

# Why is Chávez in such a hurry to dismantle Venezuelan nation-state?

by David Ramonet

Hugo Chávez was inaugurated as President of Venezuela on Feb. 2, but unlike his predecessors, Chávez did not swear to uphold and ensure the implementation of the Constitution of the Republic. When he put his hand on his country's Constitution, he said instead: "I pledge before my people that upon this moribund Constitution, I will carry out the necessary democratic transformations for the New Republic to have a Magna Carta adequate to these new times. This I swear."

In his inaugural speech—during which some said he resembled an "evangelical preacher" and others a "romantic Jacobin"—he announced plans to ram through a referendum decree to convoke a Constituent Assembly to re-write the constitution which, for at least some of his supporters, takes as its model the Colombian Constituent Assembly of 1991, which was financed by the drug cartels in that country. Determined to prevent the Venezuelan Congress from setting the ground rules of his Constituent Assembly call, Chávez swore in his cabinet, and then, within hours, convoked a Council of Ministers to sign the referendum decree. At the end of the day, in the company of Fidel Castro and other heads of state who attended the ceremony, he went before a mass meeting to reaffirm his pledge.

The decree in question poses two questions to the electorate: 1) should a Constituent Assembly be convoked, or not; and 2) proposes that the President set the guidelines for putting the Assembly together. Together, the two questions have triggered a storm of protests in various political sectors of the country, and have created a deep institutional crisis.

For example, Cong. Gabriel Puerta Aponte, leader of the Red Flag organization which was with the guerrillas in the 1970s, said that "one can't tell if this participatory social democratic state that Chávez is trying to impose comes from some ideological current like Italian Fascism. . . . You can't just invite the people to support something if they don't know what it is. This is Chávez abusing the support the people granted him."

According to well-known Venezuelan writer Jorge Olavarría, "We are operating in the glare of the false democratism of the referendum and the plebiscite. I want to remind people that consulting the people by means of a referendum is one of the practices put into effect under the French Revolution, and it has nearly always been to establish autocratic and authori-

tarian regimes." Olavarría made his observation while making public his letter of resignation from the Presidential Constituent Assembly Commission, which had been created by Chávez once he was President-elect.

At present, there are two legal challenges to the referendum decree before the Venezuelan Supreme Court, one of them advised by Olavarría. But in the same way that President Chávez considers the National Congress illegitimate because the political parties are represented therein, so too does he insist that the Supreme Court must not make decisions on the basis of standing legislation, but rather according to "the clamor of the people." In a Feb. 15 mass rally commemorating the Angostura Congress installed by Simón Bolívar some 180 years ago, Chávez said that "if the Supreme Court nullifies the decree, it is up to the people to act. . . . Then we will be speaking from the streets. I will go to the streets with you."

This flood of proclamations and threats from the newly inaugurated President, raises the question: Why his insistence, and nearly desperate haste, to convoke the Constituent Assembly?

Chávez's insistence stems from his most fundamental political belief structure, based on the Jacobinism of French philosopher Jean-Jacques Rousseau, to whom only "the people" (that is, the mob) is sovereign, and not the institutions of the nation-state which translate the Common Good of society into a system of Constitutional law. And the haste is due to the fact that Chávez is carrying out economic measures of the purest neo-liberalism, which in a matter of months will lose him the popular support he enjoys today.

## The economy, in the shadow of the IMF

President Chávez's Jacobin passions are not evident when he deals with economic affairs, however. Without a popular referendum, or even a half-hearted plebiscite, the President decided to keep the International Monetary Fund's (IMF) oversight program, known as the "shadow program," and kept Maritza Izaguirre, his predecessor's Finance Minister, in her post. Before his inauguration, Chávez had already stated that he would not "satanize" the IMF.

Days before his inauguration, Chávez travelled to the United States, where he met with IMF Managing Director Michel Camdessus. He also met with the director of the U.S.

National Security Council, a meeting briefly joined by President Clinton. As the result of his talks with Camdessus, Chávez's administration is now studying an expansion of the IMF's shadow program, to formalize it within a new framework which would oblige the Venezuelan government to more readily adjust to IMF conditionalities.

Chávez reported on Feb. 17, that he will introduce legislation to the Congress which will allow him broad latitude to issue economic decess, in order to accelerate his economic measures, which in essence translate to more tax measures, a wage freeze, and administrative austerity. He announced that the long-awaited "increase" in the minimum wage will come to a mere 20%, going from 100-120,000 bolivars a month (some \$208), which in real terms means a substantial wage reduction, given that last year's inflation rate was 36%. Further, this nominal wage increase would only cover public sector workers.

With regard to the private sector, wages will be fixed in accordance with the situation of each individual company and sector of the economy, to be worked out by the Labor Minister and the business associations, because, according to Chávez, the Federation of Venezuelan Workers "is not legitimate, as the private business sector is." In response, the Venezuelan labor leadership has protested before the International Labor Organization and other international union organizations. Again, Chávez responded with a mass meeting: "The corrupt people . . . can turn to the protocols of Hell if they want to."

Chávez's tax reform includes the imposition of a value-added tax, to replace the current wholesale tax, whose 16.5% rate will be reduced by 1-1.5%. At the same time, the taxable base will be broadened, to include categories which have yet to be announced. Further, there will be a tax on banking and financial transactions, ranging from 0.5 to 0.75% of each transaction, a measure recently implemented by the Brazilian government on instructions from the IMF.

But the centerpiece of the reform will be to give broader police powers to Seniat, the tax collection agency, of which Chávez has just proclaimed himself commander in chief. To meet the most immediate needs of the most needy sectors of the population, he announced the creation of a Plan of Immediate Sustainable Action, a civil-military program in which he will reportedly involve the military's engineering and medical corps in agriculture and infrastructure development, and medical assistance.

### **'Peace' dialogues**

The development with the greatest regional and international significance is Chávez's offer of the city of Caracas as the site for negotiations between the government of Colombia and the National Liberation Army (ELN), a Colombian narco-terrorist group that operates along the Venezuelan border, which the terrorist forces frequently cross to kidnap Venezuelan ranchers, extort residents, and systematically harass border posts of the Venezuelan Armed Forces.

On Feb. 9, the same day that President Chávez unveiled his economic plans, Venezuelans read in the morning press that two representatives of the ELN and the Colombian government's "peace commissioner" were in Caracas. The newspapers revealed that one day earlier, the ELN had kidnapped three more Venezuelan ranchers and stolen several head of cattle.

Asked to comment, President Chávez repeated that this was just another effort to contribute to peace in Colombia. "We are not enemies of the government, nor of the guerrillas, of Colombia. This is an internal conflict, and we cannot interfere," he said.

His comments left everyone speechless, since it is obvious that neither the Army nor the government of Colombia have attacked Venezuela, whereas the ELN, to whom Chávez has given the same status as the Colombian Army, is carrying out acts of hostility against Venezuelan citizens, on Venezuelan territory. It became necessary for Chávez to issue a clarification five days later, during the transfer of command in the Number One Theater of Operations, where he appeared in his lieutenant colonel's uniform—reportedly duly authorized by the Defense Ministry—to demand that the guerrillas stop operating in Venezuelan territory, because the Armed Forces would be forced to respond militarily. However, he reiterated that the warning applied equally to any military force, of any country, and went on to thank the ELN for its "gesture" of freeing three engineers of the Venezuelan oil company PDVSA, who had been kidnapped two weeks earlier.

According to Venezuelan Foreign Minister José Vicente Rangel, the architect of the ELN negotiations is the Governor of the Venezuelan state of Zulia, Lt. Col. Francisco Arias Cárdenas (ret.), who has been in contact with ELN leader Antonio García. During the January 1999 meeting between Chávez, Colombia's President Andrés Pastrana, and Fidel Castro in Havana, Governor Arias posed the necessity of bringing the ELN into the Colombian government's ongoing "dialogue" with the FARC. That is, Arias has been acting "unofficially" as the Venezuelan government's intermediary, apparently for some time. As expected, the ELN demanded the demilitarization of those territories in Colombia where it has its bases of operations, right along the border with Venezuela. Arias not only sees no problem with an eventual withdrawal of Colombian troops from the border area, but said that if the measure were adopted, he would back it.

Up until now, the Colombian and Venezuelan Armed Forces have been operating on the basis of an agreed-upon manual of operations, which is now in question, given the announced "neutrality" of the Venezuelan government and army in Colombia's war against narco-terrorism. Even more alarming is the fact that the ELN's areas of operations is where opium poppy is being cultivated at an expanding rate, and through which the precursor chemicals imported by the drug traffickers for their processing laboratories, also pass.