

Chávez's Vision Shares Wealth and Centers Power

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CARACAS, [Venezuela](#), Nov. 16 — In two weeks, Venezuela seems likely to start an extraordinary experiment in centralized, oil-fueled socialism. By law, the workday would be cut to six hours. Street vendors, homemakers and maids would have state-mandated pensions. And President [Hugo Chávez](#) would have significantly enhanced powers and be eligible for re-election for the rest of his life.

Supporters of President Hugo Chávez hand out flyers encouraging people to vote in favor of the referendum.

A sweeping revision of the Constitution, expected to be approved by referendum on Dec. 2, is both bolstering Mr. Chávez's popularity here among people who would benefit and stirring contempt from economists who declare it demagoguery. Signaling new instability here, dissent is also emerging among his former lieutenants, one of whom says the president is carrying out a populist coup.

"There is a perverse subversion of our existing Constitution under way," said Gen. Raúl Isaías Baduel, a retired defense minister and former confidant of Mr. Chávez who broke with him in a stunning defection this month to the political opposition. "This is not a reform," General Baduel said in an interview here this week. "I categorize it as a coup d'état."

Chávez loyalists already control the National Assembly, the Supreme Court, almost every state government, the entire federal bureaucracy and newly nationalized companies in the telephone, electricity and oil industries. Soon they could control even more.

But this is an upheaval that would be carried out with the approval of the voters. While opinion polls in Venezuela are often tainted by partisanship, they suggest that the referendum could be Mr. Chávez's closest electoral test since his presidency began in 1999, but one he may well win.

"We are witnessing a seizure and redirection of power through legitimate means," said Alberto Barrera Tyszka, co-author of a best-selling biography of Mr. Chávez. "This is not a dictatorship but something more complex: the tyranny of popularity."

One of the 69 amendments allows Mr. Chávez to create new administrative regions, governed by vice presidents chosen by him. Critics say the reforms would also shift funds from states and cities, where a handful of elected officials still oppose him, to communal councils, new local governing entities that are predominantly pro-Chávez.

Interviews this week on the streets here and in Maracaibo, Venezuela's second largest city, offer a window into the strength of Mr. Chávez's followers and the challenges of

his critics. His supporters, many of whom are public servants in a bureaucracy that has recently ballooned, have flooded poor districts to campaign for the overhaul.

“The comandante should have more power because he is the force behind our revolution,” said Egda Vilchez, 51, a pro-Chávez activist, as she campaigned in favor of the new charter this week at a busy intersection in Cacique Mara, an area of slums in eastern Maracaibo.

Such statements may sound dogmatic, but they are voiced with a fervor in organized campaigning that is unmatched in richer areas of Venezuela’s largest cities, from which much of the opposition to Mr. Chávez is drawn.

Aside from a nascent student movement, which has held protests of increasing defiance in recent weeks, the middle and upper classes seem largely resigned about the outcome of a referendum that is less about specific issues than Mr. Chávez’s resilient support among the poor.

In comments after a summit of Latin American leaders this month in Chile, Mr. Chávez laid out his project in simple language. “Capitalist Venezuela is entering its grave,” he said, “and socialist Venezuela is being born.” Indeed, socialist imagery is pervasive throughout this country, from the red shirts worn by Mr. Chávez and his followers to the chant of “Fatherland, socialism or death!” repeated at the end of his rallies.

But walking into a grocery store here offers a different view of the changes washing over Venezuela. Combined with price controls that keep farmers from profitably producing some basic foods, climbing incomes of the poorest Venezuelans have stripped supermarket aisles bare of items like milk and eggs. Meanwhile, foreign exchange controls create bottlenecks for importers seeking to meet rising demand for many products.

Such imbalances plague oil economies elsewhere, with oil revenues often making it cheaper to import goods than produce them at home. But the system Mr. Chávez is creating is perhaps unique: a hybrid of state-supported enterprises and no-holds-barred capitalism in which 500,000 automobiles are expected to be sold this year.

Lacking here, for instance, is the authoritarianism one might expect in a country where billboards promoting Mr. Chávez have proliferated in the last year.

Looming above the Centro San Ignacio, a high-end shopping mall here, is one of the president hugging a child while he explains the “motors” of his revolution. Others show him kissing old women, decorating graduates of the military university and embracing an ally, President [Mahmoud Ahmadinejad](#) of Iran.

Beneath these images, a lack of order persists at the street level, reflecting a state flush with oil money but weak when facing systemic problems like violent crime. The country had 9,568 homicides in the first nine months of this year, a 9 percent increase from the same period last year.

A nascent student movement has held protests of increasing defiance in recent weeks.

A logo promoting the constitutional changes urges people to vote “Yes, with Chávez.” The painters said they were employed by the governor of Falcón State.

Private companies here, meanwhile, are in the awkward position of profiting from a growing economy even as many are dreading what is to come, their fears illustrated by the accelerating capital flight that has caused the currency, the bolívar, to plunge in value against the dollar since Mr. Chávez proposed the constitutional overhaul in August.

Sparse details as to how Mr. Chávez’s government would carry out measures like a six-hour workday or finance a new social security system have done little for economic confidence, with Fedecámaras, the country’s main business association, urging voters to oppose the new charter “by all legal means.”

The proposals have also revealed sharp divisions among the president’s own supporters, symbolized by the sharp criticism from General Baduel, who had helped reinstall Mr. Chávez in power after a brief coup in 2002.

Marisabel Rodríguez, the president’s ex-wife and former first lady, came out against the new charter this week, saying it would lead to “absolute concentration of power.” And previously pro-Chávez governors like Ramón Martínez of Sucre State, sensing their power could be curtailed, have begun criticizing the measures.

Under the project, term limits would be abolished only for the president, not for governors or mayors. Another item raises the threshold for collecting signatures to hold a vote to recall the president, effectively shielding him from one option voters have to challenge his power under the existing Constitution of 1999.

Other measures in the project are considered progressive by both critics of Mr. Chávez and his political base, which includes leftist military officials, academics, civil servants and a large portion of the urban and rural poor.

The voting age in this demographically young country, for instance, would be lowered to 16 from 18. Discrimination based on sexual orientation would also be prohibited. Many of the items are vaguely worded, however, like one giving the president the power to create “communal cities.”

“Clearly there are positive aspects to the reform, but the government has committed a political error by trying to rush it to voters without enough discussion,” said Edgardo Lander, a sociologist at the Central University of Venezuela who is generally sympathetic to Mr. Chávez. “The opposition can argue this is illegitimate if it is approved by a low margin.”

Mr. Chávez, 53, who recently hinted at staying in power until 2031, might also be preparing for resistance here if oil revenues prove insufficient to finance his ambitions. One of the reforms allows him to declare states of emergency during which he can censor television stations and newspapers.

“Chávez wants to liquidate challenges to his rule to enable him to govern Venezuela for the rest of his life,” Manuel Rosales, governor of Zulia State and the main challenger to

Mr. Chávez in presidential elections last year, said in an interview at his office in Maracaibo.