

## Andean Report by Valerie Rush

### Protests rock Venezuelan regime

*Riots, looting, and strikes threaten to boot Carlos Andrés Pérez from the Venezuelan presidency at last.*

**L**ess than five months after the Feb. 4 coup attempt in Venezuela, popular unrest, the crisis of the institutions, and the paralysis of the economy have worsened to the point that strikes and protests are erupting everywhere.

Since late May, a wave of student protests has spread the length and breadth of the country. On top of this, there are constant protests, slowdowns, and strikes by workers in the critical areas of health, communications, education, agriculture, and elsewhere. Each day brings new forms of social protest, from the most impoverished urban areas to the remote towns in the countryside, with protesters blockading streets, highways, and bridges, and in some cases looting stores, warehouses, and freight trucks.

Apart from the high cost of living, which shows no indication of decline despite official promises to the contrary, the most violent demonstrations have been triggered by the deterioration of public services and, especially, lack of water supply. The Interior Ministry has been forced to hold high-level meetings to try to confront this "public order problem," given that the next few weeks are expected to see even more severe water rationing.

Of course, a unifying demand of all of these popular protests is that the government of Carlos Andrés Pérez must go, as the precondition for serious change. Unexpected sectors of the country have now reached this conclusion, it would appear. In mid-June, the national business elites, represent-

ed by the Federation of Chambers of Commerce (Fedecamaras), issued a public call to all sectors of the country, including the military and the Catholic Church, to reach a national consensus that would allow the country to overcome the present crisis. What was significant about the call was that it insisted that the country's present political leadership be excluded from the pact, because it stands totally discredited.

The political leaders slammed the businessmen's appeal as fascist and "Pinochet-ist." The Bishops Conference, meanwhile, concluded a meeting called to analyze the crisis with a confession that, were President Pérez to resign, it "would not oppose" his decision.

The institutional crisis reached the point that Pérez was unable to travel to the Earth Summit in Rio de Janeiro. Even worse, Pérez's insistence on traveling to Rio despite major congressional opposition led to his gross manipulation of the Senate votes of the opposition Copei party, which in turn led to a rupture of the ruling AD party's alliance with Copei and the departure of two Copei ministers from the presidential cabinet. The humiliation forced Pérez to form his fifth new cabinet so far this year.

The real problem is not political, but economic and financial. Each week, the 1992 fiscal deficit rises. At the beginning of the year it stood at \$1.5 billion, but, according to official estimates, now stands at \$3.5 billion. Private sector spokesmen say that the figure is more like \$7-8 billion, if one

counts service on the internal and foreign debt due this year.

To this can be added the collapse in oil prices, from the \$19 per barrel price upon which the 1992 budget was estimated, to the \$14 and even \$12 per barrel that Venezuelan crude was selling for during the first four months of 1992.

Precisely because of the serious social unrest Venezuela is currently experiencing, the Pérez government has been unable to apply the fiscal reforms so urgently recommended by the international financial agencies, which bills the Venezuelan Congress has not dared to debate. Neither has the Value Added Tax hike been implemented, nor the cutbacks in public expenditures which otherwise would have been carried out by now.

The process of privatizing state sector companies is at least partially paralyzed for the same reason. Compared to the \$2.137 billion in income from privatization during 1991, a mere \$16 million has come in from privatizations thus far in 1992. Given this situation, the private sector fears that the Pérez government will decide to deplete monetary reserves, and use the devaluation of the bolívar to cover its fiscal deficit, which would cause a monetary crisis of incalculable consequences.

In an attempt to face down the crisis, Pérez has declared that to resign would be cowardice. Instead, he has named a new defense minister and moved Gen. Fernando Ochoa Antich, his former defense minister, into the post of foreign minister. New military ministers may be appointed to his cabinet as well. Press commentaries inside Venezuela are comparing President Pérez to those boxers who, after receiving a knockout blow, cling to the referee in hope of not falling. Everyone is asking the question: For how long?