

Harnessing incentives for peace

An interview with Alvaro de Soto

During a 25-year career with the UN, Alvaro de Soto acquired vast experience in peacemaking. His appointments included Secretary-General's Personal Representative for the Central American Peace Process, Secretary-General's Special Adviser on Cyprus, and Special Coordinator for the Middle East Peace Process.

Accord: This project discusses the roles of incentives and sanctions (as broad categories of policy tool) in peace processes. Let's start with incentives. In your mediation experiences, how were incentives important within an overall peacemaking strategy?

Alvaro de Soto: The whole business of a peacemaker's task is about trying to persuade parties that they will benefit from reaching a negotiated peace agreement. In order to do that you need to be able to show them in what way they would do well: in what way reaching a peace agreement, as opposed to not reaching one, would be to their benefit. To that extent, incentives can be fundamental.

The kind of incentives that were important in my experiences vary greatly case by case. In El Salvador, the government basically wanted to end the war, to end the onslaught on the state and its resources, and to do so by placating or accommodating the desires of the main supporters of the insurgency. The insurgents, on the other hand, wanted very far-reaching reforms. What I could do was try to present proposals that would ensure that a negotiated solution was ultimately more desirable than the existing situation in which they were at each other's throats and lives were being lost on a daily basis.

It became clear to me very early in the negotiations that the war would not end unless there were fundamental reforms carried out. And so the incentive to the Farabundo Martí National Liberation Front (FMLN) was to tell them that I could obtain a portion of the demands they were seeking, the kind of reforms that would overcome the reasons they took up arms in the first place. And to the government I said, 'yes, I can help you end the war – and durably – if you accommodate the reforms that are needed.'

In terms of *outside* incentives, what I hoped to obtain also was an improvement in the economic situation of



the country, opening up things for them, and I argued to the Salvadoran government that ending the war would remove them from the doghouse in which they found themselves because they were viewed as a major human rights violator – and that would open up opportunities for them in places where those kind of concerns are taken extremely seriously, like Europe. In the case of the FMLN what you could do is make sure there would be an opportunity for their fighters to safely reinsert and reintegrate into society through either farming or joining the new national civilian police or political activity, and so forth.

So it's a matter of understanding and harnessing the incentives the conflict parties have for making peace. Outside incentives need to respond to the motives of the conflict parties.

Right. In Cyprus, ensuring security and ending isolation was the fundamental thing for the Turkish Cypriots. For the Greek Cypriots, we had to bring about re-unification in such a way that those property owners who had left behind their property in the north of Cyprus when Turkey intervened in 1974 would have, at best, the right to recover the property through transfer of territory, *or* to exercise their right to recover their property under

Turkish Cypriot administration, *or* at the very least be compensated for it. And the same applied to the Turkish Cypriots who had left behind property themselves.

Compensation was very important. The federal solution was conceived in such a way as not to encourage people having property in the other federal component state, and for that we provided a system of incentives. In other words, a property owner would see it in his interest to take compensation when the property was in the other component state, rather than to actually recover the property.

In addition to all this, there was one element that was like a magnet that can be summarized in one word: Europe. It was a magnet for Turkey because the persistence of the Cyprus problem is – and is likely to remain so long as it's not solved – an obstacle to Turkey one day being a member of the EU. Also, between the Cypriot parties, it was part of my toolbox of arguments in trying to persuade the leadership of the Turkish Cypriots that any worries about Greek Cypriot oppression and domination were outdated in the sense that being in Europe was in itself a form of guarantee because Europe does not take kindly to mistreatment of minorities.

Since I was working very closely with the Europeans in order to make sure that any settlement that emerged was compatible and consistent with the European *Aquis Communautaire*, I would ask the European leaders – and particularly the European Enlargement Commissioner at the time, Gunther Verheugen – to make the case with Denktash that even while we understood their concerns, those concerns in Europe would largely be assuaged. Verheugen was able to do this regularly, and didn't need any persuasion because we had perfectly compatible goals. I was able to suggest to the Europeans that what they should do was precisely to emphasize the acutely sensitive points that I knew were of concern to the Turkish Cypriots.

But wasn't this major incentive, the magnet of Europe, ultimately lost to the peace process? By that I mean accession being conditioned on progress on the peace process – Cyprus acceded to the EU without a peace agreement.

Well, obviously we did not get the grand prize – or *they* did not get the grand prize – of a comprehensive settlement in advance of joining the EU. That's quite clear. But the whole Cyprus effort is not without its achievements. For instance, until the first version of the plan was put forward in late 2002, Turkish Cypriot public opinion was in thrall to the argument that had been made by the Turkish Cypriot leadership that it was not possible to accommodate their needs and to assuage their fears in any way other than through having a separate state. I believe that we played a role in turning this around in the way that we shaped the comprehensive settlement (which we largely wrote because there was simply no one else to do it). When the Turkish Cypriots had before them the plan for a comprehensive settlement they were able to see that they could actually feel comfortable within a comprehensive settlement. There were revisions in the event and it was only the fifth version that went to referendum, but you see the results in the fact that the Turkish Cypriots voted 2-to-1 in favour of the settlement plan.

The problem is it all happened rather late: Turkey and the Turkish Cypriots turned around, but they turned around too late and by the time the negotiation had been going for a couple of years the Greek Cypriots had got the impression the Turkish Cypriots, particularly their leader Rauf Denktash, were being their usual obdurate selves. By then Greek Cypriot public opinion had pretty much given up on it and when the presidential election came they elected someone they knew to be much more of a hardliner and much less committed to a settlement than the person who had been leading them until then.

So, the EU decided to enlarge the Union with ten states, and the Greek Cypriot leader made a speech a few weeks before the referendum on the settlement plan in which he said something like, 'why should I agree to a compromise that I don't particularly like when I will be able – once we are in the EU in a few weeks – to exert pressure on Turkey in order to get a better deal.' And that proved to be a killer argument.

In other words we ran out of time. The incentive was there, which for the Greek Cypriots was entering Europe reunified, but after a certain point, whether it was late 2002 or early 2003, we had probably missed the boat because they were already in a position where they could get the reward contained in the incentive without having to pay anything for it. Also, it turned out that the Greek Cypriot property owners voted the same as the rest, without regard to missing the chance to recover the property or receive compensation for it. But of course it's one of these 'what if' questions. You can certainly debate at what point the grand prize was lost, but it certainly helped with the Turkish Cypriots and you have that base to start from if ever one wants to start again.

Moving away from positive incentives, can we talk about how more coercive measures – sanctions and pressures – can play into a mediation initiative?

I have not worked in a framework where there were measures taken officially by the Security Council in order to try to modify behaviour – that is, what are commonly if not formally called sanctions. But using a looser definition, in the case of Cyprus, you could argue that the fact that the Turkish Cypriots were being by and large shut out by the international community (with the exception of Turkey) was a form of sanction. Getting an agreement that would end the sanctions was obviously a potential tool. And in the case of the Middle East I suppose you could argue there was a form of sanction on the Palestinian government that took power as a result of the election in the Occupied Territories in January 2006, after which many donors suspended direct aid to the Palestinian Authority.

But as Madeleine Albright famously put it, sanctions are a blunt instrument. She was referring of course to the kind of long-term sanctions that ended up hurting the people of Yugoslavia or of Iraq without really shaking the regime. The whole concept of starving people in order to get them to rise up against evil dictators has many faults, but sanctions are blunt even in situations where you have an evil dictator because it appears like external pressure. And people don't take well to external pressure.

The pressure exerted on the Palestinian government that emerged from the January 2006 elections is a case in point. According to reliable opinion surveyors, the government for a long time held public support, which did not erode because the people were sophisticated enough to realize that the reason that the government was not performing or providing the services it was responsible for delivering was not because of its incompetence or venality but because it was being cut off from outside.

Also, Israel interpreted the attitude taken by the Quartet as license for it to cut off the transfer of payments of incomes due to the Palestinians as a result of value added taxes and customs duties which Israel collected from Palestinian importers and exporters. So people realized they were smarting not because they had a bad government but because there was pressure from the outside. And they also saw it as pretty humiliating to be punished for the way they had voted in elections that had been urged upon them by precisely the same parties who cut off assistance to them.

I'm saying this merely to illustrate the psychological aspects, the psychological *bluntness* of such kinds of pressure. It has to be handled very, very delicately. Today we see a certain amount of sabre-rattling which makes it difficult to persuade people to respond to what should be a behaviour modification device. It provides hardliners in the countries being targeted with such measures with an easy argument to wield in order to remain entrenched in their position of rejection of whatever changes are being urged on them.

According to some of our authors, sanctions that restrict contact and communication are especially problematic. Is this something you would view as problematic in cases such as the Middle East?

No question about it – that makes things extremely difficult. In some cases, there is a legal element involved. The EU doesn't have any ban *as the Union* on contact with members of groups that are on their list of terror organizations, but some individual members do. In the case of the US, it's not totally clear to me whether there's a legal ban on having contact with people who are on their list, but it is certainly the *policy* to avoid contact – and US officials have to be very skittish on the subject.

There is a new generation of problems that have arisen particularly since 9/11 as a result of these difficulties in having contact. Because of this polarization and demonization opportunities are being lost of working with certain groups that are not necessarily of the al-Qaeda nihilist variety but who have nevertheless

committed acts that are considered to be of a terrorist nature. And that has made things a lot more difficult for other diplomatic actors who previously – in the normal course of events – would have no hesitation whatsoever in dealing with such people or groups in the interests of bringing about a peace agreement.

In the case of Hamas, here was a group that was basically an affiliate of the Muslim Brotherhood, a welfare organization that took care of the needs of the people untended by the government, but they also became a resistance movement and they had carried out some horrendous acts against civilians, which they attempted to justify by the fact that the Palestinians remained under occupation. However, as part of an arrangement with Mahmoud Abbas (the leader of the PLO and president of the Palestinian Authority), they had agreed to do certain things that were a move away from violence and toward something closer to the Palestinian mainstream. First of all they accepted a lull – a *hudna* – which everyone, including Israeli Defence Forces people, have told me they largely respected. They also agreed to participate in elections, which they had rejected doing earlier because those elections were being held in the framework of the Oslo Accords, which they felt had been a sell-out.

So they were moving in that direction, and Abbas himself very much wanted them to participate and to go into the system so as to gradually co-opt them through legislation – and that is a very useful element for a would-be third party because it provides you with something to work with. But in order to work with them and persuade them, first of all, to stick to the steps that they had taken, then to take them further down that path and reach some sort of accommodation, there's no other way than to engage with them. If it was a problem for the Europeans and the US, the UN could have fulfilled that role, but I guess because of the whole atmosphere that had been created over the last few years, the UN was hesitant to do that.

We have talked about forms of sanction that may impact upon peacemaking, but did you find it useful as a mediator to find ways to exert pressure on parties in peace processes to cooperate?

I certainly don't like to use the word pressure, as a concept, too much. Let me try to explain why. I have always tried to bring about not just quick fixes but durable solutions, and in order for solutions to be durable you need the parties to agree to them as willingly as possible. There's the whole concept of 'ownership' of these final agreements. If a party reaches the signature table with its arm twisted out of its socket – quite apart from the difficulty of actually signing – it

will be much more difficult to implement it and stick to it down the road. So what I like to do is *persuade* – and of course to alert parties to the dangers they might face, including because of the unhappiness of others if they don't see the light, as it were. That was the attitude in which I tried to approach problems.

Having said that, this is admittedly not of much use in cases where a party or a leader is not thinking about the best interests of his people, or has a conception of the interests of his people that is totally at odds with the one that is universally held. That's a problem because they always say they are acting in accordance with the interests of their people.

Let me mention one example: the long-time Turkish Cypriot leader, Rauf Denktaş, was a reluctant participant in talks – which is putting it mildly and I don't think he would disagree. He sincerely believed that the only way to protect the interests of the Turkish Cypriots was by having a sovereign state in the north of Cyprus separate from the Greek Cypriots, and that the only relationship with the Turkish Cypriots that the Greek Cypriots could live with was a relationship of domination. Naturally I tried – unsuccessfully I think – to persuade him that he could actually, in a federal solution, obtain the kind of protection that he felt his people needed (though his people became persuaded). But, as a result of his deeply felt conviction, he was a not very constructive negotiating partner.

Now, I don't know the details but others, particularly the US, exerted considerable effort with tools they had at their disposal – which I certainly didn't have at my disposal – in order to make sure that at the very least he remained at the negotiating table. But I remember the Turks telling them that ultimately Denktaş had to agree before things changed fundamentally. They would say, 'we could urge him to be at the table – and we can be pretty certain he will stay at the table – but we need his agreement to whatever is going to emerge from this. And you need it too.'

But was it useful to have other external parties applying pressure? Or were there situations where that posed a problem for you?

It all depends what you perceive as pressure, but there are governments who are in a position to say, 'if you don't cooperate on this we will punish you in such a way. So cooperate, so we don't have to do that.' As an envoy of the UN Secretary-General, I couldn't do that kind of thing, nor would I find it useful for the reasons I've explained.

What I used to do was to say to country governments who were in a position to help and had some influence with one or more of the parties, 'this is what I need to obtain from them and here are the arguments I am using – could you please reinforce them?' I wouldn't ask questions about how they go about it. Every diplomacy has a style of its own.

It's a technique I developed during the El Salvador negotiations. In those times, Mexico was a zealous upholder of the principle of non-intervention and would be very careful about trying to exert anything that looked like pressure on the government of El Salvador, simply because they didn't want anyone trying to treat them in the same way. On the other hand, the President of Venezuela at the time, Carlos Andrés Pérez, loved the international stage and enjoyed dabbling in these things. He used terms that were considerably more forceful, as I understand it, than I would have dared use to both sides in the Salvadoran conflict. So, I told them what I wanted and asked them to use diplomatic efforts to help me obtain it. I left it up to them how they would go about it.

There are roles for many different external actors with different diplomatic styles in a peace process, but they are not always cooperative with a lead mediator. How can the chaos and forum-shopping that make it hard to construct a useful mediation strategy be avoided?

There's a wide variety of mechanisms for harmonization of policy and diplomatic action, such as groups of friends and contact groups. In terms of the forum-shopping question, ideally one should codify a loose norm that would make it bad form for a would-be mediator or institution aspiring for 'business' to try to get involved if there was a serious effort already under way. There is a forum that was created by Boutros-Ghali that consisted of periodic meetings with the heads of regional organizations, which can be occasions for comparing notes, though that doesn't encompass either states such as Norway or Switzerland or mediating NGOs. In my view, the UN shouldn't aspire to having the monopoly over all peace efforts, but it could certainly act as a kind of clearing house where understandings can be reached as to who would have the comparative advantage to deal with it, or on how to pool resources, and all with the goal of making sure they do not fall prey to the parties to a conflict playing would-be mediators off against each other, which they are always very good at. We ought to avoid wildcat diplomacy, which doesn't do any good.

El Salvador

War-time negotiations and the coordination of external influence

In the early 1980s, violence in El Salvador escalated into armed insurgency waged by a coalition of groups called the Farabundo Martí National Liberation Front (FMLN). The resulting war killed at least 75,000 people before it was ended by a series of UN-mediated and verified agreements in 1992. The agreements addressed the war's root causes and introduced many constitutional reforms.

A few years before, such an outcome was unthinkable. Intervention by the UN or Organization of American States (OAS) was discouraged as the US opposed any meddling in its 'backyard.' Conditions for a resolution improved markedly, however, at the end of the decade. Internally, the military conflict was at a stalemate and a new administration was in power. Externally, Cold War antagonisms were diffusing and regional diplomatic initiatives had established a framework for promoting peace in the region.

Following some abortive bilateral discussions, each of the conflict parties formally approached the UN Secretary-General Javier Pérez de Cuéllar for help in resolving the conflict in early 1990. After weeks of shuttle diplomacy by de Cuéllar's Special Advisor Alvaro de Soto, the parties met in Geneva in April and agreed the purpose and basic rules of further negotiations. Rounds of talks in Venezuela, Mexico and Costa Rica followed. A two-stage approach was agreed, in which political agreements on seven agenda items would be reached before a ceasefire was negotiated. A second stage would focus on establishing the conditions for effectively demobilizing the FMLN.

The negotiations process proved difficult and featured little face-to-face 'give and take' between the still militarily engaged parties. De Soto generally utilized a single negotiating text technique, shuttling between the parties to narrow their differences, even as they sat under one roof. The armed forces agenda item was particularly difficult and the September target date for a ceasefire was missed. Negotiations were sustained but came under increasing criticism in the US about a perceived lack of direction and failure to secure a ceasefire.

Despite the signing of important agreements on constitutional reforms in April 1991, the terms of a ceasefire remained elusive, with the FMLN insisting on retaining full military capability during any ceasefire. It became necessary for the mediators to cut the 'Gordian knot' by rethinking the two-stage negotiating process, a shift achieved in talks in New York in September. The New

York Accords established the National Commission for the Consolidation of Peace (COPAZ), guarantees to ensure implementation of previous agreements, and a compressed agenda for political agreements. A ceasefire agreement was reached in December and a final peace agreement signed at Chapultepec Castle in Mexico City on 16 January 1992.

The ceasefire was not violated, lending much needed stability in a year when major problems remained, with both sides blaming each other for delays in implementation. In October 1992 de Soto and UN Under-Secretary-General Marrack Goulding conducted extensive discussions with each of the parties, resulting in adjustments to the Chapultepec timetable and an exchange of letters stipulating that compliance with specific undertakings by one side would be contingent upon compliance with specific undertakings by the other side. On 15 December the war formally ended. In March 1994 the FMLN participated in democratic elections.

The proactive UN mediation benefited from the support of the Friends of the Secretary-General for El Salvador, comprising Colombia, Mexico, Spain, and Venezuela. This proved helpful in supplying ideas and influence and marshalling diplomatic efforts, not least by inhibiting would-be rival mediators and spoilers. Another key UN contribution was the establishment of an observer mission (ONUSAL) to verify the peace accords, which both sides agreed could deploy a preliminary mission of human rights verification experts before the ceasefire – an unprecedented move that had a major impact in curbing violence and building confidence in the peace process.

A shift in the US government's position was an important external factor. The Bush administration had come under pressure to stop supporting the Salvadoran military from the Democrat-controlled Congress, especially after the murder of six Jesuit priests by the armed forces in November 1989. The Dodd-Leahy bill in October 1990 halved US military aid to El Salvador, threatening to cut it to zero if the government did not negotiate in good faith or to restore it entirely if the guerrillas launched another offensive. Aid was restored in 1991 in response to the shooting down of a US helicopter, but the US administration ultimately opted to create incentives for a negotiated resolution by holding out the prospect of substantial aid for implementation. Also, it made direct contact with the FMLN during talks, signalling that it would live with the FMLN as a legitimate political party.