

Paraguay: Fernando Lugo vs the Colorado machine

By Andrew Nickson,
Created 2008-04-20 06:32

A new school year in Paraguay and the return of the country's elite to Asunción after its collective flight from the capital's scorching heat mark the end of summer in this landlocked Latin American country. The several hundred families who compose this elite and control Paraguay - fresh from their luxury second homes in the beach resorts for the region's *super-ricos* - have in the past had little reason to consider the plight of their poor (notional) compatriots, who are at the sharp end of the second most unequal distribution of income and wealth in the region after Guatemala.

There are signs, however, that 2008 is likely to be different. The elite's summer vacation coincided with an outbreak of yellow fever in a poor suburb of Asunción that has (at the time of writing) killed at least ten people. On 19 February there was widespread disorder as tens of thousands queued in vain to be vaccinated; the exhaustion of supplies epitomised the sorry state of the public-health sector.

Andrew Nickson is reader in public management and Latin American studies at the University of Birmingham

But it is in the political arena that a restive mood is being most acutely felt. Paraguay has been continuously ruled since 1947 by the Colorado Party, which on 13 January celebrated an unbroken sixty-one years in power. Now, however, a maverick candidate - Fernando Lugo, a former bishop in the Catholic church - has emerged to challenge its hegemony in the contest for the presidential elections on 20 April 2008. Will Paraguay experience the kind of electoral and political earthquake that its Latin American neighbours have undergone in recent years; or will the tide of social convulsion and political radicalism continue to bypass the region's most neglected (as well as second-poorest) land? Whatever the election's outcome, Paraguay is moving - in its own unique way - into the limelight.

The party's kingdom

The Colorado Party's sustained period of rule divides neatly into two parts. The first was dominated by the dictatorial regime of Alfredo Stroessner (1954-89); the second has been characterised by a dismal democratisation process that has seen three bouts of military instability (in April 1996, March 1999 and May 2000); the assassination of a vice-president, Luís Argaña (in 1999); and the indictment on corruption charges of two former presidents, Juan Carlos Wasmosy (1993-98) and Raúl González Macchi (1998-99). Similar charges are likely to follow when the current incumbent, Nicanor Duarte Frutos, leaves office after the presidential election.

Also in **openDemocracy** on Paraguay:

Isabel Hilton, "[Alfredo Stroessner: revisiting the general \[0\]](#)" (17 August 2006)

The Colorados combine a well-deserved reputation for entrenching social injustice with an electoral machine skilled in the maintenance of elite power. Its weapons include control of a

bloated state bureaucracy and pervasive use of corruption; these are combined with a formidable nationalist rhetoric that creates a heroic narrative from Paraguay's involvement in two of Latin America's three post-independence wars - the genocidal "triple alliance war" (1865-70) against the combined forces of Brazil, Argentina and Uruguay, and the Chaco war (1932-35) against Bolivia.

Against such resources, Paraguay's main opposition party - the *Partido Liberal Radical Auténtico* (PLRA) - has found it difficult to compete. It proved ineffectual in building an alliance against the Stroessner dictatorship, and since 1989 has failed to break the Colorado Party's hegemony; personal rivalries between its leaders have drowned out any programmatic content in its political discourse.

In the 1990s, however, there was opposition from another source. A strong social movement then arose in rural areas to protest against the growing land shortage for poor farmers. It demanded expropriation of large landholdings that the Stroessner regime had awarded illegally - under the guise of "land reform" - to army generals and political acolytes. The movement - comprising two main organisations, the *Mesa Coordinadora Nacional de Organizaciones Campesinas* (MCNOC) and the *Federación Nacional Campesina* (FNC) - has become more radical in recent years as Brazilian farmers, spurred by the disparity in land prices between the two countries, have bought up large tracts of land for mechanised soybean production. In the past decade, over one hundred rural protestors have been killed by the security forces or hired gunmen.

Meanwhile production has soared, reaching a record 6.5m tonnes in 2006-07; Paraguay is now the fourth largest soybean exporter in the world. But the economic benefits of this agricultural boom (which also includes maize, wheat, sunflower and rapeseed) have bypassed the vast majority of rural households, who still cultivate small (ten-twenty hectare) plots, without secure land titles or support (in the form of technical assistance and credit) from the state. As the spread of mechanised farming literally engulfs these small communities, the irresponsible use of pesticides for GM crops (still nominally banned) is causing the deaths of small children in rural areas, with five cases documented since 2002.

From priest to politician

Such was the disillusionment with traditional politics that when an ex-bishop, Fernando Lugo, led a March 2006 march and rally in Asunción to protest at alleged violations of the constitution by President Nicolas Duarte Frutos, he was immediately catapulted to the national political arena.

Lugo, born in 1951, is the nephew of Epifanio Méndez Fleitas, the leading Colorado opponent to the dictatorship of Alfredo Stroessner, during which time Lugo's three brothers were forced

Among **openDemocracy** many articles on Latin American politics:

Sergio Aguayo Quezada, "[Mexico: a war dispatch](#) [0]" (25 June 2007)

Rodrigo de Almeida, "[Brazil: the shadow of urban war](#) [0]" (18 July 2007)

Justin Vogler, "[King Juan Carlos vs President Hugo](#) [0]" (13 November 2007)

Stephanie Blankenburg, "[Venezuela: a complicated referendum](#) [0]" (4 December 2007)

John Crabtree, "[Bolivia's controversial constitution](#) [0]" (10 December 2007)

Ivan Briscoe, "[Latin America's dynamic: politics after charisma](#) [0]" (19 December 2007)

Celia Szusterman, "[Pulp friction: the Argentina-Uruguay conflict](#) [0]" (30 January 2008)

Guy Hedgecoe, "[Ecuador's politics of expectation](#) [0]" (1 February 2008)

Catalina Holguín, "[Colombia: networks of dissent and power](#) [0]" (4 February 2008)

into exile. In his youth he worked as a teacher in a rural school that was so remote that he was able to escape the usual rule that teachers had to be members of the Colorado Party. He became a priest in 1977 and worked as a missionary with indigenous people in Ecuador (1977-82). From 1982 he studied in the Vatican and in 1992 was appointed head of the Divine Word order in Paraguay. In 1994 he was ordained Bishop of San Pedro, a poverty-stricken region in the north of the country where he hosted the fifth Latin American Congress of Basic Ecclesial Communities in 1996. The Catholic hierarchy forced him to resign from his post in 2005 because of his support for invasions of large landholdings by landless families.

Richard Gott, "Fidel remembered: a view of the Cuban revolution [0]" (20 February 2008)

After months of speculation, on 25 December 2006 Lugo announced that he would stand in the 2008 presidential elections as a consensus candidate for the fractured opposition. Days earlier, he had resigned from the priesthood, a decision that provoked the ire of the Vatican, which accused him of disobedience and which still remains bitterly opposed to his candidature. Within days of his decision, opinion polls placed him well ahead of all potential presidential candidates from the Colorado Party and the PLRA, a position that he has maintained ever since.

In a July 2008 pact the PLRA even agreed to support Lugo's candidacy in exchange for the vice-presidential post, a decision that provoked the ire of the two other opposition parties - the *Partido Patria Querida* (PPQ), a reformist party founded in 2002 by businessman Pedro Fadul that still lacks any rural power base and the *Partido Unión Nacional de Ciudadanos Éticos* (PUNACE), led by the charismatic former army chief, Lino Oviedo, who was released in September 2007 from imprisonment on charges of sedition arising from an alleged coup plot in 1996. Prospects for a united opposition are now bleak after both Fadul and Oviedo reiterated their intention to stand for the presidency. Instead, the Lugo-PLRA ticket has attracted a myriad of small leftwing parties, strong in militancy but electorally weak in Paraguay's patronage-based political culture.

Although influenced by liberation theology, Lugo is a political novice in the cut-throat world of Paraguayan politics. He has been at great pains to present himself as a "centre-left" candidate and to downplay the image as a radical having a natural affinity with the broad populist movement sweeping the rest of Latin America. He has been careful to distance himself from Hugo Chavez of Venezuela and Evo Morales of Bolivia although he has applauded the greater sovereignty over their country's natural resources that each has promoted. While praising the social dimension of the Bolivarian revolution in Venezuela, Lugo said that approach was also "linked to a strong dose of statism, totally at the service of one person", and that it displayed "a lack of pluralism", which "is dangerous for a real democracy." In an interesting pointer as to where his sympathies may lie, Lugo said that Michelle Bachelet's government in Chile has not ceased to be socialist just because it signed a free-trade agreement with the United States.

Yet Lugo clearly represents a serious challenge to the status quo of Paraguay's traditional non-programmatic political culture, supported by powerful vested interests that arose during the Stroessner dictatorship and that have consolidated their privileges in the subsequent democratic transition. Lugo has committed himself to addressing the enormous inequality of income distribution: "There are too many differences between the small group of 500 families who live with a first-world standard of living while the great majority live in a poverty that borders on misery."

Two bishops have even expressed fears that he may be assassinated and recent efforts by the Colorado Party to demonise him are likely to increase in the run-up to the April election. Foremost of these are attempts to link him to the Colombian Farc, which is alleged by the United

States government to have a support network in the very department of San Pedro where he served as bishop.

A president for the poor?

The most explosive plank of Lugo's campaign is his commitment to renegotiate the terms of Paraguay's two mega hydro-electric projects - Itaipú with Brazil and Yacyretá with Argentina. The Itaipú hydro-project, jointly owned by Paraguay and Brazil, is the largest in the world with an installed capacity of 14,000 MW, generating around 90 million MWh in 2007. The Itaipú treaty was signed in secret in 1973 between the military dictatorships that ruled in both countries at the time; it has a fifty-year span, and thus is scheduled to expire in 2023.

Under its terms, Paraguay must "cede" the unused portion of its 50% energy share to Brazil; sales to third-party countries are prohibited. Paraguay currently uses only 7 million MWh per year and must cede its remaining 38 million MWh to the Brazilian state electricity corporation, Eletrobrás, at cost price. As "compensation", Paraguay receives only \$2.7 per MWh (equivalent to \$103 million per year), though Eletrobrás's resale prices of Itaipú energy inside Brazil exceed this figure many times over. The arrangement is both of enormous economic benefit to Brazil (the Itaipú hydro-electric scheme provided 21% of its entire electricity consumption in 2006) and scandalously unfair to Paraguay.

Brazilian governments have for over thirty years adroitly paid off the Paraguayan political and economic elite in order to maintain this lucrative deal. They have also bent the rules to maintain the advantages Brazil derives from the relationship: since the mid-1980s when the project came on stream, key directorships in the Itaipú Binacional company have remained exclusively in Brazilian hands, even though "alternating directorships" are a legal obligation; and the Paraguayan national audit office has not been allowed to examine the company accounts. Fernando Lugo has been vocal on the issue, repeatedly denouncing "Brazilian colonialism" and (in an echo of the Argentinean-Uruguayan paper-mill dispute) he has vowed to take the matter to the International Court of Justice if Brazil refuses to renegotiate.

This is the first time that a Paraguayan politician has ever made such a threat ; no wonder Lugo's move has set off alarm-bells in Brasilia. This has raised the prospect of Brazilian intervention in the April election in order to prevent a Lugo victory.

Fernando Lugo has a well deserved "pro-poor" reputation. Despite Vatican opposition, he will benefit from the fact that the Catholic church has a high standing among the public as a relatively honest institution in a country where corruption is rife. The Colorado Party has acknowledged that the 2008 election will be the toughest that it has ever had to face. The split in the opposition notwithstanding, Lugo remains the frontrunner. If he does succeed in ending the sixty-one-year rule of the Colorado Party - the longest-serving party in continuous office anywhere in the world - one of Latin America's least democratic countries will never be the same again.

Source URL:

http://www.opendemocracy.net/article/democracy_power/politics_protest/paraguay_fernando_lugo



This article is published by Andrew Nickson, , and openDemocracy.net under a Creative Commons licence. You may republish it free of charge with attribution for non-commercial purposes following these guidelines. If you teach at a university we ask that your department

make a donation. Commercial media must contact us for permission and fees. Some articles on this site are published under different terms.