

Special Report. The Chaco Region, Paraguay

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BETWEEN THE CORPORATE TAKEOVER AND INDIGENOUS FORCED LABOUR

“A parliamentary coup is allowing natural resources in one of the planet's most important ecosystems to be handed over to oil and agribusiness multinationals. Meanwhile, indigenous communities continue to be exploited by large landowners.”

NEW GOVERNMENT GIVES GREEN LIGHT TO THE REGION'S BIG SELL-OFF.

BY ALEXANDRE PRAÇA

On 28 June, five days after the parliamentary coup that ousted President Fernando Lugo, a high-level business meeting was held at the Government Palace in Asuncion. The new head of state, Federico Franco, did not conceal his pride at having closed a deal with Texas-based Crescent Global Oil, giving it the go ahead to start operations in the vast Chaco region in northern Paraguay. Richard González, the CEO of the U.S. multinational, announced that following the agreement with the new government he already had everything in place and was ready to start drilling.

"There is nothing in the Chaco region, in Palmar Largo (oil field), there isn't even any cattle there. It is the first place we are looking into to drill," said González in an interview on radio Cardinal de Paraguay. "We have confidence in President Franco and this government, which is why we have come to invest millions of dollars, because we really feel supported. We have, with this government, the legal security and the assurance of the executive, and we believe that Paraguay deserves the investment."

The Chaco region the Texan CEO refers to as a place where "there is nothing" is, along with the Amazon, one of the largest biomes in South America. The area is often compared with inland Australia for its topography and climate, and stretches over 240,000 square kilometres. Despite occupying 62% of the Paraguayan territory, only 5% of the country's population lives there. There are 3,400 plant species in the region, 500 bird species and 150 mammal species. A variety of ethnic groups still live in the area: Guaraní, Nivacle, Majui, Guarayos, Chamacocos, and even "uncontacted" indigenous groups, the Ayoreo.

It is also one of the most endangered ecosystems on the planet. For agribusiness, cattle and oil industry leaders, it is the last frontier for the expansion of their business interests. It is estimated that two million hectares, an area the size of Wales, was deforested between the year 2000 and 2010.

This rapid destruction has already brought about irreversible changes to the Chaco region's soil, and fresh water shortages are already a reality in many areas. Providing a warning of the type of natural disasters to come in addition to climate change, the worst floods since 1979 were recorded in the region (see news below), claiming at least six lives and affecting over 13,000 families.

■ PARLIAMENTARY COUP

For many analysts, the ousting of President Fernando Lugo is a demonstration of the power concentrated in the hands of large

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landowners, soya agribusiness interests and industrial leaders in Paraguay. Despite having won the elections in 2008, the progressive forces united around Lugo's candidacy did not manage to change the conservative composition of the Senate and the House of Deputies. The legislative chamber continued to be dominated by the most conservative elements of the Colorado party, which governed the country for 61 years, including the 35 years under the bloody dictatorship of General Stroessner.

Paraguay is the country with the most unequal agrarian land distribution in South America: 2% of agricultural farms occupy 82% of the land. Having failed to fulfil one of its main electoral promises regarding the country's most important issue, agrarian reform, the government was weakened and distanced itself from the social movements that had secured its election. At the same time, it became hostage to the long-standing oligarchies. The large landowners reacted violently to the stepping up of the fight for land by indigenous and campesino groups, and land disputes multiplied.

President Lugo's ousting was triggered by the death, on 15 June 2012, of 11 campesinos and six police officers in the context of a land dispute. The clashes broke out during a demonstration calling for the return, under agrarian reform, of a large estate in Curuguaty, some 200 km from the capital Asuncion. The Congress opened impeachment proceedings against Lugo, accusing him of being directly responsible for the massacre. He was removed from office within less than 40 hours, without being given the right to defend himself.

OPEN FOR BUSINESS

Just two days later, the new government announced that Paraguay was open to business and began holding meetings with Brazilian agribusiness exporters. The new president promised to support the agribusiness sector, to protect private property and stop the "land invasions".

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He also announced his support for the Canadian multinational Rio Tinto Alcan and its plans to establish an aluminium smelter valued at four billion dollars. Environmen-



talist groups are opposed to the project given the risk of irreversible environmental damage and the high electrical energy costs that will have to be subsidised by the Paraguayan state. Franco nonetheless declared in an interview on radio paraguay 970 AM that the arrival of the multinational is the starting point for "thousands of firms to enter the country and to turn Paraguay into the industrial hub of South America".

Transforming the Paraguayan Chaco is perhaps one of Federico Franco's most abiding obsessions. He sees the region as key to developing his "vision of the country". The new leader has spared no efforts in working towards this goal, even during his first month as president. In addition to the deal signed with Crescent Global Oil, the president is seeking support for investments worth billions into the building of roads, bridges, a gas and petroleum pipeline, the intensive mechanisation of agriculture and the extensive use of genetically modified seeds; all for the development of the "empty" Chaco region.

"The Chaco region is destined to be the key to national progress. The Paraguayan Chaco is to become the port of entry to Asia for the Americas, the Atlantic and the Pacific. For this reason, in all the projects we take forward, the Chaco region holds the key to progress," he announced in his first speech as president of the Republic.

SOCIAL DISASTER

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lost, and restoring it is extremely difficult," commented Crecencio Cáceres, coordinator of the Chaco Council of Indigenous Peoples (CDPI CHACO).

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The best path for the future is to educate our peoples. We want to take charge of our own education, so as not to lose our culture.

Crecencio Cáceres, coordinator of the Chaco Council of Indigenous Peoples

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Chaco is not only faced with an environmental disaster. Indigenous peoples, forced to leave their lands by agribusiness and cattle ranchers, are resorting to salaried employment as their only secure source of subsistence. Indigenous men, women and children are easy prey for exploitation and abuse on the large estates. A recent study

conducted by the International Trade Union Confederation (ITUC) has confirmed serious labour and human rights violations, such as child labour, forced labour and debt bondage (see article below).

The representatives of indigenous communities are trying to resist the offensive against their lands and peoples, defending their values and culture. "The best path for the future is to educate our peoples. We want to take charge of our own education, so as not to lose our culture. The elders can still offer our young people a great deal of teachings, so that our traditional way of life is not lost," explained Crecencio.

With the new government, this future has become more distant. A group of 12 progressive parties and eight movements is, however, planning to contest the presidency in the elections to be held in April of next year. This alliance called the Frente Guazu also wants to win the highest number of seats possible in the National Congress and is counting on Lugo to head the list of candidates for the Senate.

INDIGENOUS FORCED LABOUR PERSISTS IN CHACO.

The authorities turn a blind eye to human rights violations, despite international commitments.

Child labour, forced labour and debt servitude are still part of everyday life for the indigenous communities living in the Paraguayan Chaco. These are the main conclusions of a new study carried out by the International Trade Union Confederation (ITUC). New evidence indicates that nothing has changed since the last United Nations mission to the country.

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The Guaraní Ñandeva find themselves forced to work outside their communities under extremely precarious conditions and without any kind of legal protection.

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In 2009, the United Nations Permanent Forum on Indigenous Issues pointed to the persistence of servitude and forced labour in the Chaco region. In response, the Ministry of Justice and La-

bour established a tripartite committee that same year to draw up an action plan on fundamental rights at work and the prevention of forced labour.

In 2011, the government declared that there were no more signs of exploitation in the region. "We have conducted awareness campaigns and procedures to promote compliance with labour standards, a tripartite committee to eradicate forced labour in the Chaco region has been set up, a Regional Labour office has been established, a number of seminars have been held with indigenous communities and employers, and we concluded, in June, the fourth operation on decent work in the area," Labour and Social Security Vice Minister Raúl Mongelós told the country's main newspaper ABC Color.

International organisations are not so sure that the problem has in fact been eradicated. In June 2012, the ILO requested informa-



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tion from the government regarding the implementation of the commitments made in this respect. It also requested references regarding the consultations held with indigenous communities about the process, as the information had not been sent.

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María Benítez, a Guaraní Ñandeva from Nueva Asuncion

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The study carried out by the ITUC also belies the claims made by the Paraguayan authorities. The research was conducted for a year, between 2010 and 2011, and mapped the territory of the Guaraní Ñandeva, who have suffered the biggest losses of traditional land to the expansion of soya plantations and cattle ranching for export. They find themselves forced to work outside their communities under extremely precarious conditions and without any kind of legal protection.

The research was based on extensive individual and group interviews with indigenous peoples regarding their work and was headed by the Paraguayan anthropologist Marilyn Rehnfeldt.

■ DEBT SERVITUDE

Most indigenous workers in the Chaco region are temporary workers. Intermediaries generally hire a group of men from a community to do a specific job and take them to the workplace far away from their settlements. They stay there until they can be taken back to their communities again.

The contracts are negotiated verbally. Having no written employment contract, the workers have no way of making demands if the conditions initially established are not fulfilled. During the interviews, the indigenous workers explained that the bosses often use threats to avoid being denounced.

"If people leave a job they are never hired again, people are afraid and that's why it doesn't get out, no one leaves their job. A few people have done, but they have never been given work again," explained indigenous worker Isaías Posorajai.

One of the worst cases found was the indigenous people living on cattle ranches who work all their lives without receiving any

pay, just food and the right to stay on the property for as long as the boss deems fit: "There are men that work all their lives on the ranch until they are old and die, without receiving anything (allowances, pension) for themselves or their families. They just work all their lives and that's it," a Ñandeva leader told the researchers.

■ MISSING GIRLS

The cattle ranches are a major source of employment in the Chaco region, offering temporary work to women as well as men.

Women are often employed as domestic workers on the ranches. Many of them travel as far as 150 kilometres to reach the ranches from their communities and complain that the salaries are barely enough to cover the transport costs.

"A fair price is not paid for indigenous labour. No matter how hard our young people



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work and study, they don't get the work they want. Many girls go away to work and the boss ensures us that they will also be schooled, but then they go missing. We don't hear anything of them again. It's said that they go to Brazil or Argentina," María Benítez, a Guaraní Ñandeva from Nueva Asunción told the researchers.

The exodus of young girls who go to the cities to look for work is a constant worry for the communities: "Young women leave to look for work out of necessity, their parents are ill and cannot work, they don't have secure jobs," explained indigenous woman María Bogado.

Women domestic workers are often helped by their children, who do washing and other cleaning chores around the house. This work is not usually remunerated. "The boss says this has nothing to do with the usual tasks. It's extra work that they are given almost on a daily basis," explained various indigenous women in a group interview.

■ WHO DOES THE LAND BELONG TO?

One of the facts arising out of the interviews is the involvement of large landowners in human rights violations, particularly the Mennonites, as the United Nations has also reported. These Protestant groups from Central and Northern Europe immigrated to Paraguay almost 90 years ago. Starting out as small farmers, they have gone on to become major agribusiness en-

trepreneurs, buying up the land across virtually all of Central Chaco.

The study points out that the Mennonites settled on indigenous lands, forcing the

“The Mennonites' domination has expanded over recent years and the indigenous peoples have lost their traditional habitat as a result.”

communities to live in increasingly more restricted areas, such as workers' districts or agricultural colonies. The only alternative the indigenous people are therefore left with is to work as labourers in the Mennonites' factories or ranches.

The Mennonites' domination has expanded over recent years and the indigenous peoples have lost their traditional habitat as a result. Wild flora and fauna, for example, have become almost extinct in some regions, giving rise to widespread malnutrition and tuberculosis epidemics among indigenous communities.

■ GOVERNMENT FAILS TO ACT ON PROMISES

The Guaraní have for decades been calling for recognition of their ancestral lands. In 1981, Paraguay passed a law recognising indigenous communities' right to their occupied lands and their designation as community property. However, at least 200,000 hectares bought by the state for this purpose have since been lost. Taking advantage of the delays in transferring the title deeds, large landowners occupied the lands, making it impossible to return them to their legitimate owners.

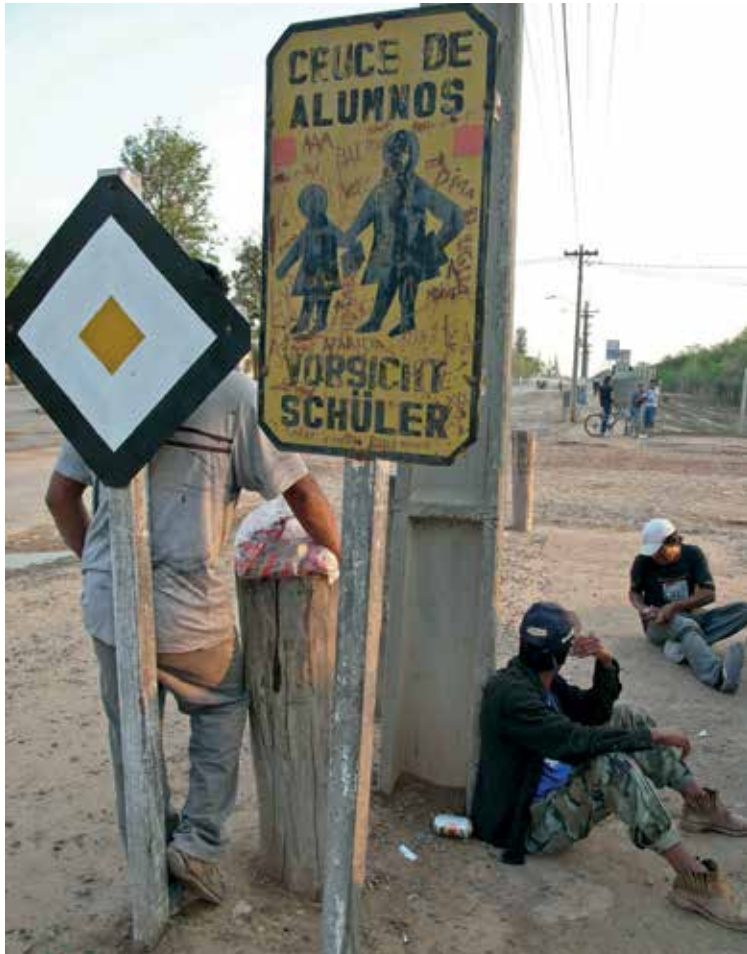
It is now estimated that 52% of the indigenous communities do not legally own their



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lands. Those who have managed to secure demarcation have been granted land that is insufficient in size and located in areas that lack the resources the communities need to survive, such as water for drinking and irrigation.

The Guaraní Ñandeva have lost virtually all of their ancestral lands, which are now occupied by National Parks covering an area of almost 1,100,000 hectares. The study points out that the Paraguayan state has at no point given any consideration to the presence of indigenous peoples in the area, or to their demands for recognition of their ancestral lands.



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According to a Ñandeva woman who asked to remain anonymous: "You pay into the mutual fund but the cover expires when you stop working for a month. What happens on the ranches is when people are employed for a year or two they pay five percent a month, but then their work is suspended for a month and they are no longer covered. So what we want to know is where does the money paid throughout the whole year go to?"

The ILO has also drawn attention to the social security issues and has called on the government to step up labour inspections at local level, to ensure that "indigenous workers enjoy social services and benefits on an equal footing with non-indigenous workers".

INDIGENOUS POLICY A MUST

The authorities have ignored the demands made by indigenous peoples. According to a Guaraní representative: "The laws are there, but neither public nor private institutions adhere to them. Here, if we denounce violations, there is no guarantee that our rights will be protected." Another worker commented: "Human rights violations and discrimination are rife. We work all day under exploitative conditions without any rest."

Marilyn Rehnfeldt affirms that in spite of their exploitation and the destruction of their lands, the Guaraní people have not given up fighting for their rights. "They are turning to their history, to their origins, their land and their religion, to create, preserve and claim a space for their collective identity that allows them to continue to be different and to secure recognition of their singularity and their right to claim their ancestral lands."

The researcher concludes: "There is still, however, no national indigenous policy that gives priority to satisfying the needs of indigenous peoples, such as the restitution of lands, access to health, education, respect for their culture, consultation and involvement, and the enforcement of their rights, especially their labour rights."

SOCIAL SECURITY DISCRIMINATION

Indigenous workers in the Mennonite area do not enjoy the same rights as other citizens. They are covered by a medical insurance scheme called Ayuda Mutual Hospitalaria (AHM). According to the researchers, this scheme is discriminatory and violates the national constitution, which specifies that all workers and their families should be covered by social security.

The AHM scheme does not provide retirement benefits, pensions, indemnities in the event of injury or traffic accident, etc. The cover offered to indigenous workers falls far short of that provided by the official social security system.

FLOODS LEAVE THOUSANDS HOMELESS.

BY ANA LUZ GIMÉNEZ COSTA, FROM ASUNCIÓN



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In April 2012, the Chaco region of Paraguay registered the worst floods in the last 15 years. The National Emergency Secretariat reported that six people died and over 13,000 families were left homeless across the region.

The heavy rains and the swelling of the Pilcomayo River have affected the communities living on the riverside and along the border with Argentina, as well as in Central Chaco. The indigenous peoples have been the worst affected. Some have been left isolated by the damage and deterioration of access routes.

Isolation has made it more difficult for the indigenous communities to reach the areas where they usually hunt and gather fruit, in addition to the floods killing off plants and animals.

Although it is not unusual for the Pilcomayo to swell at around that time of the year, the volume of rain that fell in April was equal to

the total rainfall generally recorded over a whole year. The Paraguayan government declared a state of emergency in the Chaco region, to release aid resources.

The Armed Forces have focused on urgent evacuation and rescue operations, on building shelters, providing medical and health assistance, and delivering food-stuffs, mattresses, tents, coats and medical supplies.

The United Nations Organisation offered 2,700,000 dollars in aid, which according to the National Emergency Secretariat was spent on food and sanitation.

The floods affected the local inhabitants in different ways. The Mennonite settlements coped better than the more vulnerable indigenous communities whose means of subsistence were severely affected by the disaster.

The unplanned roadways and dams built exclusively to serve private interests in the area have considerably heightened the risk factors for the affected populations. Many big landowners have built dykes on the Pilcomayo that have stopped the water from following its natural course and redistributing itself between rivers and streams.

Isolation has made it more difficult for the indigenous communities to reach the areas where they usually hunt and gather fruit, in addition to the floods killing off plants and animals. Many have also lost their crops and sources of salaried employment outside the communities.

The extreme poverty in which the indigenous people live means they are unable to buy everyday items for cleaning and maintaining hygiene, not to mention clothing and shoes. Many walk barefoot and are exposed to insect and snake bites.

“Another problem is the consumption of contaminated water from natural sources without treating, boiling or disinfecting it. The overflow of septic tanks and latrines is another source of contamination.”

Their precarious homes, some built of clay and straw, others no more than tents, also makes them more vulnerable. Another problem is the consumption of contaminated water from natural sources without treating, boiling or disinfecting it. The overflow of septic tanks and latrines is another source of contamination.

Paraguay's civil population was quick to respond to the disaster, organising events in different parts of the country to collect anything that may prove useful to the families affected. In August, four months after the devastation, Paraguay's National Emergency Secretariat was still carrying out aid work to help the flood victims.