MEMORANDUM

May 17, 1990

TO: William C. Doherty, Jr. - Executive Director

FROM: Richard Hough - Coordinator, Agrarian Services

SUBJECT: Visit to Paraguay, April 21-May 8, 1990

This memorandum provides a summary of findings and recommendations resulting from an intensive two weeks stay in Paraguay, focused largely on land distribution problems in the country and the role of the Central Unitaria de Trabajadores (CUT) within, or as it impinges upon, these problems.

My visit began with a meeting which Roberto Torres (CPD) and I had with the senior officers of the U.S. Embassy, and ended with our extended debriefing of the Ambassador and his staff. We also had full access to Victor Báez Mosqueira, President of the CUT, over the two weeks, meeting within him on three separate occasions. In addition, we traveled in the field with Alan Flores, the Vice President of CUT. Our itinerary and appointments are attached.

May I note first that I had the full support of all the parties involved in my visit. The Embassy was interested and helpful, and afforded the courtesy of a full exchange of views. The officials of the CUT were forthcoming in their answers to my many questions, and, most important, the CPD was very supportive, accompanying me on all appointments and sharing his knowledge and insights with me.

I would further note that I am to write a second piece as well -- an evaluation of the agrarian reform problems in Paraguay which will be conveyed to the CUT, principally for the purpose of providing some suggested policy/program parameters for further action in this sensitive area. This paper will also be given to the U.S. Embassy and may be circulated in Asunción to other organizations and agencies as the CPD thinks appropriate.

The best way to start is with the subject of land invasions since this is the crux of the immediate problems. There are now an estimated 50 major invasions of largely latifundia-type, privately-owned lands by landless and near landless campesinos principally in the East, in Departments such as Alto Parana, Itapua and Caaguazu. The number also is growing.
It is not that illegal occupations by land hungry peasants are new in Paraguay. They represent a traditional way that campesinos have gained access to land. However, the present situation is somewhat unique given the proliferation and scale of the invasions, the fact that the government has unduly whetted campesino expectations by its own pronouncements, and that there is a particularly difficult clash of interests with other types of agriculture, in part foreign-dominated, in the frontier departments.

There was virtual unanimity among everyone we talked to -- and wherever they were on the political spectrum -- that these land conflicts were dangerous and volatile, perhaps approaching crisis proportion. Even with some discount on what we heard and read in the newspapers, the possibilities of social violence seem quite real. The danger is that an already dicey democratization process in Paraguay could be seriously disrupted by the spread of bitter land clashes, inevitably involving military and/or police suppression, spill-over effects in the streets of Asunción by labor/campesino groups and exploitation by the extreme left.

The reasons behind the invasions are multi-faceted. Generally, there is considerable justice in the claims of the landless given the land concentration in the hands of the few which exists in Paraguay. However, there is likely a "hidden hand", or hands, behind at least some of the invasions in light of the size, organization and the material support they receive. It is unlikely that the CUT is directly involved in this type of irresponsible activity, although it is possible that two of the campesino organizations affiliated with CUT may be. It is probable that the Partido de Trabajadores, supported by its much larger counterpart in Brazil, has had a hand in the invasions.

On the other side, the Rodriguez government has been less than effective in dealing with the situation, both the near term exigencies arising from the land conflicts and the longer term requirement of developing an acceptable agrarian reform program. Doubts as to the government's political will to confront the land distribution problem are rife. Notwithstanding President Rodriguez' earlier statements supporting land reform, it is skeptically noted that the President lacks political space to take constructive policy initiatives in this sensitive field however pressing the need; there are too many Stronistas and military still in positions of power who have a vested interest in the status quo of skewed land distribution; and thus the political risks involved in making structural changes so as to allow small peasant farmers greater access to land holdings are simply too great at this time.

Thus far, the Government has relied rather on a personalized, "putting out the fires" approach with an Air Force Colonel close to the President, seeking to work out ad hoc solutions to the demands of the landless and near landless groups. Even this modest effort -- as well as the development of a longer term, more structured agrarian reform program -- is markedly hampered by an internal jurisdictional conflict between the two governmental agencies with related functions in the agrarian reform and rural development fields.
The irony of the present land conflicts is that they appear on their face to be quite amenable to solution. There is no rural proletariat as yet on the land in Paraguay. Population densities, or man-land ratios, are relatively low. Depending on different definitions, there are between 70,000 to 250,000 landless and near landless primary producers who want land to farm. (The lower number is likely closer to the near-term demand.) Given that there are large tracts of un/under-developed lands in the East, at least 4 million hectares we were told, the absorption of this number of campesinos on the land as small scale family farmers would not present major problems, at least from the vantage point of economic, social and technical considerations. Rather, marginal adjustments in land holding patterns appear to be all that would be necessary. I suspect that once the dimensions of the problem are more fully understood by government officials, the political barriers to some redistribution of land assets will appear less formidable. In this regard, I would point out, however, that the land information base in Paraguay that would shed more light on the present situation is manifestly lacking.

It is difficult to conceive of the CUT at present playing a positive role in resolving, or at least moderating, the growing number of land conflicts given its lack of professional and physical capacity in the rural field. CUT has been growing faster than its infrastructure to consolidate and support the growth. In June of last year there were 42 member unions and groups in CUT; in August, 79 unions; and today, 108. One might say that the growth has been out of control and not be too far from wrong.

The CUT's member campesino organizations have ties with about 100 of the 500 asentamientos of peasant farmers in rural Paraguay. This rural constituency, particularly the MCP and CONAPAS, the two larger CUT-affiliated campesino organizations, is to the left politically of the urban elements of the CUT. As Baez said to us: "there are many currents in the CUT." I would add that the rural currents reflect a traditional separateness or isolation on the national political scene until the recent past, as well as strains of a militant activism that remain to be tempered and channeled through greater representation and participation in a democratic national trade union movement.

To say that CUT has little present capabilities or experience in the rural sector is to understate the case. There is a position on the Executive Committee for a Secretario de Asuntos Campesino y Indigenas. However, the position is a shell, titularly occupied by a person who resides outside of Asunción. The CUT does not have a Department of Agrarian Affairs. In a word, there does not appear to be any staff support whatsoever for agrarian programs, however modest. Similarly, even if there was some professional capability, the means of transportation to go to the campo, especially outside the capitals of the rural departments, are extremely limited. For a new labor Confederation, where the majority of members are now rural-located, this is an unenviable position to be caught in, particularly when the rural groups are militant advocates of social change, difficult to absorb and control under any circumstance within a national trade union movement previously dominated by urban elements.
For the CUT to play a constructive role in the rural sector, particularly to have some control over its affiliate campesino organizations and to moderate their demands and methods, the former has to offer things of benefit in return for greater coherence and discipline. That is the trade-off that the CUT is not now in a position to contrive. For the CUT to be a credible agent of responsible change in the rural sector, to maintain even marginal control of its rural constituency and to take some sting out of the latter's social radicalism, the CUT has to tender valued services. The type of services that it would be feasible for the CUT to provide are multiple, and vital to bringing the campesino movement into the mainstream of democratic social and economic development: e.g., intermediation for gaining access to technical and development services from public and private agencies, such as extension, credit, marketing intelligence, and agricultural input supply; technical assistance in land titling and registration; legal services of various kinds; technical assistance in cooperativism, and small impact projects; education in labor organization and promotion and democratic political development. In short, if the CUT can progressively develop a credible service capacity in the rural sector, it will also have the opportunity to assert its leadership in the positive ways so clearly lacking at the present time.

As a first step along this line, I would propose that AIFLD support with a modest investment the development of an agrarian affairs department in the CUT. What I have in mind is a small staff unit with a Chief, a four wheel drive vehicle for the campo, two field-type tecnico/promotores, and a little money for some local surveys to fill some the large information gaps that exist. The CPD and I have run the proposal by the Ambassador, making it clear that it would be subject to your approval. The Ambassador was comfortable with the idea and raised no objections.

I would like to send Rupert Scofield to Asunción in mid-summer to advise the CUT in organizing the department, developing a training program and getting an initial study mounted on the size and composition of the campesino organizations and their felt needs. If considered appropriate after Rupert finishes his work, we could contract the services of a Paraguayan or third country professional for another three to six months to stay with the set of activities that all the parties have agreed upon. I would note in this regard that we really would be starting on the proverbial tabula rasa.

The costs of a modest effort of this kind would be between $30,000 and $40,000, with roughly half the amount being for the one-time purchase of the vehicle — I might add a small investment for a potentially very large return. If you approve, Rob Torres and I will develop a brief presentation and budget for review within AIFLD/Washington.

cc: Jesse Friedman
José Estrada
James Holway
Michael Donovan
Roberto Torres
Agustin Torres Lazo
Richard Oulahan

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**MONDAY, April 23**

- **9:00 AM**  
  Arrival in Asunción via Aerolíneas Argentinas.  
  Hotel Guaraní, tel. 449131/9.

- **12:00 PM**  
  Lunch with AIFLD CPD Robert J. Torres

- **2:00 PM**  
  Meeting with Alan Flores, Vice President of CUT, at AIFLD Office.  
  CUT: Confederación Unitaria de Trabajadores.

- **5:00 PM**  
  Meeting with Mr. Ranneberger, DCX of the American Embassy; Maria Likens, Political Officer; John Farrar, Economic Officer and M. Rutledge, Labour Officer.

**TUESDAY, April 24**

- **11:30 AM**  
  Meeting with Dr. Basilio Mikhachev, Director of Instituto de Bienestar Rural (IBR).

- **4:00 PM**  
  Meeting with Dra. Blasa Recalde, Assistant Director of MASSON Social.

**WEDNESDAY, April 25**

- **AM**  
  Meeting with CUT Officials. Visit to Caaguazú.

- **PM**  
  Visit Land Invasion site at Chaco, Repatriación.

**THURSDAY, April 26**

- **9:00 AM**  
  Meeting with Gabriel García, Movimiento Campesino Paraguayo.

**FRIDAY, April 27**

- **12:00 PM**  
  Lunch with Victor Vivas Mosquera, President of CUT.

- **2:00 PM**  
  Meeting with Dr. Rivarola, Director of Centro Paraguayo de Sociólogos (CEPES).

**SATURDAY, April 28**

- **9:30 AM**  
  Visit to Villa Nuestra with Victor Vivas Mosquera and Alvaro 67 campesinos and Dr. Alvaro Perreira, UNO Organizing Secretary, arrested by Security Forces.

**SUNDAY, April 29**

- Dinner with Robert J. Torres.
MONDAY, April 30

3:15 PM Efraín martínez Cuevas, Journalist of ABC Color, Economic Section

TUESDAY, May 1st

CUT/CNT May 1st Activities

WEDNESDAY, May 2

10:30 AM Meeting with Dr. Enrique Riera, President of Asociación Rural del Paraguay, and his Executive Council.
11:30 AM Meeting with Eng. Carlos Alberto Paéz Corvalán, Vice Director, Consejo Nacional de Coordinación para el Desarrollo Rural (CONEDE)
4:00 PM Meeting with Dr. Rivarola and Mr. Galeano, Centro Paraguayo de Estudios Sociológicos (CEPES)

THURSDAY, May 3

10:00 AM Meeting with Dr. Alexis Frutos Vaesken, Ministry of Labor.
4:00 PM Meeting with Dr. Alejandro Dadalardo, Comite de Iglesias.

FRIDAY, May 4

9:30 AM Meeting with Dr. Nihal Chandavarkar, UNDP.
11:00 AM Meeting with Dr. Carlos Alberto Corvalán, Universidad Católica de Asunción.
4:00 PM Wrap-up Officials US Embassy

5:30 PM Meeting with Directors of Asociación Rural del Paraguay.

SATURDAY, May 5

9:00 Meeting with Victor Max Borges and other CNT Officers.