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## **Governing Partido Colorado Retains Power in Paraguay**

by LADB Staff

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After a campaign in which at times the main contest seemed to be between factions of the governing Asociacion Nacional Republicana (ANR, Partido Colorado), Raul Cubas Grau won a decided victory in Paraguay's May 10 general elections, maintaining the ANR's half-century hold on power. Although Cubas Grau says his main objective is to end corruption, already efforts are underway to pardon jailed former Gen. Lino Cesar Oviedo and allow former dictator Gen. Alfredo Stroessner (1954-1989) to return to the country.

About 75% of Paraguay's 2,049,000 registered voters went to the polls. Besides electing a president and vice president, voters chose 45 senators, 80 deputies, and 17 department governors for five-year terms. Unofficial results give the ANR 54% of the vote, compared with 42% for the opposition Alianza Democratica. Despite initial charges of ANR fraud, Alianza presidential candidate Domingo Laino accepted defeat on May 11. The Alianza, led by Laino of the Partido Liberal Radical Autentico (PLRA) and Carlos Filizzola of the Partido Encuentro Nacional (PEN), saw the serious divisions within the Partido Colorado as a real opportunity for an opposition victory.

Not only did the Alianza lose the presidency, it also lost control of Congress, taking 21 seats in the Senate to the ANR's 24, and 37 seats in the lower house, where the ANR won 43 seats. In accepting defeat, Laino said the re-election of the Partido Colorado would "create difficulties for achieving real stability" in Paraguay's fledgling democracy. He said its program offered nothing new for a nation where corruption and poverty are endemic.

### ***Chaotic campaign***

The campaign was marked by rumors of an impending coup, a last-minute change in the ANR ticket, demands by sectors of the ANR that elections be postponed, warnings of US and regional intervention, and a tug-of-war between the executive and the electoral tribunal. Throughout the campaign, the dominant figure was the jailed Oviedo. Cubas Grau became the ANR standard bearer just 20 days before the elections, when Oviedo was disqualified because of a ten-year jail sentence for his 1996 attempted coup (see NotiSur, 03/20/98).

When Grau moved to the top spot on the ticket, Luis Maria Argana, an Oviedo opponent and president of the ANR, became the vice presidential candidate. President-elect Cubas Grau is often referred to as one of the "Itaipu barons," a group of business leaders that includes President Juan Carlos Wasmosy, who made their fortunes from state contracts to build the Itaipu dam. Cubas Grau's campaign slogan was, "Cubas in office, Oviedo in power."

Although late in the campaign he said he would not cede power to Oviedo, he repeated his commitment to free the general and make him an important advisor in his administration. Oviedo's significant popular support, especially in the countryside and among the Guarani-speaking people,

was crucial to Cubas Grau's victory. Also important was the concern of the more than 180,000 public-sector employees that voting the ANR out of office after 51 years would jeopardize their jobs. That fear apparently was stronger than any belief that the Alianza could resolve the country's significant economic problems and generalized corruption.

Another factor was the lack of faith in the democratic process among many Paraguayans. In the five years since Wasmosy became the first freely elected president in recent history, citizens have seen little improvement in their lives, and for many, things are worse. Rising crime often evokes nostalgia for the "mano dura" of military rule. In a poll last year by the Latinobarometro firm, only 44% of respondents agreed with the statement that "democracy is preferable to any other kind of government."

Victor Jacinto, a political scientist, said the opposition party had not done enough to counter the Partido Colorado party's entrenched political power in the country or attract poor voters. "The democratic forces haven't yet advanced sufficiently to replace the old culture," he said.

### *Party divisions expected to resurface*

The deep divisions with the ANR are certain to affect the new government once the euphoria of the victory wears off. The party faction loyal to Wasmosy, while smoothing over hostilities just prior to the election, appears unlikely to work with a pro-Oviedo administration. Since Wasmosy was the prime mover behind the jailing of Oviedo, he, and the military, will most certainly oppose any effort to free him. Party infighting will be only one problem facing Cubas Grau.

Political instability that has shaken Paraguay during the past year has devastated the economy, and the new administration will lead a country in near ruin. Investment has come to a standstill, the budget deficit has ballooned to US\$120 million, latest inflation projections are double the government's original estimate of 6.5%, the local currency the guarani has lost 35% of its value against the US dollar in the past year, and unemployment has hit a record high of 20% of the economically active population. In addition, the El Nino weather phenomenon has caused the worst flooding in 15 years, resulting in 30,000 people being evacuated from areas along the Parana and Paraguay rivers.

Moreover, Paraguay has become a notorious smuggling center. Its official economy is dwarfed by the black-market economy, with smuggling valued at anywhere between US\$12 billion and US\$50 billion a year. Money-laundering funneled US\$55 billion through Paraguayan banks in 1997 a staggering figure in a country with a GDP of US\$10 billion. Wasmosy blamed for crisis even as party is re-elected On May 7, a group of private organizations called on Congress to hold a political trial of Wasmosy.

The May 10 Coordinating Group blames the president for the "economic, moral, and social problems" battering the country. Spokesperson Marta Canese said the group had 30,000 signatures on the petition. She said Wasmosy "has brought the country to economic paralysis and unprecedented corruption, condemning thousands of people to unemployment and extreme poverty."

### *Legislation proposed to benefit Oviedo and former dictator*

Immediately after the election, Colorado Sen. Arnaldo Rojas said he plans to introduce legislation in July, when the party will have a majority in Congress, for an amnesty law "for the reconciliation of all Paraguayans."

The amnesty would benefit both Oviedo and Stroessner. "Stroessner has to return to his country," Rojas said. Although the former dictator "committed injustices, he is a national figure. Warts and all, he was a great president." [Sources: Inter Press Service, 05/05/98, 05/11/98; The Miami Herald, 05/07/98, 05/11/98; Associated Press, 05/08/98, 05/11/98; The New York Times, 05/11/98; Spanish news service EFE, 05/06/98, 05/11/98, 05/12/98; Reuters, 05/07/98, 05/10-12/98; CNN, 05/11/98, 05/12/98; Notimex, 05/04/98, 05/06/98, 05/13/98; Clarin (Argentina), 05/13/98]

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