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Joseph J. Garcia

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By

Joseph J. García

B.S., Geography-Environmental Studies option, Texas A&M University College Station, 1993
Master of Community and Regional Planning, UNM, 2006
Master of Arts in Latin American Studies, UNM, 2006

ABSTRACT

In 1997, the community of *Guayaki-Cua,* Paraguay underwent a dramatic political and social transformation allowing *campesinos* to take a more active role in decision-making processes. This change established safety and security for local residents, and brought about the involvement of the Paraguayan government, nongovernmental organizations and residents to begin development work in the form of infrastructure projects.

The end of the Stroessner dictatorship in 1989 signaled the end of autocratic rule and ushered in the neo-liberal perspective advocating private property, free trade, and other measures to bring about the democratization of Latin America economies to foster growth and participation. In the late 1990's after a series of economic crashes in Brazil and Argentina the neo-liberal model of development lost support from local communities. Rural communities such as *Guayaki-Cua* began confronting the established U.S. supported *Colorado* party system that changed its tactics after the dictatorship and favored neo-liberal development. *Guayaki-Cua* is a community in transition where *campesinos* are making efforts to take part in a true grassroots democratic process, which

favors just development while dealing with Colorado rule and neo-liberal promotion as *campesinos* make strides towards increasing participation through grassroots methods.

TABLE OF CONTENTS

Page

Introduction

Confronting a history of foreign dominance at the hands of international corporate interests, Latin America has endured the loss of natural and human resources. Without the capacity or mechanisms to assist local populations, national and local governments have had to resort to decentralizing economic and political processes for the purpose to address critical needs. After years of neglect and corruption, grassroots efforts to establish basic participation have begun to apply pressure for local control and representation. Public pressure has forced central governments to allow dynamic methods of problem solving, through traditional community organization.

Based on the opportunity to study participation in the community of *Guayaki-Cua*, Paraguay this thesis is organized into different chapters that provide the historical context related to the changes occurring in *Guayaki-Cua* from 1997-2004. In Chapter One, (literature review), I present a discussion concerning the varying methodologies of rural participation in Latin America in particular the differences between neo-liberal and true democratic decentralization and participation. The work of John Williamson, who coined the neo-liberal "Washington Consensus" model, is used to describe the key features of neo-liberal decentralization and participation.

I also use the works of Haroldo Dilla, Michael Kaufman, and Eduardo Canel to provide a theoretical grounding related to true grassroots democratic decentralization and participation in Latin America, and their impact on local communities.

The literature review also attempts to understand the kind of decentralization and participation strategies that support true democratic development in Latin America. In addition, through the works of John Durston, Liliana Formento, Luis Galeano and Myrian

Yore, I provide arguments that explain the socio-historical context for true democratic decentralization and participation in Paraguay at the national level that supports my local study.

Chapter Three (methodology) addresses the method utilized during the qualitative study conducted over two summers of post-project research in *Guayaki-Cua*. As a participant-observer in the community of *Guayaki-Cua*, I was able to experience Michael Kaufman's "potential of community participation in the process of development" first hand through participation during the planning and construction of a community-wide running water project while serving with the Peace Corps.[1]

Chapter Four details the empirical history of *campesino* political organization in Paraguay introducing my case study of *Guayaki-Cua* and the cultural heritage of grassroots democracy in Paraguayan *mestizo* culture. Here, I also provide the political history of *Guayaki-Cua*, with attention to the years 1997-1999 when important political changes occurred and a water-infrastructure development project was organized and constructed.

Chapter Five presents the findings of my research that took place in June and July of 2003 and 2004, which will include observations and interviews. The conclusion and recommendations section of this thesis addresses the theoretical and concrete questions related to the qualitative research conducted in *Guayaki-Cua* in order to propose a viable method of grassroots democracy that is taking root and persisting in rural Paraguay.

Using my experience, this thesis will examine the events, people, governmental, and non-governmental institutions involved in a water-infrastructure development project

[1] Kaufman, M. (1997) "Differential Participation: Men, Women and Popular Power," In Michael Kaufman and Haroldo Dilla (eds.) Community Power and Grassroots Democracy: The Transformation of Social Life, London: Zed Books, pp. 1-15.

in *Guayaki-Cua* from 1997 to 1999. In order to address the growth of community participation in decision-making related to projects in communities. This qualitative study will follow a descriptive approach analyzing interactions between different groups to explain the function and causes needed for the rejection of neo-liberal policies and promotion of true grassroots democratic local participation. It will also provide evidence that describes the challenges of working within a one party system that has dominated Paraguay and been supported by neo-liberal policies that have only further entrenched elites.

This investigation asks how changes in Paraguay, a country with a history of limited *campesino* political involvement, can generate a method of social transformation that addresses the failures of neo-liberal, so-called democratic, decentralization. Democratic decentralization, it is assumed here, serves to ameliorate economic, social, and political injustices.[2]

Latin American countries need to provide their citizens with basic needs and assist communities' in finding solutions to their own problems. Often ignored, rural communities have minimal government support or resources.[3] As massive urbanization continues, available resources for the rural poor have diminished. Christina MacCulloch of the Inter-American Development Bank notes that "we often see people fleeing to the big cities from the small rural villages in search of opportunity, only to end up swelling the ranks of the poverty belts."[4] Indeed, the growing urban problems and pressures have

[2] Finot, Iván (2002) "Descentralización y Participación en América Latina: Una mirada desde la economía," Revista de la CEPAL 78, Diciembre, p. 139. http://www.eclac.cl/publicaciones/SecretariaEjecutiva/7/LCG2187PE/lcg2187e_Finot.pdf
[3] MacCulloch, C. (2002). "May the best project win: To get funds, municipalities in Chile's far-flung regions must craft proposals that beat competitors," IDB America Online, p. 2.
[4] Ibid., p. 3.

created a need for investment in rural areas to stem the depopulation of rural Paraguay. Targeted and localized economic investment is an important step to provide people in rural areas the means to take an active political and economic role in their communities.[5] Paraguay's history paints a different picture of neglect.

The end of a long dictatorship and introduction of democracy were potentially an ideal time for Paraguay to overcome years of one party rule and the political and economic degradation that had discouraged many from active participation in politics. With the Stroessner dictatorship over, this opened the way for political plurality as political exiles returned and new parties came into being. Yet, despite appearances, there was no effective change in the political and economic structures and the old, neo-liberal supported, interests remained in charge of the cabinet and the national bank. Moreover, rural communities remained under the firm grip of one party rule.

In rural Paraguay, lives the majority of the country's population, *campesinos*. Typically, a Paraguayan *campesino*, relatively poor and often landless, survives on subsistence agriculture with the help of some state subsidies.[6] Aside from those who receive some government assistance and material aid, most are left without any help.[7] This leaves communities around rural Paraguay, made up of small villages where *campesinos* and their families live, to fend for themselves.

Guayaki-Cua is a typical example of a rural Paraguayan community that lies roughly four hours by bus from the capital of Asunción. This community of

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[5] Ritchey-Vance, M. (1996) "Social Capital, Sustainability, and Working Democracy: New Yardsticks for Grassroots Development," Grassroots Development, p. 3.
[6] Loker, W. M. (1996) "Campesinos in the crisis of modernization in Latin American," Journal of Political Ecology, p. 71.
[7] . Durston, J. (1998) "La participación organizada en el desarrollo agro-rural Paraguay," In Rolando Franco and Domingo M. Rivarola (eds.) Inequidad y Política Social, Centro Paraguayo de Estudios Sociológicos, Asunción, Paraguay, p. 79.

approximately 130 families lives along one principal unpaved road of mostly *Guaraní*-speaking *mestizos*. Education is compulsory only until the sixth grade and even then, most people struggle to read and write. *Guayaki-Cua* has been a community dominated by men loyal to the central political structure who routinely base their decisions in line with the *Partido Colorado*.[8]

In 1997, the community of *Guayaki-Cua* underwent a political transformation similar to what occurred in many communities at the end of the Stroessner regime (1954-1989). Taking part in the changes sweeping post-dictatorship Paraguay, *Guayaki-Cua* also stepped out of the shadow of its own *caudillo* rule. Overcoming the legacy of autocratic domination *Guayaki-Cua's* residents see opportunities for the start of basic participation through the inclusion of more people into what has been historically a one party, male-dominated system. This has contributed to increased participation in schools, communities, and police commissions by local residents. Whereas in the past only *Partido Colorado* members participated if appointed by the party *caudillo*.

In the late 1990's, the community began to have grassroots participation through voting without fear, by taking part in community commissions. They also could now speak freely. In the past, only members of the *Partido Colorado* in good standing were allowed to take part in political decision-making. In the old system, autocratic (dictatorial) rule was dominant; the local *Sub-Seccional* (*Colorado* party local level leader) was granted power by the nearby municipal government.[9] This highly centralized political regime passed on decisions in a top-down manner, from the dictatorship to the

[8] Miranda, C. R. (1990) The Stroessner Era: Authoritarian Rule in Paraguay, Westview Press Inc., Boulder, CO, p. 18-19.
[9] Turner, B. (1993) Community Politics and Peasant State Relations in Paraguay, University of Press of America, New York, N.Y., p. 87.

rest of the country. Such had been the situation when I arrived in Paraguay.[10] Presented with this Paraguayan historical scenario I began service with the Peace Corps in *Guayaki-Cua* in 1997 allowing for future study of grassroots participation.

[10] Miranda, C. (1990) p.70.

CHAPTER 1

Literature Review

In this work I will be using the expression "true democratic participation" to indicate a wide set of positions and theses that reject the neo-liberal and maintain that participation and decentralization of decision-making and power to socially, economically and politically benefit the greatest number of people. It is not a phrase that is used here in counter position to a "false democratic participation," rather it implies a process of community and grassroots participation with a widespread utilitarian base.

My thesis deals with three basic concepts they are: participation, decentralization and true democracy. There is an enormous body of work on each of these concepts and the theories related to them. In the review of the literature I will concentrate on just two schools of thought, the neo-liberal perspective and the true democracy perspective. These theories will be used because they are currently juxtaposed in Latin America and are instrumental to the community being studied and relevant to the development policies prevalent in Paraguay.

And in this thesis I will show that neo-liberal theories guided most of the work of the Inter-American Development Bank, Paraguayan Government and the Peace Corps, while at the community level there were different approaches from different actors including *campesinos* who in practice were closer to the true democracy paradigm.

Neo-liberal Literature of Participation and Decentralization

In recent years, neo-liberal decentralization and 'free-market participation' have been touted as ideal mechanisms that would allow citizens to become active decision makers through increased economic inclusion and independence in their respective communities. Beginning in earnest in the 1980s, the aims of these market-based methods have been to engender 'democratic' institutions replacing centralized and autocratic forms of government.[11]

Neo-liberal decentralization was promoted as the new recipe for success over communism and socialism due to favorable economic conditions at the time and the benefits of these conditions. Throughout the 1980s and 1990s, the neo-liberal model was the hallmark of US policy in Latin America and came to be known as the "Washington Consensus" because of the policies established between Washington-based institutions and Latin America governments.[12]

The objective of the neo-liberal consensus related to decentralization and participation developed by John Williamson involves:

> A redirection of expenditure priorities towards fields offering both high economic returns and the potential to improve income distribution, such as primary health care, primary education, and infrastructure, trade liberalization, privatization, trade deregulation, and secure property rights.[13]

These measures and others combined to initiate economic development and do not rely on a country's natural resources, physical and human capital, but relies on a "set of

[11] Williamson, J. (2000) "What Should the World Bank Think about the Washington Consensus?" The World Bank Observer, Vol. 5, no. 2, p. 251.
[12] Ibid., p. 251.
[13] Ibid., p. 252-253.

economic policies."[14] Moreover, decentralization and participation are based on economic factors and markets.

Participation is an important part of a market driven model of society. People participate by spending their money on what they want. Consequently, the "free" market supposedly assures participation from everyone as a consumer.[15] The more you buy the more you participate. On the other hand decentralization is implied in the sense that the more sellers you have the more buyers can purchase in a competitive market driven decentralization, in the best cases. There is neither an economic monopoly nor state interference.

Thus, participation and decentralization are implicit in this capitalist market model, which is then exported to other social places. The equivalent of the monopoly in the capitalist market would then be the centralized state. Of course, what is not considered is the fact that the capacity to purchase or what can be purchased or how often is determined by how income is distributed. In a market model of participation, such things as social and economic inequality are not considered.[16]

True Grassroots Decentralization and Participation

The importance of and need for true democratic decentralization must be understood in the context of the present economic and political challenges facing Latin America. Regarding the (inextricable) relationship between economic and social (situations), Iván Finot states that "hoy en día, la descentralización política cobra nueva importancia, ya no solamente para avanzar en ciudadanía e inclusión social sino también

[14] Ibid., p. 254.
[15] Charilaos, Peitsinis, (2006) "Free markets and democracy: Can capitalism promote freedom and vice versa?" Hayek Institute, p. 1-3.
[16] Ibid.

en desarrollo económico."[17] Considered as such, the re-allocation of power and economic development are treated as one in the same.

In particular, allowing the powerless to reorganize power and expand the decision making process to local areas can improve the economic conditions through stronger social programs by re-appropriating basic resources, such as running water, free access to health care, and electricity. Once rural and often marginalized communities benefit from these basic amenities, they concentrate more on growth as opposed to subsistence. As Eduardo Canel explains in his article, *Dos Modelos de Descentralización y Participación en América Latina*,

> Se propone que la descentralización contribuye a mejorar la gestión de gobierno y la oferta de servicios, al mismo tiempo que amplía los espacios democráticos y participación ciudadana. Con tantas supuestas ventajas, entonces no es sorprendente que la propuesta descentralizadora cuente con tantos adeptos.[18]

The true democratic decentralization often faces neo-liberal subversion due to the community's lack of knowledge regarding their political and economic potential.

As Joachim Von Braun asserts, when methods of grassroots democracy are put into action, the "political decentralization often benefits the poor, because involving civil society (local communities) in planning, monitoring, and evaluating public programs and policies is crucial to ensure steady progress that is facilitated in a decentralized system."[19]

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[17] Finot, Iván (2005) "Descentralización, Transferencias Territoriales y Desarrollo Local," Revista de CEPAL 86, Agosto, p. 29-46, p. 30.
[18] Canel, Eduardo (2001) "Dos Modelos de Descentralización y Participación en América Latina –Una Discusión Conceptual," in Hans-Jurgen Burchardt and Haroldo Dilla (eds.), *Mercados Globales y Gobernabilidad Local: Retos Para la Descentralización en América Latina y el Caribe*, Caracas, Venezuela: Nueva Sociedad, p. 115.
[19] Von Braun, Joachim, Et. Al. (2000) "Does Decentralization Serve the Poor?," Center for Development Research, University of Bonn, Germany, IMF, Conference on fiscal decentralization. November 2000, p. 25.

Yet in order to sustain an effective decentralization, it must not only flourish at the local level, it must also constitute an ongoing process of active community participation. True democratic decentralization, then, is but a means to an end and not an end in itself. In the words of Joachim Von Braun, "it is an instrument, not a goal in itself, for efficient and participatory governance."[20] The true goal of communitarian decentralization is the inclusion of the multitude of politically and economically marginal communities into the decision making process. It is important to include historically marginalized populations because in many part of Latin America and specifically Paraguay, they make of the majority of the population and can serve an important role in their future. True democratic decentralization is the staging ground, the base condition needed to ensure that participation is not only nourished in its infancy, but also sustained throughout its evolution. As Haroldo Dilla explains:

> Municipal decentralization constitutes a key part of state decentralization. Strengthening local powers can bring administrative functions closer to the citizenship, allowing a greater knowledge of citizens needs and attitudes, improve the efficiency of information and personal services and the implementation of citizen participation in local management.[21]

We know what is necessary to alter the current theories regarding resources and opportunities within marginal communities, and explanation nevertheless begs the question of who is responsible for the introduction of true democratic communitarian principles.

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[20] Ibid., p. 2.

[21] Dilla, Haroldo A. (1997) "Political Decentralization and Popular Alternatives: A View from the South," in Michael Kaufman and Haroldo Dilla (eds.) Community Power and Grassroots Democracy: The Transformation of Social Life, London: Zed Books, p. 4.

Facing major economic and political imbalances, a handful of Latin American countries such as Argentina, Brazil, Bolivia and Venezuela have begun to take responsibility by promoting true democratic decentralization in an attempt to create better conditions for millions of disenfranchised citizens. Indeed, as local access to resources and decision-making is at its most restricted in recent memory, the momentum of this grassroots change is spreading throughout the continent. True democratic decentralization has become a new political and economic effort helping to redefine the nature and scope of 'democracy.' Haroldo Dilla writes that this true grassroots democratic movement is

> Inseparable from democracy, and democracy means, among other things, the right of common people to participate in the decision making process, to decide how to participate and control their own lives and destinies. Stimulated by the frustration with the social change 'models' of the past decades, support for the paradigm of a decentralized state (either as a means or as an end) has rightly gained ground in Latin American popular movement.[22]

In his article, *Descentralización y Participación en América Latina: Una mirada desde la economía*, Iván Finot describes the ultimate purpose of the true democratic decentralization:

> Pero es evidente que, en la medida en que los ciudadanos estén mejor representados y pueden participar efectivamente en las decisiones sobre sus aportes, el hecho de profundizar un descentralización como la que el desarrollo local requiere contribuirá también a reducir la corrupción, desarrollo ciudadanía y ampliar la inclusión social.[23]

[22] Ibid., p.11
[23] Finot, I., (2005) p. 45.

Comparing Neo-liberal and True Grassroots Participation and Decentralization

According to Haroldo Dilla, the 'Washington Consensus' model of decentralization "is a process with a strong technocratic imprint, directed towards the achievement of higher efficiency through the use of de-statization and the disintegration of social activity in the kingdom of privatization and free market."[24]

The expansion of neo-liberal policies spread around the world until the advent of the Asian Crisis of 1997-98, which started a disastrous chain of events resulting in the collapse of Brazilian and subsequently the Argentine economies. John Williamson, who coined the term 'Washington Consensus' in his article, *What Should the World Bank Think About the Washington Consensus*, admits that the economic reforms promoted by international development institutions (i.e. World Bank, IMF, IDB), such as macroeconomic "discipline", trade "openness", and "market-friendly" microeconomic efforts have been permanently tied to Washington and an "extreme dogmatic commitment to the belief that markets can handle everything."[25]

In fact, the aggressive adherence to the aforementioned policies helped create the conditions that brought about the Asian Crisis. Due to a lack of stable economic conditions, built on the premises of "sustainable development, egalitarian development, and democratic development," millions have suffered.[26] Williamson concludes that the original intention for the Washington Consensus was to promote other policies that he does not agree with and exposes confusion about what the neo-liberal model is,

[24] Dilla, H. A. (1997) p. 7.
[25] Williamson, J. (2000) p. 252.
[26] Ibid., p. 260.

unmasking the major weaknesses of this policy that does not promote social development and poverty alleviation.[27]

Due to a lack of interest as well as a fundamental misunderstanding of true democratic decentralization, pro-market academics and development officials promote neo-liberal imbalances. The 'Washington Consensus' 'democratic' form of decentralization was not the solution it had needed to avoid economic collapse and propel it into the 21st century. In response, advocates of true grassroots democratic decentralization used the failure of the Argentine economy in 2000 as a platform to promote alternative economic and social policies. The Argentine experience gave legitimacy to past grassroots social movements that became important due to the extreme poverty experience by large segments of the population.

Out of the remains of past attempts at democracy, social movements that survived the persecution of right-wing Latin American dictatorships began to flourish where neo-liberal policies had failed. A new form of decentralization, opposed to the pro-privatization policies, began to take root, promising to achieve widespread true democracy, and economic participation.

As Eduardo Canel explains in his article, *Municipal Decentralization and Participatory Democracy: Building a New Model of Urban Politics in Montevideo City*, the true democratic version of decentralization promotes democratic-citizenship, as opposed to 'market-citizenship' seen through neo-liberal decentralization.[28] As countries deal with a population living in severe poverty and diminished resources, Latin American

[27] Ibid., p. 262.
[28] Canel, Eduardo (2001) "Municipal Decentralization and Participatory Democracy: Building a New Mode of Urban Politics in Montevideo City?" European Review of Latin America and Caribbean Studies, Vol. 71, October, p. 27.

countries are faced with making institutional decisions that benefit their entire communities rather than the historical neglect exemplified through neo-liberalism.

Adjusting to an insurgent, counter-hegemonic philosophy, the neo-liberal interests have attempted to take on the appearance of true democratic decentralization. Although it is, in a certain sense, a type of decentralization, neo-liberalism does not seek the wholesale reorganization that true grassroots democracy desires. As Eduardo Canel explains,

> El poder hegemónico del neo-liberalismo se ve precisamente en su capacidad de cooptar y transformar términos y propuestas-como la participación y el empoderamiento.[29]

Enduring the onslaught of neo-liberal dissimulation is even more difficult due to certain socio-historical conditions such as the legacy of US economic intimidation and intervention as well as the current political system that resists the expansion of participation, in favor of more traditional, top-down models. Historically speaking Paraguay has been one of the most centralized governments in Latin America and especially suited to the neo-liberal model, which has worked to limit participation and caused the country to remain un-democratic.[30]

Unaware of opportunities, through connections with other social movements, rural communities are able to overcome disadvantages due to a lack of information. Because of the ongoing negative influences/pressures of the neo-liberal, capitalist model, these rural communities must constantly reaffirm their political, and hence, economic sovereignty. Such a movement of decentralization, then, cannot stand still. The case study of *Guayaki-Cua* will provide support for the struggle that rural communities encounter through

[29] Canel, E. (2001) p.118
[30] Formento, L. (2003), p. 15.

efforts at establishing sovereignty in the face of enormous pressure to succumb to neo-liberal policies.

True democratic decentralization, e.g., grassroots movements, promotes a democratic participatory process by placing the decisions in the hands of local residents. Such devolution of power, in turn, enables enhanced conservation and allocation of resources by listening to local solutions that have worked for many generations. This is supported by Jesse Ribot in *Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation*, which states that; "successful democratic decentralization of natural resource decisions will go a long way toward transforming rural subjects into citizens. It will provide them with meaningful representation and recourse concerning valuable resources."[31] The true democratic decentralization process fosters community integration and yields policies that benefit the majority rather than the narrow scope of neo-liberal interests.

Despite the rhetoric from many leaders, scholars, and businessmen, neo-liberal policies do not really further economic and political decentralization. Instead, the neo-liberal model actually minimizes broad community participation and focuses more on economic, as opposed to political decentralization. Indeed, according to Haroldo Dilla, true decentralization is "a process of transferring responsibilities and resources from the decision-making top towards the intermediate or base level."[32]

Haroldo Dilla also writes that such pro-market policies can "only lead, and in practice have led, to the strengthening of the existing power structures, a technocratic centralization policy and a deepening power asymmetry between ever-weaker Third

[31] Ribot, J. C., "Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation," World Resource Institute, http://water.wri.org/decentraldemocratic-pub-3767.html, p.5.
[32] Dilla, H. (1997) p. 1.

World countries and stronger transnational blocs."[33] The neo-liberal model in other words has only served to strengthen elites and solidify their control of political and economic power through such individualistic measures that ignore communities. This process then requires a paradigm shift in economic and political values in order to create an effective context for community participation.

Proper, democratic decentralization, similar to that proposed by Haroldo Dilla, requires the empowerment of populations. Michael Kaufman writes that

> Popular participation, through social activism and forms of direct and representative control throughout the institutions of society, is seen as a means to tap un-harnessed energies of the population, to identify human and material resources, to recognize problems as they emerge, and to mobilize the population to find solutions, whether at a workplace, school, neighborhood, region, or beyond.[34]

This popular mobilization results from societal cooperation in Latin America due to a number of social and economic factors, such as extreme poverty, high inflation, and social erosion from neglect. The present political shift within Latin American nations toward true democratic participation is fueled by a surge in promises to improve social conditions. In Paraguay grassroots organizations have taken up the task of organizing for this purpose.

This is exemplified by the popular movements especially the Federation of *Campesinos* of Paraguay that has organized, pressing for change through combined rural

[33] Dilla, H. (1997) p. 8.
[34] Kaufman, M. (1997) "Differential Participation: Men, Women and Popular Power," In Michael Kaufman and Haroldo Dilla (eds.) Community Power and Grassroots Democracy: The Transformation of Social Life, London: Zed Books, http://reseau.crdi.ca/es/ev-54441-201-1-DO_TOPIC.html, p. 6

and urban alliances in efforts against ineffective government.[35] The realization of improved political and economic conditions, however, has become a question of economic development, a prospect made increasingly difficult due to the impoverished status of many communities. We see improved economic conditions in many countries that are for and by elites with little to no expansion to poor urban and rural communities who have historically been marginalized from such economic improvements.

True democratic decentralization confronts the dominant, socio-economic paradigm by decreasing privilege and power of elite institutions, inaugurating a complete change in mental approaches to power and political influence, and engendering a community-based sense of collective responsibility. Changes such as these lead to the active political and economic participation within the community. As Iván Finot writes:

> La participación ciudadana en el processo de provisión de bienes públicos y colectivos no sólo es un objetivo social y político fundamental, también es una condición esencial para reducir ineficiencias. Ahora bien: que los ciudadanos participen depende de que ellos perciben que el beneficio de participar es superior a su costo, y brindarles la oportunidad de participar en decisiones que afectan su ingreso actual y futuro podría contribuir decisivamente a concitarla.[36]

The attempted efforts of Latin American governments have encountered a cold response from the United States and major, transnational lending institutions that promote the neo-liberal agenda, such as the International Monetary Fund, the World Bank, and the

[35] Petras, J. (1996) "The New Revolutionary Peasantry: The growth of peasant-led opposition to neo-liberalism," Z-Magazine. http://www.zmag.org/ZMag/articles/petrasoct98.htm

[36] Finot, Iván (2002) "Descentralización y Participación en America Latina: Una mirada desde la economía," Revista de la CEPAL 78, diciembre, p. 143.

Inter-American Development Bank (IDB). While the US currently promotes the neo-liberal decentralization method as a mandate for international aid, this foreign policy is far from effecting community improvement as it promotes free market economic growth and capitalist ideology. As a dual model neo-liberalism, promotes capitalism and controls markets or communities. Most recently, the U.S. State Department made it a stipulation that to receive support, countries would have to meet certain criteria that fall in line with neo-liberal policies that promote property ownership and free-markets.[37]

The Economic Commission for Latin America and the United Nations Development Program encounter a hostile environment when developing initiatives that run contrary to US interests. The neo-liberal democratic decentralization model overwhelmingly favors the interest of the wealthy few through privatization, market-citizenship, and ignores the necessity of socially conscious decentralized participatory processes. Again, this is advanced by the recent U.S. State Department policy initiatives that support corporate interest over developing countries and for that matter, rural communities.[38]

In his article, *Does Decentralization Serve the Poor?* Joachim Von Braun asserts that for those rural communities open to political and economic reorganization, the process of neo-liberal decentralization threatens to exacerbate the fragmentation of society, the exclusion of the poor in the presence of a local elite, as well as corruption.[39] Any country with a history of limited participation, such as Paraguay, often falls prey to the interests of the few, entrenched political and economic (bosses) due to structural exclusion from economic or political power of peripheral communities.

[37] Fisher, W. "The End of U.S. Aid?" http://www.commondreams.org/views06/0130-30.htm
[38] Ibid.
[39] Von Braun, J., Et. Al, p. 6.

The neo-liberal model of decentralizations' only concern is to advance elitist control over natural resources, the decision making process, and encourage controlled competition at any price. This model ultimately promotes privatization and places control of resources and government firmly in the hands of capitalist elites. In contrast, the true democratic decentralization commits to placing knowledge, resources, and decision-making into the hands of the collective participants whose aim is to serve the entire community.

One particular problem that the neo-liberal model engenders is the value placed on competition and individual economic success in the context of political participation. Such values do not directly motivate the community to act collectively, yet inspire each to act on his or her own behalf. This individualistic approach to political and economic participation has a short-term effect of dividing members of the society as they place value upon those who have gained 'individual success.' Michael Kaufman describes this individualistic, 'differential participation:'

> [In] privileging 'high' and prestigious positions of state, economic and social power, we tend to distance ourselves from the demands of community, children, and domestic life that form so much of the pleasures, difficulties, and texture of human life. By the styles that we use to participate—developing forms based on competition, one-upmanship and the star system, whether in state bodies, political parties, academia, or popular organizations—we reinforce the competitive, hierarchical, success-oriented, performance-oriented values of class and patriarchal society.[40]

The numerous obstacles inherited from centuries of patriarchy and northern European individualism ultimately has led to a state of affairs wherein

[40] Kaufman, M. (1997), p. 11.

many communities become paralyzed and subsequently unable to organize on the local, communal level. This supports the imposition of a neo-liberal economic system, which requires western patterns of consumption including cultural products and beliefs, on traditional societies that promoting elites through neo-liberal policies that keep rural communities marginalized and maintaining the status quo.

Because of the influence of capitalist neo-liberalism upon social interactions, most citizens in western communities act as *political consumers* as opposed to *political producers*. Michael Kaufman, in his article, *Differential Participation: Men, Women, and Popular Power,* describes how the populations often remain

> …political consumers—albeit of a beneficial and often enlightened and popular system—rather than political producers. The result of this is a limitation of the possibilities of social transformation, a huge reduction in the possibility of mobilizing the creative energies that lie dormant in the mass of the population.[41]

As it now exists, the energy of each community, and its subsequent potential to reassert control over political structures and resource allocation, lies dormant beneath the social implications of capitalism and neo-liberalism. However, before this can happen it is imperative that civil rights are ensured opening up institutions that allow people to take part in their communities.[42]

Grassroots democratic efforts are making a comeback in Latin America after the end of the Cold War and the failure of the neo-liberal "Washington Consensus." Neo-liberal models of political and economic development have taken countries to the brink of

[41] Kaufman, M. (1997), p. 9.
[42] Canel, Eduardo (1997), p. 4.

social destruction, i.e. the Argentine economic collapse leading to social strife. After indigenous efforts to introduce democracy in Guatemala, Chile, Brazil, and other countries were destroyed by the imposition of military dictatorships and the short success of neo-liberal development, Latin America is for the first time witnessing, a resurgence of local participation.

Literature on Paraguayan decentralization and Participation

In the Paraguayan context and based on a history of repressive measures and a continuation of *Colorado* party domination. As described by Luis Galeano and Myriam Yore that:

> En el caso Paraguayo, las transición democrática se lleva a cabo conjuntamente con el inicio de la descentralización del Estado y éste fenómeno no siempre elimina el autoritarismo. Estudios realizados en otros países latinoamericanos han comprobado que en muchos municipios los depositarios de las nuevas atribuciones y funciones no son necesariamente la comunidad, organizada en forma democrática, sino las oligarquías locales, que usan las nuevas atribuciones en su propio provecho.[43]

The challenge in local communities is to overcome the tendency for local elites to take advantage of decentralization through community efforts at promoting participation.

It has become necessary for rural communities to mobilize through the Federation of *Campesinos* and other *campesino* groups against the overwhelming U.S. support for elites who dominate government institutions and control political and economic power.[44] John Durston describes that local communities in Paraguay play an important role in

[43] Galeano, L. and Yore, M. (1994) Poder Local y Campesinos, Centro Paraguayo de Estudios Sociológicos, Asunción, Paraguay, p. 20-21.
[44] Formento, L. (2003), p. 112-113.

participatory efforts based on the change in political culture through civic organizations since the end of the dictatorship and recent neglect of neo-liberal policies.[45] This is being done because of the pressure brought about by *campesinos* on the government and NGO's which have had to work with communities by involving their local knowledge and labor to implement sustainable projects. This places people in important roles that make decisions based on their understanding of the history and experience of *campesinos* in Paraguay.

To understand the concept of participation: "The Popular Participation Program of the United Nations Research institute for Social Development (UNRISD) defines participation as a means, particularly by those currently without power, to re-distribute both the control of resources and power in favor of those who live by their own productive labor."[46] *Guayaki-Cua* is such a community that has undergone a process of redistribution of power and resources 'in favor' of *campesinos*. And, according to Michael Kaufman;

> Participatory democracy represents both a goal of social change and a method to bringing about change. In particular, the community represents a potential locus of change that offers the possibility of bringing together individuals in a unitary way that overcomes divisions based on sex, age, political orientation, and, to a certain extent class and ethnicity.[47]

Guayaki-Cua is one of many rural communities in Paraguay that have undergone a process of creating space for participation to foster opportunities to take part in Inter-

[45] Durston, J. (1998) "La participación organizada en el desarrollo agro-rural Paraguay," In Rolando Franco and Domingo M. Rivarola (eds.) Inequidad y Política Social, Centro Paraguayo de Estudios Sociológicos, Asunción, Paraguay, p. 81.
[46] Kaufman, M. (1997) "Differential Participation: Men, Women and Popular Power," In Michael Kaufman and Haroldo Dilla (eds.) Community Power and Grassroots Democracy: The Transformation of Social Life, London: Zed Books, p. 4.
[47] Ibid., p. 2.

American Development Bank (IDB) loans allocated to provide "social services for the poor, assistance for street children."[48] The IDB funds used for the *Guayaki-Cua* infrastructure development water project fostered "personal fulfillment" among the rural villagers through participation in the planning process to build social capital.[49] In John Durston's *Building Community Social Capital* he goes a step further and defines a particular form of social capital as:

> Community social capital is not an individual resource but a form of social institutionality (of the group, in this case the local community), and ii) the (explicit or implicit) participants in community social capital have a common good as their objective even though this may not be achieved. Furthermore, unlike formal institutions for the common good (such as cooperatives, for example) which exist "on paper," community social capital is made up of norms, practices and interpersonal relations which exist and can be observed.[50]

Guayaki-Cua and many communities in Paraguay are far from reaching anything close to a definition of participatory democracy. Yet, Michael Kaufman's definition of participatory democracy and its ability to change *Guayaki-Cua* from within will serve as a benchmark for assessing changes in participation and how they are enhanced or not through continued efforts on the part of local, national and international organizations. This can only happen with a combined true democratic decentralization and participatory process. By true democratic decentralization I mean:

> La transferencia o delegación de autoridad legal y política para planear, para tomar decisiones y para manejar funciones publicas desde el gobierno central y sus agencias hacia organizaciones de base

[48] Drosdoff, D. (1996) "IDB Approves $28 Million to help Paraguay fight Poverty," IDB online,
[49] MacCulloch, C. (2002). "May the best project win: To get funds, municipalities in Chile's far-flung regions must craft proposals that beat competitors," IDB America Online, p. 2.
[50] Durston, J. (1999) "Building Community Social Capital," CEPAL Review, December, p. 104

> de esas agencias, unidades subordinadas del gobierno, corporaciones publicas semiautonomas, autoridades para el desarrollo de área o regional, autoridades funcionales, gobiernos locales autónomos y organizaciones no gubernamentales.[51]

Literature on Participation

A final note on the complexity of what we see related to participation in rural Latin American communities. I am aware that when looking at any participatory experience there are numerous actors involved with different interests and different powers. And they may be part of the process and experience it differently. At the same time as Sharon Arnstein notes those who set up the participatory process may do so for different reason and a times those reasons interact with one another.[52] However, this study is not fully addressing such complexities.

[51] Canel, Eduardo (2001) "Dos Modelos de Descentralización y Participación en América Latina –Una Discusión Conceptual," in Hans-Jurgen Burchardt and Haroldo Dilla (eds.), Mercados Globales y Gobernabilidad Local: Retos Para la Descentralización en América Latina y el Caribe, Caracas, Venezuela: Nueva Sociedad, p. 114.
[52] Arnstein, Sherry R. "A Ladder of Citizen Participation," JAIP, Vol. 35, No. 4, July 1969, p. 217.

CHAPTER 2
Methodology

This chapter will include the background, organization, and steps used to undertake an experiential community study.[53] In analyzing community participation in *Guayaki-Cua*, it was important to conduct research through a variety of methods including a community study, historical research, participant observations, in-depth interviews and water project documentation to assess the extent of *campesino* participation.[54]

A community study was performed in Guayaki-Cua during from August to October 1997 with structure questions interviewing of 143 families a their homes. In conducting this study, I spoke with adult members of the families to assess the history, health, economics and leadership structure of the community. The people interviewed were forthcoming with information and more than one person was involved in many of the interviews. This study was written into a report used to assess the previously mentioned conditions at the time and subsequently used to support the water project proposal. The study also provides a history of the community and a record of economic and social conditions.

Historical research for this thesis was conducted to understand the history of Paraguay using secondary materials related to the socio-historical context of development. In addition, secondary materials were also used related specifically to the history of *campesinos* in Paraguay and their evolution as a group. It was also used to understand the settlement patterns in the area of Caaguazu, where Guayaki-Cua lies.

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[53] Cole, S. (1976) The Sociological Method, Chicago, Rand McNally College Publishing, p. 210.
[54] Ibid., p. 193.

From June 20 to July 15, 2003 and June 16 to July 8, 2004, participant observations were conduct in Guayaki-Cua in the form of field notes taken at a public school, police station, and private homes. The field notes were taken at police commission meetings, water commission meetings and throughout each day especially in the evenings, with notes organized by topic and date recording the place and event documented. Through the field notes, the objective was to find information about health, changes in leadership, political situation, participation, and the functioning of the water project.

From June 20 to July 15, 2003 and June 16 to July 8, 2004, interviewed 18 persons in the communities of Guayaki-Cua, Asunción, and Caaguazu, the interviews were conducted at a public school, a church, a private home, and work place. The interviews were structured and consisted of 14 questions for government, NGO, and community leaders and 13 questions for residents of the community. The objective of the interview questions was to find information about changes in health, leadership, community political situation, participation, and the functioning of the water project. The interviews were friendly and forthcoming and people were able and ready to answer questions. In 2003, interviews were not taped using audio equipment and were hand written. In 2004, most interviews were recorded and all were hand written.

Documentation related to the water project in the form of the project proposal written for funding, Water Commission recognition letters, official government and NGO communications via letters and statements related to the community and project was used to support this thesis. These documents are in

the possession of the author. Other forms of documentation include video and photos.

Personal Comments on the Matter of Methodology

While assisting in a water-infrastructure development project during service as a Peace Corps Volunteer (1997-1999) in *Guayaki-Cua*, This study and my personal interest at the University of New Mexico provided the opportunity to research rural community decision-making and participation. It was a unique moment, when the changes taking place—moving away from the single party rule to attempts at basic participation. I witnessed the mobilization of local people in order to establish the rule of law while addressing real everyday needs that had not been dealt with by the *Colorado* party system. I began to wonder whether this was an isolated experiment or whether it was part of a generalized change throughout Paraguay and Latin America. It was at the University of New Mexico where I became inspired to bring together my experience and interest in social theory to understand the process of grassroots change occurring in both Paraguay and more specifically in *Guayaki-Cua*.

Historically, *Guayaki-Cua* is unique in comparison to other surrounding communities because of the continuous presence of Franciscan Nuns who work with the community and nearby indigenous *Guaraní* groups. In other respects, *Guayaki-Cua* is typical of *colonias* of the municipal district of the city *Caaguazu* in that it has been influenced by political clientelism, supported by the *Partido Colorado*.[55] My own subject position as a representative of the U.S. Government

[55] Turner, B. p. 88.

also provides a unique position and insight into the often conflicting role of governmental and NGO development workers.

Access to Community

In the spring of 1997, I traveled to Paraguay as a Peace Corps volunteer and assigned to serve two years in *Guayaki-Cua*. As the first volunteer in the community, my task was to spend the first year working on basic family and community sanitation projects. I also made a great effort to learn the *Guaraní* language. Learning local culture allowed me to slowly gain trust from the *campesinos* to continue health and sanitation projects.

The objective I would perform was to work with the Paraguayan Ministry of Health initiative to improve health and sanitation in rural Paraguay. I became involved in the community, and its running water project. I learned later that I was invited at the request of a local Ministry of Health *departamento de Caaguazu* area supervisor and member of the *Partido Colorado*, Cirilio Riquelme. I arrived in *Guayaki-Cua* with the objective of helping the community to reduce the incidence of infant mortality and health problems through improved sanitation.

I lived with two prominent community leaders: the local elementary school principal, Cristina Gonzalez, and her husband Miguel Gonzalez, a member of the local *Partido Colorado*. Later, I discovered that they were the only members of the community that knew that I would live and work there for the next two years. I eventually became aware that my supervisor, the Associate Peace Corps Director for Health, Pedro Souza, was also member of the *Partido Colorado.* I speculated, based on learning more about the *Colorado* system that I had been sent to the village as a political favor to the Area Supervisor for the

Ministry of Health, Cirilio Riquelme, who passed on the favor to the *Colorados* of *Guayaki-Cua*.

This was essential to the experience because not only would I study and learn about the political system, I was political capital in the form of a gift to the community. The experience provided a chance to get a unique perspective about *campesino* life. Steve Arnold and Kelly Reineke describe the unique position that grassroots managers find themselves with access to local and national information in their article *Responsibility Without Resources: Dilemmas of the "Grassroots Manager"* when they state "letting people know what is happening with funds, coordinating activities, and assessing results are vital if confidence isn't to be undermined by rumors and schisms."[56] It was essential to remain nonpartisan and nonreligious in order to remain independent of both the government and political agendas.[57]

The beginning of my service in *Guayaki-Cua* was characterized by a patient approach toward the local families and teachers in order to organize and conduct a community study. In addition to the study, I also became intimate with the community through the construction of latrines during my first year. The majority of my second year was devoted to the infrastructure water development project. Over the course of this two-year service, I also took part in school construction, agriculture, health and education projects. These projects provided me rare insights into the history and reality of *Guayaki-Cua* but a relationship was built based on trust and mutual cooperation.

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[56] Arnold, S. and Reineke, K. R. "Responsibility without Resources: Dilemmas of the 'Grassroots Manager'," Grassroots Development, Vol. 20, #1, 1996, p. 22.
[57] Vanella. p. 33.

Initial Community Study

I approached the community with respect and patience, realizing that my attitude would define the success or failure in helping support *Guayaki-Cua*. I began by working on projects that were initiated by the community such as refurbishing the local police station, schools and the local Catholic Church. This was a way for me to meet people, learn about the community and practice speaking the *Guaraní* language. One of my initial responsibilities in *Guayaki-Cua* included conducting a comprehensive health, economic and political survey of the community to assess conditions to understand major issues related to health and sanitation.

To conduct this study, I first obtained permission from the Police Commission. Then I established relationships with Freddie Ferreira (son of local leader) and Cesar Brites (school teacher) both with excellent Spanish and Guarani skills, who served invaluably as translators and community representatives. These steps allowed me to comprehensively and respectfully study the community and ascertain a basic understanding about social conditions. This information provided reliable data enhancing effective support of my objective as a volunteer working with the community on health sanitation project with the goal of reducing parasitosis and infant mortality.

Arnold and Reineke address the importance of serving communities further by describing how grassroots managers must be able to work with communities to gain trust for effective service writing that "local level intermediary organizations occupy a pivotal role, providing the first layer of

contact between the community and outsiders by assisting and aggregating the work of base groups."[58]

This community study became an integral part of the planning process, used for assessing the needs of the community to develop methods for improving health.[59] It also served as an important part of the project proposal allocating funds for the infrastructure development, water project, involving *Guayaki-Cua*, the Peace Corps, the Paraguayan Government (Secretaria Acción Social) and the Inter-American Development Bank.[60]

Research Opportunity

Following my Peace Corps experience and through the award of Field Research and Tinker Grants from the Latin American and Iberian Institute at the University of New Mexico I traveled to Paraguay to conduct qualitative research in 2003 and 2004. This research evaluated community participation through the water development infrastructure project, four years after its completion to assess community participation.

In advance of this research, I studied rural community participation during the spring 2003 semester, in the Latin American Planning and Development course at UNM. The study of this project inspired my interest to return to Paraguay and conduct research that would help me understand how participation has evolved in *Guayaki-Cua*.

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[58] Arnold and Reineke. p. 15.
[59] García, Joseph (1997) "Community Survey of *Guayaki-Cua*, Caaguazu, Paraguay."
[60] García, Joseph (1998) "Secretaria acción social, Inter-American Development Bank project proposal for Guayki-Cua."

Before my departure, I contacted Pedro Souza to ask his permission to return to Paraguay and conduct research in *Guayaki-Cua*. He responded positively about a planned return and offered his assistance by informing members of the community about a visit.

In advance of conducting research in *Guayaki-Cua*, I met Pedro Souza and the Director of the Peace Corps Paraguay, James Geenen, for an update regarding Paraguay and current *campesino* issues. It was important to hear Pedro's ideas about the water project research and the potential to help Peace Corps in its efforts to improve participation in other community projects. Pedro viewed the research as valuable to Peace Corps's work with other communities.[61]

To fully organize the time in *Guayaki-Cua*, Pedro advised me to learn whether people's lives have changed because of the project at the community and personal level, through improved health, enhanced economic opportunities and thus increased participation. James Geenen informed me that improving community participation was a new Peace Corps initiative in Paraguay by training volunteers about participatory assessment evaluation process to create awareness and potential for greater inclusion of local people. He requested that I study participation to provide keys for understanding community involvement, for avoiding the historical pattern of volunteers managing projects.[62] In Paraguay, there is a long history of NGOs whose projects cease to operate once the foreign capital and expertise leaves due to a lack of coordination between local, state, and federal follow-up support.

[61] García, J. (2003) Interview with Pedro Souza, field notes, 06/23/03, p. 11.
[62] García, J. (2003) Interview with James Geenen, field notes, 6/23/03, p. 12.

In John Durston's *La participación organizada en el desarrollo agro-rural de Paraguay*, the state must change and those functions that were part of the state should change to the public sector (local control) with:

> El nuevo rol del Estado involucra facilitar, supervisar, reglamentar, vigilar y sobre todo financiar. La sociedad civil organizada decide prioridades, con accesoria estatal, gestiona y administra una diversidad de funciones.[63]

Based on his former experience with the Children's advocacy group *Plan Internacional*, John Geenen (Peace Corps Director) and I discussed the overlap of projects by governments and NGOs, and the similar occurrence in *Guayaki-Cua*. I informed him of my collaboration with Plan, and their continued work and support of the project after I finished service in the community. We also considered the issue of development workers in rural communities and their role in ensuring sustainable projects requiring less input while also involving local leaders. John Durston illustrates this point about development workers by describing that in Latin America rural development projects have a history of being paternalistic and authoritarian and this ideology blocks the way for local groups from learning and gaining capacity through experience. Durston advances his argument to explain:

> Los espacios que deberán aprender a ocupar, y las tareas sobre las cuales pueden asumir autoridad cedida por el Estado, incluyen elementos de infraestructura social, de consumo, de insumos, de producción y transformación y de comercialización- pero en co-ejecución con otros organismos

[63] Durston, J. (1998) p. 85.

> (públicos, privados y sociales) y frecuentemente en el contexto de proyectos de desarrollo rural.[64]

Following my visits in Asunción, I traveled to *Caaguazu*, the city near *Guayaki-Cua* there I met the *Plan Internacional* Area Coordinator (no relation to Peace Corps), Walter Caceres, who, with his extensive knowledge of development work in *Guayaki-Cua*, informed me about the internal rivalries between officials and local leaders occurring in the community.[65] This situation was caused by old problems and the remnants of the Guayaki-Cua political struggle from 1997 where the life of Hermana Maxima was threatened, with party elites who were above the law based on their political muscle and connections. Nevertheless, the community had remained firmly behind the water project and organized to maintain it, despite the political divisions in the local leadership. John Durston supports Walters statement by describing:

> Pero la historia de cuatro décadas de Desarrollo de la Comunidad, Desarrollo Integral, etc., enseña que aquellas experiencias exitosas siempre incorporaban fuertes elementos de participación de organizaciones de la población meta.[66]

Describing the difference between developed and developing countries Walter sees that developing countries have an absence of the state in helping people and corruption is a big part of this problem. According to Walter, only 5%

[64] Ibid., p. 86.
[65] García, J. (2003) Interview with Walter Caceres, p. 15.
[66] Durston, J, (1998), p. 87.

of state funds go to social programs in Paraguay while the majority of state money goes to pay salaries for people who do not work at all.[67]

Walter expressed that potable water was essential and an important part of improving children's basic rights by improved health. In the area around *Guayaki-Cua* there is a high infection rate due to contaminated water. We discussed the strong Franciscan presence in *Caaguazu* and the resources that the local nuns have been able to create opportunities for development. Through his statements, Walter was trying to convey that in Paraguay, *Guayaki-Cua* is affected by local and national decisions. John Durston's article echoes Walter's evaluation and goes further by describing that

> Se requiere, para la densificación de la sociedad civil rural, de mecanismos globales de participación tanto en la definición de la sociedad deseada, especialmente a nivel local y a nivel regional, como en la asignación de recursos para estos proyectos descentralizados de sociedad. Dicho en la jerga de moda, sin "capital social' en los territorios locales, no puede haber "empoderamiento" de los sectores rurales excluidos.[68]

Walter passionately expressed his problems with the government pushing expensive projects that scare the *campesinos* into thinking they will have to pay money they do not have. This leads communities to reject projects with the false belief they will pay too much for electricity and the maintenance of the system. However, the benefits are not evident until after the project is successful and people realize clean water is essential. John Durston highlights this problem:

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[67] Cohen, Ernesto (1998) "Indicadores para la evaluación de las políticas sociales," In Rolando Franco and Domingo M. Rivarola (eds.) Inequidad y Política Social, Centro Paraguayo de Estudios Sociológicos, Asunción, Paraguay, p. 135.
[68] Durston, J. (1998), p. 92.

> Aquellos sectores sociales no organizados, mal organizados u organizados para luchas pasadas, necesitan ser 'empoderados' para poder realizar su aporte a estas tareas comunes. Las comunidades rurales, por ejemplo, requieren de capacitación en a nivel municipal y todos los sectores sociales no constituidos en actores sociales modernos requieren de espacios, derechos, recursos y capacidades para aportar a conversión de los mecanismos prebendarios y clientalistas locales y municipales en dinámicas de desarrollo incluyentes, necesarias para una competitividad sistémica estable.[69]

Regarding international NGOs, he expressed his frustration at how foreigners had an easier time working with communities and gaining the trust of people, ending up more trusted than Paraguayans workers. I agree with this assessment and found it troubling and a challenge to community participation based on the lack of trust found in the community and especially with political officials.[70]

Walter also described that many small communities like *Guayaki-Cua* have too many commissions that are not elected and that many governmental and NGO agencies require that communities form a commission for every project. He recommended they work with one elected or community-selected commission that would support community participation rather than create problems with so many commissions. John Durston addresses this issue by stating that commissions should not be organized by the government or NGO's but by:

> Las comisiones vecinales son un punto de partida bastante difundido, pero como en todo contexto de asentamiento disperso, redes de parentesco de reciprocidad y de rivalidad, se requiere de una etapa iniciadora de incorporación de pequeños grupos de 5-20 hogares unidos por parentesco, vecindad y amistad. Estos grupos a pueden, después, integrarse

[69] Durston, J. (1998), p. 93.
[70] Galeano, L. and Yore, M. (1994), p, 54.

> a las comisiones unificadas a nivel comunitario que constituyen asambleas auténticamente participativas e incluyentes, las que serian a la vez instancias de diagnostico, priorización de necesidades de infraestructura, gestión de financiamiento FIS y evaluación participativa de impactos.[71]

Walter illustrated based on our interview and his experience that *Guayaki-Cua* is unique and has some of the same challenges other communities face, but has been able to overcome the problems that plague other communities. For Walter, *Guayaki-Cua* is different based on the crossover from personal and party differences to working for the community.[72] The Franciscan Sisters in *Guayaki-Cua* have been a key part of organizing people cutting across sometimes, fanatical party loyalties. This has happened as faith in the government has eroded and people look elsewhere for support.[73]

After getting an overview of Peace Corps' and Plan International's current operations in Paraguay, I spent four weeks of summer 2003 in *Guayaki-Cua* evaluating the community. From my initial observations, the water system was functioning and the community was supportive and saw the importance of the water resource remembering that at one time they were at risk of not having any water due to flooding in 1998.

[71] Durston, J. (1998), p. 95.
[72] García, J. (2003) Field Notes, Interview with Walter Caceres, p. 15.
[73] Galeano, L. and Yore, M. (1994) p. 51

Chapter 3

Context: *Campesino* History in Paraguay

In order to comprehend the specific aspects and process of the community of *Guayaki-Cua* it is imperative to have an understanding of the place to put the data in its proper context. Thus, we will offer a brief history of Paraguayan *Campesinos* in general and the community in particular.

The *Guaraní* are one of numerous indigenous groups living in present day Central South America descendant from pre-Columbian America. At the time of the conquest in the first half of the sixteenth century, Spanish conquerors and Jesuit missionaries began to press members of the *Guaraní* pueblos (tribes) into agricultural service for the Spanish crown, who would make a large part of what is now known as *campesinos.* The story of the Paraguayan *campesino* begins with communal and consensus building indigenous roots. The transition for the *Guaraní* into the colonial pre-capitalist was often difficult.[74]

The Spanish imposed forced labor in the Americas, and particularly in Paraguay, ran roughshod over the political and economic heritage of the indigenous groups and formed the basis for the problems now facing the *Guaraní* and their *campesino* ancestors. However, not all the indigenous *pueblos* in Paraguay were subdued because of the size and depth of the Paraguayan territory and jungles. Many fled and remained isolated for hundreds of years, retaining their native culture and communal ways. The Guarani unable to avoid subjugation became wards of the Spanish crown and *encomendados*, consequently as in most of the Americas, merely labor for the colony.[75]

[74] Formento, L. (2003), p. 31.
[75] Ibid., p. 31.

Before the Spanish arrived, the *Guaraní pueblos* were adept at growing corn, *mandioca*, tobacco, sweet potato, cotton, and other vegetables. The colonizers exploited this opportunity to utilize these crops especially cotton and *yerba maté* for export to other vice royalties and to Europe.

Yet, in several ways, Paraguay was different from other colonies and did not follow the pattern of an aristocratic *latifundio* due to the strong presence of Jesuit missionaries and their co-existence with the *Guaraní*. After the end of Spanish colonial rule, the *campesinos* were not subject to the same exploitation occurring throughout South America due to the influence of Jesuit and Franciscan missionaries who promoted communal living enhancing traditional indigenous life, such as natural coexistence and consensus decision-making.[76] Therefore, they developed a unique identity strengthened by their ties to the *Guaraní* culture helped by the long isolated support of the Jesuits and others that flourishes to this day.[77]

Due to the lack of opportunity for large-scale production, weak *encomenderos*, a small commercial class and a colonial government bureaucracy, Paraguay remained sparsely populated by Spanish colonials. The expulsion of the Jesuits in 1767 caused a disruption that scattered *Guaraní* groups tied to the missions throughout Paraguay to lands owned by Spanish Colonials and created an ideal climate for the development of an isolated homogenous, *mestizo*, *campesino* class living as subsistence farmers.[78]

[76] Miranda (1990) p. 12.
[77] Formento, L. (2003) p. 32.
[78] Ibid., p.33.

History of Autocratic Rule

The wave of independence movements across South America reached Paraguay in the early 1800s but quickly developed into a dictatorship led by José Gaspar Rodríguez de Francia. After Paraguay achieved independence in 1811, Francia consolidated political power by 1816, eliminating political opponents by organizing indigenous and *mestizo campesinos,* against the *latifundistas,* who confiscated the land held by foreigners and the church.[79] Under Francia, land that formerly belonged to the state was redistributed to the *campesinos*. Despite independence and Francia's reform, Paraguay remained internationally isolated while also solidifying the *Guaraní* culture and language.

After Francia, Carlos Antonio López and his son Francisco Solano López were interested in reversing the isolationism and sought to export Paraguayan agricultural commodities, such as *yerba maté*, tobacco, and cotton to the international market in the 1850's. This led to an attempted industrialization of Paraguay at the time through the construction of a railroad for a small iron industry. This challenged the hegemonic British control of South America, which prompted Britain to coerce Paraguay into the 1870 Triple Alliance War against Uruguay, Argentina, and Brazil.[80] The war nearly destroyed Paraguay and eliminated a large part of the male population further alienating the oppressed indigenous *campesinos*.[81]

The end of the war (1870) led to submission to Argentine and Brazilian oligarchs and a transition from a state operated agricultural industry to a pseudo-privatized

[79] Ibid., p.34.
[80] Ibid., p. 37.
[81] Ibid., p. 34-36.

economy dominated by Argentine, Brazilian and British interests.[82] Exploitation of the *campesinos* occurred at the hands of landowning interests who forced people to labor as experienced throughout the Americas.

A relationship began during this time between international interest and the Paraguayan political oligarchy that strengthened the power of this small but influential group, resulting in economic and political problems for campesinos. Many who had participated in the working of communal lands were now unable to survive on the small plots of land they were given. The age of caudillo rule and clientelism also created a restriction of political participation for the campesinos.[83] The most salient political legacy of Paraguay's military defeat was the formation of the Partido Colorado. The Colorado caudillo is a legacy from colonial times that kept power in the hands of the oligarchy denying the liberal, republican rights held by landowners.[84] Because of the caudillo system operated by the Partido Colorado, many campesinos are indebted to the wealthy landowners and forced to accept restriction of their rights.[85]

Bourgeois Attempts at Parity

In response to *Colorado caudillos,* the *Partido Liberal* emerged as the historical opposition in the early part of Twentieth Century. From its inception, the *Partido Liberal* supported democracy and liberalism in support of the Paraguayan people made efforts to improve the lives of Paraguayans.[86] Nevertheless, the same *caudillo* system continued to exploit *campesinos* and indigenous groups in Paraguay through coercive means of land

[82] Ibid., p. 37.
[83] Ibid., p. 39.
[84] Formento, L. (2003) p. 39.
[85] Ibid., p. 40.
[86] Miranda, C. (1990) p. 82.

tenure that forced people to work as sharecroppers. Because of the historical isolation of the country, language barriers, and the lack of a large bourgeoisie, Paraguay remained mostly rural and in the firm control by *latifundistas*. Even though the *Partido Liberal* was able to gain power in the early part of the 20th century, it did little to include or promote campesino and indigenous issues.[87] The *Liberal* political reign was short lived and ripe with many ideological divisions within the party, leading to its demise at the hands of the *Colorados*.[88]

The 1930s saw the emergence of old frictions between Paraguay and Bolivia that would lead to the Chaco War (1932-35). Fought mostly by the *campesino* "*Py Nandi*" (the barefoot ones), these soldiers saw horrendous fighting in unbearable conditions in the Paraguayan Chaco (northern part of Paraguay know as the forested desert).[89] This war concerned the control of uninhabited land and removed Paraguay from the control of oil fields that ended up in the hands of U.S. control. In Paraguay, the war brought the country together under the banner of populist-nationalism and lead to the 1936 revolution that placed a military government that organized the working and poor classes of the country against the oligarchs leading to attempts at agrarian reform initiatives.[90]

The reform initiatives gave former veterans of the Chaco War land in the inhospitable Chaco region in order to promote colonization of the area. This proved to be in vain for the majority of *campesinos* who lived far away from these areas, proving ineffectual due to no reform in the more fertile regions of the country. The Revolution of

[87] Formento, L. (2003) p. 41.
[88] Ibid., p. 46.
[89] Turner, B. p. 58.
[90] Formento, L. p. 45.

1936 was the first attempt to address the major disparities in Paraguayan society through limited reforms that had little impact on *campesinos*.

The 1940s saw the institution of nationalist-fascist rule under the control of the Partido Colorado. Colorado nationalist fascism was influenced by the reaction to the 1936 Revolution and fear of campesino incursion on caudillo rule.[91] This led to stricter controls on self-expression and participation. The Colorados' centralization of government resources and the creation of a national bank inhibited the campesinos from purchasing land. These measures fostered local and regional resentment and bred conflicts between latifundistas and campesinos.[92]

The Stroessner Era

Conflicts between various groups at this time in Paraguay led to The Revolution of 1947, which aligned the *Partido Liberal*, *Partido Comunista*, and other progressive factions against the fascist *Partido Colorado* firmly in control of the government.[93] With resources and most of the military on their side, the *Colorado's* easily secured a victory that solidified their position and began a crackdown on opposition from every class in Paraguayan society and the expulsion and escape of dissidents.

Consolidation of power occurred through the rule of General Hugo Stroessner, who came to power in 1954. Stroessner continued the policies of the oligarchs and further advanced the control of the Paraguayan state by oligarchs who became wealthy at the expense and exploitation of *campesinos*. With the help of the U.S. and the World Bank, Paraguay continued under the control of Stroessner regime for thirty-five years. This

[91] Ibid., p. 46.
[92] Ibid., p. 52.
[93] Ibid., p. 46.

external support provided the regime control of society through corrupt and useless infrastructure projects such as the *Itaipu* Dam, amounting to massive cost overruns ending up into the pockets of Stroessner's cohorts.[94]

For almost sixty years, the Partido Colorado maintained almost absolute control over the Paraguayan government.[95] In 1954, General Hugo Stroessner became dictator with the support of the U.S. Government, a position he would occupy for the next thirty-five years. With the overthrow of Stroessner in 1989, the highly centralized political and economic structures slowly began to decentralize as foreign investment in Paraguay surged, moving from urban to rural areas.[96] This central, one party system is the only form of government that Paraguay has known, especially in rural areas, for many years.

Rural Colonization

In the 1960s, the Stroessner regime began a colonization program moving east from the capital Asunción in an effort to alleviate population density in the central region. The intention of those in power was to deal with the growing political mobilization of *campesinos* in the area around Asunción by opening up the countryside for economic opportunities.[97] The opening of the interior to economic development also included immigration of Brazilian farmers to eastern Paraguay who had sold their lands in Brazil to purchase larger farms in Paraguay. The *Instituto de Bienestar Rural*, the agricultural arm of the Stroessner regime, sold unused *latifundista* lands (mostly forested) with the owners' support in order to avoid confrontations with *campesinos* by giving them

[94] Miranda, C. (1990) p. 113.
[95] Sandrol, P. C. (1993). "Explaining and Reconceptualizing Underdevelopment in Paraguay and Uruguay," Latin American Research Review, Vol.28, Issue 3, p. 235-250, p. 237.
[96] Vetter, S. G. (1995) "The Business of Grassroots Development, " Grassroots Development: Journal of the Inter-American Foundation, Vol. 19 #2, p. 2-11, p. 6.
[97] Formento, L. (2003) p. 62.

incentive to move to the traditionally indigenous interior of Paraguay. *Guayaki-Cua* is one of these communities founded in the early 1960s. Originally populated by the *Hache* or *Guayaki*, the community came to be known as *Guayaki-Cua*, or, 'homeland of the *Hache Guayaki* people.'[98]

Efforts of intra-national colonization created confrontations between the Paraguayan *campesinos* and Brazilian land purchasers. In the 1960s, both groups were moving to the area then inhabited by the Paraguayan indigenous groups. Until 2004, the inhabitants of *Guayaki-Cua* had been able to avoid tensions with the recently arrived Brazilian farmers because of their central geographic orientation away from the areas controlled by Brazilian agriculture near the border with Brazil.

The Paraguayan *campesino* faces an uncertain future. With massive Brazilian agro-industry moving from eastern Paraguay to the interior, buying out many small landholders, *campesinos* are pressed by their own government and outside forces to relinquish what little land they possess. With wealthy nationalized Paraguayans from Brazil offering inordinate sums of money for *campesino* lands and with limited opportunities for education or job training, the poor farmers were forced into marginalized urban barrios having to survive without government support.[99]

The combination of a history of dictatorship and neo-liberal policies has fostered the need for new efforts that provide *campesinos* with the ability to access the resources they need for a secure future. Using the strength of their culture, this is realized through policies that support local people through true grassroots democratic decentralization and participation.

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[98] Ibid., p. 63.
[99] Monahan, J. (2005) "Soybean fever transforms Paraguay," http://news.bbc.co.uk/1/hi/business/4603729.stm

Guayaki-Cua History

Guayaki-Cua is a rural community settled by *campesinos* originally from rural areas near Asunción known as the *Departamento Central*. With roughly 130-150 families, owning an average of 10-15 hectares the community lies on one principal road. Since its original settlement, cotton has been the cash crop grown, continuing the tradition brought by the first settlers.

Guayaki-Cua plays an important role in the history of Paraguay. Centrally located within the country it is a sort of crossroads where indigenous groups meet *campesinos*, surrounded by wealthy oligarchs, with encroaching nationalized Brazilian-Paraguayan agro-industry. The legacy of the *Colorados* and their influence in *Guayaki-Cua* is an example of the autocratic tendencies that is evident throughout Paraguayan history and been used by neo-liberal and anticommunist policies to keep *campesinos* from political activity.[100]

From an indigenous communal tradition *campesinos* in Paraguay maintain relationships with a complex web of groups made up of oligarchs, indigenous groups, Brazilian-Paraguayan agro-industry that serve both to strengthen and weaken their socio-historical position in Paraguay, as they assert themselves in new ways after the end of the dictatorship and arrival of neo-liberal decentralization policies. The case of *Guayaki-Cua* is important because it serves to provide evidence of the challenges that grassroots participation poses to the inherent and existing structure that has served to control Paraguay for the past one hundred years.

[100] Formento, I. (2003) p. 101-103.

Chapter 4

The Case of *Guayaki-Cua*

Florencio Ariola, a local party boss, ruled *Guayaki-Cua* during the late 90s as the *sub-seccional* of the *Partido Colorado* until he attempted to assassinate an outspoken Franciscan nun, named Maxima Vera, by trying to burn her in her own home. Following the attempt on her life, Maxima, the other nuns, and the church congregation (a majority of the community) protested to the Bishop of Paraguay and human rights organizations such as *Derechos Humanos de Paraguay*.[101] The Francisan nuns in Guayaki-Cua worked out of the San Blas Church that was the main Catholic Church in the area and they provided religious and health education to campesinos and Mbya-Guarani indigenous groups in this part of Caaguazu.

This effort placed the government in a complicated situation that left it to alter the local police force by sending *Guayaki-Cua* and surrounding areas a new *Comisario*, *Sub-Oficial* Mario Ortega. The transfer of police power was a *Colorado* government-sponsored effort to investigate and clean up the political and police corruption in Paraguay, inherited from the dictatorship. In *Guayaki-Cua,* this was a *Colorado* government, church and community supported investigation-causing tension within the *Colorado* system from international and grassroots pressure. The *Comisario* involved in the murder attempted was implicated in an arrangement with Florencio Ariola and his *Colorado* association. Through Ariola's *Colorado* ties, he controlled the community by

[101] García, J, (2003) Field notes, 06/28/03, p. 13.

placing members of the *Partido* in leadership positions, such as school, police, and health commissions, thereby sustaining control of local decision-making institutions.[102]

The political change brought about by the church congregation was a dramatic shift from violent control to fostering community participation in *Guayaki-Cua,* amounting to a momentous transition, promoting safety and security. This was accomplished by the nuns and the church congregation appealing to the national church pressuring the government for support. In their article *Algunos criterios para la sustentabilidad ambiental de ciudades intermedias,* Carmen G. Garciandia and Hugo Romero highlight the importance of basic security by describing that, "una ciudad sostenible debe asegurar la seguridad física, emocional y psicológica del individuo y su entorno familiar y social."[103] The political and social change was dramatic because it brought stability to the community and fostered openness and freedom of expression, leading to the creation of basic participation.

Prior to the events, the community lived in fear of robbery, assaults, and possible death for disagreeing with the *Colorado-caudillo* structure organized for by the dictatorship to maintain control and deliver votes. Many villagers described that "at dusk they would close off their homes completely and did not dare step out until the next day."[104] Coinciding with the recent political transition in Paraguay, *Guayaki-Cua* was simultaneously undergoing a similar transformation. With support from the Franciscan Nuns and the church congregation, a police commission was formed to support the efforts

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[102] Ibid.
[103] Garciandía, González, C. L. & Romero Aravena, H. "Algunos criterios para la sostenabilidad ambiental de ciudades intermedias," Ciudades, #51, Julio-septiembre, 2001, pp. 10-18, P. 61.
[104] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," Presented to Rocky Mountain Council for Latin American Studies Annual Conference, Tucson, Arizona, p. 1-23, p.5.

of the new *Comisario*, *Sub-Oficial* Mario Ortega.[105] The Nuns and congregation were integral to this change based on the moral teaching they learned and the immorality reflected through the lack of safety and security they faced.

Ensuring community support for safety and order was essential in fostering a sense of community and leading the way for improved participation. In her article *Social Capital, Sustainability, and Working Democracy*, Marion Ritchey-Vance supports this viewpoint when she states "Poverty isn't just the lack of material goods. It is also distance from decision-making and a sense of being devalued that manifests itself as apathy, anger, and a weakening of the civic culture."[106] At the time, *Guayaki-Cua* was a community awakening from the oppression of two dictatorships.

A new participatory effort was evolving through the newly organized local police commission. It was comprised of eight all male community members of various political affiliations, with oversight by the Franciscan Nuns. *Sub-Oficial Comisario* Mario Ortega and his staff worked tirelessly to clean up the area and restoring safety and order. The community had lived for many years in fear of the corrupt *Sub-seccional* Florencio Ariola, his associates, and the former police who operated at will, intimidating the community into submission.

Evolution of Basic Participation

The end of centralized autocratic rule in Paraguay and *Guayaki-Cua* created opportunities for rural populations to exercise a greater role in the decision-making process. Because of the failure of the neo-liberal supported *Colorado* system and its inability to support community development, pressures brought about by local, national and international efforts at grassroots democracy created space for participation.

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[105] Ibid., p. 5.
[106] Ritchey-Vance, M. (1996) " Social Capital, Sustainability, and Working Democracy: New Yardsticks for Grassroots Development," Grassroots Development, Vol. 20, # 1, p. 2-9, p. 9.

The newfound openness found in the community, provided insights about community development and initial grassroots democracy was developing. The slow but significant changes affecting *Guayaki-Cua* initiated the process of uniting community to improve health but also to gain recognition from local, state and national government.[107] This recognition came in the form of police support and attention due to the attempted murder of Maxima Vera. Due to the nature of the intimidation and violence, institutions that would not have taken an active role in rural politics had to take action.[108] In the process, community members were experiencing confidence and gained strength in their *mestizo-Guaraní* culture. Jacinto Ferreira, President of the Water Commission, would later state, "I am proud to be Paraguayan by the willingness of people to live with us for two years and learn our language, sharing the good and the bad."[109] Through the ability for Water Commission member work with variety of people and realizing the importance of their contribution. This was reinforced when the project was finally accepted for funding.

Infrastructure Development Water Project

In May of 1998, the IDB awarded the *Secretaria de Acción Social* (SAS), an office of the Presidency of Paraguay, a $28 million-dollar loan for urban youth and rural infrastructure projects.[110] This loan was part of a wider IDB mission to address problems of health and education to stem the tide of rapid urbanization by strengthening rural

[107] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 14.
[108] García, J. (2003) Field Notes p. 4.
[109] Ibid., p. 4.
[110] "IDB provides $28 million to help Paraguay fight poverty"
http://www.iadb.org/exr/PRENSA/1996/cp13396e.htm

communities.[111] The IDB played a strong role in this project through its funding and by providing criteria to ensure sustainability. SAS was a relatively new organization founded by former President Wasmosy to serve as a vehicle for social action and address challenges ignored for many years.[112]

Officials from SAS thought that Peace Corps Volunteers and their respective communities, they had lived in for more than a year, would make ideal candidates for funding, as they possessed the language and administrative skills to serve as grassroots managers. By managers, meaning persons who work in direct contact with local populations on projects.[113] Associate Director Pedro Souza agreed and began a search for volunteers who had proven successful in their language skills and ability to work with communities. *Guayaki-Cua* was one of the communities to be a part of this Peace Corps, SAS and IDB pilot-project.

When Pedro Souza was asked whether as a Paraguayan, former Ministry of Health official, with *campesino* roots thought this project might improve conditions for the community he explained that this was a unique opportunity for communities to gain far more than stated health and quality of life improvements. He believed that these types of projects could begin efforts to empower communities and take an active role in decision-making.[114] To support Pedro's understanding about the connection between participation and infrastructure, Marion Ritchey-Vance describes this concept that

[111] MacCulloch, p. 3.
[112] Secretaria de acción social (SAS), http://www.sas.gov.py/quees.htm
[113] García J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 7.
[114] Ibid., p. 8.

infrastructure projects "foster community involvement thereby empowering people to take control of their own communities."[115]

Water Commission Organization

With the help of the Police Commission of *Guayaki-Cua*, a town meeting was organized that involved over 50 men and 1 woman. The men at this meeting represented people from the various political parties, church congregation, and important families.[116] This was an open meeting, but based on Paraguayan rural culture, women remain at home and no nuns attended. At the meeting, the SAS project was presented with objectives and details outlined relating to preparing a proposal for funding. It was suggested at the meeting that due to a large prevalence of water-borne parasites (as indicated by the Ministry of Health, community study, community knowledge, and through consultation with Pedro Souza) a project to provide potable water would be beneficial.[117]

The meeting provided further evidence that the community was slowly leaving behind the party politics, and developing a consensus style approach to community decisions. This is contrary to the *Colorado*, neo-liberal supported system where decisions are made by technocrats with little local input. Granted not all sectors of the community were fully involved in this process and certainly, remnants of the *Colorado* supported elites attended and exerted their influence they did not dominate as they had in the past nor follow a *Colorado* structure.[118]

The process of creating spaces for participation would be limited at first the political situation in the community and the project would make a good start. In their

[115] Ritchey-Vance., p. 6.
[116] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 8.
[117] García, "*Guayaki-Cua* Community Study," p. 4
[118] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 4.

article *Algunos criterios para la sustentabilidad ambiental de ciudades intermedias*, Carmen Garciandía and Hugo Romero generally illustrate the need for potable water that works to foster community development and participation:

> Tratamiento de aguas servidas: éste es un punto de gran importancia para el desarrollo sostenible debido a las limitaciones que está presentado éste recurso en el ámbito planetario. El insuficiente o nulo tratamiento de las aguas residuales reduce la disponibilidad de éste recurso para determinados fines, como por ejemplo en actividades domésticas, provocando consecuencias negativas en la salud de la población y en actividades recreativas.[119]

While conducting the community health study in 1997 residents were asked about important health issues. Many mentioned how there was a large prevalence of diarrhea, rashes and other ailments related to contaminated water.[120] A potable water project was an opportunity to strengthen and provide a venue for enhanced community participation. In essence, this provided the framework for true grassroots democratic participation and decentralization, from the ground up, through the technical training for community self-support through projects with the government and NGOs.[121]

Participants at the town meeting, decided to form a water commission and elect its members. The community came together based on their understanding that there was the potential to gain a service which they understood to be important in providing secure water. This was based on the experience of losing their family wells due to massive flooding in 1998. This new water commission became essential for community participation and the sustainability of this project.[122] With the funding information that

[119] Garciandia & Aravena, p. 58.
[120] García, J. "Guayaki-Cua Community Study," p.4-5.
[121] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 20.
[122] Ibid., p. 14.

SAS and the IDB required for a project at this meeting, we discussed the water project's intended impact. It was also made clear that this was not a definitive project and stressed the importance of complete community support.[123] IDB and SAS required that communities sign a contract to fully support the projects. Without community ownership of the project, it would not be feasible and subsequently would undermine the community support and participation in and of the project.[124]

A list of conditions was provided by the IDB and SAS that stated the communities were responsible for meeting certain responsibilities contractually. The most important provision was for the community to provide 10% of the project financing or the equivalent cost of labor during construction. The other provisions involved the formation of a recognized water commission that followed Ministry of Health rules and procedures.[125] The community needed to have a population of at least 1500 persons or 200 families with an evident need for support. In addition, a water commission representing the community had to sign a contract that required them to understand and take responsibility for this project. It was also necessary that, through SAS, the community would be provided with the training that would instruct at least two members of the community as technicians, who would be responsible for maintaining and repairing the system.[126]

By holding the community responsible for the project and its sustainability, SAS and IDB were providing at least on paper a contractual obligation on the part of the community to take ownership and be responsible for the project. Granted SAS was to be

[123] Ibid., p. 9.
[124] Secretaria acción social/ *Guayaki-Cua* contrato 929OC-PR502, p. 3-4.
[125] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 10.
[126] García, J. "SAS/IDB project proposal p. 1-3.

the enforcement mechanism of this contract, but in actuality would not and did not act on projects. Again, here we see the inability of neo-liberal development changing to provide opportunities to involve and recognize communities and promote involvement. This means that neo-liberal development policy is to enter a community construct a project and ask for little involvement and future assistance rendering many project ineffective once completed or a malfunction occurs. Nevertheless, throughout the construction phase and afterwards the only support outside of *Guayaki-Cua* came from Plan International in the form of dedicated development Paraguayan workers from the area.[127]

Contractors hired to construct the system were responsible for providing support for the project, through technical training and a two-year warranty on labor and equipment. Peace Corps required volunteer commitment in *Guayaki-Cua* until the completion of the project to continue providing technical, managerial, and educational support and training, to ensure sustainability.[128] Marion Ritchey-Vance describes the assistance previously mentioned, as "the social capital embodied in norms and networks of civic engagement seems to be a precondition for economic development as well as for an effective government."[129]

With a newly created Water Commission and with support from the community, we began the task of finding ways to fund the initial expenses of the project. It was left in the hands of the Water Commission members to find ways to get start up funds from the community for the project. Coincidentally, this project began around the December 1998 summer cotton harvest. This allowed the Water Commission to organize a community bingo that would occur with the end of the harvest-when people had money. The bingo

[127] García, J. (2003) Field Notes p. 13.
[128] SAS/*Guayaki-Cua* contract, p. 4.
[129] Ritchey-Vance, p. 9.

was a good opportunity to inform the community about the project, get start up funds and use local resources to provide the Water Commission and initial financial boost to initiate the project through an engineering survey and project design to incorporate into the future project proposal.[130]

Water Project Corruption

Within a month of the meeting, the Water Commission started acquiring the necessary documentation to gain government recognition as a working commission. My role as a Peace Corps Volunteer was to serve as a technical advisor to the Water Commission by assisting to help organize the project and begin work. Our first task was to contract two surveyors from the Ministry of Health to conduct a topographic survey for the design and estimated costs of the infrastructure water development project. Once the project had been designed, we wrote a proposal and included information from the community study. Upon submission to SAS, it was "evaluated according to technical, economic, financial, and functional criteria," following IDB protocol for project evaluation and in South America used by government agencies like SAS.[131] Using similar language in its criteria for projects, the IDB/SAS protocol followed MacCulloch's description that "only proposals that survived this review process could be included in for funding."[132]

The initial project proposal was rejected because it surpassed SAS cost limits. It was therefore deemed too extensive and the commission was asked to redesign the system to reduce costs. The project was subsequently submitted two more times. The

[130] García. J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 11.
[131] Mac Culloch, p. 1.
[132] Ibid p. 1.

waiting was difficult because the community had invested a considerable amount of money and time into preparation for the project. When the third rejection occurred and it was stated as the final opportunity, the Water Commission approached Pedro Souza who made a phone call to SAS and was able to convince them to give us one more chance. After the fourth revision, the project was accepted and *Guayaki-Cua* was awarded US$ 84,000 that would be distributed in four, US$ 20,000 increments. Funding was issued immediately and the contractor search process began.[133]

Neither the Water Commission nor development workers had experience in the contracting process in Paraguay. For this reason a SAS engineer was assigned to assist us in managerial and technical support. This support became useless and difficult due to the engineer living in Asunción, and not readily available to support the project. At the same time, SAS became aware of a corruption scandal related to projects involving the collusion between SAS officials and contractors, whereby the process was organized in advance and a competitive bid process was manipulated by a prior arrangement amongst SAS officials and an association of contractors.[134]

An investigation ensued and it was found that corruption was occurring in the *Guayaki-Cua* project and others around the country. Made aware of the corruption, I was summoned to the capital to meet with the Director of SAS Edgar Nuñez, who during this meeting informed me about the options available to deal with this problem.

I informed Director Nuñez that I would have to return to *Guayaki-Cua* to speak to the Water Commission and decide on our options. He informed me that the decision needed to be made that day and that I was to make this decision. I was given the option to

[133] SAS/*Guayaki-Cua* Contract, p. 2 and 9.
[134] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 12.

either accept the corruption and proceed with the project or denounce it and the project would end.[135] These were the options I was given based on problems found with other projects and if denounced could negatively impact the whole IDB, Paraguayan government arrangement. Faced with this situation and quickly evaluating the impact that my decision would have on the community I choose to proceed with the project and accept the corruption. This turn of events placed me in a challenging position having to understand the complexity of development work and the precarious position this can place individuals and institutions into. In *Dilemmas of the Grassroots Manager*, Steven Arnold and Kelly R. Reineke articulate this challenge:

> Preventing side deals that undermine the general interest requires the grassroots manager to have a foot in both camps without being or seeming compromised. That is difficult in Latin America, where a long tradition of 'clienteles' makes it difficult for 'intermediaries' to avoid being seen as exploitative middlemen.[136]

The community had been skeptical of this project and our intentions until the water drilling equipment arrived in January 1999. The Franciscan Nuns were most skeptical and made it obvious that they would not lend complete support until the project actually began. Their skepticism was well founded; as it was based on the fact the people of Paraguay have been lied to and manipulated so often that they have little faith in their leaders-and especially a young gringo.[137] Returning to the community, at a regular Water Commission meeting I informed the members about the corruption and the decision I was forced to make. Their response was that they expect the corruption to occur and a fact they deal with. They were also understanding as to the position I was place into regarding

[135] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 12.
[136] Arnold and Reinke. p. 6.
[137] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 12.

the quick decision. They were happy the project would continue. Flexibility is a key element to the grassroots effort. By comparison, the neo-liberal model has not incorporated a connection to local people and thus provides no structure to evaluate the corruption that can occur.

Project Supports Participation

Once the well was drilled and other equipment began to arrive, the nuns slowly became supportive and began explaining to their congregation that this was an opportunity to enhance the lives of their families. Their previous hesitation to support the project was based on the real and historical lack of trust in Paraguay related to government-sponsored projects.[138] In the rural Paraguay with the change in regime in 1989, the experience has been one where projects were tied to and solely completed for political purpose and proof of support. Therefore, for a project to be implemented by the government along with NGO assistance was new and unknown. The lack of support by the nuns was not any issue with the Water Commission, they had seen our efforts, but only until equipment and actual work began did they speak of our efforts and the need for community support.[139]

The support of the nuns was crucial and made it easier to increase community involvement. This was important because many skilled people from the church began taking an active role and reinforced the community participation for sustainability of this project.[140] At this point, community support became instrumental for completing the project. With stronger community support, the water commission successfully organized

[138] García, J. (2003) Field notes, Interview with Walter Caceres, 07/03/03, p.16.
[139] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 12.
[140] Garcia, J. (2004) Field notes, Interview with *Hermana* Juana Caballero, 06/16/04, p. 5-6.

neighborhood leaders from the different barrios (streets) into volunteer work crews. The volunteer laborers were an essential part of the community participation process and in fulfilling the IDB, SAS, and Peace Corps requirements. The stipulation was expressed to the community that able-bodied persons would be paid with a water hook up to their homes and serve to meet the contractual obligation.[141] Persons or families without able-bodied persons were the exception and it was the responsibility of the neighborhood to perform the work in the absence of a family member. In the process of digging the 17 kilometers of trenches for the project, the community completed a great deal more than 10% of their responsibility. Thus, through their own labor digging trenches and installing the network of pipes, a stronger sense involvement and ownership as created.[142]

Each *barrio* was assigned a work leader who was responsible for making sure that the specifications for the depth and width of the trenches were met. Working with the contractor in charge of installing the piping, we met with each group and explained their responsibility. As most people in *Guayaki-Cua* have experience with manual labor, it was not difficult for them to grasp their assigned task. Moreover, two men who had been chosen for their mechanical ability were trained by the contractor and paid by the community to learn and help install the piping, thus making them official community plumbers and water system operators. This was essential for the sustainable effort of the project to ensure that locals would be knowledgeable about the maintenance and repair of the system.[143]

Strengthening Community through Project Ownership

[141] SAS/*Guayaki-Cua* contract, p. 4.
[142] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 12.
[143] Ibid., p. 17.

The water commission, along with the local elementary school, began organizing town meetings. We began informing the community about the importance of potable water, how to use the system, and the need to conserve and maintain this resource. We explained that this system was the property of the community and that it would be necessary for them to eventually pay for the service to cover electricity costs to keep it in working order.[144] This education process involved Peace Corps, the Water Commission and the elementary school lead by Cristina Gonzales (School Director). In this effort, we continuously informed the community that Peace Corps support would be over soon and the community would be in control of the project. By the end of my service, we had completed construction and fulfilled most of the necessary requirements that Peace Corps, SAS and the IDB required. Most of the community was very surprised that the project had been completed and the system was fully functional at the completion of Peace Corps support in May 1999.[145] The Water Commission worked hard to get the community fully behind the project and the commission.

This account of the success of the *Guayaki-Cua*, infrastructure water development project centers on true, grassroots participatory democracy. When I first approached the community of *Guayaki-Cua* with this proposal, I was met with strong support and a surprising number of people interested in participation. Once the commission was formed, leaders of the community began to be identified and helped this project become a reality.

It was through the ability of the nuns, police, and residents to engender people with the confidence to take an active role in the process that made the difference. As this

[144] Ibid., p. 16

project evolved, people with essential local knowledge and skills became a great resource. This was empowerment by necessity expanded opportunities to be a part of the effort towards participation.[146] Many projects or goals do not reach their intended outcome, and after many years of experience, the IDB has seen many projects fail due to a lack of community support.[147]

SAS had the responsibility to implement the IDB loan, serve as a resource for the communities, and make this process more effective. SAS was happy to have Peace Corps volunteers serve as liaisons between them and the communities, but according to former Peace Corps Country Direct John McCloskey with over 30 years experience in Paraguay "many officials were unaware of the integrity that volunteers brought with them in implementing these projects."[148] In a way this has translated to the communities to continue supporting projects based on the effort by communities and volunteers. Most of the SAS personnel were very proud of their positions and understood the plight of the *campesinos*. But, some individuals saw these projects as an opportunity to augment their incomes and continue the 'clientelism' by making side deals with contractors and thus gaining from these projects."[149] Cultural differences, for example, such as views of business procedures on what are ethical and not, created friction between volunteers and officials, who questioned credentials and community leaders in order to find interesting ways to not fund projects.[150]

The tension between government officials and volunteers stems from the history of corruption inherited from the Stroessner regime, sanctioned by neo-liberal policies that

[146] Ibid., p. 16.
[147] Mac Culloch p. 2.
[148] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 15.
[149] Ibid., p. 15.
[150] Ibid., p. 16.

ignore serious problems at the expense of building community. SAS played an important role in deciding which communities would gain the much needed assistance and opportunities. Paraguayan officials found it difficult to comprehend that people (Peace Corps Volunteers) would work in their country for minimal salaries.[151] From these events, I deduced that had it not been for people of integrity taking part in these projects, governmental officials, NGO officials and specifically Water Commission members, more corruption would have taken place and the badly needed support would have gone to waste. Ricardo Vanella in *Building a Structure for Self-Governance* describes such partnerships of trust leading to stronger communities.[152]

Confronting Neo-liberal Supported Corruption

The *Guayaki-Cua* infrastructure, water development project was eventually found to be corrupted prior arrangement between contractors and government officials, but subsequently became and example to the IDB, SAS, Peace Corps and other communities to learn from setbacks. This means that projects are possible and problems will be encountered, and through a process that involves local residents aware of challenges, can they be diminished. The corruption resulted in future water projects parceling out the different assignments of one project to different contractors. This was an invaluable learning experience for all the people involved and provided opportunities for community participation, fostering grassroots democracy through actively involving people in the project through their labor.[153]

[151] Ibid., p. 15.
[152] Vanella R. p. 32.
[153] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 21.

Unfortunately, the relationship between SAS and Peace Corps did not continue due to the difficulty of managing projects and problems this created for volunteers. In addition, the relationship between SAS and the *Guayaki-Cua* also ended once all financial matters were completed. Though SAS was contractually obligated to support the community to date this has not happened.[154] Reinforcing the notion of a lack of true support for project, organization such as SAS and IDB are aware that it is necessary to support communities, but no mechanisms are in place to enforce this, so communities and projects are set for failure and continue the dependency exemplified by neo-liberal development.

Nevertheless, the amount of corruption would have been far more reaching, much more saturated had there not been a significant participation from the community. This is based in comparison to the historical record of the failure of projects based on the complete lack of involvement or support by the communities in Paraguay.[155] By advocating that with more participation by all interests would lower the corruption and provide for more accountability, transparency, and sustainability of a community needed resource. John Durston echoes this sentiment in his article *La Participación Organizada en el desarollo Agro-Rural de Paraguay*, where he describes the difficulty in participation lies in three challenges; economic opportunity, state reform, and democratization that require valid and new institutional measures for a society and state that work as a team synergistically.[156]

The crucial test for the *Guayaki-Cua* project was to bring people of different political affiliations and social classes to work together in and for their communities. A

[154] Secretaria acción social/ *Guayaki-Cua* contrato 929OC-PR502, p. 3-4.
[155] Durston, J, (1998) p. 82.
[156] Ibid., p. 82.

few of the Water Commission members were tied to the *Partido Colorado*. It is Paraguayan *campesino* culture that there exists a lack of trust among people due to competing agendas, political party, and family associations that have developed from *Colorado* influence.[157] As mentioned earlier on a national scale the ability for different local, state and national agencies to work together, it was also important and worked well with the combined effort the Water Commission, the nuns, church congregation and other members of the community serving in various capacities to ensure community involvement and project success.

This project required a great deal of effort from the community especially the members of the Water Commission who volunteered their time and energy. For the members of the commission it was difficult to be involved in the development world and its complicated system, their incentive was the ability to provide their families and community with a secure source of water after torrential rains destroyed surface wells already infested with parasites.[158] The constant challenge was to keep the community and commission leaders involved in this process. Once construction began, people of the community realized that this project was a reality from which they would benefit.[159]

The Water Commission had the impression Peace Corps support would continue with the knowledge that another volunteer would serve in the community. It was important to repeat that we had worked on this project and that they had the knowledge and ability to sustain it. In most cases, it ended up being a confidence issue that led people to doubt their abilities, each other, and the importance of their work.[160] This lack

[157] Turner, B. p. 11.
[158] García, J. (2003) Field notes, Water Commission focus group, p. 14.
[159] Ibid., p. 14.
[160] Ibid., p. 14.

of confidence is due to the years of political oppression, that still exists, but after the end of the Stroessner regime, "new recognition of civil and political liberties for longest time since Paraguayan Independence," fostered trust and confidence.[161] By the efforts of the church congregation and the nuns in confronting the old system and initiating a shift away from the fear based politics to supporting equality and justice, this carried on to other efforts namely the water project that met promises and further enhanced a shift towards grassroots participation.[162]

Another aspect of the project sustainability was working with the Water Commission and training them in the different administrative aspects of operating and maintaining the project. Steven Arnold and Kelly Reineke describe the importance of administrative skills and project success as "leadership skills that helped them inspire community involvement become secondary to the administrative and technical skills needed to be effective in their new positions."[163] The *Guayaki-Cua* experience supports their assertion. This was further supported through the direct involvement and respect given to local leaders in regards to meeting with government officials and making important decisions. The sheer importance of working against the historical marginalization of campesinos was immense in fostering capacity building.[164]

At the same time the running water project was being constructed, a school was built using local labor and materials. The school funded through a grant from *Plan International*. *Plan* worked with local school commissions that included members of the Water Commission. In a sense, this was a great opportunity providing project overlap,

[161] Nickson and Lambert, p. 99.
[162] García, J. (2005) "Challenges to Democratic Participation in Rural Paraguay," p. 5.
[163] Arnold and Reineke, p. 15.
[164] García, J. (2004) Field Notes, Interview with Walter Caceres, 06/25/04, p. 17.

and the use of *Plan International*'s training of locals in basic accounting and billing. The first Water Commission Secretary was trained through this *Plan* project.

This 'free' training helped to fulfill the SAS/IDB requirements, training locals in new skills necessary for the future of this project and organization of grassroots participation.[165] By creating networks with other NGOs working in the area and aiding them in their own project work, we were able to involve municipal and NGO officials with strong skills to support the project after completed. In addition, we secured written support from the local municipality and the state government, who agreed to lend assistance to the community.[166]

It was important to involve an NGO (*Plan*) that was completely administered by local Paraguayan professionals who lent their expertise. We overlapped in providing two very basic, yet very important, necessities: a) providing local children with clean water and b) new school facilities. This relationship was based on the relations between *Plan* officials and the community providing mutual support advancing school and sanitation projects in the community. This would prove pivotal in the years to come based on the technical problems the Water Commission would encounter such as future problems of decision making being made by one person rather than the Water Commission.[167]

Water Project Sustainability Challenges

In 2001, the original water project well pump burnt out due to a lack of regular maintenance and the community spent a month without potable water. Maintenance for the system was the responsibility of the Water Commission working with the

[165] SAS/*Guayaki-Cua* project contract p. 3-5.
[166] (1998) City of Caaguazu official recognition of *Guayaki-Cua* statement.
[167] García, J. (2003) Field notes, Water Commission focus group p. 13.

government, which depended on communication between both. During this month people used water from their surface wells and began getting sick from parasites. This energized the community to work together to get the project running once again. They organized, made a collection of money and approached Plan International (Walter Caceres) for additional help to replace the pump.[168] This was a clear sign that the community has ownership of the project, through organization in support of each other for the benefit of the community. In comparison to other projects in the area that had been dominated by NGOs, the community through their involvement and ownership thus compelled to act.[169]

Interviewing health practitioners, teachers and residents they all described that the symptoms associated with *parasitosis* were almost non-existent. Rashes and skin conditions from a lack of bathing had all but disappeared. In discussions with Cristina Gonzalez Director of the elementary, she expressed her happiness and pride from the work accomplished by the community who came together to improve the lives of the children with the help of Peace Corps, SAS, and *Plan*.[170] Through our discussion, she illustrated that the improvements in health had such a positive impact on the children, which allowed them to function normally, to learn and develop naturally. In the past due to parasites and other diseases, many children were anemic and found it hard to concentrate.[171]

In 2001, a new commission was formed that in 2003, was replaced by the original commission we formed in 1998. From interviews, it was learned that the management of the Water Commission was a job that few people wanted, due to the amount of time and

[168] García, J. (2003) Field notes, p. 15.
[169] Durston, J. (1998), p. 95.
[170] García, J. (2003) Field notes, p. 11.
[171] Barrios, O. (2001) "Pobreza y Desigualdad Del Ingreso en Paraguay," Población y Desarrollo, Edición No. 20 San Lorenzo, Paraguay.

effort it entails.[172] The difficulty related to serving on the commission is that it brings attention to the person and could potentially be a target for smear or other challenges. John Durston illustrates that: "como señala la Secretaría Acción Social, los problemas de la pobreza rural se relacionan directamente con insuficiencias en la descentralización," because due to a lack of participation, people are not prepared to be leaders.[173]

As Paraguay undergoes the process of decentralization, efforts to involve more people in the decision-making process meets the challenge of getting people involved. In the past residents did not have the opportunity to participate and so this is an unknown effort. Thus, control of the water project fell back to the original members of the Water Commission.[174] The difference this time was that a member of the Water Commission, Treasurer Miguel Gonzalez, vice-President for the first Water Commission controlled the money that was collected from the community, and made decisions based on his elite *Colorado* status and influence.[175] Because Miguel is member of the *Colorado* party and his family is also we known and early settlers of the community he has the physical backing of his 6 brothers and the history of *Colorado* domination in *Guayaki-Cua*.

Miguel is a very active person in the community and a member of various commissions and remained a member of the *Partido Colorado* in 2003. Many members of the community expressed how Miguel was not utilizing the bank account that had been set-up during the construction phase of the project and that he was storing the money at his home. What was alarming was that Miguel had made decisions without consulting the

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[172] García, J., Meeting notes taken by author at *Guayaki-Cua* Water Commission, *Guayaki-Cua*, Paraguay, 07/02/03.
[173] Durston, J. (1998) p. 94
[174] García, J., Meeting notes taken by author at *Guayaki-Cua* Water Commission, *Guayaki-Cua*, Paraguay, 07/02/03.
[175] Ferreira, Jacinto. President *Guayaki-Cua* Water Commission 1998-2000, 2002-2004, Interview by author, *Guayaki-Cua*, Paraguay, 07/11/03, 06/29/04.

community or the Water Commission. He spent a large amount of money on repairing the water pump that different members of the community described was not serviceable without a receipt and guarantee on the work to be performed.[176]

This had taken place over a year before the research and was a source of tension within the community. Different people in the community corroborated this information and many were not happy with the decisions made by Miguel. This served as a clear sign that people experience security and safety to express their dissatisfaction with leadership.[177]

It is interesting to note that by returning to the community more and more time was spent with people who communicated that there were personal and political divisions in *Guayaki-Cua*.

After a few weeks in the community, it was learned that the rule of law is slowly taking hold in Paraguay especially in *Guayaki-Cua*, dealing with the legacy of *Partido Colorado* elites.[178]

Inter-Community Tensions

Guayaki-Cua in 2003 had one group of residents who was above the law, following the old pattern of the past (mostly *Colorado*s). The other group represented those who had suffered the most and struggled for the rule of law finding it necessary for their basic safety and security. This had an impact on the community based on the

[176] Ferreira, Jacinto. President *Guayaki-Cua* Water Commission 1998-2000, 2002-2004, Interview by author, *Guayaki-Cua*, Paraguay, 07/11/03, 06/29/04.
[177] García, Pablo. San Blas Catholic Church congregation leader, interview by author, *Guayaki-Cua*, Paraguay, 07/05/03.
[178] Formento, L. (2003) p. 111

challenges of overcoming obstacles to be unified.[179] This kind of situation is common throughout rural Paraguay and has been the cause of many problems. This situation began to play out through the Water Commission and the decisions made by Miguel.[180]

Miguel Gonzalez is a part of the faction that is anti-police and who is used to doing what he wishes based on his familial and personal connection to the *Colorado* apparatus. He still acts this way based on his stature in the community and ties to the *Colorado*'s that keep members thinking they are above the law. This has carried over to the Water Commission where he made the mistake of deciding without consulting the Water Commission. Miguel takes part in many projects and is slowly losing support from the community by trying to remain a local elite in the face of changing politics.[181]

Through his power, Miguel believed that the water project, *Colorado* connections, and work with *Plan Internacional* gave him the right to make ad hoc decisions for the community. This was a complicated situation where Miguel is a contradiction in that he is a caring and hard working person who serves the community. Certainly he has to be applauded as does his partner *Directora* Cristina who combined have done amazing work in the community. Miguel confuses this and causes himself problems based on his elite standing in the community.[182]

Jacinto Ferreira, the 2003 President of the Water Commission, explained to me that he is a member of an opposition party; this provides him with respect for being an independent thinker amongst the many who side with the *Colorados*. As a respected

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[179] Caceres, Walter. Coordinador, Plan Internacional, interview by author, 07/07/03, 06/25/04, Caaguazu, Paraguay.
[180] Ferreira, Jacinto. President *Guayaki-Cua* Water Commission 1998-2000, 2002-2004, Interview by author, *Guayaki-Cua*, Paraguay, 07/11/03, 06/29/04.
[181] Ibid.
[182] García, Pablo. San Blas Catholic Church congregation leader, interview by author, *Guayaki-Cua*, Paraguay, 07/05/03.

leader, Jacinto is very active in the community and known for integrity. Jacinto supported the claims made by people in the community and was able to provide a realistic assessment of the situation in 2003 that supported Walter Caceres description and that of others in the community related to the difficulties with Miguel.[183] After a few weeks in the community, the truth was slowly revealed and was eventually revealed by Miguel.

Miguel described that there had been a situation where the community was divided by differences among at first the Nuns and Eduardo Fernandez (local resident and cotton buyer) against *Sub-Oficial* Mario Ortega for abusing his power.[184] During the research time in *Guayaki-Cua* others in the community expressed their knowledge about the issue. It was brought to my attention that it was in fact Miguel and Eduardo who have differences with *Sub-Oficial* Mario and not the Nuns. The rest of the community, according to Jacinto Ferreira, the nuns have no differences with *Sub-Oficial* Ortega.[185] Miguel did not exactly tell me the truth but later began telling me that in fact he and Eduardo had differences with Ortega.[186]

This tension goes back to 1997 when Florencio Ariola was *Sub-seccional* and Miguel along with his brothers and Eduardo, now wanted control of the community but were hindered by the Nuns, the church congregation, and police. It is the same power struggle encountered whereby the Gonzalez brothers and their associates are used to having power through manipulation and aggressive tactics.[187] The political situation is

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[183] Ferreira, Jacinto. President *Guayaki-Cua* Water Commission 1998-2000, 2002-2004, Interview by author, *Guayaki-Cua*, Paraguay, 07/11/03, 06/29/04.
[184] García, J. (2003) Field notes, p. 12
[185] Ferreira, Jacinto. President *Guayaki-Cua* Water Commission 1998-2000, 2002-2004, Interview by author, *Guayaki-Cua*, Paraguay, 07/11/03, 06/29/04.
[186] García, J. (2003) Field notes, p. 12.
[187] Ibid., p.13.

one where elite and *Colorado* influence are connected and have been held in check by the different groups mentioned above.

The Water Commission active members in 2003 were Florencio Borja Secretary, Jacinto Ferreira President, and Miguel Gonzalez Treasurer. In a meeting they described the community is happy with the water project and feel an enhanced quality of life. Each member agreed that there had been a definitive changes based on improved health.[188]

Until the idea had been presented they never believed that a water project could become a reality, the costs and challenges due to corruption and marginalized status of *campesinos* kept such a possibility out of reach. They agreed that Directora Cristina Gonzalez had been a strong proponent for the project giving her full support. In addition, they mentioned *Hermana* Maxima Vera, Ministry of Health *Caaguazu* Area Supervisor Cirilio Requelme, and Walter Caceres of *Plan International*, were instrumental and supportive providing support in educating the community after completion about the importance of the project.[189] The Commission expressed that the community was supportive but during construction maintained a wait and see attitude until the initial phase was begun. This was due to the influence that foreigners possess to lend weight to projects and due to the Peace Corps the community agreed to take part in various fund raising initiatives.[190]

At times, it was disconcerting to know that a foreigner could go to any government office and get immediate support and attention. Nevertheless, a *campesino* could do the same and spend days never to be seen or treated with respect and dignity.

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[188] García, J., Meeting notes taken by author at *Guayaki-Cua* Water Commission, *Guayaki-Cua*, Paraguay, 07/02/03.
[189] Ibid.
[190] García, J. (2003) Field notes, p. 14.

This posed a challenge as to the participation and sustainability of the project. The fear was that once we had completed the project and a major breakdown occurred this would spell the end of the water system. Based on Walter and Cirilio's support of the project and subsequent follow up this did not happen.[191]

The members of the commission were also quick to mention that since this project other surrounding communities have requested and built water projects, seeing the results of the work done in *Guayaki-Cua*. They also compared the project to others and mentioned some of the problems that others had encountered. These problems consisted of the lack of supervision by an NGO or government to support the community by insisting on quality work. Other projects were plagued by a lack of community involvement, a sense of ownership, and quality control.[192]

Finally, we discussed the challenges that the commission faced and how they were addressing them. The Water Commission described the biggest challenge came when the original motor burning out and they were not aware the water well had to be maintained and the motor serviced. They learned from this mistake and began utilizing government engineers to help them maintain the project. The challenge is learning and keeping up with the maintenance of the well. This is a serious issue where many projects fail due to a lack of government support.

Summer 2003 research evaluated the impact the water system on the political dynamics in the community. The project was still operated by the community and imparted important health benefits for residents. The research provided an opportunity to focus on community dynamics they evolve to support participation, through the Water

[191] Caceres, Walter. Coordinador, Plan Internacional, interview by author, 07/07/03, 06/25/04, Caaguazu, Paraguay.
[192] García, J. (2003) Field notes, p. 14-15.

Commission. The Water Commission in 2003 had fallen back into the hands of the original members, creating tension in the community. The Water Commission was not in a good situation, operated and managed by Miguel with strong family and political power in the community. The community was in turmoil based on old rivalries and the establishment of law and order. Fortunately, this was not a violent or aggressive situation based of the respect for the law that had been initiated. With knowledge and as sense of safety, residents in *Guayaki-Cua* were comfortable expressing themselves without fear of retribution or intimidation.[193] This is important, due to the need for greater openness and involvement which will be seen through the research conducted in 2004 enhancing participation.

Election of New Water Commission

In March 2004, a new commission was chosen from a community meeting attended by 84 persons mostly male, as a result of the problems and resulting stress created by the tensions and decisions made in 2002-2003 without community and Water Commission approval. My initial reaction was that this was step in the right direction to improve community relations to foster more participation, by including members of the community who historically have not participated.[194] In addition, as described by Arun Agrawal and Clark Gibson in their article *Enchantment and Disenchantment: The Role of Community in Natural Resource Conservation*, "if members of a community believe in

[193] García, Pablo. San Blas Catholic Church congregation leader, interview by author, *Guayaki-Cua*, Paraguay, 07/05/03.
[194] Caballero, Juana. *Hermana* Franciscana, Misión Franciscana, Iglesia San Blas, interview by author, 06/22/04, *Guayaki-Cua*, Paraguay.

shared identities and common experiences, they also may be willing to cooperate over more formal decisions to manage and conserve resources."[195]

In comparison to 2003 research, in *Guayaki-Cua* there is less tension than before. The Water Commission was operating satisfactorily and the community seemed happy with the project. The most important question lingering from summer 2003, was that due to the previous years tension within the community, how could participation be supported and promoted? The formation of a new Water Commission was done for the continuous effort to establish authority in the community based on little interaction with government institutions and the community was forced to 1) make rules about the use, management, and conservation of resource 2) implement the rules and 3) resolve disputes occurring during the interpretation and application of the rules.[196]

First, the management of funds by the commission was a critical issue because of the bad decisions made the previous year by Miguel, and one of the reasons for forming a new Water Commission.[197] According to Arun Agrawal and Clark Gibson this was dealt with, based on "the presence of community-level norms can facilitate resource management by preventing certain behaviors or encouraging others."[198] Miguel's behavior was symbolic of the past and based on the importance of the water resource. The potential for losing this critical resource for the community to create a new commission sent a message out against this type of behavior, signaling a new direction to

[195] Agrawal, A. and Gibson, C. (1999) "Enchantment and Disenchantment: The Role of Community in Natural Resource Conservation," World Development, Vol. 27, No. 4 pp. 629-649, p. 635.
[196] García, J. Meeting notes taken by author at *Guayaki-Cua* Water Commission, *Guayaki-Cua*, Paraguay, 06/23/04.
[197] García, J. (2004) Field notes June-July *Guayaki-Cua*, *Caaguazu*, Paraguay, available from author, p. 1-17.
[198] Agrawal and Clark, p. 635.

establish authority. In dealing with these issues, the Water Commission was also forced to deal with new challenges in relation to past breakdowns and stoppage.[199]

From my interviews with the new President Teobaldo Gauto and Treasurer Cantalicio Montiel, they had attempted to use a checking account, but the bank required them to maintain funds for 3 to 6 months without using them. This was not a viable option due to the need for making necessary repairs and routine maintenance. So, the Water Commission was forced to keep some available funds and try to invest the rest in some sort liquid property such as cattle.[200] Guato and Montiel added that due to the experience of bad decisions and a lack of funds, they instituted a yearly payment system whereby residents could pay a year in advance. This would provide capital in the event of needed repairs or an emergency.[201]

Many of the challenges encountered by the community and the Water Commission could have been dealt with had their been a supportive role through the government based on institutions that are organized to support communities rather than impede them. In this situation, local decisions were based on rules made outside of the community and from a lack of established government methods and training to create rules and deal with disputes internally.[202] Thus, as it occurred in *Guayaki-Cua*, the community through its grassroots initiative and need for order, used existing resources and local methods to slowly establish a strong participatory process. This can been seen

[199] García, J. (2004) Field notes p. 1-17.
[200] García, J. (2004) Field notes p. 7.
[201] Staff writer, "Aceleran obras de agua potable a pedido del BM", ABC Color, Viernes, 4 de junio de 2004, año 37, No. 11.563, Asunción, Paraguay.
[202] Agrawal and Gibson, p. 638.

in the Water Commission dealing with elite influence and recognizing a need for change.[203]

According to *Hermana* Juana, the new head Nun, and members of the community, in comparison to projects completed by the government and Plan International, *Guayaki-Cua* suffered fewer problems than other systems. Through interviews with members of the community and Hermana Juana this was due to the time the community spent organizing and working to be vigilant through concerted efforts to make sure the community was involved in the project and people were trained to maintain the basic functions of the system.[204]

Instrumental Leaders Leave

Since the previous summer in *Guayaki-Cua* tensions had gotten so bad, Comisario Mario Mireles was re-assigned and replaced by his second Jorge Dominguez. In addition, the head Nun in the community *Hermana* Maxima Vera also sought another assignment. As described by *Hermana* Juana, this fostered a chance to lessen the tension and bring the community back together. This was the case since both Mario and Maxima were instrumental in the move toward improved safety but were a challenge to the political and family power structures. Juana described that Maxima and Mario had served their purpose and left the community to lessen tension. In this case, Maxima and Mario represented institutions used to deal with intra-community conflicts using arbitration and enforcement efforts from formal institutions.[205]

[203] García, J. (2004) Field notes p. 7-8.
[204] Caballero, Juana. *Hermana* Franciscana, Misión Franciscana, Iglesia San Blas, interview by author, 06/22/04, *Guayaki-Cua*, Paraguay.
[205] Ibid.

Pablo García, a respected member of the community, stated most residents supported the Nuns and police, especially *Hermana* Maxima and *Sub-Oficial* Mario because of the changes that occurred in 1997. But, that the rule of law is slowly becoming a part of rural Paraguay and members of the community were not used to being law abiding citizens, due to the long history of rural elites.[206] Through *Colorado* affiliation and a vendetta against the police, a *Comision de Vecinos* (local elites) was organized, to actively seek the removal of Mario Ortega because he was either too severe or not severe enough in his work.[207]

Jorge Dominguez became the new *Sub-Oficial* in 2004, he is in support of maintaining the same security and justice, Mario Ortega began. To prove this, he invited the researcher to a police and community meeting with officials from a Paraguayan human rights organization, government officials and residents from the area. From observations, the tension surrounding *Comisario* Mario still lingers. He was reassigned but Jorge is considered a part of Mario's administration due to his connection and work with related to the *Hermana* Maxima Vera case. The Police Commission called the general meeting to present Jorge as the new *Comisario* and create an opportunity for dialogue with area residents.[208]

Fifty-seven people attended the meeting, including two Franciscan Nuns and members' of prominent families from the area. Jorge addressed the community and described the challenges they faced since he arrived in 1997, expressing his effort to work together. Moreover he knew that there were still differences that need to be

[206] Garcia, J. (2004) Field notes, p. 7.
[207] García, J. (2004) Field notes, p. 7.
[208] Ibid., p. 9.

expressed, beginning an hour-long discussion concerning grievances about related to the *Comisaria*. The discussion revolved around justice and equality in enforcement.[209]

Different members of various communities around Guayaki-Cua expressed their ideas and opinions during the forum echoing the call for justice and equal treatment. *Hermana* Miguelina expressed the need for unity to get beyond the past and move forward working together. Dominguez stressed the need for unity, participation, and support to keep the area safe and secure.[210]

State and National Government Involvement

Through the interviews with the Associate Director for the Ministry of Health in Asuncíon, *Engeniero* Roberto Acosta, and the *Caaguazu* area Ministry of Health Supervisor Cirilio Riquelme. Through a newspaper report, it was learned that the government was receiving financial support from the World Bank to build other rural systems and support existing government related projects.[211] This was good opportunity for the Water Commission in *Guayaki-Cua* to gain recognition as a Junta (government recognized Water Municipality) and have access to support and resources. Government finally realized that *campesino*s and rural villages do not have the technical knowledge or experience in maintaining systems.[212] Both officials described, that teams of well technicians would be organized around the country to support rural water commissions.

[209] Ibid., p. 9.
[210] Ibid., p. 9
[211] Staff writer, "Aceleran obras de agua potable a pedido del BM," ABC Color, Viernes, 4 de junio de 2004, año 37, No. 11.563, Asunción, Paraguay.
[212] Agrawal and Gibson (1999), p. 639

The challenge would be under whose jurisdiction would these teams be under (national or local) and would the teams respect local authority.[213]

There is a clear problem and a lack of commitment by NGOs and the government to ensure projects, get completed and sustainable. Infrastructure projects fail in the rural Paraguay due to *campesino*s serving no role in planning, or trained to deal with servicing projects. This has led to cases such as *Guayaki-Cua*, where *campesino*s are getting beyond party politics and organizing for their own support. The challenge is whether NGO's and the government have the institutional mechanisms that support *campesinos* or will continue to impede them through continued neo-liberal development policies.[214]

According to the Ministry of Health *Caaguazu* Supervisor Riquelme, Area Coordinator for Plan International, Walter Caceres, and confirmed my research substantial gains have been made in providing a secure source of potable water for a community. Cooperating with previous community efforts to aide the democratic participatory process continue. *Guayaki-Cua* and the work of the different groups have impacted the people of the area setting an example that other communities in the region are following. Other communities in the area have witnessed the struggle and authority established by *Guayaki-Cua* residents. According to Cirilio Riquelme, *Guayaki-Cua* has made significant if not amazing changes in a very conservative culture, promoting participatory efforts, where in the past were not possible.[215]

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[213] Acosta, Roberto. Director Asistente, Servicio Nacional de Saneamiento Ambiental (SENASA), interview by author, 06/28/04, Asunción, Paraguay.
[214] Acosta, Roberto. Director Asistente, Servicio Nacional de Saneamiento Ambiental (SENASA), interview by author, 06/28/04, Asunción, Paraguay.
[215] Riquelme, Cirilio. Supervisor de Caaguazu, Servicio Nacional de Saneamiento Ambiental (SENASA), Interview by author, Caaguazu, Paraguay, 07/15/04.

Cirilio, works with about 300 different communities on sanitation projects describing that in the past five years only about 5% of communities in Paraguay have gotten access to potable water through projects.[216] In addition, that 43% of people in the department of *Caaguazu* do not have access to potable water. The difficulty is with the type of culture in Paraguay that exist, and having functioning and organized commissions in rural areas operated by *campesino*s is very positive sign that people are working together.[217]

According to Cirilio*, Guayaki-Cua* is a special community and the problems from 2003 stem from a well pump situation an unethical contracting company taking advantage of *campesino*s in the area and a situation where decisions were not made by the Commission. By overcharging them and providing low quality work for the projects forcing *campesinos* to work on the systems. Cirilio described that he became aware of this and helped the *Guayaki-Cua* Water Commission, to fix the problem and investigate the predatory contractor operating in the area.[218]

Cirilio understood the work on the project and how we organized the community. He described that in comparison to other communities, the politics in *Guayaki-Cua* do not plague the commissions and community too severely as in others where corruption and personal differences reign.[219] He was pleased to hear a new commission had taken over. He reiterated what he had stated in previous years that the relationship with Peace Corps and *Guayaki-Cua* has the support from Ministry of Health and the municipality of *Caaguazu.* Cirilio's

[216] Ibid.
[217] Ibid.
[218] Ibid.
[219] Ibid.

final evaluation was that the community needed to get recognition as a *Junta de Sanenamiento* with full recognition from the government to get financial and technical support to be a part of the new World Bank initiative.[220]

The challenge here is to get government institutions to finally understand that it is also their responsibility to help communities like *Guayaki-Cua* to succeed in managing their own resources. This is why *campesinos* are organizing and finding strength to confront corrupt institutions such as the *Partido Colorado*, and the inherent corruption from the caudillo system. According to Roberto Acosta that is the intention of the World Bank effort in Paraguay to build new water systems and support existing projects.[221]

According to Arun Agrawal and Clark Gibson, in their article "Enchantment and Disenchantment: The Role of Community in Natural Resource Conservation," one

> Must recognize that state officials and community representatives are located with in asymmetric organizational structures. They enjoy access to very different levels of resources and power. For community actors to posses some leverage in their dealings with state officials, it would be imperative that they organize themselves into larger collectives or federations that can span the gap between the local and the national.[222]

From this statement, it is important to understand the various roles of NGO's and the government and the type of power they possess in comparison to *campesinos*. In this context a re-evaluation on the part of NGOs and the government is need to provide quality sustained support of rural communities

[220] Ibid.
[221] Acosta, Roberto. Director Asistente, Servicio Nacional de Saneamiento Ambiental (SENASA), interview by author, Asunción, Paraguay, 06/28/04.
[222] Agrawal and Gibson (1999) p. 639.

like *Guayaki-Cua* while working to organize through the leadership of *campesino* communities.[223] Strength can be found in this case for understanding the major challenges that were encountered and overcome through combined efforts of various institutions and the community through a combination of grassroots efforts.

[223] Caceres, Walter. Coordinador, Plan Internacional, interview by author, 07/07/03, 06/25/04, Caaguazu, Paraguay.

Chapter 5

Conclusion and Recommendations

The opportunity to evaluate this work has helped to gain some insight. It was not known at this time that the events that transpired in 1997 actually had such an enormous impact on paving the way for a grassroots participatory effort. It was the strong effort of local initiative and dire need that national and local events set in motion the possibility for organizing the community and empowering them.

> As local pressures mount and state resources dwindle, these organizations are reweaving the sociopolitical fabric, mediating everything from health services delivery to the adjudication of land disputes. Many observers think this trend signifies and historic point for Latin American society, allowing people at the grassroots to participate in their own development and reap the benefits of their labor.[224]

From research related to this project, it was learned that the funds provided by the IDB to Latin American governments were a response to urban growth. This project worked as a part of a larger plan that had multiple outcomes. The Paraguayan government and the IDB underestimated the influence that this work could have on local communities, based on their connections and promotion of neo-liberal development. The projects that took place during this time were the first of their type in Paraguay and served as a learning experience for different organizations. And fostered a need for a variety of people and organizations to cut across political, and class divisions to work in an environment experiencing a movement towards grassroots true democratic efforts.

[224]Arnold and Reineke, p. 15.

The challenges and obstacles faced by the water project served as an example for future efforts and provided measures to inhibit corruption. It is interesting to note that after this project and others were completed, Peace Corps decided not to work with SAS. Due to corruption in the Paraguayan government and possible safety issues involving Peace Corps volunteers. In reality, these projects were very difficult to work on and required skills that most volunteers did not possess. Moreover, amongst the volunteers that worked on these projects, there was a consensus that we did not receive the kind of support from SAS and Peace Corps to deal effectively with the different issues. These issues involved understanding the various development policies in place and how they impact local people. It is naive to believe that this kind of project in an era of grassroots social movements would not encounter difficulties at the local level.

This was an amazing time of growth for *Guayaki-Cua* and Paraguay. A sense of security was restored to the community through the brave actions of a Franciscan Nun, *Hermana* Maxima. This spark initiated a process that would change *Guayaki-Cua* and provide an opportunity to foster a stronger sense of community through grassroots efforts. That change led the way for numerous governmental and non-governmental agencies to make significant efforts at aiding the development process in *Guayaki-Cua*.

Within a two-year period, the community was involved in a number of projects that provided assistance in different areas that overlapped and utilized the skills of community members. These projects were a running water system, school construction, and various agriculture assistance programs that all provided training in various areas. This training served to aid each project and helped the community to utilize a

participatory process, where by, people realize their problems and are empowered to work on projects collectively for the good of all.

These different projects served important roles by illuminating the inherent problems of top down neo-liberal development while creating a need for local participation. As people became more involved, they were involved to take part in grassroots efforts at strengthening community. This set an important precedent that allowed people to forget about partisanship and overcome personal differences to work together and create opportunities for participation.

In 1998 torrential rains brought by the El Niño phenomenon flooded most of Paraguay and caused surface wells to collapse. This created an emergency in *Guayaki-Cua* with the loss of roughly 25 surface wells, leaving many families exhausting remaining wells already infested with parasites.[225] A year or two later Paraguay endured severe drought conditions. The completion of this water project provided security in the face of these natural challenges.

In addition, to the natural challenges, the people of *Guayaki-Cua*, were also caught in a historical context whereby a variety of forces were converging all in this community each with its own objective and at times not for the benefit of the community. The events that took placed served well to illustrate the changes occurring in Latin America and the future of participatory politics and the demands local populations will make by their involvement in true democratic participatory efforts.

This analysis allowed the evaluation of grassroots efforts to gain insight into the challenges facing local populations as they exert pressure to be active in their

[225] Garcia, J. (2003) Field notes June-July *Guayaki-Cua*, *Caaguazu*, Paraguay, available from author, p. 14.

communities. Upon reflection, the project would provide the community with greater opportunities for not only improved health. It did much more than improve health. It fostered a sense of pride in *Guayaki-Cua*, making it possible for people to take active roles in local change to grassroots democracy.[226]

Recommendations

The lessons from the *Guayaki-Cua* case provide a number the opportunity for making a host of recommendations. This section will only focus on those recommendations that can have an important impact on other rural communities in Paraguay. These recommendations involve local community government, partisanship, governmental and NGO relations with rural communities, and neo-liberal decentralization and participation.

Rural communities in Paraguay such as *Guayaki-Cua* through the recommendations of NGO's and the Paraguayan government have in organizing communities for development projects have required the organization of commissions to manage and support projects. This model is problematic due to the number of commissions that can be found in a community. Without any real oversight and official selection process, these commissions can be taken over and manipulated by partisan elites.

The *Guayaki-Cua* case has given proof that this occurs and as recommended by Walter Caceres, an effort by the Paraguayan government with the support of NGO's can foster the development of rural municipalities that create a governing council at the local level centralizes decision-making. This will introduce a decentralization process that

[226] Ritchey-Vance, p. 9.

removes power from local elites and provides participation from other groups through traditional consensus decision-making that fosters a true democratic process and avoids the divisions that have occurred where the same few elites dominate a commissions based on a lack of local, state and national oversight.

Partisanship has been a problem in Paraguay for many years and has served to continue the empowerment of elites, be they national or local. *Guayaki-Cua,* serves as an important example for the importance of local communities to understand the importance of supporting local efforts and getting beyond the neo-liberal supported 'divide and conquer' strategy that pits neighbors against each other and ignores the real issues. The example of *Guayaki-Cua* is important because it provides lessons about the futility of clinging to political connections that serve no local interest. Moreover, based on the combination of the end of autocratic rule, neo-liberal imposed measures, natural disasters, and a need to confront a host of forces it is necessary and imperative to organize as the people of *Guayaki-Cua* have learned to do. They have learned through traumatic experience the crucial importance for their survival to overcome personal and political differences to support community.

Governments and NGO's play an important role in either supporting grassroots efforts or not. In the case of *Guayaki-Cua,* they have served and important role in both highlighting the challenges and benefits of working with projects that create opportunities for basic participation. In development work it is necessary for governmental and NGO's to work with communities to serve multiple roles, but with the strong understanding that it is the responsibility these organizations to support participation by their awareness of the difficulties that neo-liberal development creates. Historically, this has not been the

case and it is necessary that governments and NGO's learn that local communities understand and are reacting to the inability for institutions to change and change for the support of local issues rather than national and international corporate profits. However, whether this occurs or does not local communities are involved in efforts to understand and confront institutions for their needs and support.

Neo-liberal decentralization and participation have proven unable to address local concerns and effectively engage in promoting grassroots democracy. Now is the time for governments and NGO's to understand the need for honest change that re-evaluates past efforts that have only empowered and supported local elites. The last to change institutions will either lose complete touch with populations or make changes that are in line with grassroots initiatives. The choice is clear, in that grassroots movements are clearly establishing what neo-liberalism promised but could not provide. Governments and NGO's can either support efforts or continue as they have and impede true decentralization and participation efforts at the expense of becoming obsolete and serving only special interests.

Guayki-Cua is but one community where, different groups and organizations have arrived to begin confronting the problems inherited by internationally imposed autocratic rule and inept development policies. We have learned through research that based on need communities will return to traditional forms of organization and the importance of avoiding individualism and supporting community through sacrifice.

In addition, the challenges they face in the process of taking part in community decision-making related to safety, security and resource allocation. Paraguayan *Campesinos* are much like many local communities around the world that:

> Search for a road to rebuild community life and the more secure (if far from idyllic) human relationships shattered by industrialization, urbanization, internationalization of capital, colonization, and proletarianization. Its roots also lie in the progressive decomposition of the two prevalent paradigms of the twentieth century—centrally planned socialism and market driven capitalism.[227]

Thus, development must take into account that:

> Tools can empower and disempower. If they are adaptable to different contexts and easily used by people of any class, gender, or culture they can enable women and men to take greater control of their lives. We need to think about what we are doing in development and why we are doing it. We need to reflect on these questions in the midst of everyday practice as well as in the context of policy, planning, and administrative procedure. [228]

[227] Canel, E. p. 3.
[228] Slocum, R. et al., (1995), Power, Process and Participation-Tools for Change, Intermediate Technology Publications Ltd., Southampton Row, London, p. 29-30.

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