

Venezuela is fast becoming a 'mafia state': here's what you need to know

Written by Anthea McCarthy-Jones, Lecturer, UNSW

Last week, Nicolás Maduro was sworn in for his second six-year term as Venezuela's president. Maduro won the election off the back of [international condemnation](#) of vote buying and electoral fraud. While the US Secretary of State, [Mike Pompeo](#), called Venezuela's government "illegitimate", [Maduro declared](#) :

Venezuela is at the centre of a world war led by the United States imperialism and its satellite countries.

Such statements have become par for the course by a leader and government determined to frame Venezuela's political, social and economic woes as a product of a protracted ideological battle with the United States.

While these discursive tactics may hold some traction with small parts of the population, the harsh reality of life in Venezuela and the government's inability and, at times, unwillingness to address clear policy failings has significantly reduced support for President Maduro and his government.

Read more: [**Venezuelans reject Maduro presidency — but most would oppose foreign military operation to oust him**](#)

The scale of Venezuela's current social, economic and political crisis is so severe it is difficult to comprehend. Hyperinflation has decimated the national currency and crippled the economy. Oil production – which accounts for [95% of the country's export revenues](#) – has halved since President Maduro took power in 2013 and the industry has been further weakened by [the collapse of the price of oil in 2014](#).

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In 2018, the economy contracted by 18% and by the end of the year inflation had soared to 1 million percent. The IMF has predicted [inflation will increase](#) to 10 million percent by the latter half of 2019. These are dizzying figures but they only reflect one part of the complex situation Venezuela is facing.

Across the country there are power cuts, food and medicine shortages, increasing internal security problems, rising homicide rates and wide-spread malnutrition. According to the UN, these factors have resulted in [three million people](#) fleeing the country since 2015 making it the largest exodus in Venezuelan history.

So, how did it come to this?

The foundations of President Maduro's current problems date back to the death of Hugo Chávez in 2013. The spectacular rise in popularity of Chavismo, which promoted the cult of Chávez as the liberator of the Venezuelan people, became the vehicle in which Chávez successfully consolidated his legitimacy and the significant political changes made during his time in power from 1999-2013.

Read more: [The good, the bad and the ugly: Hugo Chávez and the international left](#)

Chávez employed a charismatic leadership style that positioned himself as a man of the people rather than a member of the elite. He used transformation and transaction tactics to govern and maintain legitimacy. He was a keen orator and used his weekly TV program to connect with the masses. Chavismo rests on socialist values and calls for an independent Latin America, free from the US.

While Maduro shares the same politics – and was the foreign minister in the Chávez government – his problems centre on his inability to emulate Chávez's leadership style to generate the type of popular support and perceived legitimacy of his predecessor.

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As a result, Maduro has increasingly sought to centralise power in the executive and systematically remove political rivals and members of the Venezuelan opposition from [participating in democratic processes](#)

. For instance, he led the creation of a constituent assembly as a means to bypass the opposition-controlled [national assembly](#)

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His controversial changes to the 2018 presidential election, such as bringing it forward by six months to limit the time the opposition had to organise a strong campaign, as well as allegations of vote tampering, point to the increasingly authoritarian tendencies of the regime.

Read more: [**Refugees from Venezuela are fleeing to Latin American cities, not refugee camps**](#)

However, Venezuela under President Maduro has gone beyond simply transitioning to a more concentrated authoritarian-style rule. Venezuela has now [morphed into what has been termed](#) a “mafia state”.

Venezuela - the mafia state

A mafia state refers to a state that has effectively been criminalised. Here, criminal entities have successfully infiltrated and compromised government institutions at all levels. Currently, more [than 100 Venezuelan government officials](#)

– ranging from but not limited to individuals in the ministries of the vice president, defence, foreign affairs, intelligence and the national guard – have been implicated in criminal activity.

The clearest example of the complex nexus between criminality and the Venezuelan state has been the emergence of a powerful Venezuelan drug trafficking organisation known as the Cartel of the Suns. The organisation’s name is a reference to the gold stars on epaulettes of military generals but is more generally symbolic of the direct links between serving government officials and the drug trafficking organisation.

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Former Vice President Tarek el-Aissami and former President of the National Assembly Diosdado Cabello, are allegedly involved in the Cartel of the Suns and are among a [litany of Venezuelan officials who have had sanctions](#) imposed on them by the United States.

Venezuela's first lady, Celia Flores, is also implicated by association. Her nephews have been convicted of trafficking cocaine in the United States, and [according to Insight Crime](#), Ms Flores's son is also under investigation in relation to drug trafficking activities.

Beginning with President Chávez and continuing under President Maduro, Venezuela has evolved into a [rampant kleptocracy](#). The systematic removal of transparency and accountability in the Venezuela political system has allowed tens of billions of dollars to disappear from the treasury over the past two decades.

Maduro blames the US for the country's crisis.

For example, in November 2018 a former bodyguard of President Chávez, who later went on to become the treasurer of Venezuela, pled guilty to receiving more than [US\\$1 billion in bribes](#).

Venezuela's outlook is bleak. The opposition remains fractured but continues to dispute President Maduro's legitimacy and right to govern, and it appears to be almost impossible for the opposition to pressure President Maduro to negotiate while he continues to enjoy the support of the Venezuelan military.

Read more: [Venezuela election: Maduro claims close victory, but opposition to challenge](#)

At this point the parties have reached an impasse and if current trends continue, things will get much worse in Venezuela before they can have a chance of getting better.

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Anthea McCarthy-Jones does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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