

# **The Lightning Impeachment of Paraguay's President Lugo**

Written by Peter Lambert

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PETER LAMBERT, AUG 9 2012

On Thursday, 21 June 2012 the Paraguayan Chamber of Deputies voted 76-1 to impeach President Fernando Lugo on the grounds of poor performance of functions. The following day, following a brief debate, the Paraguayan Senate voted 39-4 to confirm the decision, thus bringing to a premature end an administration that, in winning the 2008 elections, had interrupted 61 years of Colorado Party rule, and taken part in the first democratic change of power in the country's history. Lugo was replaced for the 10 month remainder of his mandate by his vice-president, Federico Franco, of the centre-right PLRA, which had long disagreed with the President's reformist policies. While demonstrations in Paraguay were muted, the regional response was immediate, with the impeachment widely condemned throughout Latin America. Within days, Paraguay found itself diplomatically isolated, and temporarily suspended from both Mercosur and Unasur.

The events of June 2012 were the culmination of the efforts over the previous three years by the powerful elites in the opposition to undermine the Lugo administration. In many ways, this was a political crisis waiting to happen, an almost inevitable response from elites to a reformist administration. Indeed, the impeachment reveals a number of longer-term characteristics of Paraguayan politics: the opposition to long-overdue social reforms by the political class, the nature of Congress as the political embodiment of the tiny elite that runs the country, the overwhelming nature of Paraguay's social problems, especially land ownership, and the weak position of Paraguay in relation to its neighbours.

### **The Administration of Lugo**

Lugo, a centre-left ex-bishop, won the 2008 presidential elections on a platform of far-reaching social reforms aimed at reducing Paraguay's deep-rooted poverty, corruption and inequality, offering a 'new dawn' for the country. Paraguay briefly found itself in the international limelight, as observers sought to depict another addition to Latin America's so-called Pink Tide. However, closer scrutiny reflected that reality was far more complex than such observers recognised.

Lugo may have come to power with a discourse that spoke of long-overdue social reform in favour of the poor, but the balance of political forces following his election meant that he did not have the political force or even the popular mandate to push through his key policies. The Colorado Party which had ruled Paraguay since 1947 remained the largest political party in terms of departmental governorships, seats in both houses of Congress, and membership, with vast power of mobilization and a strong base of support especially in the public sector and in rural areas. Along with UNACE, the populist offshoot of the Colorado Party, it held over 50% of seats in both houses. Lugo's Patriotic Alliance for Change coalition was overwhelmingly reliant on the centre-right, traditional liberal party, the PLRA, which, despite being crucial in an anti-Colorado campaign, opposed key elements of his reform programme. Indeed, Lugo's own centre-left supporters held only six out of 80 seats in the lower house and three out of 45 seats in Senate.[1]

Furthermore, his reform programme (especially land and tax reform) was vehemently opposed by powerful vested interests, heavily represented in all the major parties and in lobby groups such as the Rural Association of Paraguay,

# The Lightning Impeachment of Paraguay's President Lugo

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and (predominantly Brazilian) soya producers.

It was therefore not surprising that Lugo's period in office was characterised by instability, political crises and conflict with Congress. Despite some significant gains in foreign policy (most notably his successful renegotiation of aspects of the 1973 Itaipú Dam treaty with Brazil) and some important domestic success in health and anti-poverty policies, his administration was unable to deliver on the promises made and the expectations raised in terms of social and political reform.

The opposition strategy to oppose Lugo's reform agenda was four-fold:[2] it repeatedly sought to block funding streams which were key to the reform programme (most notably the introduction of personal income tax) and to vote against a wide range of reforms and proposals, from reform of the Supreme Court to Venezuela's membership of Mercosur; it sought to generate a fiscal deficit by inflating proposed annual budgets, thus undermining macroeconomic stability;[3] it undermined Lugo's social welfare and poverty alleviation programme by cutting budgets of key anti-poverty and health institutions and programmes; and it sought to discredit Lugo through almost constant threats or rumours of impeachment on vague and spurious grounds (such as 'promoting the class struggle' and 'failing to protect citizen security'). Congress thus successfully blocked the four key reform policies of the Lugo administration – in the areas of the tax system, the public sector, the judiciary and land ownership. Had these policies been successful, they would have radically changed Paraguayan politics and society.

This opposition was mirrored in the media. Led by *ABC Color*, Paraguay's most widely read and influential daily newspaper, the media undertook a concerted campaign to portray the moderate reformist president as associated with the radical left, not only with 'Bolivarian Socialism' but also with landless peasant organisations, to highlight Lugo's (many) personal failings and to exaggerate the growth of social tension, instability, insecurity and imminent social breakdown.[4] Within two years, his popularity had plummeted, with many of his erstwhile supporters disillusioned both by his failure to address social problems and his personal behaviour (including four allegations of unrecognised paternity).

## The Process

The impeachment process was based on five criteria, which were striking for their lack of reference to serious malpractice. There was no mention of corruption, theft, abuse of human rights, violation of the constitution or breach of presidential code. Instead, the charges were based on five counts of "poor performance" (*mal desempeño de responsabilidades*), chief among which was that he had been unable to address growing insecurity. In particular, he was deemed to have been responsible for instigating and facilitating land invasions in the area of Curuguaty, where eleven peasants and six policemen were killed in a shoot out during a police operation to clear landless peasants, on 15 June 2012, in the worst single incident of political violence for many years. In the immediate aftermath of the killings, Lugo was accused of negligence, ineptitude and incapacity to act decisively.

The actual impeachment process was criticized on two counts: first, no evidence was presented at the impeachment trial regarding the most serious charges of responsibility for rural insecurity, land invasions and the tragic events in Curuguaty; and, second, Lugo was given just 24 hours to prepare his defence and less than two hours to present it during the brief five hour trial in Senate. However, the process was not unconstitutional. The charges may have been spurious, the evidence lacking and the timeframe highly questionable, with little regard for due process, but none of these elements are required by the 1992 Constitution. Indeed, the Constitution provides no specific criteria for impeachment beyond the stipulation that it can be carried out on the grounds of poor performance of functions by a two-thirds majority. The letter of the Constitution was not violated, even though the spirit may have been.

## The Causes

The immediate cause of the impeachment was the events of June 15<sup>th</sup> in Curuguaty. Lugo attempted to respond to the ensuing fury from landowning groups, especially Brazilian soya producers, by replacing his left-leaning Minister of the Interior, Carlos Filizzola, with a hard-line Colorado ex-Attorney General, Ruben Candia Amarilla. However, this led to a furious response from the PLRA and opposing factions of the Colorado Party, the resignation of Lugo's

# The Lightning Impeachment of Paraguay's President Lugo

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ministers and the subsequent collapse of his coalition.[5]

The cross-party unity to approve impeachment reflects strategic concerns and an attempt to gain political advantage in the forthcoming 2013 electoral campaigns. Impeachment allowed the PLRA to distance itself from an unpopular government, which it had previously supported, and gain the presidency for the remaining 10 months of the presidential period; this would crucially provide access to state resources to fund their patronage machine and their electoral campaign (a practice which is illegal but was standard practice under the Colorados). The Colorados took the risk of allowing the PLRA full access to government, to highlight how they were unable to govern even without Lugo – a policy that would depend on effectively undermining government policy through their majority in Congress for the remaining ten months of the administration. The Colorados remain strong favourites to win elections in 2013, providing they can overcome internal factionalism.

There was also a further interesting contextual dimension to the impeachment process. In May 2012, a civil society organisation calling itself After Office Revolucionario (AOR) launched an unprecedented social media and public demonstration campaign that mobilised thousands of middle class urban professionals against undemocratic practices by Congress. Initially, this was directed against a decision by Congress to add a further \$50 million to the budget to pay for up to 10,000 new staff for the already bloated electoral commission. Since it was common knowledge that these staff would act as political operators for the parties in the forthcoming 2013 election campaigns, the AOR demanded that the money should instead be spent on Paraguay's under-funded health sector. Faced with growing protests, Congress backed down in May 2012. This encouraged AOR to launch a new campaign against Paraguay's closed party lists for congressional elections (whereby powerful actors can buy their position on party candidate lists), demanding greater transparency, accountability and social representation. As the campaign grew, Congress became increasingly concerned. The impeachment process conveniently served to divide the movement and undermine the campaign.[6]

However, the short term causes do not deflect from underlying explanations, primarily regarding the highly unequal ownership of land and the political dominance of Paraguay's tiny political and economic elite.

Paraguay has the most unequal concentration of land ownership in Latin America, a situation that has worsened in the past decade due to the expansion of commercial agriculture (especially soya and cattle ranching). As Lugo's reform efforts floundered, tensions in rural areas increased in the form of land occupations and evictions, demonstrations by both landowners and peasants, and violence. Dominated by landowning elites, Congress viewed Lugo's land reform plans with alarm, accusing him of links with a radical landless movement (*Liga Nacional de Carperos*) and even the incipient rural guerrilla force, the Ejército Popular del Paraguay (EPP), and of seeking to use his time in office to create a radical peasant-based political movement. His impeachment sent a clear message that the political elite would not tolerate a challenge to Paraguay's exclusionary and corrupt pattern of land ownership.

The wider role of Congress in blocking reforms also reflects the defective character of Paraguayan democracy. Party politics in Paraguay is notoriously clientelistic and self-interested, with the major parties constantly manoeuvring for political advantage, more motivated by the desire to regain or retain political power (in terms of capture of the state, public posts and resources) than any over-riding concern for the national interest. As Gustavo Setrini has commented, "competition between the two parties is simply a contest for access to public resources, devoid of ideological debate about the best use of those resources, or about the state's role in the economy and society".[7]

The impeachment of Lugo was not simply a coup against a reformist president by right-wing forces, a repeat of events in Honduras in 2009. Instead, it was a very Paraguayan affair, casting light on the limited nature of democracy in Paraguay and explicable only through an understanding of the complex internal dynamics of domestic politics. However, the issue rapidly became a regional affair with far-reaching consequences.

## The Regional Reaction

The international reaction to the 'lightning' impeachment process was immediate, with criticism expressed from across the ideological spectrum, from Chile and Colombia to Venezuela and Argentina. As over a dozen Latin

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American states recalled their ambassadors, Cristina Kirchner of Argentina described events as a 'parliamentary coup', Hugo Chavez suspended oil exports to Paraguay, and Dilma Rousseff held off pressure from the powerful Brazilian landholding lobby in Paraguay and suggested reprisals. Within days, Mercosur had suspended Paraguay's political rights (although it stopped short of trade sanctions) until the April 2013 elections. Following the sending of a high-level delegation of foreign ministers to Paraguay during the impeachment process, in an effort to show its support for Lugo, the South American Union, UNASUR, suspended Paraguayan membership until the 2013 elections, while ALBA members refused to recognise the new government. As the United States and the Organization of American States (OAS) wavered in their interpretation of events, calling for peaceful respect for democratic procedures, Latin America almost unanimously condemned the impeachment.

Regional opposition to the impeachment process sought to present itself as ideological, expressing a strong commitment to the defence of democracy and the integrity of president Lugo in the face of a highly questionable process. However, the pragmatic elements of decision-making by key players rapidly emerged. Within days of Paraguay's suspension from Mercosur, Venezuela's membership (previously stalled in the Paraguayan Senate but approved by all other member states) was approved. Venezuela had long sought entry to Mercosur not only to gain greater access to markets but also greater regional and international influence. Venezuelan membership also brings probable energy and economic benefits to Argentina, and industrial and agricultural export benefits to Brazil that far outweigh any benefits accruing from Paraguayan membership. Indeed, the refusal by the Paraguayan Senate to approve Venezuela's membership for over three years had been a thorn in relations with fellow Mercosur members. Mercosur has also rapidly resumed negotiations with China, previously stalled due to Paraguay's diplomatic relations with Taiwan.

As argued by Sean Burges, given the speed of such decisions, "it is hard not to think that they [Mercosur member states] are extremely grateful for a pretext to suspend Paraguay from the Mercosur trade bloc and get on with the trade pact's business, namely moving ahead with inter-hemispheric economic relationships".[8] A number of commentators in Paraguay have argued that Mercosur's treatment of Paraguay and Venezuela, in terms of democratic process, was inconsistent if not hypocritical; while such a view is debatable, events across the region certainly cast light on the subtle interplay between ideology and pragmatism in international relations.[9]

There may also be an element of self-interest in the stance of a number of left-leaning presidencies. The threat of direct military coup against reformist administrations may have receded since the end of the Cold War, but that does not mean that such administrations are not under threat from right-wing opposition movements which have not hesitated to push (and at times cross) the boundaries of legality in their attempts to undermine what they see as radical leftist governments in the recent past.[10] As with events in Honduras in 2009, a strong regional reaction was felt by many leaders to be essential in sending a clear message that such actions would not be tolerated.

The internal Paraguayan reaction to regional decisions was equally striking. Whilst there were protests both in the capital and the countryside, there was no groundswell of support for Lugo, no popular mass pressure to reinstate the president. The media widely supported the vote. Indeed, within days, the contrast between regional condemnation and domestic acceptance had produced a wave of nationalism in Paraguay, which talked of foreign aggression, ignorance and lack of respect for the nation's sovereignty. Hugo Saguier, the Paraguayan ambassador to the OAS attacked what he saw as the formation of "another Triple Alliance" in reference to the Triple Alliance that destroyed Paraguay as a regional power in the war from 1864-70.[11] This discourse was also reflected in the press, in Congress and by the new Franco administration; Venezuela was accused of putting pressure on the armed forces to oppose the impeachment of Lugo, and of creating a 'Bolivarian Triple Alliance', whilst the Stroessner-era nationalist and isolationist discourse of anti-communism, insidious foreign influence, and 'legionaries' (fourth columnists) underwent a striking resurgence.[12]

## Conclusions

Lugo has declared that his impeachment was effectively a coup d'état which broke the democratic process in Paraguay.[13] This may not strictly be true, but there is a widely held perception that events in June 2012 were undemocratic and violated the spirit of democracy, if not the letter of the law, breaking the basis of the social contract

# The Lightning Impeachment of Paraguay's President Lugo

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established under the Constitution of 1992 that the people elect their president.[14]

The events of June 2012 have revealed the major fault lines of Paraguay's transition to democracy, in particular the commitment of the political elites in Congress to preserving the country's unequal distribution of land and wealth, and the limited nature of political competition in Paraguay. They also reflect the entrenched and conservative structures of power that have been a legacy of the dictatorship, as well as the limitations of a transition that has stagnated in a state of what Wolfgang Merkel has described as 'defective democracy', characterised by clientelism, the lack of rule of law, authoritarian enclaves and gross inequality.[15] Threats of impeachment, the use of rumours of impending coups, macroeconomic destabilization, and the blocking of moderate reforms, even when the strategy clearly ran against the national interest, reflect a political class accustomed to power within a democracy that is far from inclusive or consolidated.

The events of June 2012 will increase citizens' already high level of resentment towards Congress and further undermine the already low levels of legitimacy of democratic governance and institutions in Paraguayan politics. They will also increase Paraguay's diplomatic isolation, as her neighbours offer an ideological condemnation of events for highly pragmatic reasons, and simply move on without Paraguay. Of most concern, the events send a clear message to the Paraguayan people that even moderate challenges to the power of political and economic elites will not be tolerated by the country's small ruling elite.

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[1] For an analysis of the challenges facing Lugo upon his election, see Lambert, P., 2008. "A New Era for Paraguay", *NACLA Report on the Americas*, 41, 5–8.

[2] Lambert, P. (2011) "Undermining the new dawn: Opposition to Lugo in Paraguay." in Dominguez, F., Lievesley, G. and Ludlam, S., eds. *Right-wing Politics in the New Latin America: Reaction and Revolt*. London: Zed Press.

[3] Oxford Analytica (2009) 'Paraguay: Congress wages fiscal war on executive', 10 June 2009.

[4] Ortiz, S. (2009) "Cómo inflar "globos" mediáticos para debilitar un gobierno", *E'a Periódico de Interpretación y Análisis*, 21 October 2009, <http://ea.com.py/category/politica/>

[5] For a more in-depth analysis of party and factional considerations, see Nickson, A. "Paraguay's presidential coup: the inside story." 10 July 2012, <http://www.opendemocracy.net/andrew-nickson/paraguays-presidential-coup-inside-story>

[6] Setrini, G. "Paraguay's Nascent Occupy Movement Cut Short by Political Crisis", COHA, 22 June 2012, <http://www.coha.org/paraguays-nascent-occupy-movement-cut-short-by-political-crisis/>

[7] Setrini, G. "Paraguay's Impeached Democracy", 9 July 2012,

<http://www.project-syndicate.org/commentary/paraguay-s-impeached-democracy>

[8] Burges, S. "Paraguay's Presidential Change and the Region's Current Democratic Picture", COHA, 10 July 2012 <http://www.coha.org/paraguays-presidential-change-and-the-regions-current-democratic-picture/>

[9] For a more in-depth analysis of this relationship in Latin American foreign policy, see Gardini, G. L. and Lambert, P. eds. *Latin American Foreign Policies: Between Ideology and Pragmatism*. New York: Palgrave Macmillan, 2011.

# The Lightning Impeachment of Paraguay's President Lugo

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[10] For fuller analysis of this, see Dominguez, F., Lievesley, G. and Ludlam, S., eds. *Right-wing Politics in the New Latin America: Reaction and Revolt*. London: Zed Press.

[11] "Paraguay denuncia "otra triple alianza", ABC Color 26 June 2012, <http://www.abc.com.py/nacionales/denuncian-otra-triple-alianza-contraparaguay-419073.html>

[12] Rodríguez Alcalá, G. "Mbatara", Última Hora, 4 July 2012, <http://blogs.ultimahora.com/post/5852/97/mbatara.html>

[13] "Lugo asegura que reestablecerá el orden democrático a un mes del juicio" 23 July 2012, <http://www.redguarani.com.py/noticias-vermas.php?id=4667>

[14] See Rivarola, M. "La Rescisión del Contrato Social", E'a Periódico de Interpretación y Análisis, 21 July 2012, <http://ea.com.py/la-rescision-del-contrato-social/>

[15] Merkel, W. (2004) 'Embedded and defective democracies', *Democratization* Vol.11, No.5, December 2004, pp.33–58.