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Paraguayâ€™s President Horacio Cartes and Congress End 20-month Honeymoon

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The excellent relationship between Paraguay’s executive and the legislature, in place since President Horacio Cartes took office 20 months earlier, broke down for the first time earlier this year. On March 13, without either party having explained the exact reasons or interests at stake behind the new situation, Congress rejected two bills that the president had said were an absolute priority, decided to question a Cabinet minister, and warned Cartes that he is making decisions that belong to Congress and thus could be subject to impeachment.

The president didn’t respond right away despite the seriousness of the situation that involves both houses of the legislature and the three major parties that form the governing alliance. The Senate rejected one of the projects, the Ley de Garantía para las Inversiones, a regulation intended to provide the biggest and most generous security guarantees to foreigner investors, and the lower house rejected the other one that sought to strengthen surveillance and intelligence laws.

The possibility of impeachment is a prerogative of the Senate, and it was the lower house that decided to question the information and communications minister. In all the resolutions, the ruling Partido Colorado (PC) split its vote, sealing the president’s fate.

**Foreign investment guarantees challenged**

On March 13, the first surprise of the day came from the Senate. It rejected the text of the proposed investment-guarantee law that the executive and the relevant legislative committees had already agreed on. The bill proposed continuing the 10% income tax rate for the next 10 years and guaranteed free transfer abroad of profits of companies operating in Paraguay.

From a government perspective, this was a fundamental instrument of its policy of openness to foreign capital without any restrictions. While a basic platform already exists with minimal taxes and few impediments for capital transfer, the bill’s aim was to specifically guarantee continuation of exemptions and low taxes on foreign capital even if changes were made in a law approved at the beginning of Cartes’ term.

After having satisfied the executive with the passage of the Ley de Responsabilidad Fiscal and the Ley de Alianza Público-Privada (which granted the president the power to privatize public services without consulting Congress), plus the Ley de Militarización (which gives the president the power to deploy military forces domestically when in his judgment they are needed), this was the first bill that Congress had sent back to the president.

**Protest builds against surveillance program**

In the context of a policy aimed at establishing radical change in the laws of surveillance and intelligence, the government sought legislative approval of a norm that would require all Internet Service Providers (ISPs) and suppliers of telecommunications services to collect and store the number of incoming and outgoing calls on every landline and cell phone, IP addresses (Internet
Protocol addresses), and telecommunications and Internet traffic identifiers such as location, for a period of 12 months.

"What the president asked for went far beyond what is necessary in any democratic society; what he was looking for was to take a new step toward setting up a police state," said Karina Rodríguez, a deputy from the progressive Avanza País. "We who do not want to return to a controlling and persecuting state are the majority of the Paraguayan people. We do not want to live with the feeling that there is someone above us observing us all the time. We do not want to live under the pressure of Big Brother," the legislator added, alluding to the concept British writer George Orwell developed in his celebrated book 1984.

Popularly, the regulation became known as the ley pyrawebs, a word with a Guaraní root that refers to the pyragués (informers) of the 1954-1989 dictatorship of Gen. Alfredo Stroessner (NotiSur, Feb. 14, 1989). The pyragués were stool pigeons who took it upon themselves to tell police about the activities of their neighbors, relatives, or co-workers who, after being detained, ended up being tortured and jailed if they weren't immediately disappeared or killed. Guaraní is Paraguay’s second official language, after Spanish. The term "web" completes the word play as the bill stated that the information would be gleaned from Internet users. Thus ley pyrawebs leaped into popular use and today is used in media reports as well as in academic debates.

The bill, which already had the Senate’s preliminary approval, was rejected by deputies three days after Tecnología, Educación, Desarrollo, Investigación y Comunicaciones (TEDIC), a digital rights organization, gave every legislator a copy of a petition signed by tens of thousands of individuals denouncing the massive spying and repressive nature of the regulation proposed by the executive. The document said that, while the police and/or prosecutors can access traffic information through legal means, the bill would require all Internet service providers to store the information.

It was not clear what guarantees would exist regarding sensitive data on those databases. The question was asked: Will the databases be protected from abuse by organized crime or other inappropriate access? This question recalls the innumerable experiences of illegal sales of databases with telephone, banking, and other equally sensitive information. "In addition," the TEDIC document said, "it puts at risk confidential communications between doctors and patients, lawyers and their clients, journalists and their sources, and others with communications that should be strictly private."

**Investment and surveillance laws linked**

"From an ideological point of view, of the two bills that were rejected, it is perhaps this one that the government was most interested in because Cartes knows that to impose the exclusionary economic model he is promoting, he will need an omnipotent, controlling, and repressive state," said TEDIC executive director Maricarmen Sequera.

During the debate in Congress, Deputy Olga Ferreira, president of the lower house’s human rights committee, said the bill violated various articles of the Constitution and other conventions. She cited, among others, norms that guarantee an individual’s right to privacy, freedom of expression, presumption of innocence, and sanctity of private property. Deputies mentioned that the Supreme Courts of Mexico and Argentina, the European Court of Justice (ECJ), and the Inter-American Commission on Human Rights (IACHR) have ruled that massive retention of data is either unconstitutional or violates international norms.
President’s family buys media outlets

In the midst of this debate, rumors grew that Cartes, a banker and powerful businessman, had begun to acquire media outlets. It was said his purpose was to provide a platform from which to defend his political project. The rumors were confirmed April 15 by none other than Sarah Cartes, the elder of the president’s two sisters, who announced that she would head Grupo Nación de Comunicaciones, a company that currently includes two dailies, La Nación (journalistically the most cautious of Paraguay’s media) and Crónica; and two radio stations, 970 AM and Montecarlo FM. "We hope to expand in the future," Sarah said.

Why is it the sister and not the president or one of his three sons who heads up the media complex? Because the head of state and any of his direct descendants are prohibited from owning mass media. Some maintain that this prohibition only applies to presidential candidates, not someone who already is the president.

Regardless of whether this legal barrier exists, various civil and journalistic organizations warn of the risks for a democracy when a president who has accumulated legislative powers, such as those derived from the militarization laws and the Alianza Público-Privada, also becomes an owner of a media conglomerate (NotiSur, April 25, 2014).

Santiago Ortiz, secretary of Paraguay’s journalists union, said, "Cartes’ incursion into the world of journalism collides with freedom of expression and is contrary to democracy. From the moment in which economic, political, and media powers are concentrated in so few hands, in this case, exclusively in the hands of the president, this violates the basic right to broad information from distinct sources."

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