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### Conflict, Inequality and Dialogue for Conflict Resolution in Latin America: The Cases of Argentina, Bolivia and Venezuela

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**Conflict, Inequality and Dialogue for Conflict Resolution in Latin America:  
The Cases of Argentina, Bolivia and Venezuela<sup>1</sup>**

As a region, 20<sup>th</sup> (and indeed 21<sup>st</sup>) century Latin America has been relatively free from international conflict. For all their entrenched rivalries and intermittent bouts of sabre-rattling, Latin American countries have rarely come to blows. Since the 1960s, the only full-scale international conflicts in the region have been the El Salvador-Honduras war of 1969 and the Argentina-UK war over the Falklands/Malvinas in 1982 (Holsti 1996), the latter of which can be seen primarily as a diversionary tactic on the part of a failing military dictatorship. The reasons for such stability are both circumstantial and cultural. Twentieth century Latin American governments have tended to focus their attention on domestic political stability, economic growth and, during the Cold War, national security – in part out of fear of U.S. intervention. Latin American governments have also traditionally given high priority to national sovereignty and non-intervention, and have adopted non-fatal attitudes to conflict that allow them to keep relations open despite tensions. South America in particular has an elaborate diplomatic system of legal norms and a culture of legalism that encourages recourse to international law and arbitration for dispute resolution (Pope Atkins 1999, Holsti 1996).

On the domestic front, the picture is far bleaker. The continent has not only suffered from persistent internal violent conflict but also from the systematised violent oppression associated with military dictatorships. Intermittent violent conflict has persisted in Colombia since the start of what has come to be known as ‘La Violencia’ in 1948, while Guatemala, Nicaragua and El Salvador all suffered from drawn-out, brutal civil wars spanning decades. An official investigation has shown that over 200,000 lives were lost as a result of the civil war in Guatemala between 1962 and 1996 – well over 6,000 a year on average (CEH 2000). Leftist rural guerrilla movements sprang up in the 1960s throughout the continent, and urban guerrilla groups followed in 1970s Uruguay and Argentina. Partly in response to such internal uprisings, during the 1970s and 80s, the South American dictatorships killed,

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<sup>1</sup> I am indebted to Marc André Franche, Justen Thomas and Adrian Barnes for investing considerable time and effort in reading and commenting on the various drafts of this paper.

kidnapped, tortured, beat, and ‘disappeared’ thousands of ordinary citizens. To give just one example, nearly 10,000 people are on the official list of ‘disappeared’ from the Argentine Dirty War of 1976-83 (CONADEP).

‘Domestic’ conflicts have not been free of external intervention, particularly in Central America. Holsti (1996) calculates that while 71% of Central American wars between 1945 and 1995 were internal, 60% of those suffered from some form of external intervention – occasionally direct U.S. invasion but more commonly financial support for one side or another, and often pressure on governments to respond in a certain way to insurrection. Trans-national issues such as drug prevention policies have caused external actors to adopt a more proactive stance and seek to exert even greater influence over domestic issues. For example, the U.S. government equips the Colombian army in its struggle against the FARC but in return demands a certain set of anti-drug policies including highly unpopular crop eradication policies that have further undermined the authority of the government in some areas.

To the present day, civil war continues in Colombia, the Zapatista National Liberation Army (EZLN) is theoretically still in open rebellion against the Mexican Government in Chiapas (although there have been no direct clashes for several years), and there have been signs of a worrying resurgence of Sendero Luminoso in Peru. Moreover, recent violence and the presence of armed groups in Haiti, both earlier in 2004 and in recent days, demonstrate once again the potential for violent conflict to emerge at any moment.

Nevertheless, the Central American peace accords of the 1990s, the discrediting and disbanding of the vast majority of guerrilla movements continent-wide, and the sustained transitions to democracy experienced over the past two decades have marked a significant change in regional conflict patterns. The gradual consolidation of democracy in the region has also brought significant reductions in state repression and has opened channels for non-violent communication and protest, although human rights violations continue to result from attempts to deal with illicit forms of protest<sup>2</sup>

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<sup>2</sup> ‘Illicit protest’ is used here to refer to forms of protest that contravene the laws of the country in which the protest takes place, although they may be generally accepted within that society and do not

and with persistently high rates of crime – particularly organised crime. While conflict continues to plague Latin American societies, its manifestations now tend to take at least nominally non-violent forms, including blockades, marches, occupations, sit-ins and strident banging of pots and pans, although always with the potential to spill over into violence.

Political instability persists, however, and the region has experienced a series of coup attempts (Peru – 1992, Guatemala – 1993, Venezuela – 1992, 2002) and a rash of presidential resignations (Peru, Argentina, Ecuador – 2001; Bolivia – 2003; Haiti – 2004), in many cases as a result of popular protest – a method recently dubbed the ‘civil society coup’.

This paper first looks at common causes of organised violent conflict in Latin America, paying particular attention to the role of inequality and the transition from discontent to violence. It also considers the potential costs of such conflict. It then examines the potential contribution of dialogue to conflict prevention and resolution. Dialogue is an approach that has recently been promoted widely in the region, primarily because its methodology offers the opportunity to address political inequality while at the same time dealing with other key issues. The final section uses this framework to examine the three cases of Argentina, Bolivia and Venezuela, providing analysis of the nature and causes of current conflicts,<sup>3</sup> and of the impact of dialogue as a conflict resolution tool.

### **Causes and Consequences of Conflict in Latin America – the Role of Inequality**

While acknowledging a range of causes of conflict, this section focuses on a conceptualisation of the emergence of conflict that depends firstly on the existence of root causes of discontent in the form of perceived or real political, economic and social inequalities or injustices. These inequalities constitute raw material for conflict but depend on other factors for conflict to come to fruition. Such factors include the

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necessarily involve violence. Their significance stems precisely from the fact that they demonstrate the lack of adequate or appropriate legal channels for protest.

<sup>3</sup> The three cases described primarily involve organised violent protest rather than full-blown civil war. They are considered relevant for conflict resolution in part because clashes have involved a number of deaths and in part because of the dangerous political instability they have generated. Bolivia and Argentina have experienced forced and voluntary resignations of presidents, while Venezuela experienced a short-lived coup against its president.

mechanisms or circumstances that build awareness of such inequalities and a sense of collective grievance – primarily a sense of group identity. They also respond to the weight of history in the sense that past conflict precipitates future conflict. In addition, the lack of a mechanism for addressing the perceived problem, or alternative outlet for the anger and frustration generated by awareness of inequality, builds the social pressure required for subsequent explosion. Actual triggers for conflict can take the form both of ‘last-straw’ offending actions and of emerging ‘opportunities’ to respond. Thereafter, the longevity of conflictive activity and its future consequences depends on the responses it receives – particularly from the state but also from other elements of society.

### **Root Causes of Discontent: Inequality**

There has long been an argument that one of the most important sources of civil war is a high degree of inequality of wealth and income.<sup>4</sup> Recent literature generally agrees that inequality is a strong predictor of conflict. In 1996, for example, Alesina and Perotti correlated inequality with a greater incidence of political instability measured by indicators such as the number of political murders annually, while Nafziger and Auvinen’s (1997) regression analysis of humanitarian emergencies indicates that high income inequality (measured by a Gini coefficient) is associated with political conflict and complex humanitarian emergencies.<sup>5</sup> However, Cramer (2003) shows that there is no clear direct link between civil conflict and inequality by comparing conflict and non-conflict countries with similar inequality indicators, while Collier and Hoeffler (1996, 1998), using two versions of a model, concluded first that inequality significantly *reduced* the risk of civil war and then that it was insignificant. There are also dissensions over the types of inequality that have most influence. Bingswanger *et al.* (1995), for instance, look at examples of principally rural violent conflict to support the claim that land inequality entails social costs including unrest and civil war, while Muller and Seligson (1987) argue that national income distribution is a strong predictor of political violence even where land distribution is relatively equal (in Cramer 2003).

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<sup>4</sup> Gurr 1970, Booth 1991 (on Latin America), Wickham-Crowley 1992, Boyce 1996 (on El Salvador), Alesina & Perotti 1996, Nafziger & Auvinen 1997.

<sup>5</sup> For a full review of empirical evidence on the positive relationship between inequality and various forms of social and political conflict, see Lichbach (1989).

While early approaches have looked primarily at income inequality, more recent thinking has expanded the economic approach to incorporate unemployment specifically, and has started to examine social and political indicators in more detail. Stewart (2002) considers the fundamental source of organised conflict to be *horizontal inequality* – defined as inequality between culturally defined groups,<sup>6</sup> as opposed to *vertical inequality* – inequality between individuals or households. Her approach looks at inequality in terms of *political participation* from the highest levels down to local government and including guarantees of human rights; *economic assets* such as land, human capital, communal resources, minerals, privately owned capital and access to credit, govt infrastructure and security; *incomes and employment*, again public, private and at various skill-levels; and the *social aspects* of access to, and quality of, education, health services, water supplies, housing, and the relevance of unemployment, poverty, and personal and household security. She has used this framework for the cases of Cambodia, El Salvador, Nicaragua, Guatemala, Haiti, Burundi, Rwanda, Afghanistan, Somalia, Sierra Leone and Liberia to show evidence of a positive relationship between horizontal inequalities and civil conflict.

Cramer (2003) also promotes the idea that it is important to consider the significance of varying *kinds* of inequality but adds that the socio-historical relationships behind inequality are more important than the specifics of inequality itself. In this way, inter-group relationships (nationals-immigrants, wage workers-capitalists, peasants-landowners, black-white) determine the social and political significance of inequality. He also emphasises the influence of how inequalities are managed by societies – an approach consistent with Schock (1996), who considers that existing political opportunity structures can either channel discontent through conventional forms of political participation or can generate violent political conflict.

This expanded approach takes into account the interrelated nature of economic, political and social inequalities. In Latin America, political power is an effective instrument for control of economic power as economies have traditionally been state-

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<sup>6</sup> In accordance with Stewart (1998, p.7), groups are defined here as ‘collections of people who identify with each other, for certain purposes, as against those outside the group, normally also identifying some other group with whom they are in conflict.’

centred, political systems have favoured strong presidents, and both political power and economic wealth are centred in the hands of a small elite. Similarly, centuries of discrimination in most countries have contributed to ensuring that social privileges equate closely to political and economic power – in many Latin American countries a handful of families still predominate socially, politically, and in terms of accumulated wealth.

### **Inequality and Latin America**

‘Latin America has some of the highest levels of economic, social and political inequality in the world...arising mostly from political connections, inherited wealth and power, and discriminatory acts against specific population groups.’ (Justino *et al.* 2003, p.2) If inequality is considered to play a key role in engendering social and political discontent, and ultimately violent conflict, throughout the continent, it is important to take a look at the major characteristics of Latin American Latin American economic, social and political inequality.

#### Economic inequalities:

Latin American income inequality is the highest in the world. The region has had a Gini income coefficient of over 0.5 since the 1960s, as compared with 0.45 in Sub-Saharan Africa, 0.37 in OECD countries and a mere 0.3 for South Asia. Both Bolivia and Brazil have coefficients of close to 0.6 – among the highest in world. With the exception of Costa Rica and Honduras, income inequality increased between the early 1980s and late 1990s, despite a gradual reduction in poverty rates over the 1990s to a current average of 33% (Justino *et al.* 2003).

People at the bottom of economic, social, and political distributions of assets and rights in developing countries tend to concentrate in rural areas. Land is important for both their economic survival and prospects of social mobility, particularly as it relates closely to access to credit. Most Latin American countries show acutely unequal distribution of land in terms of both size and quality. The Gini Land Concentration Index shows rates as high as 0.86 for Argentina and 0.91 for Venezuela in the 1980s, as compared with 0.75 in the US and 0.58 in France (Rodríguez & Smith 1994, IFAD 2001, Justino *et al.* 2003).

Rising unemployment and increasing numbers employed in the informal sector in Latin America are also concerns in terms of persistent inequality. Of new jobs created in the region since 1990, seven in ten have been in the informal sector and only four in ten come with social security benefits (Jubany & Meltzer 2004). On average, workers in the informal sector earn 44% less than those in the formal sector (ILO 2001). Such disparities of opportunity perpetuate economic inequality and generate a sense of collective grievance among the disadvantaged.

#### Social inequalities:

Social inequalities are particularly acute in Latin America. While most countries in the region have universal primary education, basic health care, and social service systems that reached most of the poor by the 1990s, two-tier systems often mean that better-off groups benefit from far higher quality private hospitals, schools and insurance (Justino *et al.* 2003).

Health care is vital in terms of human development not only for the improvements it provides in nutrition, decreased mortality rates, and increased availability of human capital, but also because it has been shown to increase the chances of individuals accessing better jobs and consequently higher wages (Justino *et al.* 2003). The starkest discrepancies in health care are between urban and rural areas. On average, between 1990 and 1997, 81% of urban areas and just 52% of rural areas in the region benefited from adequate sanitation.<sup>7</sup> In 1995, 90% of urban areas and only 49% of rural areas had safe drinking water, and between 1985 and 1995, public health services were available in 84% of urban areas and 54% of rural areas (IFAD 2001). Moreover, Latin America suffers from a hospital sector characterised by high costs and little regulation, and from disproportionate spending on specialist curative rather than preventative measures (DFID 2001).

The average number of years spent in education in Latin America was 6.17 in 1995, up from just 3.06 in 1960 (Justino *et al.* 2003). Education inequality is lower in Latin America than most other developing regions but is almost twice that of OECD countries and Eastern Europe (UNDP 2004). Most countries have universal primary

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<sup>7</sup> The striking exception is Nicaragua where 34% of urban areas and 35% of rural areas had adequate sanitation (IFAD 2001).



education but the quality is often significantly worse in schools attended by the poor, and very few governments have invested in secondary education. While the rich finish university, the poor tend to drop out after completing the primary stage (Londoño 1996). The second richest 10% in Latin America has on average three fewer years of education than the top 10%, while the bottom 30% have almost 7 years less (IADB 1999). Moreover, illiteracy is much higher in rural areas and among women, although there have been major improvements over the past four decades. Inequality in education is also reflected in inequalities in both labour participation and earnings, especially for women (Justino *et al.* 2003, IADB 1999).

Most Latin American countries have basic social insurance and social assistance programmes but coverage varies substantially and in most cases higher strata benefit from better systems than (mostly uninsured) lower income groups (Justino *et al.* 2003). Also, powerful pressure groups receive social protection, more coverage, lower costs for themselves and more generous benefits (Mesa-Lago 1983) There have been some positive changes – in 1981 Chile introduced a privately managed and funded defined-contribution system controlled by the government that has recently been adopted by Peru, Argentina, Colombia, Uruguay and Mexico. These systems have not yet met their redistributive objectives but still constitute a major improvement on previous systems (CIID 1999).

### Political inequalities

According to Gacitúa and Sojo (2000), the clientelism and corruption that are prevalent in much of Latin America have excluded large sectors of the poor from involvement in political life, resulting in overrepresentation of the non-poor, and alliances between non-poor and poor that disempower the latter. Predominantly white, male, university educated, urban, and propertied non-poor not only dominate state apparatus, legal system and parties but also have informal social power as landowners, bankers, employers, media voices, academics and patrons. Their beliefs about the status quo, their place within it, and the debts they owe to each other make for a durable and flexible system of elite domination and perpetuation. When democratization or political movements demanding redistribution threaten these assumptions, the non-poor close ranks, making the underlying realities even more

visible (Gacitúa & Sojo 2000, Justino *et al.* 2003). The centralised systems of government favoured by Latin American countries also help to perpetuate the rule of a few key families or figures. In addition, Latin American public legal systems, systems of protection of property and prisons, among others, seem to benefit citizens largely in proportion to their levels of wealth or investment (Benabou 2000, Genn 1999). In 2000, over half of the Latin American prison population had not been tried (UNDP 2004). The poor also fail to bring up legal grievances when the law would permit them to do so (Genn 1999).

#### Group inequality and indigenous populations

Finally, for all of these forms of inequality, it is important to point out significant disparities that negatively affect minority ethnic groups. Race and ethnicity correlate closely with inequality in Latin America. For example, 88% of the Bolivian and 93% of the Guatemalan indigenous populations fall below the poverty line (Justino *et al.* 2003). This discrimination is reflected in social indicators such as literacy rates, school attendance, malnutrition, infant mortality and access to services, all of which are worse for indigenous populations (World Bank 1993). In 1995 for example, the predominantly indigenous Mexican states of Chiapas, Guerrero and Oaxaca had poverty levels twice the national average (World Bank 1995).

#### **Awareness of Inequalities – Emergence of Group Identities**

The emergence or development of group identities is a key factor in generating awareness of existing inequalities, as well as in turning into action the discontent that awareness can generate. Identification with a given group brings a sense of collective history, of shared ideology and combined strength that can combat individual feelings of insignificance. It also brings awareness of one's own position and treatment relative to other groups – a far more powerful driver than individual comparisons.

The role of leadership is clearly essential in terms of group dynamics – in this case both for pulling groups together and for moving groups from discontent to protest. There are many examples of inspired symbolic leadership in Latin America having a powerful influence not just on the way a group presents itself to the public but also on the way the public perceives that group, and at the head of many key social

movements can be found charismatic figures such as EZLN commander Subcomandante Marcos in Chiapas, Mexico, Hugo Chávez in Venezuela and Evo Morales in Bolivia.

Some theorists (known as ‘instrumentalists’) hold that group identity is ‘constructed’ by political leaders who see group cohesion and mobilisation as helpful in their competition for power and resources. In order to do so they rework historical memories to engender group identity. While there is some evidence of leadership manipulating group identity (the recent referendum campaign in Venezuela provides abundant examples), this approach is inconsistent with the fact that the leadership of many Latin American social groups has emerged naturally from within and many leaders continue to live within their communities rather than make the transition to the echelons of power. It is hard to conceive of Argentina’s *piquetero* (picketers) movement of unemployed protestors, for example, as a creation designed purely to bring its leaders power.

Moreover, whatever the surrounding manipulations, group identity still depends on having a set of shared circumstances including elements such as language, cultural traditions, location or similar sources of hardship/exploitation, as well as, ideally, historical identification with the same group (Stewart 1998). Indeed, as Turton (1997 in Stewart 2002) points out, the effectiveness of ethnicity as a means of advancing group interests depends on it being seen as a cultural given by those who make claims in its name. This suggests that efforts to address conflict should respect the strength of group identity as conceived of by those involved, even while addressing the fact that manipulation and/or misperceptions may colour the form that such sense of identity takes.

### Class and ideology

Within Latin America, the major group identities associated with armed conflict have traditionally been class-related, although with a strongly linked indigenous element in some cases. This is a natural result of the persistent inequalities described above in combination with entrenched hierarchical patterns of government, development and social interaction dating back to colonial times. The classic class representatives, trade

unions, have consistently played a key role in Latin American politics. In some cases, however, corporatist and clientelist behaviour ensured the co-opting and incorporation of organised labour into the state (as was the case in 1960s Venezuela, for example) and it has more recently been the role of those excluded even from this form of representation to rise up and challenge the *status quo*. The recent growth of the informal sector and persistently high unemployment rates have also undermined the trade union movements.

Closely related to class-based identities is the historical prevalence of leftwing, class-dominated ideology in the region. The various guerrilla movements of the 1960s and '70s in South America were heavily influenced by the ideology of class struggle, as were the rebels of Central America's civil wars. Although the FARC in Colombia has diverged considerably from its leftist ideological roots, Sendero Luminoso in Peru continues to maintain an overtly Maoist ideology based on the revolutionary power of the peasant.

In the past, Communism provided a practical source of income (and hence group unity) for many of these groups as Cuba, backed by the USSR, rushed to support guerrilla movements in countries such as Guatemala, Venezuela, and, later, Bolivia. The collapse of the Soviet Union and the end of the Cold War deprived both left- and rightwing Latin American movements of valuable sources of income as Cuba began to look inwards while the U.S. no longer felt compelled to invest so heavily in support to anti-communist movements.

More general populist ideology has consistently been used to cement group identity and generate popular support. From Peron's *descamisados* or blue-collar workers in Argentina through to Chávez's *Bolivarian Revolutionaries* in Venezuela, leaders have consistently sought to present new ideological visions, with varying degrees of consistency and follow-through.

### Indigenous identity

Indigenous movements have become steadily more vocal in Latin America over the past few decades, raising a variety of demands on behalf of indigenous populations.

Taking advantage of the opportunities to organise provided by democratic liberalization and galvanised into action by the effects of neoliberal reforms, they have successfully made the transition from community-level traditional organisation to developing regional and national support networks and organisations, bringing together different indigenous groups under the same umbrellas for the first time (Yashar 1999). Moreover, the emphasis is no longer on the distinction between ethnicity and class but instead on the natural linkages between them, as indigenous movements connect economic issues such as indigenous land rights directly with cultural survival (NACLA 1996). Finally, the gradual extension of the education network, as well as the introduction of teaching in indigenous languages has led to a higher level of education among the indigenous population that has, in turn, helped them to organise and convey their grievances. As a result, many Latin American states have been forced to consider the issue of indigenous citizenship rights, as well as take measures to combat the effects of centuries of persistent discrimination that have left the vast majority of indigenous people in conditions of abject poverty and with restricted access to social and political benefits.

To date, however, Latin America indigenous movements have focused on increased indigenous cultural, social and political rights and representation, rather than separatism. Even the armed Zapatista rebellion in Chiapas, Mexico has not demanded an indigenous nation. Many of the demands of indigenous groups correlate closely with the more generalised demands of the poor. Bolivia, for example, provides a clear example of indigenous groups adopting the demands of other non-indigenous groups that relate to inequality and discrimination, building a connection that depends more on socio-economic status than on ethnicity.

### **From Discontent to Conflict**

Cultural differences alone are not sufficient to bring about group mobilisation that turns violent. Instead, groups clash over the distribution and exercise of power, whether economic, political or both. The fact that conflict depends on group identity as defined against another group renders *relative* position more important than absolute, although absolute deterioration may force attention onto the relative

situation – by, for example, making certain resources scarce (Cohen 1974, Stewart 2002).

Political inequality is a contributor to conflict primarily because it determines the way in which discontent is expressed. In most cases, illicit protest is selected only as a last resort, and the same is even truer of violence. If group identity and group concerns can be expressed through democratic or institutional channels, there is no need for protest to spill over. As long as the group feels its needs and interests are taken in to consideration, or at least has the hope that they will be in future, there is less resentment and a reduced need for the group to make its voice heard in other ways. Where violence has erupted in Latin America, and indeed where protestors have hit the streets, it has often been because these channels were not available or not functioning – usually because politics and institutions have been dominated by small elites uninterested in the needs of the rest of the country and because clientelist interactions have included some groups but excluded others on a relatively arbitrary basis.

#### 'Last straw' offending actions and emerging 'opportunities'

Given such circumstances steeped in a variety of inequalities, a number of potential triggers can ignite or exacerbate conflict, primarily by generating absolute increases in inequality or by highlighting relative differences (Stewart 1998):

*Endogenous Changes* include growing demographic pressures, environmental changes resulting in scarcities (e.g. of water), and the success or failure of a development model changing absolute and relative access to employment and incomes.

*Policy Changes* that can generate instability include institutional and legal changes over issues such as property rights or water regulations and stabilisation measures such as devaluations and price regulations. The middle and lower-class residents of Cochabamba in Bolivia blockaded the streets in protest against the privatisation of the water supply and subsequent price hike in 2000, eventually forcing the Government to reverse its decision.

*Political Changes* would include changes in the distribution of state benefits for political reasons (Stewart 2002). *Ideology* can also play a role as previously accepted injustices come to be regarded as grounds for conflict (Hampshire 2000). This is perhaps the case in Venezuela, where President Chávez called into question a political arrangement that had broadly been considered legitimate for several decades previously.

*External Developments* such as changes in market access, debt and interest payments, and capital flows (including aid) can also have a destabilising effect (Stewart 1998). Argentina's political crisis of December 2001, for example, was precipitated by economic collapse brought on by external shocks. As Justino (2002) points out, institutional changes and market uncertainties resulting from industrialisation, urbanisation and modernisation in most developing countries have made some people better off and others worse off. Sectors of the population have been unable to participate in these changes due to lack of access, lack of education or deliberate discrimination. In addition, the liberalisation process entails increased uncertainty, especially in traditional markets.

External political pressure can also play its part. In Bolivia, support for Morales's Presidential campaign of 2002 increased dramatically when the U.S. Ambassador threatened to cut aid to Bolivia if the population voted Morales in. More positive external changes can also have a destabilising effect in that they open up new possibilities for equality and increase expectations. Examples include the departure of dictators and waves of external pressure for democratisation (Cramer 2003).

Finally, in classic violent conflict analysis, a key factor in determining whether discontent will spill over into violence is opportunities in terms of access to arms, soldiers, food, etc. (Solimano 2004). This applies somewhat less to political unrest but some elements still hold, such as the fact that higher unemployment rates mean more people are available to protest during the working day at no additional personal cost.

## **Impact of Responses**

The impact of state responses is complex and somewhat unpredictable. Even tried-and-tested policies can provoke unexpected negative responses in a conflict setting. On the one hand, inappropriate state handling of protests or crises can fuel grievances, as was clear in Bolivia in February and October 2003 when deaths caused by police clashes with protesters brought even the middle-classes onto the protest scene. On the other hand, the Bolivian case has also shown how weak conciliatory government responses can set a precedent for illicit forms of protest as a way to get demands met, bypassing formal institutions and weakening the rule of law. Argentina's *piquetero* organisations are open about the fact that they continue to block the streets because they get more social benefits in return (Young, Guagnini & Amato 2002). One school of thought on the Colombian conflict holds that President Pastrana's conciliatory advances served not only to perpetuate the conflict but also gave the FARC time to regroup. Another approach, however, is concerned not only about the human rights implications and human costs of harsher military responses but also sees the potential for state-sponsored repression to undermine government legitimacy and aid rebel recruitment campaigns.

The appeasement or success of one group in achieving its aims can also generate problems with other groups – who may either feel aggrieved by the result of the agreement or who learn the lesson that protest is an effective mechanism for achieving certain demands – the perennial rock and hard place scenario. If President Mesa nationalises the gas industry in Bolivia as a result of indigenous protest, he may well find that the social and business movements of the east make good on their promise to rise up against him in return.

It is not only the state that can engender conflict with its responses. Sectors of middle and upper class Venezuela have responded antagonistically to recent popular challenges by forming themselves into armed neighbourhood vigilante groups. The result has been the crystallisation of two distinct and opposing identities that clash frequently.



## **Consequences of Conflict**

Conflict, by its very nature and by the damage it causes, contributes to the perpetuation of poverty and socio-economic inequalities, as well as feeding back into rising poverty and unemployment and deteriorating living conditions, thereby increasing discontent and generating further conflict (PRUS 2002).

The cost of conflict to society is manifold. There are obvious human and social costs – deaths and injuries, displaced populations and destroyed livelihoods – usually most acute among heads of household and working-age members of households (Stewart & Fitzgerald 2001). More subtly, the psychological trauma associated with both conflict and post-conflict readjustment leads to more pervasive social violence (e.g. domestic abuse) and criminality.

Then there are the economic costs – first in terms of absolute damage to property, loss of human capital and lost opportunities for development, and second in terms of lost investment as the insecurity and increased risk associated with conflict, including the risk of property destruction, adversely affect both foreign and domestic investment (Alesina and Perotti 1996). Moreover, lower private investment levels and the costs (military, police, property repairs, etc) of dealing with conflict also increase the financial burden on the state and reduce the resources available for social policies. Justino (2001) shows that on average military expenditure as a percentage of total government expenditure rises in countries suffering from periods of civil war, while health and education expenditure tend to fall. In El Salvador, for example, military expenditure as a percentage of total government expenditure rose from 12% in 1979 to 40.8% in 1991, while education expenditure fell from 19.8% to 12.8%, and health expenditure fell from 9% to 7.3% over the same period (PRUS 2002).

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## **Tackling Conflict in Latin America**

Conflict is not only inevitable but can also be a positive driver for creative change provided it is channelled appropriately. As a result, it is the effort to provide alternatives to destructive conflict – particularly in the form of violence – that lies at

the heart of all forms of conflict prevention and resolution. While successful conflict resolution responds to developing or existing conflicts by helping those involved find ways to transform destructive cycles into positive steps forward, successful conflict prevention staves off violence by encouraging people not to get caught in those dynamics in the first place.

Both conflict prevention and conflict resolution in the Latin American context need to focus on ensuring that much needed change can take place in an environment of peace and stability conducive to improved human development, and that it is based on consensus rather than imposed by one side on the other – be that by dominant elites wielding their political and economic power or by protesters holding the country hostage with blockades, marches, riots and worse. In this sense, conflict prevention and resolution are not only about averting danger or repairing damage, but also about finding and capitalising on the inherent opportunity to move forward and reduce the potential for conflict in the future.

Conflict resolution effectively falls within the sphere of conflict prevention. To have any lasting success and sustainability, efforts to resolve conflict need to incorporate mechanisms that deal with the causes of conflict, otherwise it is a little like a dentist giving pain killers for tooth decay without filling the tooth – the pain may be temporarily alleviated but the patient will be back in the chair in agony once more the following morning. Indeed, in long-term ongoing conflict situations, the only way out is to address causes, as initial triggers have long since lost their influence.

As outlined above, Latin America has recently suffered from increasing political instability. While that instability is clearly generated in part by social and economic inequality, overt conflict prevention and resolution efforts have tended to address political inequality, primarily in the form of exclusion from decision-making processes. Even efforts to address root causes, such as poverty, now make efforts to incorporate elements of political inclusion.

There are three main reasons for this focus. Firstly, political inequalities are seen as generators of other forms of inequality. Not only are political exclusivity and elite

manipulation often behind other social and economic inequalities but the failure to address them effectively also reflects the negative impact of unequal access to political power. Secondly, mechanisms used primarily to address political inequality can provide a framework for approaches to other controversial and conflict-producing issues including those related to social and economic inequality. The reduction of group inequalities depends on establishing and promoting participatory and inclusive institutions and mechanisms because such efforts offer the disadvantaged an alternative to violence for expressing their needs and interests, a say in their own futures and a sense of ownership of future visions and policies that boosts their commitment to making those policies successful. In doing so, they reduce the probability of future instability and violent conflict. Finally, the positive impact of visible efforts at inclusion helps to open up the space (and time) for longer-term initiatives addressing structural problems to take effect because, in the short term, the effort to improve the situation can alleviate anger and frustration generated by the impression that a group's problems are overlooked.

### **Precursors to Dialogue – Internationally Led Negotiations**

The classic conflict resolution response to an urgent crisis or outbreak of violence, as well as to persistent violent conflict, is the initiation of peace-talks – usually in the form of negotiations of some sort. In these cases, it is common for international actors – organisations such as the United Nations (UN) or Organisation of American States (OAS), government representatives from other countries, or international Non-Governmental Organisations (NGOs) such as The Carter Center – to step up and offer their services. This commonly takes the form of facilitation or mediation, as well as technical support, firstly as most domestic actors tend to be too embroiled in the conflict to act as impartial facilitators, and secondly because the weight of international attention can be an important influence in bringing reluctant actors to the table and encouraging genuine efforts to reach some form of agreement. In Haiti, for example, efforts to promote a negotiated solution were made at different times by U.S. President Clinton (12/2000), a local group called Civil Society Initiative (01/2001), a joint CARICOM-OAS mission (05/2001), and OAS Secretary General Gaviria and Assistant Secretary General Einaudi (2001-2004). Toward the end, the OAS even asked the UN to consider providing peacekeeping forces.

A persistent problem with the involvement of other countries, however, is the fact that they inevitably have their own agendas. In the Colombian case, for example, the facilitating Commission for negotiations between guerrilla groups and the Government includes a number of European countries – Spain, France, Italy, Norway, Sweden and Switzerland – plus Venezuela, Canada, Mexico and Cuba.<sup>8</sup> This arrangement suits the Colombian government in terms of the support and attention it provides, but not in the sense that it allows external interference in supposedly “domestic” affairs.

The Haitian case also shows how inconsistent messages from different international actors can actually have a negative effect on efforts to reach an agreement. In early 2004, while CARICOM member states promoted a plan that required Aristide to legalise protests, release detainees, reform the police, disarm the population, and hold internationally monitored elections at the end of his term, a French statement gave the impression that they would be prepared to back a power-sharing agreement that excluded Aristide, strengthening the unarmed opposition’s resolve to hold out for Aristide’s resignation on the principle that it would not bring international repercussions (Carter Center 2004).

Internationally brokered and supported peace negotiations have clearly been essential elements of both conflict prevention and conflict resolution in the past and will no doubt continue to be so in future. Their top-down, hierarchical approach, however, means that they are not always able to respond effectively to the recent changes in conflict patterns in Latin America that have brought newly empowered, but otherwise poorly represented, civil society groups out onto the streets to voice their demands. It is partly in response to this shift that the dialogue processes outlined below have emerged. The shift also reflects widespread recognition that the complex process of institution building is best done through the leadership of national actors and that the international community has only a limited role to play in this area.

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<sup>8</sup> See [http://europa.eu.int/comm/external\\_relations/colombia/intro/index.htm](http://europa.eu.int/comm/external_relations/colombia/intro/index.htm) for details

## **Dialogue<sup>9</sup>**

First and foremost, dialogue has a role to play in seeking democratic solutions to crises and consolidating fragile democratic processes. Most usage in Latin America has involved government-initiated dialogue simultaneously as a short-term measure to respond to the immediate pressures of a political, economic and/or social crisis, and as a longer-term measure designed to promote government legitimacy and to build consensus on key policies and issues. In Argentina, for example, the 2002 National Dialogue produced both basic agreements to cope with the emergency situation and general consensus on key public policies. Despite its orientation toward public and development policies, it is clear that the process was launched by the Argentine Government to cope with an emergency situation that was threatening to move beyond its control, in a context in which civil society was determined to express itself one way or another and alternatives such as repression had already proven ineffective. In such a case, dialogue offers immediate signs of responsive activity on the part of the government, which have a calming effect on the situation and help to appease a range of distinct protesting groups. It allows the government to retain control over the situation by showing existing political institutions to be adaptable to changing needs and requirements – thereby strengthening rather than weakening them. It also supports alternatives to violence for expression of group interests and needs, while the multi-stakeholder approach helps to ensure that a wide range of perspectives is taken into account and social groups feel a sense of ownership for the outcomes of the dialogue. Where protest is driven at least in part by the lack of alternative communication channels, such opportunities for expression can be invaluable short-term deterrents to violence. Longer-term, however, institutional channels and opportunities need to replace one-off or impromptu opportunities. In Bolivia, national dialogue has been enshrined in law and it is required of the government to convoke such a dialogue every three years. In other places, formal institutions have come to fulfil the same requirements.

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<sup>9</sup> This section draws on International IDEA 2004, UNDP 2003 and Saunders 1999. A more detailed bibliography on dialogue is available at [www.democraticdialoguenetwork.org](http://www.democraticdialoguenetwork.org).

Participatory dialogue has also been used as a development tool – both for preparation of national development strategies and strategic visions and to help generate new policies and programmes on specific human development issues (e.g. Bolivia – 1997, 2000, Visión Guatemala – 1997). By giving citizens a greater stake in formulating national strategy, these methodologies seek to reinforce democratic institutions and support a more participative, cooperative, and democratically inclusive culture. Citizens with a sense of ownership of the process and its outcome agreements also have more inclination to follow-through and support subsequent processes and policies. For more specific policies, the creative nature of the dialogue process, plus the fact that it incorporates a range of stakeholders, means that dialogue provides decision-makers with a fuller array of policy choices. However, the label ‘dialogue’ should not merely be a tool to legitimise government (or indeed international organisations’) choices and priorities but instead should involve all elements of society and should address the fundamental political implications of specific issues and choices.

#### Definitions of Dialogue

The UNDP defines democratic dialogue as a ‘cross-institutional, multi-stakeholder process that addresses complex social problems not being adequately addressed by existing institutions. The dialogue is open and inclusive, encouraging participants to talk with and listen to one another in an effort to build trust, enable consensus, and produce concrete results. Dialogue is democratic when it promotes broad inclusion and participation, and when it emphasises the promotion of democracy and democratic development’ (UNDP 2005). While there are a host of other definitions for dialogue available, this particular definition captures the principles that make dialogue an apt tool for conflict resolution, and indeed conflict prevention, both in Latin America and further afield.

The value of dialogue lies in the balance it seeks between relationship-building and problem-solving and the virtuous dynamic it can generate as a result. Dialogue processes are designed to help build the relationships required to reach sustainable solutions. In turn, the consensus that trust-building can generate has a positive effect on those same relationships, and hence (it is hoped) on relationships between key

social and political actors more generally. Thus, dialogue should be differentiated from debate, public-policy discussions and negotiations above all because it focuses not only on the problem at hand but also on the underlying relationships that generate conflict. In addition, the process helps to generate a sense of ownership of both the process and any resolution, while establishing rules of social interaction for dealing with conflict that constitute a powerful contribution to institution building.

#### Principles of dialogue processes in theory and in practice

Inevitably, there is a gap between the hypothetical ideal of what democratic dialogue should constitute and the reality of dialogue processes, in which compromise and improvisation are essential for overcoming blocks and problems. This section outlines some key principles that feed into design of the ideal dialogue process and the practical limitations and obstacles they come up against when applied.

Participation: Dialogue processes are characterised by their approach to participation. Inclusion of as many stakeholders as possible, including all those considered ‘part of the problem,’ brings advantages of broader ownership, more varied input and perspectives, and legitimacy through positive perceptions of openness. It also helps to make agreements sustainable.

Broad participation can, however, produce difficulties of dispersion and disadvantages for consensus building and decision-making, and for making progress with inter-participant relationships. In situations of high tension or polarisation, some dialogue processes have had to begin with the exclusion of groups that threaten to sabotage the process or show no real commitment and have later expanded to incorporate a broader range of actors. Some groups may also feel that they are making unacceptable concessions by sitting down together, let alone talking – the inclusion of ‘illegal’ groups (rebels/guerrilla/freedom fighters/terrorists), for example, can be highly contentious but may equally be essential for moving toward resolution of a conflict. It may also be that logistical arrangements simply do not allow for everyone to participate at once. Finally, dialogue has the potential for misuse as its conveners can use it to be *seen* to be participatory without necessarily actually taking into account the opinions, ideas and needs expressed through the process.

There is no set rule as to who decides on participants – the decision has at times been made by conveners, at times by the facilitator, and at times has formed part of the early discussion process. In several cases, sectors and/or organisations have been invited to select their own representatives to fill allocated slots. One limitation of this approach is that selected representatives (of civil society for example) often represent the largest and most vocal groups, leaving smaller organisations less well represented – something that is difficult to avoid but can have damaging consequences for future acceptance of any agreement. Another fundamental problem to avoid is that of the deliberate exclusion of certain groups in order to be able to manipulate the discussion. Finally, even when invitations are inclusive, there are no guarantees that all organisations and individuals will agree to participate.

Neutral Facilitators and Conveners: Within Latin America, international organisations such as UNDP and the OAS, as well as NGOs such as The Carter Center and WSP-International, have supported national and regional dialogue processes, often providing facilitators and helping generate confidence in the legitimacy of the processes, many of which are convoked by national governments. There are nationally driven examples also – the Catholic Church in particular has played an invaluable role in dialogue promotion and facilitation.

The factors that influence an organisation's widespread acceptance as a facilitator depend primarily on its capacity to present itself as impartial and its perceived capacity to provide the service required. Although domestic facilitators have the advantage of being seen to have the interests of the country at heart and to understand the situation better, there are not always appropriate domestic actors recognised by all sides. The OAS, for example, benefits from the fact that it receives specific mandates from its member states (including the state in question) to intervene in conflict situations and has several decades of involvement in assisting member states to resolve and manage political crises. It also has access to high-level leadership from both governmental and non-governmental sectors. UNDP has the advantage of being present before, during and after conflict – a factor that generates perceptions of its disinterested and impartial approach, although it initially had to work to overcome its



image as a collaborator with governments (Russell 2000). NGOs such as The Carter Center and WSP-International benefit from their neutral image as non-government organisations with no stake in the outcome, and from the flexibility their NGO status generates in terms of their activities and approaches.

Almost everyone is seen as biased by someone, however. In practice dialogue processes are commonly facilitated by whoever is acceptable (or perhaps least unacceptable) to both sides. The approach in Venezuela (see below), whereby the process was facilitated by a team comprising the OAS, UNDP and The Carter Center - each eliciting different popular responses, shows one innovative way around this difficulty. As a baseline, the facilitator needs to be perceived as impartial by most if not all participants, and by the public more generally, in order to encourage general acceptance of any results and to generate the safe space required for genuine and open communication.

Trust Building versus Problem Solving: As mentioned above, the key distinguishing feature of dialogue is its emphasis on trust building and relationships in conjunction with the quest for consensus and results, and its capacity to consider improvements in communication and understanding as achievements in themselves. The reality of national dialogue processes, however, is that they are often driven by a need to show signs of progress – both to keep people animated and involved, and to demonstrate the validity of dialogue in a results-oriented, policy-driven world. In order to ensure that solutions last, enough of an emphasis must be placed on process to avoid forcing unsustainable agreements. The inclusive decision-making process within dialogue avoids subsequent rejection of solutions by excluded sectors and deters governments from backtracking in their post-dialogue actions. It also generates solutions with popular support and legitimacy borne of their origins.

Long-term approach: The ideal for a dialogue process is a long-term approach that allows for gradual progression and for building on progress made. The reality of crisis situations, however, may well make that an unaffordable luxury, or there may not initially be enough support for the process to be designed as long-term. One approach would be to start with a smaller-scale process but leave space open for expansion at a

later stage. However, there is little point in a dialogue process if it focuses only on short-term troubleshooting – in that situation the pressure for resolution is such that the balance between consensus and solutions is skewed.

Level Playing Field: Finally, the ideal for a dialogue process is a ‘level playing-field’ situation in which all actors feel they can safely participate and communicate their interests, needs and ideas. The reality, however, is that dialogues do not take place in a vacuum and the power relations that affect stakeholders outside the process will inevitably have some influence on their interaction during the process itself. Given this, the role of the facilitator becomes vital for redressing any imbalances, setting and controlling the tone and style of interaction, and encouraging the use of organisational structures that allow weaker voices to be heard – the use of smaller groups at a range of levels for example, or promotion of certain types of decision-making structure.

While recognising the practical limitations of dialogue processes, the bottom line for each of these elements is that what makes dialogue different from other processes – negotiation for example – cannot be sacrificed. Dialogue is fundamentally about an approach to the process that focuses on communication and trust, whatever precise form that process may take, and it is this approach that makes dialogue successful in promoting participation and inclusion, and in generating sustainable solutions to complex problems.

Dialogue is not a cure-all. It has specific advantages in situations where exclusion, discrimination and ensuing inequality have generated or perpetuated conflict because its participatory, multi-stakeholder nature addresses the underlying causes even as it opens up the opportunity for non-violent communication on key issues and grievances. Dialogue can help to deal with emotive, divisive issues bound up with identity, values and relationships such as environmental problems, immigration, housing or land reform – issues that cannot be dealt with appropriately in a rigidly institutional setting. For many of these issues, based on past precedent, trust is lacking and relationships between stakeholders tend to hostility – particularly during post-conflict or post-crisis transitions, for example. In such cases, dialogue offers the time

and space to restructure relationships in a relatively safe environment in which improved relationships are considered a valuable result.

### Why is dialogue so widespread in Latin America?

Although it impossible to give a categorical explanation for the burgeoning popularity of dialogue in Latin America, there are a number of factors that can at least give clues. Firstly, early examples of dialogue in the region clearly demonstrated its potential contribution to conflict prevention and resolution. In Panama, the Bambito dialogue processes were initiated in response to the collapse of the Noriega regime, the U.S. invasion, and growing social and political polarisation. In this context, women's movements and the Catholic Church came together to promote social and political dialogue in November 1992. The United Nations through UNDP then promoted the idea of a dialogue process in support for human development and to help map out the future of the country. The Bambito dialogues that ensued have increased citizen confidence in democratic institutions, strengthened collective identity, improved the relationship between politics and civil society, and convinced Panamanian elites of the value of dialogue (Castillo 2002). In Guatemala, meanwhile, in the face of an attempt at a 'self-coup' by President Serrano in 1993, civil society organisations from across the political spectrum formed a National Consensus Forum (*Instancia Nacional de Consenso*) to oppose the coup and with the intention of offering a valid and reasonable alternative vision for the future. Resisting subsequent efforts to sideline them once more, they then secured their involvement in the renewed peace negotiations in 1994 through a Civil Society Assembly (ASC) mandated to discuss the substantive issues addressed in the bilateral negotiations and to formulate consensus positions, although these would not be binding on the negotiators. The ASC proved unexpectedly successful at developing consensus documents on what Alvarez describes as: 'some of the most challenging issues in Guatemala's history under pressure from a tight deadline of December 1994.' (2002 p.6) Many ASC proposals were subsequently incorporated into the Peace Accords.

Another explanation for the enthusiasm for dialogue in Latin America can be found in the actions of key international actors, who helped to build on these foundations by promoting the sharing of examples. The two primary examples are the UNDP and the

OAS, both of whom have formally promoted dialogue processes, and related networking and sharing of experiences. In addition to UNDP internal sharing of lessons learned, the Programme has been working with a number of partners to promote a Community of Practice for organisations and individuals working on Democratic Dialogue. There have now been two international meetings for organisations promoting dialogue, and three for expert practitioners. The Community of Practice has developed a mission statement that incorporates creating a space to share knowledge and experiences, and extract lessons learned to improve dialogue interventions, coordinating institutional efforts for dialogue promotion, enhancing local and national capacities for democratic development and understanding the conditions for using democratic dialogue and its relationship with other conflict resolution and democratic development tools.<sup>10</sup>

The OAS, meanwhile, has initiated a *Special Program for the Promotion of Dialogue and Conflict Resolution* (part of the organisation's Unit for the Promotion of Democracy) to contribute to discussion and analysis on dialogue, conflict prevention and resolution in order to develop more 'strategic, culturally sensitive and contextually sound approaches.' (Murdock 2004) These efforts contribute, in turn, to the Special Program's ultimate aim of strengthening the capacity of governments and civil society organizations to design, implement and institutionalise their own dialogue, conflict prevention and resolution mechanisms, as the Program makes conceptual frameworks, methodologies, and techniques available to member states. This is clearly an important step toward promoting interest in dialogue and ensuring the long-term sustainability of dialogue processes and their conversion into domestically driven initiatives.

The nature of Latin American political and social instability also renders dialogue an appropriate tool for addressing it. Many Latin American countries now have a range of protesting groups rather than one or two all-encompassing opposition movements, which makes traditional negotiation all but impossible.<sup>11</sup> In addition, Latin American

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<sup>10</sup> See [www.democraticdialoguenetwork.org](http://www.democraticdialoguenetwork.org).

<sup>11</sup> The notable exception is Venezuela, where the opposition brought together all manner of groups opposing the Chávez administration under a single umbrella organisation – the Democratic Coordinator

organised civil society has generally been well developed enough to be able to participate effectively and take advantage of dialogue, with many strong social groupings and increasingly vocal group demands for representation. In most cases there were also already institutions in place, although weak, that provided space for dialogue to take place and the potential for dialogue to function as an institution-building tool in strengthening existing mechanisms. Finally, weak governments – particularly in the aftermath of dictatorships – have been compelled to embrace rather than resist calls for participation and dialogue under strong pressure from ‘democratisation’ reforms and civil society groups empowered by their role in bringing down regional dictators.

Despite its popularity in the region, dialogue is not unique to Latin America. There have been myriad other initiatives in the region at a range of social levels and with varying motivations. Latin America is, however, beginning to develop a substantial and systematised bank of experiences on which to build. Although the particular challenges and obstacles faced in any dialogue effort inevitably reflect the peculiarities of the given social, political, economic and cultural environment, valuable lessons can nevertheless be drawn from Latin American examples that will be applicable elsewhere, provided the circumstances and needs of a given situation are appropriate for dialogue.

### Conclusion

One of the most powerful concepts prevalent in the conflict resolution field is the idea that mechanisms can in themselves contribute to vital changes and above all to the sustainability of those changes. This relates closely to the recent exciting changes in Latin America as it is beginning to embrace the concept of participation as a contributor to conflict prevention and resolution. Recognition is growing of the importance for long-term sustainability and stability of ownership of processes, of mechanisms that recognise the value, validity and needs of distinct identities, and of attempts to address political inequalities while responding to social and economic needs. If this can be done in such a way as to strengthen institutions, and if it can be

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(*Coordinadora Democrática*), although even this is now beginning to fragment under the pressure of repeated failure and growing unpopularity.

accompanied by parallel strengthening of international capacities to anticipate and respond to conflict in the region, then it will provide powerful tools for responding to political instability and even to more serious violent conflict in future. Dialogue as a methodology has the potential to meet these requirements as it allows concrete economic and social issues to be addressed in an inclusive and participatory manner, thereby integrating efforts to reduce economic, social and political inequality.

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### **Case Studies**

To assume that all dialogue efforts achieve these broad goals of simultaneously reducing economic, social, and political inequality, or even set out to do so, would be misleading. Inevitably, reality falls short of the ideals and for all manner of reasons, some of which have already been considered when describing dialogue methodologies above. The case studies that follow provide three different examples of the use of some form of dialogue in conflict situations and are intended to provide illustrations of implementation in practice of some of the patterns and theories described above.

Argentina's national dialogue was launched in early 2002 as a direct response to a political and social crisis engendered primarily by economic collapse. In convening the dialogue, President Duhalde described its aims as to help confront the crisis, to find a coordinated solution for the medium- and long-term and ultimately to work on defining a sustainable national project. The primary achievement of the process has been to restore the role of dialogue for consensus building in Argentina, with dialogues continuing on new themes and at different levels long after the conclusion of the initial process. The dialogue received considerable popular support during the process and, in this case, dialogue proved an excellent tool for reducing tension short-term. It is clear, however, that sustained stability will depend on the implementation of the newly designed policies and strategies that have emerged from the process, and their effectiveness above all in reducing poverty and unemployment.

Bolivia has experienced two important national dialogues, both with a major focus on poverty reduction strategies that could also be considered to have a conflict prevention component. In this case, they were both launched before the climax of the

political crisis that led to the forced resignation of the President in October 2003, but, nevertheless, in a context of persistent social and political unrest that related closely to economic conditions. While these dialogues made valuable contributions in terms of promoting and even institutionalising such participatory processes, their narrow focus (and to some extent perceptions of lack of transparency) meant they were unable to have a lasting impact on social harmony in Bolivia.

The supposed ‘dialogue’ described in the Venezuelan case study on closer inspection fails to meet the criteria laid out above for such dialogue processes. The case is included nevertheless because it demonstrates how difficult it can be to implement dialogue methodologies on the ground. In this case, the political will to become involved in an inclusive trust-building process, rather than a set of negotiations, was there neither on the part of the government nor of the opposition. Indeed the polarisation of the situation into government vs. opposition illustrates an oversimplification of positions and an entrenchment of alliances that would make genuine dialogue extremely difficult in any circumstance.

### **Argentina**

In recent decades, Argentina has suffered from persistent economic problems including hyperinflation, currency devaluations accompanied by capital flight, escalating costs of living and falling real wages. These problems have been accompanied by political instability leading in the most extreme cases to revolts, overthrows and military dictatorship, without the changes in leadership and policy ever resolving the country’s woes.<sup>12</sup>

In 1991, President Menem set out to control inflation and generate financial stability by pegging the peso to the dollar at one to one parity through a currency board. The result was an end to rampant inflation and an inflow of billions of dollars of foreign investment. Long-term, however, the policy led to an overvalued peso that made Argentine exports uncompetitive. Moreover, Argentina’s currency board system and unrestricted capital mobility made it almost impossible for the economy to withstand

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<sup>12</sup> This section draws on the accounts in Cibils *et al.* (2002), Crisis States Programme (2004), Perry (2002), The Economist (2002) and Trinkunas *et al.* (2004).

external shocks, including the US Federal Reserve raising short-term interest rates and the Mexican peso crisis in 1994; the Asian financial crisis of 1997; and the Russian and Brazilian devaluations of 1998 and 1999 respectively.

Argentina entered an economic recession in 1997/8. In December 2001, the IMF shut off a \$1.3b bailout and Argentina defaulted on its foreign debt of \$141b. President De la Rúa also announced a \$250 weekly limit on bank withdrawals to halt a run on the country's banks. The middle-class joined the unemployed *piqueteros* in street protests including attacks on banks, supermarkets and the presidential palace. Twenty-seven people died. De la Rúa stepped down and there were three failed attempts to replace him before Duhalde stepped up on 1 Jan 2002. Duhalde's first move was to create a multi-tiered exchange rate to replace the peso's parity with the US dollar. This was particularly painful to middle-class Argentines because most salaries are paid in pesos while most consumer debts and mortgages are valued in US dollars.

The 2001-2002 protest scene in Argentina was dominated by two groups – the unemployed *piqueteros* and the middle-class *cacerolazos* ('bangers of pots and pans'). While the middle-class have largely taken their pots and pans back to their kitchens in light of improving economic conditions and conciliatory gestures on the part of the government, the *piqueteros*, who have been active since 1996, have continued to set up their blockades and demand the attention of the rest of the country. The unique labels are an indication of the group identity and solidarity that gave individuals the strength and courage to protest. In the case of the *piqueteros* it also reflects growing organisation within the movement, although even they are fraught with internal divisions and the presence of rival organisations with differing mentalities. The fact that benefits are now channelled through *piquetero* organisations allows them to control their membership and, ironically, ensures attendance at their pickets.

### **Causes of conflict**

The case of Argentina clearly illustrates how economic collapse can precipitate social and political crisis. Although Argentina has scored consistently over 0.8 –the UN threshold for 'high human development'– since 1985 (UNDP Argentina 2002), over



50% of households reported a reduction in nominal incomes from October 2001 to 2003, of which a disproportionate number were headed by individuals with secondary education – those who make up the Argentine ‘middle-class’. This marks a significant change from the economic downturns generated by the external shocks of the 1990s, which hit the poor hardest (Fiszbein *et al.* 2002). Poverty rates, having fallen consistently from the late 1980s into the 1990s, have been rising since 1994, reaching a peak in October 2002 of 57.5% below the poverty line, of which 27.5% were in extreme poverty – unable to meet even their basic nutritional needs. The country has been plagued also by rising unemployment rates, which peaked at 21% in 2002 (INDEC, in UNDP 2004). Formal employment fell by 7.4% between October 2001 and May 2002, the proportion of salaried workers without benefits increased from 33% to 35% in the same period (Fiszbein *et al.* 2002). By 2000, the informal sector accounted for 38.9% of economic activity. One sector that was particularly hard hit by the crisis of 2001-2 was that of construction, a key source of employment for unskilled workers, which contracted by 42% from 2001 to 2002 (Fiszbein *et al.* 2002).

The crisis of 2001 also provided a clear illustration of the bankruptcy of Argentine politics, as it proved extremely difficult to find a replacement for De la Rúa who would have both political backing and popular support. Just 1% of respondents to a Gallup poll in 2001-2002 did not think that the quality of politics and politicians needed to be improved in Argentina. Fortunately, around 80% believed that the change was possible (Fiszbein *et al.* 2002).

### **Conflict Resolution – National Dialogue**<sup>13</sup>

Already in 2001, in the face of Argentina’s growing economic and political woes, both UNDP and the Catholic Church had been promoting the idea of a national dialogue. The crisis of December 2001 effectively forced the Government’s hand and, as he took office in January 2002, President Duhalde called for a national dialogue to help to confront the crisis, to find a coordinated solution for the medium- and long-term and, ultimately, to work on defining a sustainable national project.

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<sup>13</sup> This section draws on Dialogue case study reports found on the UNDP’s Democratic Dialogue website at [www.democraticdialoguenetwork.org](http://www.democraticdialoguenetwork.org) and on UNDP (2003a).

The National Government, the Catholic Church (under the auspices of the Argentine Episcopal Conference) and UNDP played a leading role in convening and coordinating the first phase of *Diálogo Argentino*, which ran from January to July 2002. The process began with the ‘Dialogue of Actors’ – bilateral meetings held with diverse sectors of society to promote the concept of dialogue and identify priority issues and minimal agreements required. Approximately 300 entities were represented by 650 leaders from the private sector (16%), NGOs (12%), professional and academic institutions (12%), government (12%), political parties (12%), emergent groups such as the *piqueteros* (10%), micro-businesses (6%), banks (4%), sects (4%), and intellectuals (2%). The aim of these meetings was to open a space for exchanging opinions before bringing diverse sectors together. This helped to construct an agenda that incorporated values. These included immediate issues, such as the food and sanitary emergencies, the *corralito* bank freeze, the start of the school cycle/teachers’ salaries, and citizens arrested for demonstrating, and also strategic objectives and ‘hinge’ themes that fell somewhere between short- and medium term.

In February 2002, Sectoral Tables were established to address emergency priority issues and to develop consensus on public policies to be implemented in the medium-term. This phase was accompanied by provincial dialogue processes in Catamarca, Corrientes, La Pampa and Buenos Aires. As a consolidation of progress made, the document *Bases for the Argentine Dialogue* was drafted in July 2002.

The second phase of *Diálogo Argentino* (October 2002-April 2003) involved more extensive dialogue to identify strategic courses of action. An Enhanced Table was integrated with substantial civil society representation from religious ideologies, NGOs, corporations and workers. Its main aim was to search for basic social consensus to generate a governance agenda that would support social cohabitation and promote institutional transformation. Strategic Guidelines were subsequently adopted and an Operational Group was created to design and implement the actions required to fulfil objectives in the areas of Communication and Media, Dialogue with All, Advocacy in the Juncture and Governance Agenda. The Sectoral Tables were also made permanent. Throughout this phase, the Laymen’s Department of the Argentine

Episcopal Conference was responsible for coordinating the dialogue, with the government reducing its participation to that in the various sectoral tables.

The *Diálogo* had the primary effects of restoring the role of dialogue as a consensus-building instrument in Argentina; breaking down cross-sectoral tensions and recovering national commitment to common welfare; and developing a range of social reform policies. Among the specific social policy achievements of the dialogue were:

- *The Unemployed Men and Women Heads of Households Programme* now reaches 2 million poverty-stricken homes with monthly subsidies of \$150. Civil society organizations have been involved in implementation and monitoring at national, provincial and municipal levels. The programme costs the Argentine government around \$365million a year (UNICEF).
- Consensus was reached at the Table on Health on prescription of generic drugs and on a *Remedial Programme* for distributing basic medicines to the neediest sectors.
- The Table on Construction and Housing produced a proposal for reactivation of house construction to fulfil demand for housing and reactivate employment that was subsequently approved and acted on by the Government.
- The Table for Justice Reform succeeded in integrating dynamic group of promoters of the reform process.

Unfortunately, although the main authorities subscribed to the Federal Agreement on Political System Reform little progress was made in this area.

The second phase of the dialogue included a series of public debates in April 2003 with the presidential candidates, intended to encourage their participation in the construction of consensus and joint development of a Governance Agenda based on agreements reached during the dialogue process.

Dialogue has continued since the change of government in 2003. The dialogue management board has been broadened to incorporate other civil society organisations. New thematic tables have been convened in environment, science and technology, and national security, and new dialogue offshoots have been launched in the provinces of Mendoza, Cordoba and Santa Fe. Several of Kirchner's Ministers

have since praised the achievements of the dialogue and committed to work with dialogue methodology. The current government has also created a new Sub-secretariat for Institutional Reform and Democratic Strengthening.

The dialogue process has, broadly speaking, received popular support. A poll of February 2002 suggested that it was seen as positive by around 65% of the population, while around 50% believed it would greatly contribute to resolution of the crisis (*Gallup* in UNDP 2003a p.6)

### **Conclusion**

The National Dialogue offered the opportunity for the many differing and dissident voices in Argentina to be heard and government efforts to implement agreed policies and to demonstrate that it is listening have largely paid off. Efforts to increase economic stability and reduce unemployment have largely succeeded, as prices have stabilised, and poverty rates have fallen somewhat.<sup>14</sup> The middle-classes have generally returned to their homes to see how things develop over the next year or two. Both poverty and unemployment rates are still extraordinarily high, however, and groups such as the *piqueteros* are still defiantly active, although, ironically, they are relatively well controlled by what amounts to a system of benefits for good behaviour that in itself ensures the perpetuation of the organisations. Future stability depends above all on the government's ability to walk the fine line between pleasing both Argentine society and the International Community (above all the IMF and World Bank) while also making significant changes to the political and social problems that have generated instability in the first place.

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### **Bolivia**

As structural adjustment reforms exacerbated already worsening economic conditions for many in Bolivia in the 1980s and '90s, awareness of social inequality began to grow. The traditional political system began to fragment and new voices of protest began to be heard on the political scene and in the streets. As a culmination of this

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<sup>14</sup> Poverty and extreme poverty rates for the first half of 2004 stood at around 44.3% and 17% respectively nationwide (INDEC). Some parts of the north, however, have poverty rates well above the national average – 71.6% in Concordia, for example (UNDP Argentina 2002).

trend, in mid-September 2003, organizations ranging from regional workers' federations and neighbourhood councils to peasant unions and squatters hit the streets once more while the trade union movement (COB) announced an indefinite strike, demanding the President's resignation. Over 60 people were killed in clashes between security forces and peasants. President Sánchez de Lozada resigned on 17 October 2003 in the face of genuine fears about further chaos and bloodshed and as prominent middle-class intellectuals joined the protest with hunger strikes in churches throughout the country (Carter Center 2004).

### **Causes of Conflict**

This 'civil society coup' as such events have come to be known, is just an extreme manifestation of the widespread social and political divisions that are tearing Bolivia apart and making the job of governing the country almost impossible. The streets are regularly packed with protesters over the exploitation of natural gas and the failure to bring benefits from this resource to the vast majority of the Bolivian population. These protesters in turn are pitted against the businessmen of the eastern region who threaten secession if the industry is nationalised. The government is caught in the middle. The *cocaleros* (coca growers) of the Chapare region, led by Evo Morales, protest against what they perceive as the government's adherence to economically damaging externally-dictated eradication policies to combat coca production in the region, seeing the implementation of such policies as a case of neglect (and at times human rights abuse) on the part of the government, and as yet another example of domestic needs being subordinated to foreign demands. The government is once again caught between the demands of the *cocaleros* for a living wage and the demands of the United States to continue with eradication on pain of losing both related and unrelated aid packages.

Another contentious issue is that of land reform. In Bolivia 2 million mostly indigenous families work 5 million hectares of land, while less than 100 families own 25 million hectares between them (Petras 2004). The Agrarian Reform Law provides for indigenous communities and individual farmers to have legal title to their lands but claims abound from indigenous communities that territories are not defined legally or protected. Indigenous groups organised a number of illegal occupations in

October and November 2003, mostly of properties of former government officials (Petras 2004).<sup>15</sup>

The impetus behind this pressure for change relates closely to the perceived failure of the country's political and economic model. Two decades of submissive adherence to IMF budgetary policies have generated no significant improvement in Bolivian living standards. Bolivia's poverty rates, which had fallen gradually during the early 1990s rose again to 61.2% in 2002, with 37.3% in extreme poverty (UNDP 2004). Underemployment is rife and over 60% of jobs are in the informal sector. The real minimum wage is just half what it was in 1980 (CEPAL in UNDP 2004). The country's infant mortality is the second highest in Latin America (Justino *et al.* 2003) and life expectancy is still only just over 61 years (UNDP). Bolivians spend an average of just five and a half years in school (UNDP 2004) and there is a difference of over seven years between the poorest and richest 20%. As a result, 'many Bolivians no longer believe in the promises of free trade and privatisation,' although viable alternatives have not become clear either (ICG 2004, p.18).

Equally damaging –and illustrated most clearly by the downfall of the President in 2003– is the lack of support for traditional politics and politicians. Bolivia is racked with corruption scandals, lack of public faith in a deadlocked Parliament, increasing support for non-traditional options in elections and severe fragmentation of political parties (Van Cott 2003), all of which serve to further undermine popular confidence in political institutions.<sup>16</sup>

Into this political vacuum, a range of social groups has emerged –both nationally and at community level– including the *cocaleros* led by Evo Morales of MAS (Movement Toward Socialism), the peasant workers movement (CSUTCB) led by Felipe Quispe and the Bolivian Workers Union (COB) led by Jaime Solares, as well as neighbourhood organisations in key areas such as El Alto.

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<sup>15</sup> This section draws on ICG (2004).

<sup>16</sup> This first section on the nature and causes of conflict in Bolivia draws on ICG (2004).

In particular, indigenous movements are going from strength to strength as they mobilise both rural and, increasingly, more urban populations (ICG 2004). The indigenous make up 62% of the Bolivian population, dominate the highlands and are majorities in La Paz and El Alto. Persistent discrimination against them has left 88% living below the poverty line and throughout Bolivia's history they have rarely held positions of government or business authority (Justino *et al.* 2003). Morales's *cocalero* movement is dominated by indigenous people. Morales himself has become a key player on the national political scene, investing in visits to forgotten highland towns and cultivating his relationship with international leaders such as President Lula in Brazil. He is currently combining support for Mesa in Congress with rhetoric against him in the streets (ICG 2004) and is expected to run for the presidency in the next elections.

Although the government tactic of sector-by-sector negotiation has at times left groups such as the *cocaleros* of the Chapare region isolated from other popular sectors (Potter & Farthing 2001), many groups have begun to adopt the issues of others in addition to their own, and to engage in solidarity strikes and blockades. This reflects the growing sense of 'us and them' that lines the poor and oppressed up against the discriminators in the form of the traditional political and economic elites.<sup>17</sup>

### **Conflict Resolution – National Dialogue**<sup>18</sup>

The Catholic Church, the most highly respected institution in the country (UNDP 2004) has played a role as independent peace broker promoting dialogues for over a decade. It has been accompanied in this role by the Ombudsperson's office, which also has a reputation for independence from central government. However, the fact that these dialogues were consistently called in response to strikes and protests made them prone to failure and in many cases agreements reached were not followed through (ICG 2004).

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<sup>17</sup> This section draws on ICG (2004).

<sup>18</sup> This section draws on Dialogue case study reports found on the UNDP's Democratic Dialogue Project website at [www.democraticdialoguenetwork.org](http://www.democraticdialoguenetwork.org), on World Bank (no date) and on Carafa Rada (2000).

In addition to the Church's traditional conciliatory efforts, there have been two formal national dialogues in Bolivia – both of which were structured around the elaboration of national development strategies with the additional purpose of establishing trust between government and civil society for poverty reduction. In one sense, these dialogues can be said to have set out to address a fundamental root cause of conflict. However, their narrow focus on poverty reduction meant that key contentious issues, such as those of natural gas exploitation or drug eradication policies, for example, and key constructive issues for the future, such as governance and national unity, were omitted.

The Banzer Government convened the first of these dialogues, Bolivia Toward the 21<sup>st</sup> Century, in September 1997 to try to build consensus among civil society interest groups around a medium to long-term national development strategy. The programme developed was the 'General Economic and Social Development plan 1997-2000' (PGDES), which organised a development programme with poverty-reduction at its centre around the pillars of equity, opportunity, institutionalism and dignity. The second National Dialogue, launched in 2000, again by the Government with support from UNDP, focused on the elaboration of a Poverty Reduction Strategy Paper (PRSP)<sup>19</sup>, responding to a specific requirement that PRSPs be developed using participatory mechanisms. As a result of the dialogue, agreement was reached on the allocation of HIPC II debt relief resources, economic opportunities were recognised as essential for poverty reduction and dialogue was institutionalised – a new Law requires the government to convene a dialogue process every three years. Although the 2003 dialogue was delayed by the conflict of that year, preparations for the next dialogue process began in mid-2004.

The highlight of the Bolivia Toward the 21<sup>st</sup> Century dialogue was a National Workshop, held in La Paz in Oct 1999, during which civil society organisations and other sectors of Bolivian society were invited to contribute to poverty-reduction strategy development. In fact, civil society representatives constituted two-thirds of participants. Civil society was not, however, invited to participate in municipal level

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<sup>19</sup> The Poverty Reduction Strategy Paper (PRSP) is an IMF/World Bank framework document for external debt relief under the HIPC Initiative and for financing from the IMF Poverty Reduction and Growth Facility, and World Bank International Development Association concessional lending facility.



discussions. This was improved on during the second national dialogue, which involved over 2,000 people from 314 municipalities who participated through roundtables at municipal, departmental and national levels. A questionnaire was distributed to municipalities with questions on the main social problems of the country, nine dialogues were held at departmental level, and the *National Mesa* used the themes considered at the municipal and departmental levels to reach agreement on priority actions. Participants in the National Mesa included political parties, government, civil society, the church and representatives from the municipalities and departments.

Civil society was also able to participate through a parallel Church initiative designed to ensure that a full range of voices would be heard. Amid concerns about the second Dialogue that included the right of civil society to have access to the same information as other actors, to participate in the design of the dialogue methodology and focus, and to participate in monitoring and evaluation of policies agreed on through the dialogue, the Church decided not to join the dialogue steering committee but instead to sponsor a discussion forum – Jubilee 2000 – to promote civil society discussion that would later feed into the dialogue. A \$400,000 Special Fund to support civil society contributions to dialogue provided by UNDP and the Governments of Germany, Denmark, the Netherlands and the U.K. provided an important boost to this initiative.

The Church-backed parallel dialogue, under the banner of ‘Constructing a Human Development for All’ worked at a departmental level to organise three-day Forums in each of Bolivia’s nine Departments, which in turn fed into the national-level dialogue. During these meetings, Working Groups discussed macroeconomic policies and structural adjustment; civil participation and human rights; rural/urban education; rural/urban health; income and employment; and land and productivity. In addition to participating organisations, 350 individuals volunteered their services as consultants to guide the process.

The concrete proposal produced through the national-level dialogue in the form of a ‘Social Control Mechanism’ fed into the PRSP, although the government was

selective about the elements it picked up and those it discarded (World Bank no date, Bendat no date). Other civil society initiatives included a forum for small and medium-sized producers that focused on increasing productivity as a way of reducing poverty and regional assemblies with indigenous groups (World Bank no date).

Bolivia's relatively sophisticated NGO sector has the capacity to research issues and engage in public policy formulation rendering its participation far more than a popular gimmick. Unfortunately, the government failure to convert many of the ideas and plans that emerged from the first dialogue process into effective action had a weakening effect on the second process. Key civil society representatives of peasant unions and confederations elected not to participate due to a lack of trust carried over from the previous dialogue experience (World Bank no date). The presence of influential umbrella groups and associations created sources of tension and conflict that imposed restraints on PRSP preparation and remained unresolved even after the conclusion of the process. In addition, there were persistent complaints about the lack of correlation between the second dialogue and the Bolivian PRSP, as the themes of health and education were placed on the dialogue agenda without adequate consensus.

The 1997 Dialogue began with a day of presentations of external diagnostics and proposals, and presentations by participants from different sectors. This was followed by a day of open debate followed by a third day working toward conclusions based on the consensus and dissent expressed during the debate (Carafa Rada 2000). Discussion was on broad themes rather than specifics. The process for the 2000 Dialogue was divided into Social, Economic Development, and Political components. Although the more concrete focus and addressing of specific key elements was welcomed, there was some criticism of this structure because it compartmentalised poverty-reduction according to a social welfare/basic needs model rather than taking a broader, more holistic approach as advocated by many civil society organisations (World Bank no date, Bendat no date).

These processes were dialogues rather than negotiations in the sense that they addressed a broad range of themes in open and creative discussion fora, provided opportunities for many different stakeholders to participate (rather than just high-level

policy-makers or representatives), and made some efforts to build better communication channels and more trusting relationships between government and civil society. The fact that the second dialogue was specifically aimed at producing a PRSP for Bolivia, however, increased pressure for discussions to follow a set agenda and to produce definitive results. It also meant that the dialogue was convened in response to an external demand rather than internally driven. It was also noticeable that the dialogue was much more open and constructive at the municipal level than at the departmental level, where participants were more prone to discourse and to clinging to preconceived political and ideological ideas (Carafa Rada 2000).

There are also some complaints that, for both dialogues, ideas discussed were not effectively put into practice. One reason for this may be that the PRSP is a document designed to secure international funding for a country, which leads governments to try to please their potential donors as much as appease their populations. Bolivia, as the poorest country in South America, is highly dependent on its regular external aid packages and has consistently followed IMF policy guidelines. Distrust of government intentions was exacerbated by the non-transparent manner in which they prepared and approved the Interim PRSP, in close collaboration with the IMF rather than the Bolivian people.

This failure to follow through partly undermined efforts to restore trust in government and, as already mentioned, Bolivia continues to suffer from high levels of disillusion with politicians and their policies, and from a widespread sense of exclusion from effective decision-making power. Mesa's promises of future dialogue seem to have contributed to calming tensions in 2004, however, suggesting that many people still have faith in the intrinsic worth of dialogue processes and that carefully designed and implemented dialogues – in particular avoiding reiteration of the increasingly entrenched positions of different groups – may yet have a role to play in conflict prevention in Bolivia.

Finally, the Church also supported a promising effort at national conciliatory dialogue in 2002-3 but was ultimately unable to get all key parties to sign the final agreement – particularly Morales' MAS. The failure of these negotiations in many ways

foreshadowed the impending removal of Sánchez de Lozada from power, as it demonstrated the intransigence of the indigenous movement at that time.

### **Conclusion**

In terms of their conflict prevention capacity, despite the intrinsic value of inclusive debate, it is difficult to imagine dialogues based on such narrow agendas successfully resolving conflict based on a range of complex, interlinking issues and identities in which a sense of ‘us and them’ solidarity among the ‘oppressed’ has led to regular borrowing of issues for solidarity protests. This is even more the case if the agendas themselves were not determined through a participatory process. Poverty reduction efforts can clearly contribute to reducing instability and unrest in the country, but the exclusion of key controversial issues inevitably leaves alternative sources of discontent.

One year on from October 2003, Bolivia is still regularly racked by protests and blockades from miners, peasants, *cocaleros*, unionists, anarchists, and indigenous groups (Averbach 2004). Mesa has held on for substantially longer than many initially predicted, however, which in itself is testimony to his capacity to balance opposing forces and to the value of participatory mechanisms in conflict resolution terms. Given this precarious context, the future stability of Bolivia depends heavily on efforts to strengthen institutions and ensure that the current government is both responsive and seen to be so. In terms of future dialogue initiatives, their success depends very much on whether the lessons learned through previous processes – particularly about the need for breadth and depth in civil society participation and for the government to follow through on commitments – have been taken on board and are reflected in the National Dialogue and in the Constituent Assembly of 2005. Such activity can only do so much, however, and it is clear that fundamental improvements in the status of indigenous and other poor groups are a basic requirement for reduction of political unrest. The tragedy lies in the fact that every blockade set up in protest has a negative impact on the country’s economy, making it ever harder for the Bolivian government to respond.

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## **Venezuela**

The major challenge to understanding conflict patterns in Venezuela is that, while the political and social instability the country now suffers from was originally generated primarily by a specific pattern of social, economic, and political inequality, that configuration has now broken down and the roles of opposition and authority have been reversed, at least in the political and social spheres. While the same original problems continue to feed into the conflict, it is now perpetuated by a different set of causes, interests and needs. Even addressing the acute poverty and inequality that Venezuela suffers from, as indeed President Chávez claims to be doing, will not resolve the conflict without efforts to address additional factors such as the growing fear and insecurity of the opposition, and the lack of adequate accountability and good governance.

Chávez won the presidency in 1998 with a massive 56% of vote. This success was due to his capacity to channel the discontent that had been building for more than a decade. Chávez's rhetoric of 'Bolivarian Revolution' and participatory democracy have combined with his approach to social policy to offer a polar opposite to the liberal model of economy and government that had generated such a sense of betrayal among the Venezuelan poor. He built a new identity for the poor as revolutionaries, *chavistas* and later a whole range of terms (many of them with military overtones) associated with different campaigns and programmes. He encouraged them to form community organisations, local political groups and the shady 'bolivarian circles,' which have been implicated in all sorts of violence against opposition supporters. He also created a complementary identity for himself as 'champion of the marginalised' and 'the people's President', emphasising his humble background and indigenous roots.

As part of this identity-creation, he placed great emphasis on divisive 'us and them' rhetoric, lumping all opposition members together as, among other things, '*oligarcas*' or '*escualidos*', and generalising broadly about their corrupt, selfish, anti-poor motivations for maintaining the unacceptable *status quo*. His pre-election conciliatory assurances that he would incorporate all qualified people into his government were rapidly discarded.

In the process, a strong opposition identity was generated and entrenched. The private media stacked up against government media and this confrontation has fuelled the conflict with persistent biased and inflammatory reporting from both sides. Chávez's intransigence and apparent unwillingness to allow the middle-class to consider itself part of the Venezuelan people too, and his economic and social policies designed explicitly to generate radical change, fed opposition fears for their future. This provocation, combined with the fact that many Venezuelans had only recently become poorer and retained their sense of social status if not the resources to sustain it, resulted in apparent middle-class overreactions to policies that were not necessarily bad for them directly. For example, one of the laws passed by presidential decree in December 2001 was a land redistribution programme that focused on government land but left open the theoretical possibility of incorporating unused private land (in return for compensation at market prices) (Carter Center 2004, Wilpert 2004). The reactions of many opposition supporters were disproportionate to the actual threat posed to them and their property, reflecting concerns about the growing power of the president, and strong identification with the opposition 'group' and its social, economic and political model.

#### Opposition uprising

Opposition desperation at what they perceived as discrimination and exclusion on the part of Chávez leaving them no alternative channels for representation led to the idea that they had to remove Chávez at all costs. This resulted first in persistent protest, and then in more sinister methods.

On 10 April 2002, oil, labour, and business leaders extended a three-day national strike indefinitely, announcing they intended to continue until Chávez resigned. The following day, 150,000 anti-Chávez protesters clashed with government supporters and the National Guard. Nineteen people<sup>20</sup> were killed and over a hundred were wounded including both government and opposition supporters. Although responsibility for the deaths and injuries of 11 April has never been established, at the

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<sup>20</sup> Figures vary: The Attorney General ([www.fiscalia.gov.ve](http://www.fiscalia.gov.ve)) and Office of the Human Rights Ombudsman ([www.defensoria.gov.ve](http://www.defensoria.gov.ve)) give 19, COFAVIC victim support group ([www.cofavic.org.ve](http://www.cofavic.org.ve)) gives 17, and Human Rights Watch ([www.hrw.org](http://www.hrw.org)) gives 18.

time, military officers struggling to keep control in the streets of Caracas, blamed the government and its deliberate polarization of the nation for the violence. They detained Chávez and subsequently announced his resignation – a claim later challenged by Attorney General, Isaias Rodríguez, and by Chávez himself.<sup>21</sup>

The military proclaimed Fedecámaras President, Pedro Carmona, Acting President of the Republic. As soon as he was sworn in, Carmona dismissed the National Assembly, fired the Supreme Court and abolished the Constitution. Meanwhile the military units who did not support the coup began to proclaim their support for Chávez, while the military officers who had put Carmona in power became disillusioned with his decisions. On 13 April, after a massive and violent popular demonstration by Chávez supporters, Carmona was removed. Chávez was reinstated the following day.

On 2 December, the opposition launched a massive general strike that shut down the national oil company PDVSA for nearly two months, threatening the economic stability of the country and costing the government seven billion dollars in lost revenues (Fleischer 2003). Many people thought this would break Chávez but instead it allowed him to strengthen his control over the company. He fired all the managers on strike and replaced them with people loyal to his regime. He later ordered the arrest of the main strike organizers, Ortega and Fernández.

Since this point, opposition efforts to remove Chávez have continued but the national negotiation process between government and opposition (see below) has helped to ensure that it has followed a more institutionalised path – specifically the exercise of the right enshrined in the 1999 Constitution to call for a referendum to remove the President after one half of his term has passed.

These military, political and economic efforts to strike back were as much a part of the conflict as Chávez's actions in the first place. The negative economic impact of the strike, for example, fed straight back in a vicious dynamic into middle-class insecurities about the stability of their economic position. Economic losses from

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<sup>21</sup> This and the following two paragraphs draw on details from Carter Center (2004).

tourism and from investment resulting from street protests and clashes have had a similar effect – each side blames the other for the negative consequences.

### **Causes of Conflict**

The Venezuelan dependence on oil has had a profound impact on its economic, cultural and political formation. Booming oil revenues generated expectations about government spending that led governments to become heavily indebted under pressure to maintain newly established standards once oil income started to decline. Oil has also fostered the idea that success in Venezuela depends on access to oil wealth – through employment or contracts (Lynn Karl 1997). This clientelist approach has produced a bureaucratic system in which around 45% of people in the formal economy are employed by the state (Wilpert 2003).

Although Human Development Index figures for Venezuela have improved in recent decades, reaching 0.778 in 2002, both poverty and inequality rates have shown marked increases since 1990. In 1998, the poorest 20% shared just 3% of income or consumption, while the richest 20% shared 53.4% (HDR 2003). The Andres Bello Catholic University of Caracas quotes figures for poverty of 33% in 1975 and 70% in 1995. This has been accompanied by a dramatic decline in real industrial and minimum wages to 40% of their 1980 levels by 2000. Urban unemployment peaked at 15.8% in 2002 (National Institute for Statistics). The informal economy grew from 34.5% in 1980 to 53% in 1999 (Rodríguez 2004). As with most of Latin America, in theory Venezuela has universal public education and basic health care but services are often poor and there are often hidden costs involved. By 1998, for example, primary school enrolment had fallen to 83%, largely in response to increases in registration fees and school material costs (Wilpert 2003). The average number of years spent in education in 2000 was just 5.61 (IFAD 2001).

From 1958 onwards, the Venezuelan political elite established a ‘democratic’ power-sharing agreement that ensured their continuation in power in return for stability and for social inclusion and justice to be derived from equitable distribution of the oil rent – an arrangement that collapsed along with oil prices and the Venezuelan economy in the 1980s. In 1989 newly elected President Carlos Andres Pérez inherited a balance of



payment deficit of US\$7.8billion, a fiscal deficit of 9.4% of GDP, foreign exchange reserves at a critical level, and acutely distorted prices. Pérez responded with an orthodox structural adjustment programme. Within a month, after the implementation of a 30% increase in petroleum prices, Caracas and other cities were ravaged by protests leading to riots and looting. As people came flooding down from the poor *barrios* (urban slums), the military was called in to restore order and brutal state repression ensued, causing at least 350 deaths. (López Maya 2002).

This upheaval, commonly referred to as the *caracazo*, was a clear sign of growing social resentment and tensions, largely caused by growing inequality but exacerbated by a strong sense of betrayal as the new economic model undermined previous promises of inclusion, social justice and support for the poor. The *caracazo* also affected the Armed Forces. Commonly from lower-class backgrounds themselves, many resented having to assume the role of oppressor during the riots, and suffered deeply from the popular vilification of the military that ensued. The longer-term impact of this experience on Venezuela political stability became clear when, in 1992, two separate military groups attempted *coups d'état*, both protesting against government corruption and at the neoliberal economic model, and one of which was led by Lieutenant Colonel Hugo Chávez. President Pérez was impeached in 1993 for apparent misuse of state funds – yet another sign of political discontent and further indication of the corruption of traditional politics.

Venezuela provides a classic illustration of the negative impact of inequality on stability. Even before Chávez's arrival on the scene, it was clear that pressure for change within Venezuelan society was building dramatically and that there was clear danger that such change could degenerate into violent conflict. Pardoned by Pérez's successor, Chávez returned to the arena in 1998 offering a way out that initially appealed to many intellectuals as well as to the poor he promised to rescue from their woes.

### **Conflict Resolution – The Table of Negotiations and Agreements (*Mesa de Negociaciones y Acuerdos*)<sup>22</sup>**

After the 2002 coup against him, Chávez initiated a dialogue with his opponents as if realizing that completely ignoring or excluding the opposition was no longer practical. When that dialogue floundered due to persistently high levels of hostility and polarization, Chávez accepted an offer from The Carter Center, the OAS and UNDP to facilitate a dialogue between the government and the opposition Democratic Coordinator (*Coordinadora Democrática*). The so-called Tripartite Mission reflected the fact that The Carter Center had important credibility with the Government while the OAS had substantial credibility with the opposition. UNDP was also recognised as a stable presence in the country and a respected source of technical support since long before the recent confrontations.

These three international organizations supported the choice of national dialogue as an appropriate conflict resolution tool in the circumstances because the idea already had the support of the government and later received support in principle from the opposition. More importantly, dialogue also set out to address key deficits – the absence of a channel of genuine communication among the actors involved, and the lack of trust between highly polarized sectors. In this sense, the content of any agreement was less important than the fact that people sat down at the same table and were able to reach some form of consensus and a non-violent, constitutional means to move forward with the process. Communication in a relatively stable, facilitated environment with international oversight was invaluable for this.

Talks between government and opposition began in November 2002, amidst continuing street marches and continued throughout the following December and January despite the ongoing general strike. Indeed, the ultimate failure of the strike to dislodge Chávez from power left the opposition with little choice but to try and make the negotiations work. The main intention was to move away from the political impasse in which the country found itself, with the hope of identifying a concrete agenda agreed on by both sides and concrete and measurable agreements to strengthen

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<sup>22</sup> This section draws on Dialogue case study reports found on the UNDP's Democratic Dialogue Project website at [www.democraticdialoguenetwork.org](http://www.democraticdialoguenetwork.org), and on personal conversations with Carter Center and OAS staff involved in the process.

governability. The form the talks should take was initially disputed, however, with the government asking for dialogue with international *facilitation* and the opposition calling for negotiations with international *mediation* and binding results. After much discussion it was called the Table of Negotiation and Agreements.

Six ‘representative’ participants were selected by each side. The opposition included representatives of parties, the trade union movement, business leaders and NGOs. None of these were the main elected opposition party leaders, who were prepared to allow the process to function but did not participate directly in the agreements. In addition, each side had a legal advisor.

The OAS Secretary General César Gaviria facilitated the dialogue, with assistance from The Carter Center’s Francisco Diez and technical support from UNDP. The facilitation played an important role in terms in keeping open channels of communication, but the absence of concrete proposals from the actors led the Mesa to turn its attention to short-term contextual developments rather than medium or longer-term solutions. The proposals made by President Jimmy Carter in late January 2003 focused the discussion on concrete proposals, but it still required three more months to arrive at an accord with minimal substantive content. Ultimately, although certain elements were consistent with a dialogue approach, the persistently antagonistic meetings, the emphasis on finding a solution rather than trust building, the hands-off facilitation style and even the participants’ choice of name for the process were more consistent with a negotiation approach.

After much effort, the negotiations produced a formal written agreement on 23 May 2003. The agreement reaffirmed the commitment of all actors to finding a constitutional, peaceful, democratic and electoral solution, to respect for the constitution and to democratic rights. It agreed on State monopoly on the use of force and to undertake a campaign to effectively disarm the civilian population. It agreed to the opposition’s right to call on Article 72 of the Constitution – the right to a recall referendum on a politician after half his/her term. It agreed on the need for a trustworthy, transparent and impartial electoral arbiter for the process and acknowledged the OAS, TCC and UNDP offer of assistance and their prior support

for the process. It also established a joint follow-up body with two representatives from each side to keep open channels of communication (Carter Center 2004, Venezuela Accord, 2003).

All in all this amounted to very little in the way of Government concessions but it was nevertheless extremely valuable in terms of providing the opposition with a ‘Constitutional’ mechanism to pursue their desperate goal of removing Chávez from office, and some form of guarantee of respect for that path from the Government. Both the OAS Mission and the Carter Center have followed up their participation in the negotiation process with continued observation of electoral processes, monitoring of the situation on the ground and the development of related events, and support for the communication and negotiation that kept the process alive.

In the context of extreme polarization, the fact that key political and social sectors were prepared to dialogue in order to deactivate the country’s conflicts and strengthen rule of law was very positive. In practice, however, although the constitutionally provided-for process has been carried out over the past one and a half years, it has not generated the hoped-for solution. The antagonistic attitudes and behaviours that have deepened the divide and generated persistent high levels of tension have had a clear impact on the implementation of the institutional ‘solution’ agreed on at the Mesa. The Government has created obstacles for the opposition at every turn, initially refusing to accept petition signatures that had been collected before the half-way point in Chávez’s term, then developing an elaborate hybrid public-private signature collection process and manipulating the verification process that followed to force many signatories to turn out at a later date to ‘repair’ their signatures. Despite these obstacles, the opposition was eventually granted their referendum on 15 August 2004. Despite some pre-election irregularities the international community generally recognised Chávez’s victory in the Referendum with just under 60% of the vote amid high voter turnout of around 70%. The opposition, however, has still not recognised the result, and meanwhile levels of trust in the Venezuelan electoral authorities – the National Electoral Council – have been painfully eroded through its opaque, partisan decision-making in the past and its incompetent/flawed preparation for each stage in the electoral process.

### Alternatives to Violence – Strengthening Peace in Venezuela<sup>23</sup>

In an effort to support the dialogue process, The Carter Center’s Strengthening Peace in Venezuela programme (SPV) has worked to overcome the polarisation that has permeated all levels of community and family life and develop a movement from below that would encourage peace, reconciliation and understanding at all levels of society, and would encourage political leaders to work for the same. The SPV programme is based on the theories of William Ury, who maintains that the ‘Third Side’ consists of anyone who wants a peaceful resolution to a conflict and who could influence their peers to take a non-violent and de-escalating approach, using a whole range of tools such as listening, mediating, opening communication channels and addressing unmet needs. SPV promotes a nationwide network of Venezuelan actors dedicated to peace building in Venezuela, and to organising events throughout the country, through which The Carter Center hopes that the Venezuelan people will gain a sense of ownership over the peace process. Accordingly, SPV acts as a facilitator for *Paz en Movimiento* – a movement of over a hundred organizations, institutions and individuals dedicated to trying to reduce the extreme polarization and violence that the current political crisis in the country has produced.

SPV has also facilitated roundtable discussions for journalists and other members of the mass media on ‘Reflections on the Role of the Journalism in the Current Situation.’ William Ury and Carter Center facilitator Francisco Diez have both worked directly on trust-building exercises with key media owners and editors, at times incorporating the government and the electoral authorities, as well as on specific initiatives to lay ground rules for more responsible reporting. These meetings have ranged from formal talks through to informal workshops and discussions. During the August 2004 recall referendum campaign, media reporting was monitored for bias by the Media Monitoring Group and, despite persistent problems, significant improvements were noted as a direct result of meetings held during the build-up. The media have been used to fan the flames of the conflict since early on in Chávez’s time in office, making these initiatives an absolutely essential element of conflict

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<sup>23</sup> Information from Wilpert (2004), Diez (2003), Carter Center personal sources, and Venezuela civil society websites – [www.pazenmovimiento.org](http://www.pazenmovimiento.org) and [www.redsoc.org.ve](http://www.redsoc.org.ve).

resolution and a vital contribution to the search for an alternative path for the country (Diez 2004).

### **Conclusion**

The situation in Venezuela is highly complex because of the way in which the dynamics of conflict have modified the driving forces behind it, meaning that conflict prevention and resolution efforts now need to address not only the original root causes but also the causes generated by the conflict itself – particularly middle class fear and anger at the lack of respect and apparent lack of inclusion they are suffering under Chávez. The *Table of Negotiations and Agreements* – the supposed dialogue illustration in this case – did not make a significant contribution in this area, although it did at least promote the search for an institutional solution rather than recourse to violence. Social polarisation has reached such a level that there is also a desperate need to address Venezuelan attitudes to conflict more generally to promote a win-win approach designed to promote long-term stability and harmony.

Unfortunately, Chávez's recent electoral victories – both in the recall referendum against him and in recent regional elections – have left him with little incentive to appease the opposition. This imbalance bodes ill for future reconciliation efforts. On the other hand, opposition political bankruptcy seems to be leading them to moderate their approach, and in particular to talk about addressing the needs of the poor who support Chávez. If they can offer a viable alternative, balance can be restored to the Venezuelan political scene and the genuine advances made under Chavez in terms of awareness of, and support for, the needs of the poor, as well as in terms of widespread political participation, can be consolidated in a more constructive environment.

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### **In Conclusion**

It is clear in all three of these cases that inequality had some role to play in precipitating protest and unrest. Beyond this simple statement, however, there are considerable differences between the cases, even in terms of the types of inequality that are relevant. In Argentina, for example, while the *piqueteros* responded to persistent discrimination over an extended period, the predominantly middle-class

*cacerolazos* banging their pans in the street did so primarily in response to immediate and personal economic losses brought about by the devaluation of the peso. Although their protests blamed current politicians for their losses, they were not driven by any strong sense of discrimination against them as a group, or of persistent exclusion from political decision-making – i.e. political inequality. In contrast, Bolivian street protests are very clearly driven both by a sense of economic disadvantage to specific groups –the indigenous generally, the coca growers, peasant farmers, labourers, teachers, etc.– exacerbated by government policies, and a sense of long-term political exclusion prohibiting changes to those policies. Protests in Venezuela followed a similar pattern initially but the dynamic of the conflict shifted with the election of Chávez in 1998. After this point roles were reversed and protests were taken up by Chávez’s predominantly middle-class opposition who were objecting primarily to political exclusion that could be considered a temporary form of political inequality (in this case a significant change from their previous status). They also objected to economic policies perceived to place them at a disadvantage but this could not realistically be considered to constitute an objection to economic inequality, although the grievance was amplified by economic downturn blamed on Chávez and fed also by the negative impacts of their own protests, such as the 2-month strike.

All three cases also exhibit the influence of bankrupt economic and political models and their failure to produce promised benefits, as an impetus for change. Likewise, in all three cases, and particularly in Bolivia, protest is clearly linked to civil society responses to their perceived inability to bring about change in any other way. However, the impact of the social learning that has demonstrated the effectiveness of street protest –again particularly in Bolivia– should not be underestimated. It may be the case that street protest would now be selected as a strategy even if there were alternative mechanisms because of its consistent success in achieving its goals.

In all three countries dialogue had a positive symbolic impact. In Venezuela it reintroduced the concept of an institutional way out of the conflict and, despite the lack of willingness of participants to truly engage in dialogue, it at least gave the public impression that both government and opposition were prepared to seek a solution to the impasse. In Argentina it not only led to subsequent national dialogues

with considerable popular support but also led to the introduction of dialogue methodologies at other levels of government. In Bolivia it led to the institutionalisation of dialogue processes in government. In Bolivia, however, complaints about the failure to incorporate certain agreed elements into policy generated some disillusion in the process that weakened subsequent dialogue efforts.

Despite this symbolism, it is difficult to determine whether these dialogues truly transformed relationships, with the exception of the Venezuelan case in which they almost certainly did not. Neither the persistence of protest in Bolivia, nor the reduction of protest in Argentina, is a definitive indicator of the impact of the dialogue on relationships. Argentina seems to offer the most effective example of dialogue use as a reconciliation tool but the dialogue's success must be measured against the relative superficiality of the crisis as compared with the deep-rooted structural discrimination behind the Bolivian and Venezuelan upheavals. The relative simplicity of the crisis, plus the effectiveness of the government's policy responses to the crisis, made it much easier for the Argentine dialogue to address key issues and contribute to stabilisation. The contribution of the Bolivian dialogues to conflict prevention was limited by their narrow focus but equally it would have been extremely difficult –although perhaps necessary– to organise a dialogue to encompass all factors disturbing Bolivian society. In Venezuela, the 'dialogue' did not even attempt to address structural issues but instead to look for some way to break the stalemate between government and opposition, with both sides looking to gain maximum benefit from the negotiations rather than allow any significant changes to the relationship between them. While in theory civil society participated, in practice those CSO participants lined up along the same lines as the politicians and any dissident voices were noticeably absent from the process.

These cases make clear some of the difficulties faced in promoting dialogue, even in a region such as Latin America in which there is widespread enthusiasm for such initiatives. While such dialogues can encourage local ownership of solutions, can offer mechanisms that recognise distinct identities, and can constitute valuable attempts to address political inequalities while responding to social and economic needs, they do not take place in a vacuum and they must therefore not only respond to



the unique political and social circumstances in which they take place but must also struggle against the limitations that such circumstances place on them.

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