

11-16-2001

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### Recommended Citation

Guest Author. "After 9/11, Paraguayan Police Crack Down." (2001). <https://digitalrepository.unm.edu/notisur/12971>

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## After 9/11, Paraguayan Police Crack Down

*by Guest*

*Category/Department: Paraguay*

*Published: 2001-11-16*

[The following article by Mike Ceaser is reprinted with the permission of Noticias Aliadas in Lima, Peru. It first appeared in the Nov. 4 edition of Latinamerica Press.]

Unbridled commerce and the free mixing of peoples have long characterized Ciudad del Este, a bustling town on the Parana River. On streets crowded with contraband stereos, cameras, and clothing, people of Arabic, European, African, and Korean backgrounds blend in a babble of tongues where the common language is business. But in recent weeks, Ciudad del Este's experiment in coexistence has been threatened by two government crackdowns that some say are justified and others call xenophobic persecution. Some of the tension has been building for years as the local economy has slumped in the wake of the devaluation of the real, Brazil's currency, and increasing competition from Sao Paulo, Brazil.

In early September, Paraguayans blocked the Puente de la Amistad, the bridge that links Paraguay and Brazil, demanding that the government take steps to reactivate the city's economy by establishing a duty-free zone and attracting maquiladora industries, the assembly plants common in Central America and on the US-Mexican border. The Paraguayan government responded with a crackdown on the many undocumented Brazilians working in Paraguay.

A Sept. 19 police roundup resulted in 28 detentions, although the number of undocumented Brazilians working in Ciudad del Este is estimated to be in the thousands. Angry Brazilians responded with 10 more days of blockades on their end of the bridge.

"There are many Brazilians working here, and many Paraguayans are left without jobs," said Tufik Mohsem, a Lebanese immigrant who owns a stereo shop in Ciudad del Este. The Brazilians finally lifted the blockade Sept. 26, when the Paraguayan government gave undocumented workers 30 days to regularize their status. While some Paraguayans demand that 70% of Ciudad del Este's jobs be reserved for Paraguayans, across the bridge Brazilians consider the area a single community whose members have the right to work in either country.

"Brazilians work there and Paraguayans work here," said Brazilian Adelmo de Borda, who has lived and worked on the Paraguayan side and now makes his living as a "sacoleiro," crossing the bridge to purchase products for resale. "We all have to work in order to eat." De Borda complained that obtaining Paraguayan residency documents costs hundreds of dollars.

The protests further hurt already slumping businesses on both ends of the bridge. Even before the protests, fewer customers were browsing, and vendors in the city which is legendary for freewheeling capitalism facilitated by corruption, smuggling, and lack of border controls worry that the conditions that made Ciudad del Este possible are disappearing.

During the 1990s, the town flourished primarily on the business of Brazilians who crossed the bridge to buy inexpensive goods. During the past few years, however, Brazil has loosened import laws and restricted purchases from Paraguay, prompting dozens of importers to relocate from Ciudad del Este to Sao Paulo, Brazil. Last year's devaluation of the Brazilian real, which made their purchases relatively more expensive, further discouraged Brazilians.

The number of Brazilians crossing the bridge daily has plummeted from 40,000 to 6,000, and their purchases have declined by 85% from five years ago, the Paraguayan business paper *Dinero y Negocios* reported recently. The Brazilian government also limited to US\$150 a month the amount of merchandise Brazilians could take home. Ciudad del Este's troubles come amid a general economic deterioration in Paraguay, where the GDP has declined by 9% during the last five years to below the level of the 1980s.

Officials have proposed various solutions to the border area's troubles. Paraguayan Foreign Minister Jose Antonio Moreno Ruffinelli called on Brazil and Argentina to help set up joint ventures in Ciudad del Este. But Brazil's ambassador to Paraguay, Luiz Augusto de Castro Neves, responded that for a decade Brazil has offered a market for "legally made" Paraguayan products. "We cannot tolerate an informal situation any longer," he said.

Guillermo Stanley, president of the Paraguayan Industrial Union, said Ciudad del Este cannot offer good conditions for investors unless it achieves a degree of stability and cleans up its legal system. So far, only two maquiladora industries, producing dental equipment and fabrics, have established themselves in Ciudad del Este. But Mohsem has faith that the town will recover. "I believe things will improve," he said. "We can't live without hope." The Sept. 11 attacks in the US, which have been tied to Muslim extremist organizations, injected another volatile element into Ciudad del Este.

A large community of Arab and Palestinian immigrants lives in the region where Argentina, Brazil, and Paraguay meet, and, in the past, US intelligence services have warned that terrorist organizations take advantage of the region's corruption and porous borders to organize support networks. But when armed police burst into shops in Ciudad del Este and nearby Encarnacion on Sept. 21 and arrested dozens of people of Arab descent, many accused the Paraguayan government of a witch hunt.

A Lebanese immigrant who works in an electronics store said police pushed their way into the shop, searched the premises and interrogated employees for hours without offering any evidence or displaying a warrant. "It's unfair to be treated like this, because we are not terrorists. We came here to work," said the man, who asked to remain anonymous.

Other Arab immigrants accused police of stealing from their stores and extorting bribes. A Paraguayan immigration official insisted that the operations were not directed against people of any particular ethnic group or national origin. Thirteen of those arrested were being held on immigration charges, but government officials said no evidence of terrorist links was found. At the request of US authorities, 46 bank accounts are also being examined, but no ties to the Sept. 11 attacks have been found.

Several suspected or accused terrorists have passed through the triborder region, however. In February 2000, Ali Khali Mehri, a businessman suspected of raising money for Hezbollah, was arrested on intellectual property rights charges. He fled the country after being released on bail. In November, Salah Abdul Karim Yassine, a Palestinian immigrant suspected by US officials of planning attacks on the American and Israeli Embassies in Paraguay, was arrested in Asuncion. He is now serving a four-year prison term on unrelated charges. A third man, Egyptian national El Said Hassan Mokhles, now being held in Uruguay, is wanted by Egyptian authorities for suspected ties to a 1997 massacre of tourists in Luxor, Egypt.

Earlier this year, Paraguay's consul in Miami resigned after it was revealed he had issued more than 300 visas, including more than a dozen to Arab nationals, without following established procedures. And, in Buenos Aires, where the trial of those accused of the 1992 and 1994 terrorist attacks on Jewish and Israeli targets recently began (see NotiSur, 2001-09-28), investigators suspect the terrorists did some of their planning in the triborder region. Paraguayan authorities have sent more police to the area and are working to tighten border controls. An anti-terrorism law is also to be presented to Congress.

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