Innovating from the War Economy: Formal, Informal, and Illicit Economic Activities of the Military in Colombia

Kristina Mani, Ph.D.

Oberlin College

Follow this and additional works at: http://digitalcommons.fiu.edu/whemsac

Recommended Citation

http://digitalcommons.fiu.edu/whemsac/50
Innovating from the War Economy:
Formal, Informal, and Illicit Economic Activities of the Military in Colombia

Kristina Mani, Ph. D.
Oberlin College

September 2011
THE WESTERN HEMISPHERIC SECURITY ANALYSIS CENTER

WHEMSAC brings together a versatile and important Latin American network of traditional and non-traditional security experts from academia, business sectors, government ministries and private organizations. Its research capabilities provide Western Hemispheric leaders with a unique, real-time research and analysis on current issues. WHEMSAC is an innovative institutional model for conducting professional qualitative and quantitative research throughout the Americas at the national, regional and international levels within an open, independent, multi-disciplinary, and collaborative academic environment. The fusion of open source political, economic, and social expertise allows WHEMSAC to provide an exceptional, qualified approach to regional security insight with traditional intra-governmental analysis.

Applied Research Center
Florida International University
10555 W Flagler Street
Miami, FL 33174
whemsac.fiu.edu
Innovating from the War Economy: 
Formal, Informal, and Illicit Economic Activities of the Military in Colombia

Kristina Mani, Ph. D. 
Oberlin College

September 2011

The views expressed in this research paper are those of the author and do not necessarily reflect the official policy or position of the US Government, Department of Defense, US Southern Command or Florida International University.
EXECUTIVE SUMMARY

Over the last decade, the Colombian military has successfully rolled back insurgent groups, cleared and secured conflict zones, and enabled the extraction of oil and other key commodity exports. As a result, official policies of both the Uribe and Santos governments have promoted the armed forces to participate to an unprecedented extent in economic activities intended to consolidate the gains of the 2000s. These include formal involvement in the economy, streamlined in a consortium of military enterprises and social foundations that are intended to put the Colombian defense sector “on the map” nationally and internationally, and informal involvement expanded mainly through new civic action development projects intended to consolidate the security gains of the 2000s.

However, failure to roll back paramilitary groups other than through the voluntary amnesty program of 2005 has facilitated the persistence of illicit collusion by military forces with reconstituted “neoparamilitary” drug trafficking groups.

It is therefore crucially important to enhance oversight mechanisms and create substantial penalties for collusion with illegal armed groups. This is particularly important if Colombia intends to continue its new practice of exporting its security model to other countries in the region.

The Santos government has initiated several promising reforms to enhance state capacity, institutional transparency, and accountability of public officials to the rule of law, which are crucial to locking in security gains and revitalizing democratic politics. Efforts to diminish opportunities for illicit association between the armed forces and criminal groups should complement that agenda, including the following:
• Champion breaking existing ties between the military and paramilitary successor groups through creative policies involving a mixture of punishments and rewards directed at the military;

• Investigation and extradition proceedings of drug traffickers, probe all possible ties, including as a matter of course the possibility of Colombian military collaboration. Doing so rigorously may have an important effect deterring military collusion with criminal groups

• Establish and enforce zero-tolerance policies at all military ranks regarding collusion with criminal groups;

• Reward military units that are effective and also avoid corruption and criminal ties by providing them with enhanced resources and recognition;

• Rely on the military for civic action and development assistance as minimally as possible in order to build long-term civilian public sector capacity and to reduce opportunities for routine exposure of military forces to criminal groups circulating in local populations.
INTRODUCTION

It is not uncommon for militaries in Latin America to have roles that shape national economic development. In many cases, playing a role in development is included formally among the armed forces’ missions. However, the case of Colombia is unique in the region. Formally its mission is defined in terms of defending national sovereignty, territorial integrity, and constitutional order with no mention of a role in the economy.¹ Yet the military has played a profound role in shaping the national economy particularly during the last decade, through successful prosecution of the counterinsurgency and through clearing and securing of territory, which has enabled expansion of natural resource extraction and brought new resource rents into State coffers.² While the insurgency is not entirely eradicated and illicit drug production in the hands of illegal armed groups remains on the dark underside of the national economy, the government is now attempting to consolidate the political and economic gains made in the last decade.

Those gains were achieved mainly through a concerted military policy and expansion of military capabilities and manpower enabled in large part through Plan Colombia assistance from the United States. As a result, the government has promoted the armed forces to participate to an unprecedented extent in both formal and informal economic activities that are seen as a key to using military presence to build State presence. Formal involvement in the economy has been streamlined into a consortium of military enterprises and social foundations that are intended to put the

¹ The military’s mission is defined in Article 217 of the National Constitution.
² Nazih Richani, “Multinational Corporations, Rentier Capitalism, and the War System in Colombia,” Latin American Politics & Society 47:3 (Fall 2005), 113-144.
Colombian defense sector “on the map” nationally and internationally. *Informal* involvement in the economy has grown as the military has taken up civic action development projects, along with continuing to provide security at oil facilities to protect production of the country’s most valuable export commodity.  

In addition, military involvement in *illicit* activities persists, particularly collusion with drug trafficking organizations (DTOs) that is a legacy dating back to the 1980s of collaboration between the military and paramilitary groups. Yet in an environment where public officials and politicians at every level have been implicated in sharing information with and taking money from paramilitaries and DTOs, the military is not alone in such collaboration. With about 350 cases of military collaboration with narco-paramilitary

---

3 Private oil corporations have commonly contracted with the military to provide protection for their facilities in Colombia. In addition, the US government began providing non-drug related military equipment and training to the Colombian military in 2003, with $98 million dedicated to the dual task of securing the Caño-Limón oil pipeline and combating the insurgency in Arauca; additionally Ecopetrol and Occidental Petroleum, which jointly operate the pipeline, pay over $17 million annually to the Colombian military for their security work. U.S. Government Accountability Office, *Security Assistance: Efforts to Secure Colombia’s Caño-Limón-Coveñas Oil Pipeline Have Reduced Attacks, but Challenges Remain*, GAO-05-971 (Washington, DC, 2005) [http://www.gao.gov/new.items/d05971.pdf](http://www.gao.gov/new.items/d05971.pdf)

4 The Parapolitics scandal has implicated dozens of national politicians in accepting bribes from narco-paramilitary groups, and the DAS (intelligence agency) spying scandal points to government officials as high as the president’s office authorizing illegal wiretaps of Constitutional Court judges to undermine investigations in the parapolitics cases. Most recently the former director of the DAS in the Uribe administration was sentenced to 25 years for providing paramilitaries with intelligence on labor and leftist activists who were later assassinated; “Former Colombian Spy Chief Noguera gets 25-year Sentence for Paramilitary Collusion,” *The Washington Post*, September 14, 2011.
groups in a military that numbers over 260,000, the military does not seem to be the country’s worst perpetrator of illicit ties.

However, one of the main conclusions from this study is that given the expanding prominence of the Colombian military in State-sanctioned economic activities – which sustains its wartime presence in local communities and increasingly brings it into contact with the private sector and with military or police forces from other countries – it is imperative to enhance oversight mechanisms and create substantial penalties for collusion with illegal armed groups. This is particularly important if Colombia intends to continue its new practice of exporting its security model to other countries in the region.

The paper continues with a brief conceptual framework for analyzing formal, informal, and illicit economic activities that militaries in Latin America have typically undertaken. The second section examines major features from the Colombian case in each of those areas. The final section suggests several policy recommendations that follow from this study.

**FORMAL, INFORMAL, AND ILLICIT ACTIVITIES**

Latin America has a long history of militaries playing a variety of roles in the economy. Military economic activities can take a number of forms that are usually driven by strategic imperatives the military seeks to remedy, and by the opportunity to work with (civilian) allies in getting the project underway.\(^5\) In some cases military

---

\(^5\) Kristina Mani, “Military Entrepreneurship in Latin America: A Brief Overview,” WHEMSAC Monograph, Applied Research Center/Florida International University, Miami, FL June 2010; Mani, “Military
“entrepreneurship” has resulted in the creation of significant State industries that likely would not have emerged from civilian initiative alone (e.g., Brazil’s industrial and defense sectors in the 1940s-70s). Yet for the most part, as a contemporary practice military involvement in the economy raise important concerns about the professional integrity and the sustained social and political influence militaries in the region wield. For instance, critics have pointed out that economic interests can empower the military with increased institutional autonomy, with a privileged access to State resources and contracts, and with leadership roles over civilian agencies that can undermine the achievement of democratic civilian control of the armed forces.6

A useful way to understand how militaries in contemporary Latin America still play roles in the economy is to consider activities that are formal, informal, and illicit. Formal activities typically involve the military-as-institution in ownership or management of enterprises, for instance in agriculture, industry, and service sectors of the economy, including through military pension funds that invest their equity in real estate, corporations, world markets, etc. Formal activities are legitimated through national laws, usually the constitution or the military’s organic law, or the organizational directives of the defense ministry, though transparency and accountability do not necessarily follow.

Informal activities are subject to political conditions, policy considerations, or “allowed” practices rather than to explicit law; they can bring former or active duty military personnel into strategic public administration positions; or involve the military collectively as an agent of economic development

through civic action projects and the provision of security to the private or public sector; or place military units in situations where they develop direct relationships with local communities for exchanging goods the military needs or produces.

*Illicit activities* involve active duty members of the military in unlawful behavior that brings them some form of profit they are able to achieve through their military affiliation, for instance their access to controlled weapons or classified intelligence, or their ability to use or withhold the use of force. Along with judicial protection, these are the most significant State “resources” criminal groups need to keeping operations going.

**COLOMBIA: INNOVATING FROM WARTIME SUCCESSES**

Dating back to 1958, Colombia can be considered one of Latin America’s longest enduring electoral democracies, despite the guerrilla insurgency it has fought since the 1960s that has on several occasions held large portions of Colombian territory. In the 1970s and 1980s, the growth of the cocaine industry became a new aspect of the conflict, and the guerrillas’ gains through collusion with drug traffickers spurred the rebirth of an old Colombian phenomenon, landowner-controlled paramilitaries. By the 1990s, the illegal armed groups had taken the initiative from a State in which even the president was tainted with drug ties and the armed forces were identified more as allies of the paramilitaries and human rights abusers than as effective fighting force.

However, the influx of major U.S. military assistance through Plan Colombia in the 2000s allowed Colombian forces to dramatically expand manpower and capabilities,
allowing the government of Álvaro Uribe to claim the successes of virtually decimating the Revolutionary Armed Forces of Colombia (FARC) guerrilla insurgents and demobilizing the paramilitary United Self-Defense Forces of Colombia (AUC). Yet while the FARC indeed has been reduced to about a third of its size in 2000 (it now has about 5,900 forces), its decline has created space for paramilitaries to reconstitute themselves and focus on criminal activities rather than on fighting the insurgents. In short, security conditions have improved particularly around Bogotá and in the eastern departments that long were FARC strongholds, but overall state and citizen security is far from consolidated. Moreover, numerous political corruption scandals have led to the judicial investigation of over 100 officials at every level of government. In particular, the parapolitics scandal (paramilitary groups hand-picking political candidates and funding their campaigns) and the related DAS scandal (systematic illegal surveillance of justice officials by the national intelligence agency, DAS, on orders of the president’s office) have damaged the apparent achievements of the 2000s. It is in this context, that the Colombian military has achieved greater prestige and funding than at any time in the previous century, making it a valuable bread-winner for the state and economic agent of the state.

---

Formal Economic Activities
Following the counter-insurgency achievements of the 2000s, the Colombian government has extended the military’s security role to encompass the goal of locking in those gains. As a result, the defense ministry in 2008 restructured the collection of enterprises that had long been run by the military into a single Social and Business Defense Consortium (Grupo Social y Empresarial de la Defensa, GSED) formally overseen by the ministry. Comprising 18
defense and social enterprises traditionally associated with the military, GSED functions as “a supportive system” for the Public Forces (military and national police) and seeks to “project itself toward domestic and international markets.”

Billed by the defense ministry that oversees it as one of Colombia’s largest business consortiums, GSED is State-owned and funded through the national defense budget, with proceeds apparently reinvested in the discrete enterprises, most of which are typically managed by retired and active duty military personnel.

GSED’s components are wide-ranging. The most prominent are traditional defense industry producers like Indumil (armaments, and explosives marketed to the mining sector with the national monopoly on production and trade of these), CIAC (aeronautics design and maintenance, also for the private sector), Cotecmar (the naval engineering and construction); and the Logistics Agency, that has the formidable task of managing good and services for all of the military’s services. In addition, GSED includes social service enterprises like the Military Hospital and the Public Forces’ pension systems, and a curious mix of “security support” enterprises that include Supervigilancia (the national agency regulating the private security industry) and Satena (the airline that transports passengers and cargo to remote and underdeveloped areas of the country).

The creation of GSED is significant in several respects. It reflects an attempt to make a definitive break from past practices, in which military enterprises were autonomous fiefdoms of the services. Now, as a grand consortium with significant assets (valued in 2006, at the height of the last economic boom period in the region, at over US$ 3 billion) that place it behind only a handful of Colombia’s biggest

---

8 See the Strategic Orientation section of the consortium’s website, http://www.gsed.gov.co.
corporations, it can market itself as a major actor – not only in the otherwise sparse national defense sector, but in the national economy as a domestic powerhouse. This shift also reflects a clear effort by the military to qualify in terms of savings through efficiencies of scale in the competitive-entrepreneurial, investor-friendly climate the Uribe administration sought to create.9

Not least, the creation of GSED is an interesting measure of the degree of military institutional autonomy that now exists in Colombia. In the first decades of democracy, from 1958 to the major state reform of 1991, the military had complete autonomy over the management of its enterprises and no-questions-asked funding by the Congress.10 GSED reflects the formalized loss of such autonomy, accompanied by external audits of military enterprises, which are not the norm in Latin America.11

However, there are also signs that despite the formal civilian “control” the reality is different. For instance, when the defense ministry finally audited the financial records of the Military Club in 2011 (apparently it had not done so for several years), it found no identifiable bookkeeping practices and clear misuse of funds, and fired the retired general in

10 Author interview with Saúl Rodríguez Hernández, a historian at the Universidad Nacional de Colombia, August 12, 2011.
11 For example, external audits of Indumil are conducted by the Department of National Planning, which oversees and coordinates economic development policies across government ministries; author interview with the director of Indumil, Coronel (R) Michel Martínez Poinsenet, August 22, 2011.
charge of the club.\textsuperscript{12} Similarly an audit of the Military Hospital the same year revealed at least US$ 25 million in fraudulent contracts (paid from public funds), including several made with the GSED’s own Logistics Agency.\textsuperscript{13} Shortly after, when the National Comptroller’s Office examined the real estate holdings of the pension funds of both the military (\textit{Cremil}) and police (\textit{Casur}), it discovered a slew of loss-bearing holdings (including the military’s – now GSED’s – own Hotel Tequendama) that the funds’ managers appeared to ignore, despite the fact that equity in the fund is already unlikely to keep up with the growing number of retirees from forces that have more than doubled in size from the early 1990s.\textsuperscript{14} These cases mirror a broader culture of resistance to civilian oversight that is apparent in the Colombian forces: while ultimate authority lies with civilians, unless they push hard to assert that authority the military is likely to run business as it sees fit.\textsuperscript{15}

Private sector enterprises apparently raised no objections to the consolidation of military conglomerate, as it is planned to complement the private sector and rarely competes with domestic producers.\textsuperscript{16} In fact, the creation of GSED reflects a full-scale push to transform the national defense sector into an \textit{internationally-marketable} breadwinner for the State, for

\begin{itemize}
\item \textsuperscript{12}“Auditoría interna reveló caso de corrupción en el Club Militar,” \textit{Colprensa}, May 6, 2011.
\item \textsuperscript{13}“Hospital Militar en la mira de Contraloría por contratos irregulares,” \textit{El Tiempo} (Bogotá), June 29, 2011.
\item \textsuperscript{14}“Alerta por bienes poco productivos de Fuerza Pública,” \textit{El Tiempo} (Bogotá), June 27, 2011.
\item \textsuperscript{15}All of the academics and policy analysts, and none of the military officers, I interviewed for this project reflected this position.
\item \textsuperscript{16}Author interviews with Saúl Rodríguez Hernández, and with Alejo Vargas Velásquez, a Political Scientist at the Universidad Nacional de Colombia, August 30, 2011. For instance, \textit{Indumil} has co-production agreements with mining companies \textit{Cerrejón} and Drummond; author interview with \textit{Indumil} Director Martínez Poinsenet.
\end{itemize}
instance through N.A.T.O. certification, along with the production of light aircraft, Israeli-licensed Galil rifles, and technologies essential for the lucrative mining sector.

These ambitions also fit well with the foreign military and police training programs the Colombian forces have developed in recent years and put to use in Afghanistan, Mexico and 13 other Latin American and Caribbean countries that are struggling to stem the power of drug trafficking cartels. Promoting such foreign training programs is now a high priority of the defense ministry, which has created a new division to manage growing demand for Colombian trainers and to market what the ministry terms a “portfolio” of counter-narcotics and anti-terrorism instruction that will involve participation of international defense firms, including the Sikorsky Aircraft Corporation that is planning to open a flight simulation training center in Colombia by 2012.17 In sum, after decades of struggling with inadequate resources, the Colombian forces have “arrived” as an important security-and-economic development agent of the state.

**Informal Economic Activities**

In line with formal innovations, the government is expanding military roles beyond security provision to include civic action in recently recovered areas. Although Colombian forces have long been tasked exclusively with defense and security missions, their extensive stationing in the country’s war zones embedded them in the local economy and made them an important consumer of local goods and services in their deployment zones, for instance obtaining food provisions, civilian clothing, construction materials that generate ties with local providers who appreciate having reliable paying customers.18 In short, the military typically

---

17 “Colombia Assuming Instructor Role.”
18 Author interview with Rodríguez Hernández.
has been not only the primary agent of the national government in remote areas, but also a catalyst for local production.

Those features are now reappearing in new forms, as Army and Marine forces have become the go-to agents for implementing major components of Integrated Action (Acción Integral) the successor to Plan Colombia. While Plan Colombia provided US$ 7.5 billion in mainly military aid to recapture the State from illegal armed groups, Integrated Action is intended to extend a largely military presence into State presence through nation-building projects intended to foster social and economic development and more effective rule of law. Integrated Action was piloted in several municipalities primarily in the department of Meta south of Bogotá beginning in 2007 and now extends to many “consolidation zones.”¹⁹ As independent assessments emphasize, Integrated Action has had positive results in several areas, yet the gains remain far from consolidated as of 2011.²⁰

In particular, civilian state agencies have been slow in getting to work in these zones, leaving the military to carry out many of the building and health projects once they have

¹⁹ The consolidation zones are Nariño, Cauca, Valle, Sur del Chocó, Río Cagúan, Macarena, Cordillera Central, Oriente Antioqueño, Bajo Cauca, Sur de Córdoba, Montes de María, Sierra Nevada de Santa Marta, Putumayo, Arauca, and Catatumbo.

taken control of the area. This militarization of development projects is not surprising, given that the military is the State agent best equipped (with manpower, medical corps, engineering corps, etc.) to carry out development projects, and given that civil-military cooperation in such efforts is unprecedented. In Montes de María, it is the Colombian Marines who carried out the survey of the local population’s needs and so became the primary interlocutor of the community to government agencies.

Such proaction on the part of the military is admirable, and the Marines in particular have been exceptionally effective in winning the confidence of local communities. Yet the current activities are insufficient and unsustainable – communities need further aid, for instance to build functioning justice systems to break ties between local government officials and traditional insurgent and paramilitary power-holders. Observers worry that in many instances the military has become locked into the communities they have incompletely “developed,” and leaving them will only unravel the gains accomplished so far.

**Illicit Economic Activities**

In the case of Colombia, illicit ties between the military and traffickers have a long history that dates back as early as the 1960s, and has typically involved tacit support through military toleration. Evidence continues to surface of individual members and units of the military profiting in the narco- and war-economy by aiding drug trafficking organizations (DTOs) primarily through toleration that takes place at the local level in military units, brigades and battalions. Still, overall there is less evidence in recent years of illicit profiting by military forces than by the national

---

21 The long historical perspective was emphasized by the academics Vargas Velásquez and Rodríguez Hernández.
police and local officials. And within the military, the navy and air force have been less compromised, mainly because those services are far smaller and less exposed to local criminal groups than their army peers. It bears noting, as one military officer interviewed for this project pointed out, that it is easier to document the cases in which officers accepted bribes than the ones in which officers were offered bribes but declined to take them.  

Prominent Cases of Military-Criminal Collusion
During the last decade, the most scandalous case of military collaboration with narcotraffickers was the Jamundí massacre in the Valle del Cauca in 2006, in which 10 members of a top counter-narcotics police unit were killed in an ambush, including seven officers vetted by the U.S. Drug Enforcement Agency (DEA). The incident made shockwaves in Washington that revived debate over continued U.S. funding for the Colombian military. The massacre was initially described by then army chief, Gen. Mario Montoya, as a terrible case of friendly fire by an army patrol, but subsequent evidence implicated the army patrol (from a battalion of the Third Division’s Third Brigade, based in Cali) in a set-up to ambush the elite police troops at the behest of one of the country’s most notorious traffickers, Diego Montoya, head of the Norte del Valle cartel and on the FBI’s top-ten wanted list. Fifteen members of the battalion, including the commanding coronel, were convicted in civil court. Valle del Cauca is notorious for reports of military-paramilitary collusion, but this incident was astonishing for implying that military units could actively turn on other members of the security forces, and for making public the resentments that exists between military and police forces.  

____________________________________  
22 Author interview with Colombian Navy Captain Ricardo Hurtado, August 2, 2011.  
23 In addition, the army lobbied for a military court as venue for the cases, but public attention led the president and attorney general to
Active collusion with criminal groups has reached the highest levels in the military, for instance in the case of Admiral Gabriel Arango Bacci, found guilty in 2008 by a military tribunal of selling U.S. and Colombian naval patrol coordinates to narco-traffickers for about US$115,000. Yet, to the dismay of top U.S. Embassy and Colombian Defense Ministry officials, Arango’s appeal of the verdict to civilian courts allowed him to be acquitted when a new prosecutor suddenly took over the case and threw out much of the evidence against the admiral. The case raised significant concerns about the integrity of the justice system. As then-U.S. Ambassador William Brownfield stated in a wiki-leaked embassy cable, “we are keenly aware of the wider message here that trying a flag-rank officer in Colombia is not only difficult but also risky, a serious concern as the USG pushes for prosecution of high-level military officers accused of human rights abuses.”

Illegal arms sales by military forces are reported to be very common. Military stockpiles are not the main source of weapons trafficked in Colombia; light arms mainly have been smuggled in from Central America and all of Colombia’s neighbors. Colombia’s southern-most point, the city of Leticia that borders Peru and Brazil has long been a haven of smuggling particularly of arms. According to a 2003 report by the Rand Corporation, most of the weapons trafficked that originate in Colombia were either stolen from Indumil factories, typically with collaboration from employees or guards, or sold illegally by the security forces;
more recent studies confirm that such patterns continue. In 2010, after two years in which 11 battalions reported missing arms, munitions and coveted night vision equipment from their stockpiles, authorities broke a criminal network linked to these thefts. It involved over 40 people, five of whom were from the army and two from the police, and trafficked arms to both the FARC and neoparamilitaries. The highest-ranking military officer to be implicated in illegal arms sales is former army commander, Gen. Mario Montoya Uribe; a notorious former AUC boss testified that as a brigade commander in 2002, Montoya made a gift of arms and vehicles to AUC forces. Montoya denies the allegation and in 2011 resigned from an ambassadorship to return to Colombia and respond to investigative hearings ordered by the attorney general.

Cases like these, along with the disturbing discovery of classified Colombian military intelligence (including maps of a major anti-guerrilla operation) found on FARC computer files confiscated in 2007, which Colombian officials said could only have been given by high-ranking Colombian officers, prompted then-defense minister Juan Manuel Santos to acknowledge publicly that cartels had

---


28 “General Montoya no incidió en desmovilización del ‘Cacica Gaitana,’” *El Tiempo* (Bogotá), September 1, 2011.

29 This was a year before the Colombian military raid on FARC encampments in Ecuador that led to confiscation of the famous computer cache of FARC leader Raúl Reyes that implicates Venezuelan officials in narco-FARC ties.
infiltrated the army “at a high level” and impeded the capture of significant targets.\textsuperscript{30}

Since assuming the presidency in 2010, Santos has taken important steps to deter such impunity. Over 150 officers were purged and the defense ministry is paying increased attention to investigating illicit ties in the military. As a result, the cost of discovery has risen thanks also to more effective civilian judicial activism than in the past and because the cost of discovery is obviously greater for senior officers, according to security policy analyst and long-time Colombia researcher Adam Isacson.\textsuperscript{31} Most recently, in July 2011, Santos passed an Anti-Corruption Law that toughens punishment and strengthens institutional capacity, and citizen access to information.

Nonetheless, military collaboration with narcotraffickers remains remarkably resilient at lower and middle ranks, particularly in areas where there is a history of close military-paramilitary ties. Revelations continue to implicate army officers, particularly at the unit, brigade and battalion level. For instance, in 2010 a former soldier came forward to provide evidence to the attorney general’s office that implicates the 43\textsuperscript{rd} Infantry Battalion in protecting drug trafficking routes in Guaviare and Vichada on the border with Venezuela, and implicates the battalion commander in managing a drug production facility.\textsuperscript{32}


\textsuperscript{31} Author interview with Adam Isacson, Director of the Regional Security Policy Program at the Washington Office on Latin America, June 23, 2011.

Government policies have also thwarted efforts to stem such ties. Throughout the second half of the 2000s, the Colombian government underestimated the scale and capacities of the criminal groups that were emerging in the wake of the paramilitary demobilization that began in 2005. Rather than simple “criminal bands” (bandas criminales, or bacrim), as the government called them, these groups are now widely recognized as reconstituted “neoparamilitaries” that are resourced much like their antecedents (i.e., armed through their drug trafficking ties and able to launder their profits through land acquisitions), continue to operate in the same areas as earlier, and therefore retain access to drug production zones and trafficking routes. Though Uribe staff members, defense ministry officials and military commanders were briefed on the regrouping of paramilitaries as early as 2006; no efforts were taken to counter this. As

34 Paramilitary leaders received amnesties for bringing in their underlings. It is typically reported that only about 15 percent of the former paramilitaries have reconstituted themselves, but this obscures assessments that a large proportion, over 53 percent, of the bosses of these new groups are former AUC “lieutenants” who have successfully recruited many neophytes to their organizations. So while neoparamilitaries number only about 6,000 by official assessments in early 2011, they retain experienced leadership structures and existing networks of associates from which to build out their new activities. “¿Neoparamilitares?” Revista Semana, June 4, 2011 http://www.semana.com/nacion/neoparamilitares/157914-3.aspx.
35 AUC leaders told Colombian and OAS officials that their lieutenants had become uncontrollable and were not “coming in,” and the OAS demobilization support mission informed Colombian officials that paramilitary leaders were turning over common criminals posing as their subordinates while real paras were regrouping into criminal organizations. “Documentos de Wikileaks revelan información contundente sobre las Bacrim,” El País (Cali), February 22, 2011.
a result, new groups like the *Aguilas Negras*, *ERPAC*, *Paisas*, *Rostrojos*, and *Urabeños* have been allowed to flourish.\(^{36}\)

**Neoparamilitary Ties**

Some military taboos remain enormously powerful in Colombia: military forces are hardly ever implicated in lucrative ties to the FARC’s drug trafficking operations, and similarly there is no credible evidence of direct illegal ties between members of the Colombian and Venezuelan militaries, due to the countries’ poor relations and strong mistrust between their militaries. Yet as in the prior paramilitary period, 1985 to 2005, neoparamilitaries receive cover and sometimes active support from members of the security forces, justice system, and elected officials. Local residents have given human rights groups chilling accounts of how state authorities frequently ignore the presence of neo-paramilitaries in their communities, effectively tolerating their existence. As a man in the Andean town of Santa Cruz told Human Rights Watch in 2009:

*In Madrigal ... the Black Eagles [Aguilas Negras] interrogate us, with the police*

---

\(^{36}\) Neo-paramilitaries are particularly prevalent in the coastal provinces of Chocó (bordering Panama) and Nariño (bordering Ecuador), and the interior province of Meta (south of Bogotá), and according to national police assessments as of July 2009 they were widely present in at least 173 municipalities in 24 of Colombia’s 32 departments. Human Rights Watch, *Paramilitaries’ Heirs: The New Face of Violence in Colombia* (New York, NY: Human Rights Watch, February 2010).
meters away... [Y]ou can’t trust the army or police because they’re practically with the guys... In Santa Cruz and Santa Rosa we have the ‘Rastrojos.’ They arrived in March or April. They arrived ... in camouflaged uniform. They’re a lot, 100, 150, 300 – they’ve grown a lot..."37

Confirming those tendencies are dozens of cases currently under judicial investigation of civilian and security officials taking bribes from the Rastrojos, which are based in the country’s southwestern Pacific coastal departments and count among the most strategic, flexible and broadly operating of the paramilitary successor groups.38 In 2010 a military lawyer was arrested for accepting US$150,000 monthly from the Rastrojos in exchange for information he intercepted from tapping the phones of several security agencies.39 The high payment value suggests the information received was significant. More recently, defectors from the group turned over payroll records implicating dozens of officials in Bajo Cauca – primarily civilians and police, but also local DAS agents and members of the military’s anti-kidnapping unit, GAULA (payments for these individuals were significantly smaller, about US$ 37 Cited in Human Rights Watch, Paramilitaries’ Heirs, p. 9; there are numerous similar accounts from locals in the report.
38 The Rastrojos are strategic and flexible in that they are willing to make necessary alliances with both insurgent groups and former paramilitaries alike; on this and other groups, see “Colombia’s New Armed Groups,” The International Crisis Group, Latin America Group Report No. 20, May 10, 2007. http://www.crisisgroup.org/~/media/Files/latin-america/colombia/20_colombia_s_new_armed_groups.pdf ; and the portrait of the group summarized at Insight Crime, http://insightcrime.org/criminal-groups/colombia/rastrojos/item/63-rastrojos-profile.
Previously, six lower-rank navy officers were charged with accepting bribes from the *Rastrojos* in exchange for allowing drug shipments to transit in the port of Tumaco, and as of mid 2011, 700 members of the security forces – about 350 from the army, 300 police, 30 DAS, and nine from the navy – are under investigation for complicity with paramilitary successor groups. Overall, these are many cases, but there is little evidence of *extensive* high-level military corruption – again, it is most common at the lower to middle ranks.

**False Positives**
If taking bribes from drug traffickers is bad, still more egregious is the killing of more than 3,000 innocent civilians by military forces that inflated casualty tallies in order to receive bonus payments, vacation time and other perks for troops and units. Over 3,800 officers and troops have been implicated. Following from a “body count syndrome” that dates back at least to 1990 as documented in declassified U.S. government cables; the majority of cases ...

---


42 This is the estimate of the U.N.’s Office of the High Commissioner for Human Rights, based on the number of cases under investigation by the Prosecutor General’s Office, plus the active cases and the uncertain number of cases in the military justice system.

43 A 1994 U.S. Embassy cable reported that “‘Body Count’ mentalities persist, especially among Colombian Army officers. Field commanders who cannot show track records of aggressive anti-guerrilla activity (wherein the majority of the military’s human rights abuses occur) disadvantage themselves at promotion time.” Cable of US Embassy in Colombia, “MOD Invites A/S Shattuck to Visit Colombia,” October 21, 1994, http://www.gwu.edu/~nsarchiv/colombia/19941021.pdf. See also
of the False Positives took place between 2004 and 2008, when the first cases were revealed. They involved forces from at least 33 brigades in luring young men, women and even war veterans to remote areas with the promise of work and then killing them and dressing them in guerrilla uniforms to be passed off as legitimate casualties of the war.

The initial revelations in 2008, which were shocking even in war-hardened Colombian society, led President Uribe to fire 27 military officers, including three generals, for command responsibilities in the false tallies. However, the abuses are not surprising in the context of persistent body count mentalities in the army, the president’s focus on decimating the insurgency, and the remarkable secret defense ministry directive from 2005 that spelled out in 14 pages the structure of bonus payments and benefits that could be achieved by military troops if they captured or killed leaders of illegal armed groups or brought arms or valuable information to authorities.44

The conflict in Colombia has drawn greater oversight from human rights organizations, and more thorough U.S. State Department vetting of military units to qualify on their human rights record for U.S. aid, than any other contemporary war. As a result, the military has made important strides in human rights training and has become more effective in disciplining forces for rights violations. Nonetheless, the False Positives cases indicate that the practice of illegal killings has persisted through the 2000s,

---


and human rights groups document that virtually every army territorial brigade and most mobile brigades have been implicated to some degree in such killings in this decade.\textsuperscript{45}

The False Positives cases point to an incomplete military reform agenda and a lack of military accountability to civilian-led justice institutions. These issues are particularly worrisome given the defense ministry’s agenda to “export” Colombian military training for the counter-drug wars of Mexican, Central American and other countries’ forces. While Colombian forces clearly have extensive experience and are with certainty the most practiced counter-insurgency fighters in Latin America, model tactics and strategies exported in the region need to give careful attention to the protection of civilian populations. This is particularly important because Colombians are training forces from countries that are overwhelmed by criminal groups, eager for solutions and in most cases themselves carry weak records in protecting civilians’ rights.

In sum, there is little evidence that illicit activities in the military ranks have diminished in the last several years as the insurgency has wound down. In fact, criminal groups that seek out military facilitators are thriving in Colombia. Staving off the temptation to collude with these groups will remain difficult for a force given the high marks that political elites and large sectors of Colombian society now concede to it, leaving little incentive for self-critique. Yet if

\textsuperscript{45} This implicates also U.S.-funded units, as virtually every Army territorial brigade and most mobile brigades have been implicated in the over 3,100 extrajudicial killings documented by the Human Rights Observatory of the Colombia-Europe-United States Coordination, which maintains an extensive database of cases. See the letter signed by 15 U.S.-based NGOs, addressed to the Secretary of State, dated December 14, 2010, http://www.mitfamericas.org/VettingLtr101214.pdf.
Policy Implications of This Study

Colombia’s experience of a decades-long war that has still not ended creates particular challenges for policies intended to limit the autonomy of the military and make it clearly accountable to elected political authority and to the rule of law. A larger political culture in which political elites have maintained durable ties with illegal armed groups further complicates the challenge. Still, the challenge needs to be addressed if stable security and eventually a nationwide peace are to develop in a context of democracy.

The prestige and initiative the Colombian forces have gained in the last decade are reflected in the wide range of economic activities they have taken on. The military’s economic portfolio may appear diverse and dynamic, but it really reflects a worrying sprawl in many directions that public officials do not seem to have full control over. It makes sense to consolidate military enterprises to gain efficiencies, but not if the result still remains elusive to civilian oversight. It makes sense to draw on military know-how to implement emergency and short-term development projects, but only if efforts also go toward building civilian capacity to carry out such projects and toward promoting effective, complementary work between military and civilian agencies in these settings. And it may make sense to use the greatly expanded military and police forces, which currently total about 428,000 for a country the size of Texas and California combined, in auxiliary roles (civic action, oil security) as conflict winds down, but only if a forward-looking plan for gradually downsizing these forces is also underway.46

46 Some observers worry that military multi-tasking helps the government to avoid the inevitable political choices of either painful downsizing or
One of the greatest challenges to the professional integrity of the armed forces is avoiding the dangerous lure of association with criminal groups. Even after decades of coca crop eradication, Colombia remains the top cocaine producer in the world, and the biggest exporter of the drug to the U.S. market. Drug trafficking is unlikely to disappear, so the challenge for Colombia and its neighbors is to diminish its most debilitating effects. The gateway to durable reforms requires creating State institutions that allow for greater transparency, which can strengthen public insight and therefore oversight, and creating clear incentives and penalties to encourage public officials to act in accordance with the rule of law. For Colombia, with respect to the military in particular, there are additional recommendations worth considering:

**Break military-paramilitary ties through more effective and empowered independent oversight.** The Colombian government should champion breaking existing ties between the military and paramilitary successor groups and should actively pursue them for demobilization. The U.S. should strongly support such efforts. Investigative journalists, human rights groups, and U.N. and O.A.S. observers have documented continued ties, but the Colombian *political system* lacks specialized institutions for overseeing the military – for instance, Congress has no committee specialized in military affairs.47

Instead, the burden of oversight falls to more general institutions (those not focused on the military), in particular the Prosecutor General’s Office, which investigates and prosecutes criminal offenses, and the Inspector General’s painful taxation to maintain the forces. Author interview with political scientist Nazih Richani, an expert in the political economy of Colombia, August 1, 2011.

47 Author interview with Colombian political scientist Alejo Vargas.
Office, which investigates misconduct by public officials including the state security forces. Those offices need to be empowered further with additional resources and investigative capacity. Such initiatives should be backed directly by the president’s office. Effective coercive capacity is needed to deter the resumption of illicit associations and to investigate and punish those associations.

**Routinely Investigate the Possibility of Military Collusion with DTOs.** The U.S. can aid in this process by encouraging mechanisms for potential informants, who would otherwise fear coming forward with damaging information about military impunity, to indeed come forward.\(^{48}\) It is worth noting that while many paramilitary bosses who accepted the amnesty gave testimony about corrupt military associates, they mostly implicated officers who were dead or had retired – they rarely implicated officers in active service for fear that their families could face military retribution.\(^{49}\) Similarly, when narcotraffickers are extradited to the U.S., authorities should routinely examine *all* their ties, including the possibility that there might be ties to military officers.

**Adopt Mano Dura Policies for Military Collusion with DTOs.** Establish and enforce zero-tolerance policies at *all* ranks found to have ties with criminal groups. Leverage the risk of losing rank, pension rights and other benefits appropriate to the scale of the crime.

**Reward Military Units that have Clean Records.** Target foreign military aid to units and services that have the most scrupulous records in avoiding corruption and criminal ties –

\(^{48}\) For instance, the U.S. State Department’s 2010 Human Rights Report for Colombia notes that witness protection programs left out many potential informants who then refused to testify for fear of retribution.  
\(^{49}\) Author interview with Adam Isacson.
in other words, pay as much attention to success cases as to problem cases.

**Demilitarize Civic Action and Development Assistance.** Reduce military involvement in civic action and development assistance as soon as possible; where such missions become necessary, they should be short-term and only specially trained and vetted units should be used for them.

**Build Significant Civilian Capacity for Postwar Reconstruction.** Build effective civilian sector capacity to address development issues, to allow the military to focus on defense and limited security missions. Taking the military out of development work would be a historic transformation in many Latin American countries, but creating rapidly deployable go-to civilian agencies, similar to the Peace Corps, is more important than ever in the region.

In many respects, the nature and consequences of its long, unfinished internal war make Colombia exceptional in the region. This is just as true for the recent expansion in the military’s economic activities. That expansion is inspired by the apparent military strategic successes of the last decade, but enabled and promoted mainly by civilian elites who now rely heavily on the armed forces as the proxy for an effective State presence in many key regions. The Colombian “exception” is that all this is happening in a democratic regime, with significant approval from civilian political elites eager to draw on the successes of “democratic security” in marketing the military industries’ products and the military’s new foreign training programs.\(^{50}\)

---

\(^{50}\) Though Colombian defense and military logistics enterprises have existed for many decades, since at least the 1960s, they never had a meaningful presence in international markets and were not known for
in the region, when the military orchestrated its break out as an economic actor – championing defense-related industrialization in Argentina and Brazil, or creating and running State enterprises to promote wider social and economic development in Ecuador or Cuba – the context was military-authoritarian, and the initiative almost never civilian.\textsuperscript{51}

Because Colombia’s civilian political elites basically fear the risks of significantly reducing the armed forces’ national footprint, they seem to be willing to accept the militarization of security consolidation policies, and the persistence of illicit collusion with criminal groups. Yet championing military enterprises and relying on the military for civic action projects is no substitute for building civilian capacity. At best it allows government leaders to avoid making tough political choices, but at worst it can lead to the unintended outcome of a long-term militarization of the State’s economic initiatives that is burdensome and inappropriate for democracy.

\textsuperscript{51} See Mani, “Military Entrepreneurship” and “Military Entrepreneurs.”

"Así cayó la red que le vendió armas a los grupos ilegales," *Semana*, September 21, 2010

"Auditoría interna reveló caso de corrupción en el Club Militar," *Colprensa*, May 6, 2011. The military’s mission is defined in Article 217 of the National Constitution.

Bronstein, Hugh, “Colombia Admits High-Level Military Corruption,” *Reuters*, July 30, 2007,

Cable of US Embassy in Colombia, “Human Rights in Colombia – Widespread Allegations of Abuses by the Army,” July 27, 1990,

Cable of US Embassy in Colombia, “MOD Invites A/S Shattuck to Visit Colombia,” October 21, 1994,
Colombia Map, Colombia PR Travel Information, http://www.google.com/imgres?q=colombian+map&hl=en&sa=X&tbnm=isch&prmd=imv%09ns&tbnid=Mu7BCZi4LjkFM:&imgrefurl=http://colombia-pr.com/colombia%09maps.html&docid=T0hpJgJMjziqGM&w=1059&h=1258&ei=76x3Tv-xF8fegQe-%098tDQDA&zoom=1&biw=1024&bih=571&iact=rc&dur=125&page=1&tbnh=164&tbnw%09=134&start=0&ndsp=10&ved=1t:429,r:5,s:0&tx=67&ty=53


Cragin, Kim and Bruce Hoffman, Arms Trafficking and Colombia (Santa Monica, CA: Rand Corporation, 2003), 44-47.


“General Montoya no incidió en desmovilización del ‘Cacica Gaitana,’” El Tiempo (Bogotá), September 1, 2011.

Grupo Social y Empresarial de la Defensa (GSED), http://www.gsed.gov.co


“Hospital Militar en la mira de Contraloría por contratos irregulares,” El Tiempo (Bogotá), June 29, 2011.


INTERVIEWS:


Richani, Nazih. Interview by author. August 1, 2011.

Rodríguez Hernández, Saúl. Interview by author. August 12, 2011.

Vargas, Alejo. Interview by author. August 30, 2011.
ABOUT THE AUTHOR

Kristina Mani is Associate Professor of Politics at Oberlin College. Her research on defense and security issues in Latin America focuses on civil-military relations and the political economy of security and of the military. Her publications include Democratization and Military Transformation in Argentina and Chile: Rethinking Rivalry (Lynne Rienner Publishers, 2011) on the development of security cooperation and its impact on the militaries of Argentina and Chile, as well as articles on military entrepreneurship in Armed Forces and Society, the Bulletin of Latin American Research, and Latin American Politics and Society. She is currently writing a comparative historical study of military entrepreneurs in Latin America.
WHEMSAC PUBLICATIONS

PHASE II


David Scott Palmer and Alberto Bolívar, “Peru’s Shining Path: Recent Dynamics and Future Prospects.” May 2011.


Juan Pablo Sarmiento & Gabriela Hoberman, “Disaster Risk Management Disparity in the Caribbean: Evidence from Barbados, Dominican Republic, Jamaica and Trinidad and Tobago.” May 2011.


Thomas Bruneau, “An Analysis of the Implications of Joint Military Structures in Argentina, Brazil, Chile, and Colombia.” April 2011.


Erich de la Fuente, “Cuba’s Role in Venezuela’s Control of the Internet and Online Social Networks.” October 2010.


**STUDENT PAPERS SERIES**


PHASE I


WESTERN HEMISPHERIC SECURITY ANALYSIS CENTER SPONSORS

The Applied Research Center advances the research and academic mission of Florida International University. ARC’s focus is to solve real-world problems through multi-disciplinary research collaborations within the University’s increasingly talented applied and basic research units. It is uniquely structured and staffed to allow for free-flowing exchange of ideas between the University's applied researchers, academia, government, private sector and industry partners. The ARC's vision is to be the leading international university-based applied research institution providing value-driven, real-world solutions, which will enable FIU to acquire, manage, and execute educationally relevant and economically sound research programs. That vision is based on the Center's core values of respect for the environment, health and safety of all individuals, creativity and innovation, service excellence, and leadership and accountability. The Applied Research Center is organized into three core research units: Environment; Energy, and Security and Development. Under the leadership of its Executive Director, the Center reports to FIU’s Office of Sponsored Research Administration. An External Advisory Board, encompassing leaders from the private and public sectors, participates actively in the Center's growth and development. The Florida International University Applied Research Council, a team of University deans, executives and faculty guide the development of the Center's programs.

Florida International University is Miami’s first and only four-year public research university with a student body of more than 40,000. It is one of the 25 largest universities in the nation. FIU’s colleges and schools offer nearly 200 bachelor’s, master’s and doctoral programs in fields such as international relations, law and engineering. As one of South Florida’s anchor institutions, FIU has been locally and globally engaged for more than four decades finding solutions to the most challenging problems of our time. FIU emphasizes research as a major component of its mission. The opening of the Herbert Wertheim College of Medicine in August 2009 has enhanced the university’s ability to create lasting change through its research initiatives. Overall, sponsored research funding for the university (grants and contracts) from external sources for the year 2008-2009 totaled approximately $101 million.

The United States Southern Command (USOUTHCOM) is one of ten unified Combatant Commands (COCOMs) in the Department of Defense. It is responsible for providing contingency planning, operations, and security cooperation for Central and South America, the Caribbean, and their territorial waters; as well as for the force protection of U.S. military resources at these locations.

The National Defense Center for Energy and the Environment (NDCEE) provides reliable and sustainable solutions to the US Department of Defense in areas ranging from contingency operations to global climate change and greenhouse gas reduction to safety and occupational health. These solutions increase mission readiness and improve the health and safety of our Armed Forces both at home and abroad. The NDCEE provides project management and technical support to the WHEMSAC Program.