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Paraguay: Anti-Brazilian Sentiment on Bilateral Agenda
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On May 3, Presidents Fernando Lugo of Paraguay and Luiz Inácio Lula da Silva of Brazil met in the northeastern Paraguayan town of Pedro Juan Caballero, Amambay department, across the border from the Brazilian town of Ponta Porá in Mato Grosso do Sul state. The meeting would not normally have been that newsworthy, since the leaders of the two neighboring countries, both members of the Southern Cone Common Market (MERCOSUR), meet regularly several times a year. This time, however, an issue not previously considered a priority was on the bilateral agenda: the dilemma of nationalities. A deep anti-Brazilian sentiment has emerged among Paraguayan campesinos that has even led to acts of violence undermining the traditionally good relations between the two countries.

Although no official information was released in either country following the meeting, the Paraguayan and Brazilian press as well as the international news media have pointed out that, since then, the issue has been at the top of the list of issues during the permanent consultations between the two foreign ministries and that before the end of August Lugo and Lula will meet again to continue their discussions on the matter.

Until now, diplomats from both countries have tried to conceal an issue that has nevertheless been manifested repeatedly in recent years because of the overwhelming cultural and economic presence of the "Brasiguayos," as the Brazilians or their descendents are called (see NotiSur, 2008-11-07 and 2009-01-09), in the life of Paraguayans. Many analysts contend that the public has at last been made aware of a geopolitical problem that could at any moment have undesired consequences.

Many demonstrations with xenophobic overtones had taken place in border areas before Lugo and Lula decided to "whitewash" the situation. Although many analysts prefer to not use the term xenophobia, there are examples showing how the protest against the overwhelming presence of Brasiguayos in Paraguayan towns and their ownership of the best farmlands near urban areas can be confused with the aberrant practice of repudiation because of one's nationality.

For example, on May 15, 2008, during Independence Day celebrations, a group of campesinos from San Pedro Sula—the diocese where Lugo served as a Catholic bishop before resigning to run for president—burned a Brazilian flag to show their opposition to the expansion of soy monoculture by Brazilian producers in Amambay department. The campesinos consider it "imperialist expansionism," which, objectively, causes the expulsion of workers and small agrarian business owners to the poverty belts in the cities, especially the capital Asunción, and the flight of young people to Argentina, where the women often end up in the brothels of Buenos Aires or other large cities.

Brazil's increasing regional power adds to mistrust

Lugo and Lula met in Pedro Juan Caballero seven days after businessman and Sen. Roberto Acevedo of the Partido Liberal Revolucionario Auténtico (PLRA), a wayward ally of the president, miraculously escaped an assassination attempt. On the morning of April 26, an as-yet-unidentified group fired 73 machine-gun rounds at the lawmaker as he drove through the streets of his
hometown. Acevedo was not wounded but two aides were killed. Shrapnel not only took the life one of his bodyguards and his chauffeur but it uncovered one of the major destabilizing conflicts of the Latin American Southern Cone: the subtle and until then quiet fault line between the impoverished Paraguayan campesinos and the interests of the powerful Brasiguayos, who now make up 10% of the population and are the principal actors in the conflicts resulting from the expansion of the agricultural frontier and the transgenic-soy boom.

Many factors feed growing fears in the region of Brazil's enormous economic power. In recent years, the South American giant has solidified its position as an emerging power and is looking to increase its leadership internationally.

Ana García Müller, a Brazilian specialist in international relations, says that "behind every large transnational company there is always a strong state that finances it, and that is the case with Brazil." That transnationalization, she says, brings together national interests and private ambitions, but this requires a specific, indispensable factor, generally unusual in developing countries—the backing of state policies. "There is no doubt that Brazil is the engine of the Southern Cone, but that was possible thanks to the new line of government financing and special credits that, beginning in 2003, the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) designated for creating and expanding its businesses."

García Müller said Brazil's hegemony is unquestionable. Its GDP is 55% that of all of South America, five times that of Argentina, almost six times Venezuela's, 30 times that of Ecuador, 57 times greater than Uruguay's, 101 times that of Bolivia, and 110 times that of Paraguay. But that is not all. Eighty percent of the soy produced in Paraguay belongs to Brazilian landowners, and 24% of the Argentine businesses privatized between 2003 and 2007 were bought with Brazilian capital. A shocking example from 2006: the Bolivian subsidiary of Brazil's state-owned oil company Petrobras accounted for 24% of Bolivia's tax revenues, 18% of the national GDP, and 20% of its foreign direct investment (FDI).

**Rumors of guerrillas, drug traffickers abound**

Other factors compound this reality existing within the valid rules of the game of international capitalism. In the five Paraguayan departments on the border with Brazil, there is a hidden, explosive, problem of illegality—the informal economy, contraband, drug trafficking, and the actions of paramilitary groups. Plus the growing discontent of the campesinos.

This situation is fueled by a blatant rightist campaign that does not hide its scheme to end progressive politics personified in the figure of Lugo. It is in this setting that the Ejército del Pueblo Paraguayo (EPP) appears, a phantasmagoric group, more hypothetical than real, which the opposition has raised to the status of a guerrilla movement (see NotiSur, 2010-05-14 and 2010-06-11). It is not by chance that the attempt on the life of Sen. Acevedo happened in the capital city of one of the affected departments one day after the president was forced by the opposition and by the rightist press to implement a state of emergency that militarized the border with Brazil to put an end to the never-proven actions of the EPP.

It was Acevedo who explained the complexities of the incident. "The attempt on my life has nothing to do with the EPP," he said. "It is worse, Pedro Juan Caballero is in the hands of Brazilian drug traffickers from the Primeiro Comando da Capital (PCC) and Comando Vermelho cartels."
For many Paraguayan and Brazilian analysts, it is no coincidence that the five departments militarized by the state of emergency are exactly the areas where the EPP is alleged to act, where the drug traffickers denounced by Acevedo operate, and, at the same time, the center of the agrarian conflict between the Paraguayan campesinos and the Brasiguayo soy-plantation owners.

The Censo Agropecuario 2008 indicates that Brasiguayos own 5 million hectares of the best land. In the analysis, Escuela de cuidadanía (Citizenship School), Paraguayan political analyst Rolando Ávalos says caustically, "Paraguayan soy doesn't exist, what exists is soy in Paraguay."

The campesinos, who were the social base that brought Lugo to the presidency and who are now confronting him because he has not been able to put into practice the promised agrarian reform, have thus begun to occupy large farms, the vast majority owned by Brasiguayos.

Paraguayan analyst Gustavo Torres told Tiempo that campesinos feel displaced and reject "things Brazilian because there are entire towns and cities with Brasiguayo majorities who live in isolation and develop their own cultural and economic life and even their own educational programs. They speak Portuguese and do business in reais [the Brazilian currency]."

In that context, said Torres, the dilemma of nationalities arises, a real pressure cooker that, for the Paraguayan political right, has only one escape valve: ending the first democratic and progressive government that the country has known since the 1940s.

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