Venezuelan legislature grants president power to rule by decree

Alexander Fangmann
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On November 19, Venezuela's National Assembly approved the so-called Enabling Law, which will allow President Nicolás Maduro to rule by decree for a period of one year. The law, passed by just the three-fifths minimum required, is being enacted primarily to counter the perception that Maduro and the ruling United Socialist Party of Venezuela (PSUV) are doing nothing to address the country's high inflation and shortages across a wide range of goods, including food.

This perception has caused Maduro's approval rate to drop to 41 percent, a danger sign for PSUV parliamentarians and functionaries ahead of local elections being held across Venezuela on December 8.

Maduro is expected to first use his new decree power to impose a limit on business profits of between 15 and 30 percent, and to create a new central agency in charge of foreign exchange, called the National Center of Exterior Commerce. Both measures are aimed at putting a halt to increasing currency inflation by limiting the size of price increases and by coordinating the distribution of US dollars to importers.

Venezuela's inflation rate has increased to a level of 54 percent, a jump of almost 9 percent since August, and its currency, the bolívar fuerte, has seen its value drop precipitously on the black market, to around 60 bolívars to the US dollar. Both are the result of high demand for US dollars—needed for imports of goods and raw materials—which has been spurred by a series of currency devaluations made over the past year to overcome budget deficits and mounting debt, and exacerbated by falling oil exports and currency reserves.

Aside from the well-known shortages of items like flour and other basic goods, an Associated Press report earlier this month disclosed that Venezuela's health care system is in a virtual state of collapse. Lacking supplies and equipment, doctors at Maracay Central Hospital last month sent home 300 cancer patients and have stated that deaths have increased over the past year.

According to polls by the Datanlisis firm, the situation has left 73 percent of Venezuelans pessimistic about the country's prospects, with 67 percent rating the political situation as unstable. In response, Maduro and the PSUV have adopted a series of measures intended to bolster their image among Venezuela's workers and poor, including early Christmas bonuses and the inspection of shops around the country to check for price gouging and speculation. "We're going to comb the whole nation in the next few days," Maduro said last Friday. "This robbery of the people has to stop."

On December 9, this led to the well-publicized military takeover of the five-store electronics chain Daka. Maduro accused Daka of raising prices by 1,000 percent, based on the official exchange rate of 6.3 bolívars to the dollar. Several managers were arrested, while soldiers oversaw a sale of the entire inventory at a 25 percent discount.

Shortly after the action at Daka and 1,400 other shops, which also had imposed sales at discounts of between 30 and 70 percent, Maduro claimed that "we have more than 100 of the bourgeoisie behind bars at the moment." Many business owners have reduced prices in response or have simply closed, fearing prosecution or enforced sales.

Since then, the Maduro government has initiated a series of inspections at retailers, including one on December 19 at the Beco retail chain and at the shopping center La Cascada in Miranda state. Because many businesses import goods using dollars procured on the black market, it is expected that shortages of goods will be exacerbated in the short term, as businesses will be unable to recoup the import costs through increasing retail prices.

In an attempt to put a damper on the black market for dollars, the government has been working with Internet providers to ban web sites that show the black market exchange rate, and on Tuesday asked the social networking site Twitter to block accounts associated with those web sites.

Although Maduro and the PSUV claim that the law is aimed solely at bourgeois “parasites and speculators,” there should be no doubt that the expanded powers are also intended to allow the government to shut down workers’ strikes and protests over their increasingly diminished living standards and working conditions.

Just last week, municipal police and National Guard in Valencia, Carabobo state, worked hand-in-hand with management to disperse an occupation by meatpacking workers at a plant of the Souto Group, one of Venezuela’s major agro-industry firms. The workers are demanding a new contract and overdue social security payments and pressing for the firm’s nationalization.

Gabriel Albino, the local union’s finance secretary, told the Venezuelan web site aporrea.org:

“They fell on us with bullets, buckshot and blows from Billy clubs. They chased us through the whole plant, including accompanied by the grandson of the owner, who carried a pistol.” The union reported that 30 workers were taken to the hospital, some with bullet wounds, and 70 were arrested.

The entire series of measures being enacted by the Venezuelan government are not socialist, but are rather intended to defend Venezuelan capitalism by forestalling the development of a mass movement outside the control of the official parties. While staging raids on retail stores, the Maduro government has left alone Venezuela’s banking sector, which has the highest profit rate in the world.

Pseudo-left groups, such as the Revolutionary Marxist Current (CMR) in Venezuela, affiliated with the so-called International Marxist Tendency, obscure these basic facts. A recent statement by two associated union groups on their web site indicates complete agreement with Maduro’s measures, and vows to defend them.

Workers in Venezuela must begin the long overdue task of building an independent revolutionary party to struggle against Venezuelan capitalism, and its staunchest defenders, Maduro, the PSUV, and its pseudo-left appendages.