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## Venezuelan Constituent Assembly Completes Draft of New Constitution

by LADB Staff

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Working against the clock, Venezuela's Asamblea Nacional Constituyente (ANC) approved its proposed constitution Nov. 14, but then resumed debate the following day. Once the ANC has officially adopted the 350-article document, it must be ratified in a referendum scheduled for Dec. 15. The document provides measures to strengthen democracy and the judiciary while also increasing the powers of the president and the role of the state in the economy. The Catholic Church hierarchy has criticized the document for what it perceives as an opening to legalize abortion, homosexual marriage, and euthanasia, and some sectors of the international press have warned of possible restrictions on press freedom.

FEDECAMARAS, the nation's largest employers organization, strongly opposes 35 articles that it says discourage private capital and trade-block development. Critics also charge the document was rushed through, is partisan, and is poorly written.

### *Constitution changes way of doing politics*

The proposed constitution extends the presidential term from five to six years and permits a second consecutive presidential term, which could allow President Hugo Chavez to remain in office until 2013. It creates the office of vice president and changes the name of the country to the Bolivarian Republic of Venezuela, after independence hero Simon Bolivar.

The document eliminates the Senate and further diminishes the waning power of political parties by prohibiting state financing for parties. Restrictions are set for candidates seeking public office to prevent nepotism and special-interest pressures. Legislators will not be able to own or manage any business, must submit frequent public reports, and will no longer enjoy legal immunity. Judges will be selected through a process that includes citizen participation.

The proposed constitution also enhances public participation by giving voters the power to remove elected officials and labor leaders by referendum. It grants far-reaching social security and labor benefits and reduces the workweek to 40 hours. It gives more rights to indigenous communities, including greater control over natural resources on their lands, which is another controversial point. The president can promote military officers without legislative approval.

Chavez called the proposed constitution "one of the most advanced on the continent" and said he will campaign to win public support for a "yes" vote in the referendum. Critics make last-ditch effort to change articles Although the ANC approved the document Nov. 14, it went back into "permanent session" to "put a few final touches" to several controversial articles. The Catholic Church has insisted that the draft add "from the moment of conception to natural death" to the article dealing with the right to life. It has also lobbied for constitutional recognition of private education by the church.

Meanwhile, the press, especially the Sociedad Interamericana de Prensa (SIP) and Reporters without Borders, want to remove the adjectives "truthful, impartial, and appropriate," which they say could lead to censorship, from the article treating freedom of the press. Local journalists are divided on the issue.

FEDECAMARAS warns that the document's economic measures are obsolete and a return to state-controlled economy that will jeopardize the recovery of the productive sector. Businesses say the added labor benefits will significantly increase costs and could lead to financial collapse. Chavez has suggested that Venezuelans be asked in the referendum if his presidential mandate should be validated with a new election, which he says he would win easily. Chavez's optimism is well-founded. His public support remains very high and the proposed constitution closely follows his recommendations.

Although the ANC's approval of a single-chamber legislature went against Chavez's wishes, it approved his call to lower the workweek from 44 hours to 40 hours, ban private pension funds, empower the president to control military promotions, and permit the president to dissolve the legislature if it twice rejects his proposal for vice president. While those provisions significantly change Venezuela's form of government, some analysts say the provision Chavez wanted most was the possibility to remain in office beyond his first term.

Critics say the proposed constitution would create more problems than it solves. At a joint news conference, four opposition ANC delegates criticized the draft for blocking decentralization, increasing state control of the economy, and handing excessive powers to the president. "Like many Venezuelans, I feel totally let down by what has been a colossal political fraud," delegate Alberto Franceschi said. "It's the same statism as ever, the same populism as ever... which will turn us into a poorer, more backward country." "This constitution, which they say is going to replace the moribund one, is going to be stillborn," said delegate Jorge Olavarria.

### *Budget hits snags*

Meanwhile, on Nov. 11, the congressional finance committee threatened to veto the government's proposed budget for next year. The committee disputed the government's forecasts for economic growth and income. "The government's income expectations are absolutely unrealistic," said Liliana Hernandez, head of the finance committee. "The budget assumes income of US\$700 million from the privatization of power companies, when the government's privatization plans remain entirely unclear."

Finance Minister Jose Rojas maintained that modernizing the tax system would improve revenue collection. Income-tax revenue is expected to increase by 20%, customs taxes by 60%, and value added taxes (impuesto al valor agregado, IVA) by 43% in nominal terms under the budget proposal. "These are targets we think we can meet next year," said Rojas. Rojas agreed that the government is caught in a dilemma between meeting social needs and adhering to fiscal discipline. The government owes state employees nearly US\$15.8 billion, greater than its hard-currency reserves, Rojas said. "We have a large social debt resulting from a series of labor agreements reached with educators, workers, and other groups, he said. "In this budget we are trying to reduce this social debt."

The budget assumes economic growth of 2.2%, inflation rising to 17%, average oil production of 2.7 million barrels per day at US\$15 per barrel, and a foreign exchange rate of 697 bolivares to the US dollar. On Nov. 16, the administration said rather than deal further with the Congress, which would be automatically dissolved Dec. 15 if the proposed constitution were approved, it would submit the budget to the ANC for approval. "Considering the new times that demand a change in the country and the new elements of the new democracy, we have decided to submit the 2000 budget to the ANC for approval," said Finance Minister Rojas. [Sources: The Miami Herald, 11/09/99; Notimex, 11/10/99, 11/16/99; The Financial Times (London), 11/11/99, 11/15/99; Associated Press, CNN, 11/15/99; Reuters, 11/16/99; Spanish news service EFE, 11/08-10/99, 11/11/99, 11/17/99]

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