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Disentangling the fall of a 'Dominant-Hegemonic Party Rule':
The case of Paraguay and its transition to a competitive electoral democracy

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ABSTRACT

After a prolonged transition to democracy, Paraguay finally put a culmination to one of the world's longest-serving party in power. In the presidential elections of 2008, Paraguay had the first-ever peaceful democratic turnover after sixty-one years of one-party rule. This study's task will be to examine under what conditions do dominant hegemonic-party systems fall and loose their power-grip on presidential elections. Accordingly, it will analyse the conditions that led to the demise of hegemonic-rule in Paraguay by focusing on elite divisions and fragmentation within the dominant party. This paper will employ a historical institutionalism approach to trace the variable of elite fragmentation and splits within the dominant party, in order to underscore the sequence of institutional changes that fostered more fragmentation and weakened its hegemony. Moreover, this study will hold that throughout the stages of democratic transition, dissent between intra-party elites and rupture was critical in making future organizing efforts to close impossible and allowing the first alternation in executive power by another party in 2008.

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1-INTRODUCTION

-"Democracy is a system in which parties lose elections"-(Przeworski 1991:10)

The Paraguayan political system has been one of the most underresearched and misinterpreted among Latin American regimes. One of the oldest party systems in the region, it has experienced a long-lived dominance by a one-party hegemonic regime, the Colorado Party (Abente 1995:298). After sixty-one years of one-party rule, Paraguay finally put a culmination to one of the world's longest-serving party in power (Lambert 2008). In the presidential elections of April 2008, amidst a profound sense of disbelief sweeping the country, Fernando Lugo representing a coalition called the Patriotic Alliance for Change, was elected president and marked the first alternation of power by another party after six decades. After a prolonged transition to democracy, Paraguay had its first-ever peaceful democratic turnover. Post-electoral democracy surveys illustrated for the first time a dramatic variation not only in the belief in the government's legitimacy, but also in democracy itself, since democracy can be understood as a "system in which parties lose elections" (Przeworski 1991:10; USAID 2009). Henceforth, understanding under what conditions hegemonic political systems fall in less developed countries like Paraguay can have relevant comparable implications for democratization scholarship.

Still present today, one of the most thought-provoking theoretical enigmas has been the problematic question of what conditions drive democratization in distinct countries. Most research on democratization has concentrated on the role of economic development as a "pre-requisite" (Lipset 1959), while other scholars have contended the need for certain "social, civil and psychological prerequisites" a country requires for democratization to occur (Whyte 2009:1). Most recent academic research questioned whether these 'prerequisites' are often fundamental for the process of democratization, particularly because they fall short in explaining the transition of less developed countries such as Paraguay. Hence, scholarship has focused on the role of certain key actors, essentially elites or mass publics as determinants in the form and development of democratic transition (Whyte 2009:1). While social and economic prerequisites play key roles, these factors may not be enough to understand the democratization process in less developed countries like Paraguay.

Intriguingly, the 'third wave of democratization' and its democratic spring did not, however, signal the termination of hegemonic political parties that sustained autocratic rulers. Instead of vanishing from the political arena, these parties secured electoral success in the region (Rizova 2006). In Latin America, most autocratic-military governments dissolved resulting from the loss of political support. Nonetheless, dominant political figures and institutions previously associated with the autocratic military regime remained in power with the assistance of hegemonic political parties (Rizova 2006). Current scholarship has studied considerably how hegemonic political parties[1] retain their fierce grip on power, election after election (Ghandi and Przeworski 2006; Schedler 2006; Geddes 1999a; Way 2005; Levitsky and Way 2002; Bratton and Van de Walle 1994; Smith 2005) and has also shed considerable light on the factors that precipitate their demise, thus putting an end to their uncontested dominance. Consequently, scholars have rightly noticed that far from being eccentric outliers, hegemonic-party regimes have been a consistent although marginal, phenomenon throughout the 20th century (Rizova 2006; Gandhi 2007; Abente 2009; Shedler 2006; Levitsky and Way 2002). Therefore, situations in which a hegemonic party that controls the state apparatus and dominates its resources loses its grip on power strikes us as rare phenomenon, as it only happens in very exceptional and unusual circumstances.

Accordingly, the dominance of the ruling Colorado Party was made possible not only by the incorporation and co-optation of the masses into the party-regime, but also by the ability of the regime's leaders to block divisions and prevent fragmentation within the party elite (Langston 2002). Henceforth, this study's task will be to examine under what conditions do dominant hegemonic-party systems fall and loose their power-grip on presidential elections. Whereas understanding the demise of hegemonic-rule in Paraguay is a relevant task in itself, this work's contribution goes beyond it: it will also enrich our understanding about the conditions that lead to the fall of dominant-hegemonic parties in developing countries. Likewise, this paper will also seek to explain the relevance of focusing on party elites and its divisions, as it proves vital in the

[1] Sartori (1976:230) considers a party system as 'hegemonic' if the party in power does not allow real competition and the "other parties are permitted to exist but as second class, licensed parties". From this typology Paraguay is characterized as a pragmatic-hegemonic party, like Mexico under the rule of the Institutional Revolutionary Party (PRI).

analysis of the demise of the Colorado Party. Consequently, it aims to understand how do these factions fragmented or split. And more importantly, amidst the uncertainty of democratic transition, what institutional elements did the dominant Colorado Party use to solve its disputes and what unintended consequences did they have in the way the factions competed and further fragmented? These are the questions this dissertation aims to answer.

This paper is organized in the following manner. Section 2 will set the theoretical background for the study by briefly laying out an overview of the main streams of democratization literature, with a particular emphasis on hegemonic political systems and elite fragmentation in authoritarian regimes. Section 3 will outline the methodological approach of this study. Section 4 will present a longitudinal analysis of the case study. Section 5 will discuss the concluding remarks and the comparative implications.

2-LITERATURE REVIEW

Different studies have attempted to understand under what conditions do hegemonic parties lose their fierce grip on power and transition into a more competitive electoral democracy[2], thus evolving into a two-party or pluralist party system (Mainwaring and Scully 1995). Several of these studies have tried to understand the process of this transition by focusing on structural factors, such as the country's level of socioeconomic development (Dahl 1972; Lipset 1959; Przeworski and Limongi 1997; Boix and Stokes 2003). These scholars rest their claims under modernization theory, which asserts that "with wealth comes exposure to social and demographic changes, such as greater urbanization and education, which creates citizens who are more likely to prefer democracy" (Gandhi 2007:10). Additionally, voters become wealthier and may relinquish clientelism, which is a key characteristic of how hegemonic parties relate to their voters. This is what Magaloni (2006) claims as 'ideological investments' in other parties. The logic works the following way, as voters become wealthier; they ensure their own sources of material benefits "outside the hegemonic party" (Ghandi 2007:11). The outcome results in voters that can now afford their 'ideological preferences' and choose to support opposition parties. In sum, the process of modernization ends the reliance on the hegemonic party's bounty, resulting in a scenario where voters are more likely to vote against the incumbent party. According to Magaloni (2006), this was the case for the demise of Mexico's hegemonic political party. After 71 years of hegemony, the Institutional Revolutionary Party (PRI), lost presidential elections in 2000 against Vicente Fox from the National Action Party (PAN) (Magaloni 2006).

Thus far, the case of Paraguay unveils its own idiosyncrasies, as it is not sufficiently explained by modernization theory. According to Abente (2009:144), for the past century Paraguay has had mostly a "non-competitive two-party system dominated alternatively by the Colorado Party-ANR- (1887-1904 and 1947- 2008) and the Liberal Party–PLRA- (1904-40), with two brief military interludes in 1936-37 and 1940-47. Accordingly, the Colorado Party reigned as a "civilian-hegemonic-party" from 1947 to

[2] This dissertation employs Freedom House's definition of 'electoral-democracy' where it differs from a 'liberal democracy' as the latter implies existence of an extensive array of civil liberties. Paraguay qualifies as 'electoral-democracy' (Puddignton 2012).

1954 and then transformed to a "military-civilian" authoritarian regime under General Alfredo Stroessner (1954-89). After a staged coup by a faction of elites within the party in 1989, the Colorado Party transitioned back into a civilian hegemonic party for another nineteen years until its defeat in 2008 (Abente 2009:144). Bearing this characterization in mind, Paraguay underwent significant economic growth and moderate modernization, specifically during the 1970s.

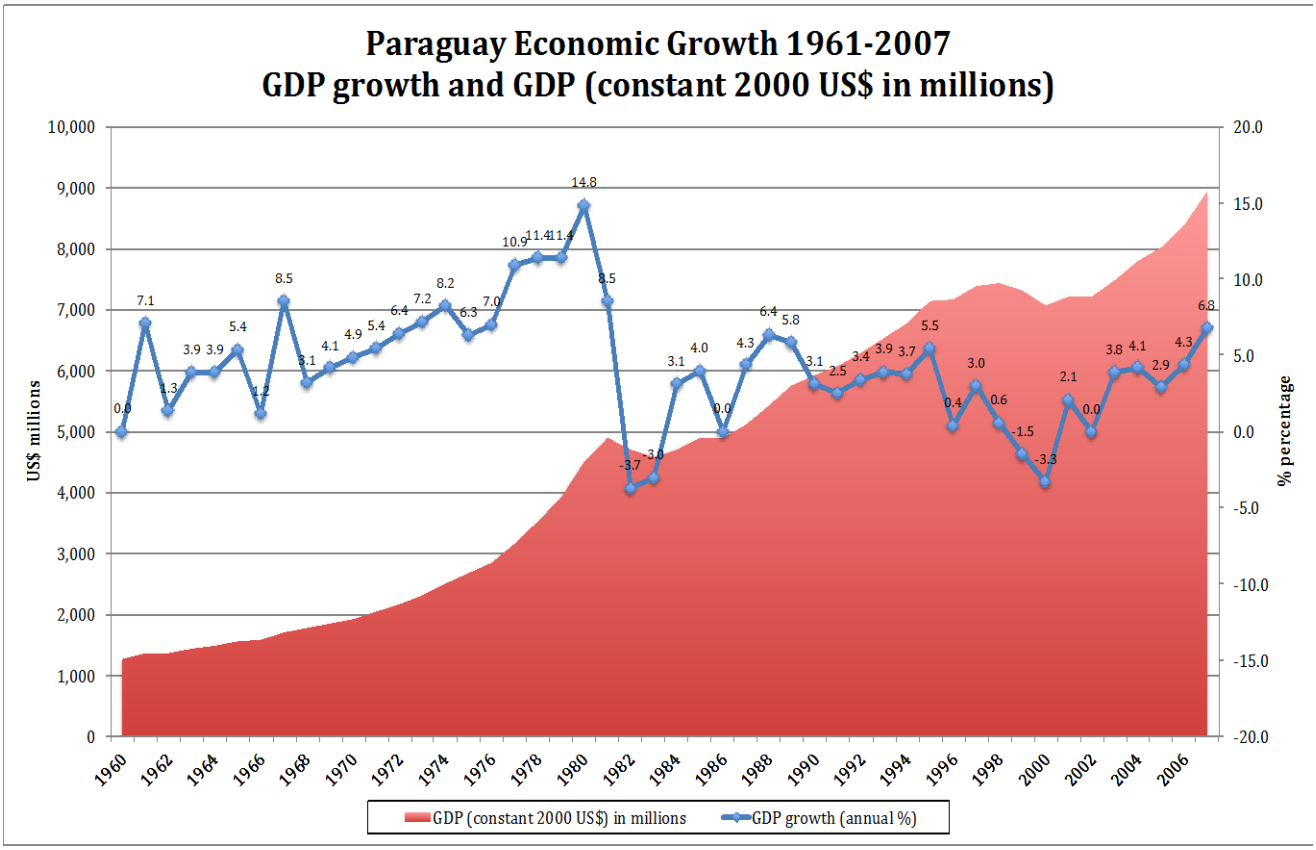

Figure-1 (Source: World Development Indicators 2012)

Nonetheless, democratic transition did not occur. The development pattern and economic growth failed to release Paraguayans from the grip of state patronage (Powers 1992), especially to "make them available for alternative patterns of political socialization and partisan identification" (Abente 2009:144). Although not necessarily in line with structural arguments, a noteworthy point made by Abente (2009) was that the year before the Colorado Party lost the presidential elections in 2008, Paraguay still had a highly traditional socioeconomic makeup. Abente (2009:144) shows that in 2007,

31% of the labour force was involved in agriculture (second to Honduras in Latin America) and 63% of the non-agricultural labour continued in the informal sector (only Bolivia is higher in this percentage). Strikingly, only 6.7% of non-agricultural labour was employed in enterprises and just 4.4% of the informal labour had social security, one of the lowest percentages in all Latin America. This indicates that the Colorado Party still plays a key role in providing access to the labour market and state services, which has averted the "political emergence of independent collective actors capable of challenging the ruling party" (Abente 2009:145). Thus, this paper agrees with Abente's claim that "had the level of economic development been the sole determining factor, the one party hegemonic system could have expected to last much longer" (Abente 2009:145). Consequently, we may say that theories regarding the process of modernization and socio-economic development by themselves are not enough to understand the change in Paraguay's transition.

The following literature focuses on the relevance of cultural factors involving social, civil and other psychological requirements necessary for democratic transition. Although these social conditions by themselves might not be enough for transition to democracy occur, Whyte (2009) does highlight their importance in increasing the likelihood of democratic stability. Lipset (1959), also one of the first to dwell upon the social factors as prerequisites for democratic transition, emphasized the importance of social mobilization and a strong civil society. Additionally, McClosky (1949) argued that the public must truly believe in democracy in order to transition. Nonetheless, cultural factors alone fail to explain Paraguay's transition to democracy and more specifically the outcome of party's fall in 2008 (Putnam 1993). This draws our attention to the following descriptive statistics published by Latinobarometro (2009) through the period of democratization. Paraguay ranks as one of the lowest in Latin America on the belief in the value of democracy, being placed in the lowest possible numbers from 1996 to 2006 (Rivarola 2009). This is a useful proxy to portray how Paraguayans value democracy in their culture. Accordingly, cultural factors by themselves fall short to explain the variation in Paraguay's transition and end of hegemonic rule in 2008. As shown in Figure-2, strikingly these values have not varied much since the surveys have started in 1996; consequently the low levels values show that Paraguayans have mostly disregarded democratic values. Additionally, low values could be associated with

prolonged years of authoritarian rule. Albeit, how can we explain the Paraguayan transition with cultural factors that show no variation?

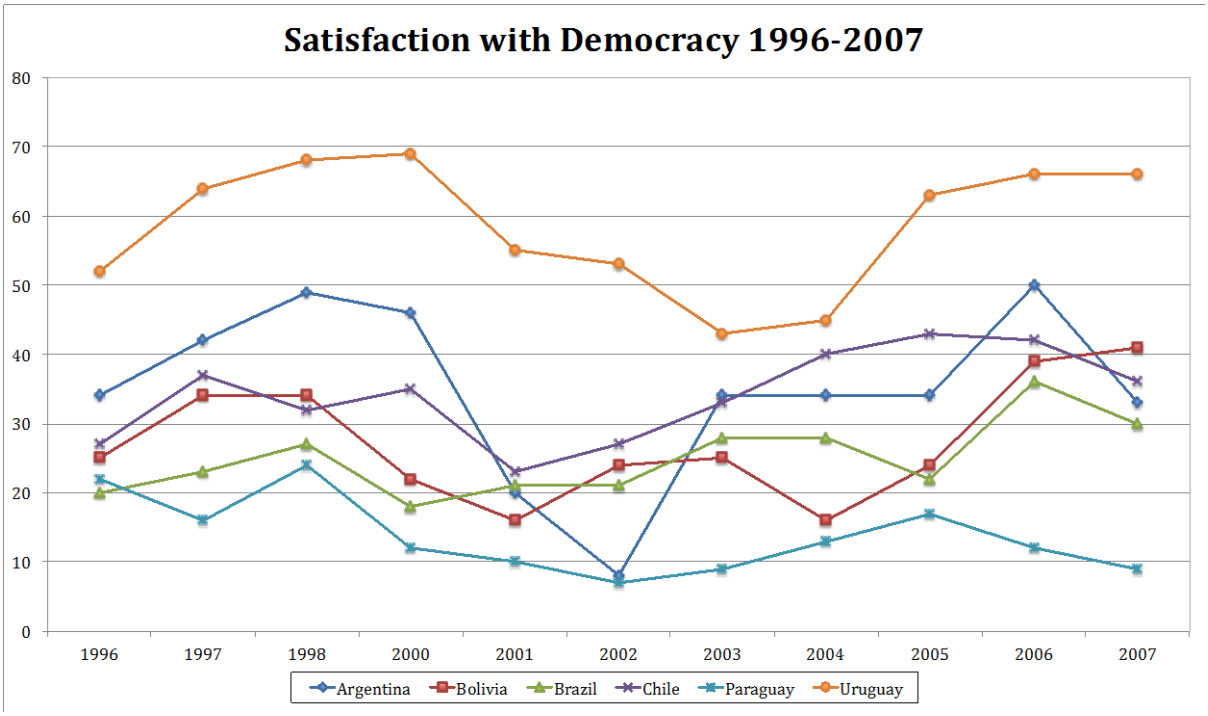

Figure-2 Data from Latinobarometro (Source: Rivarola 2009:105)

If the prerequisites scholarship does not play a central role in explaining the change in transition outcome in Paraguay (loss of presidential elections by the hegemonic-party), then other recent literature focused on transition factors may prove more relevant. Although the prerequisites literature might set the foundations for democracy, they fall short in explaining the involvement of relevant actors in an effective transition process (Whyte 2009). Whyte (2009) reminds us that a determining factor in explaining democratization is the role played by elites and mass publics, as they are the ones who initiate and sustain the transition. While we understand structural factors and their analysis are relevant to comprehend why regimes might be threatened, however, it also critical to analyse and explain how elites achieved the projection of democracy as an alternative (Bermeo 1990:368). Hence, the attention on political elites is critical for their role in starting the democratic impetus and handling the transition process. Nonetheless, scholars don't usually agree on the matter of whether consensus among elites is crucial for democratization to occur, or if it is actually elite fragmentation that its necessary. Lijphart's (1977) concept of 'Consociational Democracy' asserted that

cooperation among elites is critical for democratization, as they served to bridge ruptures and prevent extremist politics. Conversely, Roeder (2001) argued that elite fragmentation in mature authoritarian systems is the necessary push that leads to democratization, as it avoids the process being controlled by a single cohesive group. More importantly, Anderson (2001) highlighted that elite fragmentation within the system produces a rundown in their cohesive party identity and can no longer repress the opinion of mass publics, thus there is an increase in public contestation which in turn increases democratization. Accordingly, the literature on elite fragmentation in mature authoritarian systems, like longstanding hegemonic political parties, provides a strong basis to underpin the fall of Colorado Party in 2008.

In the deviant and understudied case of the Colorado Party in Paraguay, it proves fruitful to look for an undiscovered causal path or variable. The emphasis on authoritarian elite fragmentation and splits appear to be a significant factor in democratic transition in this case, particularly since the initiation of Paraguay's transition in 1989 was the product of elite divisions in the regime breakdown. Consequently, Paraguay's initial liberalization was elite led and highly controlled by the Colorado Party (Powers 1992; USAID 2009:2). Hence, focusing on elite divisions and defections in the transition process proves central to our study. Pivotal to our analysis, is O'Donnell and Schmitter (1986) seminal work, as they highlight the importance of elite defection and consider them vital in most transitions. They explain that in cases of elite fragmentation in transitions, there is usually a rift between 'hard-liners' and 'soft-liners' that arise between the authoritarian regime elites. Usually, there is a struggle between defenders of the status quo (hard-liners) and those turned reformers (soft-liners) because soft-liners develop an "increasing awareness that the regime they helped to implant, and in which they usually occupy important positions, will have to make use… of some degree or some form of electoral legitimation" (O'Donnell and Schmitter 1986:16). This is a key insight to analyse the elite defection in the crumbling of General Stroessner's 'military-civilian' authoritarian regime in 1989 and subsequent process of political liberalization. Thus, the split between hardliners and soft-liners led to the consolidation of power by soft-liners who opened up the prospect for a pact guaranteeing the opening of the regime. Therefore, the focus on increasing internal fragmentation and defections of the hegemonic party's elite is the critical variable in our analysis to explain the outcome in 2008.

3-METHODOLOGY

Tracing the variable of elite fragmentation and splits within the Colorado Party will help us elucidate the pact that led to a sequence of institutional changes. Drawing together the literature on the importance of elite fragmentation and defection, this study will use as well Linberg's (2009:339) framework, which includes O'Donnell and Schmitter's findings on the importance of elite splits and defections, which occurred before "the holding of 'founding' elections and introduction of democracy". Accordingly, this study holds that the institutional changes (principally electoral rules) that came after the fragmentation and split in the authoritarian regime are vital in explaining our transition outcome. Thus, in the process of opening up, the internal fragmentation and defections in the hegemonic political party consistently increased over the next 19 years after the fall of General Stroessner in 1989 and they occurred in sequence and in conjunction with presidential elections[3], especially stimulated by the mobilization around them. Thus, during electoral times it is critical to focus internal elite dissension as it propels fragmentation of the party. To understand the outcome of 2008, it is vital to analyse the sequence of internal party fragmentation between the elites, as they resulted in various changes in institutional elements in order solve collective action dilemmas, inside and outside the party lines. Consequently, the institutional changes had unintended consequences as iterated elections opened up the process and fomented internal schisms in the ruling party. Particularly, recent scholarship linking the effects of changing institutional elements in hegemonic parties will prove useful, since they point out that internal party schisms are more likely when material rewards are confined in leaders rather than party coffers, especially when their links to the party are not reinforced by ideological ties (Rizova 2007a;2006).

Summarizing our argument, the Colorado Party's increasing intra-party fragmentation and an institutionalized party rupture in 2002 represented the greatest threat to the party's continued dominance. The sharpest challenges to the regime's

[3] For the purpose of this study electoral and pre-electoral periods will be analysed as they underscore the vigorous succession struggles. Elections present a visible opportunity for party members to voice their dissatisfactions within the regime or even exit the party to join the opposition or form their own party. Defections can be conditioned by institutional elements, which make it easier for new parties to form. As party elites decide to exit or decide not to support the chosen presidential candidate, the hegemonic-party is clearly weakened. (Gandhi 2007; Langston 2002).

hegemony came from internal factionalism and splits, not necessarily from raving electoral victories by opposition parties. Hence, instead of disputing that democratic consolidation is based on intra-elite consensus over institutional forms (Burton and Higley 1987:302), this study holds that throughout the stages of democratic transition, dissent between intra-party elites and rupture was critical in making future organizing efforts to close impossible and allowing the first alternation in executive power by another party in 2008 (Langston 2002).

Based up the literature, the central hypothesis for this study is that the higher the internal fragmentation between party elites, the stronger the possibilities that institutional elements in the reform will be opened (liberalizing), and the harder it is for the dominant party to maintain full hegemony. Thus, the fundamental conditions that explain the loss of presidential elections by the hegemonic party in 2008 in Paraguay can be traced back to the increasing internal fragmentation between party elites, which resulted in key institutional changes (electoral rules). These institutional changes set the rules of the game and reduced the uncertainty during the transition process (Przeworksi 1986:60) by attempting to resolve intense conflicts, particularly over presidential nominations (Hirano et al 2009). Consequently, to study how the elites fragmented and split at key electoral moments will let us underscore central institutional changes and reforms that allowed for more fragmentation and competition through iterated elections and eventually led to the party's fall.

In order to undertake our case study the following way, this paper will employ a historical institutionalism approach. The use of this approach arises from the need analyse a sequence of "critical junctures" at relative moments in time. This approach provides a context for analysing the formative moments of institutional creation and change engendered from internal elite divisions and identify 'path dependence' dynamics triggered by this process at a point in time, that even reproduce themselves in the absence of the original event or process (Stinchcombe 1968; Pierson 2004; Pierson and Skocpol 2002). Particularly for this purpose, the use of a static approach to analyse the fall of the hegemonic party in the 2008 election would be inadequate, as it would ignore the formative moments of the gradual but consistent fragmentations in the party's elite and institutional reforms, which are critical aspects to the political development of our case. Ultimately, using historical institutionalism as an approach

helps us underscore the sequence of particular events, specifically conjunctures, that must be captured to explain our outcome.

4-CASE STUDY ANALYSIS

4.1- Historical Context. Paraguayan Politics Pre-1989

- ***The Colorado Party Under Stroessner's Regime***

Paraguay's political system experienced two military-party dictatorships from the Colorados during the 1940s, firstly by Higinio Morinigo (1940-46) and then later on by General Stroessner (1954-89). Stroessner's regime completely transformed the structure of Paraguay's party system (Abente 1995:299). Thus, in order to analyse the political dynamics of the hegemonic party; it is fundamental to comprehend the nature of General Stroessner's dictatorship. Under his dictatorship, the Colorado Party became the most organized party in the country and provided a "well-structured base of political support to the government" (Abente 1995:307). Stroessner's fundamental skill was in securing the Colorado Party's hegemony by creating a symbiosis between three institutions: the party, the military and the state. This formalized relationship became the backbone of his regime (Abente 1995). This deeply interlinked triangular power structure characterized the process known as 'coloradization', whereby both the army and the state were forced to join the Colorado Party (Riquelme1992; Uharte-Pozas 2012). According to Powers (1992:3), this was a particularly unusual characteristic of Stroessner's dictatorship as it was "neither personalistic, military, nor one party rule, but rather a combination of all three… where the military never ruled but guaranteed coercive power of the regime… and the Colorado Party was used to mobilize support down to the precinct level".

Yet, more important to our analysis, Stroessner orchestrated a deep transformation of the party. From a traditional party deeply fragmented into rival 'caudillos', to a highly centralized and vertically organized hegemonic political system that dominated most aspects of Paraguayan political life (Lambert 1997:5). He managed to effectively consolidate power by carrying out purges and arranging the party into a corporatist, vertical and centralized organization where he stood unopposed for thirty-five years (Arditi 1992). From his centrally situated position, he approved party single lists for all local and national staged elections. He also developed an organizational structure comprised of 240 local party branches known as *'seccionales'* (local party offices). This

seccionales controlled "the upward and downward flow of communications and administered local patronage" (Abente 1995:307). Overall, the *seccionales* accomplished two missions; they co-opted members for recruitment and repressed by acting as permanent political police (Abente 1995). Additionally and relevant to our analysis, the 'coloradization' of the state drove all ministries and public organizations to the private hands of the Colorado Party's elites. Hence, from 1955 onwards, all officers of the military, public employees, teachers, doctors and judges were obliged to join the party and contribute to party (Alvarez 1960). Consequently, the party dominated state sector became a source of electoral support, patronage network and clientelism that expanded to become the largest national employer by 1989 (Arditi 1992:165).

- ***Maintaining 'Electoral Rituals'***

During his prolonged dictatorship, Stroessner maintained manipulated electoral rituals, emptying them of any democratic content. Every four years elections were called under a 'state of siege' with fictitious electoral registries and where potential rivals were repressed and censored. A state of siege was continuously maintained until 1988 with an electoral Junta that periodically unqualified opposition parties that could pose competition for the Colorado Party lists. Most times results were even announced beforehand (Rivarola 2009:16). From 1963 on, second-class parties were allowed to participate in this limited scenario. The electoral system was designed in a way the winning party took 66% of government seats and the other 33% was divided between the opposition (Rivarola 2009; Morinigo et al 1988:260). Although figures of electoral data throughout Stroessner's regime should be taken critically, they do reflect a striking detail revealed by Rivarola (2009), where even though 'not voting' was sanctioned, abstentions and blank voting reached historic levels, clearly reflecting the incredulity of those elections (see ANEX-1).

4.2-Pre-transition Factionalism and Intra-Party Fragmentation.

- ***From 'Granite Unity" to Division in Party Elites***

General Stroessner's regime began to decline in the 1980s. From 1959 to 1984 the regime strengthened its control over the country and very little political change

took place in the inner circles of the party. Stroessner, never an innovator, kept in line a very traditional policy with very few changes. Most decisions were taken "behind closed doors at party headquarters and the public would be informed of the always unanimous decisions adopted by the party" (Abente 1995:309). From the inner circles of the Junta, Stroessner would always decide party elections beforehand and the voting procedure would simply ratify what had already been decided (Abente 1995; Arditi 1992; Riquelme 1992). From 1960 to 1987, "a single united slate of candidates for the junta was proclaimed and unanimously approved" (Abente 1995:309).

However, in the early 1980s the first signs of dissent began to show and this picture slowly began to change. In 1980 and 1981, for the first time, in numerous *seccionales* elections, more than one list competed. This was previously unheard of and caused uneasiness among inner party circles. The response was major patronage efforts to try to unify the competing factions before the staged elections. At this moment, for the first time, the "possibility open competition had been incorporated into the party" (Abente 1995:310), thus we can recognize that certain party elites would factionalize and seek more open institutions that allowed them to compete. As the 1984 party convention approached, the sense of uneasiness and nervousness within the party elites increased, especially among a faction that will later become known as "*tradicionalistas".* This internal elite faction wanted to go back to party's republican founding ideology and thus hoped to move away from a hard-line authoritarianism (Abente 2009; Benitez-Rickman 1989). Accordingly, we characterize this group as the soft-liner type that O'Donnell and Schmitter (1986) described during moments of transition from authoritarian rule. At the same time, the other faction was more a hardliner type, known as the '*militantes'.* This faction responded to the "spiritual leadership" of Stroessner and wanted to secure the presidential succession of Stroessner's son, Coronel Gustavo Stroessener (Lezcano 1990:26). This was the first sign of a split at leadership level that began to affect the grassroots of the party. Previous to this event, "the ritual request by seccionales for the re-election of junta members had always been preprogramed by the entire leadership and devoutly followed by the rank and file" (Abente 1995:310). The seed of discord had been planted, thus showing vulnerability in the party's cohesive dominance.

By 1987, the conflicts and divisions present three years earlier resurfaced during the convention. The camps further fractionalized with the *militants* dividing over

Stroessner's successor, his son or another military elite or a civilian leader. The *traditionalists* also fragmented into three factions: the "ethical group" that focused on corruption inside the party and wanted to raise the ethical standards; the "Movement for Colorado Integration" that intended to reorganize the party and wanted to make it a more competitive and open system; and the "National and Popular Movement" that wanted to bridge the gap between the militant and traditionalist Colorado elites (Abente 2009:199). At this stage we can clearly observe hard-liner-soft-liner dynamics materialize, as the struggle rises between status quo defenders and those turned reformers[4]. The following months witnessed increasing tensions between elites. The *militantes* organized campaign rallies splurging resources on vote buying, intimidation and fraud. Since the government sided with the *militantes*, the public employers aligned with the *tradicionalistas* were outright fired. After the party convention, Stroessner unleashed a one of the most terrible purges whereby seventeen of the thirty-five members of his Junta were expelled (Abente 1995:311).

However, the *tradicionalistas* remained an active dissident group as they read statements in public acts to "erode the legitimacy of the militante-controlled group" (Abente 1995:311). Consequently, a month before the coup, the t*radicionalistas* cooperated and fully supported the military officers that plotted the overthrow of Stroessner (the leader of the coup was closely aligned with the *tradicionalistas* faction). During that same month, *tradicionalistas* elites issued stronger statements, thus gearing up their image and presenting the debate about legitimate representation in the party (Abente 1995, Arditi 1990).

- ***Institutional Elements –Lack of Succession Mechanisms-***

According to most scholars who study Paraguay, the fall of Stroessner was not due to pressures from the civil society or political opposition, nor even international pressures, although they might have played secondary role in undermining the regime (Powers 1992). Structural factors by themselves would not be enough to explain his fall without taking into account the determining role played by internal party factionalism and fragmentation. The party's fragmentation and internal divisions climaxed in a

[4] The empirics reflect the point made earlier of an "increasing awareness that the regime they helped to implant, and in which they usually occupy important positions, will have to make use… of some degree or some form of electoral legitimation" (O'Donnell and Schmitter 1986:16).

succession crisis that brought down the aging General Stroessner. He was overthrown in a palace *coup* executed by his former loyal commander, General Andres Rodriguez, who was strongly allied with the *tradicionalistas* faction (Abente 1995). According to Carlos Martini and Carlos Lezcano explanations at the "Transition to Democracy in Paraguay: Problems and Prospects" Conference in 1990, the succession problem was one of "internal distributive legitimacy" (Powers 1992:4). The sense of this concept applied to Stroessner's regime means that the dictator had not developed any mechanisms to negotiate the distribution of spoils in his regime, particularly of political and economic power. Stroessner never developed any kind of institutional structure to deal with dissension, or to our understanding, to solve collective action dilemmas. The only structure Stroessner developed was one that expressed his interests, inside the state and military (Arditi 1992). Local caudillos controlled activities inside and outside the party and party leadership was also constrained from dissent as Stroessner's periodically purged leadership ranks (Arditi 1992).

However, monopoly of opinion started collapsing by the mid-1980s as depicted earlier. Even though Stroessner attempted to unsuccessfully purge forceful leaders this only further divided the rift between *militants* who backed Stroessner and his son as successor and the *traditionalists* who took power through the coup (Powers 1992). This highlights Anderson's (2001) claim that in mature authoritarian systems, elite fragmentation within the systems produces a rundown in the cohesive party identity that can no longer represses and maintain a monopoly in their opinion, thus increasing public contestation which in turn increases the chances of political liberalization. Therefore, the increasing internal dissensions that Stroessner could no longer control, even though he attempted to squish the competition by filling the party and military hierarchies with loyalists, just increased the fragmentation and the frustrations of those excluded, especially Rodriguez and his supporters. As more internal divisions surfaced in the authoritarian regime, the higher and more complicated were the costs of oppression and the more the incentives to open up according to Linberg's (2009) framework[5]. Additionally, Rizova (2007b:5) claims that the "leading organs of the Colorado Party became the locus of internal competition among several groups- the *tradicionalista* sector: *Ynsfranismo, Ethical and Doctrinal, Seifarismo, Riquelmismo* and

[5] Linberg's (2009) idea applied to our framework has the following causal chain: the more internal party fragmentation, the higher the costs of repression and the higher the chances of defection (exit) and the more probable the possibility of defeat of the hegemonic political party.

the *militante sector*". Consequently, Rizova (2007b:5) affirms that since most of these internal movements bore the name of their leaders, this was symptomatic of factionalism that characterizes hegemonic parties before and after democratization.

After the coup, Rodriguez's declared aims included not only the initiation of a democratic transition, but also "the full and total unification of coloradism in the government" (USAID 2009:2). The nature of the following transition had been described as "conservative, elite-led and controlled, and with a high level of continuity in terms of informal power and influences, and indeed personnel. At the heart of the continuity was the Colorado Party itself, which would hold onto power for a further 19 years" (USAID 2009:2). Consequently, General Rodriguez set the pace of transition and initiated substantial political liberalization as he called for presidential and congressional elections in May 1989. After thirty-five years of 'virtual proscription', the opposition parties were very fragmented and unprepared to set up a campaign in just three months. Nonetheless, they did choose to participate even though they lacked organizational preparations in order for the elections to be competitive (Powers 1992). According to Powers (1992:5), Rodriguez and the Colorados won with an overwhelming 74% of the vote and absolute majorities in Congress, in a process that was 'relatively free but not fair': free, "in the sense that all but the communist parties were legalized and media censorship was lifted; but unfair, due to the short time schedule, incorrect voter registries and numerous irregularities at the poling stations" (Powers 1992:5).

Overall, we conclude that General Stroessner's regime went from initial divisions to complete collapse as the group that kept Stroessner in power underwent increasing strains and this in turn increased the costs of repression during the 1980s. The internal divisions of the Colorado Party and the fragmentation of its elite in 1987 fast-tracked and determined his demise by considerably weakening his regime and "eroding the claim that the government was a Colorado government" (Abente 1995:312). We do acknowledge there were other structural changes present, like the economic recession present in the region in mid 1980s and a changing international context where the United States modified its foreign policy with dictatorships. Still, these factors by themselves played a secondary role in undermining the regime. Internal fragmentation and divisions in the hegemonic party imploded with crisis of succession, as Stroessner's regime had no institutional structures to deal with this problem. The following section will show how high levels fragmentation and intraparty division fostered a demand by

elites for institutional elements that deal with the succession problem. Rodriguez and the political elites around him proposed a new electoral law that would deal with factionalized disparate groups of elites. The use of primary elections would have been particularly appealing in a context of virulent disputes and low levels of mutual trust by (Hirano, et al 2009), but would later have deep effects on how the party elites fragmented.

4.3-The Hegemonic Party in a 'Pacted' Transition.

- ***Explaining Institutional Changes 1990-94***

The coup caused several key changes and altercations in power. Stroessner and his family were sent to exile and top elites from the *militante* group imprisoned, the movement banned and General Rodriguez returned power to his fellow *traditionalistas* (Abente 1995). More importantly, the Colorados under Rodriguez sought to reintegrate all factions in order to keep a united front against multiparty opposition. But the old granite unity couldn't be easily recreated, as the post-Strossner era created a vacuum of deep power struggles "that has divided the party into a fragile federation of competing factions" (Powers 1992:34; Arditi 1991). The eight factions around this moment can be organized into two main camps: the 'orthodox' and the 'democratic', the latter pursuing larger political liberalization than the former (Powers 1992). Rodriguez and the political elites around him were not elusive to this extreme factionalism[6]. During the process of political liberalization that could no longer be fully closed, his priorities were set primarily on uniting the party. Rodriguez proposed the introduction of a new electoral institution as an attempt to avoid future succession crisis (Rizova 2007b).

In an attempt to seek further democratic legitimacy of the new transition and his administration, Rodriguez passed a new electoral law in 1990 that included "direct vote for internal party elections, space for independent candidates and proportional representation". Accordingly, this period marks the beginning of the sequence of institutional reforms and their central role during the transition. Thus, in line with our theoretical analysis, Rizova (2007b:3) explains that the increasing noticeable dispersion of authority in the elite ranks, which characterize the Colorado Party during the post-

[6] According to Carlos Martini in Powers (1992:34), the factionalism is so strong that the basis of shared identity is now the 'faction' not the party.

transition era, is a direct result of "the electoral institutions the outgoing political behemoth –the Colorado Party– help set in place". In her extensive studies of former hegemonic political parties, Rizova (2007b) notices that initially there is not necessarily a tendency towards centralization, especially not directly after democratization. She claims this might well be a result of "the external shock that occurs with the transition from a non-competitive to a fully competitive environment political environment that is so great that it initially pushes political parties to decentralize in the short run" (Rizova 2007b:3). Hence, hegemonic political parties cannot survive under democracy (open competitive environment) if they fail to make changes in their internal organization to solve the collective action dilemmas between their factions and develop a competitive edge. Under authoritarianism, other parties were allowed to compete, but the results were always known beforehand. However as democratic elections introduces more competitors in the political system, hegemonic parties seek to adapt by pursuing institutional elements that help them keep a united front against future multiparty opposition (Rizova 2007b).

Rizova (2007b) explains that the Colorado Party did more than influence post-authoritarian electoral institutions in Paraguay, -which served the specific interests of Rodriguez and the elites around him at that moment-, they also set the rules for internal organization for all political parties by integrating them into the Constitution with the help of some opposition party leaders. This had profound effects, especially on the Colorado Party, as electoral institutions are not only a means of choosing representatives to establish a government, but they are also public events that form patterns of "political behaviour that resonate beyond the boundaries of the electoral contest itself" (Reilly 2001:13). During the democratic transition various groups were competing to control the party's presidency and government. The *seccionales* (local party branches) were contesting the central leadership of the party to increase their role of control inside the party; hence there were two levels of conflict: (a) conflicting elites in central leadership and (b) the conflict between local and central party leaders (Rizova 2007b:4). Therefore, in early 1990, during the party convention, Rodriguez had approved the proposal to introduce "direct vote for the selection of legislative and presidential candidates and party leaders" (Rizova 2007b:6). As factions were eager to secure their hegemony inside the party, those who feared a potential weakening of their influence with the introduction of the direct vote were completely against it, whereas

those who could increase their influence supported it. The factions that anticipated their influence would be decreased included those that were in control of the party under Stroessner and opposed the direct vote because they saw it as a tactic where the competing factions could seize control of the party. On the other hand, 'underdog' Colorado sectors supported the direct vote since they saw it as a mechanism to challenge the ruling party elites (Rizova 2007b:7). The *seccionales* professed that internal elections were a challenge to their authority and decision over candidate selection; hence they opposed the introduction of primaries (Rizova 2007b; ABC 1990).

During the electoral law debates in Congress, some representatives of the main opposition party, Liberal Party, accused the Colorado Party of using electoral institutions to solve their own internal conflicts (Rizova 2007b). However, there were sectors of the Liberal Party that did support the direct vote[7]. The seventeen Colorados in the lower chamber who voted against the introduction of the direct vote were part of the *Orthodox* faction. In the upper chamber twenty-seven senators, most of them Colorados, voted in favour and fifteen against. Four of the senators who voted against also belonged to Orthodox faction (Rizova 2007b:7). Hence the democratization of candidate selection through primaries at that moment ended up being a "successful survival strategy" for the Colorado party. Accordingly, the following electoral rules approved in collaboration with rival traditional parties (PLRA*)* introduced party primaries and electoral rules based on proportional representation[8] for candidate selection (Rizova 2006). Henceforth, as the use of proportional representation tends to be associated with more fragmented political systems, we presume the same fragmenting dynamics are also present in primaries (Hirano et al 2009).

- ***Institutional Changes and its Consequences***

As transition progressed, the orthodox faction lost the internal struggle against the more liberal democratic faction (soft-liner-reformers)[9]. The new electoral institutions later confirmed in the 1992 Constitution affected how the party's internal

[7] The sector inside the Liberal Party in favor of the direct vote was: *Apertura e Integracion Democratica* (Rizova 2007b:7).
[8] The proportional representations system used to select legislative candidates and for the election of legislators is a D'Hont System of closed lists (Rizova 2007b).
[9] Powers (1992) clarifies that the Democratic faction shouldn't be seen as ideologically democratic, but rather strategic as they know they have no chances of winning the control of the party or country as long as the party keeps its authoritarian practices.

elite constituted themselves. First, the 1990 electoral code outlawed the mandatory payroll deductions and obligatory party subscriptions. Under Stroessner, every public employee had to join the party to survive; this marked a new openness that made party membership unnecessary as a survival strategy. Arditi (1992) mentions this diminished party membership to about 500,000. Moreover, authority inside the party was diffused and this progressed even more with every election (Rizova 2006). Internal movements inside the party became strictly associated with factionalist leaders and according to Rizova (2006:284) the leader's influence was "proportional to the amount of economic power they can wield during election time". Hence, primary outcomes were in a sense determined by the amount of money candidates could spend on campaigns. Rizova (2006:284) claims that the introduction of direct vote increased the role of the candidate's financial power in determining primary outcomes of the Colorado party, which also raised the levels of corruption and increased personalism. This in turn promoted the influence of personal reputations as opposed to party reputation. Hence, internal fragmentation increased as material rewards were trapped under leaders instead of party coffers and as faction leaders are not tied ideologically, they have lesser incentives to be loyal (Rizova 2006). After more than three decades of internal cohesion, by 2007, the party factions amounted to about twenty (see ANNEX-2), formed around the personality of their leaders (Rizova 2006:272).

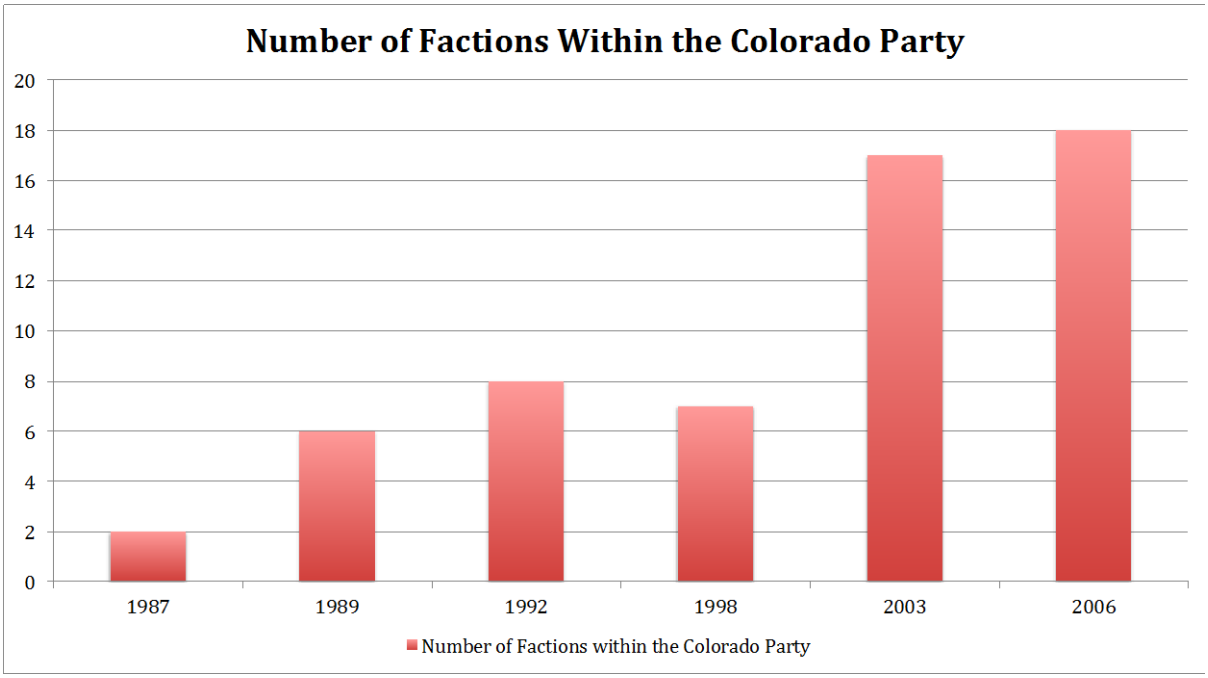

Figure 1 (Source: OEA 2007:13; Rizova 2007:13)

Another institutional change introduced by the electoral code and later ratified by the Constitution was political decentralization. Until 1989, the President directly named governors and majors from different municipalities. From 1991, for the first time Paraguayans could chose by direct vote local leaders. The first municipal election took place in 1991 and elections for provincial governors took place in 1993 (Abente 1995). According to Rivarola (2009), 1991 municipal elections resulted in the first competitive elections of the transition. Although the Colorado Party maintained majority of municipalities, the opposition captured a number of key cities, including the capital Asuncion with 35% of the vote. Likewise, many of the independent candidates running were dissident Colorados who had lost in the party primaries and decided to run as independents (see ANNEX-3). This would have been one of the consequences and reactions to the electoral institutions, where disgruntled *local elites* from the Colorado party decided to compete on their own (Abente 1995). Also, the electoral code lowered the barriers to entry in the political market so newly formed parties had incentives to compete as political parties could be formed more easily (Rizova 2006). The barriers would be lowered even more in the 1996 reforms, thus lowering the costs of defection.

Institutional changes touched upon other key issues for the Colorado Party. The 1992 Constitution stated that the Armed Forces would be forbidden to pursue any political activity (Art-173). Consequently, this set the pace toward an apolitical military and put and end to the triple power structure: state-military-party. By the time of 1989 elections, most army leaders wanted to avoid the growing dilemma of intraparty conflicts (Powers 1992). So in 1990 legislation was passed not only to eliminate compulsory party affiliation but also to prohibit the military from any partisan activity. Even though the move towards depolitization of the military had started, military and party roles kept overlapping, as we will analyse in the 1994 primaries. However, Riquelme (1992) points out in his findings from pre-post coup interviews that the majority of officers were very uncomfortable and unhappy with the partisan links because strong intraparty factionalism tended to spill over and cause rifts between the military. Hence, most favoured depolitization and civilian control of the armed forces (Abente 1995; Powers 1992).

By the time the 1993 presidential elections approached, new divisions would emerge inside the party lines under the new institutional setting. As Rodriguez's term in

office neared its end, the first division after the institutional reforms erupted in full force in the primaries. The *tradicionalistas* faction supported their, leader Luis Maria Argaña, who sought to contend the government's preferred candidate, businessman Juan Carlos Wasmosy (Abente 2009). If political elites in government have not yet been habituated to free and fair electoral institutions, they usually tend to resort to undemocratic means to win elections. Potential manipulation can further encourage contentious conflicts between the factions (Guterres 2006). One of the accusations by Argañistas was that their affiliates were boycotted and were forbidden to buy gasoline in order to carry the voters to the polls. Wasmosy's faction had unfair electoral advantage since the powerful General Lino Oviedo orchestrated, according to most specialists, a massive fraud (USAID 2008; Abente 2009; Crosby et al 2004). Wasmosy ended up victorious in the primaries in what was "widely perceived and later publicly recognized as fraudulent" (Abente 2009:149). At that moment, there had just been limited reforms to the electoral laws and the existing rules still allowed "widespread manipulation of the polling results" (Abente 2009:149). As for the 1993 presidential elections Wasmosy won with 39.3% of the votes, the Liberal candidate carried 32% of the vote and the centre-left candidate 23%. Abente (2009) claims the centre-left received such significant share of the votes from resentful followers of the Argaña's faction.

Under Wasmosy's government, fragmentation within the Colorado party intensified. Not only did the hostility against the *argañistas* faction deepen, but also Wasmosy experienced internal divisions in the faction that took him to power (Abente 2009; Crosby et al. 2004). As mentioned above, General Lino Oviedo, who was widely given credit for Wasmosy's victory in the primaries and in the national elections, wanted to exert more influence on Wasmosy's government (Morinigo 2009). General Oviedo, who had structured the popular support base for his faction: -*'Union Nacional de Colorados Eticos–UNACE-'* inside the military, struggled to keep strong the party-military connections. As the new institutional elements had outlawed this relation, this caused even more tensions inside the party and military. By 1996 Wasmosy tried to send his general into retirement; however the situation deteriorated to the point was Oviedo mounted an attempted coup in 1996. The coup failed to gain the support of key sectors in the army as institutional elements from the 1990 electoral code and Constitution in 1992 allowed for most military sectors and officers to distance

themselves from the party (Morinigo 2009). The intensified elite tensions and attempted coup prompted for further democratic gains by those factions dissatisfied with the party and key opposition parties who were seeking further political liberalization. This resulted in the *Governability Pact*, which would seek further reforms in the electoral institutions and obtain the institutionalization of the armed forces and their effective subordination to civilian control. This would essentially take the military out of political life, thus stripping the hegemonic party of a key power base (Crosby et al 2004; USAID 2009).

- ***Furthering Institutional Reforms 1996-98***

As we have analysed, in the facet of institutional development intra-party factionalism and fragmentation has played a key role. The crisis and internal divisions over the party-military alliance impel the next set of institutionalized reforms to further liberalize the transition. New reforms would seek to develop more accountability mechanisms in the electoral institutions. In 1996, the reforms set up a new Electoral Justice, where Wasmosy through several political pacts after the crisis, sought out to integrate a multiparty representation in the Electoral Tribunal of the Electoral Justice thus making its representation more democratic. They also created a new permanent Civic Registry for voters (Rivarola 2009:23). This would relatively better the efficiency and transparency of the electoral processes, especially through iterated elections. The municipal elections in 1996 were later defined as the first elections to comply with all the requisites to be considered democratic, with a relative impartial electoral justice and cleaner electoral registries (Rivarola 2009:23). Additionally, the new electoral code (*Ley-N.834/96*) would also make to relatively easy for new parties to form, thus lowering the barriers to entry and in turn the costs to exit the party (Rizova 2006:287).

Consequently, the increasing factionalism within the Colorado Party is a sign of the rising strong competition. According to Morinigo (2009), the institutional engineering of the primaries modified the internal logic of the party. Thus, with direct vote and a proportional system, the party lost its internal homogeneity and fragmented atomized internal movements each with their own leader and party program. Hence, nurtured by internal party elections, the fragmented factions had negative effects on the Colorado Party's historical cohesion as it created deep polarization within the party (Crosby et al 2004). So from a 'granite unity' under Stroessner, the party progressed to

full blown fragmented factionalism. In practical terms, the evidence can be described in the following terms: the president went from controlling a centralized Colorado Party with 67% of seats in congress, to negotiating within the fragmented and divided factionalized party with 46% of the seats in congress by 2003 (Molinas et al 2011:364). The waning party unity can be observed in Figure-5, in which the Rice Index shows the evolution of party unity. Interestingly, the table shows an increasingly fragmented Colorado Party and a more unified Liberal Party. It goes to show, that the internal split between Argaña-Wasmosy-Oviedo paved the way for the opposition to control the legislature between 1993-98 (Crosby et al 2004).

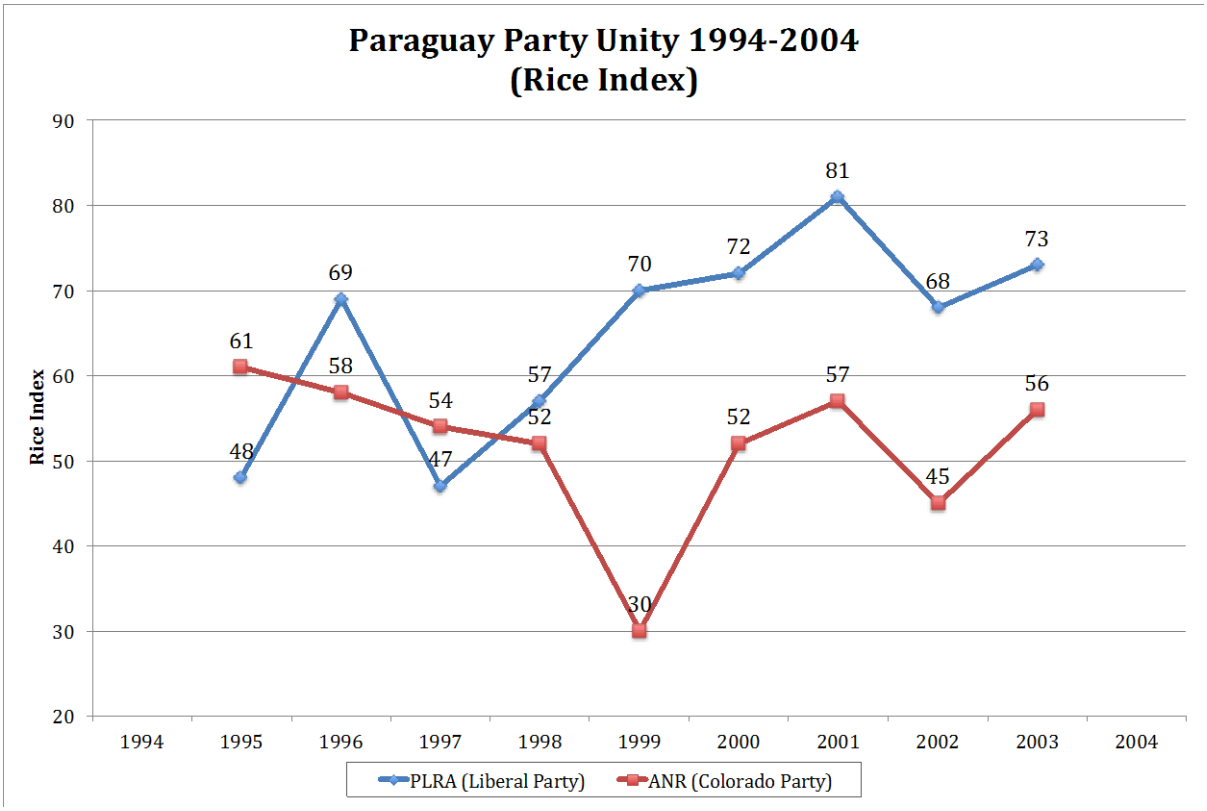

Figure-5 (Source: Molinas et al 2011:364)

4.4-From Elite Fragmentation to Institutionalized Fracture 1999-2003

The fracture between General Oviedo and the leading factions of the Colorado party erupted into a wave of "open intra-party violence" (Crosby et al 2004:25). This action led to Oviedo's arrest and later justified his proscription nearly a month before participating in the 1998 general elections. Still, the presidential formula was

reconfigured with Raul Cubas, who was Oviedo's vice-president during the primaries and Argaña as vice-president. The opposition presented a united front called *Democratic Alliance* (Liberals-PEN); however, on election day, even without Oviedo officially running, the combined votes of the Colorado, which included both the strongest factions of *Arganistas* and *Oviedistas,* was plenty enough to give Cubas a 54% victory at the polls (Abente 2009:147).

As soon as Cubas assumed power, he decided to pardon Oviedo and set him free. This decision created immediately a new confrontation against the *Argañistas* faction that threatened the incumbent president with impeachment. Likewise, stemming from this conflict, the *Argañistas* faction in Congress withdrew their support to Cubas and sought to officially caucus with the *Democratic Alliance*. This left Cubas without any legislative majority and the escalated crisis resulted in the assassination of Vice-President Argaña (Molinas et al 2011;Abente 2009). His death led to a wave of protests known as "Marzo Paraguayo" that resulted with the resignation of Cubas as president, however not the end of the Colorado's hold on the presidency. The next in line according to the constitution was the Senate president, Gonzalez Machi, a member of the *Argañistas* faction, who was sworn in as president. As the *Argañistas* faction blamed Oviedo for Argaña's death, General Oviedo officially left the party and remained in hiding in Argentina and Brazil (Abente 2009).

This moment can be identified as a critical juncture, as it was marked the most significant institutionalized fracture within the Colorado Party. Oviedo and his powerful faction UNACE, institutionalized the division when he founded his own party in 2002 (Abente 2009). Just to show the strength of his movement, even though the Supreme Court barred Oviedo's his candidacy in 2003 (prompted by factions that saw him as a menace at the polls), UNACE still ran an independent candidate, Senator Guillermo Sanchez who won 13.5% of the vote. The official candidate of the Colorado party, Nicanor Duarte won elections with 37.1% of the vote, the lowest score ever throughout the entire transition (Rivarola 2009:30). According to Abente (2009:147), Oviedo's institutionalized secession from the Colorado party altered Paraguay's party system significantly, creating a space for a third party. In sum, these events illustrated how the excessive internal factionalism and fragmentation became the norm in the Colorado Party. The new electoral rules and subsequent reforms had deep effects on how elites behaved, competed and altered the costs of forming new parties. The new rules acted as

critical junctures and exerted critical influence as they prohibited several practices that used to keep party unity and cohesion: like outlawing compulsory deductions from public employees to solvent the party and banning members of the armed forces to be party affiliates, thus altering the party's cohesion and hegemony.

4.5-A Fractured Fall 2006-2008

With internal elections that have consistently sown disunity, President Duarte's main difficulty during his term was the intense factionalism he had to confront to consolidate his power. Consequently, his main objective became to take control of the party. His first move was to take control of the Party's presidency, which was not legally allowed. This further fragmented the party's elites as factions created a movement of those opposing the '*Nicanorismo'* (from his name, Nicanor Duarte) (Molinas et al 2011). As presidential primaries approached in 2007, Duarte was determined to impose his 'puppet' candidate, previous minister of education, Blanca Ovelar, who had very little support among Colorado factions (Abente 2009). Meanwhile, Duarte was also running in the primaries for Senate seat even though it was prohibited by Paraguay's Constitution. As Abente (2009:147) recalls, "many observers speculated that the outgoing leader planned to become president of the senate, manoeuvre Ovelar's resignation or impeachment, do the same with her vice-president and then become president himself again".

Accordingly, the Colorado primaries for presidency took place in a context of high levels of factionalism and extreme rivalries, where Ovelar's (Duarte's candidate) main contender was Luis Alberto Castiglioni (Duarte's vice-president). Castiglioni, known as a "modernizer" gained considerable strength and support within the party, especially from the intense opposition against Duarte's faction. Although Ovelar was pronounced as the winner of the primaries, many allege the elections were rigged and Castiglioni was the actual victor (USAID 2009;Abente 2009). The divisions that resulted from the primaries had critical repercussions in the 2008 elections. Castiglioni and his faction *Movimiento Vanguardia Colorada* declared they would not support in the elections the official candidate of the Colorado Party, Blanca Ovelar (Molinas et al2011). President Duarte, realizing the potential damage of this new split and fearing that Oviedo's party

would throw his support to the opposition candidate, Fernando Lugo[10], who had been acquiring popularity, sought to break the possibility of a united front in the opposition (Abente 2009). In this quest, Duarte orchestrated an annulment of the legal ruling that sent Oviedo to jail and set him free with the hopes of preventing a Lugo-Oviedo coalition. Oviedo's Party, UNACE had a considerable political standing in the last elections (even though Oviedo did not run) and those votes united in the opposition presented a threat. According to Abente (2009:148) Duarte expected that the Colorado Party "would receive roughly the same vote share –between 37% and 40%- as it had in the previous two elections, and that Oviedo would take votes away from Lugo (and not the Colorado Party), thus preventing Lugo from topping 35% of the vote". However, the handling of the Castiglioni primaries had already fractured the Colorado Party, which had deeply fragmented and damaged the party's unity beyond repair (Abente 2009; Soler 2009).

The elections of April 2008 marked a breakpoint in the transition, bringing to an end sixty-one years of direct Colorado Party rule and the first ever peaceful turnover of power between parties. The main opposition party, PLRA joined by other small party movements, presented a coalition *Patriotic Alliance for Change* [11] with former Catholic bishop Fernando Lugo as the successful candidate. In order to analyse the results of the 2008 elections, and observe how internal divisions transformed the electoral map, we have to analyse it in light of the previous elections. Abente (2009:150) points out that the sum total of Colorado and UNACE in the 2003 elections were 50.6%, while the total votes for the opposition was 45.3%. Accordingly, if we add up again the votes in 2008 of the divided Colorados the total would be 52.5% and the opposition 43.3% (Abente 2009:150; Rivarola 2009). What explains the change in the outcome was the intensity of the last fracture in the primaries by Castiglioni, who refused to support the official candidate and those votes migrated to Oviedo officially running for UNACE. The increasing factionalism since the early 1990s had finally taken its toll in the polls. Thus, Colorados lost votes to UNACE, as they lost 7% points and UNACE gained 8% points, hence the opposition finally got its victory with the coalition winning roughly 41% of

[10] There had been talks that Oviedo's party, UNACE, with the group *Concertacion Democratica* (opposition leaders opposing the Colorado Party in Congress) would support a coalition candidate, the rising charismatic Fernando Lugo (Soler 2009).

[11] *APC was formed in 2007.* Its founding members included parties movements formed in the post-authoritarian period (PPS, PEN, Tekokoja) and the traditional party PLRA (Liberal Party). This alliance agreed to support the candidacy of Fernando Lugo.

the vote (Abente 2009:151). A striking figure, is that UNACE, with Lino at last on the top, almost doubled his votes from 2003 to 2008, he went from 13% to 22% (see ANEX-4). His electoral base was basically composed of Colorado defections and *Castiglionistas*. Consequently, the last rift and fragmentation of the Colorado party predominantly favoured Oviedo (Rivarola 2009; Abente 2009). Finally, the increasing elite fragmentation and divisions brought down the dominant Colorado Party, particularly as the sequence of liberalizing electoral reforms that had reconfigured the Electoral Justice had made it hard for the dominant-party not to accept the results. Thus, this outcome marked a turning point in Paraguay's democratic transition as it ended sixty-one years of direct Colorado Party rule (USAID 2009).

5-CONCLUSION

In retrospect, we have analysed and demonstrated that the fall of the dominant-hegemonic party was the result of a process of continuous intra-elite fragmentation and divisions, furthered by institutional elements that advanced the weakening of its hegemonic dominance, which finally brought the party to its epic fall. Likewise, it was also observable that fragmentations and divisions typically occurred in conjunction with elections and mobilization around them. The fact that the Colorado Party "bought into the democratic rules of the game" (USAID 2009:38) in this election and ceded power when they lost can be traced back to sequences in the democratic transition analysed above, where fragmentation between intra-party elites and ruptures had made future organizing efforts to close impossible. This had resulted in a set of institutional factors, especially an "electoral administration checked by other electoral actors" from the reformed electoral code, which made it hard not to accept the results (USAID 2009:38). Overall, electoral competition has largely been the most positive arena in Paraguay's democratic transition, as regular national elections have become increasingly free and fair (USAID 2009). Nonetheless, this has not been the case for manipulation of the internal primaries by Colorado party leaders where they have progressed into a deeply fragmented party.

We set out to understand Paraguay's incremental transition, and in it those elites in the Colorado Party who initiated democratic opening. To ensure their participation in the transition, Colorado elites shaped institutions that initially guaranteed their survival under a more competitive environment (Rizova 2007b). These set of electoral institutions were at the same time caused by elite fragmentation in the hegemonic party and then affected by them as they caused more factionalism. Paraguay's transition was incremental as the Colorado Party lowered its grip on power amidst high levels of fragmentation, which in turn allowed for more electoral contestation.

While elite fragmentation played a defining role in the fall of the Colorado Party, this study encountered some limitations in collecting supplementary data on factionalism. Hence, when studying elite fragmentation, it might prove useful in the future to analyse how factionalism in the hegemonic-party operated in the policy-making process in Congress. Additionally, the conditions that led Paraguay's hegemonic

political system to fall might also have relevant comparable implications in understanding transition processes of other hegemonic systems in less developed countries in regions like North Africa or the Middle East. Thus, in efforts to extend the findings and insights of this study, the study of elite fragmentation in hegemonic systems of less developed countries may prove a useful future research agenda.

6-ANNEXES

- ***Annex-1***

Table 6 Data on Elections Under Stroessner's Regime (Source: Rivarola 2009:15; Arditi 1992)

Period	*Total Registered*	*Incumbent Government*	*Opposition*	*Blank/Spoiled ballot*	*Total votes*
1953-1958	---	224,778	---	12,261	237,039
1958-1959	---	295,414		8,062	303,476
1960-1963	---	254,889		16,563	271,452
1963-1968	---	569,551	47,750	11,314	628,615
1968-1973	897,445	465,535	184,458	6,421	656,414
1973-1978	1,052,652	681,306	122,707	10,597	814,610
1978-1983	1,175,351	900,774	92,043	8,177	1,000,994
1983-1988	1,132,582	944,637	93,104	11,225	1,048,996
1988	1,446,675	1,187,737	137,878	14,332	1,339,947

- ***Annex-2***

Table 7 Factions inside the Colorado Party 1987-2006. (Rizova 2007:15, OEA 2007)

1987 (Pre-Transition)	1989 (Pre-Transition)	1992 (Pre-Party Primaries)	1998 (Pre-Party Primaries)	2003 (Pre-Party Primaries)	2006 (Pre-Party Primaries)
*Tradicionalista *Militantes	*Militantes combatientes stronistas *Tradicionalistas *Movimiento de Integración Colorada *Movimiento Etico Doctrinario *Movimiento Nacional Patriótico *Neo-Contestatarios Independientes	*Tradicionalismo unido *Tradicionalismo autónomo *Coordinadora Colorada Campesina (CCC) *Tradicionalismo renovador *Coloradismo democrático *Movimiento Popular Colorado (MOPOCO) *Generación Intermedia *Frente Histórico y Popular	*Tradicionalismo renovador *Tradicionalismo democratico *Unidad y Concordia *Reconciliacion Colorada *Coordinadora Campesina Colorada (Ybanez faction) *Coordinadora Campesina Colorada (Melgarejo faction) *Frente Historico y Popular	*Reconciliación Colorada *Coloradismo Democrático *Frente de Unidad *Acción Democrática Republicana *Reconstrucción Nacional Republicana *Dignidad Republicana *Unidad Colorada *Poder de la Gente *Coordinadora Colorada Campesina *Unión Democrática Republicana *Comunitario Colorado *Frente Republicano de Unidad Nacional *Fuerza Patriótica *Reacción Colorada *Fuerza Solidaria Colorada *Colorado Moralizador *Frente Amplio Colorado	*Movimiento Reconciliación Colorada *Movimiento Colorado Institucionalista *Movimiento Vanguardia Colorada *Movimiento Progresista Colorado *Movimiento Acción Nacionalista *Movimiento Alianza Colorada Revolucionaria *Movimiento Unión Nacional Republicana *Movimiento Unidad y Reencuentro Colorado *Movimiento Tradicionalismo Democrático *Movimiento Concertación Pueblo Colorado *Movimiento para el Desarrollo Nacional *Movimiento Franja Colorada Nacionalista *Movimiento Convergencia Republicana *Movimiento Frente Colorado *Movimiento Doctrina y Acción Colorada *Movimiento

					Comunión Colorada *Fuerza Colorada de Central *Movimiento Coordinadora Colorada
Total: 2	**Total: 6**	**Total: 8**	**Total: 7**	**Total: 17**	**Total: 18**

- ***Annex-3***

Table 8 Municipal Elections Results 1991. Source: (Abente 1995:316)

Party	Votes	Percentage
Colorado Party (ANR*a)	375,051	44.41%
Liberal Party (PLRA*b)	284,932	33.74
PRF	31,276	3.70
Independents*c	153,202	18.14
Total	844,461	99.99%

(*a) (ANR)-*Asociacion Nacional Republicana is the official name of the Colorado Party*

(*b) (PLRA)-*Partido Liberal Radical Autentico is the official name of the Liberal Party*

(*c) Of the independent, vote around 10% is attributed to Colorado candidates running as independents.

- ***Annex-4***

Table 9 Presidential Elections 2003-2008. Source: (Abente 2009:149)

Party	Candidate		Votes		Percentages	
	2003	**2008**	**2003**	**2008**	**2003**	**2008**
ANR	Duarte	Ovelar	547.232	573.562	37,1	30,6
UNACE	Sánchez	Oviedo	208.391	410.637	13,5	21,9
Total ANR/UNACE (split)			**755.62**	**984.199**	**50,6**	**52,5**
PLRA	Franco	Lugo	370.349	766.502	24,0	40,9
PPQ	Fadul	Fadul	328.916	44.060	21,3	2,4
Total Opposition			**699.26**	**810.562**	**45,3**	**43,3**

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