Paraguay: The cannabis breadbasket of the Southern Cone
A focus on the largest cannabis producer in South America

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KEY POINTS

• Paraguay is the principal producer of cannabis in South America. Despite its importance as a supplier of cannabis in South America, there has been a surprising absence of serious studies of its impact on its own society, and on the play of offer and demand in neighbouring countries.

• After 40 years of an intense “war on drugs”, there are now eight departments involved in the business, with spiralling homicide rates, an absence of state policy intervention, drug traffickers infiltrated into local political structures, and millions of dollars which are shared out by terrorist organizations, a new chain of services connected to the illicit trade, and - to a much lesser extent - small farmers suffocated by repeated crises.

• Contradictions in productive structures, the lack of agrarian policies, poverty and the absence of perspectives for the rural population led to a gradual, and progressively more blatant, adoption of cannabis cultivation by young. Over time, growing cannabis became one of the few viable economic prospects for large sectors of the population.

• Intermediaries who manage contacts with the buyers on the border with Brazil, employ young people to grow, protect, harvest, dry, press, package and even transport the cannabis - not just within Paraguay, but even into nearby countries, using the limited means at their disposal, such as their shoulders, bicycles and motorbikes.

• The use of cannabis is looked down on by the general population, particularly in rural areas, and even in the communities where it is grown, it is commonly referred to as the “demon weed” (hierba maldita). Lifetime use of cannabis in Paraguay is the second lowest in all Latin America, only 0.4% admitting to having tried it.

• Some politicians, government officials, civil society organisations and farmers’ organisations see the benefit of the regulation of the cannabis market in Paraguay, but the debate is still incipient.
Paraguay is the principal producer of cannabis in South America, though nobody knows for certain how many hectares are planted with this crop, probably on account of its concealment and a prevalent climate of corruption. National authorities and international control agencies estimate an area between 6,000 and 7,000 hectares, with an annual production of 16,500 tonnes. At present, according to estimates of the Paraguayan National Anti-Drug Secretariat (Secretaría Nacional Anti Drogas - SENAD), some 20,000 farmers are involved in cannabis cultivation, boosting the micro-economy of the north-eastern region of the country.

The history of Paraguay in the import/export and processing of illicit drugs, together with the growing and exportation of cannabis, goes back to the late 1960s, when cannabis growing became established in the department of Amambay, around the town of Pedro Juan Caballero, on the north-eastern frontier with Brazil. At the same time venal and cash-hungry central authorities discovered that this trade allowed them to finance a corrupt local political structure, heavily dependent on illegal cash flows and closely tied to the pre-existing caudillo system.

The 1960s and 1970s witnessed the take-off of mafia-style, drug-trafficking organizations in Paraguay. This model was supported by a growing regional demand for cannabis, while criminal enterprises benefited from the north-eastwards expansion of the agricultural frontier, the creation of new roads from Asuncion to Brazil, and Brazilian immigration into the departments of Concepción, Amambay, Canindeyú and Alto Paraná. The “brasiguayos”, as the immigrants are called in this region of Paraguay, benefited from agricultural credits, cheap local labour costs, a lack of workplace regulations, and a pervasive absence of the State.

The departments of San Pedro, Alto Paraná, Canindeyú y Concepción - all on the frontier with Brazil - are thus directly influenced by drug traffickers who operate with absolute impunity, drawing into their net both local authorities (mayors, parliamentarians, civil servants, police and military personnel), as well as the business people who articulate the production of cannabis and the triangular trade in cocaine from Bolivia to European and South American markets. Furthermore, they also manage a powerful, hidden network of money laundering.

Landowners, transport workers, hired assassins and private security firms, middlemen who protect growing areas and landing strips, among others, have created an integrated production chain which according to SENAD accounts for 800 million USD in cocaine movements alone. Estimates of the local marihuana crop, carried out in the context of the present study, allow for a further 709.5 million USD in cannabis exports. Added together, these figures closely approximate the 1,594.2 million USD which Paraguay earns from soybeans, its principal legal export.

Forty years ago, cannabis growing was a well-hidden, relatively minor occupation in the two departments of Amambay and Alto Parana. After 40 years of an intense “war on drugs”, there are now eight departments involved in the business, with spiraling homicide rates, an absence of state policy intervention, drug traffickers infiltrated into local political structures, and millions of dollars which are shared out by terrorist organizations, a new chain of services connected to the illicit trade, and - to a much lesser extent - small farmers suffocated by repeated crises.
The chain of drug trafficking has evolved considerably from the amateurish structures of the 1960s, and has taken root within the state. The real question is what will happen next. Will Paraguay continue increasing the violence on its civilian population and with it the number of murders and forced disappearances? The most optimistic scenario is that a discussion about some form of legal regulation will move the debate forward, for without this, the prevailing structures of poverty and inequality will only continue to feed into present levels of corruption, money laundering and illicit trafficking.

Despite Paraguay's importance as a supplier of cannabis in South America, there has been a surprising absence of serious studies of its impact on its own society, and on the play of offer and demand in neighbouring countries. Only a small handful of observers or politicians have taken any interest in the matter. In academic circles the references to drug trafficking are fragmentary, and few and far between. In Paraguay, silence and fear rule the roost in relation to this subject.

The political establishment in Paraguay, particularly along the border with Brazil, has long received important benefits from smuggling in all its forms. The illicit financing supplied by this means has underpinned a network of corruption which has favoured the creation of large fortunes and the penetration of state structures by mafia-style organizations. Since the late 1960s, income from cannabis sales has further boosted this model.

The onset of cannabis cultivation in Paraguay has never been clearly established, but what is beyond doubt is the major role played by Brazil as a consuming centre. Oral accounts describe the primacy of the carnival market in the 1970s, as demand continued to increase. Paraguayan production kept up with this rise, and further expanded to meet the needs of Chile, Argentina and Uruguay. The characteristic, bricked cannabis from Paraguay is distributed throughout these countries in thousands of retail outlets known as bocas (“mouths”).

The authorities of Argentina, Chile, Brazil and Uruguay all make mention of Paraguayan cannabis as the principal object of their seizures. In Brazil 80% of the cannabis consumed in the principal cities is of Paraguayan origin. In 2008, the annual crop of cannabis in Paraguay was estimated at 16,500 tonnes. At that time, two harvests were practiced every year, as the variety known as “mentolada”, which allows for three harvests, had not yet been introduced. In addition, Paraguay accounts for 2.6% of global hashish production.

This production chain has infiltrated all the major power structures of the country, creating a nexus where transnational capital, financial services, oil companies, import/export houses, multilateral credit agencies, agricultural suppliers, and the interests of the United States all coincide. It has also penetrated the landowning class - not surprising, when one considers that 85.5% of cultivated land in Paraguay is in the hands of only 2.6% of producers. In parallel to its participation in the cannabis trade, this class
Paraguay: The cannabis breadbasket of the Southern Cone

transnationalinstitute continues to widen its sphere of influence by other means, above all as a result of the expansion of the soybean frontier.

The drug traffickers, who control the production of cannabis, money laundering, and the importation and exportation of cocaine, are “connected to all the spheres of power”. “What is involved, is a parallel power structure, off-the-record but visible to all the population (especially in rural areas), which controls important resources in the state administrative and political structure”.¹³ There is also a group of pseudo-businessmen attached to formal government who finance themselves through smuggling, tax evasion, tendering for public contracts, and appropriating official funds.

All these groups interact and cooperate in the creation of the Paraguayan national wealth, a wealth born of the shadows of yesterday and the misery of the present. The interdependence between the drugs mafia and these groups provides an ideal context for the country to become the principal supplier of cannabis to Brazil, Argentina, Chile and Uruguay, and other countries which lend their own corrupt structures to form a regional network of drug trafficking which widely transcends the frontiers of Paraguay.

On the other hand, cannabis presents a number of advantages for small farmers hemmed in by the extensive exploitation of crops destined for the export market, and discouraged by the low prices for the subsistence items which once supported small-scale agriculture. Cannabis cultivation has overturned the cultural premises and economic logic of the productive model of the traditional peasantry. The historical subsistence crops are appearing to lose ground in the face of this new cash crop.

Meanwhile, corruption flourishes among wide swathes of the Paraguayan population, and along its borders. Armed conflict, especially between the criminal gangs that control the frontier with Brazil, has produced an alarming death toll. Homicide rates in the towns along the land border with Mato Grosso do Sul are even higher than they are in those major Central American cities noted for internecine disputes over drug trafficking.¹⁴

Cannabis as a cash crop for young people

In the 1990s cannabis cultivation became firmly established in the departments bordering Brazil, in tandem with major changes in the family economy in rural areas. The old co-existence between large and small land holdings gave way to intensive production directed at supplying the world demand for soybeans, as well as other products which represented vast profits for a few large landowners and social exclusion for the small peasantry. This process began in the 1970s, and led to the migration of a large part of the rural population to the cities, a reduction in the number of small holdings, and a disproportionate growth in large estates.¹⁵

Contradictions in productive structures, the lack of agrarian policies, poverty and the absence of perspectives for the rural population led to a gradual, and progressively more blatant, adoption of cannabis cultivation by young farmers connected to the socios (“partners”), as the intermediaries who buy and market the crop are called. Over time, growing cannabis
became one of the few viable economic prospects for large sectors of the population.\textsuperscript{16}

In Paraguay youth plays a very important role, with 60\% of the rural population being aged under 29. In the department of Amambay, principal centre of cannabis growing, this figure rises to 67\% of the population.\textsuperscript{17} The perceptions of youthful cannabis growers reveal that the area offers hardly any perspectives for advancement or economic independence, or of being able to leave the parental home. Young people are trapped between a precarious survival in the country, the lure of informal employment,\textsuperscript{18} and the absence of specific policies for their age group and social context.\textsuperscript{19}

With fiscal tightening, the intensification of agriculture and cattle ranching, recessions and devaluations, the boom in exports and the collapse of internal prices, cannabis growing expanded in the 1970s and 1980s together with smuggling and the agricultural frontier. As small farmers lost their land and their jobs, emigration to the outskirts of the cities increased, leading to an intensified campaign by peasant groups for the redistribution of land.\textsuperscript{20} By the 1990s, anti-social behaviour became readily apparent in small communities, with an increase in reports of theft and aggression, lack of basic foodstuffs, and the involvement of young people in illicit crops.\textsuperscript{21}

\textbf{Cannabis cultivation}

Given the lack of any perspective for self-advancement, young people have become involved in the cannabis business, traveling to often distant places to engage in the growing or harvesting of this plant. At the outset, plantations were located in remote and heavily wooded areas, where they could be hidden from prying eyes. But the advance of the agricultural frontier, and the normalization of this crop, have meant that cannabis is now becoming less hidden, often growing openly in villages and next to human habitation.\textsuperscript{22}

The “partners”, that is the intermediaries who manage contacts with the buyers on the border, employ young people to grow, protect (often with firearms), harvest, dry, press, package and even transport the cannabis - not just within Paraguay, but even into nearby countries, using the limited means at their disposal, such as their shoulders, bicycles and motorbikes. Sometimes they have to wait a long time until the coast is clear, and often the distances may involve several days on foot, carrying a 50 kilo sack on their backs. The harvest is delivered to the border, or to motor vehicles that come to pick it up from Brazil, Argentina or Uruguay. Some growers also use public buses to deliver their crop to neighbouring countries.\textsuperscript{23}

The “partners” endeavour to establish a personal relationship with their employees and their family, maintaining a certain level of “friendship” and, above all, of dependence. Some growers own their own land and maintain a degree of autonomy, looking out for buyers for their harvest. Others work on plantations established on large land holdings, or in the few remaining areas of virgin forest in Paraguay, including state lands, forestry parks, and indigenous community reserves. The traffickers also rent land from small and larger farmers, and even threaten indigenous groups to allow them access to their territory. Even the Agricultural Sciences Faculty of the
National University in Asuncion saw its holding in Amambay invaded by cannabis growers backed up by armed *kapangas*, the enforcers of the large landowners. Estimates claim that 60% of cannabis production takes place on large ranches, 30% in smaller agricultural colonies, and 10% inside natural parks and reserves.

In general when young people get involved in this activity they receive a first payment which is very good by local standards. They also receive seeds, but subsequent payments then decline progressively. Constantly short-changed, there comes a moment when their cash flow begins to suffer, and the lurid promises of wealth begin to vanish. The “partners” claim that the police, or rival organizations, have seized their shipments. Many excuses are made, and finally threats come forth as well. Vicente, a grower in the department of San Pedro, has been cultivating for 17 years, and on average he brings in five hectares at each harvest. On various occasions, he has been cheated by his clients. “It has often happened, people say they are coming to pay but they end up taking my whole crop, and the money, and then they disappear. (...) They come from Ciudad del Este, from Asuncion or Uruguay, they bring the money to do the deal, and the pressing of the weed in bricks begins. (...) Then comes the smooth talker, we let him have the crop, and when he doesn't return you are left with nothing but poverty.”

Despite being repeatedly cheated, growers receive a relatively stable income with cannabis, considering the precarious context of their agriculture. Cannabis enjoys greater price stability than other produce, and its productive cycle suits small farmers better than official policies or legal crops. Indeed, the increase in the few indicators on demand from the importing countries, would seem to ensure that cannabis cultivation will progressively replace traditional cash crops, and make up for the prevailing abandon by the state and the scarce profitability of legal produce.

That young people should dedicate themselves with ever less constraint to the cultivation of cannabis, is a relative novelty in the context of the Paraguayan countryside. They do not see themselves as criminals, and are clearly not involved in trafficking any more than as cheap labourers or as scapegoats for prohibition. Within the geographical confines of a depressed economy, the cultivation, processing and transport of cannabis provides a needed boost to the ever more impoverished peasant communities in ever larger swathes of Paraguay.

The narco system

There is a consensus among the authorities and journalists in Paraguay that 1998 was the year in which everything began to change. Until that time, the cultivation and transportation of the most significant illicit crop – that is to say, the volume exported to Brazil – was controlled by Paraguayan nationals or immigrant “brasiguayos”. The principal border crossings of Pedro Juan Caballero, Capitán Bado y Salto del Guairá were controlled by two local families.

In 1998 Fernandinho Beira-Mar, a leading trafficker in Brazil and leader of the organized crime group Comando Vermelho (CV), escaped from jail in his
country and installed himself in Capitán Bado. A violent conflict ensued which included various murders and assassination attempts on the Morel family, whom various sources describe as one of the two major families in Paraguay dedicated to drug production and trafficking. The Brazilian CV is engaged in all sorts of illicit activities, and controls a large part of the distribution of drugs in Rio de Janeiro. They also often cooperate with the São Paulo based group Primeiro Comando da Capital (CPP), which emerged in the 1990s.

According to anti-drug authorities, these two organizations split the Paraguayan border between them. A lion's share of the cannabis from Paraguay fell into their hands, but even greater profits were to be made from the importation, transformation, and subsequent distribution of cocaine. Seizures of various laboratories used to refine the semi-processed cocaine base brought in from Bolivia confirm that, within the diffuse map of drug trafficking, certain geographical routes stand out. In a region characterized by large ranches, landing strips are a constant feature, and can easily be prepared to take flights under the cover of darkness. Paraguay has no radar system to control its air space, and many neighbouring countries also lack controls.

Large landowners, indigenous communities and smallholders receive offers to rent out their land, though on occasion illicit crops are planted without the permission of the land's formal owner. The drug traffickers control the territory, impose a rule of silence, and often earn the respect of the local population. They help the local community, repair schools, take the sick to hospital, and generally provide a form of “aid” to their workers and their families – tasks which were once the preserve of local political operators.

The spread of drug trafficking into the regions of Paraguay more distant from the Brazilian border, above all since the year 2000, has mainly been due to neglect by the state and an absence of opportunities for formal employment. But according to the anti-drug agency SENAD, it also has to do with territorial expansion, and avoiding conflict between gangs by occupying as-yet untouched departments, such as San Pedro, Caagazú y Concepción. This phenomenon has occurred repeatedly in Latin America and is known as the “balloon effect”, whereby drug trafficking organizations move their operations from regions with greater conflict and police presence, into relatively quiet backwaters. Plantations are also broken up into smaller areas, as the extensions required to conceal them are reduced by deforestation and interdiction activities. The business itself is also subject to fragmentation; the head of SENAD, Luis Rojas, claims that previously there existed large “firms”, but now “there are hundreds of small and middle-sized outfits and only a few large ones”.

According to SENAD, cannabis permits the accumulation of capital necessary to branch out into the more lucrative business of cocaine trafficking. The outsourcing of subsidiary activities, such as logistics, fuel and spare parts supplies, not to mention money laundering, further diversifies the trafficking enterprise. Paraguay has no effective legislation against money laundering, the law itself is weak and any attempt to improve it always fails. The government offices in charge of these controls are understaffed, and since their creation have witnessed three governments in the short space of three years.

The impact of this industry on Paraguay's GDP has never been estimated with any exactitude. But if 7,000 hectares are planted, and each hectare can
be said to yield 1,500 kilos\textsuperscript{32}, with a farm gate value of 6 USD per kilo,\textsuperscript{33} the value of the each harvest at source is in the region of 63 million USD, not counting seizures or unmade payments. If estimates are correct, and Brazil imports 80\% of production, one can conclude that the same harvest placed on the market in São Paulo is worth approximately 2,268 million USD.\textsuperscript{34} The authorities at SENAD also estimate that each hectare generates 7,000 USD in terms of police protection money, which gives a minimum figure for institutional corruption of 49 million USD per harvest. As noted previously, two – and, sometimes, three – harvests are commonly completed every year.

### Narcopolitics

Among the drug-control community there is a general view that Paraguay is to Brazil what Mexico is to the United States. Paraguay is the largest cannabis producer in the region, and is a major route for cocaine, which mostly comes from Bolivia and mainly travels on to Brazil. As in other regions of Latin America, drug traffickers control whole towns, threaten, co-opt and replace local authorities, change the dynamics of civil society, and buy the favours of the majority of the police. Private institutions bend to their will, and wide sectors of the public are loyal to their interests.

In the 1970s rumours repeatedly surfaced of the participation general Andrés Rodríguez in the illicit drugs business. He was not the only president, democratic or dictatorial, to maintain such links with the underworld. Forty years later, Paraguayan society has become accustomed to media representations of narcopolitics. Drug traffickers have won over a significant portion of the rural population and local authorities, a not inconsiderable part of the political establishment, and enjoy a wide sense of impunity.

SENAD points out that the middlemen of the 1990s have strengthened their base of support, and some have embarked on political careers, winning regional elections and seats in the nation’s Congress and Senate. For the democratic activists elections have become an uphill struggle, since they cannot count on the campaign funds enjoyed by those with links to, or direct participation in, the illicit drugs trade.

Senator Arnaldo Wiens, a member of the Senate committee which investigated trafficking in 2013, agrees with other observers that “democracy in Paraguay depends a great deal on the illicit activities of drug trafficking in order to raise money for political campaigns. Protection is offered in exchange for funding, and this results in a certain degree of immunity.”

Narcopolitics hit the front page of Paraguay’s newspapers when in October 2014 Mayor Vilmar “Neneco” Acosta, of the town of Ypejhu in the department of Canindeyú, ordered the assassination of Pablo Medina, a journalist on ABC Color, Paraguay’s most widely read paper. Antonia Almada, his 19 year old assistant, was also killed in the attack. The journalist was investigating activities connected with drug trafficking by the now ex-mayor. After the crime, hundreds of kilos of marihuana were found on his farm. One month later, a parliamentary investigation, with the cooperation of SENAD, found clear indications that various parliamentarians, party colleagues and the mayor’s family members, were involved in drug trafficking.
Paraguay: The cannabis breadbasket of the Southern Cone

The death toll

The Eastern region, which encompasses the departments where drug traffickers exert power and control, have the highest homicide rates in Paraguay. In the department of Amambay the average rate for murders in 2013 and 2014 reached 87 for every 100,000 inhabitants. In Alto Paraná, 86.5; Canindeyú, 56.5; Concepción, 47; San Pedro, 43.6; Itapúa, 43.5 y Caagazú, 28. This equals or surpasses the rates in Central American countries. Between 1991 and 2015, 17 journalists have been assassinated, seven of them in the last two and a half years, according to the Paraguayan Journalists Union.

On the other side of the border, homicide rates are also alarmingly high. Coronel Sapucaia, a small municipality next to Capitán Bado, between 2002 y 2006 reported 107.2 for every 100,000 inhabitants, making it the jurisdiction with the highest rate in all Brazil. Foz do Iguaçu, next to Ciudad del Este, in the same period reported a rate of 98.7, which is comparable to the Central American cities hit by epidemic murder rates. Ponta Porã, the twin city of Pedro Juan Caballero, had a rate of 48.5, and Bela Vista 33.9.

The indigenous communities

Indigenous communities often suffer pressure from those who seek to expand the agricultural frontier with cannabis cultivation. The Paí Tavyterã people, who straddle the Paraguayan/Brazilian border, between Bela Vista y Saltos del Guairá, have seen their lands invaded by armed groups who manage plantations and direct the illicit trade. Murders, disappearances, and sexual violence against women, have all been reported in the area. The Paí Tavyterã own 7,340 hectares of officially-recognized land, and the group is made up of 15,097 individuals. Ever since 1990 this community has been calling attention to abuses by outsiders, and in 2014 they first went on record to denounce the murder of their members by the drug traffickers, particularly in the Paraguayan department of Amambay. The judicial authorities have not seen fit to take any interest in finding those responsible.

The Paí Tavyterã communities are subject to the total impunity of their aggressors, but are obliged to remain silent, because power and impunity go hand in hand in the north-eastern region of Paraguay. In the 28 Paí Tavyterã villages analyzed (of a known total of 56), 26 homicides were reported between 2010 and 2014 alone, along with cases of torture, rape, public executions, and the flight of whole families terrorized by the threat of reprisals from the armed groups who control drug trafficking.
The indigenous communities are often left trapped between extensive areas of homogeneous crops. On their paths they are often accosted and threatened by *kapangas*, the armed enforcers of soybean planters, cattle ranchers and drug traffickers. These attacks, in which government employees have also participated, have led to loss of their lands and a retreat into remote areas. Witnesses to the flights which regularly take off with illicit cargoes from neighbouring estates, the communities see their young people being pressured into working on the plantations.42

This emigration leads to a form of acculturation, whereby young people adopt capitalist values and convert their labour into cash. Cannabis is one of the means to establish independence from the community, but not the only connection with Paraguay's primary capitalist economy. Often the consumption of basic commodities, the objective of their toil, simply ends with empty hands.43 Such acculturation leads to a loss of the knowledge, practices and cultural heritage of indigenous peoples. It is part and parcel of the devastation of natural resources, and of the constant need to find a new home. Pervasive damage to the ecosystem has clearly led to a change in survival strategies.44

**Militarization**

The Brazilian groups CV and PCC, as well as a section of the self-proclaimed “Friends of Friends” (*Amigos dos Amigos*, or ADA), divide up Paraguayan territory in association with local groups, creating a climate of permanent conflict where disputes as settled by armed *kapangas*. CV bases its infrastructure in Capitán Bado and PCC in Pedro Juan Caballero. The exact participation of ADA is not clear to Paraguayan authorities.

These groups have no monopoly on suspicion, threats, and an endless series of uncertainties. The Paraguayan People's Army (*Ejército del Pueblo Paraguayo* or EPP) is a self-declared Marxist-Leninist organization. It has posted videos on YouTube showing their armed supporters in uniforms, and every so often claims kidnappings, threats, and terrorist attacks. There are two schools of thought in Paraguay as to whom they really are. The authorities claim that they exact “revolutionary taxes”, were trained by Colombia’s FARC, and take part in drug trafficking. With the latter point, at least, agree those observers who believe that they are simply a front for trafficking organizations.

The EPP is clearly opposed to the soybean business, and many of its propaganda actions have involved the public burning of soybean machinery and threats on large soybean producers. Some people interpret these actions as a reaction to the fact that soybean expansion has reduced the cover and land extensions necessary for cannabis growing. Others prefer to see the EPP as part of the environmental left, despite the fact that no Paraguayan left-wing parties support their actions.

The presence of this group has prompted the present government of Horacio Cartes to create a Joint Action Group (*Fuerzas de Tareas Conjuntas* or FTC), made up of the Armed Forces, SENAD, and the national Police, and operational in the departments of Concepción, Amambay y San Pedro.
This region was already the object of state intervention since 2009, under the government of Fernando Lugo (2008-2012). On numerous occasions, individual rights have been suspended, to allow the Armed Forces a free hand. The message from the government of Lugo, now repeated by that of Cartes, is that the state must make its presence felt in these forgotten areas, bringing social programmes to replace the local and regional mafias.

Governments have not made a systematic evaluation of the results of these actions, and during the Cartes administration funding has not been forthcoming in the struggle against this invisible enemy, whose identity remains unsure. Evaluation by civil society groups has not been very encouraging. For the Peace and Justice Service (Servicio de Paz y Justicia or SERPAJ), EPP constitutes “the escape fuse necessary to justify the militarization of the countryside, the persecution of social organizations, and the passing of laws against civil liberties”.45

Social organizations condemn the growing role of SENAD and the Armed Forces in what should be police work, in open violation of constitutional guarantees.46 47 Both the states of emergency declared by Lugo’s government, and the creation of the FTC by Cartes, have only led to the growth of armed opposition groups. When the EPP was founded in 2009 it barely counted on 15 militants, but now the authorities claim its membership has risen into the hundreds.

Drug policy and legal reform

The law governing drugs in Paraguay was established under the dictator Alfredo Stroessner (1954-1989), and inspired by the National Security doctrine dictated from Washington during the Cold War.48 The political component was made up by the South American Agreement on Psychotropic Drugs (Acuerdo Sudamericano de Estupefacientes y Psicotrópicos or ASEP) which was signed in 1972, and which succeeded in creating specific legislation in every country of the region, thus inaugurating the hemispheric “war on drugs”. Legal changes were accompanied by a new health paradigm, and the criminalization and police takeover of every matter to do with drugs.49

The aim of this agreement was to create a new consensus, in which the authorities could present drugs as a danger to health and security. Meetings between ministers, police chiefs and medical staff were dedicated to creating the idea of drugs as a threat to the state and social customs.50 The Agreement allowed a degree of coordination between the dictatorships and governments of the time, directed at creating a shared penal approach and controlling illicit drug trafficking.51

Having ratified the 1961 y 1972 United Nations Conventions, Stroessner passed a decree in 1972 (Ley 357) establishing a two to five year period of imprisonment for possession of illicit drugs. However, this law also absolved anyone found in possession of a “minimal amount” for personal use. Trafficking in illicit drugs was sanctioned by a term between two and twelve years, plus severe fines and the confiscation of means of transport used in the illegal trade.
Furthermore, Article 14 obliged “the relatives up to the fourth degree of consanguinity” and “associates up to the second degree” to request from a judge the internment of a “drug addict” for the purposes “treatment and social recuperation”. Doctors, public authorities and “social institutions” were all instructed to denounce anyone who used illicit drugs. Cultivation of illegal crops was penalized with a two to five year jail sentence, while the owner of the land received a six month to five year suspended sentence, and any civil servants involved would be banished from their posts for six months to two years.

In 1988, still under the regime of General Stroessner, Ley 1340 revised the penalty for illicit trafficking, as well as for illicit cultivation, to a minimum of ten years and a maximum of twenty. Families and authorities were no longer obliged to denounce drug users. The “minimum quantity” for personal consumption was fixed at a “daily use” of ten grams of cannabis and two grams of cocaine, while possession of larger amounts attracted increased penalties. There was no reference in this law to money laundering. A new police department was created, replacing that which had previously existed.

Crimes committed under Ley 1340 and its subsequent modifications account for 21.5% of prison sentences in Paraguay. Among the female prison population, no less than 63.4% have committed drug offenses. A large share, both men and women, are imprisoned for simple possession, 18% of the total in the case of women.\(^5\) Conviction rates show the same distortion: 4.3% for possession, but only 0.6% for trafficking.

Two years before abandoning power, the dictator Andrés Rodríguez created SENAD in 1992, placing it under the direct control of the President's Office (Ley 108/91). His Constitution of 1992 contained an article on illicit drugs, in which the state was granted ample powers in the struggle against the growing, trafficking and consumption of cannabis.

By 1993, already under a democratic regime, the anti-drugs police were given the authority to use a warrant at any time, day or night (Ley 171/93). Legislation was also introduced to govern the destruction of seized drugs and the procedures to be used by judges and the prosecution. A year later SENAD was given powers to control and seize assets involved in money laundering from the traffic in drugs (Ley 5275/95). In 1997 new legislation (Ley 1015/97) provided a more detailed interpretation of money laundering, which was incorporated in the country’s Penal Code (Article 196).

In 2005 a new law gave increased powers to SENAD, in both police and health policy, and allowed it to count on the support of military personnel. Police authority was restricted and SENAD created provincial offices in every department. Various national executive directorates were created to centralize drug programmes, both in supply and demand reduction, but these were never properly funded, nor had their bureaucratic reach clarified in a satisfactory manner.

In terms of law enforcement, the prosecution service (Ministerio Público) has the lion’s share of investigative powers in the penal context. A Specialized Unit in Anti-Corruption and Economic Crime (Unidad Especializada de Delitos Económicos y Anticorrupción) was created in 2012, with a staff of twelve attorneys. There is also a Specialized Unit in Money Laundering and Terrorist Financing (Unidad Especializada en Lavado de Dinero y Financiamiento del
Terrorismo) (2015), and another Specialized Unit in the Struggle against Drug Trafficking (Unidad Especializada en Lucha contra el Narcotráfico) (2007) which has 17 offices throughout Paraguay. The President’s Office also counts with a National Anti-Corruption Secretariat (Secretaría Nacional Anticorrupción) (2012).

The majority of the key informants interviewed for this study agreed that what is determined in government offices is rarely carried into effect. A good example of this is Ley 4743/12, on the financing of political parties, which is on the statute books but was never really applied in the most recent electoral campaign.53

Most of the drug control agencies were created during the government of Fernando Lugo (2008-2012), when SENAD was charged with the responsibility of implementing “national policy and strategy on drugs”. It never bore fruit, probably on account of the parliamentary coup against Lugo’s administration, and the subsequent changes in public policies. Within two months a new Secretariat for the Prevention of Money Laundering (Secretaría de Prevención de Lavado de Dinero o Bienes) had been created, and private financial institutions were instructed to report any suspicious transactions. The institutional structures surrounding the drugs question in Paraguay have not produced the results expected of them, and this has favoured an incipient discussion about cannabis law reform in this country.

In Asuncion, it is easy to find oral accounts of the dictatorship’s campaign against drugs in the 1970s and 1980s. They all describe the humiliation, mistreatment and torture inflicted on cannabis users, taken from the street and stuffed into small cells, without any prospect of legal defence. The same shadowy misconceptions about drug users, which once allowed such inhumane treatment of cannabis smokers, is still commonplace among Paraguayans. The use of cannabis is looked down on by the general population, particularly in rural areas, and even in the communities where it is grown, it is commonly referred to as the “demon weed” (hierba maldita).

Lifetime use of cannabis in Paraguay is the second lowest in all Latin America, only 0.4% admitting to having tried it.54 Recreational use, however, is gaining ground among young people in the cities, and attitudes are beginning to change. Secondary students are reported to share rates of use more akin to those of neighbouring countries. 7.3% of students in private schools, and 5.3% in state establishments, admit to some consumption of cannabis.55 This is reflected in the creation of the Paraguayan Cannabis Organization (Organización Kannábica Paraguaya), a group in Asuncion which in 2015 held a public demonstration in favour of the legalization of cannabis. It is still a small outfit, with a modest presence on Facebook. Various observers agree, however, that cannabis forms part of peer-group interaction in Asuncion, and its use is becoming ever more visible in public spaces.

The subject of illicit drugs has always been conceived from a merely repressive perspective in Paraguay. Public attitudes are based on widely-held
misconceptions about the substance, its physiological effects, and its social repercussions – all probably due to the relatively low levels of use among the adult population.

In 2009, Elvis Balbuena, a deputy from the Partido Liberal Radical Auténtico (PLRA), organized an international seminar which aimed at the presentation of a reform project on drugs in Paraguay, which was finally rejected in 2013. The legislative proposal would have allowed the domestic production of up to ten plants, and lowered most sentences to six months, so prison terms could be suspended. The project, however – which according to itsponent was inspired by Uruguay – was rejected by Congress. Other than offering private support, no other parliamentarian voted in favour of this measure.

Groups which are openly hostile to cannabis cultivation, such as the peasant organizations which are fighting for land for legal crops, began to take positions on cannabis and trafficking in the year 2000. The National Peasant Federation (Federación Nacional Campesina or FNC), which represents twenty thousand small farmers in all Paraguay, came out against cannabis growing and even burned plantations. Today, however, they admit the need for debate, and promote discussions on the subject in various communities in the eastern region. They do not believe that cannabis can generate the development which they would like to see resulting from traditional produce. But they are extremely concerned to see how their young people are shifting to illicit crops.

FNC representatives explain that before 2000 these crops were confined to the north-eastern frontier with Brazil, but that since then “the mafia is all over Paraguay”. The peasant organization has witnessed how young labourers are tempted by daily wages which go from five to ten dollars at harvest time. According to these sources, the drug traffickers previously employed people with criminal records, but now they try to recruit whole families and villages. These activities create mistrust between neighbours, adding that some growers receive firearms (as well as vehicles) as a form of payment.

Another concern is that, with the whole family working in the cannabis fields, the basic subsistence crops are being neglected. And, when illicit earnings are interrupted, the farmers end up without cash or basic foodstuffs, vegetables or domestic animals. The land reform group Organización de la Lucha por la Tierra – which is also initiating discussions on the subject with their members and other social organizations - considers cannabis producers to be the most poverty-striken sector in the countryside, a condition exacerbated by their criminalization.

Along with the murder of the journalist Pablo Medina, and the murky relationship between drugs trafficking and the political establishment, 2015 also witnessed an intensified debate brought on by the case of Kamba Rembe, a community of 4600 people in the heart of San Pedro. After SENAD had completed the eradication of 120 hectares of cannabis ready for harvest, the local inhabitants – who in nine out of ten cases had been involved in this production – decided to organize a Council for Sustainable Development.

The farmers of Kamba Rembe are not that enthusiastic about growing cannabis. Originally *mate* (*ilex paraguariensis*) extractivists, they have
endured up-and-down cycles of cotton and sesame production, and most recently specialized in planting cassava, whose prices have fallen to one of the historical lows of basic foodstuffs in Paraguay. With the advance of the agricultural frontier, the “partners” appeared, offering incentives to plant cannabis. Despite the fact that the people of Kamba Rembe all refer to it as the “demon weed” (hierba maldita), many adopted marihuana because it was the only crop which could feed their families.

When SENAD arrived with its helicopters and armoured cars, the desperation of these people reached fever pitch, as they saw their annual income go up in flames. At an assembly attended by three thousand community members, they decided to call on their press contacts and – for the first time in Paraguayan history - raise the banner of cannabis production. They never formally defended illicit crops, but they did demand, and still continue to demand, consistent agricultural policies. The case had notable repercussions in the media, with some headlines denouncing the fact that even children were involved in tending the harvest, as they had done previously in the cotton fields. Other versions placed an erroneous emphasis on the fact that the farmers were demanding the legalization of their crop.

Building on this case, the PLRA deputy Edgard Acosta began to lobby in Congress for a possible regulated cannabis market in Paraguay. This liberal politician believes that current drug policy only victimizes the weakest links in the chain, that is, the producers on the one hand, and the consumers (often subject to extortion by the police) on the other. He considers legislation “out of step” with present-day realities, since there is no proportionality in sentencing, and no distinction between recreational and problematic users. The offensive against criminal enterprise has failed in its objectives; without a serious discussion with neighbouring countries, the result of continuing with such policies can only produce an eventual “time bomb”.

The perspective defended by this deputy, and others who think along the same lines, is to put forward a bill which would enshrine principles of public health, so that not all matters related to illicit drugs continue to be treated with repressive measures. There is a small group of parliamentarians who agree on the need to change legislation, and have held cross-party talks on the subject, but they have not yet come up with a draft of their proposed bill.

These legislators are not the only people to call for a change of direction in drug policy, and even some members of the present government of Horacio Cartes admit there is a need to move forward. These declarations have had little impact; the government’s position continues to back up the militarization of drug-trafficking zones, despite the absence of any concrete results. But official sources do want to show themselves to the media and to regional partners as being open to critical reflection on drug policy, a process they describe as “being sincere” (sinceramiento).

This position involves admitting that Paraguay has a problem, since it is both a transit route for cocaine and the region’s largest cannabis producer. Luis Rojas, the minister who heads up SENAD, assures public opinion that the government acts on the basis of a “terrifying diagnosis” of local realities, including a “major impact of the drug-trafficking mafia”. He lists the consequences of this as a significant “penetration of the political establishment”, the disruption of the economic and financial system, and the “internal corruption of the security agencies”.
Part of his “being sincere” is to admit that “the consumer is not a criminal, but a sick person who, in the majority of cases, requires treatment”. The minister seems to understand that the policies applied to date have been largely counter-productive. “We have had consumers in possession of fifteen or twenty grams, who might have been criminals, but actually weren’t. Repression as the ultimate policy is condemned to failure,” he declared.

When SENAD went into Kamba Rembe, warnings were broadcast over local radio, and the farmers fled the plantations, with the result that nobody was arrested. This is a procedure which is becoming routine, for the correlate of “being sincere” is also to accept that the farmers are “the weakest link in the chain”.

2016: Between debate and the disasters of the War on Drugs

The research for this article took place between September and October 2015. Since then several important events took place in Paraguay;

On the legislative level one member of the liberal party (PLRA) in parliament, Victor Ríos, announced the presentation of a law proposal that would permit indoor home cultivation of cannabis, scientific research on the plant and access to medicinal cannabis. At the moment of closure of this research parliament was organizing parliamentary hearings that will define the fate of the law proposal, and whether it will be approved.

In May the Paraguayan health authorities permitted the import of cannabis oil so that one family could treat one of its children for drug resistant epilepsies under medical supervision. That this case could set a precedent for other products of cannabinoid with medical applications was quickly confirmed by the health authorities to the press.

Half June the drug trafficker Jorge Rafaat was executed in the city of Pedro Juan Caballero. According to local rumours the frontier businessman had built an empire with trafficking drugs and was legally prosecuted in Brazil for cocaine trafficking. All versions similarly state his death was ordered for by the Primer Comando Capital (Sao Paolo). Several people were wounded during the shoot-out. Local police could not act because of a lack of resources, both human and in terms of fire force. The shooting started with the surrounding by 30 vehicles of the drug lord and his escorts. The police fired over 400 shots with calibre 50 arms, normally used for aerial defence.

One week later a three years old girl was assassinated by SENAD police officials, who opened fire on a vehicle, without any clear reason—, in which a father and his child were traveling passing through a sugar cane plantation where he worked. The incident caused the resignation of Luis Rojas, head of SENAD, and the penal prosecution of the nine police officers involved in the operation. The retired Colonel Hugo Vera headed SENAD after that. In his first public appearance, he said that economic development of areas affected by cannabis crops will be their main line of action, in addition to combat supply.

He also referred to the fact that Paraguay alone cannot do much without neighbouring countries cooperating. “The problem of drug trafficking needs the help of other nations. Drug trafficking is a transnational crime.
“Cutting down cannabis in one region raises prices, and thus whoever has saved their harvests – through luck or corruption – will make a lot of money. High prices stimulate production; this is a vicious circle which has absolutely not been of any benefit to my country”. Existing policy has been supported by the “show of interdiction”, Rojas stated. In 2014 eradication reached 1,996 hectares, and 433 persons were arrested for drug trafficking offenses. Now the strategy seems to be shifting towards financial structures: “We are not going after the weakest link. The objective is to continue eradicating while focusing on the financial aspects.”

For 2016 SENAD is intending to carry out a study of the “biological features” of cannabis, as well as investigation of social and medical aspects, and the financial component. The collection of data on policy initiatives, and their ultimate results, simply does not exist in Paraguay. “We have no data”, as Rojas succinctly admits.

There is also a proposal to create a Centre for Regional Research on Cannabis (Centro de Investigación Regional del Cannabis - CIRCA), which was first mooted in 2013, and still awaits validating legislation. This centre is supposed to provide a scientific framework to the study of the economic, social, environmental and political consequences of all the myriad questions implied by the word “drug”. With these results government policy would be re-adjusted; this body “will permit the redefinition, readjustment and objective planning of government strategies.” Among these, the programmes of alternative development, which at present are far from providing an adequate response to such a wide phenomenon. Although the government has possibly made a significant effort in the distribution of funds, it has only succeeded in providing technical assistance to 5,500 rural families in the poorest departments (Concepción, San Pedro, Canindeyú, Caagazú y Caazapá), which coincidentally are the areas where most cannabis production is concentrated.
Paraguay is one of the world’s principal exporters of soy beans. In 1991 the owners of farms with more than 500 hectares planted 19 million hectares, and by 2008 these had risen to almost 28 million. The Paraguayan peasant economy is family based, and is directed at self-sufficiency, as well as relations which include religious practices, political favours and friendships. Morinigo, J. N. (2009). "Auge de la producción rural y crisis campesina." Asunción: Fondo de la Cultura y las Artes.


25. SENAD (2015)


27. Name changed to protect identity.


29. UNODC, 2014

30. This change coincided with the eradication campaigns carried out by Brazil’s Federal Police in the “Cannabis Polygon” of the Brazilian North-east (the states of Bahía, Pernambuco y Ceará), main source


32. According to sources in a cannabis growing community in San Pedro. SENAD estimates that each hectare can yield up to 3,428.4 kilos. (SENAD, 2015)

33. Interview with producers in the department of San Pedro

34. A journalistic source in São Paulo, specialized in drug trafficking, quotes informants to the effect that in December 2014 a kilo of bricked cannabis would wholesale in that city at 1100 reais, or 270 USD.


37. Waiselfisz (2008)


41. TierraViva (2014)

42. TierraViva (2014)


54. SENAD (2014). Aunque Naciones Unidas haya estimado la prevalencia en vida en el 1.6% (UNODC, 2011).


56. Declarations in personal interview, September 2015, Asunción.

