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PARAGUAY: Scenarios for Sudden, Unexpected Change

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Summary

We believe that despite growing opposition activity in Paraguay, President Stroessner is in control, will be re-elected in 1988, and probably will remain in power until he dies, when the military and the ruling Colorado Party will choose a successor. Nevertheless, change in Paraguay could come about suddenly, leading either to a regime that initiates some democratic reforms or to right- or left-wing authoritarian rule more repressive than Stroessner's. We believe that Asuncion will move toward democracy if the traditionalist faction of the Colorado Party, reformist elements in the military, or the opposition parties depose Stroessner. The President could, however, be ousted by rightist elements intent on protecting lucrative narcotics and smuggling interests or--in the longer term--Paraguay could fall prey to leftist subversion after a brief, chaotic democratic interlude. All these scenarios, in our view, are highly unlikely, but none can be discounted.

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We believe change is on the horizon in Paraguay, but that true reform in is unlikely as long as President Stroessner remains in power. Since Stroessner faces no serious opposition and already has announced he will run again in the 1988 presidential elections, we expect he will be re-elected and will continue to serve as Paraguay's president as long as his health permits. When Stroessner dies, we believe someone acceptable to both the armed forces and the ruling Colorado Party, such as 84 year old Colorado President Juan Chiarino, would serve as transitional president while the military and Colorado factions battle behind the scenes to determine the "official" candidate to run in a carefully manipulated presidential election. In our view, the new president would likely be a moderate civilian Colorado Party member--such as President of the Supreme Court, Luis Maria Argana--who could begin slowly to move Paraguay away from authoritarian rule.

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This memorandum was requested by Robert Gelbard, Deputy Assistant Secretary of State for Inter-American Affairs. It was prepared by South America Division, Office of African and Latin American Analysis, and was coordinated with the Directorate of Operations. Information as of July 8, 1986 was used in the preparation of this paper.

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Questions and comments may be directed to the Chief, South America Division, ALA

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We cannot completely rule out, however, alternative scenarios for Paraguay's future. A number of significant developments have altered the country's socio-economic structure over the past decade. The economic boom of the 1970s--generated by the construction outlays on the Itaipu hydroelectric project with Brazil--created for the first time a large middle class in Paraguay with political and economic aspirations not being served by the Stroessner regime. The near completion of the dam project, however, is already depriving Asuncion of much income and has left the economy especially vulnerable to low world prices for commodity exports and to governmental mismanagement. Even Paraguay's normally reticent business community has begun to speak out against Stroessner's economic policies. Protests over the last few months, such as the Hospital de Clinicas strike, have presented the regime with its most serious political challenge in 32 years. Young Paraguayans--over half the population is under 30--have no memory of the disorder that preceded Stroessner and are beginning to criticize his anachronistic policies. The still disjointed opposition parties, aided by the Catholic Church, are becoming more vocal in their calls for a transition to democracy.



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Because of the above factors, there is an outside chance that change in Paraguay could come about in an abrupt, unexpected manner. Such a development would, in our view, push the country in one of two directions: towards a moderate government that would promote democratic reforms, or toward a right or leftwing authoritarian regime even more repressive than Stroessner's.



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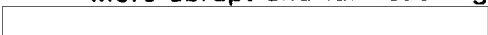
Scenarios Leading to Democratic Rule

Very little is done in Paraguay without the ruling Colorado Party's assent and this powerful organization could still instigate a move towards reform. The party is already split between a group favoring some sort of political opening--the traditionalists--and a faction seeking Stroessnerism after Stroessner, known as the militants. The traditionalists currently hold a commanding majority in the governing junta and are already maneuvering for next year's junta elections. Several prominent Colorado deputies have publicly criticized Stroessner's policies, causing the President to acknowledge publicly for the first time that a schism exists within the party. If Stroessner's policies continue to aggravate Paraguay's economic decline and public discontent over both the government's economic ineptitude and political rigidity increases sharply, the traditionalist faction--with the tacit support of key military leaders--could become strong enough to force the President to resign. Stroessner could cite ill-health as the reason for stepping down, and the fact that he would probably be succeeded by a mainline Colorado leader who would not directly repudiate the dictatorship and only gradually initiate reform might even make this a more attractive option for Stroessner than clinging desperately to power.



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More abrupt and far-reaching change could, in our view, come from the military.



middle grade and junior officers are becoming disillusioned with the government and more critical of Stroessner's policies.

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junior officers in particular are concerned about the reputation of the military as an institution and resent the blatantly corrupt practices prevalent in the high command. These reformist elements in the military could become fed-up with the corruption of their high command and move against the government.



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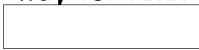
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This scenario would be more probable if popular dissent--due to economic hardship and the regime's political heavy handedness--increased dramatically over the next year. A reformist military government would probably make a cleaner and quicker break with the past than a Colorado traditionalist regime, clearing the way for relatively free elections by purging both the armed forces and the Colorado Party. 

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Finally, Paraguayans may look to the country's currently small and fractured opposition parties for an alternative to Stroessner. The opposition--spearheaded by the relatively dynamic Authentic Radical Liberal Party (PLRA)--is trying to channel the so far largely inchoate public discontent over worsening economic conditions into anti-regime activities. Moreover, the Catholic Church has joined opposition efforts by sponsoring a "national dialogue" designed to pressure the government into initiating a transition to democracy. So far, the opposition parties have held a number of protest rallies, which have been violently repressed by the police, and have backed several strikes with clear anti-Stroessner overtones. The President's harsh crackdown on demonstrators and actions such as the beating of PLRA leader Laino at Asuncion's airport have focused international attention on human rights violations in Paraguay and helped to further discredit and isolate Stroessner's regime. 




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If the opposition becomes bolder and more successful, Stroessner will probably crack down even harder, possibly creating a Chilean-like cycle of demonstrations, repressions, and polarization. In Paraguay, however, the absence of a strong left would likely prevent Stroessner from convincingly using the Communist threat to hold on to power; in a tumultuous political situation, the opposition--especially if it produced a charismatic figure to unite the parties and inspire the public--could quickly gather substantial popular support. Joined by dissident elements within the military and Colorado Party, the opposition then might be able to combine public pressure and behind-the-scenes politicking to convince or force Stroessner to resign. Because of the key role of the opposition parties and popular mobilization in this scenario, the resulting provisional government would probably move more rapidly toward democratic rule than would a government controlled by Colorado traditionalists. A slightly different scenario might involve the opposition's generating so much pressure on the Stroessner regime through strikes and demonstrations that he either lost the ability or felt it was politically too dangerous to manipulate the 1988 presidential election. This might give a unified opposition slate an outside chance of winning power either at the ballot box or in the wake of chaos following a failed attempt by Stroessner to rig the voting.

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Scenarios Leading to a More Authoritarian Left or Rightwing Regime

Change in Paraguay could, in our view, also produce a regime even more repressive and oblivious to international human rights concerns than the Stroessner dictatorship. We believe the most probable scenario would begin with a precipitous decline in Stroessner's personal power and a rise in opposition protest activity similar to that outlined in the previous examples. In this case, however,  high military officers and militant Colorado leaders, fearing that Stroessner might lose control of the situation, could themselves dispose of him and establish a far-right regime  reminiscent of the Garcia Meza government of the early 1980's in Bolivia. 

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The most remote scenario, in our view, would be a sharp swing to the left. The Paraguayan left is so minute and fractionalized that we doubt it could play a significant role in either forcing Stroessner from power or in forming the first post-Stroessner government. The reestablishment of civil and political liberties by an elected or provisional government, however, might provide an opening for radical elements. Communists and other leftists could re-enter the country, reorganize their forces, and begin to infiltrate both the military and the political parties. If the new Paraguayan government proved politically inept, the left might begin to gain popular support and maneuver itself into a position from which it could seize the levers of power. Nevertheless, such a leftist coup or popular uprising would, in our view, require a breakdown of political and economic institutions, as well as almost impossibly dextrous political maneuvering by the left. We consider this scenario to be the least likely--and also the most long-term of those discussed.



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