up a society possess the potential to contribute to peacebuilding. Each, according to their own specific characteristics and differences, can provide alternatives for the peaceful transformation of conflicts. However, in order to really achieve that transformation, it is essential that, instead of each working on their own, these actors and groups should be able to reach out among themselves to identify common objectives and re-establish links of trust. For this reason, at Interpeace we work with all groups in society to assure truly inclusive processes and thereby provide legitimacy to proposals that emerge from the convergence of different groups and actors.

The private sector, understood as the sum of all commercial, industrial, agricultural, and financial activities, which together constitute one of the main factors underlying the economic dynamism of a country, is a key player in societies where conflicts have their origin in social and economic contexts characterized by poverty, inequality, and exclusion. At the same time, the private sector plays a relevant role in politics to the extent that it participates, through its varied representative associations, in the debates concerning development models, reforms in the State, economic policy, and so on.

The role of the private sector is closely linked to local and national economies, investment, and job creation, which means that in situations of social conflict the private sector can possibly play a bridging role among social groups to generate social and political stability, which is important not only for economic growth but also for social development.

For that reason, in this issue of the journal on peacebuilding of the Interpeace Regional Office for Latin America we include three articles that, from different experiences and viewpoints, posit some common elements for a debate about the role that the private sector can play in support of peace. From a global perspective, Achim Wennmann, Executive Coordinator of the Geneva Peacebuilding Platform, reflects on the role of private enterprise in the prevention of violence. María Victoria Llorente and Ángela Rivas, of the Foundation for Ideas for Peace (Fundación Ideas para la Paz, FIP), share the experience of the Colombian private sector and its potential as part of an inclusive leadership in support of the peace process in Colombia. Finally, we interview a Guatemalan businessperson, Hans Peter, about the challenges to peace in Guatemala from the perspective of agricultural sector. Thus, this issue of the journal offers three different perspectives, one global and two from the specific cases of Guatemala and Colombia, that allow us to engage in the debate on the role of the private sector and its contribution to peace.



Entrepreneurial leadership for peace in Colombia

By María Victoria Llorente, Executive Director of the Fundación Ideas para la Paz (FIP), **and Angela Rivas,** Coordinator of the Area for Peacebuilding and the Business Sector of the FIP.

Bogotá
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Participation by Colombia's business sector in support of peacebuilding has not been massive but has been the subject of numerous publications and attempts at documentation. During the last decades, the country has witnessed strategies with participation by businesses that include, among others, income generation for former combatants and victims and initiatives for local development, including the adoption of management systems that take human rights and peacebuilding into account.

These experiences provide important working models and lessons learned that should be kept in mind at this moment when we stand before a real opportunity to end an armed conflict of more than 50 years through negotiations with the insurgent group of the FARC. To turn the moment into a real opportunity must begin by recognizing that a sustainable peace requires an understanding of the road travelled as well as creative and ambitious proposals. In order to make a real contribution, the private sector must strengthen what they have been doing all along and add on new areas of action but, above all, they must engage with peace in an innovative and bold manner. This does not necessarily imply huge economic investments or the creation of thousands of jobs for those guerrillas who are demobilized. It is possible that some of this will be required. But a sustainable peace in Colombia requires a change of mind-sets and a substantial transformation of some structures and pillars upon which the current conditions in the country have been built. Peace requires effort to achieve territorial integration of the country and to overcome historic social exclusions. In other words, an expansion of citizenship and democracy. At the same time, peace requires that Colombians be able to turn the page and to re-establish, in the good sense of the word, a country in which violence is eliminated from its repertoire of mechanisms for settling differences.

Sustainable peace, according to Reychler and Stellamans[1], is a political reality that can be created but its construction requires, among other things, the existence

A sustainable peace in Colombia requires a change of mind-sets and a substantial transformation of some structures and pillars upon which the current conditions in the country have been built.

1. Reychler, L. and Stellamans, A. (2005), "Researching Peace Building Leadership". Cahiers Internationale betrekkingen en vredesonderzoek, Vol. 71, No. 2 (Hungary).

Domingo de playa en Santa Marta, Colombia
Photo: Carlos Adampol Galindo
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of a critical mass of committed leaders. In Colombia, businesspeople can be part of that leadership. Their participation in the country's transformation, in breaking the vicious circles that feed the conflict and replacing them with virtuous circles that extend citizenship and the appropriation of rights,[2] is not only desirable but necessary.

The transformations required for building a sustainable peace in Colombia can be compared to the great transformations that have occurred in some Asian countries, in Eastern Europe, and even Ireland and South Africa at given moments. It is clear that evolutions of this scope will take years or even decades and will require a great collective effort. But as history has shown, it is well worth it.

The pacification of Colombia

Since a little over a decade ago, Colombia has experienced a pacification process and the building of the nation State. The conclusion by negotiations of the armed conflict involving the Fuerzas Armadas Revolucionarias de Colombia (FARC) – the Revolutionary Armed Forces of Colombia – is a fundamental component of this process insofar as it translates into a qualitative step towards pacification and holds the promise of integrating into the nation's life those regions that have been at the centre of the conflict. For this reason, the process of peace negotiations between the government of Colombia and the FARC is also an opportunity to ponder and rethink a better country.

We stand before the possibility of closing the vicious circle of violence, exclusion, and conflict and replacing it with a virtuous circle of widening citizenship and rights. A transformation of this scope is only possible with the active engagement of the State, civil society, and the business sector. This engagement must work toward the expansion and guarantee of rights enshrined in the Constitution of 1991 and toward the inclusion and integration of a deeply-rooted Colombia that for decades has been the epicentre of the armed conflict but which has remained at the sidelines of the construction of citizenship and the State.

The new National Development Plan (Plan Nacional de Desarrollo) that has just been approved by the Congress speaks about three Colombias: the prosperous, the intermediate, and the rural.[3] Peacebuilding must overcome the cleavages that separate these three versions of our country, especially those that lie between prosperous and rural Colombia. The concept of "territorial peace" that the government has put forth as one of the signature differences of Colombian-style peace[4] induces us to think precisely about closing territorial gaps and the creation of real conditions at the local level for the respect of rights and expansion of citizenship.

The notion of territorial peace provides important insights concerning local development and sustainable peace. First, it is urgent to undertake well-integrated work in a given territory and that to do so trust must be built up and dialogue promoted among the different actors that operate in the territory (local government, business sector, civil society organizations, communal leaders, and communities). Second, interventions in the territory must incorporate the concept of action without damage, as well as strengthening local capacities for peace and striving to expand democracy and respect of rights. This is indispensable in order to move forward effectively in transforming those conditions which nourish conflict and the use of violence as a means of social and economic regulation.

Peace requires that Colombians be able to turn the page and to re-establish a country in which violence is eliminated from its repertoire of mechanisms for settling differences.

The Business Sector and Peace

As part of its strategy of business and peace, the government has set down three lines: 1) devise clear guidelines in terms of due diligence and action without damage; 2) develop public-private alliances that contribute to local development and the expansion

2. See James Robinson and Daron Acemoglu. *Por qué fracasan los países: Los orígenes del poder, la prosperidad y la pobreza*. Bogotá: Editorial Planeta, 2012.

3. See http://www.elespectador.com/noticias/politica/gobierno-busca-reducir-desigualdad-el-plan-nacional-de-articulo-544968

4. See Sergio Jaramillo, "La Paz Territorial" at http://www.altocomisionadoparalapaz.gov.co/herramientas/discursos/Documents/La_Paz_Territorial_version_final.pdf

Color, Colombia
Photo: Simón Avilés / https://www.flickr.com/photos/28523408@N07/
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of democracy; and 3) undertake actions aimed at reconciliation. Defining these lines is vital but not all that is required. The ways in which businesses understand peace on a day to day basis and how they visualize their capacity to transform a reality scarred by armed conflict is also determining.

Various working business experiences in peacebuilding that have been documented in the country show that commitments for building peace by businesses do not necessarily involve expending more economic resources. Working for peace involves seeking out employment alternatives that will effectively transform reality and contribute to overcoming those conditions that the conflict in our country has thrived on. A business can contribute more to peace by participating than by donating millions of pesos to initiatives that perpetuate a restricted access to rights and a limited exercise of citizenship.

Business Alternatives: Dialogue and Imagination

What approaches that are really transforming can guide an intervention by the business sector?

A first approach comes from the writings of John Paul Lederach, one of the most important current thinkers on peacebuilding: "[What is important] is an ability to bring together an improbable set of people... I think the difficult work of peacebuilding is to create a quality of relationships among people who don't think alike".[5]

A recent study on the roles that different actors would be willing to assume and expect others to assume in support of peacebuilding highlights the difficulties that exist today in accepting others as valid spokespeople and agents for positive change.[6] The difficulty in establishing dialogue between people who are different is precisely one of the great challenges that the business sector will face when it decides to support peace at the local level. Even more so when placed within the framework of the proposal of territorial peace mentioned above, the search for new forms of governance based on participatory development at the local level will be the acid test for the business community's decision to support a sustainable peace.

It is precisely at the local level – and given the need to contribute to an expansion of democracy – that the business sector together with other actors must face the difficult task of promoting dialogue among "an improbable set of people." Although difficult, if we achieve this an important step will have been taken towards reconciliation.

A second focus has to do with creativity, open-mindedness, and willingness to change, not only to achieve that dialogue among "improbables" but also to confront the huge social and political challenges. Along these lines, the idea about "moral imagination" put forth by Lederach gains traction while summarizing his understanding about peacebuilding:

... [T]he capacity to imagine and generate constructive initiatives and answers that, even though rooted in the day to day challenges brought on by violence, transcend them and, in the end, break the patterns and cycles of destruction.[7]

This notion brings to mind that of "shared value" of Porter and Kramer that is so well accepted in the business world:

The concept of shared value can be defined as the policies and operational practices that improve the competitiveness of a firm while at the same time helping to improve the social and economic conditions of the communities where they operate. The creation of shared value focuses on iden-

Working for peace involves seeking out employment alternatives that will effectively transform reality and contribute to overcoming those conditions that the conflict in our country has thrived on.

5. Professor of International Peacebuilding at the Joan B. Kroc Institute for International Peace Studies, University of Notre Dame. http://www.onbeing.org/program/art-peace/transcript/2328

6. Perspectivas y Aportes Empresariales para la Construcción de Paz, Fundación Ideas para la Paz, Instituto Catalán Internacional para la Paz y Cámara de Comercio de Bogotá. Bogotá, 2015.

7. *The Moral Imagination: The Art and Soul of Building Peace*. Oxford University Press: 2005, p. 29.

tifying and widening the linkages between economic and social progress.[8]

The invitation extended by Porter and Kramer to the business community to reconcile their competitiveness and the improvement of the social and economic conditions of communities near their centres of operation, as well as their call for creativity and innovation in the search for solutions to the problems which afflict their operational environment, can be very useful in thinking about how they can contribute to the generation of conditions that foster peace.

Beyond the differences that exist between moral imagination and shared value, in both cases the key lies in finding answers, in creative and sustainable ways, to daily problems and challenges. The moment of truth in peacebuilding is to be found at the local level and in the capacity that we possess to overcome or not the effects of the armed conflict in our daily lives.

Some final words

The sustainability of peace requires a critical mass of leaders with innovative proposals that will transform reality. Businesspeople can clearly play this leadership role. These proposals can provide inspiration when the time comes to think about initiatives that will effectively help to turn the page on the armed conflict with the FARC.

Furthermore, when contemplating the challenges the country will face in the event that an agreement is signed with the FARC, it might even be desirable that businesspeople consider becoming more involved. For example, aside from the areas of influence of their operations, they might contemplate a presence in areas that urgently demand actions in support of peace. In this sense, there can be an appeal to philanthropy that transforms or even to their ethical and moral duties as Colombians.

Much has been said about the peace accords not being a point of arrival but, on the contrary, a point of departure and an opportunity to take the right decisions for transforming the country. The leadership and involvement of businesspeople in this effort is undeniable.

8. *La creación de valor compartido*. Boston: Harvard Business School Publishing Corporation (2011), p. 6.

The moment of truth in peacebuilding is to be found at the local level and in the capacity that we possess to overcome or not the effects of the armed conflict in our daily lives.

Our role as peacebuilders is to assist in the development of local and national capacities for peace (values and attitudes; social processes and relationships; political and social institutions) necessary to incrementally and effectively overcome the dynamics of conflict that lead to polarization and violence.

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Portrait of a young woman, Colombia
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What options for business?

Working around, in or on armed violence

By Achim Wennmann,
Executive Coordinator of the Geneva Peacebuilding Platform. For the last several years,he has been Researcher at the Centre on Conflict, Development and Peacebuilding (CCDP) and the Small Arms Survey working on peace mediation, armed violence reduction, and state fragility.

This article draws on A. Wennmann , "The Role of Bussiness in Armed Violence Reduction and Prevention". *International review of the Red Cross*, **Vol. 95, No. 886 (2012), pp. 919-940**

Many companies do business in some of the most violent countries or cities of the world. Yet, what do we know about the options they have to deal with violence? This article explores how companies work around, in, or on armed violence and points to several entry points for a more direct role for business in armed violence reduction and prevention (AVRP) programmes.[1]

1. This analysis is inspired by Jonathan Goodhand, *Violent Conflict, Poverty and Chronic Poverty, Chronic Poverty* Research Centre Working Paper No. 6, University of Manchester, Manchester, 2001, pp.30-31.AVRP programmes are frequently distinguished along three lines. *Direct programmes* address the instruments, actors and institutional environments enabling armed violence; *indirect programmes* address 'proximate' and 'structural' risk factors giving rise to armed violence; and *broader development programming*, while not having prevention and reduction of armed violence as a primary or even secondary objective, can nevertheless generate meaningful dividends. These three categories are not necessarily mutually exclusive or pursued in isolation of one another. See Organization for Economic Cooperation and Development (OECD), *Armed Violence Reduction: Enabling Development*, OECD, Paris, 2011.

Street in El Salvador
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Lining up private sector support behind such efforts is often complicated because companies are not necessarily aware of the magnitude of costly effects of armed violence on their operations.

Many companies do business in some of the most violent countries or cities of the world. Yet, what do we know about the options they have to deal with violence? This article explores how companies work around, in, or on armed violence and identifies several entry points for a more direct role for business in armed violence reduction and prevention (AVRP) programmes.

Most mainstream companies work around armed violence which means that they withdraw or temporarily cease activities as a result of armed violence. Companies adjusting operations in this way, therefore, do not see an interest to engage on the reduction or prevention efforts directly. However, companies can be extremely hesitant to withdraw. As they operate in a competitive market, their own withdrawal represents an opportunity for a competitor to enter the market. This potential substitutability of commercial actors highlights the importance for companies with a generally reputable record in violent settings to stay on because the alternative would be opening the door to un-checked profit-makers that purposefully deviate from responsible practice. Another argument can be made regarding the temporary closure of business: While bigger companies may have the resources to withstand episodes of closure, prolonged disruption of production or trading can place the survival of small and medium-sized enterprises (SMEs) at risk.

Companies can also decide to work in situations of armed violence and attempt to minimize the effect of armed violence on their operations and activities. For bigger companies, this means paying for protection to private security companies, which can be a substantial cost factor. SMEs are unable to afford protection or spread risks in the same way as large investors. Crime victimization surveys in Jamaica have shown that smaller companies pay a higher share of their revenues (17 per cent) for security in comparison to a medium-sized (7.6 per cent), and large companies (0.7 per cent).[2]

Furthermore, studies from the United Kingdom and Australia have highlighted that small retail businesses are the most vulnerable to victimization, including in terms of the financial and psychological cost of crime.[3] Working in armed violence is therefore much more problematic for SMEs than for multinational corporations.

Business can also work on armed violence, which means that it can take various roles to affect the key drivers. As a businessman from Colombia put it: "It is not true that we all sit with our arms crossed, that nothing is being done, or that everyone is living in Miami".[4] Case evidence from the literature on business and peacebuilding also shows that business can work on the drivers of armed violence by building bridges between different communities and between state and society, engaging directly in talks with belligerents, providing good offices and information, acting as a pro-peace constituency, paying for (part of) a peace process, assisting in the delivery of humanitarian aid, strengthening local economies, building trust, fostering accountability, and limiting access to conflict financing.[5] Business representatives can also act as facilitators between conflicting parties if they are perceived as apolitical and have no stakes in the outcomes of the negotiations.[6]

Following these reflections on the role of business in, around and on armed violence, what can be potential entry points for a more direct role for business in AVRP programmes? To start dealing with this question, we need to recognize that AVRP is a multi-stakeholder process. No specific actors – from business to government to the local community – can reduce or prevent armed violence on its own. The reliance on programming to affect change is supported by the realization among donors that "potentially violent tensions or on-going violence are increasingly insusceptible to one-time external mediation or local conflict resolution". [7] What is more, the trend has also moved away from implementing 'blue print' programmes everywhere in the same fashion, because this disregards context specific issues.[8] Placing business within broader AVRP programmes also resonates with the trend towards 'constructive accompaniment' which is lending expertise and advice to locally-shaped and guided plans and processes.[9]

Reducing violence and building peace is not the task or responsibility of any single actor. It is everybody's work.

For businesses, the implications are that the focus is much less on the company's stand-alone contributions to AVRP programmes – a health clinic, a new play-ground, or a school – but on how corporate contributions can strengthen multi-stakeholder efforts on AVRP in a specific context. For instance, the Bogota Chamber of Commerce clearly locates its efforts within the broader AVRP programmes and understands its contribution in the areas of information generation to objectively assess security conditions, participating in the formulation of community safety programmes, and develop models for strengthening institutional competencies to enhance community safety.[10]

2. United Nations Office on Drugs and Crime (UNODC) and the World Bank, *Crime, Violence, and Development: Trends, Costs and Policy Options in the Caribbean*, UNODC and World Bank, Vienna and Washington D.C., 2007, pp. 48-49.
3. British Chamber of Commerce (BCC), *Setting Business Free from Crime: A Crime Against Business*, BCC, London, 2004. Santina Perron, *Crime Against Small Business in Australia: A Preliminary Analysis*, Australian Institute of Criminology, Canberra, 2000.
4. Angelika Rettberg, *Business-Led Peacebuilding in Colombia: Fad or Future of Country in Crisis?*, Crisis States Programme Working Paper 58, London School of Economics, London, 2004, p.21.
5. For a diverse set of case studies on business engagement in peacebuilding see Banfield et al, *Local Business, Local Peace*, above note 19; Jane Nelson, *The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution*, The Prince of Wales Business Leaders Forum, International Alert, Council on Economic Priorities, London and New York, 2001, pp. 73-140; Derek Sweetman, Business, *Conflict Resolution and Peacebuilding*, Routledge, London, 2009, pp. 41-47.
6. Salil Tripathi and Canan Gündüz, *A Role for the Private Sector in Peace Processes? Examples and Implications for Third-party Mediation*, Centre for Humanitarian Dialogue, Geneva, 2008, p.25.
7. Chetan Kumar and Jos de la Haye, 'Hybrid Peacemaking: Building National Infrastructures for Peace, in *Global Governance*, Vol. 18, No. 1, 2011, p.13.
8. Ganson and Wennmann, *Operationalizing Conflict Prevention as Strong, Resilient Systems*, above note 52, p. 2.
9. Jennifer Milliken, *What the Peacebuilding Community Can Contribute to Political Transitions in North Africa and Beyond*, Paper 4. Geneva Peacebuilding Platform, Geneva, 2012, p.12.
10. International Centre for the Prevention of Crime (ICPC), the World Bank, Bogota

No actor is likely to reduce or prevent armed violence on its own but by finding the right entry points for business into multi-stakeholder approaches.

There may be two concrete entry points for a more direct role for business in AVRP programmes. The first is about costing the effects of armed violence, and the second about data-gathering and analysis through observatories.

Better knowledge on the magnitude and distribution of the costly consequences of armed violence on companies would be an important tool to forge business cohesion and convince stakeholders that conflict or criminal violence is making them lose money. Improving costing techniques – such as accounting, modelling, or contingent valuation approaches – would be important to better communicate the cost of armed violence to business, especially with regards to the money made or saved through AVRP programmes.[11]

Work on costing could be an important contribution to strengthen efforts by other stakeholder to establish 'pro-peace' or 'anti-violence' constituencies and campaigns. Lining up private sector support behind such efforts is often complicated because companies are not necessarily aware of the magnitude of costly effects of armed violence on their operations. While different sectors and companies are affected differently by armed violence – some may even gain from insecurity – existing costing methods are not yet fine grained enough to associate costs to specific sectors or companies.[12] A promising innovation using accounting approaches – a balance sheet of the various cost factors – have been applied to health sector costs of armed violence.[13] Sectors particularly sensitive to the effects of armed violence include retail, tourism, financial services, and aviation.[14]

The second point connects to the fact that finding quality data and situational intelligence in violent places is as much a challenge for business as it is for development, government, or community actors. This is why the model of 'observatories' could be a point of convergence to nurture multi-stakeholder partnerships that strengthen local capacity for data generation and analysis, as well as evidence-based policy making. Observatories are ad-hoc or permanent mechanisms, networks or institutions that monitor a specific development (e.g. violence, disasters, and quality of life). Depending on their mandate, observatories can have the function to generate data, provide analysis, and give advice to decision-makers to strengthen evidence-based policy-making.[15] They are widely used, especially in Latin America.

For armed violence reduction strategies, observatories are a strategic multiplier within a country. Specifically, business could contribute to the following functions of observatories:

- To commence and drive a discussion at the city or national level about the role of data in and monitoring of policy making;
- To pool professionals in data generation and analysis within a country; and
- To organise a pilot effort to generate locally the data necessary to conduct an armed violence baseline analysis or an environment scanning at the subnational level.

In the urban setting of mega-cities, big international companies can also be the main driver of observatories. One of the most ambitious and private sector-led initiative in this field is the Operations Centre of the City of Rio de Janeiro. Designed by I.B.M. at the request of Rio's mayor, the Operations Centre is a city-wide system that integrates data from some 30 agencies, all under a single roof.[16]

Observatories could become a convergence point for business, donors, and national stakeholders. Business investment and participation in observatories could be an important connector on AVRP programmes. Observatories address for all actors the information, data and analysis needs in contexts of limited or bad information. What is more, information gathering and analysis processes are useful themes to initiate a multi-stakeholder process in a specific location.

In the final analysis, reducing violence and building peace is not the task or responsibility of any single actor. It is everybody's work. It is not necessarily about stand-alone corporate projects as contributions to AVRP programmes. No actor is likely to reduce or prevent armed violence on its own but by finding the right entry points for business into multi-stakeholder approaches – such as in efforts to cost violence or improve data and situational intelligence – is a promising avenue.

Better knowledge on the magnitude and distribution of the costly consequences of armed violence on companies would be an important tool to forge business cohesion and convince stakeholders that conflict or criminal violence is making them lose money.

Chamber of Commerce (BCC), and Instituto Sou da Paz (ISP) *Public-Private Partnerships and Community Safety: Guide to Action*, ICPC, World Bank, BCC, ISP, Montreal, Washington D.C., Bogota, São Paolo, 2011, p. 9.

11. For a review of costing techniques see Geneva Declaration Secretariat (GDS), *Global Burden of Armed Violence*, GDS, Geneva, 2008, pp. 91-97.
12. GDS, *Global Burden of Armed Violence*, above note 2, pp. 91-97.
13. WHO, *Manual for Estimating the Economic Costs of Injuries due to Interpersonal and Self-directed Violence*, WHO, Geneva, 2008.
14. Global Peace Index, *The Study of Industries that Prosper in Peace – the 'Peace Industry'*, Global Peace Index, Sydney, 2008, pp.14-18.
15. Elisabeth Gilgen and Lauren Tracey, *Contributing Evidence to Programming: Armed Violence Monitoring Systems*, GDS, Geneva,2011.
16. N. Singer, 'Mission Control, Built for Cities: I.B.M. Takes "Smarter Cities" Concept to Rio de Janeiro', *New York Times*, 3 March 2012.

For peacebuilding the goal must be not just to enable a society to address specific drivers or root-causes of violent conflict, but rather to strengthen the elements of social and political cohesion that will allow it to prevent conflict from escalating into polarizing and violent dynamics, transforming it from a destructive to a constructive force.

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Photo: Claudio Vásquez for Interpeace

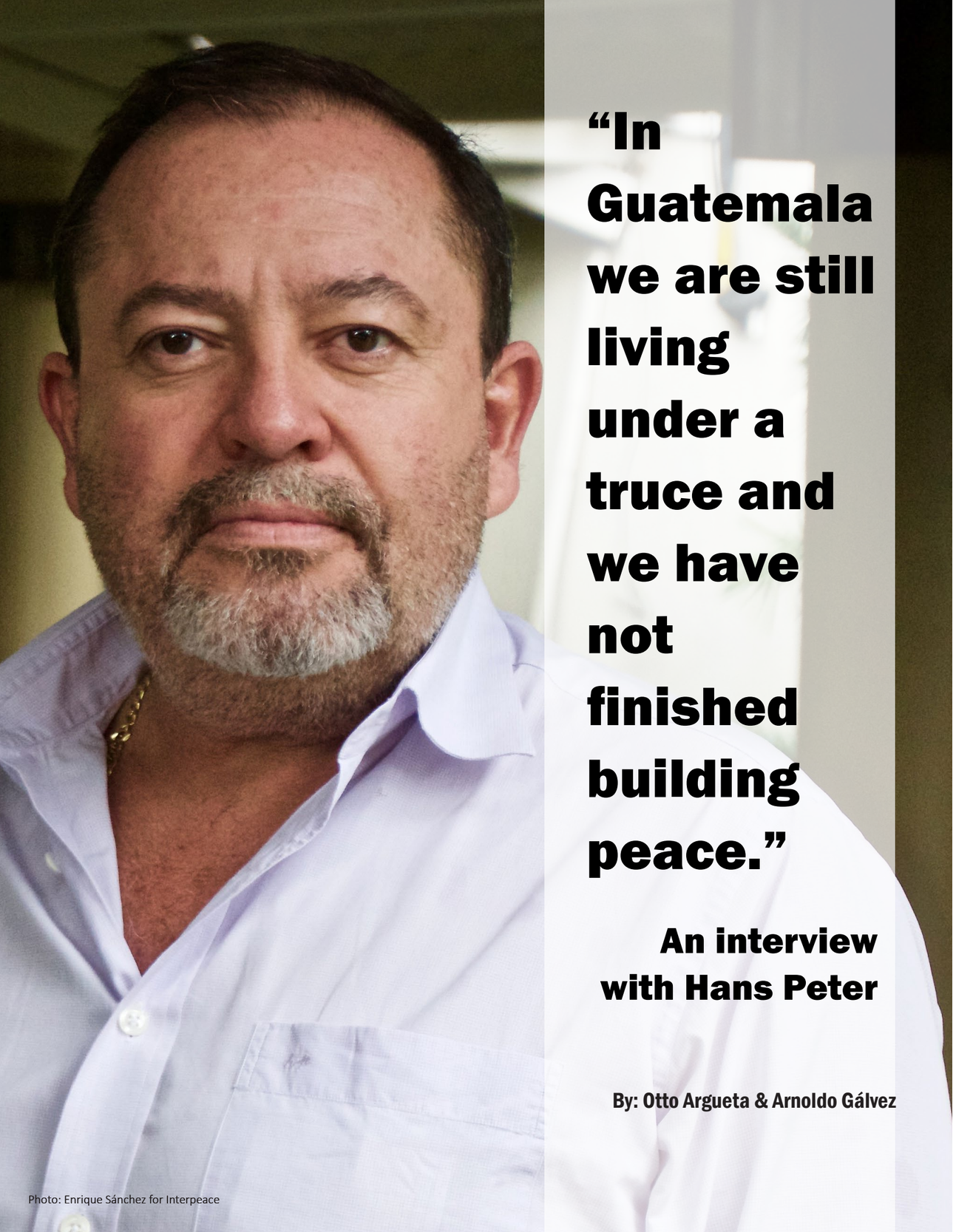

Photo: Enrique Sánchez for Interpeace

“In Guatemala we are still living under a truce and we have not finished building peace.”

An interview with Hans Peter

By: Otto Argueta & Arnoldo Gálvez

Hans Peter is in the farming business and represents the Agrarian Chamber (Cámara del Agro) at the Land Fund (Fondo de Tierras). During these last months, he has been a participant in the group which addresses the issues involved in socio-environmental conflictive situations under the project “Resilience and Peacebuilding: Frameworks for Assessing Resilience” that Interpeace promotes and coordinates. The objective of this project in Guatemala is to provide national actors with a conceptual and action framework that will allow them to identify and foster existing capacities in society to transform conflicts in non-violent ways.

In this interview, Hans Peter shares his vision about the challenges to peace in Guatemala from the perspective of the private sector, in which he underlines the need to strengthen those institutions that can lay bridges among the diverse sectors that make up society. For Hans Peter, peace is only possible if these sectors coordinate among themselves to overcome long-term backwardness that will allow for the construction of a decentralized and inclusive country, one with opportunities for development and solid institutions capable of satisfying the needs and guaranteeing the rights of its inhabitants.

Eighteen years after the end of the armed conflict, what are the principal challenges for peace in Guatemala?

The challenge is to build it. We all understood that the peace accords were a truce of the war that had lasted 36 years. However, we had no idea it was going to be so difficult to build peace. If, for example, we count the number of people killed after 36 years of armed conflict, and if we compare that with the averages we have today, there is no difference. What was signed on that occasion aimed only to resolve the ideological issue and the war between the State and the guerrillas. After the signing of the peace accords we saw a lot of investment coming into Guatemala and institutions were set up, but we continue to have high poverty levels and death rates, shortcomings in health, infrastructure. In other words, we have not been able take care of the problems that were inputs for the war.

For that reason, I personally would consider that we are still living in a truce and that we have not yet finished building peace. And all that we have today could backslide, not under the same conditions as previously, because the ideological issue does not exist anymore, but the people’s needs continue to be the same. Or even greater.

In this context, what has been the role of the private sector?

The private sector saw the peace accords as an opportunity. And in these years there have been substantial improvements. As concerns the Agrarian Chamber, the fact that we participate in labour policy, which had not been the case for a long time, is a great advantage; the fact that agreements are reached with the ministries of labour and education in order, for example, to not allow child labour, represents a substantial improvement. That is, the role of the private sector is much more proactive. Today it is very common to talk about private sector social responsibility. And that is all well and good, but I still don’t know how integrated these efforts are. And that is whe-

A farm worker cleans lettuce crops, in Chimaltenango, Guatemala. Photo: Maria Fleischmann / World Bank
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re I point my criticism to some extent: the efforts are being made but are they well integrated, are those who run them the right people, are all these efforts really providing solutions for the people? Those are my doubts. And if the private sector has done its share, I doubt that the public sector has done the same. We shouldn't also think that the private sector must substitute for the public sector when they are already paying their taxes in order to generate public investment. And there is a great problem: a private sector foundation can help someone get an education but that person doesn't have a dwelling or food. And who is responsible for these shortcomings?

Following on the above, how do you understand peace?

Tranquility. What else? Tranquility. Where no one affects my interests and I don't affect anybody's interests. In order to achieve this, society must have its needs satisfied. Take the example of the gangs (*maras*): the social phenomenon of the gangs is the result of population movements within the country and this movement continues. Why? Because everything is centralized in the city. Before the displaced populations were the result of war. Today those displacements continue because everything is centralized. We should be decentralized in all respects, jobs should be created all over the place, there should be the necessary infrastructure, but there is an obvious lag in infrastructure. Everybody forgets the earthquake of 1976 and that was the first cause of massive population displacements and the State did not have the capacity to rebuild the country in its entirety; and it wasn't only a matter of housing, it was a matter of jobs, of productive installations that were destroyed. People then started to migrate towards the capital and problems began to arise that went beyond those of the conflict between the insurgents and the counter-insurgents.

Governments have not had the capacity to overcome these shortcomings, there are no policies of the State, only policies of a government, without continuity, and the private sector has operated in similar fashion. The only significant thing it has been able to achieve is job creation, which is valid but does that respond to population growth? Possibly not. Then we have the fiscal problem, which means basically paying and raising taxes. There is so much corruption that the resources are not employed where there is a need for them, which raises the question: in the face of these scenarios of corruption, is it valid to raise taxes?

Given that perspective, what you are saying is that without a strong and transparent State, that has effective mechanisms for investment and redistribution, there can be no peace.

Without a doubt. That is why the private sector is only one of the pillars and we are very limited. Take, for example, the issue of security; instead of us spending on private security services, that money could be invested in growing the company or simply put to work on actions to attract more capital that can create more jobs. The same thing happens with the issue of infrastructure: investment is centred in urban areas because that is where the means exist to generate energy but I cannot install a factory in a location at some distance from the regional capital, as would be the case in Ixcán in the north-western part of the country where the necessary infrastructure does not exist.

The country needs to be decentralized with regards to businesses. We need to take businesses where populations are located. This would help the people in the zone a lot and reduce costs. But, how can I do it if I don't have the infrastructure or if the cost of energy generation is very high in the zone or in the region? For now, poverty, misery, the housing deficit continue to grow. That is, they grow like the population.

In Guatemala, after the Peace Accords, various institutions were created to address agrarian conflict. What has been the role of these institutions and their relationship with the private sector?

In order to address the problem related to access to land, the Land Fund was created, a meeting point that is well represented by all the sectors involved: an indigenous sector, a small landholder (campesino) sector, the cooperative sector (which is part of the private sector), the National Council for Agricultural Development (Consejo Nacional de Desarrollo Agropecuario, which links the productive sectors together), the Ministry of Agriculture (that presides), the Ministry of Finance, and finally the Agrarian Chamber. To the extent that it is well represented, the Fund has become an important meeting

Mother and child on a farm in Chimaltenango Guatemala
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place to build bridges among the various sectors. Face to face, every Tuesday, we all sit together to discuss issues that have become political, even though they shouldn't be political. The Land Fund should be a technical body that is charged with providing solutions to the land needs of campesinos with little or no land and to provide assistance to those people who have no land. The Land Fund is charged with providing legal assurances and without legal assurance there can be no peace, because I might live on the land but if I don't have a document that states that I am the owner, the land can be taken away from me at any moment. In addition, there is no way I can become an investor because no bank will give me a loan if the land is not in my name. Many conflicts in the country start due to the absence of legal assurances. It is infrequent that an agrarian conflict should occur on a farm which is lawfully owned.

It is important to point out, finally, that even though the Land Fund has become politicized in a number of ways by sitting governments, and at times has been subjected to patronage and corruption, it continues to provide a fundamental meeting ground to address the land issue. The fact that all the sectors should be represented there means that the Fund is the best bridge to be had. Currently, it is the strongest link in duly represented civil society.

Has the existence of a forum such as the Land Fund contributed to improve the levels of trust among the various sectors that meet there?

Yes, in general, regardless of ideology, today one can sit down with whomever. We still need to work somewhat more on raising the level of trust because there are many 'pseudo-leaders', many political operators that live on that, intermediaries of unknown interests.

For the private sector, for the agrarian sector, in particular, the Fund can translate into an escape valve for the pressures of agrarian conflictive situations. At the same time, although the direct beneficiaries of the Fund are no us as a sector, we also benefit when things are done well because conflictive situations are lessened.

What positive changes have you observed in the way in which the problems of access to land and agrarian conflicts are understood and addressed?

I think there is a change in generational attitudes. I see greater sensibility in the generation of my children than in mine. There was a lost time, a generation that coincides with the war, when people left their farms, they no longer communicated with their employees, and that absence of the employer from the employee generates tremendous insensibility, these were people who distanced themselves from the country's reality and left their interests in the hands of others. This generation, that is not resilient and continues to move around ideological positions of left and right, is still in positions of authority, which are occupied by people between 50 and 70 years of age who lived through the war. Fortunately, we see that the new generations are not like that anymore. Today's youth is uncomfortable and feels outrage in the face of misery.

We understand that peace is not the simple absence of violence, but the prevalence of a framework of social and political relationships that are free from coercion or violence thus allowing groups and individuals in society to pursue their needs and aspirations without fear, with justice and in security.

Interpeace, Strategic Position Paper

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