



**SECURITY, DEFENSE AND
PUBLIC BUDGET IN PARAGUAY**

**PARAGUAYAN CENTER FOR THE PROMOTION OF ECONOMIC FREEDOM AND
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1. INTRODUCTION

The diversity of interests which, in a more or less explicit way, conditions coexistence in modern society worldwide, provides notorious current relevance to the problems of security and defense. The positioning of each country with the relevant definition of each one's own interests and objectives, especially in a very dynamic international context with constant changes, implies the existence of areas of political action which demand considerable efforts and resources which must be handled with adequate rationality. This should also take into account the implications of such problems as well as the fact that the scope of needs that the mentioned coexistence generates is not limited to these problems, and whose fulfillment also requires the allocation of scarce resources.

Once the polarization characteristic of the Cold War period was overcome, and given the rupture of the order then established, the end of the tension between the two world powers which contended for hegemony gave room to numerous more or less focalized conflicts of different nature and scope. These appeared, partly, because of differences based on ethnic, religious or political- ideological issues, which culminated in the constitution of new nation-states or which are prolonged as conflictive situations that affect considerable segments of the world population. This reality becomes more complex if it is added to the incidence of radicalized groups or groups with illegitimate economic interests that operate in an articulated way with perverse purposes: drug trafficking, arm trafficking and money laundering, among other manifestations of international delinquency.

The involvement of the United States and other world potencies in such conflicts and the urge they express all the time and in every space to exert their influences in coincidence with the diverse and vast interests they handle, as well as the growing interrelation among countries in general, including the less developed ones; accentuate the globalization phenomenon and induce an increase in the degree of exposure of all of them to the new risks and threats appearing. Clearly conflicting interests and actions and reactions in many cases violent according to these interests, generate a high level of insecurity and uncertainty, which in turn demands ulterior responses from governments.

It must be considered that national security and defense are genuine public assets, since as such they are subject to determinant criteria of exclusion and rivalry. That is to say, once the asset has been produced, no one can be excluded from the benefit it generates, and at the same time someone's benefit does not prevent someone else's. Adam Smith, in his liberal vision of society, acknowledged that such functions were government responsibility, and Jean Baptiste Say¹ maintained that prosperity requires security as much as freedom. Friedrich Hayek² also concurs with such criteria, as every free society must protect itself from external enemies, eventual internal insurrections, dangers to be controlled by the police, and other risks –such as storms, inundation, earthquakes, epidemics, etc- which may affect social order

¹ Say, Jean Baptiste: "Prosperity Requires both Security and Freedom". Standard Texts on the Social Market Economy. Stuttgart, 1982.

² Butler, Eamonn: "Hayek. His contribution to the political and economic thought of our time". New York, 1983.

and whose impacts can be minimized by means of an adequate organization, within the established legal framework.

In any case, the options of government response are several and relevant definitions should be made in accordance with the vision of society or coexistence system that every government has from a political point of view, and within the framework of the basic consensus related to the State's projection. In this sense, what is important is to be clear about what principles are undertaken by conviction (or what pragmatic reasons prevail in certain circumstances) so as to sustain and orient the decision-taking in public policies. However, attention must be drawn to the fact that many governments do not strictly represent the common good, but primarily spurious interests, and that the lack of due ethics in the exercise of the public function discredits their mandates. Beyond that, restrictions imposed by each country's possibilities or real capacities are determinant for that decision-taking.

The terrorist attacks against the United States in 2001 and, in particular, the destruction of the emblematic twin towers in New York, along with the subsequent reaction of the American government and all its implications, constitute a case which could even be paradigmatic of the nature and scope which are characteristic of this type of facts that imply important challenges to countries' security and defense policies. This is not only from the point of view of the use of available material and intelligence resources that these require, but also for the concomitant need to consider the larger or smaller degree of validity that basic social order principles should have. On this it is relevant to mention, for example, the emerging tension between State security and defense problems, and the tension related to individual freedoms in terms of use of fundamental rights, obligations and guarantees on one hand, and to the ethical justification that concrete decisions sustain, on the other.

Beyond the referenced case, similar alternatives are brought up in other countries. On this, Ralf Dahrendorf³ begins a recent article remembering having frequently asked himself why Karl Popper⁴ had closed the first part of "Open society and its enemies" expressing: "We must carry on towards the unknown, the uncertain, and the unstable using the reasoning we may have available, in order to obtain the security and freedom we desire". Later, thinking that Popper wrote that work toward the end of World War II and looking then at the complex world situation in 2004, Dahrendorf believes he understands Popper's motive, and writes: "Freedom always means living with risk, but without security risk only represents threats, not opportunities".

In the same sense it is also relevant to remember the alternative Popper proposes, made up by "the possibility of returning to beasts" and the path implied in "continuing to be human", that of the open society. In Paraguay, an allusion to that possibility does not seem to be very adjusted to reality; perhaps it is better to talk about "leaving" the beasts or "moving away" from them a little bit more. In any case it will always be very important that in similar critical circumstances, in CEPPEPRO's terms, a rationality firmly oriented toward the strengthening and consolidation of democratic Rule of Law tends to prevail, with a government which is limited but capable of carrying out its responsibilities, and that in such capacity it may create,

³ Dahrendorf, Ralf: "Living with insecurity". La Nacion newspaper. Asuncion, April 10, 2004.

⁴ Popper, Karl: "Open society and its enemies". Paidos Editorial. Barcelona. 1981.

or else not undermine the adequate conditions for the market economy principles to rule, and stimulate the economic dynamics and the consequent generation of wealth which will allow for growing levels of wellbeing for the population.

In this perspective, it is relevant to examine Paraguay's reality and its problems of security and defense as a specific purpose of this work. A landlocked country of a relatively small size –a little more than 400,000 square km-, with less than 6,000,000 inhabitants and a formal GDP of around US\$ 5,000 million, which represents but a per-capita income of less than US\$ 1,000 per annum, faces the following global problems according to CEPPRO's analysis:

Prevalence of paternalist and populist criteria among the population, and insufficient awareness of citizen rights and obligations.

Most leaders have limited ethical and political principles, essential for dealing with public matters.

Institutions inadequately designed and structured, which generate insecurity and corruption.

Insufficient understanding of the State as a rational collective organization whose goal is the well being of society and its members.

Besides, it is worth to mention some specific problems arising from the same institutional analysis, such as insufficient respect to private property, an inadequate fiscal system which limits the country's development, the unduly carrying out of economic activities characteristic of the private sector by public entities, the lack of public policies to form individuals respectful of the law, productive and competitive, the existence of work rules dissociated from the economic reality and which do not promote employment, among other.

Looking at defense and security issues in Paraguay, the mentioned problems have a clear incidence, although the negative implications of a weak institutionality and the politicians' incompetence in such matters, which, in a large proportion, is explained by the prolonged military predominance in government, could be stressed. In fact, the country has a long-standing tradition of exercise of political power by the military, therefore the military's tendency to consider these matters as their competence should not be surprising.

It is relevant to mention, based on CEPPRO's experience through the development of the Civil-Military Relations project for several years in the country, the strong tendency to confuse or identify the concept of defense with that of security, with its implications concerning the scope of the role of the military face to face with a rational delimitation of responsibilities in these fields by the political power in a society oriented to coexistence in democracy.

In general it could be maintained that Paraguayan politicians do not face with due rationality concrete problems of national security and defense, which arise from the very insertion of the country into the regional and world contexts, as well as its particularities which are characteristic. This is so because they do not adequately acknowledge or ponder the meaning of such areas of public policies, and because they lack the appropriate awareness about the responsibilities they have in this respect. They should be in charge of defining and prioritizing national interests, of evaluating the threats they are exposed to

and, consequently, of coming up with a serious strategy to face them, allocating the resources involved according to the task division defined for the relevant organizations.

This entails an adequate conceptualization of security and defense. In fact, chapter I of this work will be dedicated to bring up these conceptual aspects. This is necessary in order to undertake international problems later (Ch II), where the aspects mentioned in the Introduction, concerning the new realities in these areas, will be widened. This is considered to be an important background in order to focus later on the specific Paraguayan problems and the way in which the country is responding to them. That is to say, there will be an identification of concrete problems and the political decisions in those areas will be considered with an understanding of the existing regulatory and institutional framework on one hand (Ch III), and the relevant resource allocation will be analyzed focusing on the composition and evolution of the National General Budget, on the other (Ch IV). The last part will be dedicated to present some conclusions.

In this way an approximation to the question whether public resources are strategically allocated according to the mentioned problems will be made, also attempting to identify the basic criteria ruling in Paraguay in that sense. The system of fundamental principles which is characteristic of the open society promoted by CEPPRO will be used as a reference point to contrast the results, with the intention of stimulating the critical sense of public opinion regarding government decisions in these subjects.

2. SCOPE OF THE SECURITY AND DEFENSE CONCEPTS

A first approximation to the scope of these concepts can be made using Spanish language dictionaries. The Royal Academy of the Spanish Language defines the term “security” (object): “Quality of secure. Situation of that who is sheltered from any risk”. It is also interesting to consider the term “security” used as an adjective, which according to the ideological dictionary by Julio Casares means: “What is useful for avoiding risks or danger”, while the Royal Academy already mentions the public policy area: “Applied to one section of public administration whose goal is to protect citizens’ security”.

Problems of existence involving facts that may affect the integrity of somebody or something are mentioned on one hand, and on the other hand, resources utilizable to avoid or prevent the eventual alteration of such integrity. The idea of the public institutionality in charge of keeping citizens safe from danger, damage and risks inherent to coexistence in society is included.

As for the term “defense”, the Royal Academy defines it as: “Action and effect of defending something or oneself. Shelter, protection, assistance. Natural mechanism by which an organism protects itself from external aggressions”, and the term “to defend” as: “To shelter, free, protect. To maintain, keep, sustain something against extraneous statements”. Facing the same problems, it is the response to danger or aggression, the fact that (regarding a natural organism) these are of external character being pointed out.

Clearly, both concepts are applied to coexistence among States, covering the problems of national security and defense, whose scopes are subject to wide academic and political debates, although with an important pragmatic orientation because of their meaning in terms of definition and implementation of these public policies. This is reflected in the relevant institutional structure, which as expression of political power and using the other resources of the State, acts according to the mentioned policies. Such debates, which accompany the changing reality of each country and of the international concept, have marked an important evolution in the scope of both concepts and their political-institutional implications.

In the International Encyclopedia of Social Sciences⁵ it is pointed out that it was Walter Lippman who first defined “national security” and he did so in the following terms: “A nation is secure when it does not have to sacrifice its legitimate interests in order to avoid war, and when it can resort to it in order to defend them in the event of a threat” (1943), remembering at the same time that the origins of this concept go back, at least in the United States, to the different historic formulations of the concept of “national interest”. This source also recalls the subsequent questioning of such definition by Arnold Wolfers (1952), as “the simple substitution of ‘the national interests’ by ‘the interests of national security’, along with the normative warning that nations should pursue these interests, does not give a greater conceptual clarity to the earlier formulations of the ‘national interests’.”

⁵International Encyclopedia of Social Sciences. Ed. Aguilar, Spain, 1974, Volume 9.

The Encyclopedia mentions that the evolution of national security as a field of specific interest was to a large extent due to the political and administrative changes that took place in the United States immediately after World War II. In 1947, the United States Congress approved the National Security Law, and the National Security Council was created. During such conflict important coordination problems had been recorded within the administration in charge of war efforts and of the elaboration of post-war plans. That reason, and given the sensible technological advances being registered, especially nuclear weapons, lead to the conclusion that “military matters could no longer continue being considered in abstract”, but they should take on political and economic problems at national and international level.

The Encyclopedia also mentions that most of the academic works related to national security after 1945 in the United States focus on two topics: conflict and cooperation. Studies on the former presume that national security implies the strengthening of national power for conflict situations, whilst those who study the latter maintain the need to reduce national power and accentuate the conscious efforts in order to increase international cooperation. The antinomy between achieving security by strengthening the own power at the expense of, or facing another or other nations, and at the same time attempting to increase the security of all nations, is thus presented. Beyond this, the same source considers that the concept of “national security” –around 1960/70- refers to “a nation’s capacity to protect its internal values from external threats”, which means that nations should be in charge of developing that capacity, analyzing the concrete problems they face within this field and, consequently, taking and implementing political decisions for that purpose.

Placing ourselves toward the end of the 90’s, it is relevant to remark that CEPPRO’s Civil-Military Relations project has brought about very useful discussions concerning what is understood by “security” and “defense”. These discussions provide intellectual evidences that the traditional conceptualization of security, which focalizes the integrity of the State-nation face to face with external threats and the use of military forces, is overcome; and that there is a battle over the larger or smaller extension of the area of defense with its relevant competence. The new aspects and elements presented generate counterpoints and gray areas that are interesting for the objectives of this work.

For the time being, the permanent effort to achieve such conceptual precisions is clearly reflected in the following reflection by Richard Millett⁶: “In this world so unusual it is very hard to define what exactly ‘national security’ is. There are some who give in to the temptation of widening the definition to the extreme of attempting to include in it almost everything in the world; but such comprehensive definition makes no sense at all. Others attempt to define it resorting to national maxims, but their definitions are also useless because of their limited scope. There is, therefore, an intense debate over this national security subject”.

⁶ Millett, Richard: “Basic Components in a Defense Strategy. Concepts and Implications”. Workbook Series, No. 3. CEPPRO. 1999.

To Virgilio Beltrán⁷, security means tranquility, that is to say, enjoying security implies being tranquil, it implies stability and predictability, connoting favorable conditions for economic and social development, without noticeable inconveniences which might obstruct the normal flow of events (such as an external aggression threat of military nature). This within certain margins as Beltrán himself acknowledges, since there is no state of absolute security. According to his criterion, the agenda of security is established according to elements determined in consonance with the needs themselves, the geo-political positioning, commercial interests, and the insertion into the world market, political development, population growth, and other variables of the problems of security and defense.

Gen. John Thompson⁸, underlining that security as every country's main responsibility thus obtains special and unique traits based on its values and visions, on its tradition and on its particular reality, proposes in consequence the need to answer questions such as: for what purpose security is wanted, what objectives are pursued with it, with what normative system and under what conditions. He warns in this sense that a situation of perfect security might mean lack of communication, isolation, and taken to an extreme, even a sort of confinement of its supposed beneficiaries. From another angle, Thompson considers that a hungry citizen established on a border zone with a hostile country would be more concerned about covering his food needs than about his neighbor's intentions. He concludes that "a democratic State should cater for all needs of its citizens and it is difficult to satisfy a whole population", since "what represents a threat to one person is not such to another", however, it is pertinent to create an adequate structure of security in order to face possible immediate threats and to avoid problems.

Ricardo Lagorio, bearing in mind the Argentine experience, maintains that the defense system must deal with external threats and must distinguish these from threats related to internal security. To him, two big players of defense are the Executive Power, mainly through the Ministry of Defense, and the Legislative Power, and he emphasizes that the Armed Forces –included within the area of such ministry- "are outward-facing and do not take an inward look". He distinguishes himself from those who believe that the Armed Forces can have a role in internal order, as this represents "a contradiction", except for the act of "lending some logistic support or cooperating in some very accidental, very peripheral action". He admits, however, that in practice there are "gray zones which can be topics of discussion".

Lagorio states that the other mainstay of defense is the Ministry of Foreign Affairs, and that between this and the Ministry of Defense "there should be a deep symbiosis, a sustained and intense dialogue". Besides, regarding the Congress' role he maintains that, beyond budget matters or military promotions, the representation it exerts must be valued, linked with the possibility of political consensus at national level that it may conceive, as defense policy, just like international policy "is a State policy", noting that these should not be one

⁷ Beltrán, Virgilio: "Theoretical-methodology aspects relating to a National Defense strategy". Reports and documents Series, No 9. CEPPO. 2000.

⁸ Thompson, John: "The defense problems in countries with smaller relative development". Workbook Series, No 11. CEPPO. 2001.

single political party's policies and be therefore subject to the short-term and immediate nature of electoral circumstances⁹.

Jaime García Covarrubias¹⁰ emphasizes that in its modern definition “national security” should be understood as an effect, a result or a consequence, and he brings up the conceptualization from the Chile National Defense Book: “Condition achieved by a country as a result of the harmonious development of its National Power and of having adopted provisions and actions meant to attenuate or eliminate its vulnerabilities, so as to ensure the fulfillment of its National Objectives, despite internal and external risks and threats, with full respect to legal and regulatory guidelines. It is a wider concept than that of National Defense, since it also covers socioeconomic, institutional and cultural development. Security is not a goal in itself, it is rather a means to reach a goal: Common Good”.

According to the same source, the definition of “national defense” is as follows: “Collection of material, human and moral means that a Nation may use to confront an adversary's threats against its National Objectives, mainly in order to ensure its territorial sovereignty and integrity. National Defense is every citizen's responsibility, not only the Armed Forces'. Defense is not a synonym of National Security, but rather one of its causes, along with Development; these are different but closely related concepts”. As such, it is especially oriented toward neutralizing external risks, dangers and threats that, because of their importance and seriousness, attack or attempt to attack the State's survival and identity. Consequently, the risks, dangers and threats that generate delinquency, drug trafficking and others that affect internal order, are considered internal security matters.

García Covarrubias, in the mentioned Book's perspective, distinguishes the “defense function” from the “defense action field”; the latter implies the organization and coordination of the country's defense, and comprises a sector created by the Ministry of Defense and the Armed Forces (with dissuading purposes in peace periods and for the utilization of material forces in conflict situations), whilst the former comprises all activities of the state organizations, including those of support which the private sector is in charge of, oriented to safeguarding a certain good. He also distinguishes the “defense policy” from the “military policy”, stressing that the former, as State policy, is addressed to the four areas of action –defense, diplomatic, economic, and internal- “with the purpose of coordinating efforts in order to materialize national defense”, whilst the latter is only addressed to the defense area, and it is the government's action concerning the Armed Forces. These, in the same perspective, although they must primarily take on external conflicts, in certain cases and when police forces are surpassed, could be used to confront internal threats.

⁹ Lagorio, Ricardo: “Scope of the concepts `roles`, `missions` and `functions` of the Armed Forces in a democratic country. Traditional and new responsibilities”. Reports and Documents Series, No 9. CEPPEO. 1998.

¹⁰ García Covarrubias, Jaime: “National Defense in Paraguay: The Current Debate”. Workbook Series, No 6. CEPPEO. 2000.

Guillermo Holzmann¹¹ emphasizes that the defense policy is of “utmost importance” to a modern State, and it is strongly linked to its external policy. It must have a permanent nature, i.e. it must not be subject to frequent changes and it must transcend the “everyday political arguments” level, rising “essentially above party issues” according to “a State vision”. That vision allows for the structuring and organization of national defense, which includes the government’s configuration to conduct defense as well as the appropriate dimensioning of the Armed Forces. This in turn entails “absolute clarity and internal consensus regarding national objectives and interests” on one hand, and the allocation of scarce resources with their implications in terms of unavoidable opportunity costs, on the other. Such opportunity costs are those that sometimes induce questionings concerning the need to face them, but as Holzmann says, “defense is an intangible good which is only appreciated in moments of crisis”, without prejudice of the need to undertake it with the appropriate rationality. Therefore, a defense policy should not be improvised, it requires a rich debate within society, and it is not applicable to import it from another country, since if this was done, and beyond its viability or possibility of adequacy, one of its essential elements: legitimacy, resulting from such internal debate, would not be achieved.

It is relevant to stress, regarding the scope of these concepts, that a trend of pragmatic thought in the past few years has attempted to replace the term “national security” and give the “defense” concept a wide and all-inclusive sense for all problems of security and defense. One reason considered important to maintain that attitude has been the susceptibility generated by the permanence of the well-known “national security doctrine” during the period of military dictatorships in Latin America, linked with the violent ideological-political confrontations occurred in the region in the context of the Cold War. However, García Covarrubias precisely maintains that the complex of omitting the term or of looking for a synonym to mention it should be avoided, as it is used in the whole of the western world, making it very clear that the national security problems are undertaken through a collection of measures that are approved “according to the rules of democratic consensus”¹².

David Mares¹³ presents the concept of national defense distinguishing its strict and wide senses. In the strict sense, national defense is focussed according to the “traditional perception of threats to survival and external vital interests of the nation”, emphasizing the type of threats that require a military response. In his opinion, if all factors that might damage a country are taken into account, such conceptualization is limited, although it is advantageous for the very same reason, by inducing the Armed Forces to focus on their specific tasks, and the other government organizations and the society at large to be in charge of defining policies and national development.

¹¹ Holzmann, Guillermo: “National Defense Policy. National Interests and Objectives”. Workbook Series, No 9. CEPPEPRO. 2000.

¹² García Covarrubias, Jaime. “Military Modernization” (debate in plenary). Workbook Series, No 4. CEPPEPRO. 1999.

¹³ Mares, David: “Institutional Structure of a State According to the National Defense”. Workbook Series, No 7. CEPPEPRO. 2000.

In the wider sense, national defense comprises everything that impairs national development, civilian security and the nation's resources. In this conceptualization the Armed Forces are like any other State instrument and may be assigned diverse tasks. Mares acknowledges that they have abilities, which are attractive to the government as well as to the population, to act according to national development in activities such as education, health, infrastructure construction and provision of internal order. However, he warns, "it is generally prejudicial for the Armed Forces to try to govern", understanding –given the historic background- the risks inherent to the tendency to needlessly extend their scope of responsibility. He clearly maintains that "if the society develops a hope or a dependence on the Armed Forces, which are distinguished for their discipline in the design and implementation of 'solutions' to problems, democracy and institutional professionalism are in danger. Therefore, it is in defense of these two that it should be attempted to limit the use of the military instrument in tasks that are better performed by civilian organizations".

Given these different appreciations regarding the scope of both concepts, and taking into account their implications, especially regarding the State's institutional structure dedicated to face these problems, the conceptual framework for the analysis and planning of security and defense developed by Salvador Raza¹⁴ is considered a valuable contribution for the purposes of this part of the work. Raza starts from the following theoretical points in the relevant aspects:

“Short security is a concept that describes security as a state in which it is possible to live without the war threat.

Long security presents security as an environment where threats of a coup, revolution or war do not exist, but where there is also the possibility of accessing information and education, the possibility for the individual to access all resources that will allow him or her to develop as a person and to feel content.

Short defense means the instrumental ability of the Armed Forces and nothing else; it is therefore a concept that entails a restrictive understanding of defense.

Long defense, in turn, understands that defense is not exhausted in the Armed Forces, but embraces everything that the State can use to protect itself from external attacks or internal insurrections, or in order to guarantee the rule of security. The concept of long defense includes therefore the legal mechanisms, economy and education elements, etc.”

Raza analyzes in more detail the meaning of these points and their possible combinations: “If we understand security as ‘short security’ –avoiding war-. And defense as ‘short defense’ –only Armed Forces-, in the end we will have militarism. This concept of security leads to the militarization of the society; examples: Prussia 1864; Germany 1912.

¹⁴ Raza, Salvador: “Conceptual framework for the analysis and planning of security/defense. Implications for the organization of the Armed Forces”. Workbook Series, No 15. CEPPEPRO. 2001.

If we think of security in terms of ‘long security’, -not only in order to avoid war, but also, as stated, to guarantee access to information, education, the individual’s development, etc.- and if we conceive defense as ‘long defense’ –which is not exhausted in the Armed Forces-, the distinction between security and defense tends to become less clear, up to the point in which both concepts are analytically inseparable. This is what is called ‘utopian idealism’, as expressed in the Vienna Treaty, which attempted to use this system as a philosophical basis and ended in World War II. Not existing there an analytical distinction between defense and security, defense and the State’s interests are confused, and the former stops being manageable from the point of view of the State’s high direction.

If a sort of ‘short security’ is adopted –avoiding war-, but the defense is ‘long’ – it is not exhausted in the Armed Forces, but also contemplates development-, we have what an author describes as ‘pretorianism’, which is the military tendency to take on the direction of the State.

If the security is ‘long’ but the defense is ‘short’, this gives way to what we call ‘the civilian-military breach’, which produces an effect opposite to the previous one, that of civilian authoritarianism. In that situation there is a huge conflict between the military and the civilian, where the latter impose on the former certain elements contrary to the military nature itself”.

This focus is useful in order to understand the complexity of the relationship between security and defense. The thought concerning both problems varies according to the concrete political reality, where threats and opportunities are blended, as well as structural elements and elements of a specific moment or situation, leaning to a greater or lesser degree toward one of these conceptions, a determination that must be understood as of a responsibility of the State’s leadership.

From the political praxis point of view it is important to pay attention to the scope of the respective areas of competence, with the preoccupation arising from the acknowledgment of the more or less recent historic facts, above all bearing in mind the tendencies that distinguish the political culture prevailing in many countries, with a population that is weak in its democratic education and with strong paternalist and populist tendencies on one hand, and with an institutionality which is also weak but over-dimensioned and costly in structure, on the other. The referred concern is based on these weaknesses, as it is precisely through these that civilian authoritarianism is expressed in terms of perverse party-oriented government and government bureaucracy, or the ever-latent pretorianism may have an effective expression.

Beyond all these conceptual questions, it is undoubted that the problems of security and defense are important aspects of coexistence, as will be verified starting from their concrete manifestations at the international level. Consequently, they need to be treated in a rational way, and primarily on the basis of consensus. Every country must do it from its own perspective, without prejudice of considering at the same time the particularities of their insertion into the regional or world sphere (even paying attention to criteria of collective security or alliance constitution), and with the awareness and responsibility of bearing in mind the referential framework of basic principles face to face with the characteristic of the possible solutions to be adopted. The validity of those basic principles will depend on the

sense and balance with which this is handled, however the insecurity and uncertainty that are characteristic of a modern society in freedom.

3. INTERNATIONAL PROBLEMS OF SECURITY AND DEFENSE

It is pertinent to ask how this conceptualization of security and defense is translated into a focus on the concrete problems regarding these areas in the international sphere. On this it should be mentioned the change that the end of the Cold War meant, when that important source of conflicts with its impact on the relative positioning of countries and on resource allocation was overcome, accompanied by an extended preponderance of the basic social principles of coexistence characteristic of the western vision. Parallel to this, it also meant the appearance and incidence of new factors in terms of threats and opportunities, constituting challenges that forced the States to articulate responses. All of this has implied the configuration of contexts and scenarios many times strange to the traditional schemes. Precisely the beginning of the XXI Century was deeply marked by terrorist events and government reactions of extraordinary repercussions.

CEPPRO's Civil-Military Relations project has also been rich in analysis and debate of such problems. It is worth to present some outstanding aspects, starting by a characterization of the Cold War period made by Miguel Ángel Navarro¹⁵: "a sort of stability between the western and east blocs, in the sense that security was centered on a confrontation of a global nature, planetary nature, with global magnitude and global objectives. The large powers accumulated around them a number of countries that followed them. Practically all countries in the world, one way or another, were aligned with the large powers,..." In this sense it accentuates that relationships, as far as security is concerned, were extremely predictable, and even armed conflict reflected the logic of that global confrontation.

When this was overcome, the situation significantly changed. Navarro speaks about the "deregulation of security relations in the international system". From the point of view of international security, that change resulted in a greater preponderance of the regional scenarios, and the global nature of the confrontation lost relevance. On that basis Navarro sustained in year 2000 that "the world is safer in the global sense, but much more unsafe and unpredictable in the regional sense", reason for which, acknowledging the existence of a "high degree of uncertainty", the future security system in the world could be considered to be of a "still very imprecise" nature. He qualified as anarchic the international system in force, in the sense of the non-existence of a central authority, legitimate and with the power to impose its resolutions even against the will of the States, implying each country's responsibility regarding their own security. Bearing in mind the validity of the use of force as a valid instrument in international relations, Navarro affirmed the need to have armed forces as a support of the State's existence and sovereignty.

The dramatic subsequent events occurred in different countries following 2001, reveal the challenge then envisaged in terms of new definitions necessary to give answers to latent threats in that context and for the configuration of a new international security system.

¹⁵ Navarro, Miguel Ángel: "The problems of defense in countries of smaller relative development". Workbook Series, No 11. CEPPRO. 2001.

Jaime García Covarrubias¹⁶, referring to the new reality whose conformation began after the end of the Cold War, emphasizes firstly the rupture of the bipolarity with its implications in the nature of the conflicts in the world as well as at a regional level. On the latest subject he adds that the deepening of the integration processes has contributed to significantly reduce the threats by border enemies. A third element he presents is the tendency toward change in the structure of the States, an excessively centralist administration leaving room and the criterion of its rationalization being born. Indeed, all of this has had important consequences in the problems of security and defense, and particularly –he points out- in the military area, affecting the purpose and the dimension of the Armed Forces, and therefore, the military profession or career itself.

In the same sense García Covarrubias focuses on the globalization phenomenon and its complexity, distinguishing three aspects: “the transfer of the western codes to the rest of the world”, “the huge technological impact that has shortened time and space” and “the move of the Economy axis from the State to the market”. Regarding the western codes he mentions in turn three elements: democracy as a political system, market economy as a development strategy, and integration as a form of relation among countries. In this context, and particularly referring to Latin America and its political processes, he underlines the convulsions and other problems resulting from the fragility of democracy: “We must be clear about the fact that our democracies are weak. In some countries democrats are weaker, in other, democracies are weaker; every country will have to see that. We all are failing or have failed in that, because we have not yet been able to build just democracies, processes where the extreme poverty and indignity in which many people live in Latin America are really overcome; and that is a reality that in one way or another has repercussions on the Armed Forces”.

Given the new reality, García Covarrubias considers that the Armed Forces were left over-dimensioned in Latin American countries and that, facing budgetary constraints, a rationalization and modernization must be undertaken, which presents three dilemmas, each with its respective implications: first, whether the country wants instrumental Armed Forces only in order to face defense problems, or Armed Forces that are precautionary of the historic-cultural identity, with a strong role in development and which have political gravitation”; second, whether the country’s Armed Forces must be based on compulsory military service or should be “merely professional”; third, whether the country requires “dissuasive-qualitative” or “presence-quantitative” Armed Forces. These dilemmas must be resolved, for which it will be necessary to define a strategic country challenge for the long term, with the statesman’s prospect, define the possible threats of the country bearing in mind diverse aspects such as the interest that its share of current and potential resources may stimulate, and define the fiscal budget that they are willing to assign for this purpose¹⁷.

¹⁶ García Covarrubias, Jaime: “Responsibility of politicians in the discussion of security and defense topics”. Workbook Series, No 11. CEPPRO. 2001.

¹⁷ García Covarrubias, Jaime. Ibid.

Frank Mora¹⁸ also focuses on the globalization phenomenon and points out that the threats that it carries are very complex, multinational and much more subtle than those seen and studied during the Cold War. He mentions that the classical threats, such as those coming from the hostility of neighboring countries, have lost relevance, and because of that he wonders what new threats or challenges should be faced through a reformulation of policies, and he mentions drug trafficking, terrorism, organized criminality, environment destruction, out-of-control migration, social explosions, etc., noting that because these are many and transnational he has arrived at the conclusion that “in order to fight them it is necessary to formulate in all areas, especially that of defense, cooperative policies, integration policies not only at the national level –i.e. giving participation to all civil society players, Armed Forces, Congress and political parties-, but at international level, negotiating with other countries of the region”. It is in this sense that, besides integration, he deems necessary to create multilateral frameworks to prevent the new threats from permeating the borders, especially in the cases when a country does not have enough resources to control them, and he recommends a greater cooperation among MERCOSUR’s Armed Forces.

Mora emphasizes on the importance of integration in the context of globalization and in that it implies a certain limitation to national sovereignty, mentioning as examples the cases of the European Union and Mercosur. In his analysis, Mercosur’s problems –mainly economic- are precisely because of the insufficient predisposition toward a renounce of sovereignty by some of its members, especially Brazil, and he insists that in the current context that attitude would have a very high cost face to face with the benefits that might be obtained through cooperation, as shown by the European experience. On that, however, the existence of twists within the integration schemes for the adoption of these decisions should not be surprising, above all given the leadership ambitions and the desire for hegemony that more powerful countries evidence facing the position that the smaller and less developed countries may maintain. The latter, besides, suffer from a weak institutional structure, which conditions their possibility of formulating and applying State policies which will allow them to have a satisfactory insertion into the international area.

On the other hand, Frank Mora considers that facing the mentioned diversity of security problems requires an adequate civilian-military articulation, in the sense of a rational distribution of functions between politicians and the Armed Forces in their respective spheres of competence. As for defense problems he maintains that the new threats require to obtain a consensus, firstly national and then regional, as to what role the Armed Forces should play in their capacity as State instrument, especially bearing in mind the challenge the new reality represents and the possibility of new roles and missions, beyond the traditional ones. He mentions as example the military participation in peacekeeping operations in the international sphere and points out the positive externalities that a good articulation between external policy and defense policy could generate for the country.

¹⁸ Mora, Frank: “External Policy and Defense Policy. Reciprocal Conditionings in Smaller Countries”. Workbook Series, No 16. CEPPO. 2002.

Richard Millett¹⁹ also refers to changes in the type of threats that should be faced, becoming less important those threats considered traditional, coming from the war power that neighboring countries had, and he places particular emphasis on the fact that nowadays the most serious threats each time more frequently originate “in the weakness –not in the strength- of the neighbors, in their incapacity to control their borders and in the internal criminal activity”, mentioning Colombia’s case as example. Given the security problems it has, Millett considers from that view that that country must be interested in the fact that its neighbors have the ability to stop the free movement of guerrilla and paramilitary groups, as well as the activities of drug traffickers, and at the same time the five bordering countries look at it suspiciously because of the fragility and inability it shows to control an important part of its own territory. This case and others of characteristics and impacts more or less similar registered in other parts of the world induce Millett to talk about “globalization of the insecurity”.

Therefore, extreme caution must be taken when taking decisions regarding security and defense budgets. This entails a good analysis of the country’s reality and, especially, of the existing or possible threats –as already mentioned-, so that from that point adequate responses can be produced and implemented. In the perspective of defense and dimensioning of the Armed Forces, Dennis Caffrey²⁰ points out that Latin America is the region with the lowest military expenditure in the world, and he presents three questions that, although basic, are not always dealt with properly, also acknowledging the opportunity cost that that expenditure means: “how much is enough military expenditure, how much is the necessary expense and how much is the possible expenditure”, and at the same time he draws attention on the consequences of irrational cuts in military budgets, which overlook the consideration of national objectives and conflict hypotheses or may even reflect the lack of a defense policy.

Salvador Raza²¹ remarks that defense economy, a complex area of growing importance, studies the efficient allocation of scarce resources to alternative purposes in the area of defense. He affirms that defense is expensive and its budgeting undoubtedly requires certain conceptual basis. Resources are always limited and, therefore, there has to be a choice among options, each one of which has a monetary cost and an opportunity cost. Consequently, it is necessary to seek the maximum efficiency and efficacy in the application of these scarce resources, tending to maximize priorities. And here is the key: to define the priorities, which cannot be done with fiscal criterion only, “because then there would not be any”, but based on a Forces Project which is submitted to the consideration of the decision-maker. On this Raza stresses that the defense experts are in a position to explain to the politicians each option’s costs and risks, as “many times intuition does not have a sufficient degree of consistency to support certain decisions”.

¹⁹ Millett, Richard: “External Policy and Defense Policy. Reciprocal Conditionings in Smaller Countries”. Workbook Series, No 16. CEPPRO. 2002.

²⁰ Caffrey, Denis: “Basic Elements of a Defense Policy. Concepts and Implications”. Workbook Series, No 3. CEPPRO. 1999.

²¹ Raza, Salvador. Ibid.

Raza explains that the logical process of a defense budget constitutes “a chain of decisions involving culture, the way of understanding national objectives, the security, the ability, the permanent evaluation of challenges and threats, the consideration of risks and opportunities, the understanding of national security –not as a static concept, but as a moving, oscillating point-”, until reaching the “Forces Project”. He mentions that many times it is necessary to discard an optimum solution because resources are scarce, but this must be understood in a positive sense “in terms of a trade-off, of a pros and cons game” which must consider the State’s own productive capacity and be in accordance with national demands. In any case, budgetary cuts cannot be made blindly, without considering their impacts on the military capacity, that is, the ability to provide effective responses in view of the circumstances that must be faced.

It is also pertinent to recall some interesting data supplied by Salvador Raza who expresses that “the perception of changes in the purposes of defense is a more and more important issue, because it has been understood that defense is part of a way of thinking and of a mechanism through which a democratic State may not only be guaranteed, it may also be destabilized”. In this context he stresses that, according to the statistic, in peace times, countries spend in defense an average between 2% and 2.3% of the GDP, which in his view “does not seem to be much”. Another figure comes up relating the expenditure in defense with the amount of the national budget, which oscillates between 8% and 25%, the average being placed around 12% to 15% of the national budget. He considers the 25% participation seen in some countries as “a heavy load”. Beyond that, he draws attention to the fact that there are clearly expressed elements in the defense item, but that there are others that appear under other items, in other organizations, but which are clearly linked with the defense process. This must be born in mind for a good analysis of the defense budget of a country and for comparison purposes with other countries.²²

Detlef Nolte²³ makes a current focussing on the security problems in Latin America starting from the most recent documents on this subject published by the OAS, the European Commission, the German government, several American organizations and specialized institutes, as well as from the opinions of experts and people who are points of reference, involved in the theme. He does it after giving testimony of the degraded importance of the sub-continent for the referred developed world. Thus, for instance, he remarks that the American government announced in February 2004 the reduction of their aid to Latin America for fiscal year 2005, four months after the consensus arrived at by the OAS countries acknowledging that the extreme poverty and social exclusion of vast sectors of the population affect political stability and democracy in the western hemisphere because they erode social cohesion and weaken security.

The OAS Declaration²⁴, besides pointing out that traditional threats continue being worthy of attention, presents a detail of those which are considered new threats, an extremely wide-

²² Raza, Salvador. Ibid.

²³ Nolte, Detlef: “Problems of Latin American Security and its Implications for Europe: a German Perspective”. Institut für Iberoamerika-Kunde, Hamburg. 2004.

²⁴ Special Conference on Security, Organization of Americas States (OAS). Mexico, 2003.
http://www.europa.eu.int/comm/external_relations/la/rsp/02_06_en.pdf

ranging spectrum of problems which reflect the changes in the world's political situation and their impact concerning the type of risks which are most worrying, as well as the evolution of the conceptual scope of security with the inclusion of the aspects of social nature.

That detail is as follows:

terrorism, transnational organized delinquency, the world problem of drugs, corruption, asset laundering, illicit arm trafficking, and the connections among them;
the extreme poverty and social exclusion of vast sectors of the population, which also affect stability and democracy. Extreme poverty erodes social cohesion and makes the States' security vulnerable;
natural disasters and those of human origin, AIDS and other diseases, other risks for health, and the deterioration of the environment;
people trafficking;
attacks on cybernetic security;
the possibility of a damage in the event of an accident or incident during transport by sea of potentially dangerous materials, including petroleum, radioactive material and toxic waste;
and
the possibility of access to, possession, and use of massive destruction weapons and their vector means by terrorists.

In connection to this vision of the Latin American security problems, Nolte points out that, as a diagnosis, it is widely shared by the respective European and American visions, but that there are differences from the point of view of the prioritization of the problems and in the way of dealing with them.

On the diagnosis by the European Commission²⁵ he mentions the following aspects: the fragility of the political systems, especially in the Andean Region and Central America; drug trafficking, combined with corruption and violence, as originators of political, economic and social instability, like terrorism; social exclusion and marginality as factors which aggravate insecurity, violence and the levels of criminality affecting these societies. The German government, in particular, shares the preoccupation represented by drug trafficking, poverty, as well as the existence and possibility of expansion of territories or zones which are left out of the government control, each one with its respective implications, and all this closely linked with the weakness of the institutions. Likewise, Nolte mentions that, in turn, the American vision clearly prioritizes the threats by international terrorism and drug trafficking.

Given these different priorities regarding threats, Nolte concludes that those established in the mentioned European document, like those supported by Germany, are more in line with the Latin American vision, bearing in mind the importance given to poverty, criminality, and political instability. The same can be said considering also the significance that such document and the German government itself confers to the risks which natural disasters

25 Latin America Regional Strategy Document, European Commission - April 2002.
<http://www.oas.org/main/main.asp?sLang=E&sLink=http://www.oas.org/csh/english>

represent –given the characteristics of the sub-continent’s land and climate- as well as the threats to the environment. The damage to the Latin American ecosystem is worrying because of its great incidence in the global climate.

In response to the Latin American problems considered, the European initiatives for the period 2002/2006 must lead –as concisely mentioned by the said document- to the strengthening of the interaction of groups of the civil society, the reduction of social inequalities through actions oriented to vulnerable groups, and the strengthening of the capacity of prevention of natural disasters, with which the type of problems to be tackled through external cooperation is evidenced. In this sense, and focalizing the German position, Nolte mentions that, to this country’s Ministry of Cooperation and Development (BMZ), cooperation for development is part of a modern security policy and an important resource in the prevention of crisis, having defined three areas of action: fight against poverty, environment and natural resource protection, and society and state modernization. The last point is oriented to the permanence of the Rule of Law in the whole country, for which decentralization and reform of the judicial system are considered important.

Beyond the differences in the responses provided that arise because of the different prioritization of threats, it is worth mentioning the discrepancies displayed fundamentally because of the degree of intervention of the Armed Forces with which it is considered appropriate to face them: while USA emphasizes on measures of military nature, Europe prefers to undertake reforms in the state and in the society as more effective ways of attacking many of the security problems from their very roots. This is evidenced, for instance, through the method by which they focus on a serious threat of common interest such as drug trafficking, as to Europe this is considered basically a problem of police nature and not military, as it is with certain preference to the American government. Indeed, Nolte mentions, the German government would not agree with the criterion supported by the American Southern Commando Group whereby drugs, in view of the high death risk its consumption bears, are equivalent to massive destruction weapons.

Other areas are also focalized by the USA in order to favor a more active military participation in programs that are typical of the civil area, such as road construction, sanitary aid and others that present new roles for the Armed Forces. In view of this tendency toward a growing military interference in State issues which should be resolved by other government organizations, Nolte exposes the preoccupation arising from the European and German view, but also in Latin American spheres, when it is acknowledged that the risk that this kind of interaction between the police and the military or between civil and military personnel might aggravate the situation of human rights, or signify the militarization of economic and social problems. Thus, and in the context of the weak institutionality, growing social protests, deterioration of security and police inefficiency, that could lead to the military preeminence in politics, which in turn would imply a backward movement to the experience of the ‘60s and ‘70s as well as a backward movement from the effort to move toward a coexistence within a republican and democratic Rule of Law and in agreement with the other principles promoted by the western ideal.

In view of these different focuses to face the problems of Latin America, Nolte recalls the expression by the European Union's Commissioner for Foreign Affairs in a recent speech about the European-American links, that these are in accordance with the respective strengths of the USA and Europe: military "hard power" on one hand, and development aid "soft power" on the other. The same is valid for Germany, which was characterized after World War II precisely for constituting a "civil power" in the area of international relations, a concept which chiefly refers to the promotion of democracy and the building of the State and that, as such, continues to be valid nowadays.

In this perspective, Nolte points out the criterion that most of Latin America's security problems might be treated with "soft power", which involves economic cooperation, political dialogue, and other measures of assistance for development, whilst some of the most difficult problems should be confronted with police forces rather than military forces, the latter should really be used in extreme situations. Facing this criterion, Nolte draws attention to the approach arising from a document by the Heritage Foundation²⁶ regarding a revision by the USA of the earlier decision to promote division of responsibilities in terms of security between the police and military forces in Latin America, so as to consider the pertinence of returning to its unification with the consequent change and adaptation of institutional structures in each country.

Ralf Dahrendorf²⁷, considering the whole spectrum of current threats in the world, mentions the Iraq and Afghanistan cases, the terrorist attacks in the USA and Madrid, among others, which are added to the permanent bomb threats with their additional measures which allow to remember every day "the insecurity around us"; also mentions global warming, social changes linked to the demographic explosion in certain parts of the underdeveloped world on one hand and the "amazing" rate of aging of the developed world population on the other, also wondering how massive migrations will affect the "cultural heritage of the countries"; finally mentions the economic insecurity linked to unemployment rates and to the preoccupation over job losses.

In view of all these examples Dahrendorf points out that "the most unsettling aspect of the current insecurity may well be the diversity of its origins and the fact that there are no clear explanations or simple solutions", stressing that "a formula like 'war to terror' simplifies a more complex phenomenon". Consequently, he wonders what should be done, and he recalls Popper's advice: "to utilize the reasoning we have available in order to face our insecurities". On this basis, and given the possibility that people's physical integrity could be affected, he considers the need to adopt drastic measures, but at the same time draws attention on the other aspect: "security as much as freedom". And then he reflects: "Putting a stop on pro-security measures that limit the liberties that lend dignity to our lives, is as necessary as protection is". In this sense he proposes that such measures be temporary, that preventive actions be more effective, and that more emphasis be put on what he calls "security islands" –that is to say, orientation toward the "relative certainties of the local

26 James Jay Carafano and Stephen Johnson: "Strengthening America's Southern Flank Requires a Better Effort". Heritage Foundation Backgrounder No.1727, February 20, 2004.

<http://www.heritage.org/Research/NationalSecurity/bg1727.cfm>

²⁷ Dahrendorf, Ralf: Ibid.

communities, the small companies, the human associations”-, finally questioning the attitude of governments that tend to “always scare their citizens” in view of the existing threats.

Although the current threats may be considered exceptionally worrying due to their diversity and gravity, Dahrendorf recalls that human life itself is “an unceasing uncertainty” and he warns that “false gods have always taken advantage of a generalized sensation of insecurity”, and that only “an active effort to face the risks surrounding us” is required against them. He concludes his article pointing out that perhaps “a new Enlightenment” is necessary in order to “impart the confidence” required “in order to live with insecurity and in freedom”.

After considering the problems of security and defense from a conceptual point of view first and their concrete manifestations in the international sphere then, it is relevant to subsequently focus on how these problems are understood and dealt with in Paraguay from the prospect of public policies.

4. PROBLEMS OF SECURITY AND DEFENSE IN PARAGUAY

Without disregarding that in Paraguay it is also necessary to work on the conceptualization of security and defense aiming at a rational political praxis, there is a tendency to make prevalent the utilization of the term “defense” in its wide sense, a faithful expression of which is the “Defense Policy” written at the Presidency of the Republic level during the previous government. Its approval by the National Defense Council in 1999 gave that document an official character.

This document presents the “complete security of the Republic”, its preservation and its restoration in its case, exposing it as a goal, defense being the “set of activities aimed at sheltering, delivering and protecting the Nation as a whole from any danger, damage or risk, coming from outside or inside the Republic”. Thus, security is an environment to be achieved by means of the implementation of defense in order to guard the national interests from existing or eventual threats. National defense assumes in this perspective “a scope which widely surpasses the sphere of purely military interests, and covers the political, economic, military, psycho-social, and scientific-technological fields”.

The national interests defined in such document are as follows:

- The existence of the Paraguayan State, its freedom, independence and sovereignty.
- The integrity of the national population and the Republic’s heritage, tangible as well as intangible, inside and outside the country.
- The full force of the Rule of Law and democratic institutions.
- The preservation of the Nation’s identity and unity.
- The adequate conditions for attaining and maintaining the national objectives.
- The permanence of the stability and predictability conditions indispensable for the normal development of national life.

Besides the traditional roles of defense, the document contemplates the control of threats such as drug trafficking, arm trafficking, terrorism, money laundering, illegal migrations, aggressions against the national identity and unity, deterioration of the environment, natural disasters, as well as supporting and keeping public order. It also anticipates the country's effective contribution to international peace and security keeping in compliance with the commitments undertaken, and it distinguishes the responsibilities that the country must assume individually in "self-management" for affecting its integrity, sovereignty, independence and identity, from those responsibilities it may assume in cooperation with other States for involving common national interests.

As it exceeds the military area, the document naturally points out that "national defense stops being an exclusive responsibility of the Armed Forces and becomes a right and obligation of every Paraguayan". Following that logic it mentions a National Defense System, as a set of institutions -each one within its constitutional and legal attributions- responsible of the actions tending to preserve or restore security conditions. In the event that the capacity of one of them is surpassed, the participation of the other institutions that form part of the system is considered.

It deems the rectification of the most critical structural deficiencies in the National Defense System as the first priority of the government, and as short-term measure it undertakes to submit to Congress a new institutional and legal framework according to the country's needs in this area, that is to say, its integrity as a nation, its insertion into the international sphere, as well as to give effective responses to the mentioned threats. Beyond the general statements relating to the non-military aspects of this wide concept of defense, which even mention a "total reform of Defense", the truth is that its military aspect is focalized. In fact, the document prioritizes the improvement of the Armed Forces in terms of efficiency, perfecting the educative plans of the military personnel and transferring resources, from logistic functions to operational areas on the borders, expecting in short a new organization of the Armed Forces, besides proposing the restructuring of the Ministry of Defense and the inclusion of the minister into the command chain.

It is pertinent to warn that the referred approval, along with that of the documents "National Defense Guidelines" and "Military Policy", signified an unforeseen change of direction, given the initial plan to submit them to a wide debate in search of political consensus. Probably, the intention was to obtain an impact by making the existence of government definitions in these aspects known, but it is valid to wonder about the genuine political backing of their contents. Even within the military estate itself there are divergent opinions regarding the validity and usefulness of these documents. In view of their formal approval, some accept them as reference points for taking decisions, but others consider them a merely rhetoric, or at best academic, exercise, bearing in mind the referred initial purpose. In fact, they were not the targets of any political consideration beyond the work group in charge of writing them, incidentally made up with military personnel mostly.

These documents were introduced in forums of the Civil-Military Relations project, to members of political parties with parliamentary representation, being the target of comments and reflections that are worth considering. Two aspects are brought from the intervention by Carlos Riveros, Authentic Radical Liberal Party (PLRA): his reaction to

such presentations warning about the inversion of roles and maintaining that politicians are the ones who should propose a defense policy project, for being (defense) a political issue -and in such case, the military could be invited to make contributions of technical military nature, exclusively, in their formulation-; and his questioning to the elaboration of a defense policy without the previous definition of the country's objectives.

The then deputy for the National Encounter Party (PEN), Marcelo Duarte, questioned the role assumed by the Armed Forces in the elaboration and presentation of these documents, recalling that their constitutional missions are limited to the custody of the territorial integrity and the defense of the legally constituted authorities, and that they have a non-deliberating nature, hence they are not qualified to "participate in any other mission" apart from the mentioned ones, or to "deliberate with political authorities about policies". In turn, Juan Fernando Kurz, also a PEN leader, pointed out that "the military estate is not an interlocutor of the political estate", and he expressed surprise for the projection of these documents for 20 years, without Paraguay having yet defined a State policy for that term.

By the way, Jacinto Santa María²⁸, member of the referred work group, recognized in these forums the "proposal" nature that originally such documents had. Regarding the "Defense Policy" he mentioned that "it was not yet a policy, it was not ready to be implemented, it was not in agreement with the legal framework in force, and it did not yet have the essential characteristic of a State policy which is the legitimacy arising from a consensus".

It is worth mentioning that Law 1337 "National Defense and Internal Security" has the objective of establishing through Title I "the legal, organic and functional bases of the system of planning, coordination, execution and control aimed at ensuring the national defense" (Art.1); this in turn is defined as the "system of policies, procedures and actions developed exclusively by the State in order to confront any form of external aggression which endangers the territorial sovereignty, independence and integrity of the Republic, or the democratic constitutional ordering in force" (Art. 2).

Title II of the same Law deals with internal security, which is understood as "the de facto situation in which public order is guarded, as well as life, freedom, and the rights of people and entities and their assets, in a context of full force of the institutions established in the National Constitution" (Art. 37). Its range of space is the whole country's territory, the jurisdictional waters and the air space (Art. 39).

In any case, the fact that that "Defense Policy" has obtained official nature evidences some aspects worth pointing out. First, it acknowledges important deficiencies in the public policy area, hence it proposes a wide revision of their guideline bases and of the State itself, as well as its structure and operative criteria, bearing in mind the presence of threats that are clearly identified; but it does so overlooking or violating precepts in force, which reveals, at least, a non-understanding of what a Rule of Law is. Second, it reveals that from the military estate arises a totaling look regarding the problems of security and defense, a look that is at the same time clearly asymmetric for the emphasis on the military field,

²⁸ Santa María, Jacinto: "Defense policy and strategy. Introduction of the Policy of Defense of the National Government" (debate in plenary). Workbook Series, No 12. CEPPEPRO. 2001.

evidencing an inconsistency regarding the scope it should be given, being rigorous with a wide-ranging defense policy. Third, it may be said that this totaling look does not find a reply among politicians, so that the non-military aspects that constitute a security policy are treated from their respective areas of competence, without the desired vision or articulation; besides, the political reactions above highlighted indicate an empty space in the national defense sphere which is obviously filled with the military view. Fourth, the intention of generating an impact through appearances prevails once more –this time in terms of a reform of the defense system- rather than with concrete results which arise from an adequate diagnosis of the situation and a rational response through efficient and effective measures; in fact, there is no record of any progress whatsoever in the years past.

In fact, there is an inertia problem in how decisions regarding security and defense are undertaken. Beyond the different conceptual inclinations between politicians and military, and putting into perspective the latest decade, changes in the regulatory framework and in budget allocations, made as well as proposed, reflect that the problems have not been properly pondered. The country's interests, the threats and the relevant allocation of resources with the sobriety that a both renovating and innovating political will should have, have not been considered. Indeed, the reactions perceived in view of certain threats - through fight against piracy, drug trafficking, money laundering, for instance- may probably be explained rather by external pressures which demand concrete results, however it should not be discarded that even these may be, to a significant extent, a facade.

The rhetorical-formal schematism of the document in question does not discard the fact that in the military estate there is awareness of the real problems the country has in terms of security and defense, though they handle these with the reserve that is typical in them, partly because of the restrictions they have to make their opinions public, and partly because of corporate interests. The period of military governments seems to have been overcome in the continent and a tendency toward the strengthening of democratic systems of coexistence prevails, but in Paraguay, and even considering that there are manifestations of degradation of the military influence in political-government issues in the past few years, the fact that it is still strong should not be overlooked. That traditional nationalist attitude by which the military feel they are ultimately responsible “for the fate of the country” should not be discarded either. These are visualized in strong connection with the problems of security and defense, matters in which they consider themselves expert and do not acknowledge but a scarce if not null qualification in politicians for an adequate handling of such problems, without disregarding the respect that institutional formalities in force establish.

It is precisely for this reason that one should be careful about conceptualizing national defense in the wide sense in the context of objectives such as the strengthening of the Rule of Law and democracy in Paraguay. It is relevant to wonder whether an emphasis in the systemic focus on problems and the consequent distribution and articulation of responsibilities among the different organs of the government, like that reflected in the document “Defense Policy” considered, is a sufficient testimony of an authentic political will or that does not exclude a sort of latent pretorianism. It is not senseless to notice the possibility of the conformation of an institutional structure which, according to that conceptualization, implies the parallel handling of the whole set of problems of security and

defense of the country being controlled by the military. It is hard to assert that such purpose, which really existed a few years ago in the country, is absolutely untimely in the more or less distant future, especially considering the fragility of the Paraguayan institutionality and the scarce success of the latest governments in the creation of conditions of well-being for the population.

In general, all the rationality of politicians in Paraguay is questionable from the point of view of general interest or of the realization of the common good. They should react and assume their public responsibilities with a different ethical attitude. With that new and different attitude, transcending the restrictive concept that politics means a mere struggle for power, they should embrace all the problems related to coexistence and undertake the elaboration and execution of policies with the sufficiency required to make them respectable. However, in the perspective of the attainment of substantial changes, the negative conditionings arising from the character of traditional society prevailing in Paraguay, should not be forsaken.

In the non-military aspects of security, such as internal security, health, education or social marginality, they tend to express interest, at least in appearance or in rhetoric-stating terms, but regarding national defense in a strict sense they express little or no serious concern. There is a notorious deficiency at political party level to treat this latest problem as a State issue that interests and affects the country's population. As justification, the practically absolute absence of risk that a war conflict occurs with neighboring countries is presented, but such view is narrow as there are threats that require defense definitions related to the military function. CEPPRO's Civil-Military Relations project made a systematic work in order to raise awareness about that responsibility and to provide certain training on such matters to politicians, necessary for an adequate evaluation of the military technical criteria. The degree of progress achieved indicates that it is an area of action which still requires important additional efforts; the degree of favorable response obtained allows to point out that these should be undertaken.

In the latest pre-electoral campaign and through the government platforms submitted to the citizens that asymmetry is reflected in the consideration of the different problems. Taking into account the Colorado Party's (ANR) platform, whose candidate won in the latest elections and presently exerts the Executive Power (2003/2008 period), the lack of global focus on the security problems becomes clear, although emphasis is put on some threats such as "ignorance, hunger, sickness and poverty", as well as citizen insecurity and corruption with its impunity. No question whatsoever regarding national defense and the role of the military is highlighted.

In response to such problems this platform proposes "to offer a quality education with equality for all", "to stimulate the creation of jobs", and "to reactivate rural production", "to improve the access to and the quality of health care services", among other lines of action. In particular, in order to "promote a greater citizen security" it is aimed at the reduction of "the social causes of crime" through the creation of job opportunities, education and entertainment in poor neighborhoods, revision of the Penal Code and the Penal Procedural Code, and the reorganization of the National Police establishing a new study plan as well as increasing and modernizing their equipment; in order to "drastically combat corruption and impunity"

“governing with the example” is mentioned as well as modernizing and professionalizing the public function.

Since this political party has governed the country for over a half century, to a large extent accompanying military regimes, there is no doubt that all those mentioned threats have appeared or have accentuated in the period passed. Therefore, it is hard to be reasonably optimistic regarding a substantial change of attitude in the management of public issues, so that the concrete solutions proposed could be effective in the immediate future or in the short and mid term, although it is true that the human need of keeping hopes could explain the emotional aspect of the repeated electoral support that the population give to their candidates, whose legitimacy is not discussed anymore as it was until the beginning of the '90s, as the most recent elections were characterized by a greater degree of transparency. From another point of view that support, not majority support in the latest elections, as the opposition - although divided- obtained a larger percentage, would also imply rationality in the sense that the opposition does not yet appear as a sufficiently valid alternative.

Neither does the PLRA give evidence in its electoral platform of a complete perspective of the problems of security and defense, but it deals with two sensitive problems as the fight against corruption and the growing citizen insecurity. On this last point it proposed to formulate a national security policy in a maximum term of 90 days with the collaboration of the police and international experts who would be required technical assistance. This expression does not seem to be inclusive enough, especially considering other measures predicted: the provision of resources and training for the National Police, the restructuring of the penal system, and supplying the State Attorney-General with material and human resources to allow it to perform its functions adequately. But beyond that, one wonders why such policy would not be defined before embarking on a proselytism campaign.

It considers corruption as “one of the negative factors of greatest incidence on the development of peoples”, admitting that in order to combat it is very important “to reduce the state interference on economy to the minimum and not to allow the operation of monopolistic companies”, among other measures. Regarding education it draws attention on the negative impact of an illiteracy rate of over 40% in terms of the high level of poverty and of the outstanding social inequality existing in the country. It also refers to the backwardness reflected in the health indicators in Paraguay’s positioning in the continental level, as expression of significant deficiencies. When focussing on the economic problems it emphasizes the need for a Rule of Law, regarding the importance of legal security as a component of the set of favorable conditions that would allow to “rebuild the economy”. Relating to the Armed Forces it proposes to “urgently re-design the role” that they must assume, particularly highlighting the problems of the reform of the compulsory military service set out in the Constitution.

In its government program the Patria Querida (Beloved Country) Movement (MPQ), now already a political party after obtaining the third place in the latest elections, presented the possibility of a “positive revolution”, one of whose pillars was the “revolution in security” that basically covered the problems of citizen security, even contemplating the action of the Armed Forces in such area. That is to say, it mentions “zero tolerance to delinquency”, for which it planned to restructure, reorganize and strengthen the State’s security components,

reform the jail system, promote active citizen participation in the fight against crime, as well as to implement and institutionalize the Penal Procedural Code. On this basis it was expected to achieve a country that is “safe, under the rule of law, where no crime goes unpunished”, where the “sense of insecurity” disappears.

As for the “revolution of the Armed Forces, to the service of security”, the MPQ platform proposes to undertake a constitutional amendment to replace compulsory military service with compulsory social service, to prepare the military personnel to participate in civil defense actions, and to utilize the physical and logistical military infrastructure to support training programs of agricultural/livestock producers of the zone, as well as for the development of economic infrastructure in regions that are not accessible for private activity, assuming a pioneer and subsidizing role.

In the educational area illiteracy problems are identified, as well as the unsatisfactory rates of school coverage and retention, linked with an insufficient budget allocation. In the health sector the following are mentioned as problems: the considerable percentage of population who do not have access to institutional services for health attention, and the low percentage who has medical insurance, for which budget allocation is also considered low, among other. Likewise, when recognizing the need to create an environment of certainty, sobriety, security, and trust in accordance with the development of the country’s productive potential, this platform mentions that the most important of the many challenges that must be undertaken is the situation of extreme poverty and deterioration of the population’s standard of living. It is only relevant to wonder whether there have been calculations about the required financial resources to cover all the planned subsidies in response to the mentioned situation, and to what extent these would come from additional tax collection, of higher collection for less evasion or from relocation of funds.

CEPPRO’s Civil-Military Relations project has made an interesting compilation of national interests and threats according to the opinion of members of target groups involved in the problems of security and defense, who are participants in different forums organized for that purpose. It is pertinent to present the results of the work done, although they do not have an official character, they are valid as a perception of the reality.

A first civilian-military working group²⁹, made up by members of parliament, politicians and citizens of different professional profiles on one hand, and officers of different ranks between lieutenant colonel and colonel on the other, identified firstly problems of security and defense of Paraguay in general terms, standing out the need to define what is understood by security and defense, so that the Paraguayan society would understand their scopes better. Besides this conceptual inaccuracy, it was mentioned the existence of a confusion of roles between the institutions responsible for security and defense, considering it necessary to define them properly according to the national interests, so that they may play them effectively and social tranquility can be achieved. Particularly, it was pointed out a lack of clarity as to the practical meaning of the mission of the Armed Forces and their adaptation to the real needs of the country.

²⁹ Workbook Series, No 18. CEPPRO. 2002.

All of this was considered important given the discredit of such topics in society, as well as the need of giving back credibility to the State institutions and to recover the citizens' confidence. In this sense, emphasis was put on referring to the weaknesses of the State's institutions and to their inefficacy, which is to a large extent explained by its extreme partisanship being a permanent object of political manipulation. There were discussions about the lack of defense mentality of the institutions and about the resources of the country, and even about the absolute lack of a State policy, which must be reverted. However, another problem was visualized: political idleness and lack of interest in dealing properly with the State's issues, leaving the legitimacy of the representation and mandates degraded; to this was added the lack of aptitude and competence of public employees.

It was particularly mentioned that the different actors in charge of the problems of security and defense show lack of responsibility and commitment, expressing preoccupation over the vulnerability of security controls. It was mentioned the insufficient adaptation of the military estate to the demands of the Rule of Law, for the prevailing manifestations of corruption, prepotency, human rights violations, and frictions between the civil and military justices.

It was also acknowledged the existence of budgetary problems, in terms of lack of funds and bad distribution of those available, the need to optimize their utilization being clear. A bad administration of state resources was mentioned, as well as the lack of transparency in their use and their malfeasance. Regarding the military budget the idea of adapting it to the country's reality was mentioned, although the need to modernize the Armed Forces was pointed out. This is related to another problem, the compulsory military service, which must undergo a revision.

Focussing subsequently on other aspects of the Paraguayan reality in terms of security and defense, the same group identified other problems which might be categorized as threats that the country faces. On this, there was coincidence in highlighting the international Mafia represented by national players with influence and power linked to drug trafficking, vehicle trafficking, among other illicit businesses; their presence is an obstacle to the country's institutionalization. The perverse incidence of a generalized corruption and impunity was mentioned, emphasizing on the corruption in the Judiciary Power with their implications in Justice. The negative incidence of the weak citizen formation was cited, along with the unfit instruction of young people, the predominant ignorance regarding the institutions and the loss of social values, all of which is summed up in a deficient education. It was also discussed the risk of a social explosion as a consequence of the conditions of growing poverty evidenced in the country.

It is relevant to recall from the discussions of this group, finally, the reference to an important problem in the context of a democratic Rule of Law, which is the "apparently politicized attack by the media on institutions" as an expression of a press handled by economic groups whose interests condition the serious, responsible and honest exercise of freedom of press, linked in turn to other constitutional rights.

A group of young men from the inner country³⁰, responding to the proposal of the need to seek the proper rationality in the treatment of the problems of security and defense, and attempting to create citizen awareness on that, participated in a workshop oriented toward the identification of national interests and the respective threats. The Paraguayan interests identified by this group were the following:

- National sovereignty and integrity; defense of the national territory.
- Maintaining the cultural and traditional heritage; keeping the national identity.
- Keeping democracy; good performance of authorities' functions.
- Obtaining economic-social development and protection of natural resources

On the other hand, the threats identified against these interests were: the organized Mafia which is in charge of trafficking in all kinds of sectors, standing out the unequal competition that contraband implies for local industries; the generalized corruption linked with the reigning impunity; the peaceful, progressive and systematic invasion of foreigners and their cultures, with a stress on the presence of "brasiguayos" (Brazilian/Paraguayan) in bordering zones; the violation of air space and jurisdictional waters; insecurity in general; and deforestation and environmental pollution.

With similar purposes, two groups of civilian and military people³¹, made up by young people from political parties with parliamentary representation and by young officers of the Armed Forces with ranks between lieutenant and lieutenant colonel, on one hand, and by members of parliament and high-rank officers of the Armed Forces, on the other; identified the following national interests of Paraguay, that have been sorted by affinity:

- The protection and preservation of life.
- The Republic's sovereignty and territoriality, including its air, water and land communication routes. Cultural and political identity was also mentioned, especially the preservation and promotion of the own culture, as well as keeping peace and security in general.
- The permanence and defense of the Rule of Law and democracy, with rule of justice.
- The population's education.
- The environment, the preservation and defense of natural resources, their utilization, also existing the criterion that land ownership should be for Paraguayans. Special reference was made about the water reserves the country has.
- Fight against drug addiction

The same groups identified the following threats:

- Abortion, as well as hunger and lack of health affecting a significant percentage of the population
- Large neighboring countries and a deficient Rule of Law, with insecurity, a significant level of delinquency and impunity, which leads to the fear of justice made by own hands. The country's lack of vision is pointed out.

³⁰ Ibid.

³¹ Ibid.

- A “movable” border with Brazil, because of the presence of “brasiguayos” who have settled in Paraguayan territory, implying a cultural invasion that prevails as a result of the lack of Paraguayan presence.
- Ill-negotiated globalization and integration, an addition that besides expressing a threat, was also considered referring to opportunities and chances which could be taken advantage of positively through action. The capitalism-non capitalism bipolarity was also mentioned.
- Dishonesty and corruption as a means and way of living, as well as the incidence of power groups trafficking all kinds of goods and services, especially mentioning drug trafficking.
- Illiteracy and low level of formation of human resources in general, poverty, unemployment and economic exclusion, with its correlation in the lack of equity in the distribution of riches.

In another participative workshop, within the same working scheme, a group of members of parliament³² identified the following national interests of Paraguay:

- Citizens’ life and integrity
- National independence, sovereignty and territorial integrity, the geopolitical integration of the whole national territory standing out, considering above all the borders and critical territories which may escape from the State’s authority.
- The permanence of the Rule of Law
- The population’s education
- Sustainable development, with a particular allusion to the non-renewable natural resources.
- Hydroelectric plants

The threats identified against these national interests were:

- The deterioration of quality and the little appreciation of it.
- The weakness of Republican institutions, the lack of border delimitation, corruption and drug trafficking. The existence of enclaves with enough economic and military power to create “territory without state control”.
- The lack of definition of institutional roles and violence in any of its forms.
- Ignorance and loss of values
- Poverty, misery, and hunger.
- Terrorism.

This work group focussed on the problems of the national defense system, admitting that it does not exist as such and that consensus is needed for its formation, which involves dialogue and agreement. It maintained that there is little understanding in the society about the concept of national defense in its wide sense and that there is a communication problem in that regard. In that opportunity it was agreed at this political level to undertake a work of dialogue and debate in order to solve these problems; there was also talk about the

³² Ibid.

convenience of promoting the concept “security” through calls oriented toward a wide citizen participation. This task, although useful and necessary, was left pending.

Another group made up by young Colorado Party (ANR)³³ identified the following national interests:

- Culture; defense of the national culture. Education and health
- Territorial and institutional sovereignty. National security and internal security.
- National heritage: defense of the water resources and hydroelectric dams. Ecology protection.

This group also prioritized a series of reforms, mentioning the reforms of the national Constitution, the reform of the judiciary system and strengthening of justice, the economic reform and the reinvention of MERCOSUR. The possible orientations were not contemplated in detail, but it is worth pointing out that the given proposal of considering free market as of national interest did not reach a consensus and some participants, on the contrary, considered it a threat and a danger. Even though forestry resources were considered as a national interest, in such case it is pertinent to treat what is left of them, in that way. It was also mentioned that popular sovereignty constituted a national interest.

Some of the threats against Paraguay’s national interests identified by this group are as follows:

- Loss of cultural identity.
- Invasion of national territory (in its different forms and scopes), legal insecurity, social injustice and insecurity, bad distribution of resources, corruption, and terrorism. Misinformation.
- Pollution.
- Bad financial management, as well as lack of budget.

This group also mentioned that bad politicians and the attack to popular will, along with the attempts for political destabilization, constitute threats to the national interests. The same criterion was applied to the phenomenon of globalization, linked to the loss of identity, the policy of privatization, and the development of the neoliberal-style free market. This reflects the ideological discrepancies already mentioned.

Within the same experience developed by CEPPRO, the last group which worked on the country’s problems of security and defense was also of a civil-military nature, and was made up with young political leaders and by officers of the Armed Forces with ranks between lieutenant and lieutenant-colonel³⁴. Five sub-groups were formed, one per participating party / political movement and two of military officers, who undertook to identify Paraguay’s national interests in such subjects; such results were presented and discussed in plenary, reaching the following consensus:

³³ Ibid.

³⁴ Workbook Series, No 19. CEPPRO. 2002.

- To guarantee national sovereignty and territorial integrity.
- To integrate Paraguay into the international system.
- To guarantee the country's trustworthiness at internal and external levels (transparency and efficiency in its management).
- To promote the adequate use of natural resources and environmental protection.
- Preserve peace in order to achieve national well being.

Evidently, the wideness of this formulation allows for the coverage of different interests, which had a more punctual expression in each one of the groups. The members of the Colorado Party presented, for instance, the need to redefine the role of the Armed Forces. The members of PLRA in turn mentioned legal security, as well as professionalization and the reduction of the Armed Forces. The military, in turn, propose the performance of peacekeeping operations and of a support work in cases of natural disasters. It is relevant to mention that the preservation of national identity, presented as an interest, did not reach consensus.

The same sub-groups subsequently identified the threats that each of these interests were exposed to; these results were again submitted to the consideration of all participants in plenary session, reaching the consensus that follows.

Against the first national interest pointed out the following threats were considered:

- Territorial occupation of border areas by neighboring countries.
- Violation of sovereignty by authorities of neighboring countries.
- International organizations that attack the national interests and the Powers of the State.

Against the second national interest pointed out the following threats were pondered:

- Conditions for the cooperation of international organizations, proposed beyond the possibilities of Paraguay.
- The restrictions on Paraguayan products for international trade.

Against the national interest mentioned in the fourth place the following threats were considered:

- Illegal trafficking.
- Irrational exploitation of resources.
- Illegal appropriation of the use of natural (water) resources by neighboring countries.
- The international interest on natural resources.

Against the national interest mentioned in the fifth place the following threats were considered:

- Terrorism.
- The interruption of democratic processes due to outside influence.

- Regional political and economic instability.
- Drug trafficking.
- International criminality.

In one of the groups it was mentioned that invasion of private property was a threat against this national interest, but such factor was finally catalogued as a weakness and not a threat.

Regarding the national interest mentioned in the third place, which related to the country's trustworthiness, the factors identified as threats were finally not classified as such, but as weaknesses; for that reason they were omitted. However, it is relevant to mention them: generalized corruption, sectarian interests and the lack of credibility in the political class. On the other hand, although the preservation of the national identity did not reach consensus for its classification as a national interest, some sub-groups mentioned the relevant threats: invasion of the foreign media power, especially in border zones, loss of traditions, massive foreign access, and the lack of respect to national values.

It can be concluded that, given a formulation more or less formal of the national interests, the players directly involved in the problems of security and defense of the country, as well as those who only have a citizen perspective of them, express their concerns on them visualizing threats that are considered traditional and others that deserve the status of new because their incidences as such are marked in the period subsequent to the Cold War.

Evidently, and above the intention –rather military and more apparent than real- of elaborating a policy of defense in its wide sense, there is sufficient awareness in these players regarding the character of the Paraguayan institutionality, very fragile indeed, and its internal and external implications, that generate preoccupation in view of the need to face such threats in order to consolidate the viability of Paraguay in future and to create conditions that contribute to a greater well being of the population. These problems, characteristic of a security policy, exist, and most of them represent risks more or less immediate which require the attention that should be given to State matters seeking to overcome them.

An important coincidence of opinions is verified in terms of the source of that institutional fragility of Paraguay and the incidence in such sense of the way of handling public function and of understanding and doing politics prevailing in the country, determined by sectarian interests and prebendary and clientelist criteria in the structuring and modus operandi of the state system. Thus, it is not surprising that a corruption so widespread as perverse, which conditions the functioning of the public and private sectors, becomes so preeminent. On that same basis, the fact that the negligence in handling public affairs is evident is not surprising either.

In fact, within the different work groups a notorious coincidence regarding the inconsistencies of justice was manifested; in connection with the significant informality of international trade, questioned with a protectionist connotation but which must be observed especially because of the violation of the principle of equality and the abuse of undue privileges; on the permeability of borders and the lack of the necessary Paraguayan presence that ensures the preeminence of the country's regulations in important extensions

of the national territory, without necessarily resorting to a false nationalism or to a retrogressive aversion against what is foreign; regarding the vulnerability of the security mechanisms, which affect or may affect the land, air, or water sovereignty and create favorable conditions for illicit transit, for activities linked to terrorism or for common delinquency; regarding the implications of the deficiencies of public policies: low education level, poor attention to health and poverty, without that revealing clarity of concept regarding the proper orientation to these; and regarding the problems of the environment and rational exploitation of natural resources.

The existence of budgetary restrictions has been sufficiently acknowledged. This is undoubtedly explained partly by the country's level of underdevelopment and its logical consequence of a more accentuated relative scarcity of resources, but within the different work groups, the impact that the bad utilization of public funds has in such sense because of the prevailing level of corruption or incompetence, was also recognized. Another aspect worth highlighting about the problems of security and defense is the role that the military estate must play, whose existence, although questioned from some citizen sectors, is characteristic of a State, for which reason it should be focussed with the necessary rationality.

However, all this awareness related to the nature of institutionality in Paraguay and all this recognition of the problems of security and defense are not reversed in decisions and systematic practices which imply, on the basis of the change of political attitude, that the concrete problems the country faces in such areas of the public policies be confronted with a perspective of totality and time horizon, projecting and using preventive criteria, and not only reactive ones according to international pressures. In any case, the fact that these exist precisely reveals that the country's insertion into the regional and world spheres is considered to be closely linked to the existence of those threats which affect, as well as the country, foreign interests, probably legitimate, which demand answers. In the context of the triple border among Brazil, Argentina and Paraguay, the development of Ciudad del Este as operative platform of many of those threats, as well as the subsequent tendency to its suffocation as a center of illicit businesses, develops as a singular case which reflects the referred Paraguayan reality.

Of course, appreciations have appeared that are explained by retarding ideological criteria that should no longer exist, such as those related to questionings to basic principles of socioeconomic organization oriented toward a more efficient and effective division of work between the government and private sectors regarding the needs of coexistence and its more effective satisfaction. This should not be surprising, on one hand, because ultimately that socialist or pseudo-socialist rhetoric attempts to survive in many parts of the world. On the other hand, however, it reveals the need to intensify the work of clarification of ideas about the route that should be adopted by a society willing to modernize. In this sense attention should also be paid to a differentiation in the substance regarding political practices which, using such principles or giving their adoption and application, do nothing but pursue spurious objectives that wind up gratuitously discrediting them. Therefore, every effort toward a better understanding of the advantages of the market economy system in a context of republican and democratic Rule of Law, will tend and contribute to facilitate change in the country.

5. THE SECURITY AND DEFENSE BUDGET IN PARAGUAY

Like every State, Paraguay periodically defines how much money to allocate to security and how much to defense, in the context of the several needs that it decides to cover from the public sector. This implies that the elaboration of a public budget for these areas of public policies reflects a conceptualization of such problems. Beyond focussing on them and verifying their scope, it is necessary to consider it in connection with the conceptual discussions and the concrete reality of the country presented in the previous chapters. For that purpose it would be pertinent to wonder whether such decisions of resource allocation respond to strategic criteria.

The concept of strategy refers in this context to the efficient use of means in the achievement of objectives. With this perspective the Nation's General Budget will be analyzed, on one hand its composition: by institution, by function and by their object, considering breakdown levels which allow us to identify the referred specific allocations regarding security and defense, and on the other hand its evolution in the past few years, showing the changes that took place in state priorities according to political decisions.

The Paraguayan public sector is made up by the Central Administration (AC), the Decentralized Entities (ED), the governing offices (G) and the municipalities (M). The Central Administration includes the three Powers of State: Legislative, Executive and Judiciary, besides the General Inspector's Office of the Republic; the State Diverse Obligations are also included here. Within the Decentralized Entities are the public companies, development organizations, educational entities, regulating entities, social security entities, and financial entities. The third components of the public sector are the 17 department (provincial) governing offices. It should be mentioned that the over 220 municipalities, although they are part of the public sector strictly speaking, are not included in the Nation's General Budget.

The Nation's General Budget contemplates income, expenditures, financing and public debt of the organizations comprised in the mentioned structure. Each one of these large sectors and their breakdown are budgeted, are subject to modifications during the fiscal year, and they obtain the nature of obligation when their execution is agreed and they become a commitment which is usually paid; otherwise it remains transitorily pending as a floating debt.

The Central Administration's incomes are divided into the following categories: 1) current, including tax and non-tax incomes (especially resources coming from the Itaipu and Yacyreta bilateral entities) as the most important items; 2) capital, of scarce significance; and 3) financing, including external credit, internal credit and the variation of cash on hand. As it can be seen in chart 1, current income represents in average approximately 70% of the total income of the Central Administration in period 1999-2001; tax income have a participation between 40% and 45% of the total income, while non-tax income vary between 15% and 22%. After current income the most important category is financing, especially that coming from external credit, although in year 2001 internal credit rose to 10% of the total income, having represented 0.8% in 1999.

Chart No 1
Income of the Central Administration
 In millions of dollars and percentages over the total

	1999		2000		2001	
	Collected	% Part.	Collected	% Part.	Collected	% Part.
Current income	1,283.8	66,4	1,210.9	72,7	1190,9	77,0
Tax income	760,0	39,3	763,3	45,8	683,0	44,2
Contributions to social security	91,3	4,7	85,7	5,1	75,1	4,9
Non-tax income	355,2	18,4	263,5	15,8	348,1	22,5
Sale of goods and services of the public administration	21,5	1,1	24,8	1,5	24,1	1,6
Current transfers	11,5	0,6	7,5	0,4	24,8	1,6
Other current resources*	44,4	2,3	66,1	4,0	35,9	2,3
Capital income	13,8	0,7	24,0	1,4	0,6	0,0
Sale of assets	1,1	0,1	0,3	0,0	0,6	0,0
Reduction of financial investment	12,7	0,7	23,7	1,4	0,0	0,0
Other capital resources**	0,0	0,0	0,0	0,0	0,0	0,0
Financing	635,8	32,9	431,5	25,9	355,1	23,0
Internal credit	15,8	0,8	51,9	3,1	151,6	9,8
External credit	551,6	28,5	224,1	13,4	85,6	5,5
Initial cash balance	68,4	3,5	155,6	9,3	104,7	6,8
Recovery of loans	0,0	0,0	0,0	0,0	13,1	0,8
- Total income	1,933.3	100,0	1,666.4	100,0	1,546.6	100,0

Source: Financial Report from the Ministry of Finance.

* Including: property income, income for current operations and donations.

** Including: capital transfers and capital donations.

The expenditures of the Central Administration, in turn, are subject to several classifications: institutional, by object of the expense, by purposes and functions, programming, among other. According to the first criterion, and apart from the State's Diverse Obligations which constitute the most important item (one of the components is the Public Service Pension Scheme, which handles retirements and pensions), institutions are ordered –according to the importance of the level of budget managed in 2001- in the following way: Ministry of Education and Culture (MEC), Ministry of Public Works and Communications (MOPC), Ministry of Public Health and Social Welfare (MSPyBS), Ministry of the Interior (MI), Judiciary Power, Ministry of National Defense (MDN), Ministry of Agriculture and Livestock (MAG), Presidency of the Republic, Ministry of Foreign Affairs (MRE), Ministry of Finance (MH), Ministry of Justice and Work (MJT), Legislative Power, Ministry of Industry and Commerce (MIC), General Inspector's Office of the Republic, and Vice Presidency of the Republic.

This year the Central Administration executed a budget of 1,400 million of dollars, equivalent to 21% of the Gross Internal Product (PIB). Chart 2 shows that in the '90s the expenditure of the Central Administration doubled and even more than tripled that registered at the end of the '80s. In the beginning of 1989 General Stroessner's dictatorial government fell, becoming evident that from then on the "transition toward democracy" considerably expanded the public expenditure.

In the same period the expenditure of the Legislative Power was multiplied by 14, the Judiciary Power's by 17 and the Executive Power's by 3.7. The reforms that the 1992 National Constitution introduced in the Legislative Power and Judiciary Power spheres, implying in the latter case the incorporation of the Electoral Justice and of the State Prosecutor, partly explain that important increment. In the sphere of the Executive Power, the ministries of Education and Public Health multiplied by over 6 their respective executed budgets, the Presidency of the Republic multiplied it by 21, whilst the Ministry of National Defense represents the opposite: it increased only 21% considering the extremes of the period.

The expenditure of the MDN, which covers the military expense, grew during the first half of the decade of the '90s reaching 136 million dollars in 1995, from that year it lost importance within the Central Administration decreasing the executed amount to 65 million dollars in 2001. This behavior clearly coincides with the degree of military intervention in the politics of the country. On the other hand, the Ministry of the Interior, which includes the police budget, multiplied by 2.6 its expenditure between 1989 and 2001, growing from 34 million dollars in that first year to 122 million dollars in 1997 to begin then a fall which reached 90 million dollars in 2001.

It is relevant to compare graphically the evolution of the participation of the expenditures of the ministries of Defense, Interior, Education, and Public Health, the first two as key organizations for external and internal security, respectively, in the perspective of the traditional conceptualization of these problems, while the other two are so bearing in mind the current scope of the problems of security in their social implications.

As can be seen in graph 1, the participation of the expenditure of the MDN has diminished gradually in the past three decades, going from 20% down to 4% in relation to the total expenditures of the Central Administration. Instead, the participation of the expenditure of the Ministry of the Interior remained between 8% and 10% of the total until the early '90s, diminishing in the past few years to 5%; this percentage however is larger than that of the participation of the Ministry of National Defense.

As for the expenditure of the MEC, its participation in the Central Administration's total during the period from 1970 to the early '90s oscillates between 12% and 15% although with a subtle negative tendency, and drastically increases from then on up to an average level around the 20% of such total. Regarding the expenditure of the MSPyBS, during a large portion of the same period its participation was below the other three ministries, increasing its participation in the '90s, which remains around 7%.

Chart No 2
Expenditure of the Central Administration
 In millions of dollars

Institutions/Years	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Legislative Power	1,3	2,2	4,8	6,0	6,5	10,0	12,4	16,3	15,6	13,4	14,3	14,9	18,5
Chamber of Senators	0,5	0,8	1,7	2,2	2,8	4,2	5,3	7,2	7,1	5,8	6,1	5,9	5,0
Chamber of Deputies	0,8	1,4	3,1	3,8	3,8	5,7	7,1	9,1	8,6	7,6	8,2	8,5	7,5
National Congress/1	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	0,5	6,0
Executive Power	225,5	324,5	640,6	708,5	752,9	860,4	1.161,2	1.174,9	1.225,2	1.109,4	1.024,1	1.077,1	832,6
Presidency of the Republic	1,4	2,8	18,3	15,8	17,9	21,5	23,1	25,7	28,7	25,3	23,3	33,1	30,3
Vice Presidency of the Republic/2	-----	-----	-----	-----	-----	1,5	1,8	1,5	1,5	1,1	0,9	0,7	0,8
Ministry of the Interior	34,2	53,5	89,2	70,4	68,7	76,8	106,4	116,1	122,0	107,6	99,2	95,9	90,6
Ministry of Foreign Affairs	6,5	14,7	22,6	22,0	22,8	24,5	26,4	27,5	30,7	28,6	26,7	25,6	26,0
Ministry of National Defense	53,0	70,7	123,5	110,4	106,5	105,5	135,5	133,2	119,7	99,5	82,9	78,9	64,6
Ministry of Finance	19,1	14,3	56,1	88,2	53,2	61,9	79,3	83,8	82,4	77,7	51,6	40,1	24,5
Ministry of Education and Culture	45,3	62,6	127,8	148,5	190,5	223,7	293,8	343,8	367,5	336,1	329,7	367,4	304,8
Ministry of Public Health and Social Welfare	15,3	21,2	53,8	65,8	73,6	79,5	97,4	116,6	120,2	115,2	110,6	120,7	99,2
Ministry of Justice and Work	3,4	4,0	10,8	12,6	11,7	13,3	17,5	22,1	31,0	27,0	25,7	25,0	19,9
Ministry of Agriculture and Livestock	14,0	35,7	72,9	59,0	58,9	82,5	143,8	104,1	102,4	79,7	78,2	96,7	50,4
Ministry of Industry and Commerce	1,4	1,6	3,1	5,8	5,1	5,9	9,4	7,8	8,8	7,1	5,5	6,1	5,1
Ministry of Integration/3	-----	-----	-----	-----	0,3	0,5	0,8	0,9	1,0	0,6	-----	-----	-----
Ministry of Public Works and Communications	31,8	43,3	62,2	109,9	143,5	163,3	225,9	191,8	209,2	203,9	189,7	186,9	116,3
Ministry without Portfolio/4	0,0	0,1	0,1	0,1	0,1	-----	-----	-----	-----	-----	-----	-----	-----
State Council/5	0,1	0,1	0,1	0,1	-----	-----	-----	-----	-----	-----	-----	-----	-----
Judiciary Power	4,8	6,8	15,0	15,7	23,7	29,7	41,2	67,5	79,5	63,8	71,6	88,9	81,3
Supreme Court of Justice	4,8	6,8	13,0	12,8	16,5	21,3	26,7	34,9	41,4	38,4	42,5	54,9	47,9
Electoral Justice	-----	-----	-----	0,2	4,5	4,4	8,7	26,1	30,6	18,2	16,4	17,8	17,0
Public Ministry	-----	-----	-----	1,5	2,6	4,0	5,3	6,1	7,0	6,8	12,3	15,6	16,0
Council of Judges	-----	-----	-----	1,3	0,2	n.d.	0,5	0,5	0,5	0,4	0,4	0,5	0,5
General Inspector's Office of the Republic/6	-----	-----	-----	-----	2,7	3,1	4,6	7,4	8,8	6,6	7,3	6,1	4,9
Diverse Obligations of the State	166,0	232,1	427,0	238,7	210,3	267,1	322,7	382,7	371,5	382,9	574,9	556,1	461,2
Central Administration	397,6	565,6	1.087,4	968,9	996,2	1.170,3	1.542,1	1.648,8	1.700,7	1.576,2	1.692,2	1.743,1	1.398,5

1/ From 2000 on

2/ From 1994 on

3/ From 1993 to 1998

4/ Until 1993

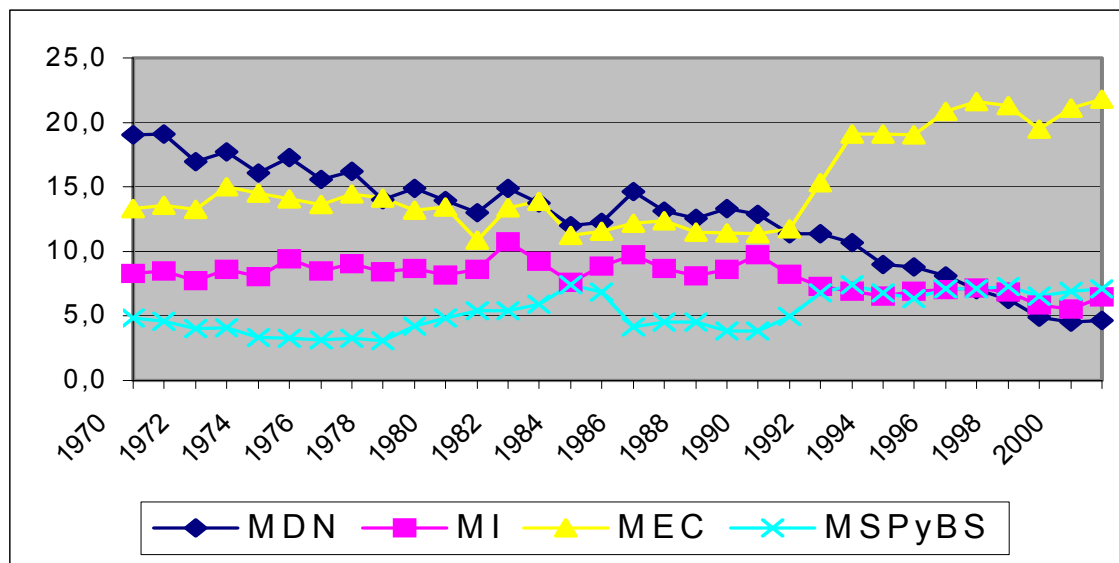
5/ Until 1992

6/ From 1993 on

Source: Ministry of Finance. Financial Report 1989-2000 and Integrated System of Financial Administration (SIAF) 2001.

Includes debt amortization.

Graph No 1
Budgets of the MDN, MI, MEC and MSPyBS: Evolution of their participation
 In percentage



Source: Own elaboration based on data from the Ministry of Finance

Before focussing on the Central Administration's budget according to the other mentioned classifications, it is relevant to present the public expenditure executed by the Decentralized Entities. According to the figures observed in chart 3, the level of such expenditure in 2001 in absolute terms represented a little more than 1,230 million dollars, being inferior than that of the two earlier years and equivalent to 18% of the same year's GDP. In this way it is verified that the relative weight of the public sector in the country's economy, excluding the governor's offices and municipalities, that year was close to 40%; it should be mentioned that the expenditure of the departmental and municipal governments would have taken such relative weight to approximately 45%.

Considering the decentralized entities with a certain breakdown, it may be said that public companies have the most weight in the total (58% in average). Following them in importance are the financial entities and the social security entities, with the 19% and 16% in average, respectively. Among public companies the following are outstanding for the higher level of expenditure: Paraguayan Petroleum (PETROPAR), which has the monopoly of diesel oil import, and the National Electricity Authority (ANDE), which is responsible for supplying electric energy; the joint executed budget amounted to 606 million dollars in 2001, that is to say, 49% of the total.

Chart No 3
Expenditure of the Decentralized Entities per Institution
 In millions of dollars and percentages over the total

Institutions/Years	1999		2000		2001	
	Compulso ry	% Part.	Compulso ry	% Part.	Compulso ry	% Part.
Development organizations	26,9	1,9	27,4	1,8	14,6	1,2
National Institute of Technology and Standardization	1,9	0,1	2,0	0,1	1,7	0,1
National Housing Council	10,2	0,7	8,2	0,5	2,4	0,2
Municipal Development Institute	1,3	0,1	1,6	0,1	0,3	0,0
National Welfare Office	2,3	0,2	2,8	0,2	1,7	0,1
Rural Welfare Institute	4,9	0,3	6,5	0,4	3,3	0,3
National Institute for Native Indians	1,2	0,1	1,7	0,1	1,2	0,1
Animal Health National Service	5,0	0,3	4,6	0,3	3,9	0,3
Educative entities	63,7	4,4	50,3	3,3	49,8	4,0
National University of Asuncion	56,3	3,9	41,1	2,7	42,3	3,4
National University of the East	4,2	0,3	5,2	0,3	4,2	0,3
National University of Pilar	1,6	0,1	1,8	0,1	1,2	0,1
National University of Itapua	1,4	0,1	2,0	0,1	1,9	0,2
National Fund for the Development of Culture and Arts	0,2	0,0	0,1	0,0	0,2	0,0
Regulatory Entities	10,6	0,7	41,5	2,7	11,1	0,9
Stock Exchange Regulating Body	0,3	0,0	0,3	0,0	0,2	0,0
National Commission of Telecommunications	10,3	0,7	41,2	2,7	10,9	0,9
Social security entities	226,3	15,7	253,2	16,5	181,9	14,7
Public Pension and Health Scheme (IPS)	136,7	9,5	151,9	9,9	104,5	8,5
Social Security Office of Employees and Workers of the Railway	2,4	0,2	2,2	0,1	1,6	0,1
Retirement and Pension Scheme of ANDE's Employees	13,6	0,9	16,4	1,1	19,3	1,6
Retirement and Pension Scheme of Bank Employees	64,3	4,5	74,7	4,9	49,5	4,0
Retirement and Pension Scheme of Municipal Employees	9,2	0,6	8,0	0,5	7,0	0,6
Public companies	812,4	56,3	869,0	56,5	769,5	62,4
Water Works Corporation	47,0	3,3	73,1	4,8	36,6	3,0
National Electricity Authority (ANDE)	264,2	18,3	237,5	15,4	301,8	24,5
National Telecommunications Authority (ANTELCO)	209,8	14,5	218,3	14,2	65,7	5,3
National Administration of Ports and Navigation	21,5	1,5	14,0	0,9	11,3	0,9
National Department of Civil Aeronautics	9,5	0,7	14,8	1,0	12,1	1,0
Paraguayan Petroleum (PETROPAR)	218,9	15,2	272,4	17,7	304,5	24,7
Cement National Industry	38,3	2,7	36,6	2,4	35,9	2,9
"President Carlos Antonio López" Railway	3,3	0,2	2,4	0,2	1,6	0,1
Financial entities	304,1	21,1	296,0	19,3	206,9	16,8
Central Bank of Paraguay	47,4	3,3	52,2	3,4	38,6	3,1
National Development Bank	185,2	12,8	177,8	11,6	123,1	10,0
National Workers Bank	13,7	0,9	1,6	0,1	0,0	0,0
National Bank of Savings and Loans for Housing	5,6	0,4	5,9	0,4	2,0	0,2
Agricultural Credit Department	17,3	1,2	26,2	1,7	16,1	1,3
Livestock Fund	23,6	1,6	19,1	1,2	15,8	1,3
Loan Department of the Ministry of National Defense	0,2	0,0	0,2	0,0	0,2	0,0
Countrymen Development Fund	11,2	0,8	13,1	0,9	11,2	0,9
Total	1,444.0	100,0	1,537.4	100,0	1,233.8	100,0

Source: Own elaboration based on data from the Ministry of Finance

It is pertinent to consider subsequently the executed budget of the Central Administration according to the object of the expenditure. As it can be seen in Chart 4, from this point of view the largest part of the expenditure of the Central Administration relates to personal services for salaries, subsistence allowances, entertainment allowances, and Christmas bonuses, among other. The amount executed in the 1999-2001 period varies between 590 and 680 million dollars; this represents around 40% of the total expenditure of the Central Administration. The second sector in importance is made up by the transfers (current and capital) which reached a total of 470 million dollars in 1999 and decreased to 350 million dollars in 2001, anyway keeping their percentage of participation in the total in an average of 25%. The Central Administration makes such transfers to public sector entities –as contributions of the Treasury and co-participation of taxes mainly-, to retired people and pensioners and also to the private sector.

Following the same classification, the public debt service (interests, amortization, commissions of internal and external public debt) constitutes the third item in importance. The budgetary execution in the years 2000 and 2001 was of 270 and 208 million dollars respectively, with an average participation of 15% for such two-year period. Physical investment, in turn, represents an item almost as important as the public debt service. The amount executed in 1999 and 2000 was 192 and 213 million dollars respectively, decreasing in 2001 to 128 million dollars; their participation percentage was maintained in an average of 11% in regard to the total. The remaining items have little relative importance in the total expenditure: the sum of the expenditures for non-personal service, consumer goods, exchange goods and financial investment, represents approximately 10% of the total.

Chart No 4

Compulsory expenditures in the Central Administration according to their object
In millions of dollars and participation in the total

Object of the expenditure	1999		2000		2001	
	Compulsory	% Part.	Compulsory	% Part.	Compulsory	% Part.
Personal services	658,5	38,9	684,6	39,3	589,8	42,9
Non-personal services	35,7	2,1	45,6	2,6	39,3	2,9
Consumer goods	60,3	3,6	72,4	4,2	49,1	3,6
Exchange goods	0,1	0,0	1,8	0,1	0,6	0,0
Physical investment	192,0	11,3	213,2	12,2	127,9	9,3
Financial investment	67,4	4,0	60,9	3,5	13,7	1,0
Public debt service	184,5	10,9	269,6	15,5	208,2	15,1
Current and capital transfers	469,7	27,8	383,6	22,0	345,8	25,2
Other expenditures	24,0	1,4	11,4	0,7	24,1	1,8
Total	1692,2	100,0	1743,1	100,0	1,398.5	100,0

Source: Own elaboration based on data from the Ministry of Finance

The expenditures of the Central Administration are also classified by objectives and functions³⁵. This classification has the purpose of showing the nature of the services that the State renders to the society, and it also allows to infer the importance given to each one of them in particular, supplying information for the sectorial analysis, control and evaluation of the public expenditure, as well as for the determination and clarification of the general objectives established in the law and in the government programs through the means used to reach them.

The concept “objective” comprises activities that are characteristic of the Public Administration and of services rendered to the society, which are grouped as follows: Government Administration, Security, Social Services, Economic Services, and Service of the Debt. It is worth focalizing the Security objective, which covers the actions inherent to national defense and to the keeping of internal public order, confinement and correction for definitive condemns and preventive confinement of people undergoing a legal process.

The National Defense function implies the organization and administration of the programs of national defense and operations of the Armed Forces: land, air, water, and support services, such as engineering, transport, communications, information, service corps, sanitation, etc., as well as the service units of military attachés accredited abroad and the supply of military equipment and structure. It includes the health services rendered by tent hospitals, but it does not include the services of education rendered by institutions of military instruction and formation of academic nature, neither does it include the services of hospitals and of general medical attention to which military personnel relatives have access, which are classified within the objective Social Services.

The function Internal Security refers to the organization and management of the country’s services of security and public order. It includes the administrative departments that direct and supervise the National Police’s security forces, the police services of the ports and borders, among others.

The function Confinement and Correction covers the confinement of people complying with orders of preventive or definitive imprisonment, including maintaining or improving the spiritual health of the confined people. As a complement there is an objective of Security without Discriminating, which covers general and administrative expenses not identifiable in a specific function of this objective.

Chart 5 shows the budget executed by the Central Administration for the objective Security and its different components in the 1997-2001 period. Its evolution records a decreasing tendency, going from 230 down to 133 million dollars annually; their participation in the total expenditure of the Central Administration falls from 14% to 10%, the latter percentage is maintained in the last three years. The most significant fall is seen in the function National Defense: down to less than 50% toward the end of the quinquennium, with which the corresponding participation falls from 7% to 4%. It is made noticeable that the relations of the expenditure in defense regarding the executed budget of the Central Administration

³⁵ Law No 1661/2001. Annex “Budgetary Classifier of Income, Expenditure, and Financing”

and regarding the GDP are notably lower than the indexes mentioned by Salvador Raza. It is relevant to add that the budget for the objective Security is executed by four organizations: Ministry of the Interior, Ministry of National Defense, Ministry of Justice and Work (function Confinement and Correction), and Presidency of the Republic (function Security without Discriminating).

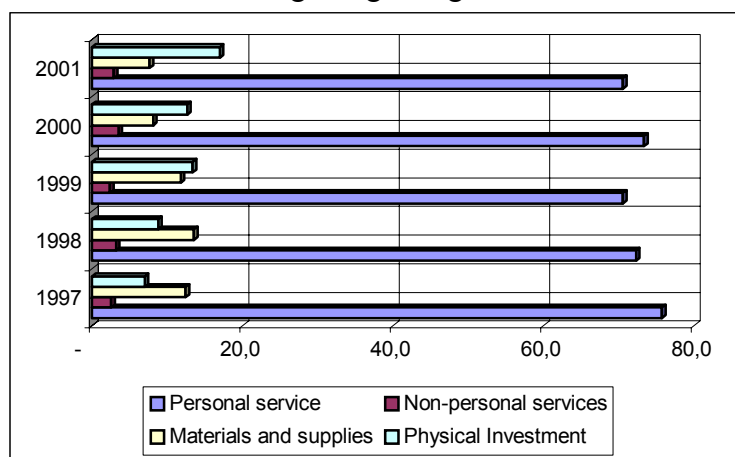
Chart No 5
Central Administration: Expenditure in the objective Security
 In millions of dollars and percentages

Sectors	1997	1998	1999	2000	2001
National Defense	114	94	79	77	53
Internal Security	116	98	82	82	73
Confinement and Correction	0	0	0	10	7
Security without Discriminating	0	0	0	2	s/d
Total Security	230	192	161	171	133
Total of the Central Administration	1,701	1,576	1,692	1,743	1,398
% Security/Central Administration	14	12	10	10	10
% National Defense/Central Administration	7	6	5	4	4
% Security/GDP	2,4	2,3	2,1	2,2	2,0
% National Defense/GDP	1,2	1,1	1,0	1,0	0,8

Source: Own elaboration based on data from the Ministry of Finance

Upon focalizing the budget executed by the Ministry of the Interior according to the object of the expenditure, it is worth mentioning that the item Personal Services represented, in average, 75% of the total belonging to this organization in the 1997-2001 quinquennium. See the following graph.

Graph No 2
Expenditure of the Ministry of the Interior according to their object
 Percentages regarding the total



Source: Own elaboration based on data from the Ministry of Finance

Next, the executed budget of the Ministry of National Defense is studied in more detail. The following chart shows the evolution of the expenditure related to each one of the objectives and functions covered by such organization in the 1990-2001 period. Obviously, the function National Defense is the one that absorbs a large portion of such budget; the amount represented by actions developed in the area of social services and economic services can also be verified.

Chart No 6
Compulsory expenditure of the MDN according to their objective and function
 In millions of dollars

Objective/Function	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
General services	64,9	102,9	107,0	96,2	96,1	128,0	125,6	113,8	93,9	79,1	76,8	52,8
National defense	64,9	102,9	107,0	96,2	96,1	128,0	125,6	113,8	93,9	79,1	76,8	52,8
Social services	1,2	2,1	1,5	10,2	9,3	7,6	7,6	5,9	5,6	3,9	2,1	2,1
Education and culture	0,1	0,1	0,1	3,9	3,6	4,3	3,6	2,9	2,4	2,1	2,1	0,1
Secondary and technical education	---	---	---	---	---	---	---	---	---	0,1	1,3	0,1
Cultural services	---	---	---	---	---	---	---	2,9	2,4	2,0	0,8	0,0
Public health	---	---	---	6,3	5,8	3,2	4,0	3,1	3,1	1,8	0,0	1,2
Prevision and social welfare	0,1	0,1	0,1	---	---	---	---	---	---	---	---	---
Housing and services for the Community	0,9	1,8	1,2	---	---	---	---	---	---	---	---	0,6
Science and technology	0,2	0,0	0,0	---	---	---	---	---	---	---	---	0,2
Economic services	4,5	1,8	2,0	---	---	---	---	---	---	---	---	9,7
Total	70,7	106,8	110,4	106,5	105,5	135,5	133,2	119,7	99,5	82,9	78,9	64,6

Source: Own elaboration based on data from the Ministry of Finance.

The budget of the Ministry of National Defense is divided in two parts: the one related to the bureaucratic expenditure of the ministry represents less than 5% of the expenditure, for that reason the part belonging to the Military Forces almost constitutes its totality. In chart 7 it can be seen the distribution of such funds between commando units in the 1997-2001 period. With the exception of the Commander-in-Chief Unit, all commando units suffered a reduction in their level of expenditure in absolute terms, but in relative terms the adjustment affected above all the Logistic Commando Unit, and in lower degree the Air Force; the Navy kept its participation in the total, while the Army increased it as well as the Commander-in-Chief Unit.

Chart No 7
**Expenditure of the Ministry of National Defense and of the Commando Units of the
 Military Forces**

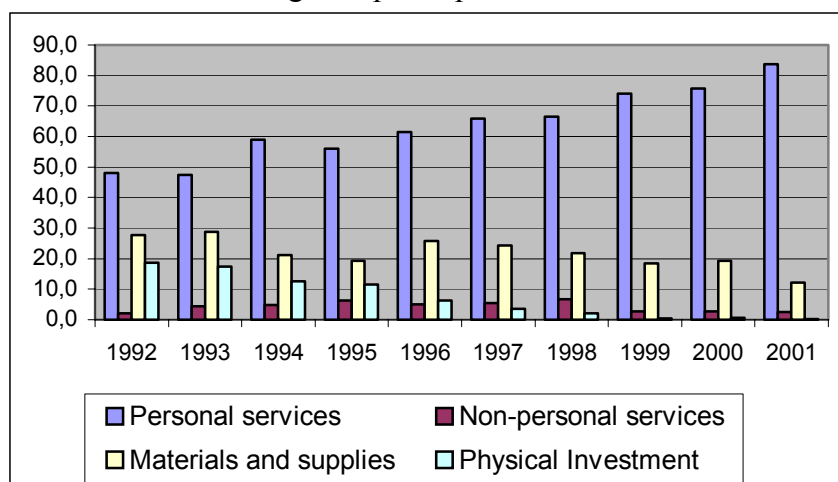
In millions of dollars and percentages

	1997		1998		1999		2000		2001	
	Compulsory	% Part.	Compulsory	% Part.	Compulsory	% Part.	Compulsory	% Part.	Compulsory	% Part.
Central Administration-MDN	2,8	2,3	3,6	3,6	3,6	4,3	3,5	4,4	2,0	3,1
Military Forces	116,9	97,7	95,9	96,4	79,4	95,8	75,4	95,6	62,6	96,9
Commander-in-Chief Unit	4,6	3,8	4,3	4,3	4,1	4,9	5,5	7,0	4,5	7,0
Commando Unit of the Army	43,7	36,5	37,1	37,3	35,8	43,2	32,3	40,9	29,7	46,0
Commando Unit of the Navy	18,9	15,8	16,5	16,6	12,8	15,4	12,1	15,3	10,2	15,8
Air Force Commando Unit	15,1	12,6	9,9	9,9	7,0	8,4	7,0	8,9	6,2	9,6
Logistic Commando Unit	34,7	29,0	28,0	28,1	19,6	23,6	18,4	23,3	12,1	18,7
Total	119,7	100,0	99,5	100,0	82,9	100,0	78,9	100,0	64,6	100,0

Source: Own elaboration based on data from the Ministry of Finance.

The behavior of the expenditure executed by the Ministry of Defense taking into account its main components according to their object, can also be seen. The largest portion is intended for Personal Services, a sector that evidences an increasing tendency in its evolution (even surpassing the 60/75% standard in 2001³⁶), whilst the sectors Materials and Supplies, Non-Personal Services and Physical Investment register a decreasing tendency, especially from the middle of the decade of the '90s. For this reason it is relevant to wonder about the level of enlisting the country's Armed Forces currently work with on one hand, and about the degree of technical and political rationality that characterizes the decisions which implied a relative adjustment of the budget. See the following graph.

Graph No 3
Compulsory expenditure of the Ministry of National Defense according to their object
 Percentages of participation in the total



Source: Own elaboration based on data from the Ministry of Finance

³⁶ Raza, Salvador. Ibid.

Evidently, in Paraguay the objective Security is understood from a budgetary point of view in a narrow sense; particularly, the concept “defense” refers to the strictly professional role of the military estate. Significant aspects reached by a wider conceptualization of the problems of security are covered by other objectives, such as Social Services. Within this objective is the function Health, which in turn includes medical attention and environment sanitation. The former consists of medical and hospital attention of people for the promotion, protection, and recovery of health, as well as vaccination and epidemiological monitoring for the control of diseases; the latter covers the actions intended for the control of the physical, biological and social environment of the individual in order to preserve health and environmental balance.

This latest objective also covers the function Social Promotion and Action, which is oriented toward the direct protection and help to people with scarce resources –providing them with financial and material contributions, as well as toward the reeducation and socialization of the individual; besides it includes the contributions to institutions with a social purpose. Other functions within the same objective are that of Social Security, which refers to actions related to the implementation of the retirement and pensions system, and that of Education and Culture, which covers elementary education, secondary technical education, superior and university education, and cultural, sports and recreational activities of the population.

Other relevant government functions from the prospect of a wide conceptualization of the problems of security are classified within the objectives Government Administration and Economic Services. In the former is for example the Legal function, related to the administration of justice, whilst in the latter the functions Energy, Fuel, and Mining, and the function Ecology and Environment.

Due to the restricted scope of the concept “security”, an approximation to the degree of importance assigned to the other aspects identified as threats is obtained through the institutional classification. In this sense, the behavior of the budget of some key institutions in the area of the Central Administration has been proved. Among the organizations placed in the budget within the area of Decentralized Entities, besides the cases of PETROPAR and ANDE already mentioned, could be mentioned for instance the Rural Welfare Institute (IBR), the Public Pension and Health Scheme (IPS) and the National Development Bank (BNF), because of their relevance in the perspective of the country’s problems of security.

As it has been seen, and despite the fluctuations for exchange reasons, public expenditure considerably expanded in relevant areas related to the problems of security in their wide conceptualization. However, that has not meant a more efficient government operation, so that the question as to whether a strategic allocation of resources is given according to those problems, does not have an affirmative answer. The lack of a system focus on this aggravates the situation.

In no way can it be sustained that the writing of laws and the service of justice have improved along with the increase of the expenditure by the Legislative and Judiciary Powers. On the contrary, there are enough testimonies that show a reverse move in these areas, as legal security is clearly perceptible. Neither the education reform undertaken nor

the work done in the area of health achieved improvements in the indicators that justify the important increment of their budgets. Police forces are surpassed by the peak of delinquency, giving rise to the appearance of a considerable market for private security companies, whilst the overcrowding in jails contributes to a greater perversion of the inmates rather than to their rehabilitation. In the sphere of the Presidency of the Republic, the National Secretariat Against Drugs (SENAD), under external pressure, had to show positive results in its fight against drug trafficking with a budget of over a million dollars in 2001, whilst the Social Action Secretariat, created to improve the fight against poverty has not been able to avoid the deterioration of the relevant indicators with a budget of a little more than 10 million dollars in that same year.

In view of this scene of the government operation, it is relevant to highlight the extraordinary increase of the corruption which accompanied the expansion of the bureaucratic structure of the State, in contravention to the healthy criterion of seeking a limited, efficient and effective government for the responsibilities that it necessary has. This should not be surprising given the meager salary levels of the public sector –despite the salary increments granted that partly explain the weight of personal services- in the context of a system of coexistence and of government perversely regulated, on one hand, and the absolute lack of transparency in handling public funds, on the other. In fact, the generalized corruption has been repeatedly mentioned as an extremely important threat, especially because it is one of the essential factors of the fragility of the institutions, making them vulnerable to many other threats. The prevailing criteria in the management of the public affairs, which are reflected in the inertia with which the Nation’s General Budget is elaborated and executed, make greatly difficult the viability of the budget technique Zero Basis which multilateral organizations attempt to introduce in order to achieve greater rationality of the public expenditure. It is probable that the ancient colonial expression that rules “are noticed but not complied with” may once again affirm its permanence.

6. CONCLUSIONS

The problems of security and defense have enormous current relevance and significantly condition the life of nations. Beyond the discrepancies around the scope of each one of such concepts, the truth is that the evolution that these have experienced implies a response in the political praxis through an adequate institutional structure which may implement efficiently and effectively the measures defined in order to achieve an adequate articulation of objectives, threats that are visualized as obstacles, and available resources to face such responses.

Although there exists a reality which constitutes the starting point for the aforementioned considerations, it should not be overlooked that such reality, changing indeed, should be permanently monitored in accordance with a vision, philosophical so to say, of those problems and their conceptualization: it is the occurrences that determine the entity of facts, forcing an analysis of them and of the decisions taken for the purpose of eventual revisions, without resorting to a priori judgements in a non-criticizing way. This vision, however, should imply a convenient adequacy to the demands of the political praxis in each country,

in the sense of the distribution of institutional responsibilities according to the general interest.

From this point of view, the project “Civil-Military Relations” developed by CEPPRO since 1997 allowed verifying that conceptual precisions are of utmost importance. The criterion of defining the concept of “defense” in wide sense, extending it beyond a strictly military question and practically confusing it with the concept of “security”, is not so innocuous if the relevant institutional implications and the implications of responsibility allocation are taken into account. This, especially in a context where the political leadership does not have much affinity with such problems and there is the risk of a military over-presence or, alternatively, of a non-recognition of the need to count on them as a State.

In Paraguay, due to its particular characteristics and to its insertion into the international level, it is perceived a wide spectrum of threats regarding the diverse national interests which incite a certain more or less formal consensus, but a rational and systematic reaction to them in their correct dimension by those who have the political responsibility to do it, is not verified. The country lacks, therefore, of the referred rational focus on such problems. The referred CEPPRO project constituted an effort to generate some awareness in relation to such lack.

The current cultural patterns, which have roots in the long Spanish colonial period, severely condition the possibility of generating changes. The institutional weakness closely linked to the generalized corruption that characterizes the exercise of political power in the context of a traditional society, constitutes the core problems. This is manifested in the reality of Ciudad del Este and the triple border which make Paraguay a platform for international delinquency, as well as in arm trafficking, drug trade, and contraband. This is also displayed by the lack of due control of air, water and land transit, which allows the clandestine flow of goods and which creates concern regarding regions of the country which are outside government control (growing Brazilian penetration from the east, presence of presumed guerrilla movements in the San Pedro Department. The disappearance of sub-tropical woods, despite the regulations in force oriented to their protection (inefficient and distorting indeed), constitute another remarkable phenomenon in the same sense, also generating concern in connection with the existence of the Guarani aquifer as an important world reserve of fresh water. The tragedy that the Ycua Bolaños Supermarket fire represented in Asuncion is the most recent testimony, in terms of an inadequate civil defense, of the country’s reality facing the problems of security.

Given this reality, the ultimate question is how to promote change in the country, so that the attitude facing public issues and government operation in general and for the problems of security and defense in particular, be consistent with the required rationality. In this sense, an adequate definition of the competences of the Armed Forces is very important for a correct articulation of functions with the police forces and other competent organizations in the area of security. CEPPRO, in its criticism to the national Constitution, has drawn attention to the role of arbitration in the Paraguayan politics that the military top management may play deciding whom to acknowledge as a legally constituted authority.

On this respect, it is not irrelevant to stress the incidence sometimes pernicious of international organizations according to interests that are obviously not Paraguayan. An example could be the tendency to promote again a growing military participation in questions that should not necessarily be of their concern, a tendency that indeed generates discrepancies right within the developed world. Another example is the decentralization process promoted from outside with the purpose of reversing the problem that the Central Government means, but that only multiplies its vices throughout the country.

The referred distribution of institutional competences implies the corresponding allocation of resources in search for an adequate balance among them. The tension that such allocation generates is indeed much more intense in an underdeveloped country such as Paraguay. The growth of the state system and of the public expenditure registered in the country in the past 15 years reveals, beyond –or linked to- advantages that the political leadership and government bureaucracy withdraws from the perverse use of power in detriment of the citizens, the lack of preeminence of a desirable conviction regarding the positive implications it has in order to overcome many of the security problems, an ordering of the coexistence which respects the principles of market economy, of republican and democratic Rule of Law, as well as the criterion of a limited government. Generating such conviction is a fundamental challenge.