

# LATIN AMERICAN Gerald Tribune



## Coronel: Venezuela -- From Democratic Petro-State to Authoritarian Narco-State.

In 1998, Venezuelans voted for change and elected Hugo Chavez. Former PDVSA Director Gustavo Coronel -- who has long patriotically served his country -- tells the chilling tale of how change is not always for the better.

By Gustavo Coronel

In 1998 Hugo Chavez won the presidency of Venezuela riding on a wave of popular discontent against the country's progressively mediocre two-party system. His call for an end to government corruption was determinant in his electoral victory.

Thirteen years later, Venezuelans have come to realize that political changes can also be for the worse. From an inefficient democracy overly dependent on oil, Venezuela is being transformed into a despotic narcostate, where one man pretends to take all decisions.

This transformation is being accomplished by incremental steps, before the mesmerized eyes of many Venezuelans who have felt obliged to tolerate increasingly ant-democratic “change” so as not to be taken as defenders of the old system.

From day one, when Chavez swore in as president by placing his hand on what he called a “moribund” constitution, our democratic leaders, starting with outgoing President Caldera, kept silent and lowered their heads, trying not to be identified with the “past.” In doing so, they failed to uphold the democratic principles that had characterized Venezuelan political life for the preceding 50 years.



I have often compared this political transformation to the boiling of a living frog. Chavez has kept gradually increasing the temperature of the water in the pail and “the frog” is being boiled, surely realizing what is taking place but still allowing it, out of laziness, indifference or cowardice. Even some of the “best and the brightest” of our citizens have failed to take a stand.

This transformation has required much complicity and even more money. Chavez’s main

objectives: The consolidation of his domestic political control, the export of his ideology to other countries of the hemisphere and the creation of a global anti-U.S. alliance needs a massive policy of handouts at home and abroad and the systematic bribing of the top echelons of the armed force and the state bureaucracy.

To illustrate the dimensions of the prodigal transference of Venezuelan wealth to other countries, in order to gain political influence, we see that Castro's Cuba alone has received no less than \$25 billion from Chavez during the last decade while about \$15 billion in weapons have been acquired from Russia, China and Iran.

In Venezuela the handouts have been made in the form of free or strongly subsidized food, fuel, medicines, public services and transport, to the tune of billions of dollars per year. Little or nothing of this money has been truly invested in structural programs to increase quality of life. Venezuelans today drive along the very same roads built 40 or more years ago and the highway linking Caracas to the sea, built by our last dictator 60 years ago, is literally crumbling down.

As the oil industry, run by inept and politicized managers, has deteriorated and oil income proven insufficient the regime has tapped a new source of money: drug trafficking. Venezuela has become the main center of distribution of drugs in the hemisphere.

Top officials of the Venezuelan regime have been actively involved, as shown by the naming by the U.S. government of Generals Hugo Carvajal, Henry Rangel Silva and of former Minister of the Interior, Ramon Rodriguez Chacin as collaborators of FARC, the terrorist Colombian guerrillas involved in drug trafficking.

The recent revelations of Venezuelan drug kingpin Walid Makled from a Colombian prison indicate that he had Venezuelan ministers, generals, admirals and wives and sons of high-level state bureaucrats in his payroll and made them an integral part of the drug business. He has already shown documents that support some of his claims and seems willing to supply more information to whoever wants to listen.

Venezuela is rapidly becoming a despotic narcostate, largely as a result of the passivity of its own citizens and the indifference shown by the hemispheric organization, OAS, and by Latin American leaders who call themselves democratic but keep enjoying Chavez's generous handouts. As this perverse process continues essentially unopposed, the cost of eventually returning Venezuela to the democratic fold will be much greater, both for the citizens of Venezuela and for the hemisphere.



Gustavo Coronel was on the Board of Directors of PDVSA from 1976 to 1979. He was Chief Operations Officer (COO) and acting CEO of the Corporacion Venezolana de Guayana (CVG), the \$35 billion Venezuelan government conglomerate designed to exploit and run all of Venezuela's mineral, metal and mining operations, from 1994-1995. He was President of Puerto Cabello -- Venezuela's main port -- from 2001 to 2002.

Coronel was author of the Cato Institute study "[Corruption, Mismanagement and Abuse of Power in Hugo Chavez's Venezuela](#)" and was the Venezuelan representative to Transparency International from 1996 to 2000. In 1994, he founded Pro Calidad de Vida, an NGO promoting anti-corruption techniques in government and civic education for children in Venezuela, Panama, Paraguay, Mexico and Nicaragua.