

## Andean Report by Valerie Rush

### Anarchy looms in Colombia

*Gaviria has had to resort to an 'economic emergency' decree to try to keep control of the country.*

**C**olombia has returned to the Stone Age. The cities are like villages, without electricity or telephone service," complained one woman interviewed by Colombian radio. Her comments effectively summarize the disgust Colombians are beginning to openly voice toward their government, whose monumental inefficiency in meeting the country's physical needs is only matched by its submission to the narco-terrorists on the one hand, and to the "free-trade" dictates of its international creditors, on the other.

A week-long strike by the employees of the state-owned communications company Telecom, to protest the Gaviria government's privatization plans, has succeeded in completely cutting Colombia off from the outside world, while wreaking havoc with banking and other business operations inside the country. The strike was declared illegal by the government, which sent in the police to dislodge strikers from Telecom's offices. Nonetheless, eight days later, the company's management has been unable to restore more than 20% of the lines.

What has amplified the chaotic effect of the telephone workers' strike is the fact that the entire country has been subject to 8-12 hours of energy rationing a day for more than a month, which has cost the nation an estimated \$35 million a week in production losses, and which has inflicted serious damage on such critical sectors as health and education. Financial losses due to missed production deadlines have begun to translate into bankrupt-

cies and mass layoffs, and a general sense of uncontrolled crisis is pervasive.

Under such conditions, President César Gaviria cannot help but see his future mirrored in the fate of his neighboring colleague, Venezuelan President Carlos Andrés Pérez, who is hanging onto power by the skin of his teeth following the failed Feb. 4 military coup attempt in that country. Indeed, government polls are showing that Gaviria's popularity rating has plummeted, even as elements inside the Armed Forces are growing more vocal in their opposition to his capitulationist "peace policy" toward the narco-terrorists.

According to Enrique Santos Calderón, an editor of Colombia's leading pro-government daily *El Tiempo*, "This is a daily, collective drama whose final costs no one dares to calculate. The innumerable discomforts and chaos caused by the blackouts have deepened the already noticeable exasperation people are feeling with the institutional corruption and inefficiency of the state." Opposition Senator Enrique Gómez Hurtado is cited in an April 24 commentary in the *Wall Street Journal*, "If another period of anarchy reigns—pushed by an economic downturn, the current energy crisis, and a renewal of violence from the narco-bandits—God knows what will happen."

In a desperate attempt to recover his image, President Gaviria took advantage of new provisions in the country's year-old Constitution to decree an "economic and social emergency" on April 22. Under that emergency,

which bypasses the Congress and Council of State and is activated solely upon presidential discretion, Colombia's 1992 budget has been increased by \$2.5 billion, or 24%. Some of that increase will be financed by a \$250 million bond issue, but no details on how the rest will be funded have yet been released.

The new budgetary allotments will go in part to buy up the debts of the country's regional electricity companies, which are suffocating under a combined foreign indebtedness of \$5.5 billion. In addition, funds will reportedly be deployed for the urgent completion of such energy projects as the giant Guavio hydroelectric dam outside of Bogotá, which is already several years delayed and is currently slated for completion in a year.

President Gaviria's emergency action fails to address the decade-long looting policies of Colombia's international creditors which are the underlying cause of Colombia's energy crisis and in which Gaviria (a former IMF economist) is personally complicit. But it nonetheless necessarily reflects the present social and economic reality not only in Colombia, but across the continent. The free-trade policies of the IMF simply do not work. And without direct government intervention to channel resources into rebuilding crumbling economic and social infrastructure, these nations are going to die.

Gaviria's emergency decree is in direct violation of the spending ceilings that have been "recommended" by the International Monetary Fund. And although Colombia does not have a formal agreement with the Fund, Gaviria's decree sets a precedent for dirigistic interventions in countries such as Peru, which is in desperate need of massive capital flows into health and sanitation infrastructure to stop the cholera epidemic.