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Venezuelan Opposition Blocks ‘Economic Emergency’ Decree; Court Gives It a Green Light

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Venezuelan leader Nicolás Maduro, looking for a way to rebound after the stunning defeat his party suffered in the December parliamentary elections, proposed major changes last month to the government’s much maligned economic program. The opposition Mesa de la Unidad Democrática (MUD) coalition, however, used the comfortable two-thirds majority it earned in those elections to quickly thwart the president’s efforts (NotiSur, Jan. 8, 2016).

Since its launch 17 years ago by the late Hugo Chávez, president from 1999 until his death in 2013, the government’s Bolivarian Revolution has been criticized far and wide for failing to introduce an economic model that frees Venezuela from its overdependence on oil. The leadership finally recognized its mistakes and proposed a change of course in the form an “economic emergency” decree, signed Jan. 14. But the opposition, caught up in a chaotic internal situation, failed to capitalize, choosing instead to simply reject the Maduro administration’s plan. The MUD-dominated Asamblea Nacional (AN), Venezuela’s unicameral legislature, voted against the decree on Jan. 22. Divisions within the MUD are also preventing it from advancing on its “emblematic” goals of securing amnesty for jailed opposition leaders and designing a course of action to put an early end, democratically, to Maduro’s presidency, which runs until 2019.

MUD suffered another setback on Feb. 11, when the Tribunal Supremo de Justicia (TSJ) declared Maduro’s economic emergency decree to be constitutional and invalidated the AN vote against it. The high court is widely viewed as being biased in favor of the Maduro administration, and its maneuvering on behalf of the decree issue, according to Associated Press correspondent Jorge Rueda, threatens to exacerbate political tensions and pave the way for a new clash between the branches of government.

Emergency measures

Maduro, looking to take the initiative in the now opposition-controlled AN, presented lawmakers with his economic emergency plan on Jan. 15, two weeks before opposition leader Henrique Capriles would say the time had come to determine a mechanism for ousting the president, and a month before the legislature began debating an amnesty bill for jailed regime opponents.

The decree calls for revising the basic guidelines that have governed economic policy under the Bolivarian Revolution. Its specific goal is to end Venezuela’s dependence on oil revenue by developing a new system of production. “After nearly two years of lashing out against [low] crude oil prices, the government of Caracas took measures that not only sustain and strengthen its social policies, but also mitigate the negative effects caused by the instability of so-called ‘black gold,’” the regional television network teleSUR noted the day after Maduro’s announcement.

In turning his attention to the economy, and to the serious problems of soaring inflation, food shortages and high levels of violent crime, Maduro addressed the issues that most concern and trouble the Venezuelan people, regardless of political affiliation (NotiSur, May 22, 2015). Poll results
published Jan. 17 by the daily Últimas Noticias suggest that 59% of respondents think solving the country’s economic problems should be an absolute priority, compared with only 19% who think an amnesty for jailed government detractors is most important, as the opposition proposes.

Nevertheless, on Jan. 19, the country’s three leading business associations rejected the decree. The following day, Capriles came out against it. “This government, which already benefits from six laws giving it special powers to legislate, now asks us for additional powers,” he said. “These leaders who are only now recognizing the delicate situation facing the country gave away millions of dollars to other countries. They wasted the petrodollars, and now they come and say that the fall in oil prices is to blame for the crisis.” Finally, on Jan. 22, the AN buried the decree plan by a vote of 107 to 54. “This text must have been written by a real economic illiterate,” said the president of the legislature, Henry Ramos Allup, who is known to support the most radical ideas for removing Maduro from office.

The lesson of the ‘Caracazo’

Shortly before the AN vote, Vice President Aristóbulo Istúriz shared the government’s “new economic ideas” with independent business leaders not aligned with the principal associations. “We’re working on a solution to the crisis that isn’t neoliberal and that explores some alternatives consistent with the economic emergency decree,” he said.

“We’re suffering a crisis right now because the oil-based economic system has run its course. We want to leap, therefore, over to a production-based economy while protecting everything we’ve gained,” Istúriz added. “We’re talking about a rentier model that is completely exhausted. Thus we’re obliged to build a production model that in addition to generating wealth, allows us to also maintain and deepen our social advances. This is what we’re proposing to everyone.”

Regarding the decree, Istúriz—who has a reputation for being non confrontational, unlike so many of his Bolivarian colleagues—said it “expressly avoids situations we’ve experienced in the past, [because] we have to find a solution that isn’t neoliberal.” He then recalled the so-called “Caracazo” of February 1989 (NotiSur, March 2, 1989), when the capital experienced an explosion of looting and street violence triggered by a severe economic adjustment plan that the government of then-President Carlos Andrés Pérez (1974-1979 and 1989-1993) implemented in collaboration with the International Monetary Fund (IMF) (NotiSur, Feb. 21, 1989).

“He who took to the streets because [the government] applied neoliberal-style measures without any alternatives,” the vice president said. The government news service Agencia Venezolana de Noticias (AVN) quoted Istúriz as also saying that President Pérez “pushed for price liberalization and the privatization of state assets, in contrast with the attitude of our government, which is committed to maintaining social improvements.” He quickly added that it was the rentier model, not socialism, that caused the current crisis. “When there’s an economic collapse, everyone blames the socialist model,” said Istúriz. “But what failed here was the oil-based rentier model, which wasn’t capable of producing.”

Early exit for Maduro?

Just hours after rejecting the government’s decree proposal, MUD turned its attention back to ousting Maduro. “[We need] an urgent change in government to begin resolving the country’s socio-economic problems. We need to act now because this government isn’t going to fix anything,” said
Ramos Allup. But the AN president also asked “for a little patience,” saying that if it operates too fast, MUD risks giving Maduro “the perfect excuse to accuse the opposition of abandoning the constitutional, democratic and peaceful path.”

Days later, on Jan. 28, Capriles gave Ramos Allup an indirect response by underscoring the possibility, as spelled out in Venezuelan law, of holding a recall referendum when a president has completed half of his or her term. In Maduro’s case, the halfway mark falls on April 19. The opposition leader also raised the possibility of passing “a constitutional amendment to accelerate Maduro’s exit from power,” an option that had not been mentioned previously and is not, in fact, included in the Constitution. “Either the government changes or we, the Venezuelan people, will have to change the government,” Capriles said.

Neither option will be easy to pull off, an analyst with the Agence France-Presse (AFP) pointed out. To hold a recall referendum, the opposition would need to collect signatures and fingerprints from 20% of registered voters (some 3.9 million people)—all in a span of just three days. And in the referendum itself, they would need more than 7.5 million votes, which is the number of Venezuelans who elected President Maduro in 2013. Reforming the Constitution, on the other hand, first requires support from two-thirds of the AN, then an absolute majority in a plebiscite to be held no more than 30 days afterwards, the AFP explained.

Maduro, well aware of those difficulties, upped the ante in the ongoing standoff with a challenge of his own. “Go ahead and call a referendum,” he told the opposition. “That way it really will be the Venezuelan people who decide.”

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