Elections in most Latin American countries are extremely polarised and emotionally charged events. They are highly contested and controversial affairs, characterised by massive political rallies, clever and inflammatory political advertising and the exchange of imaginative and spiteful personal insults. The reason for this is not political immaturity on the part of Latin Americans, rather the fact that the stakes for political power are extremely high.

Issues in dispute at Venezuela’s elections, which will be held on Sunday, are the same as those of the election held in early October 2012. The main prize is the control of the world’s largest oil reserves and the distribution of the massive revenues derived from them.

In 2011, the Organisation of Petroleum Exporting Countries (OPEC) estimated Venezuela’s reserves of proven crude oil at 297.6 billion barrels, the largest in the world. Based on current prices sourced from the US Energy Information Administration (EIA), Venezuela’s oil reserves are astronomical and amount to several trillion dollars at current oil spot market prices.

Venezuela’s political system consists of a multi-party presidential system made up of a large number of political parties. To gain power, these parties create coalitions and align themselves into large political party blocs.

Two main coalitions will contest the elections. The current government’s coalition will be headed by the United Sociality Party of Venezuela (PSUV, Partido Socialista Unido de Venezuela) under the leadership of Nicolás Maduro Moros, who is currently the interim President and Henrique Capriles Radonski, who contested the elections in 2012 representing the Justice First Party, under the broad centre right coalition Mesa de la Unidad Democrática (MUD) or Coalition for Democratic Unity.

Maduro, a former bus driver and left-wing militant, became a trade union leader. He and his wife Cilia Flores, a well-known lawyer in Caracas, became close friends with Chavez when he was imprisoned during the failed coup of 1992. Her cunning legal work assisted Chavez’s released from jail at the time. Since then, a powerful friendship and political alliance blossomed.

Maduro climbed the political ranks by entering the National Assembly in 2000 and then becoming Speaker of the Assembly until 2006. Thereafter he was appointed Foreign Minister, serving the post until 2012. On October 10, Chavez appointed him as Vice-President, sidelining the influential figure of Diosdallo Cabello, a powerful member of the military and a Socialist Party heavyweight.

Maduro became a close confidant of Chavez and is seen, if re-elected, as a leader who will continue to promote the Chavismo movement and ideology. He is expected to continue with policies that promote nationalisation of industry and natural resources; strong control of the national economy and oil revenues; a continuation of redistributive policies towards the poor; strong criticism and rejection of international bodies such as the IMF and World Bank, particularly as it relates to the Washington Consensus; the pursuit of strong international and controversial political alliances with left wing governments such as Fidel Castro’s Cuba and Iran; and a strong vociferous opposition to the United States and some European countries.

He has many detractors and has been described as an opportunistic leader who will do the utmost to ride the wave of sadness using his close affiliation with Chavez as a way to win votes. Members of the opposition have accused him of being “a poor imitation of Chavez”. He is also prone to making gaffes, having stated that Chavez was poisoned “by imperialists” and having accused the opposition of being “mariconzones” (homosexuals), for which he later apologised.
Leading the opposition is Henrique Capriles Radonski, a 40-year politician, who will for the second time attempt to win the Presidency of Venezuela. In the 2012 elections he managed a respectable 44% of the vote, the opposition’s best-ever result against Chavez. Representing a coalition of centre right political parties, Capriles is “a lean and sports-loving lawyer”. He is regarded as a highly energetic, hardworking and charismatic politician who is able to appeal to large sectors of the electorate, selling himself as a common man of the street, who is particularly appealing to women. He is the current Governor of the state of Miranda. He was accused of organising a coup in 2002 against the government and spent time in jail, but was absolved by the courts not long afterwards.

The Chavez government has had many detractors and critics, but a closer look at the results of the Chavez legacy reveals a different picture. Economic analysis conducted by Washington’s Center for Economic and Policy Research shows that Chavez has made many inroads. Some of these include: near doubling of GDP (inflation adjusted) since 2003, with most of the growth taking place in the private and non-oil sector of the economy; reduction of households in poverty by 39% and extreme poverty by more than 50%; income inequality as measured by the Gini coefficient decreasing considerably; substantial gains in education with university enrolments doubling between 1999-2000 and 2007-2008; decline in public debt and foreign public debt from 30.7% to 14.3% and 25.6 to 9.8% of GDP respectively. A more recent (but more partisan) analysis can be found here.

In spite of these achievements, the social and economic challenges for Venezuela still remain colossal, regardless of who wins on April 14. Venezuela continues to be one of the most violent countries in the world. In 2010, Caracas became the city with the highest homicide rate— and crime rates do not appear to be abating.

Economically, major challenges are the handling of its currency - whether it should be controlled or allowed to float in international markets - and managing inflation. Venezuela devalued its currency by a third in early February and inflation is currently running at around 22%, although high levels of inflation are not uncommon in Latin America: both Brazil and Argentina have experienced hyperinflation.

Tackling corruption and cronyism will remain a major hurdle for both parties, as well as modernising the country. This will require major spending in national infrastructure projects accompanied by a well-planned innovation strategy that combines both the promotion of knowledge intensive and value-added industries, hence reducing its reliance on oil. Finally, reducing its vast social and economic inequalities remains a massive task, a huge burden that is common to the rest of Latin America. Indeed, these challenges and others are not just common to countries like Venezuela and its Latin American counterparts, but are part and parcel of what many nations go through in the complex and difficult road towards economic and social development and recovery.