

The Colombian peace process from the entrepreneur's viewpoint

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Abstract

Colombia is going through a historic moment that began with the signing of an agreement between the national government and the Guerrilla of the FARC, in November 2016. This agreement opened the doors to a post-conflict and peacebuilding stage. The entrepreneurs and the enterprises are key players because they can contribute significantly to achieve a stable and lasting peace. This paper analyzes the perspective of the entrepreneurs of cities in southwestern Colombia, directly affected by the conflict, on the new business conditions.

The sample covered 310 entrepreneurs / businesspersons (E/BP), of which 26 were from large companies, 29 from medium-sized companies, 80 from small companies and 175 from micro-enterprises.

45% of the E/BP think that the economic situation in the country in 2017 was worse than it was before the signing of the Peace Agreement. However 57,3% of E/BP consider that the Peace Agreement has not altered the situation of their company and 21,2% consider that the company situation has improved. The E/BP

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identify the main effects, for their companies, of the conflict in the last five years: decrease in sales, loss of business opportunities, increase in security expenses

They strongly agree that the peace agreement is conducive to attract foreign investment, , will increase the tax burden, will generate well-being and development for the country; but they disagree , with the ideas that the armed sector will demobilize, that the gestures and wills of the armed actor are genuine, that the process is reliable

They identified the change in business variables when comparing 2017 with the previous five years, and they forecast what could happen in their companies in the next two years (2018-2019). A 60,9% expect the sales volume to improve, 56,3% think they will have more employees, 51,7% are thinking to invest in new assets, 45% consider that company will have positive options for a geographical expansion of the enterprise and 37,7% have a negative conception with respect to what can be expected on tax issues. Two negative factor were identified: smuggling and corruption

The research explored the willingness of E/BP to work on peace building lines and the likelihood that their company supports such processes. It was found that : 82,7% would support initiatives aimed at integrating and building a support system; 76,5% would create jobs for victims ; 54,6% would create jobs for the demobilized; 68,9% would support process of creation of new companies for demobilized and 60,2% would support the formation of an economic fund for the construction of peace in the country.

In terms of the main challenges that companies will face in the post-conflict: 68,9% of entrepreneurs consider that they will work in the development of an employee orientation system for the demobilized and 71,5% will work toward the formation and training of demobilized persons.

Chi square procedure allowed checking the independence of the position taken by the E/BP with two independent variables: size of the enterprise and direct effect of the conflict. Some statements were dependent of those variables.

Keywords: Enterprises, post conflict, peace building, Colombia, entrepreneurship, entrepreneurs.

1. Introduction

Political events that took place in 1948, in particular, “El Bogotazo”, reinforced, in Colombia, the processes of political and social instability and they altered power relations throughout the 1950s.

However, in the midst of this situation, the fifties brought a business strengthening in Colombia, due to the establishment of some multinationals and the creation of a significant number of Colombian companies. The economic effects of the post-Second World War accelerated Colombian business development.

In the sixties, new political forces appeared in the Colombian environment and the “Guerrilla process” began. The creation of FARC, ELN, EPL and other groups started their influence in rural areas of the country and later terrorist acts in the main cities of Colombia. However, the 80s and 90s have another disruptive and violent force, drug trafficking, which, in addition to all its negative effects on society and the economy, corrupts many segments of Colombian activity, and becomes a source of financing for the “guerrillas”. For these times, paramilitary actions increased the levels of violence and insecurity. This set of negative forces is responsible for more than 200,000 deaths and about 6 million people affected either as direct victims or as displaced persons.

The Colombian government makes its best efforts to dismember these groups but the difficulties continue, affecting business activity, generating a notion of insecurity, deteriorating the international image of the country, forcing the state to devote large amounts of resources to combat these groups, generating a large number of victims, causing displacement, family dismemberment, and loss of property. Due of the level of violence that exists in certain areas of the country some business sectors ceased their activities and many people must abandon properties, means of production, farms, and houses.

In 2010, President Santos took the historic decision to try to develop a process for peace agreement with the main guerrilla group, the FARC, which at that time had between 10,000 and 15,000 men and women in arms and who dominated a good number of municipalities. Thanks to the support of several countries, which acted as guarantors of the process, a long and difficult negotiation process began in Havana (Cuba). After several years of work, the government signed an agreement with the FARC.

The implementation of the peace agreement has not been easy, due to the polarization of the people around this agreement.

2. Theoretical Framework

The armed conflict in Colombia is a scourge that has hit the country, for more than five decades, and can be defined as "a conflict of a fundamentally political nature ... because it is not a conflict that finds its origin in deep ethnic, racial divisions, linguistic or religious, to then translate them into political terms. It is a conflict whose main origin is an ideological-political animosity between its protagonists, who perceive each other as irreconcilable enemies." (Bejarano, 2010).

The peace agreements arise from a negotiation between the Colombian government and the FARC, generating innumerable political, legal, social, and economic changes that radically affect all environments, including the Colombian business environment. These changes require the development of programs, strategies and public policies that allow an adequate transition from a state of war to a sustainable peace (CONPES 3554), and they demand the participation of civil society and entrepreneurs on several areas that will be described later-

According to the UN, the process of transition to peace has four stages: **disarmament**, demobilization, **reintegration**, and **reintegration**.

The Agreements establish that the Government must provide guarantees and means that allow the demobilized and the victims to identify and develop a stable source of income that allows them to reach the ideal of economic reintegration to civil society. The agreement proposes two main sources of productive income generation:

- Labor reincorporation as employees of public and private companies
- The creation and development of productive projects that reincorporate them as business leaders and allow them to generate employment for themselves, their families, their combatants and in general for Colombians

It is relevant to highlight the importance of the business sector in all these reintegration processes, from their role as employers as well as from the contributions and support they can give as promoters of the country's economy. In other words, "the link between peace and economic growth

and prosperity increases the participation and influence of companies in peace processes. Entrepreneurs can build bridges between different communities, participate directly in conversations with belligerents, provide information, act as pacifist electorates, pay for peace processes, strengthen entrepreneurship, build trust, foster responsibility and limit access to funds to continue the conflict "(Berdal and Wennmann, 2013). In addition, Mahmoud, Makoond and Naik also indicate, "A strong local private sector can directly and tangibly contribute to the restoration and maintenance of peace" (2017).

The reintegration, of ex-combatants and victims, as employees, requires the elimination of several barriers: the lack of training in value creation processes ; the willingness of employers to receive in their organizations persons with a history of crimes; the desire for independence and ,in a certain way , its notion of rebellion that will make it difficult for them to accept the structure of corporate governance; the remuneration level, because they may only classify, in most cases, for minimum wage positions, which may be lower than what they received in the guerrilla.

There are also barriers and difficulties in the processes of creating a company: many of them, ideologically, do not see themselves as leaders of profit-oriented companies, because in their imagination some still see the private sector as the cause of the inequalities and political processes that took them many years ago to take up arms; the lack of training and development of entrepreneurial competences; their residential areas and where they want to develop their activities may not have the business infrastructure required for a successful company (electricity, communications, roads, services, markets, means of transport, etc.); the distrust that can be generated by all of its suppliers ; the limitation of the generation of value of its companies and the limitations in the sustainability and growth of them; the need for advice, mentoring and sponsorship not only of experts in entrepreneurial issues, but also of entrepreneurs who integrate them into the entrepreneurial network of their regions; and the most difficult, the full attainment of the resources that their companies require for assembly and later for growth, because although it is true that the government has allocated resources to productive initiatives they are limited by quantity and by time limits

Existing entrepreneurs in conflict zones are forces that will play a crucial role in the implementation of these reintegration processes, be through employment or through new business orientation. They

are regional leaders they can generate transformations and create currents of thought and action that contribute to the construction of peace and the strengthening of the economic and social fabric of the regions in which they had significant influence (Varela, 2014)

The research intends to identify with the existing E/BP what are the perceptions, the beliefs, the orientations that they have about entrepreneurial and managerial variables, that might be affecting their activities in the past, or in the present, or in the future .

It covers E/BP of companies of different sizes, from different sectors and inquired about the direct effects that the conflict has had on them, their families and their companies, to validate the independence of the perceptions as a function of size of the companies and of the experiences lived during the conflict. It allows perceiving the willingness of entrepreneurs to collaborate in the process of reintegration of ex-combatants and victims

3. Methodology

The methodology used for this research had several steps:

- Definition of the main variables grouped into five categories
 - a. *The characterization of the company and the entrepreneur:*
 - b. *Perception of the impact of the conflict.*
 - c. *Performance before and after the signing of the agreement:*
 - d. *Peace building line:*
 - e. *Challenges.*
- Preparation and test of the questionnaire
- Definition of the sample.
- Conducting the survey.
- Validation, organization and processing of information.
- Statistical processing. Descriptive and independence validation

4. Results

The main results of this investigation were:

- 41,1% of the E/BP are satisfied and 38% are dissatisfied with the agreement
- 45% of the E/BP believe that the economic situation of the country situation has deteriorated in the last years , 11,9% believe that it has improved and 43% believe that the situation has not change
- 21,2% of the E/BP believe that the company situation has improved, 57,3% believe that there have not been significant changes and only 16,6% believe that the company situation has deteriorated
- The most frequent effects of the conflict in the enterprises in the last 5 years have been :a) Decrease in sales due to changes in markets and demand (46%), delays in distribution and transportation networks (31.1%) and due to temporary closures of the business (20,9%) ;b) loss of business opportunities (38,4%); c) increase in security costs(27,2%); d) delay in delivery of goods (22.8%); e)increase in production and distribution costs (20,2%). In these results it is surprising the low percentage in facts , that in the daily life and in the news of recent years had appeared as frequent events: extortion (11,3%), threats to companies (7,3%) attack against the company (2,3%); attack against workers (4,6%); transfer of company (3,3%) losses of resources and business assets (6,3%)
- Most of the E/BP agree with the following ideas about the peace agreement: will generate more well-being and development to the country; will allow starting the search for peace; it will be favorable to attract foreign investment; but a significant proportion disagree with the following ideas: the process is reliable; is going to reduce war costs; the gestures and the wills of peace of the armed actors are genuine; the armed actors will demobilize.
- The E/BP consider that the vast majority of the enterprise variables have remained the same, after the peace agreements. Three variables had deteriorated :corruption, taxes, and smuggling,
- The E/BP when analyzing the future two years of their companies consider that the future will be better than the present, except in the phenomena of corruption and smuggling.
- One of the innovative themes of this research was to identify the position of the entrepreneurs about the probability to participate actively in the activities that constitute "the Peace Line". In all the activities of the peace lines, the favorability was between 54,6% and 82,7 % . The lowest

favorability values were for the following statements: I would create employment for the demobilized, I support peace agreements with other armed groups, and I support the construction of an economic fund for the construction of peace. These results raise, for the Colombian case, a positive interpretation in social sensitivity of entrepreneurs, in terms of actively linking to some of the activities of the peace line.

- 44,6% of the E/BP consider that the time horizons required seeing the effects of the peace agreement will take more than 3 years and only 17,3% believe that this will happen in the next 12 months
- In terms of the main challenges they will confront in this process is possible to observe that in general all the challenges are considered “very important” ranging from 35,1% (Adaptation of the demobilized as employees of the company) to 61,5 % (Training in business development issues). The challenges that had the highest percentages in the "Not very important" area were Adaptation of demobilized workers as employees (31,1%) and post-conflict financing with new taxes (30,8%)
- With a confidence equal or greater than 95% ($p < 0,05$) the hypothesis null was rejected for the following statements in terms of being independent of the size of the company: Would create jobs for victims ; Would support the institutional strengthening of affected local governments ; Would support the training in new regulations / new laws; Would work in the adaptation of the demobilized as employees of my company; Would work in adapting the victims as employees of my company; Would work in the training for demobilized persons; Would work in training for conflict victims; Would support peace agreements with other groups
- With confidence equal or greater than 95% ($p < 0,05$) the hypothesis null was rejected for the following statements in terms of being independent of the fact of having been victim: The peace agreement will generate more well-being and development for the country ;The gestures and the will of peace of the armed actors are genuine; There is involvement in justice due to the high degrees of impunity; Would create jobs for demobilized; Would support training for demobilized; Would support training for demobilized; Would support new ventures developed by demobilized combatants.; Would support new ventures developed by victims.; Would support initiatives aimed at integrating and building new organizations; Would support the formation of an economic fund for the construction of peace; Would support infrastructure

development projects in the country; Would support projects for the provision of basic services in communities; Would support the institutional strengthening of local governments; Would support agreements with other armed groups that affect peace.

5. Conclusions

- In this first exploratory study on the perceptions of Colombian E/BP located in municipalities affected by the armed conflict in south-western Colombia, a series of aspects were identified that indicate that, in general, the difficulties that were experienced in the Colombian economy in 2017, were not associated with the signing of the peace agreements and that the E/BP are optimistic about the results of 2018 and 2019
- On the other hand, the high level of acceptance shown by the peacebuilding lines is very positive, which suggests that there is a high probability that the process of reintegration of ex-combatants and victims can be carried out with the determined support of the entrepreneurs
- They identified a series of challenges that E/BP will have to face in the coming years, and this agenda will be very useful for the definition of business management in the face of the new political, economic and social considerations that the agreement will generate.
- The analyzes that were done on the effects of company sizes in the conceptual positions of the E/BP indicated the existence of differentiated positions in some of the statements when the company size is changed
- The analyzes that were done on the effects of having been a direct victim of the conflict in the conceptual positions of the E/BP, indicated the existence of differentiated positions in some of the statements when the conflict has directly affected or not the vital trajectory of the E/BP, or of their families or of their companies
- The research illustrate several areas that need to be considered for the reintegration process:
a) the government and institutional entities involved in the post-conflict process must generate strategies and programs that will accompany entrepreneurs and demobilized persons to implement and develop activities related to peace building lines; b) It is important to create and design programs that enhance the entrepreneurial competences of demobilized people who are involved in the process of creating companies, c) It is necessary to adapt the business

ecosystem to support the creation and development of entrepreneurs, to meet these new players who will demand many services.

- There is an opportunity to research in some years what was the real level of participation of the E/BP in the process and how it finally affected the business environment of the regions.

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