
PARAGUAY



Capital: Asunción
Area: 406,750 km²
Population: 4,274,649 (1990) (a)
Population density: 10.5/km²
Urban population: 47.4%
Per-capita GDP in USD: 1,180 (1988) (b)
Life expectancy at birth: 67.1 years (c)
Infant mortality rate: 49‰ live births (1990) (d)
Illiteracy: 11% (e)
Population under poverty line: 35% (f)
Human Development Index 1992: 0.637 (78th) (g)¹

Democratic transition, social development, and integration in the Southern Cone Common Market (MERCOSUR)

The overthrow of the regime of General Alfredo Stroessner in February 1989 and the elections in May of the same year, which led to the presidency of General Andrés Rodríguez, began a period of profound change in the Republic of Paraguay, particularly in its political system, institutional life, and relations between society and the state. That period was also characterized by intense political and social activity, redefinition of the traditional parties, the appearance of new party choices, and resurgence of long-postponed social demands as a result of the recovery of the citizenry. In short, it has been a period of democratic transition and the gradual restoration of a state of law after an uninterrupted 35-year dictatorship, a time in which General Stroessner remained President of the Republic by means of successive reelections.

The democratic transition has advanced significantly through direct elections of provincial governors and municipal councils—in many of which, including that in the capital, the Government party was defeated—and the December 1991 elections to the National Constituent Assembly, which is responsible for drawing up a new constitution, a task to be finished in 1993.

During the 1970s, and up to 1981, the Paraguayan economy was exceptionally dynamic. The gross domestic product (GDP) grew at about 8.5% a year during that period. This is explained by both the expansion of commercial agriculture and the strong impact that construction of the Itaipú hydroelectric dam, annual expenditures on which even exceeded the GDP, and initial investment in the Yaciretá hydroelectric plant, had on domestic demand. External

indebtedness also remained relatively low. A major recession began in 1982, however, which was caused especially by the decline in prices for primary agricultural products in the international market, which accounted for more than 80 % of the foreign exchange the country received. Imbalances in the balance of payments and the worsening of the public deficit led to an increase in the external debt and inflation, which heavily eroded the population's real income. The recession thus had a heavy social impact, which was aggravated by governmental adjustment policies and revealed itself in the redirection of migration, the labor market, and an increase in poverty, especially in rural areas, which affected half of the farm population during the 1980s. In the 1970s the main flow of migration was within rural areas, but in the 1980s it changed from rural to urban areas, and in particular toward metropolitan Asunción. The informal economy grew rapidly, and in great measure was sustained by contraband activities with Brazil and Argentina. Underemployment affected 35% of the economically active population (EAP).

The Paraguayan economy began to recover in 1983, but in 1986 there was negative growth because of a drought that affected agriculture. Growth rates between 1987 and 1989 varied from 4.3% to 6.5%. The per-capita GDP recovered 4.8% from 1983 to 1988. In 1990, the new Government signed a letter of intent with the International Monetary Fund (IMF) as part of a policy of deregulation, fiscal deficit reduction, economic liberalization, and wage containment designed to restore economic growth, which was maintained in 1990 and 1991, though at a slower pace, with rates of around 3%. Social indicators have not experienced substantial improvements, however, which explains the regression in the Human Development Index for 1992, compared with 1991.²

In March 1991, Paraguay, together with Argentina, Brazil, and Uruguay, signed the Treaty of Asunción, which will establish a Common Market (MERCOSUR) among the four countries by 1995-1996. The MERCOSUR Treaty is considered the principal challenge to Paraguay's

economy and society because it requires new economic policies and extensive institutional reforms. It may entail high costs because, in reordering the productive structure, it may destroy jobs, especially in small and medium-sized industries since Paraguay's economy is smaller and weaker than those of its two "giant" neighbors, Argentina and Brazil. The Treaty is thus creating both expectations for improvement as well as great uncertainty and fear in Paraguayan society. The way in which the process of integration is carried out and its consequences will, in short, determine the main challenges the country will face in social development: improving indicators of health, education, access to basic services and income, and reduction of the large disparities between rural and urban areas (approximately 52% of Paraguay's population is rural).

The employment situation and labor market: urban informal work and the crisis in the peasant economy

According to the National Employment Service (SNE) of the Ministry of Labor,³ the EAP in 1990 comprised 1,540,000 people, or 36% of the total population. Almost 115,000 people were unemployed, which means that the unemployment rate in that year was 7.5%. Household surveys in Greater Asunción, which has 22% of the country's population and more than half of its urban population, showed that unemployed and underemployed persons comprised 22% of the working-age population in 1990. Underemployment represented 16% of that population. Out of all employed persons, 123,500 were affiliated with the National Workers' Bank and almost 125,000 with the state. This means that the "formal," or registered urban, sector of the economy accounts for only 18% of the employed EAP.⁴

Up to now, Paraguay has continued to be an eminently agrarian and rural country. The agri-

cultural sector generates 27% of the GDP and 95% of the value of exports, especially cotton and soy beans, and provides employment to half of the economically active population. In recent decades, export-oriented agricultural colonization and modernization have been promoted, and this has led to two major phenomena: the continuation of the peasant economy, on one hand, and growing exclusion of rural workers, on the other. As will be described below, this explains the persistence of large numbers of rural poor.

There are now some 220,000 peasant farms. This is related to the structure of agricultural employment: 63% are independent workers, and only 15% are rural wage earners.⁵ The significance of peasant farms stems from both historical conditions, the organization of farms into large and small ones, and the major colonization projects promoted by the authoritarian regime of previous decades. This policy sought to modernize small farming and lessen pressure on the land in the oldest and most densely populated area, the so-called Central Region. From the 1950s and up to 1987, 101,000 land parcels were distributed, which led to a major migratory movement (415,000 people) toward the northeastern and southeastern parts of the Eastern Region (San Pedro, Caaguazú, Itapúa, Alto Paraná, Canendiyú, and Amambay Departments). The process of distribution, in which there was little state support in the way of credit, technical assistance, and provision of basic services, paralleled the gradual subdivision of parcels. Among other things, this was due to demographic growth and the proletarianization of many peasants on large, export-oriented farms. By the beginning of the 1980s, migratory flows had been reversed in those colonization areas with the greatest amount of agricultural capitalism. Itapúa, Canendiyú, and Alto Paraná became areas with net emigration of population to the capital.

Despite colonization, the historical pattern of inequality in land ownership has remained because of the rapid peasant differentiation in colonization areas and the restoration of large estates in the 1970s. The 1981 Agricultural Census revealed that productive units having less

than 5 hectares represented 36% of farms but had less than 1% of the arable land. Farms having more than 5,000 hectares, which represented less than 1% of agricultural holdings, accounted for 63% of the land. In that year, the index of land ownership concentration was one of the highest in Latin America, behind only Mexico and Peru.⁶

The growth of the landless peasant population demonstrates both the increase in rural poverty and the inability of "urban" productive sectors (industry and services) to absorb the underemployed and unemployed population from rural areas. With the closing during the 1980s of the agricultural frontier and the reduction in demand for labor, especially after the completion of the great Itaipú and Yaciretá hydroelectric plants, therefore, peasant demands for land again grew vigorously. But it was particularly after the fall of the authoritarian regime that these demands gained force. From the end of 1988 to November 1990 there were 125 land occupations, in which 26,000 peasant families took part, especially in San Pedro, Concepción, Itapúa, and Alto Paraná Departments. These conflicts were very intense because of the strong response of landowners and livestock raisers, the violence of the uprooted persons, and the lack of mediation by the Government, which has promised an Agrarian Reform Program which has not taken concrete shape.

As in other Latin American countries, the tertiary, or service, sector of the economy in Paraguay has been growing. This process has been expressed in the growth of the informal sector and the increase in state employment. It was estimated in 1987 that 57% of Asunción's work force was in the informal sector, one of the highest proportions in Latin America. Various factors have contributed to this: weak industrial development; peculiarities in rural-urban linkage, because of which peasant workers in the city work seasonally and without stability; the effects of the crisis, and the significance for employment of trade in contraband goods or "unregistered" commerce. There are estimates that place it at an amount equaling registered trade, though the

volume fluctuates on the basis of economic policies and exchange rates for Brazilian and Argentinian currency.⁷ Despite economic difficulties, the number of public employees in the state sector doubled in a decade: in 1980 the state employed 83,000 people, and in 1989, following the collapse of the dictatorship, the number was almost 150,000. This expansion in public employment stems from the client nature of an authoritarian state eager to increase its social base.

The poverty situation and social policy

United Nations data for 1991 show that the population whose income was below the poverty line in 1980-1988 accounted for 35% of the total, though the proportion was much higher in the countryside. Depending on the source consulted, the rural poor represent between 50% and 60% of rural residents.⁸ Inflation, which has led to major increases in the prices of consumer goods, has been one of the factors explaining the persistence of poverty throughout the country. The fall in wages and real income among urban dwellers and the agricultural proletariat, and the peasant crisis and small farming in rural areas, also help explain the high proportions of poor.

During the early 1980s, in the context of the crisis, minimum real wages fell appreciably. In 1984 the real wage lost 6% of its buying power with respect to consumption in general, 10% with respect to foodstuffs, and 45% with respect to the dollar and imported goods. After 1985 the Government readjusted minimum wages upward significantly: 32% in 1986, 44% in 1987, 37% in 1988, 30% in 1989, and 20% in 1990.⁹ These increases have not been sufficient to offset the rise in consumer prices resulting from inflation, however. In the 27 months before October 1991 alone, inflation was 88% while wages rose 48.8%, this means that, despite the increases, the real wage declined by 40%. In addition, a very significant proportion of workers earn incomes

below the minimum legal wage. In 1983, 56.5% of the EAP in the metropolitan Asunción area fell into this category. In 1986 the proportion was 63.4%, and in 1990, 65%.¹⁰

With respect to rural poverty, we have already noted that 60% of the agricultural population (more than 1,160,000 people) was poor in 1989, according to FIDA studies based on the family income method. Twenty percent lived in absolute poverty. Additionally, they suffered from major shortages of basic services (access to health care, water, electricity, sewerage), which persist in rural areas and will be noted below. Rural poverty is unequally distributed in the country. The most affected departments and regions are those comprising the large area in which the large farm-small farm pattern predominates, a large stretch extending from north to south in the departments of Concepción, parts of San Pedro, Guairá, Caazapá, and Paraguari, and all of Misiones and Ñeembucú. Here 52% of poor rural households and three-quarters of extremely poor rural families are concentrated. Lower proportions are found in the colonization areas noted above, which contain 18% of poor rural households. The Central Region has the least critical poverty—5%. The linkage of the peasant economy with urban informal work seems to explain the higher level of income of rural families in this region. A recent survey¹¹ in Concepción, San Pedro, and Caaguazú Departments shows the close relationship between small farms and extreme poverty or destitution. Sixty-one percent of the households whose incomes basically came from farms of less than 3 hectares fell into this category. The proportion was still greater in Concepción—84%.

As part of the transition to democracy, the Government has created various offices and strengthened others already in existence in order to deal with the most critical situations. Among them is the National Welfare Directorate (DIBEN), a decentralized state agency designed to solve critical deficiencies among the most vulnerable—women, children, the elderly, and the disabled. The budgets of the Education and Health ministries have been increased, and a

"Welfare Fund" has been created, as have other sectoral programs to promote small businesses run by young people, settlement of peasant families, etc.¹²

Health, environmental sanitation, nutrition, and food security

Paraguay's health care system is composed of the Ministry of Public Health and Social Welfare, which is responsible for caring for between 60% and 65% of the population; the Social Security Institute, which in 1980 covered 14% of the population;¹³ the Medical Service of the Armed Forces, 19% of the population, and private health services and other, less important public institutions, which cover the remainder of the population. The private sector has grown significantly in recent years. In 1986 it accounted for 17% of the country's hospital beds, 59% of consultations, and 27.4% of institutional deliveries.¹⁴ There are 6,800 hospital beds, or 1.9 per thousand population. The lack of nurses and auxiliaries is a major deficiency in human health care resources; in 1989 the ratio of physicians to graduate nurses was 9:1.¹⁵ The proportion of physicians to population has not varied significantly in recent years, though their distribution is very unequal. Asunción had 60% of the country's physicians in 1985, a ratio of 16 per 10,000 population, while in rural areas the ratio was 1.8 per 10,000 population. The concentration of professionals in the capital creates problems of unemployment, underemployment, and work in multiple jobs. Similar problems of concentration of infrastructure and services in the capital and other urban centers are at the root of serious deficiencies in the population's access to services. It was estimated in 1989 that more than 30% of the total population and 62% of that in the countryside did not have access to health services.

The Ministry is responsible for coordinating the system, though this is still new. As a result, duplication of facilities and services in urban centers, which makes them inefficient, has been one of the main problems in Paraguayan health

care. Up to the end of the 1980s the system's various institutions were also characterized by their centralization because there had been no decentralization or regionalization. The lack of planning, for which the Ministry is responsible but which in practice each institution carries out,¹⁶ deficient information systems (there is significant underreporting), inadequate resources, and lack of maintenance of facilities have also been major problems in the system.

Infant mortality data vary. Although the Ministry of Health places the proportion at 40‰ live births,¹⁷ the Technical Planning Secretariat placed it at 49‰ live births in 1985-1990.¹⁸ These discrepancies may be due to the persistence of significant underreporting of infant deaths. Infant mortality rates vary considerably between health regions. Around 1982 the rates for the metropolitan, eastern, and western regions were 44, 59, and 71 deaths, respectively, per thousand live births.¹⁹ Respiratory infections (pneumonia) and gastrointestinal infections (diarrhea), immunopreventable diseases, and diseases related to nutritional deficiencies are among the main causes of death, and so the potential for reducing infant mortality rates is very great.

Among adults, accidents are in general the leading cause of death; complications of pregnancy, birth, and the puerperium are the leading cause among women; accidents and tumors are the second cause among women aged 14 to 25 years and 25 to 44 years, respectively. Cardiovascular diseases are the second cause among males and the third among females. Although there has been a major decline in the last three decades, Paraguay has a high index of maternal mortality, which demonstrates the serious shortcomings of the health care system with respect to women. In 1985 the maternal mortality rate was 263 per 100,000 live births, while in 1980-1987 it was 380.²⁰ Although there has been a significant decrease since 1988 (160 deaths per 100,000 live births in 1989),²¹ it continues to be high compared with those in developed countries (Canada and the United States had 3 and 8, respectively, per 100,000 in the same period)

and in nearby countries (Uruguay. 50, and Chile, 67).²² Abortion is among the three chief causes of maternal mortality, though it is hard to estimate its exact incidence.

Malaria, Chagas' disease, dengue, and leishmaniasis have been serious public health problems, especially in rural areas. Tuberculosis continues to be of some significance, with a prevalence of 0.5 cases per 100,000 population. AIDS was detected in the country in 1987, and Paraguay had the second lowest AIDS incidence in Latin America and the Caribbean, after Bolivia, in 1991. There were seven cases, all fatal, by 1989,²³ and 29 more cases occurred from 1987 to 1989. There are no precise data about the number of HIV-positive persons in the country.

Although there have been no systematic investigations, protein-calorie deficiencies, anemia, endemic goiter, and hypovitaminosis A are among the principal nutritional problems. Endemic goiter affects 60% of children in the eastern region and, according to United Nations data, 7% of births are low-weight, 17% of children aged 2 to 5 years were deficient in development in 1980-1988,²⁴ and, overall, malnutrition may affect 60% of children under 5 years. These deficiencies occur despite the fact that the overall food supply has increased significantly since the 1970s (the average calorie intake is 126% of that required), especially of cereals because of agricultural expansion. As a result, the country depends little on imported foodstuffs. All this suggests that nutritional deficiencies occur in specific, low-income sections of the population. The Government conducts a Food and Nutritional Education Program (PAEN), in which it distributes food among groups with serious deficiencies, with support from the United Nations Children's Fund (UNICEF), United Nations Development Program (UNDP), and the World Food Program (WFP).

In the area of environmental sanitation, the facts that the rural population predominates and that progress in extending sanitation programs has fallen short of population growth mean that potable water and sewerage coverage is still limited, during the 1980s there were even regressions in

coverage. In the metropolitan area, household potable water coverage is 42%, in all urban areas it is 38.6%, and it is estimated that in rural areas it is only 6%. In 1990, 75% of rural dwellings depended on wells without pumps for their water supply. Sanitary sewerage is available to 55% of households in urban areas. In rural ones there are almost no collective excreta disposal systems. Efforts were increased around 1990 to augment coverage through the activities of the Asunción Sanitary Works Corporation (CORPOSANA) and the National Environmental Sanitation Service (SENASA) with funds from the Inter-American Development Bank (IDB), German cooperation, the United Nations Children's Fund (UNICEF), and other donor agencies, though the objectives planned for the preceding decade are still far from being met. An important and widespread sanitation problem is disposal of waste in open-air dumps, there being no sanitary landfills.

Urbanization and housing

Paraguay has both a large rural population and less urbanization than in the rest of Latin America. Coinciding with the economic boom of the 1970s there was, however, increased migration to Greater Asunción and other, intermediate cities. In 1950 the urban population was 34%, in 1972, 37%, in 1982, 43%, and in 1990 it was estimated that the urban population was 49% or 50%.²⁵ Urbanization and its forms have been the result of both rural-urban migration and the relocation of the poor in the main cities. The latter were gradually forced out of their old areas of residence because of real-estate speculation and the increase in land and lease prices.

The 1982 census tallied more than 578,714 dwellings. In cities, 73% were built of brick and 19% of wood. In rural areas, 38% were of wood, 26% of brick, and 26% of wattle. In 1990, 58% of rural dwellings had earthen floors. Only 17% of rural dwellings, compared with 93% of urban ones, have electricity. As a result, it is in rural areas, where half of the population

lives, that most ramshackle dwellings and most shortages of basic services exist.

From 1954 to 1989, the Paraguayan Housing Institute (IPVU) was responsible for housing policy. It built more than 14,000 dwellings during those 35 years, especially in Greater Asunción. Although it was oriented toward low-cost housing in the beginning, it redirected its policy in the 1970s toward people with higher incomes. State supply has been very inadequate compared with the real demand for housing, which was estimated at about 7,000 units a year during the 1970s. The National Housing Council (CONAVI) was created in 1989 by merging IPVU and the National Housing Bank. CONAVI has undertaken low-cost housing programs with state subsidies. Relying on self-help systems, nongovernmental organizations (NGOs) have been constructing low-cost housing for a decade, during which around 1,800 families have benefited.

The education situation

Illiteracy has declined in recent decades. Thirty-four percent of the population was illiterate in 1959; in 1972 the proportion was 19.9%, and in 1982, 14.2%.²⁶ World Bank (WB) data for 1985 placed the proportion at 12%.²⁷ Illiteracy varies according to area and sex. In 1982, the year of the latest available census, 29% of the population in the countryside was illiterate, compared with 13.2% in urban areas; 19% of men were illiterate, compared with 23% of women. Illiteracy has been decreasing despite the fact that the number of illiterates has remained almost constant. This is due both to population growth and the weakness of adult literacy programs. The Ministry of Education estimates that, if current trends persist, there will still be 200,000 illiterates in the year 2000.

The effort to expand primary education is one of the features of Paraguayan educational development. This effort, as part of agrarian colonization programs in the 1960s and 1970s, was greater in rural areas. At the end of the 1970s, 94.9% of school-age children were in primary

schools. Although access opportunities have increased, the Paraguayan educational system confronts a major problem: failure in end-of-year exams, which especially occurs in rural and marginal urban areas and among the poorest, and is manifested in high repetition rates, which among the poorest are as high as 40%.²⁸

Secondary education also underwent major expansion after the 1950s, when the country had the lowest levels in Latin America, above only Honduras and Haiti, with a school attendance rate of only 1.5%. In 1980 that rate was 27%, and in 1990, 32.5%. Retention has not changed significantly in the last 20 years, and in 1980-1989 it was between 45% and 53%. The most important problems confronting secondary education are its poor quality, maladaptation of curricula to the demands of the labor market, and rapid fragmentation into public and private schools with very unequal quality levels, which is related to the strong trend toward social differentiation that has affected Paraguayan society in the past 20 years. Educational deficiencies, the result of the lack of quality in secondary education, are seen in the large number (around 50%) of students who do not pass university admission examinations. It has thus been noted that secondary education is in need of major reform.

Matriculation in higher education has experienced sustained growth, especially since the 1970s. During the 1980s, however, that growth declined; this is directly related to the country's economic cycles—expansive in the 1970s, recessionary in the 1980s. Higher education was offered by two universities, the National University (UNA) and the Catholic University (UCA) both in Asunción, which belong to the state and the Episcopate, respectively. Recently, however, new universities have been proliferating as a result of the Government's greater flexibility in applying the University Law. The liberalism with which new centers are being opened, seen specifically in the absence of a requirement to pass an admission examination, have raised serious doubts about the future quality of university education, which may deteriorate still more and so exacerbate "credentialism."²⁹ Indeed, the

quality of university education is very low because of the scarcity of resources, which results in critical shortages of equipment and low wages paid instructors, whose salaries are 60% of the prevailing minimum worker wage. Another problem in higher education is its emphasis on professional training; there is almost no research activity.

The country's ethnocultural panorama, in which 7% of the population speaks Spanish only, 49% speak both Spanish and Guaraní, and 40% speak only Guaraní, according to 1982 census data, creates various problems and raises questions about the language or languages on which the educational system should be based. Discussion of these questions has recently become lively because of the Constituent Assembly of 1993. The need to improve and democratize education (school grades usually fall when the indigenous language predominates, something in turn related to the most disadvantaged rural and marginal urban areas), and to preserve the national identity and culture, are arguments used in favor of an educational reform establishing bilingual education. Paraguay so far lacks a bilingual education policy and textbooks for pupils who speak only Guaraní or are just beginning to become bilingual, and no official writing system has been adopted for Guaraní.

Since 1989, and because of the problems affecting the different educational levels noted above, a process of educational reform has been started by creating a commission for that purpose, and the state's educational budget has been increased. The process is still in the phase of diagnosis and defining medium- and long-term guidelines.

The situation of women

The economic participation of women in Paraguay has increased in recent years, though it is still below that of men. This participation is concentrated in a few occupations, women receive wages lower than those of men in similar jobs, and they have more unemployment and

underemployment. In addition, they have difficulty in balancing jobs with domestic tasks and child care, the so-called "double workday." The most significant increase took place during the period 1983-1986, which shows that the crisis forced many women to seek work to supplement their family incomes.

In 1990, 20% of women older than 12 years took part in economic activity. Although in Latin America most women's jobs are in cities, it is thought that in Paraguay, despite underreporting of jobs performed by peasant women, rural employment rates may be higher than those of urban women. In cities, women work in both "modern," highly productive jobs and (a majority) in the informal economy or lower-status jobs that have poor working conditions and pay less, such as domestic work or retail trade. Women's share of the informal economy is greater than that of men. In 1987, 70% of women worked in the informal sector, compared with 50% of men.³⁰ The 1987 household survey revealed that 44% of the male EAP earned less than the minimum wage, compared with 72% of the female EAP. As for total family income, 27% of the households headed by women earned less than the minimum wage, while the proportion in those headed by men was 17%.³¹ Finally, data for the mid-1980s reflect the negative impact that the crisis also had on women's formal employment. It decreased in sectors such as the state sector, which during the period of economic expansion was a major source of jobs for women. In more skilled jobs, however, the proportion of women has increased, which may be due to the fact that their pay is about 50% that of men.

According to the Latin American Demographic Center (CELADE), the fertility rate in 1985-1990 was estimated at 4.7 children per woman, and it has fallen considerably in the past three decades. The 1988 fertility survey showed that 50.7% of the women surveyed, and 69.5% of those cohabiting, had used contraceptives at some time, though 85.4% said they had information about how and where to obtain them.

Between 7 and 14 years, more girls than boys attend school, after the latter age, however,

more females in rural areas drop out of school. In 1989, women represented 50% of entrants into secondary and university education, though in higher education a marked sexual difference persists in the choice of studies, women concentrating in those with less occupational prestige. Differences are still more pronounced in university teaching, and there are faculties in which women comprise only 4% of the professorate.

The inequalities that Paraguayan women suffer are reflected in both daily life and the law, most of which can be called discriminatory. This is especially true of the Civil Code, promulgated in 1987,³² which, in regulating marriage, gives husbands complete authority. Women must have the consent of their husbands and use their husbands' names in practicing a profession, industry, or trade, organizing societies, or taking part in many legal actions. Husbands administer joint property, which may be affected by debts and obligations, while women are responsible for them with their own assets. The code favors fathers in various cases of parental authority.³³ The Penal Code, which dates from 1914, was reformed in various ways in 1990, though it is still discriminatory.

A strong women's movement emerged in the 1980s which has confronted the problems of peasant women and the social, legal, occupational, and other problems facing Paraguayan women through organizations of various kinds that range from political action to research and the development programs of NGOs specializing in women's affairs. These organizations revolve around three "poles": the People's Network of Women Teachers; the Multisectoral Association of Women, which includes members of political parties, and the Coordinating Office of Paraguayan Women, which brings together about 15 women's groups whose goal is achieving legal equality. Various bills to change the Civil and Penal Codes, presented by the Coordinating Office, were rejected by the legislature in 1990 and 1991, though both codes contravene the Constitution and international conventions on the rights of women to which Paraguay adheres. The Senate is considering a bill to create a Secretariat of Women's Affairs

The objective of the Secretariat, according to the bill, would be to promote the real equality of women in the social, economic, cultural, family, legal, and labor spheres.

The situation of young people

The changes in Paraguay during the last two decades have strongly affected its youth. The short-lived economic boom of the 1970s gave young people great job expectations, which were suddenly frustrated by the major crisis of the early 1980s. This coincided with the period in which the 15- to 24-year age group became a larger proportion of the population. According to the 1982 census, young people formed 20% of the country's population, or more than 626,000 people. As from that year the proportion of young people began to decrease. A noteworthy fact regarding the geographic distribution of young people is the larger proportion of young women in urban areas and of young men in rural ones. There are 89 men for every 100 women in cities, while in the countryside there are 105 men for every 100 young women. This situation is related to migration and the location of jobs usually filled by young women, who largely work in the tertiary sector. A large percentage of young migrants work in domestic service jobs. Young women generally enter the labor market later than men. This phenomenon, together with the existence of a larger proportion of women who neither study nor work, suggests both a "prolongation" of females' childhood and the greater subordination of young women to the home by collaborating in household work.

Young people aged 13 to 29 years represent more than half (54%) of the EAP. Their presence is greater in the informal sector of the economy. A large proportion of young people combine studies with work since there are many jobs, often informal ones, that have flexible schedules or are part-time, and because evening education has become widespread. In 1990, barely 3,000 of the 15,000 young people who

completed their secondary education obtained employment.³⁴ These data illustrate the problems that young people face in finding work and their greater unemployment rate

Drug consumption among young people is high. Various surveys in 1989 showed that 21% of Paraguayan young people had consumed some kind of drug in the two months preceding the interview. The proportion was 25% in Asunción and 18% in rural areas.³⁵

The student movement was of major importance in the opposition to the dictatorship and the transition to democracy that the country has been going through since 1989. In addition to these organizations and the youth sections of the political parties, there are various social volunteer bodies that young people join (parish groups, Scouts, Rotary, Red Cross, etc.), though associated or organized young people are largely urban and belong to the middle or upper-middle class. NGOs and other social initiatives have also been an arena for the social participation of young people. This is true of the "Let's Decide" civic education campaign and the "Saka" parallel groups. Young people are especially active in movements such as "Asunción for All." Nevertheless, there are still few young people's organizations that go beyond sectoral interests to deal with the problems of youth in general. The greatest difficulties in forming organizations and in the availability of options occur among peasant youth.

The situation of marginalized children

The most complete investigation of child workers, conducted in 1987,³⁶ found that there were at least 15,000 children working in the streets of Greater Asunción. They came from 7,000 families, most were between 8 and 16 years old, and 88% were boys and 12% were girls. Thirty-nine percent sold goods, 15% were newspaper hawkers, 13% were bootblacks, and 12% were car guards, waste scavengers, beggars, or prostitutes. The immense majority of children

joined the informal sector. The study noted that these child workers aspired to a "job." Statements such as "I want to study because I want to work" or simply "I want to work" show that the activities these children carried on under extremely unfavorable conditions were not "jobs" to many of them. The idea of a "job" is associated with a stable and formal situation, with a fixed workday and a steady income.

Although the majority (77%) attended school and lived with their parents (81%), contributing substantially to the family's income since two-thirds of their families lacked regular incomes, a large portion experienced episodes of family violence; another portion of them had broken their family ties completely or had only sporadic contact with their families. Finally, 4% lived with other street children and in the street. Continuing economic needs and family instability or the absence of a family environment force these children to develop skills to survive in an environment as difficult as that of the street.

Ethnic conditions and problems

During its colonial period Paraguay underwent an extensive mixing of races, something that is clear from the widespread use of the Guaraní language, which has the same status as Spanish and is a symbol of national identity. The purely indigenous population does not exceed 2% to 4% of the whole, however, according to various estimates. The 1981 Census of Indigenous People recorded more than 38,000 such persons (1.2% of the population),³⁷ two-thirds of whom were in the western region. Other studies speak of 46,000 and even 70,000 people. There are 17 ethnic groups, though the criteria for differentiating them range from language to forms of organization and religious practices. If we consider linguistic groups, five major ones can be distinguished: the Tupi-guaraní, Zamuco, Mataco-mataguayo, Guaicurú, and Lengua-maskoy.

At the start of the 1960s, the indigenous and Eastern Chaco populations began to experience

serious problems in surviving because of the advance of non-indigenous society into their territory, which until then had been isolated. Vast colonization programs, immigration from Brazil, and heavy investment in livestock raising and large-scale agriculture led to appropriation and despoliation of indigenous lands and communities which often went unpunished

Even though the various ethnic groups have different traits, they share the condition of poverty and marginalization. This is rooted in their two main activities. On one hand, there are communities that depend on traditional gathering activities, which are threatened by the accelerated reduction of their ancestral lands. On the other, there are communities whose income depends on subsistence farming supplemented by seasonal work on large agricultural, livestock-raising, or lumber tracts. In the latter instance, labor relationships are usually based on exploitation because of language problems and lack of protection and information. This occurs despite the fact that there exist advanced legislation to guarantee indigenous rights, a specialized state institution, and many NGOs active in this area.

The National Institute for Indigenous People, a part of the Ministry of National Defense, is the agency with policy responsibility for this population. Defining a suitable policy on indigenous groups confronts a problem difficult to resolve: the preservation of traditional cultures based on gathering and requiring large tracts of land. These cultures are, moreover, undergoing rapid disintegration. With regard to the indigenous communities that live by farming (around the Mennonite colonies in the Chaco, for instance), development and promotion programs have often been in conflict with traditional cultural patterns, which accelerates their dissolution.

The situation of human rights and International Humanitarian Law

The Stroessner dictatorial regime was characterized by repeated violations of human rights and the suspension of the basic freedoms and rights of

Paraguayans. Since 1989, when the dictatorship was overthrown and the democratic transition began, there has been significant progress in this area, which represents a radical break with the past. The first law promulgated by the executive power after the new presidential period began was adherence to the American Convention on Human Rights, or the Treaty of San José. Since then, and in a brief span, Paraguay has adhered to other international treaties governing human rights and International Humanitarian Law such as the Convention against Torture and other Cruel, Inhuman, and Degrading Treatment, the Convention on the Rights of Children, the Inter-American Convention to Prevent and Punish Torture, and Additional Protocols I and II to the Geneva Conventions, the last in November 1990.³⁸ Elections are gradually becoming transparent and honest. The existence of a domestic normative framework for ensuring respect for and enforcement of human rights assumes, however, that writing and implementation of the new constitution will take place. The 1989 Report of the Inter-American Human Rights Commission (CIDH)³⁹ established the priority of this work, as well as the need for Paraguay to accept the jurisdiction of the Inter-American Court on Human Rights.

The 1990 Report of the U.S. Department of State⁴⁰ recognized these and other important advances; but it also noted certain negative aspects reflecting the persistence of practices characterizing the previous regime. Among them were torture practiced against common criminals, police corruption, and the Government's ineffectiveness in protecting the rights of workers against their employers. The report also noted the violence, excesses, and abuses of power by security forces when peasants were violently removed from lands they had occupied.⁴¹

The environment and vulnerability to disasters

The development model prevailing in Paraguay has led to accelerated deterioration of the

environment. Among the main environmental problems affecting the country are, first, the deterioration of its forest cover. The expansion of the agricultural frontier, a product of agro-industrial development, has resulted in the systematic degradation of forests. Between 1945 and 1985, half of the country's woodlands were destroyed. During the 1980s, deforestation advanced at the rate of 200,000 hectares a year, and in 1989, 400,000 hectares were cleared. This leads to extensive erosion and loss of fertile soil, which accelerates river sedimentation and flooding. Another significant problem is the increasing pollution of waters by generally untreated domestic and industrial wastes, which hastens the waters' eutrophication, and by pesticides and other agricultural chemicals. Air pollution commonly exceeds allowed levels in Asunción during rush hours.⁴²

The chief disasters that have occurred are floods in the river basins traversing the country: the Paraguay, which, starting on the Brazilian border, runs through the country from north to south; the Pilcomayo, which defines its western border with Argentina, and the Paraná, which defines the country's southern border. The Pilcomayo is a tributary of the Paraguay, which in turn is a tributary of the Paraná, as a result of which floods in one of the tributaries usually spread to the main waterway, increasing in intensity as they progress southward and blocking the discharge of its tributaries. There are other, additional factors underlying floods. Some have to do with weather, such as the El Niño Current and the seasonal rains that occur in subtropical headwater areas; others are geographic in nature, such as the peculiar shape of Paraguay's river basins, which collect large amounts of water in depressions, such as the Estero Patiño in the Pilcomayo basin, and in headwater flood areas and marshes, such as the so-called "Xarayes Lake," one of the world's largest, with 140,000 square kilometers, and the "Pantanal," both in Brazil and the Paraguay basin. The Paraguay periodically overflows in winter and the Pilcomayo in spring, and the latter even changes its course. Sedimentation in the latter has increased

because of deforestation in its upper basins. These floods are characterized by their persistence, and sometimes water remains in flooded areas for several months.

When these factors coincide, their effects are catastrophic. This occurred in 1983, when the greatest overflows in Paraguayan history occurred, affecting large parts of the country and especially the capital and the departments of Ñeembucú, Alto Paraguay, and Presidente Hayes. Around 160,000 people were affected, 50,000 houses suffered serious damage, and property losses amounted to USD 82 million.⁴³ As proof of the recurrence of floods, the heavy rains in April 1992 again affected 60,000 people in Concepción, Asunción, Ñeembucú, and Presidente Hayes.

The National Emergency Commission is the agency responsible for mitigating disasters, in coordination with NGOs, the Armed Forces, and DIBEN. In the prevention area, "risk maps" are being prepared for these waterways. Today the main areas of flooding along the Pilcomayo, such as the Estero Patiño, have been precisely identified by means of maps prepared with the help of the Landsat satellite. There is a National Commission for Joint Research on the Pilcomayo River Basin in which NGOs participate. All this has resulted in some progress in planning.⁴⁴

The impact of cooperation and development institutions and policies

During the 1980s there were significant variations in the flows of external aid received by Paraguay. In 1985, such aid totaled USD 163 million; it fell to USD 117.8 million in 1989, and in 1990 it rose slightly, to USD 123.1 million.⁴⁵ During that period, moreover, there was an increase in technical assistance and a reduction in funds for investment projects.

The new Government has assigned a special role to external assistance to support democratization and adjustment and transformation of the economy. Financial assistance is part of the

agreements concluded with international financing institutions, and with the IMF in particular. The Government has promoted technical assistance aimed at creating jobs, sustainable development of natural resources, reform of the state, human and social development, and MERCOSUR integration. Multilateral assistance represented 40% (USD 49.3 million) in 1990, and the largest donors were the WB, with 14% of the total; IDB, with 8%; the Plata Basin Development Fund (FONPLATA), with 6%, and United Nations Agencies such as UNDP, WFP, the Pan American Health Organization (PAHO), UNICEF, and the United Nations Fund for Population Activities (UNFPA). The most significant bilateral aid came from Japan, with 27.8% of total annual assistance, and Germany (25.5%). The U.S. Agency for International Development (USAID) also played an important role. By sector, agriculture received 26% of the funds, regional development, 18.8%, and human resources, 12.8%. Social development, with 6.9%, was the sector least benefited.

NGOs contributed 6% of external assistance, USD 7.8 million. Among the NGOs that have made the greatest contributions are, in the order of their importance: Misereor, which has contributed USD 2.4 million to the Paraguayan Episcopal Conference for various social promotion programs; the Konrad Adenauer Foundation, USD 1.1 million, which went completely to social promotion projects through the Center for the

Promotion of Economic Freedom and Social Justice; the Inter-American Foundation, USD 900,000; Catholic Relief Services, USD 600,000; the International Committee of the Red Cross (ICRC), USD 430,000 for food aid, which sustains the Paraguayan Red Cross's "glass of milk" program, the Hans Seidel Foundation, USD 400,000, and the International Planned Parenthood Federation, USD 380,000 for the Paraguayan Population Research Center, largely for family planning programs. Other European NGOs such as Oxfam and CEBEMO have contributed smaller amounts. Noteworthy is the presence of foundations with ties to German political parties, which is explained by the transition to democracy in the country.

A large number of Paraguayan NGOs, whose number cannot be precisely determined, conduct their activities with funds from governmental agencies and international NGOs. In addition to those already noted, the following warrant mention: the Moisés Bertoni Foundation, which has rural development, environment, and indigenous community promotion programs; the Center for Research on Paraguayan Conditions; the Paraguayan Cooperation and Development Foundation (in the area of small business); the Catholic and National Universities of Asunción; the Salesian Agricultural Institute, the Center for Peasant Education, Training, and Technology, and various peasant associations and cooperatives.