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Uruguay's Values-Based Foreign Policy Includes Growing Ties to China

R. Evan Ellis | Thursday, June 9, 2022



Uruguayan President Luis Lacalle Pou speaks during a press conference at the Executive Tower in Montevideo, Uruguay, April 7, 2021 (AP photo by Matilde Campodonico).

In the run-up to the troubled ninth Summit of the Americas taking place this week in Los Angeles, Uruguayan President Luis Lacalle Pou, whose center-right government has been one of the most consistently aligned with U.S. policies (<https://thehill.com/opinion/international/3269504-us-should-forge-deeper-partnership-with-uruguay/>) in the region, strongly criticized the Biden administration, asserting that it lacks a vision for Latin America and mistakenly sees the hemisphere's diverse countries as all having the same problems and needs (<https://www.elobservador.com.uy/nota/las-tres-criticas-de-lacalle-pou-a-estados-unidos-y-joe-biden-202252711231>).

Lacalle Pou's candid remarks demonstrate the principled consistency of a government that is often overlooked by, but increasingly important to Washington, at a time when Latin American governments are increasingly turning to partners that are less aligned with the U.S. (<https://www.securefreesociety.org/research/the-struggle-for-the-soul-of-the-latin-american-left/>), particularly China.

The March 2020 inauguration of Lacalle Pou (<https://www.reuters.com/article/us-uruguay-politics-idUSKBN2001MS>), who leads Uruguay's center-right National Party, ended 15 years of government by the *Frente Amplio*, or Broad Front, coalition, which had pursued generally center-left social democratic policies (<https://thehill.com/opinion/international/3269504-us-should-forge-deeper-partnership-with-uruguay/>). The new government's foreign policy, spearheaded by Foreign Minister Francisco Bustillo, has focused on advocacy for democratic governance (<https://en.mercoPress.com/2022/05/23/lacalle-pou-with-a-green-message-in-london-uruguay-is-among-the-strongest-democracies-in-the-world>) and resistance to nondemocratic regimes (<https://www.canadianpost.news/the-us-congratulates-uruguays-regional-leadership-towards-the-summit-of-the-americas/>), both in Latin America and around the world. This is complemented by a diversification of Uruguay's economic relationships (<https://www.gub.uy/ministerio-relaciones-exteriores/institucional/plan-estrategico/bases-para-politica-exterior-del-uruguay>), including an embrace of trade with China (<https://www.elobservador.com.uy/nota/lacalle-y-su-critica-a-eeuu-si-corre-atras-de-china-no-es-la-mejor-manera-de-generar-una-relacion-fluida-2021624202041>), on top of Uruguay's historical trading relationship with its neighbors in the Southern Common Market, or Mercosur, and to a lesser extent the European Union (<https://data.imf.org/regular.aspx?key=61013712>).

The new orientation is reflected in the government's 2020-2025 strategic plan (<https://www.gub.uy/ministerio-relaciones-exteriores/institucional/plan-estrategico/bases-para-politica-exterior-del-uruguay>), which also emphasizes boosting the capacity of Uruguay's diplomatic corps for both bilateral and multilateral engagement, and enhancing the country's international prestige through a values-based stance in international affairs.

Although the Broad Front governments that preceded Lacalle Pou also portrayed themselves as advocates of democracy (<https://dialogopolitico.org/agenda/tabare-vazquez-el-legado-de-un-democrata/>), in practice they demonstrated a notable tolerance for governments in the region known for democratic erosion and backsliding, including gestures of solidarity with authoritarian regimes in Venezuela (https://www.youtube.com/watch?v=_PZRqG4avVQ) and Cuba (<https://www.diariolasamericas.com/america-latina/jose-mujica-desfilia-raul-castro-un-acto-masas-cuba-n3589688>). That contrasts with Lacalle Pou's vocal, principled stance against nondemocratic governments, which has been characterized as the "Lacalle Pou doctrine" (<https://www.infobae.com/america/opinion/2020/03/01/nueva-politica-exterior-de-uruguay-con-el-presidente-lacalle-pou-repudia-las-dictaduras-de-cuba-venezuela-y-nicaragua/>).¹ Lacalle Pou has himself publicly repudiated the aforementioned authoritarian regimes (<https://www.infobae.com/america/opinion/2020/03/01/nueva-politica-exterior-de-uruguay-con-el-presidente-lacalle-pou-repudia-las-dictaduras-de-cuba-venezuela-y-nicaragua/>), as well as Nicaragua (<https://www.grupomultimedia.com/lacalle-pou-reinvidico-en-la-celac-la-democracia-y-rechazo-regimenes-de-cuba-nicaragua-y-venezuela-id976988/>), and explicitly cited the democratic charter (<https://www.elobservador.com.uy/nota/regimenes-autoritarios-la-justificacion-para-no-invitar-a-cuba-nicaragua-y-venezuela-2020214192328>) of the Organization of American States as his reason for not inviting their leaders to his inauguration.

He followed the same principle in supporting the U.S. decision not to invite them to attend this week's Summit of the Americas, following a meeting with senior Biden administration representative Christopher Dodd (<https://www.canadianpost.news/the-us-congratulates-uruguays-regional-leadership-towards-the-summit-of-the-americas/>), even as the leaders of Mexico, Argentina, Bolivia, Honduras, El Salvador and Guatemala boycotted the summit or threatened to do so over the exclusion of the authoritarian leaders. In the end, Lacalle Pou was unable to attend (<https://www.reuters.com/world/americas/uruguay-president-says-covid-19-positive-will-not-attend-us-hosted-americas-2022-06-06/>) due to testing positive for the coronavirus.

While generally aligned with the U.S., however, Lacalle Pou's critical posture toward authoritarian regimes led him to publicly criticize the Biden administration's (<https://usarmywarcollege.sharepoint.com/w:/s/AllHandsMeeting/ETQ-lxn4SM9DIV58nQ-qinABKAExpU2ENXB9OWJuVTcLWQ>) recent outreach to Venezuelan President Nicolas Maduro, stating that Maduro would never allow free elections (<https://www.diariolasamericas.com/america-latina/lacalle-pou-dice-que-maduro-no-habra-democracia-venezuela-n4249925>) while in power. Lacalle Pou has likewise been consistent in condemning the actions of nondemocratic governments beyond Latin America. His government voted in support of the March 2 United Nations General Assembly resolution condemning Russia's invasion of Ukraine (<https://www.voanews.com/a/un-general-assembly-overwhelmingly-condemns-russia-s-invasion-of-ukraine-16467348.html>) and the April 7 vote to suspend Russia from the U.N. Human Rights Council (https://twitter.com/UN_News_Centre/status/1512095779535609862?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Cwterm%5E1512095779535609862%7Cwgr%5E%7Cwcon%5E%1_ref_url=https%3A%2F%2Fnews.un.org%2Fen%2Fstory%2F2022%2F04%2F1115782).

Lacalle Pou has also been critical of China, which he has called "not a genuine democracy" (<https://www.elobservador.com.uy/nota/lacalle-dijo-que-china-no-tiene-una-democracia-genuina-una-cosa-es-el-comercio-y-otra-los-derechos-humanos-202252795749>),² for its human rights record (<https://www.elobservador.com.uy/nota/las-tres-criticas-de-lacalle-pou-a-estados-unidos-y-joe-biden-202252711231>).

One of the most striking aspects of Uruguay's foreign policy, developed under previous Broad Front governments and continued under Lacalle Pou, is its significant security engagement with China.

He has notably made these criticisms of Beijing and Moscow in a restrained manner (<https://www.bbc.com/mundo/noticias-america-latina-61598965>), however, due to Uruguay's strong commercial ties (<https://theglobalamericans.org/2021/06/uruguay-exemplifies-how-to-deal-with-china/>) with both. China is the principal destination for Uruguayan exports (<https://data.imf.org/regular.aspx?key=61013712>), purchasing \$2.6 billion (<https://data.imf.org/regular.aspx?key=61013712>) of goods and services, mostly agricultural exports, in 2021. That represents four times the level of Uruguay's exports to Europe, and almost as much as its exports to all of Latin America (<https://data.imf.org/regular.aspx?key=61013712>). Russia is also an important buyer of Uruguay's agricultural goods (<https://www.elobservador.com.uy/nota/uruguay-busca-recuperar-peso-en-el-mercado-carnico-de-rusia-20182512150>), although its \$102 million in Uruguayan imports (<https://data.imf.org/regular.aspx?key=61013712>) in 2021 pale in comparison to China's.

In deepening commercial engagement with China (<https://en.mercopress.com/2022/05/28/fta-with-china-would-not-make-uruguay-dependent-lacalle-tells-bbc>), Lacalle Pou represents continuity with his Broad Front predecessor, former President Tabare Vasquez, who in October 2016 (http://www.chinadaily.com.cn/china/2016-10/19/content_27104194.htm) agreed to be a "strategic partner" of China, and whose government in August 2018 formally joined Beijing's Belt and Road Initiative (<https://schillerinstitute.com/blog/2018/08/22/uruguay-formally-joins-the-belt-and-road#:~:text=Uruguay%20formally%20joins%20the%20Belt%20and%20Road%20Aug.government%20formally%20joined%20the%20Belt%20and%20Road%20Initiative.>).

Lacalle Pou's government warmed considerably to China following Beijing's delivery of badly needed Chinese-produced coronavirus vaccines in February 2021 (<https://www.elobservador.com.uy/nota/el-dia-de-las-vacunas-china-reivindica-su-ayuda-a-uruguay-en-las-dificiles-se-conocen-a-los-amigos-202122683635>) to support Uruguay's response to the COVID-19 pandemic. In September 2021, Montevideo announced that it would pursue a free trade agreement with China (<https://www.reuters.com/world/americas/uruguay-advances-free-trade-talks-with-china-aims-be-mercosur-gateway-2021-09-08/>), despite the fact that such a pact could put at risk its membership in the Mercosur (<https://civnews.com/lacalle-pous-ultimatum-to-mercosur-if-they-accompany-us-fine-if-not-we-go-alone/>) trade bloc, through which the Southern Cone countries are supposed to exclusively negotiate collective trade agreements. The openness to such a trade deal outside Mercosur reflects the reality that, although Brazil continues to be an important trade partner for Uruguay (<https://data.imf.org/regular.aspx?key=61013712>), commercial engagement with neighboring Argentina has fallen off considerably (<https://data.imf.org/regular.aspx?key=61013712>).

Despite the heightened trade links with China, the Lacalle Pou administration has underscored that it has not become indebted to Beijing (<https://en.mercopress.com/2022/05/28/fta-with-china-would-not-make-uruguay-dependent-lacalle-tells-bbc>), thus avoiding relationships of dependency that other governments have fallen into. Chinese companies are, however, involved in important infrastructure projects in the electricity transmission (<https://www.elpais.com.uy/negocios/ute-firmo-contrato-cierre-anillo-transmission-norte-obra-clave-periodo.html>) and telecommunications sectors in Uruguay (<https://www.zte.com.cn/global/about/news/363292.html>), including Huawei, which will play a major role in Uruguay's rollout of a 5G network as well as the Internet of Things and cloud computing (<https://www.chinadaily.com.cn/a/201908/27/WS5d647aca310c3e35568268.html>).

Setting aside the question of loans and infrastructure projects, though, the importance of the Chinese market for Uruguay's exports of agricultural and other goods raises other questions of dependency. However, Lacalle Pou has couched Uruguay's relationship with China in terms of a "diversification" of the country's economic relationships (<https://en.mercopress.com/2021/10/09/uruguay-will-trade-with-the-world-president-lacalle-announces>) that includes developing trade ties with other Asian partners, the European Union (<https://en.mercopress.com/2015/04/20/uruguay-insists-with-the-eu-trade-accord-even-leaving-mercosur-aside>), the United Kingdom (<https://en.mercopress.com/2022/05/28/fta-with-china-would-not-make-uruguay-dependent-lacalle-tells-bbc>) and Turkey, with which there is even talk of a possible free trade agreement (<https://en.mercopress.com/2022/05/28/fta-with-china-would-not-make-uruguay-dependent-lacalle-tells-bbc>). He has also declared his government open to deeper commercial relationships with the U.S (<https://www.riotimesonline.com/brazil-news/rio-politics/lacalle-pou-insisted-on-the-modernization-of-mercosur-and-reiterated-that-uruguay-seeks-free-trade-agreements-with-the-u-s-and-china/>), but argues that Washington hasn't offered many options in areas such as trade agreements (<https://en.mercopress.com/2022/05/28/fta-with-china-would-not-make-uruguay-dependent-lacalle-tells-bbc>).

One of the most striking aspects of Uruguay's foreign policy, developed under previous Broad Front governments and continued under Lacalle Pou, is its significant security engagement with China. Beijing has regularly made donations of military equipment

(https://www.armyrecognition.com/march_2018_global_defense_security_army_news_industry/china_has_donated_military_equipment_to_uruguay.html#:~:text=Military%20equipment%20donate%20by%20China%20to%20Uruguay%20Uruguay) for at least two decades, but those have increased since the January 2017 ratification (<https://www.defensa.com/uruguay/enviado-legislativo-ratificacion-acuerdo-marco-defensa-uruguay>) of a defense cooperation agreement (<https://www.defensa.com/uruguay/enviado-legislativo-ratificacion-acuerdo-marco-defensa-uruguay>) signed in October 2016. And in May 2022, in a highly secretive procurement, the Uruguayan government committed to a \$200 million purchase of Chinese offshore patrol vessels (<https://www.defensa.com/uruguay/tensa-situacion-uruguay-compra-opv-para-armada-accedemos-apuesta>), or OPVs, only the second time that China has sold OPVs to the region. The purchase reportedly goes against the wishes of key officials in the Ministry of Defense due to Uruguay's longstanding history of procuring equipment from Western countries in order to avoid the vulnerabilities that come from relying on distant logistics chains in China.

The Lacalle Pou government has also expressed interest in purchasing Chinese Z-9 helicopters (<https://www.defensa.com/uruguay/militares-uruguayos-invitados-china-volar-l-15-z-9>) and L-15 fighter (<https://www.defensa.com/uruguay/enviado-legislativo-ratificacion-acuerdo-marco-defensa-uruguay/>) interceptor aircraft to cover its grave deficit in aerial interdiction capabilities, as part of controlling its airspace against narco-trafficking flights and other unauthorized incursions. And it regularly sends Uruguayan officials (<https://theglobalamericans.org/2021/06/uruguay-exemplifies-how-to-deal-with-china/>) to professional military education courses in China and receives Chinese defense delegations (<https://www.defensa.com/uruguay/visita-uruguay-ministro-defensa-chino-para-firmar-acuerdos>).

Uruguay also responded positively (<https://www.scmp.com/news/china/diplomacy/article/3178717/china-drums-support-global-security-push-latin-america-us>) to China's "global security initiative" (<https://www.globalsecurity.org/wmd/library/news/china/2022/04/china-220421-globaltimes01.htm>), initially introduced by Beijing in April 2022 at the Boao forum (https://www.scmp.com/news/china/diplomacy/article/3178717/china-drums-support-global-security-push-latin-america-us?module=perpetual_scroll_0&pgtype=article&campaign=3178717). China's engagement with Montevideo reportedly included a May 2022 call by Foreign Minister Wang Yi (http://cebu.china-consulate.gov.cn/eng/zgwj/202205/20220521_10690729.htm) to his Uruguayan counterpart, Bustillo, to discuss the initiative, although the Lacalle Pou government has not committed to formally joining. Uruguay's openness to closer security ties arguably

reflects the importance of China as a key economic and strategic partner, while the lack of a specific commitment reflects the center-right Lacalle Pou government's desire not to allow Uruguay to fall into China's orbit at the expense of its relationships with Western countries.

Latin America's political landscape is becoming increasingly challenging to navigate for the U.S. On the one hand, leftist governments whose foreign policy and other perspectives diverge from Washington's positions have returned to power in Chile, Bolivia and Argentina, and Luiz Inacio Lula da Silva seems likely to win Brazil

(<https://www.aljazeera.com/news/2022/5/30/brazil-lula-holds-double-digit-advantage-over-bolsonaro-poll>)'s October 2022 elections. On the other hand, right-wing governments in Guatemala (<https://www.news6.com/story/6286ae061298920728649f2/guatemala-leader-wont-attend-summit-in-la-after-us-critique>) and El Salvador (<https://thehill.com/policy/international/americas/547176-el-salvador-president-refuses-to-meet-senior-us-diplomat-report>) have also shown a willingness to defy the U.S.

As a result, Uruguay will be an important ally in the region that the Biden administration cannot afford to push away. Understanding and leveraging the principled stance of the Lacalle Pou government in support of democracy in the region and globally, while working constructively with its deepening embrace of China, will be essential for developing an effective partnership that holds benefits for both sides.

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