

Paraguay: will Lugo take the road of Chavez or Lula?

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Fernando Lugo is the new president of Paraguay. The 57-year old former Roman Catholic bishop won 42 per cent of the vote, easily beating the conservative Colorado party's 32 per cent and ending 61 years of its rule. For 35 of these years the Colorados acted as a willing support to the anticommunist regime of general Alfredo Stroessner. From the 1950s to the late 1980s the Catholic Church was the only institution that provided some sort of public opposition to Stroessner.

Already there are high expectations in a country where the top 10 per cent own more than 40 per cent of GDP and 32 per cent of the country's six million people live in poverty. His political project is for a constituent assembly to enact land reform and enact taxation to lessen poverty and spend revenue on welfare and education.

In the early 1980s, whilst pursuing theological studies studying in Ecuador, Lugo adopted liberation theology, a movement originating in Latin America in the early 1960s that emphasised not so much salvation in the afterlife as earthly liberation. Its theorists and practitioners, Gustavo Gutierrez of Peru, Leonardo Boff of Brazil and Juan Luis Segundo of Uruguay, argued that Christians should be politically active fighting for social justice for the rural and urban poor, for human rights, democracy and even socialism.

Condemned in 1984 and 1986 by the arch-reactionary Pope John Paul II and his 'inquisitor general' Cardinal Ratzinger (now Pope Benedict XVI) its supporters were purged from positions in the hierarchy. Lugo himself was blocked from returning to his homeland and the Church obligingly 'exiled' him to Rome till 1987. But on his return he took up activism. For many years he was a member of Tekojoja ("Life in Equality"), which defended peasants against landowners. From 1994-2005 he was bishop of San Pedro, the nation's poorest diocese. Indeed he became known as 'the bishop of the poor'.

The Vatican obstructed Lugo's desire to become a presidential candidate, i.e. to take part in secular affairs openly and drop his episcopal duties, but the Pope eventually allowed him to stand. Indeed Benedict sent him a pen by way of congratulation on winning the presidency. So after besting the Almighty's earthly representative, will Lugo take on Paraguay's powerful landowners and multinationals?

Lugo's Alianza Patriótica por el Cambio (Patriotic Alliance for Change) was a coalition of small opposition parties, sections of the church and NGOs. It took power despite the Colorado party still having the allegiance of much of the state bureaucracy and the big landowners. But on the ground, his election was enthusiastically greeted as putting an end to years of corruption and waste and heralding a new start for Paraguay akin to that underway in other Latin American countries.

But Lugo is trying to balance uneasily between the rich businessmen and landowners who will fight to the death to preserve their huge privileges and the mass of the people who ardently hope for an end to

repression and poverty. And at the moment he seems keen to stress that he is a man of the centre, not the left.

Lugo told Newsweek that he is "a centrist, like the hole of a poncho, standing above political parties." His coalition and cabinet certainly reflect this. He has both the right (remains of the Authentic Radical Liberal Party PLRA) and the left (social democrats in the health and youth ministries). He persuaded third place presidential candidate, retired right-wing general Lino Cesar Oviedo, to join him. As economics minister he has appointed Dionisio Borda, a right-wing economist in the previous administration, while enlisting Nobel laureate US economist Joseph Stiglitz as an economic adviser. Stiglitz has proposed higher taxes on booming exports such as soy to pay for social reforms.

When asked about his political project and its similarities with Venezuela and Bolivia, Lugo hastened to assure the American questioners "In Paraguay we will design our own political project. Each country has the independence to build its own model, [and] we will not emulate Venezuela, Nicaragua, Bolivia or Ecuador."

He also announced: "since 1992, the 500th anniversary of the arrival of the Europeans, there has been a rediscovery of the indigenous peoples' dignity. And it's got a long way to go yet." More than 90 per cent of Ecuador's 6 million people are mixed race Spanish and Guarani. While there doesn't appear to be such a complex indigenous movement as in Bolivia, there are still demands for language rights and land.

So far his statements on actual policies have been few although he told Newsweek: "large estate owners, peasants, agricultural exporters and rural landless workers have sat down at the same table and begun to design an agrarian reform that won't provoke any friction." The idea that landowners and multinationals such as Monsanto (which has a monopoly of soy bean farms) will cede any substantial part of their of their land or see their profits eroded is a cruel hoax.

The right wing will oppose Lugo if he attempts to carry through any substantial redistribution of land or imposes any effective wealth or profits tax. Either he will buckle under the pressure or he will be forced to rely on the masses to defend his government with demonstrations, marches and massed mobilisations. Morales and Chávez have faced this sort of opposition from the right and called out their support, which has pushed these two presidents to the left.

Lugo knows this, and so does the rest of Latin America. The right-wing presidents of governments of Colombia, Peru and Mexico did not attend Lugo's swearing in. Lula da Silva of Brazil and Cristina Fernandez-Kirchner of Argentina arrived to be greeted by calls for them to pay more for Paraguayan electricity (a running sore in the country is the unequal deal that the Colorado party signed to supply its powerful neighbours with power). In contrast Hugo Chávez, Evo Morales and Rafael Correa of Ecuador, toured Paraguay and enthusiastically cheered.

Lugo told thousands of his supporters: "Today is the end of an exclusive Paraguay, a segregationist Paraguay, a notoriously corrupt Paraguay,"

Chávez used the inauguration to declare: "There's a democratic revolution in South America." And promised Paraguay enough petrol and diesel to overcome fuel shortages. He also gave Lugo a copy of the sword of Simon Bolivar, hoping perhaps that the Liberator's sword will prove mightier than the Pope's pen.

Correa said: "Fernando (Lugo) knows that he can count on us, and if I can be of any help, we will always be willing to help" and went on to add: "Latin America is going through a period of change to definitely bury neo-liberalism and to look for systems that are more fair and equitable for the future of our people."

One activist from the landless movement told the Washington Times that "The Paraguayan people are awakening? but that he would give Lugo ?a few months for results?. Other peasants occupied several soy and sunflower farms as Lugo was being inaugurated.

The president?s response was to speak out against the occupations; reinforcing the belief of his rightist allies that he is ?a pragmatic man? and won?t take action against the landowners.

So the left leaders in Latin America and the Paraguayan peasants are hoping that Lugo will be with them. The problem is that Lugo, like Chávez and Morales, will use the masses like a stage army ? mobilise them when needed and send them home when they want to go further.

The downfall of the Colorado party

The Colorado party was founded in the late 19th century as a conservative landowners party, opposed to the Liberals. After the Second World War it was the bedrock to dictator Alfredo Stroessner?s rule between 1954-1989.

Stroessner ruled by torture, repression and corruption, buying support with gifts of land and creating a bloated state bureaucracy numbering 200,000 of which 90 per cent were members of the Colorado party. He was also was an important ally of the US imperialism supporting its intelligence operations, military manoeuvres and its repression throughout the continent.

He ruled as a dictator but submitted himself to nine elections; safely enough given that he was usually the only candidate.

By the 1980s, the economy was stagnating and Stroessner was becoming increasingly unpopular. On the eve of the 1988 election, he rounded up several hundred members of the opposition including key members of the Authentic Radical Liberal Party (PLRA), which had also existed since the 19th century and was the bourgeoisie?s outlet for discontent during Colorado rule.

Stroessner declared himself victor with 89 per cent of the vote on a 93% turn out. Independent polls discounted the result (despite giving the Colorado party a majority in the towns) and noted that most Paraguayans wanted an end to Stroessner. In February 1989, one of his own favourite generals ousted him with the backing of the Catholic Church and the USA; Stroessner?s brand of anti-communism was regarded as out of date.

[b[Land and freedom[/b]

Land ownership is still the key question in Paraguay, with 31 per cent of the workforce engaged in agriculture as against 17 per cent in industry. About 77 per cent of the land is owned by only 1 per cent of the population ? the most unequal distribution in Latin America. According to a government study in 2004, about 17 million acres is owned by 1,877 people. Opposing this tiny landowning elite are 300,000 landless peasants (out of about three million people in the countryside) most of whom are organised in groups fighting for land such as the National Coordinating Board of Peasant Organizations and the National Peasant Federation with about 50,000 are currently occupying farms.

Peasant occupations have been attacked by the landowners? organisation, the Rural Association, which created armed groups to attack peasants. By 2002, the National Peasant Federation said paramilitaries and army had killed 36 of its members.

Another factor is the increase in cultivation of genetically modified soybeans, from 800,000 hectares in 1995 to 2 million in 2003. Soybean production involves turning the small farm ?not the landowners? property ? into monoculture farms, dominated by the multinational Monsanto. Paraguayan sociologist

Tomás Palau highlights how small farmers and peasants rely on exports of a soy provided solely by Monsanto, destroying opportunities to grow a variety of subsistence crops.

In 2002, peasants came out into the streets of the capital to stop the government selling of the state phone company in the biggest mobilisations Paraguay had seen for years.

The government's implementation of IMF backed privatisations had already seen the sell-off of the state airline, iron and steel and brewery companies with plans to privatise health, water, electricity and mail.

These sell-offs were characterised by gross corruption and caused rising unemployment and impoverishment. They were similar to policies being forced onto other Latin American countries such as Argentina and Bolivia and they met similar resistance.

The government was stopped in its tracks and backed down. In 2003, Nicanor Duarte Frutos became president and renewed the attack on the peasants. The government passed a law that "authorizes the armed forces to act in internal security tasks, collaborating with the national police." The army was sent into the countryside in 2004 to contain ongoing land occupations and in 2005 18 army bases were created in the areas with the most peasant militancy.

In addition to the militarization of the countryside, the government also backed the setting up and arming of new paramilitary units: the Citizens Security Council. These units organise nearly 22,000 landowners, farmers and their thugs, a number higher than the combined total for the police and army, and are trained by US military.

Frutos' intentions were clearly made in a blood curdling speech that targeted landless peasants' groups in September 2004, a year that also saw a huge peasant march for land: "someone will come to rape your women and children and you will have to shut up. They will give you a taste of your own medicine, violence." Source

The effect of the Monsanto domination of the countryside and class terror against the peasants has been to drive the people off the land into the shantytowns and force 2m Paraguayans to move abroad. The World Bank estimate that Paraguay receives more in money sent home from its citizens working abroad than it does from investment. The number of people living on the land has fallen over 15 years from 67 per cent of the national total to 47 per cent at the start of the decade.

But this fall in the number of peasants is not enough for capitalism, according to Tomás Zayas, director of the National Network of Indigenous and Popular Organizations, the World Bank wants to reduce the rural population to about 10-12% of the national total by 2015, "to produce soy and sugarcane as petroleum substitutes."

Despite Stroessner being forced out, the Colorado party continued to be a loyal servant of US imperialism. In May 2005 it gave US military personnel the same immunity granted to diplomats and planned joint training with the Paraguayan military to combat "anti-terrorism" activities. The Colorado party also gave the US a key base in the tri-country area "where Paraguay Brazil and Argentina meet. The US's military refers to Paraguay as a failed state lacking political legitimacy" "ironic given it has been ruled by Washington's favourite party" "but one with key resources and having a strategic role in the region. Even just before the election, it was rumoured that the US put 500 troops into this area country. Lugo has denied this and the idea of any secret US base; Paraguayans should demand that the government comes clean and opens up the area to scrutiny: no US bases in Paraguay, they will only be used in operations against progressive regimes.

The defeat of the Colorado party is a result of its open land war on the peasants, subordination to US imperialism and the IMF, and corruption and repression in government. Neo-liberalism has torn up workers and peasants' rights around the world but it has also led to the decline of political parties that traditionally were used to rule and control the population. Like the discredited party system in Venezuela, or the decline of the PRI in Mexico; the Colorado party and its 'loyal opposition' the PLRA are so politically bankrupt that both the bosses and the masses have abandoned them.

Except that the sections of the bosses, such as PLRA, crawled into Lugo's coalition to ensure little will happen while the masses voted for changes similar to those they are witnessing in Venezuela, Bolivia and Ecuador.

The left in Paraguay seems to have been thrown into utter confusion by Lugo's rise and victory. Some Marxist groups supported the Patriotic Alliance for Change whilst others like Party of Popular Socialist Convergence (PCPS), which contains members of the Fourth International, whilst remaining outside, gave him 'critical support.' Others refused to say whom they were supporting but called for a protest vote. Similar disputes divided the 'social movements,' though a majority entered the APC. The Left parties however got only two members of the National Congress elected.

In our view revolutionaries should not have called for a vote for Lugo for the simple reason that he is a bourgeois politician, heading a class collaborationist block. Indeed he is not even making the pretence, like Chavez or Morales, that he is 'of the left' or a 'socialist' and even in these cases it would be wrong for Marxists to vote for bourgeois candidates. Their task is to fight for working class political independence, to win the proletarian vanguard to creating a revolutionary party of their own.

But of course, given the masses will expect radical change from Lugo, revolutionaries should utilize to the full the tactic of the united front with his supporters to demand that he fulfils their hopes to the full. By this means either Lugo will be forced by his base to go further than he wishes, opening up a major conflict with the Paraguayan elite and their US masters or if he capitulates, these supporters will be open to being won to a real revolutionary alternative.

What next?

The three key questions raised by Lugo's victory are land, national sovereignty and the Constitutional assembly.

The peasant and workers must not wait for Lugo to sell out or to go to the right. Constant mobilisations from day one can force him to carry out his reforms and place demands on him to go further. This will be the only way to prevent him from becoming a pragmatic friend of the right 'as they are hoping.

1) The landless and small landowning peasants should continue and step up their land occupations and demand that they are immediately made legal. They should fight for a land reform bill that nationalises all the land 'ranches, large farms and Monsanto holdings' and hands it over to the millions of peasants to grow the food the country requires. They should demand arms for their organisations to defend themselves against the paramilitaries and demand the police and army get out the countryside.

2) All US military out of Paraguay and close down their bases and renegotiate the unjust electricity contracts with Brazil and Argentina, where these two countries obtain cheap power from Paraguayan dams.

3) Peasant and workers organisations should stand candidates for the constitutional assembly and fight for the above demands along with social and pro-labour reforms and make them law.

Permanent Revolution

However, these three demands are tasks of the bourgeois revolutions of the 18 and 19th centuries. That they are still burning issues in most of the world, including the continent of the great liberator Simon Bolivar, shows how cowardly the bourgeoisie has become ever since the middle of the 19th century.

The Russian Revolutionary Leon Trotsky argued that the only way to carry out these progressive tasks was to make them part of the general socialist programme. Only by the working class taking power and making the revolution permanent by fighting for socialism could its supporters among the peasantry carry through the agrarian revolution and the popular masses achieve the most democratic state and free themselves from foreign domination. It is this strategy ? the permanent revolution - that needs to be followed and fought for in Paraguay today.

However, there is a major political obstacle: the leadership of the workers movement. There is no significant revolutionary party. So far the organised working class appears to be at best bystanders and at worse on the side of the government. Leaders of the soy workers union even demanded the arrests of peasants who occupied land.

Partly there appears to be a conflict between poor and landless peasants and workers on the large or medium farms (nearly half of the working class works on the land). Socialists need to address this by fighting for a living wage for all workers; land to the peasants and cheap loans, seeds and equipment for peasants and poor farmers.

There also appears to be a legacy of cold war unionism in Paraguay. Even the US Library of Congress country profile admits: ?Unionized labour remained dominated by the Paraguayan Confederation of Workers (CPT), which was generally more pro-government than pro-labour and rarely challenged government policy.?

The crisis in the Colorado party in the 1990s did force it to make some concessions to the big three unions centres: Unitary Workers Central, Paraguayan Workers Confederation and the National Workers Central. But the pro-labour reforms of 1992, including the right to strike and freedom of association, are frequently not observed or broken. The trade union leaders may well point to pieces of paper that talk of employment rights but the workers themselves are still facing repression poverty and high unemployment.

It is therefore imperative that socialists work in the unions to demand Lugo implements measures in favour of workers: labour rights, time off, living wages, cuts in hours with no loss of pay, control in the workplace and so on. These demands on Lugo can go hand in hand with a fight to either oust the corrupt bureaucracy from the unions or split and form real fighting unions such the UNT in Venezuela. These unions should also join up with the peasants? organisations to form a united front to fight for land reform, a constitutional assembly, the removal of US bases and military personnel along with wide scale social and welfare reforms for the working class and poor.

However, as we can see from the examples of populists like Morales, Chávez and Correa, whilst it is necessary to defend them from attacks by the right and their US-backers, we cannot give them political support. Why? Because their talk of socialism covers up a defence of capitalist ownership of the large scale means of production and an attempt to lock the workers organisations into a subservient relationship to the bourgeois state. It is the very opposite of a revolutionary perspective.

Nevertheless socialists should fight for Lugo to carry out even his own limited programme but they will also have to convince the workers and peasants to create their own organs of struggle and their own political party if they wish to go further, much further, than this.

Lugo's coalition is exactly that: a coalition of the bosses and middle classes who have said they will carry out reforms on behalf of the workers and peasants. Such a party is a popular front where workers and peasants needs are ultimately sacrificed to the defence of private property.

Therefore we call on the organisations such as the landless peasants, the workers and people who voted for Lugo hoping for change to discuss and organise the creation of a revolutionary workers party: a class based party dedicated to the overthrow of capitalism, smashing the bosses' state and the introduction of socialism.

Furthermore socialism can only be built internationally, in support of the struggles in Paraguay, Bolivia, Ecuador, Venezuela, and elsewhere on the continent we call for a Socialist Federation of Latin America. Let's make Bolivar dream of a united Latin America come true, but let's make it socialist too.

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