

**REMEMBERING GUSTAVO CISNEROS: A GREAT ENTREPRENEUR
IN AN EXTRAORDINARY COUNTRY BEFORE IT WAS DESTROYED
BY AUTHORITARIANISM**

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As we can all appreciate from what all his friends have said, Gustavo Cisneros, a friend for many years, besides being an extraordinary family person and a loyal friend, was a great Entrepreneur whose business were Challenges. That explains the title of his posthumous book, just published: *Challenges are our Business*, 2024.¹

With great affection I have accepted the invitation that Patricia Phelps de Cisneros made me to participate in this Memorial to celebrate his life, being this, indeed, an extraordinary occasion to remember him for his achievements conducting, developing, adapting and reinventing his businesses.

It is also an occasion to remember how such personal accomplishment also allowed him and Patty, to devote time and resources for the development of the Arts, particularly Latin American Arts. This Museum of Modern Art is an exceptional living witness to their efforts.

But all those achievements of Gustavo Cisneros were possible, as it happens with many great human initiatives and developments, thanks to his native country, his beloved Venezuela, where he was born, where he began to work, where he started his family, and where he succeeded his father in the conduction of the *Grupo Cisneros*.

All his skills as a great Entrepreneur were particularly developed during an important political period of Venezuela, between 1958 and 1998, in which a democratic system of government functioned. That was also the same period of forty years in which I also developed my activities in the country, although not in the business world, but in Academia, as a law professor and researcher, and also, practicing the legal profession in cases of judicial review of administrative actions.

And it was precisely in such character that I began a professional relation with Gustavo when he asked me to defend the rights of some of his companies in various and particularly important judicial cases against government agencies, which we won. Those were the times in which the country had an independent Judiciary where public bodies could be sued and hold accountable, and their actions could be annulled.

Since then, we developed a friendship that allowed me not only to know the man and to appreciate his skills as Entrepreneur, but to value his democratic roots and compromise. He admired the development of the democratic regime and the rule of law in our country as the best environment to properly conduct business with confidence and security.

Nonetheless, in the early nineties, signs of exhaustion of the democratic system began to take shape, and a political crisis began to develop in the country. Those

were reasons enough for Gustavo, anticipating possible consequences, to project what he called “a massive reinvention” of his organization that would define it “for the next three decades.”²

And he was right. Only a year and a half later, in February 1992, an active military man named Hugo Chávez Frias led a bloody *coup* against the democratic government, aggravating the political crisis.

The lack of reaction from the political parties to renovate and reinforce the democratic system created a political vacuum, in which, Chavez, after being pardoned, was able to run as President of the Republic, and was elected in 1998.

But unfortunately, not to govern the country democratically, but to achieve the same goal in which he had failed seven years before, of assaulting political power with the purpose of dismantling and destroying the democratic system, the rule of law, and all private institutions, a task in which he succeeded.

But Gustavo did not resign himself to letting this destructive process develop without opposition. As he wrote in his book, he did not give up “the fight for democracy in Venezuela,” and he tried “to persuade Chávez that waging war against businesspeople and the media wasn’t good for anyone.” He did everything he “could, to convince Chávez that capitalism was not the enemy.”³

But unfortunately, he failed in such efforts. Not only he did not convince him, but he, himself, was a particular target of Chávez, among other reasons, for the role that his successful TV Chanel *Venevisión*, had “in helping to put down the Chavez 1992 coup.” The consequence was that Gustavo was declared “Public Enemy #1,” and “a systematic campaign was launched against him, his assets and the

companies in his organization,” being even labeled an “enemy of the State,” as also happened to me, but for other reasons: for writing books.

These ferocious attacks led to what he called a “crisis management mode” from which a total reorganization of his business resulted “so he could live and work outside of Venezuela.”⁴

And in fact, Gustavo Cisneros and his family were forced to leave the country to which he could not return.

Nonetheless, as pointed out by the Mexican writer Carlos Fuentes, as he “represented a value and a political role in his native Venezuela,”⁵ he continued to follow, from exile, what was happening in the country, doing his best to try to detain the destruction that unfortunately continued.

He witnessed from afar, with great sorrow and great regret, how, instead of a Rule of Law and prosperous State, what had developed in Venezuela has been a Fake Rule of Law State, undemocratic, without justice, centralized and militaristic. And it has been precisely such a State the one that has conducted the war of destruction against the country, under the government of Hugo Chávez and of his successor Nicolás Maduro.

The result has been what the Colombian writer Fernando Londoño (El Tiempo, Bogotá, 2014) qualified as a “miracle,” the one of transforming what was once the “richest country in America” into a “miserable country,” transforming for instance, “one of the most organized, prosperous and serious oil companies in the world into rubbish.”⁶

That explains the comments made by another writer, Matt O’Brien, in an article published in *The Washington Post* (2016) with the title: "There has never been a

country that should have been so rich but ended up being so poor." He observed with astonishment how, in the past two decades, the State in Venezuela has been transformed into a "failed state," and even more seriously – he said -, into "a gangster state that knows how to do nothing but sell drugs or steal money from itself."⁷

It is certainly tragic to read this sort of perception about the situation of our country; a situation that was not reached overnight. As expressed in another comment published in a newspaper of Madrid (*La Razón*, 2016), it has been the result of “decades of demagoguery and populism, of clientelist policies watered with oil currency, of leftist rhetoric and nationalization of the economy, of militarism and exclusion of dissent.”⁸

The consequence has been that compared with other states, Venezuela has today the worst classification in all global indicators: poverty, misery, country risk, inflation, crime, infant mortality in public hospitals, currency depreciation, and corruption. This “miracle in reverse” has produced the complete institutional, economic and social collapse of the country, as a man-made disaster for which the only to be blamed is the government.

That is why, Ricardo Hausmann, a Venezuelan professor at Harvard, pointed out last week, that: “Venezuela is the largest economic collapse in the history of mankind outside of wars, recorded since economic statistics began.”⁹

He was referring, of course, to external wars. Nonetheless, in our case, as I mentioned, the collapse can also be attributed to a war, precisely, the internal war waged against the country, conducted by the State himself, which has also caused the destruction of its own institutions and essential sovereign elements.¹⁰

For instance, the national territory has been abandoned, allowing national and foreign irregular groups and criminal organizations to use the territory for drug trafficking and for irrational exploitations of minerals, without any respect for environmental rules, as has occurred in extensive areas in the borders with Colombia, Brazil and Guyana.

Regarding the population, the war of the State has caused the demolition of its social cohesion, provoking what has been considered the largest exodus of population in the entire history of the Western Hemisphere, with approximately eight million migrants forced to abandon the country.

This bellicose policy, as predicted by Gustavo Cisneros, of course, also affected the private sector through indiscriminate expropriations, confiscations, and occupations of industries and of agricultural lands. Eventually, they were all transferred to State bodies and managed by the state bureaucracy, ending in total bankruptcy.

And obviously, the war unleashed by the State against the country and its institutions, also resulted in gross violation of human rights, particularly, the citizens' rights to personal liberty and physical integrity, having re-emerged in the country the tragic figure of the forced disappearance of people, arbitrary detentions, torture and humiliation. That is why the country has another shameful rank of being the first in the Americas subject to an investigation by the International Criminal Court for crimes against humanity.

Gustavo Cisneros, until the end of his fruitful life, was conscious that due to the devastation of the country, a time will come for its reconstruction.

Although we all have illusions for the outcome of next month's presidential election scheduled in the country, in which the opposition is expected to win, the real fact is that we do not know yet when that time will come.

But one thing is sure, it will come, and the country will regret the absence of a successful Entrepreneur like Gustavo Cisneros helping with such reconstruction.

Many thanks again dear Patty for the invitation to participate in this well-deserved Memorial to remember your husband, my friend Gustavo Cisneros.

NOTES

- ¹ Gustavo Cisneros, *Challenges are our Business. Adapting, Reinventing and Thriving Across a century of Change*, Planeta, Madrid 2024.
- ² *Idem.* p. 195
- ³ *Id.*, p. 223
- ⁴ *Id.*, pp. 223-224
- ⁵ Carlos Fuentes, "Foreword", to the book by Pablo Bachelet, *Gustavo Cisneros. Pioneer*, Planeta, Madrid 2004
- ⁶ Fernando Londoño, "Venezuela en llamas. Santos calla," in *El Tiempo*: Bogotá, reproduced in *El Universal*, Caracas, 24 May 2014, available at: <https://www.eltiempo.com/archivo/documento/CMS-13522096>, an also at: <http://www.eluniversal.com/blogs/sobre-la-marcha/140524/fernando-londono-en-el-tiempo-venezuela-en-llamas-santos-calla>.
- ⁷ Matt. O'Brein, "There has never been a country that should have been so rich but ended up this poor," *The Washington Post*, Washington, May 19, 2016, available at <https://www.washingtonpost.com/news/wonk/wp/2016/05/19/-there-has-never-been-a-country-that-should-have-been-so-rich-but-ended-up-this-poor/>
- ⁸ "Editorial," *La Razón*, Madrid, 22 May 2016, p. 3.
- ⁹ Ricardo Hausman, "Venezuela es el colapso económico más grande que se ha dado en la historia de la humanidad fuera de guerras," in *Dario Las Américas*, June 2 2024, availble at: <https://www.diariolasamericas.com/america-latina/venezuela-es-el-mayor-colapso-economico-fuera-guerras-segun-ricardo-hausmann-n5357634>; and in *El Nacional*, 2 May de 2024, available at: <https://www.elnacional.com/economia/ricardo-hausmann-venezuela-es-el-colapso-economico-mas-grande-que-se-ha-dado-en-la-historia-de-la-humanidad-fuera-de-guerras/>
- ¹⁰ Allan R. Brewer-Carías, "A Predatory State at War Against The Country, Its Institutions, Its Inhabitants, And Its Citizens" in the book: *The Fake Rule of Law and the Rise of Kakistocracy In Venezuela (Rule of Lies and Rule of Power)*, EJV International Editions, New York 2023. Available at: <https://allanbrewercarias.com/wp-content/uploads/2023/07/A.R.-Brewer-Carias.-KAKISTOCRACIA-DEPREDAORA-E-INHABILITACIONES-POLITICAS.-Falso-Estado-de-derecho-en-Venezuela.-julio-2023-PORT.pdf>