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Right Keeps Pressure on Paraguayan President Fernando Lugo

by LADB Staff

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Former Catholic bishop Fernando Lugo's August 2008 inauguration as president of Paraguay fell like a downpour on the most corrupt political structure in South America. Lugo is now facing actions by the right, which is brandishing popular demands that it never backed before and pushing confrontation with the government of Brazil, which previously seemed to be its major friend and ally.

Lugo has had to resurrect old causes, such as the campesino mobilizations against the large soy plantations, which he supported when he headed the diocese of the eastern agricultural region of San Pedro Sula. In the process, he has begun to use an inappropriate political vocabulary that has brought an inevitable symmetrical reaction from Brazilian President Luiz Inacio Lula da Silva.

"They are beginning to use arguments and adjectives that have no place in their respective political discourse, with which the Paraguayan right has taken a first significant step toward destabilizing a new and fragile government that already has enough internal enemies without looking for problems in relations with those who should be its external friends," said an analyst on an Argentine radio program.

When Lugo took office on Aug. 15, he had serious problems to resolve with his giant neighbor to the east: 1) renegotiating the debt from the construction of the Itaipu hydroelectric dam and the administrative regulations of the binational company that administers the world's largest dam; 2) carrying out a new demarcation of some border areas where large waterfalls could prove useful for generating electricity; 3) resolving the situation of Brazilian soy farmers who cultivate lands in Paraguay. The latter is the most complex issue because it affects hundreds of thousands of Paraguayan campesinos to whom Lugo promised agrarian reform as well as thousands of "Brasiguayos," the Brazilian soy growers (see NotiSur, 2008-11-07), who are using land that could be used for the agrarian reform.

Soy earnings important to economy

Paraguay, the third-largest producer of genetically modified (GM) soy after Brazil and Argentina, had a spectacular harvest in 2008. Production increased from 6 million tons in 2007 to 8 million tons in 2008. For a country with a small and fragile economy, that means an unheard-of increase in hard currency. For a state with empty coffers, the income is vital for paying budget expenditures and funding the social programs and structural reforms that benefit the enormous number of poor who, according of official statistics, make up as much as 35% of the population.

As with Argentina, Brazil, and most World Trade Organization (WTO) members, Paraguay proposed taxing soy exports a windfall-profits tax on the huge earnings resulting from the

worldwide boom in oilseed but Lugo had to back down because of grower opposition. Nevertheless, the powerful Asociacion de Productores de Soja (APS) continued the confrontation and announced, "As long as Lugo does not say whether he supports production or opposes it, we have resolved to neither export nor sell domestically even one grain of soy." The retentions would enable turning over land to 300,000 campesino families and lifting 108,000 native people from 17 ethnic groups out of extreme poverty.

Against this backdrop, the campesinos reoccupied lands in the hands of the Brasiguayos, a practice promoted by Lugo when he was a bishop, and Lula had to ask his friend to provide special military protection for the growers. Yet the confrontation continues. The Movimiento Campesino Paraguayo (MCP) accused the growers of assassinating 77 of their members in the last 10 years and of using toxic pesticides, which it says have caused the deaths of hundreds of residents in the area since 2005.

The latest victim was a seven-year-old boy from the Ava Guarani tribe who died on Dec. 19. The MCP said, "It is not possible to live with the Brasiguayo growers, who are declared enemies of the Paraguayans and the country." In this atmosphere of dangerous nationalism, exacerbated by growers who refuse to export and campesinos who accuse them of being enemies of the country, a patrol leader's apparent error resulted in a hundred heavily armed Brazilian military crossing into Paraguayan territory to control vehicular movement on the border.

President Lugo told Lula that he would maintain the police protection of the Brasiguayos, but he denounced the "permanent acts of confrontation and provocation by Brazilian troops." And Paraguayan Foreign Minister Alejandro Hamed Franco warned that, if such actions continued, "our troops will have to respond appropriately."

Right adopts Argentine model

The situation seems to benefit only the right, which attacks Lugo for his social policies and aligns itself with the Brasiguayos. It basically supports the interests of the large growers who control 85% of soy production, threaten not to sell the product, and try to undermine the historical cordial coexistence of residents on both sides of the border. Asuncion daily ABC, one of the right's most faithful voices, resorted to sarcasm to stir up a population who was notably sensitive after the military incursion.

"This is the opportune time to definitively demarcate the border, because the astronomical signs are most favorable for the relations between the two countries," the paper said on Dec. 27, adding, "And the good will and the love that the current Brazilian authorities show us so expressively ensure that the border demarcation errors will be corrected."

Brazil is the right's chosen "enemy" so that the media can retake the initiative and influence governmental efforts as they did in the former, sorely missed dictatorship (1954-1989) and during the first transition government. The model is that of Argentina: soy growers who confront the government that assesses taxes to use for social projects and a vice president who breaks his campaign promise and confronts the president in defense of those large economic interests (see NotiSur, 2008-10-24).

In Argentina, the powerful won the support of small producers and stopped soy exports, called a work stoppage, and caused shortages of agricultural products. In Paraguay, the APS says it will sell "not a single grain of soy." In Argentina Vice President Julio Cobos voted against his administration and repudiated its measures, which, in his judgment and that of the soy growers, went against the growers' interests.

In Paraguay, Vice President Federico Franco distanced himself from Lugo and his Partido Liberal Revolucionario Autentico (PLRA) and is showered with praise from the soy growers and the right. They backed him when he stood before the microphones of a radio station and said, "The government should adhere to the principle of the right of private property." The Inter Press Service news agency reported, "The judiciary is investigating Franco for alleged conspiracy to overthrow President Fernando Lugo."

On Dec. 16, rural and industrial businesses and most of the media organized a parade of vehicles and farm machinery repudiating the Lugo government. The attempt to block transit on highways and city streets was a total failure. Despite the impressive show of the latest farm equipment, the protest had a poor turnout. The results were a poor imitation of the mobilizations carried out between March and July 2008 by Argentine soy producers and exporters. Lugo, therefore, emerged stronger.

The demands of business leaders, who never spoke out during the 35 years of the Gen. Alfredo Stroessner (1954-1989) dictatorship, have only been heard for a few months, said Montevideo weekly Brecha, but they have been increasing. Domingo Laino, a longtime democratic leader, member of the PLRA, and one of the leaders of the struggle against the dictatorship, asked, "What tax levies do those business leaders respect? What salaries do they pay their workers? Do they make the social security contributions for their workers? How much do they pay their hired domestic help?"

The campesino organizations have said that most of the equipment of the large soy plantations is from Brazil. For the Paraguayan right, Lugo is too much of a rebel. What is certain is that since he said that he would govern in favor of the popular majority those economic and political sectors have taken it upon themselves to damage his image, using the major communications media for their purposes.

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