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# Russia's Latest Return to Latin America



Evan Ellis | January 19, 2022 Global Americans Contributor



Photo: President Nicolás Maduro of Venezuela meets with President Vladimir Putin of Russia / Getty Images

The <u>indirect threat</u> made by Russian Deputy Foreign Minister Sergei Ryabkov as the crisis in the Ukraine escalated in January 2022, that Russia could not rule out deploying military forces to <u>Venezuela and Cuba</u>, highlighted the strategic risks posed by Russia's position in the Western Hemisphere.

On its face, the credibility of Russia deploying militarily meaningful capabilities in those two countries <u>is dubious</u>, as U.S. National Security Advisor <u>Jake Sullivan noted</u>; in the context of Russia's large-scale troop mobilization <u>on its border with the Ukraine and elsewhere</u>, its military and budgetary ability to simultaneously sustain a meaningful military presence in the Western Hemisphere is questionable, and would likely be counterproductive to its military, economic, and diplomatic ability to achieve the goals of a military operation in Europe. Russia's present gesture is not, however, the first time in the post-Cold War era that it has

sought to use military threats in Latin America when challenged in its near abroad. In 2008, during the conflict over Russia-backed separatists in Georgia, Russia first deployed <u>Tu-160 nuclear-capable bombers</u> to Venezuela, later followed by <u>four warships</u>. Russia sent its Tu-160 bombers back to the region again <u>in 2013</u> as the United States and European Union pressured the country over its support of <u>separatist forces in Ukraine</u>, and for a third time <u>in 2018</u>. Indeed, during the latter deployment, the Russian government declared its intention to set up an airbase on Venezuela's tiny La Orchilla Island.

Even if Russia's most recent threatened military deployment is not credible, the country remains a nuclear armed power with the ability to pose a real, if limited, strategic threat to the United States by operating in this hemisphere. In recent years, Russia has left a strategic impact on Latin America and the Caribbean far beyond its limited resources and conventional military power projection capabilities. It has done so through a combination of selective threats, military and commercial activities, and information warfare operations, all mostly leveraging a coalition of willing anti-U.S. regimes in the region.

For the past six years, the relative weakness of Latin America's left, coupled with low oil prices that have <u>limited the ability of Russia to project sustained power</u> into the Western Hemisphere, has concealed the challenge of Russian engagement. Those limiting factors, however, are eroding. The present article examines the challenge to the United States and the region presented by Russian activities in Latin America, particularly in the context of the complementary effect of other extrahemispheric actors such as China and Iran, as well as the region's unprecedented turn to the left and populist authoritarianism.

#### Foundations of Russia's Strategic Ties in the Region

Russia's contemporary ability to project a presence in Latin America and the Caribbean is a function of several interdependent factors: (1) anti-U.S. populist regimes willing to work with it; (2) the enabling role of Chinese money; (3) the legacy of Russia's Cold War military and other ties to the region; (4) key industries in which Russian activity and investment offers some value to the region, including military, nuclear, space, and petroleum industries, as well as its agricultural purchases; and (5) Russia's information warfare capabilities.

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Anti-U.S. Regimes. Russia's relationships and points of entry into Latin America are more limited than those of the larger U.S. geopolitical rival, the People's Republic of China (PRC). A limited number of anti-U.S. authoritarian populist regimes have been willing to cooperate with Russia's more provocative actions in the hemisphere. Presently, these regimes include Cuba, Venezuela, and Nicaragua, although other governments, particularly populist and leftist regimes are willing to work with Russia in less provocative ways.

In recent history, when Russia sought to deploy military force to the region to offset international pressures against the former's actions in its own near abroad—in Georgia in 2008, and later in Ukraine in 2013-2014—the cooperation of anti-U.S. regimes in Latin America was key to Russia's success. This was true when Russia sent nuclear-capable Tu-160 Backfire

Bombers to the region in 2008, followed by a <u>flotilla of warships including</u> the Russian nuclear-powered cruiser Peter the Great.

Chinese Money as an Enabling Factor. Russia's economy, with a gross domestic product of \$1.48 trillion, is only a tenth of the size of China's \$14.7 trillion GDP. Moreover, Russia's economy is far less diversified and more dependent on earnings from oil exports, which are subject to significant fluctuations. Correspondingly, Russia's ability to provide significant quantities of military hardware or fund other projects on credit to partners in the region for an extended period is limited. Indeed, during the past two decades, the PRC has played a far more important role than Russia as a source of resources to populist regimes as those regimes have consolidated power. China has done so by providing loans, making investments, and buying commodities. Indeed, the PRC has made at least \$62.2 billion in Chinese loans to Venezuela, \$18.4 billion to Ecuador, and \$17.1 billion to Argentina, plus billions more for purchases of oil and other commodities from those regimes. PRC money has also indirectly contributed to regime survival, helping to make viable the Venezuelan government's gifts of oil to Cuba, and its provision of funds to Nicaragua via ALBANISA. Together, this capital has helped to make these regimes sufficiently solvent and politically stable to engage in provocative forms of cooperation with Russia —forms of cooperation that China, due to its greater levels of economic interdependence with the region and the West, would prefer to avoid.

Historical Relationships. Russia's military and political interactions in the region during the Cold War allowed the country to build relationships in the region, as well as specialized knowledge to support its current reengagement. This includes some older Latin American military officers and political leaders who trained in Russia or were educated in Russian institutions such as Patrice Lumumba University. The historical foundations that Russia builds on in the region also include legacy Russian military equipment in countries from Cuba and Nicaragua to Peru and

Colombia, which arguably create a base for Russian military engagement today, including contracts for maintaining and refurbishing that equipment and selling new equipment to militaries that are used to the older generation. Indeed, there are over 400 legacy Russian military helicopters in Latin America, and 42 percent of new military helicopter sales in the region are Russian.

Key Industries. Although the resources and competitiveness of Russian industries pale in comparison to those of the PRC, Russian capabilities in select areas create leverage for broader political engagement. As noted previously, the Russian military industry, and its associated support organizations Rosboronexport and Rostec create the basis for engagement through arms sales and support services with both anti-U.S. regimes and those with legacy equipment or mid-capability products. Nonetheless, the relatively poor reputation of Rosboronexport for service, Russia's frequent reliance on outdated remanufactured equipment, and the limited ability of the Russian state to supply large quantities of military goods on credit, among other items, have allowed PRC-based companies to eat into Russia's share of the military product market. Examples include Chinese inroads in selling goods to the Venezuelan military, a market previously dominated by Rosboronexport. They also include a victory by China's Norinco over its Russian rival in Peru for the sale of a truck-mounted rocket launcher to replace an older Russian system.

Beyond military items, Russia's nuclear industry company, Rosatom, has become an important supplier for anti-U.S. regimes wanting nuclear energy or research capabilities through companies less subject to the leverage of Western governments. Recent ventures include Rosatom's construction of a research reactor <u>in El Alto</u>, Bolivia, and the Argentine government's recent expression of interest in Russia building <u>two nuclear</u> reactors in that country.

Russia's space industry has been yet another engagement tool in the region. Its principal offering in this regard is its GLONASS satellite architecture. Russia currently has multiple Latin American users for GLONASS, including ground stations in Brazil and Nicaragua.

In the petroleum sector, Russian company Rosneft, with its head Igor Sechin, an <u>intelligence community colleague of Vladimir Putin</u>, has been an important vehicle for <u>Russian engagement in Venezuela</u>, among other petroleum-producing countries. Other Russian oil companies, including Gazprom, Lukoil, and TNK, have also been active in the region, with projects in <u>Bolivia</u>, <u>Ecuador</u>, and <u>Colombia</u>, although they are more commercially oriented.

In the mining sector, Russia Aluminum Corporation (<u>Rusal</u>) has had a presence in <u>Guyana</u> and Jamaica, although Rusal's economic difficulties and the depressed international price for Bauxite led the company to <u>sell</u> its closed Alpart facility in Jamaica to China's JISCO in 2016. In addition, Rusoro has had a role in <u>Venezuela's gold</u> industry, while other Russian firms have explored a role in Cuba's nickel industry.

Finally, Russia has long been an important agricultural purchaser, including buying meat from South American suppliers such as Argentina, <a href="mailto:Brazil">Brazil</a>, and <a href="Paraguay">Paraguay</a>, creating some positive inroads with governments that are not necessarily anti-U.S.

Information Warfare Capabilities. In recent years, Russian Cold War expertise with propaganda, rooted in Russian doctrines of "reflexive control," has evolved through modern media and social media capabilities to give Russia a sophisticated capability to impact public opinion and perceptions in the region. Such efforts include overt Russian media such as Sputnik and Russia Today, as well as social media efforts through platforms such as Twitter, Facebook, and WhatsApp. The high level of

<u>distrust</u> in the region toward government discourse and traditional media has made Latin America and the Caribbean particularly vulnerable to such initiatives.

Russia has used that capability not so much to create opinion favorable toward Russia, but rather, to foment instability and undermine regimes aligned with the West. Both the <u>Colombian</u> and <u>Chilean</u> governments have accused Russian social media agents of contributing to the radicalization of protests in their countries.

#### **Key Actors**

**Venezuela:** As highlighted by the January 2022 Russian threat to deploy military forces to Venezuela, Russia's position in Venezuela is arguably among the largest and most strategically significant of its positions in the region.

The two key axes of the Russia-Venezuela relationship have arguably been arms sales and oil.

With respect to arms, from 2006 through the death of Hugo Chávez in 2013, Russia sold over \$11 billion in arms to Venezuela, including T-72 tanks, BMP-3 and BTR-80 armored vehicles, Su-30 fighters, Mi-17 and Mi-35 helicopters, and other military end items, making Venezuela by far Russia's largest military partner in the region.

Venezuela under Hugo Chávez and his successor Nicolás Maduro also became one of Russia's <u>most reliable allies</u> for projecting force into the region, with the country receiving, as previously noted, two Russian <u>Tu-160 Backfire bombers</u> and <u>warships</u> in 2008, and further visits by Tu-160s in <u>2013</u> and <u>2018</u>. Russia and Venezuela also agreed to establish a rifle factory in Venezuela, although the project has suffered <u>significant delays</u> due to corruption and other problems.

As the political and fiscal crisis of the Venezuelan regime deepened and its ability to pay its bills diminished, Russia's military engagement shifted from the purchase of new end items to maintenance, upgrades, training, and other types of support. Periodic Russian deployments to the country included support for Venezuela's Russian-bought military equipment and air defense systems and mercenaries from the Wagner Group, who not only provided security for President Maduro, but possibly also provided protection to Russian commercial operations in Venezuela's dangerous interior.

In the petroleum sector, although virtually all of Russia's oil companies sought positions in the country during the Hugo Chávez era, including Gazprom, TNK, Lukoil, and Surgutneftegas, problems in the sector eventually led all to pull out, selling off assets to Igor Sechin's Rosneft. Sechin's miscalculation, as the Venezuelan economy collapsed under Nicolás Maduro, saddled Rosneft with at least \$4.8 billion in unpaid debt, which the Venezuelan government eventually paid down through deliveries of oil. Although Russia continues to buy Venezuelan oil, and Sechin reportedly plays a role in Russia's ongoing engagement with the Maduro regime, Rosneft has not made significant new investments in the country.

Nicaragua. Nicaragua has long been one of Russia's key partners in the region, with the relationship centered on the bond with leader Daniel Ortega and the Sandinista movement (FSLN), which the Soviet Union armed and helped bring to power in 1979. Daniel Ortega rekindled the relationship when he returned to office through elections in 2007, and his government was the first in the region to diplomatically recognize the Russian-backed territories of South Ossetia and Abkhazia when they broke away from the Republic of Georgia in 2008. Over the next 14 years, Russian support for the Ortega regime grew from donations of buses and foodstuffs, to Mi-17 helicopters, Yak-130 fighter trainers, An-26 medium transport

aircraft, TIGR armored cars, T-72 tanks, ZU-23 antiaircraft guns, and an array of older Russian armored vehicles, as well as Mizrah patrol craft and Molina missile boats. Russian cooperation also included setting up a downlink facility for the Russian GLONASS satellite system, inaugurated in 2017, and a Russian regional training facility in Managua for the Russian counterdrug organization FSKN. The FSKN facility in Nicaragua offers Russian operatives the opportunity to interact with police officials from across Central America who would not normally send officers to Russia for training.

As with Venezuela and Cuba, Nicaragua has played a key role in receiving visits from Russian military forces during key moments of Russian tension with the West over Georgia and Ukraine. These include receiving two Tu-160 Backfire bombers and two Russian warships in 2013. That same year, the Nicaraguan Congress authorized Russian naval vessels to patrol in Nicaraguan waters. The decision caused consternation in Colombia since the Russian offer would have put Russian military watercraft in the vicinity of the Colombian island of San Andrés, whose surrounding territorial waters the Colombians lost in a surprise International Court of Justice ruling.

When Chinese billionaire Wang Jing proposed a China-funded canal in Nicaragua, Russia expressed interest in <u>participating in the project</u>, a prospect re-opened by Nicaragua's recognition of the PRC <u>in December</u> 2021.

Cuba. Russian military engagement with and arms sales to Cuba <u>have</u>
been limited since the abrupt cutoff of Russian aid in 1993 following the
collapse of the Soviet Union. Nonetheless, Russian firms have a limited
role in activities in the Cuban petroleum sector, in <u>nickel mining</u>, and in
the transportation sector. Russia has sent <u>1000 minibuses</u> and <u>50 trains</u> to

Cuba, and it sells Lada cars and Kamaz trucks to the island, among other goods.

**Peru.** Russia has had a special relationship with the Peruvian military, and particularly its army, since the presidency of Juan Velasco Alvarado (1968-1975), a left-wing general who seized power in a coup d'état and later bought a major shipment of Soviet arms initially intended for the Chilean government of Salvador Allende. Older generation Peruvian arms included Mi-8, Mi-24, and later Mi-17 helicopters, and T-55 tanks. Peru also purchased Su-22 fighter bombers and Su-25 fixed-wing aircraft from the Soviet Union in the late 1970s and early 1980s, which the country later used against Ecuador during the Cenepa War of 1995.

Arms purchases from Russia continued under the right-wing government of President Alberto Fujimori with his regime's <u>acquisition of Mig-29</u> <u>fighters</u>. Similarly, center-right President Alan Garcia signed an agreement with Russia <u>in 2008</u> expanding military cooperation, followed by a <u>2011</u> <u>agreement renewing training of Peruvian military personnel in Russian institutions</u>. When Peru sought to renovate its helicopter fleet in the 2010s to expand air mobility in remote areas such as the Apurímac, Ene, and Mantaro River Valley (VRAEM, for its initials in Spanish), it turned to Russia, ultimately acquiring <u>two dozen Mi-17</u> and <u>Mi-35 helicopters</u>, among other items. The Russian government still reportedly has influence among senior officials in the Peruvian Army who have spent time in Russia for training and professional military education.

In the context of political instability in Peru, the recent inauguration of a relatively inexperienced president from the province of Cajamarca, Pedro Castillo, backed by Cuba-trained Marxist doctor <u>Vladimir Cerrón</u>, raises the possibility of greater Peruvian collaboration with Russia on military and other matters.

Argentina. Russia's role as a purchaser of Argentine grain and beef has opened a door in the relationship between the two countries, even under right-of-center and military governments. The left wing of the Peronist movement in Argentina, including former President and current Vice President Christina Fernández de Kirchner, has entertained military relations with Russia. Argentina has contemplated buying Russian fighter aircraft in both 2015 and again in 2021, including Mig-29s and Su-30s. Nonetheless, it has yet to consummate a major arms deal.

In the commercial domain, although Russian companies have shown interest in the purchase of Argentine petroleum assets from the <u>Spanish</u> company Repsol YPF, Argentine <u>nuclear energy</u> projects, and construction (work by <u>Interrao on the Chihuido I</u> hydroelectric facility), Russia has consistently had limited success in Argentina compared to the Chinese.

Others. Beyond those Latin American partners mentioned in this section as engaging with Russia, the region's turn to the left raises significant additional opportunities for Russia in both security cooperation and commercial ventures. These partners potentially include President-elect Xiomara Castro's Libre Party in Honduras and President Gabriel Boric in Chile, with his dependence on the Chilean Communist Party as part of his governing coalition. Indeed, under the previous center-left government of Michelle Bachelet, whose coalition was less radical than that of Boric, Chile already explored defense cooperation with Russia in a limited capacity.

In Bolivia, the MAS government of Luis Arce is another candidate to deepen cooperation with Russia, particularly given the record of collaboration of Russia's <u>Gazprom in the gas and oil sector</u>, Rosatom with Bolivia's nuclear research <u>reactor project at El Alto</u>, and the nation's prior interest during the presidency of Evo Morales in acquiring Russian

transport helicopters, as well as a Russian  $\underline{\text{An-124}}$  as the Presidential aircraft.

Presently conservative, U.S.-aligned Colombia is a candidate for expanded Russian engagement, particularly if former M-19 guerrilla Gustavo Petro wins the presidency in the nation's May 2022 elections. Colombia has a small number of legacy Russian Mi-17 helicopters, acquired under President Ernesto Samper, and Russian company Lukoil has previously worked in the nation's petroleum sector.

In Brazil, if Luiz Inácio Lula da Silva is elected as president in October 2022, it is likely the country will return to the same courtship of Russia, among other actors, seen during the prior Lula administration, when Brazil's defense sector acquired Russian Mi-35 attack helicopters and was contemplating acquisition of the Pantsir S-1 Russian air defense system. Indeed, under Lula's leftist successor Dilma Rousseff, Brazil went on to acquire Russian Igla-S air defense missiles, despite the conservativism of the Brazilian military and the competition between Brazil's domestic defense industry and that of Russia.

#### Recommendations

The appropriate course for the United States to address the challenge presented by Russian engagement in the region is very different than the appropriate response to the region's more commercial engagement with the PRC, although there are some common elements.

As highlighted by Russia's periodic military deployments in the region since 2008 and its current threat to deploy military forces in <u>Cuba or Venezuela</u>, Russia's posture in the region is far more directly and deliberately threatening to the U.S. than China's. Indeed, its actions in the military domain arguably threaten not only the United States, but also other actors in the region such as Colombia. Moreover, Russia's appeal as a

potential investor in, or market for, the region is far less than the similar appeal of China for Latin American business and political elites. As such, it is more appropriate for the United States to actively push back against Russia's presence in the region, where appropriate.

Activities such as Russian petroleum, mining, construction, and other operations, as well as its agricultural sales to and purchases from the region, when done in a transparent manner in a form consistent with national and other laws, probably do not present a significant strategic impact on the region beyond any Russian intelligence activities that may be embedded in them. It is thus probably best for the United States and it's partners to accept these limited commercial activities as legitimate in the absence of specific reasons to push back.

The Russian economy is far more vulnerable to the impact of U.S. individual and company sanctions than the PRC is, particularly in the context of the enormous expenses Russia is incurring for its Ukraine deployment. Correspondingly, where appropriate and opportune, the United States should consider stepping up the use of sanctions against those within Russia as well as against its anti-U.S. partners in the region to discourage activities that clearly threaten regional security.

In the strategic military domain, the U.S. should consider responses to Russian advances in Latin America and in Russia's own near abroad without dangerously escalating the situation, yet that make it clear that Russia's aggression in Latin America will undercut its security, not gain U.S. concessions. As an example, the U.S. could respond to Russian military deployments in the region with strengthened deployments of U.S. forces in Russia's near abroad and by providing defensive systems and other capabilities to those affected by Russia in that area.

The United States should consider methods to respond asymmetrically to Russian aggression in Latin America by working with partners important to Russia. The U.S. can look for ways, for example, to both pressure and induce the PRC to restrain Russian adventurism in the Western Hemisphere, or else the U.S. will treat the PRC as partially co-responsible through the informal alliance it is pursuing with Russia globally.

In the energy sector, the United States should explore ways to potentially impact Russia, as well as other threatening actors, by working actively with supplier countries and companies to increase non-Russian sources of energy production. This would decrease international oil prices, thus putting at risk Russia's key source of international finance and making it more difficult for the country to pursue its provocative foreign policy.

At the end of the day, the United States must also recognize that the current shift to the left and authoritarian populism in Latin America and the Caribbean not only opens doors for the Russians, but also limits leverage by the United States in both bilateral security cooperation and multilateral forums to apply pressure against states that are engaging with Russia in strategically threatening ways.

Yet while that turn to the left and toward populism may make coordinating with governments in the hemisphere more difficult, the directness of the military threat that Russia pose, may present options not as readily present with Chinese engagement in the region to rally reasonable, democratic countries (including those not ideologically aligned with the United States) against the danger to hemispheric stability posed by Russian behavior.

The U.S., despite its difficulties in its relations with the region, is bound to it by ties of geography, commerce, history, and family, giving it both some residual leverage in, and experience with, the region. If the United States

fails to resist overt Russian threats to regional security in Latin America, it is not clear where the U.S. can draw the line to defend its own security and that of its neighbors.

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