The influence industry in Paraguayan elections

Policy brief on the situation of companies linked to digital election campaigns between 2021 and 2023
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April 2024

AUTHORS
Leonardo Gómez Berniga
Eduardo Carrillo

RESEARCH ASSISTANCE
Maia Servin

EDITING AND PROOFREADING
Maricarmen Sequera
Sarah Cerna

DESIGN AND LAYOUT
Horacio Oteiza

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Executive summary

This policy brief addresses the growing influence of the political influence industry on Paraguay’s digital election campaigns between 2021 and 2023. It highlights growing concerns about the manipulation of elections through social media, the opacity of campaign financing and the lack of adequate regulations for handling personal data for political purposes.

Among the main findings of the research:

- There are currently 43 national and foreign companies dedicated to providing digital electoral advertising services to 156 electoral campaigns in the period studied. Of these, 148 campaigns corresponded to individual candidacies, of which only 24 corresponded to women, reflecting profound inequalities in access to campaign resources that limit women’s participation in the digital space.

- A considerable increase in monetary investment by political parties in digital influence strategies is noted, along with a greater variety of digital electoral propaganda companies supporting a wide range of parties and coalitions.

- Several limitations persist in the openness of data provided by the Superior Court of Electoral Justice (TSJE) on political financing, as well as the lack of effective procedures for monitoring, accountability and criminalisation of electoral violations in the digital environment.

Among the main challenges, the report raises the urgent need to update electoral legislation to adapt it to the digital era, the formulation of robust laws for the protection of personal data, the strengthening of transparency and traceability of electoral information, the consideration of affirmative measures to reduce gaps in women’s electoral political participation in the digital space, and the improvement of control and accountability mechanisms related to campaign financing through social media.

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1 Policy Brief, in Spanish
2 According to Tactical Tech, the political influence industry involves consultants, technology companies and platforms and uses diverse strategies and tools to impact political opinions and behaviours. Its extensive and enigmatic role has significant implications for political, social and economic life. More information at https://influenceindustry.org/en/project/about/
Context

The last general elections of 2023 revealed a crisis of confidence in the electoral system. From complaints of distrust of the electronic voting machine system that led to unprecedented protests\(^3\) to reports from citizens pointing out -once again- historical practices of inducement to vote, irregularities in the composition of polling stations, and barriers to the full exercise of the right to vote for people with disabilities\(^4\).

However, such a crisis scenario was not limited to the physical space, but also to the virtual one. There is no shortage of evidence of this crisis. In an intensive training process carried out last year between the organisations Semillas para la Democracia and TEDIC on issues of political financing, data, technology and elections\(^5\), several fronts were explored that illustrate this situation: from the violation of the electoral ban on the TikTok platform and other social networks and by various candidates for the Chamber of Deputies\(^6\) and Senators\(^7\) to serious deficiencies in the information provided by political parties and candidates in the National Observatory of Political Financing (ONAFIP)\(^8\).

In Paraguay, social networks have been a space of political dispute for quite some time\(^9\). This reality can be observed in a progressive increase in current spending on social media by political candidates from the 2021 municipal elections\(^10\) to the 2023 elections\(^11\), as well as

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3 TEDIC, "In the face of allegations of electoral fraud: More transparency and citizen participation", TEDIC (blog), 3 May 2023, https://www.tedic.org/ante-denuncias-de-fraude-electoral-mas-transparencia-y-participacion-ciudadana/  
4 TEDIC, "El Avizor: We recorded more than 130 incidents and high levels of electoral impunity", TEDIC (blog), 29 May 2023, https://www.tedic.org/informe-final-el-avizor2023/  
7 Databootcamp, "In search of young votes: TikTok, a political tool of Deputies during the campaigns", BootCamp (blog), 2023, https://bootcamp.tedic.org/en-busca-de-votos-jovenes-tiktok-una-herramienta-politica-de-diputados-durante-las-campanas/  
8 Digital platform offered by the Superior Tribunal of Electoral Justice (TSJE) in order to make publicly available all data on the financing of political organisations, including declarations provided by candidates in national, departmental and/or municipal elections.  
10 TEDIC, "Launching of research on social media propaganda and elections", TEDIC (blog), June 21, 2022, https://www.tedic.org/lanzamiento-de-investigacion-sobre-propaganda-en-redes-sociales-y-elecciones/  
in problematic situations that suggest dubious practices regarding the protection of personal
data from electoral databases held by the TSJE and that suggest improper use by political parties\textsuperscript{12}

The above takes on an even more serious nuance since, as this reality is not duly con-
templated in the regulations, there is insufficient transparency in public sources regarding
the content, formats and channels used for the development of political campaigns in the
digital sphere by the companies involved. Moreover, there are no efficient mechanisms to
sanction electoral crimes in the digital space, whether for propaganda or for issues related
to illegal political financing.

Thus, attempts at digitalisation within the TSJE itself, together with a double change in the
way in which candidates and voters in Paraguay consume social networks and exercise
politics through them, constitute urgent realities that require greater attention to this space
and from multiple regulatory approaches, with a view to guaranteeing the security and
reliability of the electoral process.

\textsuperscript{12} TEDIC, “[Research Launch] Disaffiliation or Habeas Data?”, TEDIC (blog), October 13, 2022, \url{https://www.tedic.org/lanzamiento_habeas_data/}
Stakeholder mapping

This policy brief will focus specifically on those companies directly linked to the political influence industry in the digital space, identified in reports from Meta’s ad library, collected during the 2021 municipal elections, the 2022 internal elections and the 2023 general elections, with the addition of ONAFIP data for the same period.

By way of measuring the volume of what has been explored, during the 2023 elections, ONAFIP recorded that more than 2,500 companies providing services to candidates and political parties were involved. The result of the exploration, extended to data since 2021, has allowed the identification of 43 companies that have specifically provided digital electoral advertising services in 156 electoral campaigns, between 2021 and 2023. 148 campaigns corresponded to exclusive candidacies of individuals and 8 of them corresponded to political organisations.

Therefore, this forces us to think about the total number of people linked to the election process and to transactions in electoral campaigns: candidates, political organisations and their leaders, electoral authorities and service providers, as well as others linked to the control of commercial irregularities such as the National Directorate of Tax Revenue (DNIT), the Secretariat for the Prevention of Money and Asset Laundering (SEPRELAD) or the Secretariat for the Defence of Consumers and Users (SEDECO).

This also makes it necessary to analyse the impact of structural inequalities at the physical level. These inequalities spill over into the digital space and significantly limit the participation of women and emerging organisations during electoral processes, deepening asymmetries and affecting the conditions for fair competition.
Methodology

The methodology applied in the report consisted of tracking companies involved in digital election advertising, extracting key data such as the name of the company; alternative or fantasy names; elections in which they participated, as well as details of the candidate, party or organisation to which they offered the service; the amount spent and date of the disclaimer of the candidate and category of expenditure. In addition, information was included on the country of operation, country of origin, website, type of source, reference link and company description. The descriptions were drawn from information provided on their websites or social media pages.

Regarding categorising companies and service providers, The Influence Industry Project’s guidance on using personal data for political influence was followed. The categories are “influence”, “intelligence”, “assets” and “miscellaneous”.

Data categorised as assets refers to how data is accumulated, sold and shared between political parties, candidates and companies.

Intelligence data relates to the accumulation, processing and interpretation of personal data to create profiles of potential voters’ preferences and design effective campaign strategies, often using tools such as ‘trackers’ or ‘digital listening’ that operate on websites, social networks and apps.

Influence data involves using tools based on acquired data to target and reach potential voters in order to influence or manipulate their voting decisions.

Of the 43 companies categorised, all were considered “Influence.” Only 2 were in the Intelligence category and one in the Assets category. Tactical Tech verified, corrected, and updated the Matrix, ensuring the accuracy and relevance of the information presented.

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13 According to the methodological classification provided by the German organisation Tactical Tech, available at: https://influenceindustry.org/en/resources/explorer-explainer/
Key findings

The poor breakdown of information provided by the TSJE portal demonstrates the need to advance reforms that promote greater transparency and access to information: only 3 of the 40 companies were surveyed based on ONAFIP data, and the rest were identified through Meta’s ad library.

**Table 1.** Number of Companies by Political Organisation (2021-2023)

<table>
<thead>
<tr>
<th>Political Organisation</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asociación Nacional Republicana (ANR)</td>
<td>9</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Partido Liberal Radical Auténtico (PLRA)</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Alianza Encuentro Nacional</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Alianza “Senadores por la Patria”</td>
<td>–</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Patria Querida</td>
<td>2</td>
<td>–</td>
<td>3</td>
</tr>
<tr>
<td>Movimiento “La Nueva República”</td>
<td>–</td>
<td>–</td>
<td>4</td>
</tr>
<tr>
<td>Yo Creo</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Alianza por la Patria</td>
<td>–</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Concertación Nacional</td>
<td>–</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Otros</td>
<td>6</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total/Year</strong></td>
<td><strong>26</strong></td>
<td><strong>25</strong></td>
<td><strong>41</strong></td>
</tr>
</tbody>
</table>

A notable finding is the increasing involvement of companies in the digital electoral propaganda arena, as seen in Tables 1 and 2. In 2021, we identified 9 companies involved in 20 National Republican Association (ANR) party campaigns. This number increased significantly in 2022, with 30 ANR campaigns supported by companies. In 2023, the number remained high, with 25 ANR campaigns supported by 14 companies. This growth pattern reflects a trend towards greater investment in digital influence by political parties.

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14 The data for 2021 refers to the Encuentro Nacional Party and not to the alliance. The data for the Alianza Senadores por la Patria and the Partido Patria Querida include a company that provided services to the organisation and not to a particular candidacy.
In addition, the data collected in the sample of this research shows a concentration of companies that mainly focus their services on only two political organisations, evidencing the existence of significant structural inequalities that hinder the equal participation of women and non-hegemonic actors during electoral campaigns.

To illustrate the situation, 60.26% (n=156) of the electoral campaigns were concentrated in just two organisations, the ANR and the PLRA. On the other hand, only 16.22% (n=148) of the individual candidates corresponded to women.

As additional and comparative data, of the total number of male candidates, 67.74% (n=124) corresponded to members of the ANR and the PLRA. However, the participation quota is significantly lower for women in both parties, where they only represented 41.67% (n=24) of the total number of candidates with a digital presence.

15 The candidacy of presidential candidate Euclides Acevedo had two pages, an official one and an additional one called “Tio Euclides”, so there were 5 pages involved. Yo Creo was called Movimiento Conciencia Democrática en 2021. 8 campaigns corresponded exclusively to political organisations: “Alianza Electoral Senadores por la Patria” and the “Partido Patria Querida”.

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**TABLE 2. Number of election campaigns per Political Organisation (2021-2023)**

<table>
<thead>
<tr>
<th>Political Organisation</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asociación Nacional Republicana (ANR)</td>
<td>20</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Partido Liberal Radical Auténtico (PLRA)</td>
<td>14</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Alianza Encuentro Nacional</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Alianza Electoral Senadores por la Patria</td>
<td>–</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Patria Querida</td>
<td>2</td>
<td>–</td>
<td>3</td>
</tr>
<tr>
<td>Movimiento Político “La Nueva República”</td>
<td>–</td>
<td>–</td>
<td>4</td>
</tr>
<tr>
<td>Yo Creo</td>
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<td>3</td>
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<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Concertación Nacional</td>
<td>–</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Otros</td>
<td>7</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44</strong></td>
<td><strong>45</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>
In addition, we have observed a diversification in companies’ participation in support of different parties and alliances. For example, in 2021, the company Teju offered its services to a candidate of the ANR and another of the Authentic Radical Liberal Party (PLRA), two antagonistic parties. The same happened with the company Dizaga, which contributed to candidacies of the ANR, Unámonos, and the Partido Encuentro Nacional at the same time.

In the 2022 internal elections, the company Imagen de Gobierno provided its services to candidates from three different parties in the department of Alto Paraná: Yo Creo, ANR and Concertación Nacional. Something similar happened in Asunción with Operación Dinamo, led by consultant Nahuel Ayala, advising one ANR candidate and another from the Alianza Encuentro Nacional (National Encounter Alliance).

This dynamic was repeated in the 2023 general elections with the companies ASP Marketing, Aguila Marketing, Imagen de Gobierno, Nueva Tecno and Showvid Marketing Político.

According to all that has been explored, it is possible to affirm that the TSJE does not provide information that would allow identifying cases of the use of data for micro-targeting in advertisements, it does not make invoices available, nor does it require descriptions of the investment made by political actors.

On the other hand, there is no traceability between the existing data in Meta and what is available on the ONAFIP website. This could lead to under-registration or inaccuracies when candidates and political parties declare their spending on social media through the channels provided by the electoral authority. The TSJE should explore the possibility of reaching agreements with the main companies that own digital platforms, such as Meta\(^{16}\), ByteDance\(^{17}\) or Alphabet\(^{18}\), to facilitate mechanisms for cross-checking information on investments channelled through these media, ensuring uniformity, veracity and consistency with the reports published in the ONAFIP.

The TSJE also does not offer on its website a personal data protection policy and terms and conditions of use specifying details that include ONAFIP, nor does it include accessible tutorials on the usability of the portal, or updated communication campaigns aimed at non-technical audiences on its various channels.

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\(^{16}\) Company that owns the social network "Facebook", "Instagram" and the messaging service "Whatsapp".

\(^{17}\) Company that owns the social network "TikTok"

\(^{18}\) Company owner of the ad network "Google Ads" as well as of the main online video platform "Youtube"
For more details on the exploration, including details of companies and the original sources, please visit the Explorer at: https://influenceindustry.org/en/explorer/.

**Image 1.** Preview of companies by country. Source: Influence Industry Project.
The need for electoral reform is urgent. This has even been recognised by the TSJE itself, which recently announced the introduction of a package of legislative reforms for the new parliamentary period of 2024, including issues such as the inclusion of non-convicted prisoners on the electoral roll, the use of dark rooms and plastic ballot boxes, the modification of electoral deadlines, the introduction of biometrics for voter identification, a digital ethics pact, among others.19

Such a willingness to reform is worth highlighting and emphasising. However, it should be carried out from an evidence-based approach that also incorporates issues such as the control of social media advertising. The above points to a series of gaps and needs, but also a path to follow with a view to strengthening the current electoral scenario and generating a greater degree of reliability and trust in the electoral system and its institutions.

Firstly, the current control mechanisms regarding social media and electoral expenditure are insufficient. Since 2018, Paraguay has had Law Nº 6501/2020 on Political Financing, which considers social media campaigning as electoral expenditure.20 However, the data indicated in this policy brief shows serious difficulties in the information and control mechanisms implemented by the TSJE, as well as deep gaps in access to technological and economic resources to access digital propaganda by emerging parties and candidates.

In the same vein, and crosscutting to all of the above, the need and urgency of a comprehensive law on the protection of personal data is once again evident. Although the current Paraguayan legal framework provides certain guidelines for the protection of personal data,21 the lack of comprehensive legislation leaves a regulatory vacuum regarding the manipulation of personal data in the electoral sphere, including political micro-segmentation, which implies the manipulation of personal data to influence the decisions of voters.

Experiences in the Latin American region provide clues to policy and regulatory alternatives that establish mechanisms to control electoral advertising, such as in Argentina, Brazil and Mexico. Specifically, in Argentina, there is an obligation to register the official ac-

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21 The 1992 National Constitution lays the fundamental foundations in Article 33 by recognising the right to privacy, guaranteeing the inviolability of private life, as long as it does not infringe public order or the rights of third parties. Furthermore, Article 25 emphasises the right of everyone to the free expression of his or her personality, creativity and the formation of his or her own identity. In this context, the protection of personal data acquires special relevance as it contributes significantly to the proper formation of the citizen’s identity.
counts (on social networks and other media) of candidates and political organisations with the electoral authority in order to allow for greater public control over financial spending and electoral information.

As an additional reference, the regulatory framework in Mexico requires the presentation of receipts from the companies contracted for the elaboration and exhibition of the advertising in networks, the unit cost of each advertisement, considering the added tax and even the sample of the content of such advertising\textsuperscript{22}.

In Paraguay, with regard to ONAFIP, the progress and consolidation of the tool in the service of transparency in electoral processes is noteworthy. However, in terms of usability, obstacles have been identified for processing for research purposes and little application of open data standards that allow downloading information in open formats such as csv. Paraguay has been part of the Open Government Partnership (OGP) since 2011\textsuperscript{23} where it has assumed commitments to transparency and has allowed the existence of portals such as datos.gov.py, which facilitate the management of large volumes of information produced by public institutions. Such successful experiences should be replicated in ONAFIP with a view to improving access to electoral information in different formats.

The importance of demanding better accessibility standards in the information available at ONAFIP is crucial. The relevance of the platform lies not only in the information hosted on it, but also in the formats in which the information is available. For example, ONAFIP contains valuable information such as the annual reports of electoral contributions and subsidies received by political organizations. However, they are in the format of tables photographed in PDF format\textsuperscript{24}. This obviously obstructs an analysis of the information, including in this report.

\textsuperscript{23} https://www.opengovpartnership.org/members/paraguay/
\textsuperscript{24} This situation is verifiable at: https://onafip.tsje.gov.py/informe-anual
On the other hand, the TSJE makes available on its website sets of data on candidacies in electoral periods since 1993. However, it does not make available the data on the ONAFIP website, such as campaign declarations and returns details.

Likewise, ONAFIP’s reports show the details of the invoices of each candidacy or political organization. However, it does not make the copy available for web consultation, as evidenced by good practices in other countries such as the United Kingdom25 or the United States of America26.

Finally, during the period covered by this work, interruptions were detected in the availability to access the platform, which was down for about a month and a half, forcing the TSJE to issue a communiqué explaining the ONAFIP outage.27

In addition to the above, people living abroad have reported blockages when trying to access the Electoral Justice website, including ONAFIP. According to random checks carried out by TEDIC, the website’s firewall prevents access from IP28 addresses located in Argentina, the United States, Brazil and Spain29 under the argument of mitigating DDoS attacks30. From other countries, such as Germany or Italy, it indicates that access from those territories was disabled by the site administrator29. From other countries, such as Germany or Italy, it indicates that access from those territories was disabled by the site administrator.

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25 https://search.electoralcommission.org.uk/
26 https://www.fec.gov/data/
27 https://x.com/TSJE_Py/status/1763223486216937898?s=20
28 An IP address, short for Internet Protocol address, is a numerical label that identifies devices connected to the Internet or internal networks.
30 Un ataque de denegación de servicio distribuido (DDoS, por sus siglas en inglés) constituye un esfuerzo deliberado por perturbar el flujo regular de tráfico en un servidor específico, servicio o red, mediante la saturación del objetivo o su infraestructura adyacente con un flujo excesivo de datos procedentes de Internet.
1. **Improve transparency**: It is recommended that the TSJE establish partnerships with Meta and other digital platforms to implement mechanisms for cross-checking information on investments channelled through these media, ensuring uniformity, veracity and consistency with the reports published in ONAFIP.

2. **Detail electoral advertising services**: The TSJE should require and publish detailed descriptions of the services provided by companies and service providers, especially those related to digital advertising, including details on the use of targeting and databases in advertisements. This would help improve public understanding of the scope and nature of these activities.

3. **Addressing gender gaps**: The TSJE should establish strategies to mitigate gaps in women’s political participation, including possible affirmative actions aimed at access to digital advertising by women candidates and vulnerable communities under-represented in the electoral contest.

4. **Data protection and transparency legislation**: Government bodies are urged to push for a comprehensive personal data protection law to regulate the collection and use of personal data by political actors and companies.

5. **Cybersecurity and access policies**: It is suggested that cybersecurity policies be implemented to guarantee continuous and secure access to electoral information, as well as transparency in the TSJE’s blocking policies for citizens and voters abroad. Such a process involves work that goes beyond the TSJE itself, and is linked to the need for a national cybersecurity policy or plan in Paraguay.

6. **Data query tools**: It is recommended that the ONAFIP portal should have a public API for queries and data extractions, facilitating access to electoral and financial information in a more effective and efficient manner.

7. **Access to digitised public information**: The TSJE should include download options for invoices and other relevant documents currently considered as public information, thus facilitating review and control by interested persons.