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# Russia in Latin America: repercussions for Spain

Mira Milosevich-Juaristi



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**Mira Milosevich-Juaristi** | Senior Analyst at the Elcano Royal Institute and Associate Professor of Russia's Foreign Policy at the Instituto de Empresa (IE University) |

@MiraMilosevich1 

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## Executive summary<sup>1</sup>

The disappearance of the Soviet Union in 1991 significantly reduced Moscow's influence in Latin America. Its geopolitical influence in the region recovered between 1997 and 1999, after the Kremlin accepted the failure of its attempts to integrate with the institutions of the West, and largely thanks to its newly established relationship with the Bolivarian government of Venezuela.

In the years since Vladimir Putin assumed the presidency of the Russian Federation in 2000 –above all since 2008– Russia has intensified its presence in Latin America through bilateral meetings at the highest level and State-sponsored media: the RT television channel, and the news agency *Sputnik News*. Yet on traditional measures like trade and investment, diplomatic involvement and arms sales, Russia's participation remains small compared with the rest of the world. Its political and virtual reappearance in Latin America using traditional and social media coincides with the country's break from the West in the wake of the Russo-Georgian War in 2008 and the annexation of Crimea and the war in Ukraine in 2014. With no significant trade interests, limited arms sales and a tepid diplomatic commitment, Russia's presence in Latin America is weak. However, there is evidence it is seeking to influence the region at a low cost and to appear to be a major power, challenging the US. Yet with no real influence, its virtual presence will not be enough to achieve any of Moscow's strategic objectives in the Western hemisphere.

Russia began its gradual return to Latin America in the second half of the 2000s, with loans and arms sales to Venezuela in 2005. Moscow may no longer seek to use the ideology of socialism to strengthen ties with Latin American countries but it is seeking to exploit a shared desire for multilateralism in political, economic and security relations. At the political level, Moscow has used its regional connections to send a message to the US and the rest of the world that it is willing to challenge Washington.

Its presence in Latin America forms part of a broader international strategy whose main objective is to achieve the status of a major power able to undermine US leadership in the region and in the international order, competing with the other major emerging power, China. In Latin America –the US backyard and its 'near abroad'– Moscow is seeking to build a system of international relations free from US hegemony, working with China insofar as possible.

Brazil and Mexico are Russia's main trading partners, while the 'Caribbean triangle' of Venezuela, Cuba and Nicaragua, with its close political and military ties to the Kremlin, acts as a base for its geopolitical penetration of the continent.

The strengthening of ties between Russia and Latin America is ambivalent for the interests of Spain. Russia's increased presence in the region does not make Spain relatively less attractive and influential in its most important foreign-policy space. Nonetheless, its support for non-democratic governments like Venezuela, together with

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<sup>1</sup> This is a summarised version of the working paper *Rusia en América Latina: repercusiones para España* published in March 2019, [http://www.realinstitutoelcano.org/wps/portal/rielcano\\_es/contenido?WCM\\_GLOBAL\\_CONTEXT=/elcano/elcano\\_es/zonas\\_es/dt02-2019-milosevichjuaristi-rusia-en-america-latina](http://www.realinstitutoelcano.org/wps/portal/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/dt02-2019-milosevichjuaristi-rusia-en-america-latina)

arms sales and military cooperation with Nicaragua, Cuba and Venezuela, have the potential to destabilise the region, with a negative impact for Spanish investments and political interests.

Russia's future role in Latin America and how its actions will benefit or harm Spain remain unclear. However, aspects of Russian activity that repeat the historic, political and propaganda pattern of the Soviet Union during the Cold War are clearly visible. Hostile attitudes to the US on trade and immigration, the rise of populist politicians and the exacerbation of the internal economic and social challenges facing many Latin American countries are propitious to Russia's interests.

Given that the US remains Latin America's biggest trade partner and in light of the extraordinary economic rise of China in the region (and also globally), Russia's influence will depend on its ability to move beyond its historic ties with Cuba and Nicaragua and its role as a supplier of arms and military equipment to Venezuela, Mexico and Peru. In all likelihood, Russia's influence and presence will remain highly limited as a consequence of its economic weakness, without affecting Spanish economic interests.

## Introduction

Russia and Latin America share historic, political and economic relations, which are currently marked by the Kremlin's two main interests: geopolitical and economic. Moscow's perception that US support for the 'colour revolutions' in the countries of the post-soviet space (particularly Georgia and Ukraine) has targeted Russian interests explains its decision to play a similar role in the neighbourhood of the US.

Russia has been present in the Latin American imagination ever since the 18<sup>th</sup> century, although its largest presence –in Cuba and Nicaragua– was during the Cold War. Its 're-emergence' in Latin America must be seen in the context of the growing role of China, the gradual withdrawal of the US from the region and the breakdown in cooperation between Russia and the West as a result of the crisis in Ukraine.

Russia's interaction with Latin America will have a significant impact on the region's future political order (less so in economic terms), as well as the international order, with Russia's backing of a 'multipolar' or 'post-Western' world.<sup>2</sup> While Russia's activities in Latin America are mainly driven by financial incentives, Vladimir Putin's aim of restoring the country's status as a major power has firm geopolitical roots. Moscow has coveted ties with countries that share an interest in developing institutions and relations that are not dominated by the US or the EU.

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<sup>2</sup> At the Munich Security Conference in February 2017, Sergey Lavrov, the Minister of Foreign Affairs of the Russian Federation, described the emerging international order as 'post-Western'.

## **Evolving bilateral relations: between geopolitics and pragmatism**

Relations between Russia and Latin America have a long history and can be divided into three main periods: the first from 1732 to the Bolshevik Revolution in 1917, with the demise of the tsarist Empire; the second from 1922, the year in which the Soviet Union was established, until its collapse in 1991 at the end of the Cold War; and a third from the end of the Cold War to the present day.

### **Latin America and Putin's Russia: between economic pragmatism and geopolitical interest**

In the 1990s Russia's weight in the global economy and also international trade declined significantly with the demise of the Soviet Union. Its ties with Latin America were among those that suffered the greatest damage, especially with countries like Cuba, with which it had built up a politico-strategic relationship. Russia went from first on the list of economic partners to a distant second, with its volume of trade plummeting from billions of dollars to just a few hundred million.

However, this began to change between the end of the 1990s and the start of the 2000s as a result of various processes and events. The first of these was Russia's reassertion of its economic power from 2000 (as a result of rising oil prices) and thus its need to expand its external markets.

Relations between Latin America and Russia since the end of the Cold War can be divided into three phases. The first two (1991-96 and 1997-99) were defined by Boris Yeltsin's presidency of the Russian Federation and the mandate of his two Foreign Ministers, Andrei Kozyrev and Yevgeny Primakov. The third began with Vladimir Putin's rise to power in 2000 and runs to the present day.

The end of the Cold War marked the loss of superpower status for the Soviet Union, the gradual withdrawal of Russia, its heir, from the main battlefields of the Soviet-US rivalry of the Cold War and the start of the foreign policy of Boris Yeltsin (the so-called 'Liberal Westernism' from 1991 to 1996), as well as a growing belief that Russia's national interest lay in its integration with the West.

During the 1990s, following the collapse of communism and the disintegration of the USSR, Russia made no attempt to define its national interest in Latin America, in stark contrast to the global ambitions of the Soviet Union, with its focus on the region as emblematic of the confrontation between the two blocks of the Cold War. It was not until after Vladimir Putin assumed the presidency in 2000 that Moscow began pursuing a more active policy in Latin America, motivated by a combination of nostalgia for the legacy of Soviet influence and its national strategic interests.

A broader framework for Russia's current policy in Latin America comes from the Primakov Doctrine, named after Yevgeny Primakov, who served as Minister of Foreign Affairs and Prime Minister of Russia (1996 and 1999) and fiercely criticised the country's abandonment of its traditional allies throughout the world, above all in Latin America and the Middle East. The doctrine states that Russia's main national interest lies in becoming a major power in a multipolar world. This means its political orientation should be

multilateral or 'multivectoral', with a view to developing balanced relations with Western and non-Western countries.<sup>3</sup> The first significant change in the foreign policy of post-Communist Russia came at the end of 1997. It pursued a twofold objective: first, to show that Russia's main interest does not lie in integrating with the international institutions created, upheld and led by the US since the end of the Second World War; and, secondly, to restore the old alliances of the Soviet Union, in keeping with Russia's aspiration to restore its status as a major power.

Latin America was chosen to put this change into practice: on 20 November 1997, Primakov began a tour of four countries (Brazil, Argentina, Colombia and Costa Rica), concluding with a meeting with the Ministers of Foreign Affairs of Guatemala, Nicaragua, Honduras, El Salvador and the Dominican Republic in San José de Costa Rica. In December that year, the Russian Deputy Prime Minister Boris Nemtsov visited Mexico, Venezuela and Chile. Another significant milestone in relations between Russia and Latin America was the start of cooperation with the Bolivarian government of Venezuela in 1999, which subsequently became Russia's preferred regional partner. However, Venezuela is not its only partner: in 1999, Russia also signed a series of agreements of varying scope for cooperation in trade, energy, industry, culture and military affairs with Argentina, Bolivia, Cuba, Brazil, Ecuador, Mexico, Nicaragua and Peru.

Since coming to power in 2000, Vladimir Putin has sought to promote a more active foreign policy than his predecessor. However, between 2000 and 2008, the year of the five-day war in Georgia (when Putin was Prime Minister and Dmitry Medvedev was President of the Russian Federation), Russia's Latin American presence was extremely limited.

Since 2008 Russia has periodically increased its activity in Latin America through the sale of arms and military equipment, trade, agreements to fight drug trafficking and propaganda. Although the 2013 and 2016 versions of the official 'Foreign Policy Concept of the Russian Federation' (FPCRF) contain echoes of the Primakov Doctrine, Latin America is not at the top of Russia's foreign-policy priorities. In fact, the region is not mentioned until articles 92 and 93 of the 2013 FPCRF's 104 articles, just before Africa and after the post-Soviet space, the US, Europe and Asia. In the 2016 FPCRF, Latin America no longer enjoys a privileged position, despite recognition of its growing importance: 'Russia remains committed to the comprehensive strengthening of relations with the Latin American and Caribbean States taking into account the growing role of this region in global affairs'.

The two versions emphasise Moscow's geopolitical interest in strengthening cooperation with Latin America. They stress its growing importance in the global economy and set the target of closer cooperation with the Community of Latin American and Caribbean States (CELAC), the Union of South American Nations (USAN), MERCOSUR and the Pacific Alliance. They affirm Russia's aspiration to commit to political interaction, promote trade and mutual direct and indirect investment involving both the government and the private sector, and closer cooperation on culture, education, scientific and technological innovation and humanitarian aid. They also highlight Russia's interest in positioning its

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<sup>3</sup> A. Tsygankov (2013), *Russia's Foreign Policy. Change and Continuity in National Identity*, 3<sup>rd</sup> ed., Rowman & Littlefield Publishers.

State and private companies in the most dynamic and highest-growth sectors (industry and energy), alongside communications and transport.

While Russia's interest in Latin America has been growing since 1997, there are two peaks in its diplomatic and political activity in 2008 and 2014, marked by the breakdown in Russian cooperation with the West as a consequence of the wars in Georgia and Ukraine. In many ways, Russia's reappearance in the region is a response to perceived US interference in the conflicts in Georgia and Ukraine. Moscow has been particularly attracted by the idea of developing relations with the countries of the Bolivarian Alliance for the Peoples of Our America (ALBA), founded by Cuba and Venezuela and whose members also include Bolivia and Nicaragua. The alliance has sought to develop economic alternatives to the financial institutions dominated by the West. Its positions are opposed to those of the US and it is led by populists seeking to conserve power, making it a like-minded partner for Moscow.

In recent years, Moscow has made arms sales and trade agreements –especially in the energy sector– the main entry points in its return to the region. Other activities include taking advantage of its new Spanish-language media and strengthening cultural and political ties through high-level visits.

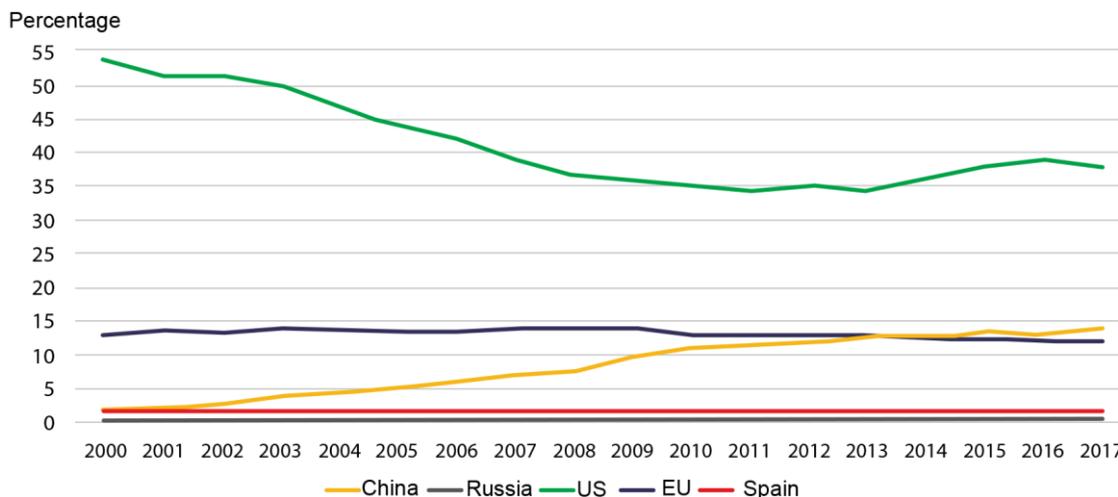
Russia's presence in Latin America is conditioned by its bilateral relations with the US, as was the case with relations between the Soviet Union and the US during the Cold War. However, in contrast to the Soviets, who were guided by the ideological principles that divided the world into two blocks, Russia's current strategy fluctuates between economic pragmatism and geopolitical objectives.

## **Political relations**

### **Russia and Latin America in the context of the role of the EU, the US and China in the region**

Since the start of the 21<sup>st</sup> century, Latin American countries have strengthened ties with both Russia and other countries with which they have not traditionally had close relations. Those most significant for the development of the region are South Korea, India, Iran, Japan and especially China. This new and more plural scenario is the consequence of globalisation and is generally positive for Latin American countries, creating opportunities for international cooperation in all areas, including the political sphere, the economy, defence, education and culture. However, its effects on the interests of traditional actors from outside the region, including Spain, are much less clear, since their relative weight in the region is decreasing.

Russia's commitment to Latin America must also be seen in the context of China's growing role in the region. While the US remains the region's dominant trade partner, trade with China is growing fast. Total trade between China and Latin America increased by over 200% between 2006 and 2016, compared with an increase of 38% with the US. Russia's role as a trading partner is clearly smaller, even though its trade in the region increased by 44.1%.

**Figure 1. Share of Latin American trade (%)**

Source: the author, based on data from UNCTAD 2018.

In this respect, Russia does not threaten the economic relevance of the EU or Spain for Latin American countries. Russian companies and diplomats have sought to project a new role of Russia in Latin America, casting the country as positioned somewhere between a developed West and an ascendant Asia.

### Geostrategic fundamentals

The relationship between Russia and Latin America is founded on three main geostrategic objectives: (1) diversifying its foreign relations; (2) countering US power in the region and the world with a view to creating a multipolar or 'post-Western' international order; and (3) being a major regional power, or at least projecting such an image.

Both Russia and Latin American countries aspire –and need– to diversify their foreign relations as much as possible. Russia's main motivations are: (1) showing it is not internationally isolated in the wake of the economic sanctions imposed by the EU and the US as a result of the conflict in Ukraine; (2) guaranteeing its food security, given that the majority of fruit, vegetable and meat imports from the EU before the sanctions now come from Latin American countries such as Brazil, Ecuador, Chile, Paraguay and Argentina; (3) establishing and protecting markets for its goods; (4) ensuring access to global information and technology flows; and (5) maintaining a presence in key institutions for its global economic transactions.

Latin American countries are seeking new opportunities for access to markets and funding –especially countries that find it hard to access traditional forms of finance, such as Argentina, Ecuador and Venezuela– and technology, leading to cooperation in civil nuclear energy (Brazil and Argentina) and biotechnology (Cuba).

The second goal, shared by Russia and countries that also have tense relations with the US, is to reduce the dependency on traditional partners in order to promote multilateralism and thus counter Washington's dominant position. A key factor here is that Russia and the majority of Latin American countries share a narrower concept of sovereignty than the more interventionist positions of traditional powers. Moscow does not aspire to bring about internal changes in countries in the region and nor does it demand guarantees on human rights from regional governments.

It should be noted that its diplomatic support to countries does not imply the establishment of military partnerships or direct support in the event of regional military conflicts. Its bilateral relationship with Venezuela is unique, since it is Russia's main stage for challenging the US in its own neighbourhood, previously the case with Cuba.

Russia actively encourages discourse against 'US hegemony' at the forum of ALBA nations. Nonetheless, it declined to participate in the group as an observer. The lack of support from certain ALBA governments (Bolivia and Cuba) in seconding the recognition of Abkhazia and South Ossetia has not lived up to Russia's expectations from the organisation, resulting in close bilateral relations with the 'hardcore' countries of Venezuela, Nicaragua and Cuba.

Russia and Latin American countries provide each other with diplomatic and political support in international organisations against any US or United Nations sanctions, and in general to ensure neutrality in the event of any international intervention in these States. After sending two Tu-160 nuclear bombers to Venezuela on two occasions, it is clear that Russia will go to lengths to challenge the US and reinforce its military presence in the region.

Moscow seeks the support of Latin American countries against US diplomatic leadership in coordinating various initiatives to condemn Russia. Nicaragua's recognition of the independence of Abkhazia and South Ossetia from Georgia in 2008 and Bolivia, Cuba, Nicaragua and Venezuela's decision to vote against the United Nations resolution condemning the annexation of Crimea in 2014 are highly significant. Together with China, Russia often blocks votes on the United Nations Security Council that aim to condemn the regime in Venezuela. However, this does not mean that Russia and the region's countries act as a block at the international level.

The promotion of shared strategic interests by Russia and Latin America has been favoured by three factors: (1) the absence of historic conflicts between Russia and the countries of the region; (2) the historic ties created during the Cold War; and (3) the pragmatic approach of both parties to their bilateral relationship. In general, there is a good political understanding between Russia and the region.

### Russia and regional integration processes in Latin America

Russia's foreign policy in Latin America has an increasingly visible multilateral dimension. The country forms part of the BRICS group, together with Brazil, its biggest trade partner in the region, and is a member of the G20, a group of countries that includes Argentina, Mexico and Brazil. Russia also participates in Asia-Pacific Economic Cooperation (APEC), alongside Chile, Mexico and Peru.

The G20 is one of the multilateral organisations that Russia holds in highest esteem, especially since its expulsion from the G8 in 2014. The G20 was originally created in 1999 as a forum for Finance Ministers and Presidents of central banks, before becoming a regular summit for heads of State and governments following the financial crisis of 2008. Russia sees the organisation as a 'prototype' for the future order of the world and as the beginning of the end of the Western-centric world, marking a transition away from the Atlantic model of globalisation to the construction of a new balance of power.<sup>4</sup>

At present, there is no coordination between Russia and the 'Latin American troika' in the G20 multilateral framework. This is due to two main reasons: first, Brazil, Mexico and Argentina are focused on their own internal problems and use the forum to promote and attract foreign investment in the region; secondly, Russia sees the G20 as an extraordinary opportunity to show it has not been isolated by Western sanctions, as it did at the last G20 meeting in Buenos Aires (30 November-1 December 2018).

Forums like BRICS, the G20 and APEC have also enhanced Russia's opportunities for multilateral commitment to Latin American countries in Russian territory. In September 2012, the APEC summit was held in Vladivostok, the G20 took place in Saint Petersburg in September 2013 and the 2015 BRICS summit was held in Ufa.

Russia has close ties with the ALBA, CELAC and USAN forums and frequently seeks to use them to improve trading relationships with their member states and project the strength of its ties with the region, excluding the US. CELAC is playing an increasingly active role in international affairs. In 2018, Cuba, which was presiding over the group at the time, requested the strengthening of cooperation between CELAC and BRICS, a move that would boost Russia's presence in the region. Russia has also taken an interest in sub-regional integration projects, with the Central American Integration System (SICA) and the Caribbean Community (CARICOM), pointedly ignoring the Organisation of American States (OAS), of which the US and Canada are members and to which Cuba has not returned following its suspension in 1962.

MERCOSUR signed a memorandum of economic cooperation with the Eurasian Economic Union in Montevideo on 17 December 2018. Together, the two blocks make up 6.5% of global GDP.<sup>5</sup> Argentina, Brazil, Paraguay and Chile aspire to supply Russia's national market with the products from Western countries that Russia stopped importing in response to economic sanctions.

### Bilateral relations

Bilateral relations between Russia and Latin American countries can be categorised into three main groups: (1) former allies from the Soviet period (Cuba and Nicaragua); (2) the ALBA countries with clear anti-US positions (Venezuela and, to a lesser extent, Bolivia); and (3) trade partners. By its share of Latin American trade (imports and exports), Russia's biggest partners are Brazil, Mexico, Ecuador, Chile, Paraguay, Argentina and Trinidad and Tobago. Since 2005, Russia has signed agreements to upgrade its bilateral

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<sup>4</sup> <https://mundo.sputniknews.com/opinion/201812041083893110-retrato-objetivo-orden-mundial-moderno/>.

<sup>5</sup> <https://www.lanacion.com.ar/2203216-el-mercosur-se-acerca-rusia-mientras-se>.

relations with Argentina, Brazil, Venezuela, Colombia and Ecuador to 'strategic association' level.

## Former Soviet allies

### Cuba

Cuba was Russia's main partner in Latin America during the Cold War and continues to be of significant interest to Moscow on account of its strategic location close to the US.

Russia's withdrawal from the region in 1989 caused significant financial difficulties for Cuba, which aid from the People's Republic of China has only partially been able to offset. Dmitry Medvedev visited Cuba in 2008 and 2013 and Vladimir Putin visited the country in 2000, 2004 and 2014. For Cuba, Russia is an essential partner for countering the US on account of its ability to provide diplomatic support in various international organisations and as a source of funding, technology and development aid.

Moscow has funded the majority of Cuba's military modernisation, cancelling US\$30 billion of Cuban debt during the Cold War in exchange for new contracts to purchase military equipment, including helicopters and planes.<sup>6</sup> In December 2016, Cuba and Russia agreed a defence and modernisation technology programme for Cuba that runs until 2020. In 2018 Russia and Cuba signed new agreements that include Russian funding for the rail system and energy sector. The Russian company Rosneft began shipping oil to Cuba in 2017 to offset the reduction in aid from its close ally, Venezuela. Talks are taking place between the Kremlin and Havana on Russian access to onshore and offshore oilfields and the upgrade of a local refinery. Russia's benefits from this support include the GLONASS communications satellite facility (*Globalnaya Navigazionnaya Sputnikovaya Sistema*), the Russian GPS, on Cuban territory.<sup>7</sup>

Despite the 'Russian turn', Cuba's acceptance to resume bilateral relations was subtly less enthusiastic than that of Nicaragua, which reflect a persistent resentment of the economic difficulties created by the Soviet Union's withdrawal from the region in 1989. In contrast to Nicaragua and Venezuela, Cuba did not recognise the independence of the republics of Abkhazia and South Ossetia when they broke away from Georgia in August 2008.

Military cooperation is the biggest area of bilateral relations, but joint medical research and biotechnology are also important. In terms of other types of trade cooperation, ties between Cuba and Russia have been more modest than their history of close military and political cooperation suggests. Cuba is ranked 26<sup>th</sup> in terms of Russia's international trade.

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<sup>6</sup> Evan Elis (2015), 'The new Russian engagement with Latin America: strategic position, commerce, and dreams of the past', US Army War College, SSI, <http://publications.armywarcollege.edu/pubs/2345.pdf>.

<sup>7</sup> Julia Gurganus (2018), 'Russia: playing a geopolitical game in Latin America', Carnegie Endowment for International Peace, May, <https://carnegieendowment.org/2018/05/03/russia-playing-geopolitical-game-in-latin-América-pub-76228>.

## *Nicaragua*

Nicaragua is one of Russia's main political and military partners in the region. The relationship is based on years of Soviet support for President Daniel Ortega's Sandinista movement in the 1980s. The relationship was renewed with Ortega's return to power in 2007 and diplomatic recognition of the dissident republics of Abkhazia and South Ossetia after the war in Georgia in 2008. Nicaragua allowed Russian naval exercises to take place in its territorial waters at the end of 2008 and in 2015 the Nicaraguan parliament voted to allow Russian warships to dock in Nicaraguan ports.

In terms of trade between the two countries, in contrast to the significant military cooperation since 2008, bilateral trade is more modest. Nicaragua is ranked 30<sup>th</sup> in terms of Russia's international trade and three products (oilseeds, coffee and meat, in order of importance) make up 95% of Nicaraguan exports to Russia. Cereals and fertilisers have made up 80% of Russian exports to Nicaragua during this period. Russia is also the country's biggest supplier of vehicles and medical supplies.

## *The ALBA countries*

### *Venezuela*

Bilateral relations between Russia and Venezuela are marked by military and energy cooperation. Venezuela is ranked 29<sup>th</sup> in terms of Russia's international trade.

Since 2016, Russia has provided political and financial lifelines to the Venezuelan government, in stark contrast to the US, which has threatened military intervention and is ratcheting up pressure on the regime through sanctions.

Russia and China have pursued parallel strategies to challenge the US, making them one of the biggest sources of international support for the Maduro government. In the hypothetical case of military intervention by the US, Russia will not provide military assistance to support the Maduro regime, as it did in Syria to guarantee the survival of that of Bashar al-Assad. There are two main reasons: first, Russia lacks the economic means for a sustained military campaign in Venezuela; and, secondly, Russia's strategy has clear limits. Russia's attitude in the current crisis facing Venezuela is determined by its own interest, which is to save its economic interests.

Venezuela's public debt is estimated at over US\$150 billion.<sup>8</sup> As recently as 2017, Russia agreed to refinance US\$3.15 billion in bilateral loans and extend almost all payments of Venezuelan debt until 2023. In 2017 the Russian State energy company Rosneft took control of 49.9% of the Citgo refinery, based in the US and owned by Venezuela. These investments have been vital for propping up the Maduro regime. In return, Moscow receives preferential access to Venezuela's vast oil reserves and can use its power to promote its interests in dealings with current and future Venezuelan governments. Nicolás Maduro won the presidential election on 20 May 2018, despite the

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<sup>8</sup> Ana Palacio (2019), 'What Venezuela tells Europe about Russia', <https://www.project-syndicate.org/commentary/venezuela-crisis-russia-maduro-support-flagging-by-ana-palacio-2019-02>.

economic and social collapse of Venezuela. Even if Moscow has an ally in Venezuela, it is likely to position itself to maintain a presence in the event of a leadership transition.

### *Energy and the Venezuelan debt trap*

Russia has energy cooperation with various Latin American countries, but no reliable data is available. Energy cooperation between Russia and Venezuela is coordinated by their governments –with a personal relationship between Putin and Chávez and, subsequently, Maduro– and the countries’ State-owned oil companies Rosneft and PDVSA. According to a detailed report by Reuters published in 2017, growing Russian control over Venezuelan crude oil boosts its position in American energy markets.<sup>9</sup> Rosneft resells around 225,000 barrels of Venezuelan oil per day, around 13% of the country’s total exports. The company also currently holds major shares in nine large oil projects in Venezuela: five in Orinoco, the country’s largest oil-producing region, three in Lake Maracaibo, the second largest and oldest production area, and a shallow-water oil project in the Gulf of Paria.

### *Bolivia*

Together with Venezuela and Cuba, Bolivia was one of the founding countries of ALBA and remains a member. Its relations with Russia have strengthened in recent years, mainly at the political level. Bolivia’s stance against the US –aggravated by the diplomatic expulsions during the civil unrest of 2008, which Evo Morales blamed on the US– has brought the country closer to Moscow. It has also had an impact at the United Nations, where Bolivia was a non-permanent member of the Security Council between 2017 and 2018. It is probable that Moscow is interested in a closer relationship with Bolivia based on the anti-US position of Morales and the promotion of a multipolar international order.

In the United Nations, Bolivia has followed the Kremlin’s lead in opposing US-sponsored resolutions (voting three times against the use of chemical weapons by the regime of Bashar al-Assad in Syria). Morales also supported Moscow following the expulsion of Russian diplomats by Western countries after the recent poisoning of Russian dissidents in the UK.

In contrast to other ALBA nations like Venezuela, Bolivia did not recognise the separatist republics of Abkhazia and South Ossetia as a result of the war in Georgia in 2008. The country is also one of few in the region that continues to require visas from Russians, although the procedure is merely a formality. The commitment between Russia and Bolivia includes both military and trade activities. However, the results of major projects by Russia and Bolivia in this area have so far been limited.

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<sup>9</sup> <https://www.reuters.com/article/us-venezuela-russia-oil-specialreport/special-report-vladimirs-venezuela-leveraging-loans-to-caracas-moscow-snaps-up-oil-assets-idUSKBN1AR14U>.

### Trade partners<sup>10</sup>

In the third group, Brazil, Mexico, Ecuador, Argentina, Peru, Chile, Paraguay and Trinidad and Tobago are Russia's main trade partners in the region.

Russia's total trade share (imports and exports) in Latin America is small, making up just 2.28% of foreign trade in 2017, compared with 3.83% in 2000. Despite current economic sanctions, the EU still has the largest share of total trade with Russia, albeit falling from 51.77% in 2000 to 38.44% in 2017 as a result of economic sanctions. The world's second biggest buyer is China, with a clear trend of growth. In 2000, China's total share of Russian trade was just 4.88%, a figure that had risen to 14.29% by 2017.

Compared with other trade partners, Russia's share of total Latin American trade (imports and exports) is the lowest: the figure for 2017 was 0.7%, an increase from 0.4% in 2000. Total trade between Latin America and Russia was US\$3 billion in 2000, increasing to US\$13.6 billion in 2017. Two peaks in Russia's presence in the region occurred in 2008 and 2014 (reaching 0.9% and 0.8%, respectively), coinciding with Moscow breaking off cooperation with the West. Nonetheless, the small increase in trade share between 2000 and 2017 reflects the fact that Russia is seeking alternative markets even though its economic presence in the region remains extremely weak.

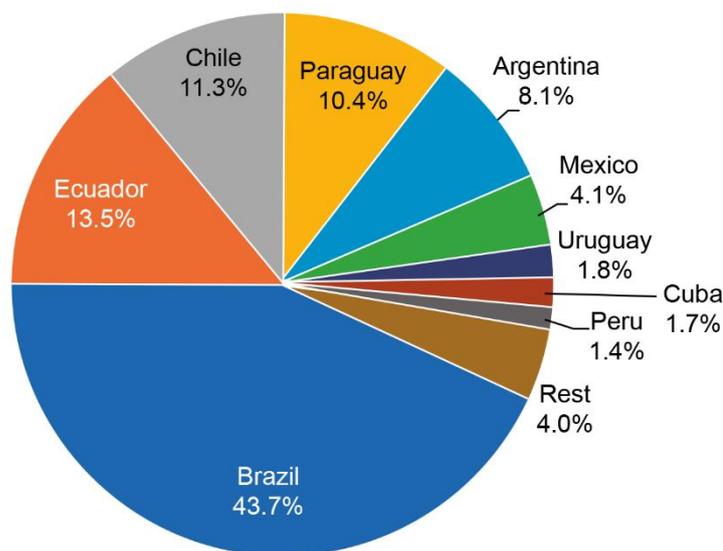
The US remains the biggest trade partner in Latin America, despite the downward trend of its total share of trade, which has fallen from 53.9% in 2000 to 37.9% in 2017. Spain's share has remained largely unchanged: 1.6% in 2000, compared with 1.7% in 2017. China is the only country whose share of total Latin American trade has increased significantly from 1.7% in 2000 to 13.9% in 2017, confirming the trend for the displacement of the EU as the region's second biggest trade partner. In 2000, Chinese trade with Latin America totalled US\$12.6 billion (compared to US\$398.7 billion for the US and US\$97 billion for the EU). In 2017 the figure had risen to US\$276.6 billion (compared to US\$754.3 billion for the US and US\$242.6 billion for the EU).

Russia's average weight as a trade partner in Latin America is 5.24%. However, it should be noted that 39.6% of Russia's total trade in Latin America is with Brazil, while 12.6% is with Mexico. The countries with an above-average share of trade with Russia are Ecuador (7.5%), Trinidad and Tobago (7.3%), Argentina (6.3%), Chile (5.7%) and Paraguay (5.3%).

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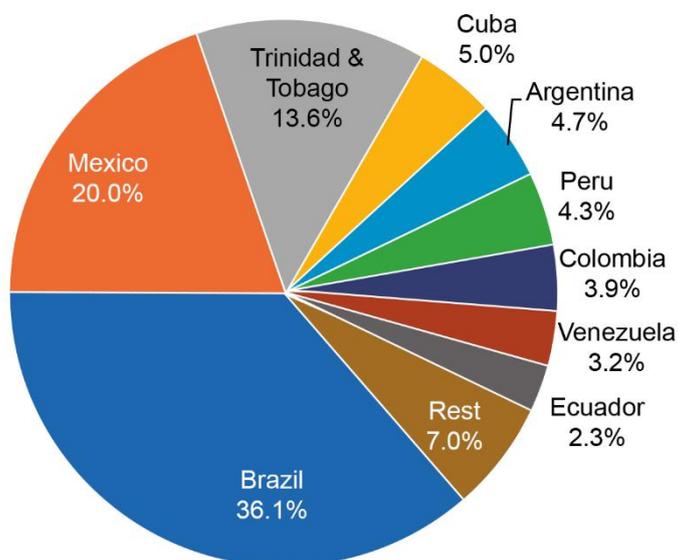
<sup>10</sup> All statistics on the economic and trade activity of Russia in Latin America come from the United Nations Conference on Trade and Development (UNCTAD).

**Figure 2. Russian imports from Latin America, 2017 (% of regional total)**



Source: UNCTAD 2017.

**Figure 3. Russian exports to Latin America, 2017 (% of regional total)**



Source: UNCTAD 2017.

Russia's most important political partners in the region are not its biggest trade partners: Cuba, Nicaragua and Venezuela only make up 3.5%, 0.5% and 1.7%, respectively, of Russia's total trade with Latin America. However, preferential political alliances are outweighed by its main interests: first, geopolitical, through a presence in the US backyard, with Moscow strengthening historic ties between Russia and former Cold War allies and the countries of the ALBA group; and, secondly, genuine economic interest, with Russia promoting trade relations with the region's most developed.

### *An asymmetric trade relationship*

The trade relationship between Russia and Latin America is characterised by two asymmetries. The first is that the products exchanged reflect an asymmetric relationship, since almost all Russian imports from Latin American countries are food (meat, fruit, vegetables and milk). In contrast, and with the exception of wheat to Mexico, Russia exports a small number of products to Latin America, including arms and military equipment, oil, fertilisers, aluminium, iron and coal. The second asymmetry comes from the size of its trade relationships, which are moderate in the cases of Brazil, Mexico and Ecuador, and small in the remaining countries. Brazil, which is Russia's main trading partner in the region, accounts for only 1.2% and 0.74% of Russian imports and exports, respectively. None of the other Latin American countries make up more than 1% of its total imports and exports. While trade volumes are modest from a Russian perspective, the nature of imported goods (food products) helps Russia show its 'immunity' to Western economic sanctions and that it has been able to replace its European suppliers without problems. Nicaragua, Cuba and Venezuela are highly dependent on Russian exports of arms and military equipment.

### *Security and defence*

The two main types of security and defence cooperation (arms sales and military diplomacy ) are key to Russia's re-emergence in Latin America. Russia has reactivated and built up relations with Soviet-era clientelist States (Nicaragua and Cuba), as well as with countries that purchased Russian military equipment during the Cold War and have maintained ties with the Russian armed forces (Peru and, to a lesser extent, Mexico and Brazil). In 2006, Colombia, which habitually purchased arms from the US and had expressed its concerns regarding Russian arms sales to Venezuela,<sup>11</sup> purchased eight BTR-80 armoured personnel carriers and four Mi-8/Mi-17 helicopters, followed by another five in 2008. In 2018, the Colombian government expressed an interest in taking more Mi-17 helicopters from the country.<sup>12</sup>

Russia does not pose a military threat to any of the countries in the region, since it does not provide military support for regime change and nor does it establish military alliances. However, its close collaboration with the armed forces of Venezuela and Nicaragua have created tensions with neighbouring countries.

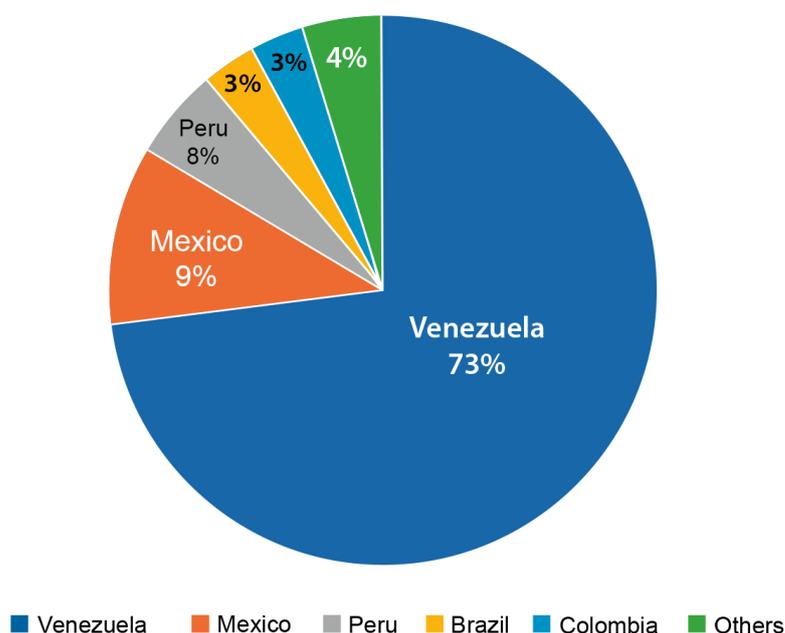
### *Arms sales*

Generally speaking, until 2014, Russia was the main arms supplier in the region, largely thanks to multi-million dollar contracts with Venezuela. Figure 4 shows that 73% of total arms sales were to Venezuela, compared with 9% to Mexico and 8% to Peru. Venezuela is clearly the country that has been most reliant on Russia (and China) in modernising its armed forces, not only in terms of purchasing equipment but also for building various command and control centres.

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<sup>11</sup> <http://historico.elpais.com.co/paisonline/notas/Abril062010/relacionescolombia.html>.

<sup>12</sup> <https://www.hispantv.com/noticias/colombia/365764/bogota-santos-compra-helicopteros-mi17-rusia>.

**Figure 4. Russian arms sales to Latin America by country, 1992-2017 (%)**

Source: the author based on SIPRI data.

### Promoting language and culture

Russia's cultural presence in Latin America has a long history and is intensifying. The main instruments for promoting Russian culture and language are the Pushkin State Russian Language Institute (the Pushkin Institute), founded in 1966, and the *Ruskiy Mir* Foundation (the Russian World), established via a decree by Vladimir Putin in June 2007. Both institutions are subsidised by the State and controlled by the Ministry of Foreign Affairs and the Ministry of Culture and Science. In 2017, the Pushkin Institute had 28 centres around the world and 446 affiliate organisations, with around 1.1 million students.<sup>13</sup>

For its 53 years of existence, the institute's main focus has been the teaching, promotion and preservation of the Russian language, although its activities have diversified into the realm of culture in recent years. Five of the institute's 28 centres are in Latin America (Ecuador, the Dominican Republic, Mexico, Panama and Venezuela). There are also numerous Russian teaching programmes at Latin American universities, the most recent of which was opened in May 2017 at the Faculty of Foreign Languages at the University of Havana.

While the main purpose of the *Ruskiy Mir* Foundation is 'promoting the Russian language, as Russia's national heritage and a significant aspect of Russian and world

<sup>13</sup> <http://www.fundpushkin.org/>.

culture, and supporting Russian language teaching programs abroad', it has other, more ambitious goals.<sup>14</sup>

*Ruskiy Mir* promotes projects for the teaching of the Russian language and culture abroad through its Russian Centres as a tool to improve the country's image beyond its borders. The *Ruskiy Mir* Foundation currently has 50 Russian Centres, eight in Latin America (Cuba, Costa Rica, Nicaragua, Ecuador, Argentina, Paraguay, Brazil and Peru). The centres are often housed in local universities.

The first Latin American cultural centre in Russia –to date the only such centre– belongs to Venezuela. It was launched in Volgograd in November 2016, with a photography exhibition in honour of President Hugo Chávez.<sup>15</sup>

Culture is another weakness in Russian soft power in the region. Knowledge of Russian culture is superficial and highly limited by the historic ideological ties of the Cold War. The limited interest in Russian culture prevents it from acting as a catalyst for other dimensions of the relationship.

### Russian-language media

One of Russia's strategies to promote its image from a pro-government perspective that is in keeping with Kremlin policy has been the creation of a number of Spanish-language television channels and news agencies, fully funded by the Russian government.

In 2009 the Kremlin launched the *Inter Russia TV Channel* (ITR TV), the first Spanish-language television channel targeting Latin America. Broadcasting out of Panama, ITR TV comprises 12 Russian stations, including *Telecanal Rusia*, *Canal Uno*, *Russia Today* (RT), *RTR Planeta*, *RTVi Channel*, *NTV Cine* and *SportBox TV*.<sup>16</sup>

Since 2009, *RT en Español* has become the most influential Russian television station, broadcasting in Argentina, Venezuela, Bolivia, Ecuador and Cuba, and maintaining a close relationship with *TeleSUR*. The Spanish version of RT has correspondents in Buenos Aires, Caracas, Havana and Managua. It also maintains a connection with the Spanish-speaking market in the US through its correspondents in Los Angeles and Miami. At the end of 2017, RT was available in almost all Latin American and Caribbean countries, with a total of over 300 cable television providers offering RT as a separate channel for subscribers and some RT programmes retransmitted on other channels, many with national and international coverage. Many people also watch RT for free online, where the channel is available in high quality 24/7.<sup>17</sup>

The promotion of *RT en Español* and the expansion of the news agency Sputnik News, alongside Russia's online outlets in the region is arguably the most ambitious attempt by

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<sup>14</sup> <https://ruskiymir.ru/en/>.

<sup>15</sup> <https://mundo.sputniknews.com/sociedad/201611151064871122-América-latina-cultura-rusia/>.

<sup>16</sup> [http://www.realinstitutoelcano.org/wps/portal/rielcano\\_es/contenido?WCM\\_GLOBAL\\_CONTEXT=/elcano/elcano\\_es/zo-nas\\_es/lengua+y+cultura/ari118-2009](http://www.realinstitutoelcano.org/wps/portal/rielcano_es/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zo-nas_es/lengua+y+cultura/ari118-2009).

<sup>17</sup> <http://nuso.org/articulo/rusia-entre-nosotros/>.

the Kremlin to improve Russia's image in recent years. RT's regional programming currently includes a specific focus on issues of interest to the Latin American public and has attracted the most viewers among foreign channels. Similarly, digital media has had a significant impact online. RT uses its programmes targeting Latin American viewers – branded with the slogan *Saber más* ('Know more') – to attack the US and its European allies, offering an 'alternative point of view' on issues such as human rights, war crimes and corruption. In short, not only does it whitewash Russia's role in global affairs, it also presents the country as a successful alternative political model to liberal democracy.<sup>18</sup>

Even if Russia is unable to compete with the US, Europe or China in Latin America on trade and investment, it appears to be consolidating a significant virtual presence in the region.

## Conclusions

Relations between the Russian Federation and the countries of Latin America are not central and are currently undergoing a process of mutual discovery in economic territory. Russia would like to see the growing importance of the G20 –and to a lesser extent the BRICS– make a decisive contribution to strengthening political and economic ties in the region.

In the current context, characterised by the breakdown in cooperation between Russia and the West following the annexation of the Crimea and the Kremlin's military, economic and political support for pro-Russian rebels in the south-east of Ukraine, together with the Primakov Doctrine, which has guided Russian foreign policy since the end of the 1990s, Moscow will continue seeking to build bridges to Latin America over the coming years.

However, analysis of this relationship must move away from the 'catastrophist' expectations that frequently appear in the Western media. Moscow is using its military and trade links to establish a significant presence in the zone and thus boost its image as a global power. Insofar as relations between Russia and the US continue to worsen, Russia will probably use the Western hemisphere as a key symbol of its global reach to challenge the US. While Cuba, Nicaragua and Venezuela are spearheading these efforts, they are not enough to achieve a critical mass that would allow Moscow to determine the general direction of the region.

Beyond geopolitical imperatives, the Kremlin's approach to Latin America is characterised by its realism and pragmatism, coupled with an awareness of its potential but also its limitations. Moscow's reach in Latin America is limited by its modest resources. Military deployments are expensive and complex, and the money required to meet the needs for investment in Latin America or cultivate it as a major export market is not available. Nonetheless, Moscow has succeeded in becoming a 'virtual power' in the region, working to promote its online presence without spending vast sums. Given its political orientation, its ability to sustain this approach over time has the potential to contribute to the destabilisation of countries in the region.

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<sup>18</sup> <http://nuso.org/articulo/rusia-entre-nosotros/>.

The risks to Moscow of this low-cost strategy for influencing the region and its attempts at involvement are relatively limited, although it faces the prospect of financial losses from investments in Cuba and Venezuela.

Political instability in the region, which can be aggravated by Russia's use of traditional and social media, has the potential to harm the political and economic interests of Spain and the EU, so it is vitally important that the EU and Spain play a constructive role in Latin America. This means showing a long-term commitment to the region. Europe must be a reliable partner that seeks to promote close associations in addressing shared challenges. This will include signing the EU-MERCOSUR Association Agreement but also participating in joint efforts to tackle specific threats like transnational crime, drug trafficking, terrorism and people trafficking. It may also include working together to promote regional investment and development and ultimately meet the objectives set at the last CELAC summit.

The US and the EU must focus on key countries in the region, such as Argentina, Brazil, Colombia and Mexico, to reduce tensions and curb the influence of the Russian media in its attempts to damage and discredit democratic political systems.