

Russia and Latin America in the 21st Century

A Difficult Rapprochement



Andrey PYATAKOV

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- “Vooruzhennye sily Venesuely: epokha Ugo Chavesa” [The Armed Forces of Venezuela: the Hugo Chavez era], *Latinskaia Amerika*, No. 6, 2019, pp. 18-38.
- “Latinoamerikanskii podkhod k problemam globalizatsii. Vzgliad skvoz' XXI vek” [Latin American approaches to the problem of globalisation. A look through the 21st century], *Mirovaia Ekonomika i Mezhdunarodnye otnosheniia*, No. 1, Vol. 62, 2018, pp. 85-93.
- “Fenomen transnatsional'nogo gosudarstva: illiuziia ili formiruiushchiusia real'nost'” [The phenomenon of the transnational government: illusion or emerging reality?], *Sotsial'no-gumanitarnoe obozrenie*, No. 1, Vol. 1, 2019, pp. 69-75.

Summary

This article analyses Russia's relations with Latin America in the first two decades of the 21st century in the light of global political and economic processes. Many different types of cooperation and interaction between Russia and the region are examined. The article places particular emphasis on military-technical cooperation as the "axis" of Russia's bilateral relations with many countries, but other sectors, such as energy, infrastructure and transport, are also explored in detail. It finishes with a case study of Venezuela, which occupies a unique place in Russia's relations with the region.

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Introduction: Russian-Latin American Relations and New Geopolitical Realities

The “Cold War” confrontation between the USA and the Soviet Union is a thing of the past but, in recent years, more and more signs have emerged that the world is being structured along similar lines thanks to the deepening conflict between the USA and China. Their interaction goes far beyond the bilateral relationship. Both sides are acting abroad to create spheres of influence and both exert a powerful geopolitical and geo-economic “pull”. The world is witnessing not merely rivalry but competition between two models of development, a new bipolar order. The People’s Republic of China (PRC) is trying to establish global economic mechanisms that provide an alternative to the Bretton Woods financial system. Embodying this drive is the Asian Infrastructure Investment Bank (AIIB), which brings together eight countries, including seven Latin American ones. This new institution presents a challenge to the World Bank and International Monetary Fund (IMF) which have exercised a monopoly over lending and are closely tied to the opposing pole, the USA. The “New Silk Road” project is an attempt to redirect global trade routes in line with China’s economic interests and to present a direct alternative to international efforts to promote transnational corporate capital, centred on the USA.

This new bipolar structure is extremely important for understanding Russian-Latin American relations. Latin America and the Caribbean (LAC) is an arena of competing American and Chinese strategies. Washington will, of course, never recognise that its strategic position is being challenged in this critical region. It was no accident that Secretary of State Rex Tillerson drew attention to the relevance of the Monroe Doctrine¹ in 2017 and, in fact, proclaimed it again in an updated form. The messages sent out by senior US officials are directed less at Russia than at China,

Translated from Russian by Cameron Johnston.

1. The Monroe Doctrine is a declaration of the principles of American foreign policy, made in 1823 by President James Monroe. The doctrine’s essence is captured in the phrase “America for Americans” and entails the idea that the Western hemisphere is the USA’s prerogative and that any type of interference by European states is unacceptable.

which built up a strong position in the region during its “turn to the left” and crafted a positive image abroad. More than any other country, it was China that helped LAC mitigate the negative effects of the 2008 economic crisis. Until recent years, it was largely Chinese investment, numerous loans and large-scale infrastructure projects that allowed the region’s key economies to grow, albeit moderately.

Relations between Russia and LAC are developing against this backdrop of growing confrontation between the USA and China. Moscow’s policy is designed to infringe on both parties’ interests as little as possible. Russia is forced to be extremely careful in its foreign policy in LAC. Such caution cannot but leave its mark on Russian policy, which is very limited.

Inertia in Russian Foreign Policy Towards Latin America

Before discussing the key types of relations between Russia and LAC, it is worth assessing the inherited links that were built up over the 20th century and the first decades of the 21st. Official ties between the USSR and the region took off at the end of the 1950s and in the 1960s. Before then, relations were sporadic and lacking in substance. The sole exceptions were Mexico and Argentina, the first LAC countries with which the USSR established diplomatic relations and with whom contacts were later developed largely through the Communist International (Comintern). The Cuban Revolution breathed new life into Soviet-Latin American relations. The resumption of diplomatic relations with Cuba (1960) was followed by the establishment of diplomatic relations with a series of other regional governments, extending over many years: Brazil (1961), Chile (1964), Columbia (1968), Peru (1969) and Venezuela (1970), amongst others. By the beginning of the 1980s, the USSR enjoyed diplomatic relations with 18 LAC governments.

Paradoxically, high-level contacts with LAC governments remained frozen and Soviet leaders paid attention only to socialist Cuba. The same might be said of the Soviet Ministry of Foreign Affairs (MFA). The first official visit to South America (Argentina, Brazil and Uruguay) of foreign minister Eduard Shevardnadze took place as late as the Perestroika period in autumn 1987. Around the turn of the 1990s, ideology ceased to play such an important role in the USSR's relations with LAC states, as witnessed by the establishment of diplomatic relations with traditional US allies such as Guatemala and Honduras (1990), Belize and Panama (1991). Right up until the end of the 1980s, Cuba remained the USSR's economic pole of attraction. Suffice it to say that in 1990, the "Island of Freedom" accounted for 2.8% of all Soviet exports and 5.1% of its imports. By comparison, all the other Latin American countries combined accounted for 0.8% of Soviet exports and 1.5% of imports.²

2. "Vneshneekonomicheskie svyazi v 1991 godu" [Foreign Economic Links in 1991], Statisticheskij komitet Sodruzhestva Nezavisimyykh gosudarstv, 1991.

After the fall of the USSR, its internationally recognised successor state, the Russian Federation, largely distanced itself from the region and ceased to see it as an important foreign policy partner. For Russian-Latin American relations, the 1990s might be seen as a “lost decade”. It was only at the turn of the millennium, with the beginning of the region’s “turn to the left”, that the first signs of an awakening in mutual interest began to appear. Here, another paradox presents itself: post-Soviet Russia stopped basing state policy on left-wing ideology, indeed (formally, at least) on any ideology whatsoever, and this decision was codified in an article of the Constitution. In practice, however, this renunciation was reflected most consistently in the internal affairs of the new state. In foreign policy, particularly after a new team took the reins of the MFA in 2004, headed by Sergey Lavrov, the search for geopolitical benefit began to take centre stage as Russia built up its foreign ties and relations with the USA started to cool. Without explicitly stressing ideological positions, Moscow showed a clear political preference for states that were anti-American, to a greater or lesser extent. Nevertheless, anti-Americanism never came to the forefront (and does not to this day) but existed in a veiled form. Outwardly, Russian policy towards LAC appeared to be the epitome of balance and pragmatism, with Russia pursuing strictly economic and geopolitical goals. In terms of expanding diplomatic contacts, the Russian Federation successfully followed in the USSR’s footsteps. Modern Russia brought the process of extending diplomatic relations to its logical conclusion: by 2020, Russia enjoyed such relations with all LAC states. Eighteen Russian embassies and 3 Consulates General operate in the region, with embassies having been opened in Panama and Guatemala in the post-Soviet period.

If, in the 1990s, Russia’s stated goal in foreign policy was maximum convergence with the West, its policy in the 2000s became more flexible and less straightforward. The added complication was that the manner in which Russia shaped political contacts with foreign countries was made conditional on the specific pragmatic interests that Russia could satisfy in each region of the world. One important result of this approach is that Russia’s image is different in different regions and countries, and sometimes these images contradict one another. The same cannot be said of some other countries, including the USA, which has modelled a consistent image of itself and is mostly viewed negatively in LAC. By contrast, Russia skilfully accommodates itself to the prevailing sentiments in a particular country or region and strives to fashion the image that it needs.

In Europe, Russia bet on developing contacts with right-wing forces, as witnessed by the contacts with Marine Le Pen and covert support for her candidacy in the 2017 Presidential election. In the Arab world, Russia's unconditional support for the Syrian government of Bashar Assad and its position during the military operation in Syria created an obviously anti-American image that bore many of the hallmarks of the Soviet past. Exactly the same thing happened in LAC: Russia's rapprochement with left-wing regimes convinced Latin American publics that Russia was simply a direct continuation of the USSR,³ a power that would carry out the same policies but in new conditions. It is noteworthy that many Latin American observers judge Russia by its foreign policy and therefore often classify its political orientation as left-wing. This malleable image is very useful because it allows Russia to take account of the specific characteristics of each foreign policy player. It also entails problems and costs, however: imitation and shape shifting in different regions limits Russia's ability to react quickly in particular cases. This limitation was on vivid display during the "turn to the right" in LAC in recent years, when Russia struggled to shake off its image as a "friend of the left" and develop full-blown relations with representatives of right-wing forces. Having consistently supported the government of Nicolás Maduro in Venezuela, for instance, Russia's ability to cooperate with the government of Jair Bolsonaro in Brazil is extremely constrained. Anti-Venezuelan rhetoric plays a large role in Brazil's domestic politics and was harnessed by Bolsonaro as a central element of his electoral campaign.

To return to the dominant image of Russia in Latin America as, if not a left-wing power, at least a centre-left one, it is necessary to state the following: if the 1990s were a "black hole" in both Russian domestic and foreign policy towards Latin America, a more consistent course began to be charted from the beginning of the 2000s in developing contacts with the region. This manifested itself most clearly in the decision to restore the earlier tempo of relations with Cuba and develop full-blown military-technical cooperation with Venezuela.

Russia's foreign policy strategy, in which Latin America featured prominently, displayed both inertia and continuity with Soviet foreign policy. Russia's 2016 Foreign Policy Concept, which remains in force to this day, states that "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. Russia

3. See, for instance, A. I. Sizonenko, *Ocherki istorii sovetsko-latinoamerikanskikh otnoshenij (1924-1970)* [Sketches From the History of Soviet-Latin American Relations (1924-1970)], Moscow, Nauka, 1971.

will seek to consolidate ties with its Latin American partners by working within international and regional forums, expanding cooperation with multilateral associations and Latin American and Caribbean integration structures”.⁴ How these directives have and are being applied in practice will be examined below.

The primacy of politics over economics

Modern Russia invariably prioritises politics in its relations with Latin American countries. This tendency was partly inherited from the USSR but is not stressed in foreign policy rhetoric so as not to complicate Russia’s already strained relations with the USA. Economics is usually overshadowed by politics. One of the main reasons for this state of affairs is that Russia lacks the wherewithal to carry out large-scale economic projects. By contrast, bilateral and multilateral⁵ free trade agreements represent the USA’s main carrot and stick with its southern partners. The USA is not alone. The EU, Japan, South Korea and other countries already possess, or are already developing, similar means of cooperating with Latin American countries.

Russia is not developing any similar means of economic cooperation and does not appear to be planning to develop one. Most of the negotiation platforms that involve both Russia and LAC countries are either purely political in character or have an extremely weak economic component. Setting aside the powerful institution that is the UN, Russia joins Argentina, Brazil and Mexico in the G-20, a purely political association, and sits alongside Brazil in the BRICS, a mainly political group with the elements of economic integration, involving Brazil, Russia, India, China and South Africa. Perhaps the only exception is the Asia Pacific Economic Cooperation (APEC) Forum but here, Chinese and Japanese interests predominate. Russia, therefore, has no fully-functional negotiation platforms with LAC to drive economic cooperation. The bilateral inter-governmental commissions that exist between Russia and particular LAC states cannot make up for this deficit and function more as tactical instruments of negotiation. Russia has no equivalent to Spain’s Ibero-American Forum for carrying out strategic multilateral negotiations. What is more, Russia does not have sufficient economic potential to develop the same kinds of multilateral negotiations as Beijing, which held two rounds

4. “Kontseptsia vneshnej politiki RF ot 2016 g.” [Russia’s 2016 Foreign Policy Concept], Ministry of Foreign Affairs of the Russian Federation, 1 December 2016, available at: www.mid.ru.

5. Key agreements are NAFA (USA, Canada, Mexico), partially amended in 2018 and CAFTA-RD, a free trade agreement with Central American countries (Costa Rica, Salvador, Nicaragua, Guatemala, Honduras and Dominican Republic).

of talks with the Community of Latin American and Caribbean States (CELAC-China forums) in 2016 and 2018. Russia has also attempted to develop relations with this association but only in political terms. To a large degree, this is explained by the general stagnation of the integration projects begun during the “turn to the left”, of which CELAC is one. Although the Union of South American Nations (UNASUR) has regressed the most, signs of a slowdown can be seen in CELAC too. Nevertheless, China’s private sector links with the region are much more developed than Russia’s, and this slowdown has not prevented China holding regular business forums and ministerial meetings. In general, China is more interested than Russia in preserving these integration projects and it strives to show this in practice. When it comes to negotiation platforms, therefore, Russia lacks any competitive advantages over its main rivals in the region.

Cooperation in inter-governmental organisations

The two most effective types of bilateral political cooperation are firstly, joint voting in the UN General Assembly and secondly, the partly invisible and unnoticed mutual support in various specialised international bodies (we might provisionally call this ad-hoc cooperation). Two examples help to illustrate the second type of cooperation. In 2013, Russia came out in support of Roberto Azevêdo, Brazil’s candidate to lead the World Trade Organisation (WTO), who was duly elected to this influential post.⁶ And in October 2019, Russia supported the Argentine Rafael Grossi’s bid to lead the International Atomic Energy Agency (IAEA). In August 2019, Grossi even visited Moscow to secure the support of the Russian MFA.⁷

In the energy sector, an extremely important platform for the shared interests of Russia, Bolivia and Venezuela is the Gas Exporting Countries Forum. Many such examples can be plucked from the present and recent past but they play no obvious role in stimulating economic cooperation between Russia and Latin America. Rather, they serve as signals of mutual respect and support in public diplomacy.

In the UN, the meeting of minds and the exchange of favours is almost total. LAC holds a significant share of the votes in the UN General Assembly such that Russia can draw rich “dividends” by developing a

6. “Rossiia podderzhivaet Azevedu v kachestve glavy VTO” [Russia Supports Azevêdo to Head WTO], *Finmarket*, 13 May 2013, available at: www.finmarket.ru.

7. E. Belokonova, “Argentinskij kandidat na post glavy MAGATE posetit Rossiiu” [The Argentine Candidate for the Head of IAEA to Visit Russia], *Komsomol’skaia Pravda*, 6 August 2019, available at: www.kp.ru.

constructive political dialogue with the region. In March 2014, when voting on the draft resolution on the “Territorial Integrity of Ukraine”, most of the Latin American bloc took a generally pro-Russian line. For instance, 4 of the 11 countries that voted against the resolution were Latin American (Cuba, Venezuela, Nicaragua and Bolivia), as were 13 of the 58 countries that abstained, including Argentina and Brazil.⁸ Three Latin American countries are among Russia’s most enduring partners in the UN, namely Cuba, Nicaragua and Mexico. These countries’ position aligns with Russia’s most regularly and most often. During the 69th session of the UNGA,⁹ for instance, these four countries voted the same way on 12 out of 29 resolutions. The level of agreement varies from year to year, of course. During the 72nd session of the UNGA in 2017, for instance, the four were fully united on only 7 out of 26 resolutions. It is striking, however, that when it comes to crucial matters of strategic importance, the four states close ranks. They voted together on such questions as preventing an arms race in outer space (UNGA resolution 72/26) and no first placement of weapons in outer space (UNGA resolution 72/27).¹⁰

In terms of cooperation with regional, and specifically Russian, integration frameworks, contacts with the Eurasian Economic Union (EAEU) may serve as an illustration. Having begun operating from 1 January 2015, the EAEU began to set its sights on the Pacific Alliance, which was created in 2011 in order to widen economic contacts. In short order—by the end of 2015—the EAEU had signed memoranda of understanding with Chile and Peru. As of late 2019, a similar document was being worked up with Mexico. The EAEU aims to boost trade because around 20-25% of its food exports go to LAC countries. Nevertheless, Russia has not yet succeeded in significantly extending the foundation of agreements between this pro-Russian integration project and LAC. This seemed to be on the cards in April 2019 when Bolivian President Evo Morales made an official visit to Moscow and called for greater dialogue with the EAEU.¹¹ But after Morales’ removal from power in October 2019 and the pro-Western turn in Bolivia’s foreign policy, the earlier format of relations began to appear problematic. Some Russian specialists on Latin America do not rule out

8. “Voting Record on Draft Resolution A/68/L.39 Territorial Integrity of Ukraine”, *Papersmart*, 17 September 2017, available at: <https://papersmart.unmeetings.org>.

9. It opened in September 2014.

10. “Resolutions From the 72nd Session (2017-2018)”, UN General Assembly, available at: www.un.org.

11. “Bolivia zainteresovana v razvitii dialoga s EAES” [Bolivia Is Interested in Developed a Dialogue With the EAEU], Eurasian Economic Commission, 9 April 2019, available at: www.eurasiancommission.org.

the possibility that a free trade area will be created in the medium term between the EAEU and another South American integration project, MERCOSUR.¹² Thus far, however, no concrete steps have been taken to create one.

Russia's participation in regional organisations appears minimal. Until recently, Russia acted as an outside observer in just two organisations, the Latin American Integration Association (LAIA) and the Association of Caribbean States (ACS). In 2018, the Central American Integration System (SICA) was added to the list. All three organisations are parochial and have little influence over the agenda of the wider region.

12. P. P. Iakovlev, "Rossiia i Latinskaia Amerika v kontekste global'nogo napriazheniia" [Russia and Latin America at a Time of Global Tension], *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, Vol. 60, No. 11, 2016.

Trade and Investment: Cooperation's Weak Links

Trends in economic relations between Russia and LAC have been positive over the medium term. At the beginning of the century, trade was worth \$5.8 billion but by 2011, it had grown to \$17.1 billion. Trade flows then fell in the 2010s because of the dependence of economic relations on political cycles in LAC. 2011 saw the culmination of the “turn to the left” in LAC but as this trend reversed over the ensuing years, the value of trade declined. By 2018-2019, it had stabilised at \$15.9 billion.¹³

Russia investment in LAC has remained low. Total Russian direct investment in LAC countries did not exceed \$360 million between 2007 and 2015. According to various estimates, Russia's accumulated investment fluctuates between \$6 billion and \$10 billion.¹⁴ In general, Russia invests in the energy sector, telecommunications, transport and the food export sector. The Russian companies most active in the Latin-American market include Rostec, Rosneft and the automobile manufacturer AvtoVAZ. Russia's investments in the region pale in comparison to China's, which amount to \$10 billion in Latin American economies each year.

For Latin American countries, economic links with Russia are marginal at best. In 2018, Russia accounted for only 0.7% of LAC's foreign trade, compared to 37.2% for the USA, 15.2% for China and 12% for the EU. In absolute figures, trade between each of these big three “players” and LAC was worth tens of times more than Russia's trade with the region in 2018: \$815 billion for the USA, \$332 billion for China and \$263 billion for the EU.¹⁵ This is not a new thing. Russia's weakness in trade could, in theory, be ascribed to the region's remoteness since logistical expenses act as a sharp brake on trade. But this theory is undercut by the experience of China and other regional partners which are small compared to the “troika”. Turkey, Vietnam and South Korea, amongst other countries, are all starting to compete with Russia in the Latin American market. This is

13. Trade Map, International Trade Center, available at: <https://trademap.org>.

14. N. N. Kholodkov, “Rossijsko-latinoamerikanskije ekonomicheskie otnoshenija v usloviakh zapadnykh sanktsij” [Russo-Latin American Economic Relations at a Time of Western Sanctions], *Latinskaia Amerika*, No. 11, 2018.

15. Trade Map. Bilateral Trade, International Trade Center, available at: www.trademap.org.

true of Turkey above all, which has expanded its economic links with LAC. Between 2016 and 2018, the value of Turkish imports from LAC increased from \$5 to \$8.5 billion, while Turkish exports to the region rose from \$1.9 to \$3.2 billion. In trade terms, Turkey has already outstripped Iran, which itself had actively forged links with LAC, and is now breathing down Russia's neck.

Economic links between Russia and Latin American countries are based on two principles: the complementarity of their economies and a mutual need to diversify their economic relations. Many LAC states are "food powers" but agricultural technologies are not particularly developed or are in the hands of private corporations, which makes it much more difficult to use them for national ends: 75% of Russian fertiliser exports go to LAC. The second biggest item in Russian exports, accounting for 37% of the total quantity, is specialised transportation, including firefighting and construction equipment. With China's help, many infrastructure projects are also underway in LAC, which generates significant demand for metals. Russia does not participate in the engineering work or construction but it does supply the raw materials: LAC accounts for one fifth of Russia's metal exports. In economic terms, LAC is most important to Russia as a supplier of foodstuffs, including exotic items.

The stimulating effect of sanctions

The fact that no LAC countries were induced to impose sanctions on Moscow after the annexation of Crimea attests to the political rapprochement between Russia and LAC. It appeared during the "turn to the right", which started in 2015 with the election of Mauricio Macri in Argentina, that the USA's new allies might give in to the obvious pressure being applied by Washington and Brussels. But the two "engines" of the right-wing resurgence, Argentina and Brazil (under Temer between 2016 and 2019 and Bolsonaro thereafter), decided to maintain their distance. The assessment provided by an Argentine diplomat is indicative of this approach: "Argentina never supported sanctions and we do not consider them a positive instrument of foreign policy",¹⁶ Argentina's ambassador to Russia, Ricardo Lagorio, said in 2018. The Brazilian foreign ministry has never spoken out in similar terms and probably decided to pursue a policy of neutrality for fear of harming the interests of either Washington or Moscow.

16. "V argentine zaiavili, chto nikogda ne podderzhivali sanktsii protiv Rossii" [In Argentina, They Said They Never Supported Sanctions Against Russia], *RIA Novosti*, 14 September 2018, available at: www.ria.ru.

The level of inter-governmental contacts with Russia undoubtedly declined with the change of governments in these two large states and the range of joint projects narrowed, but there was no question of them pursuing anti-Russian policies. Indeed, Argentina tried to benefit economically from the sanctions imposed by the US and EU, helping Russia to compensate for some of the losses resulting from sanctions. By the beginning of 2019, Russia had become the second largest importer of Argentine beef behind China, with the quantity supplied increasing several times over against the backdrop of sanctions. Russian imports of Argentine meat increased from 4,600 tons in 2017 to 39,400 tons in 2018.¹⁷ Food imports from Ecuador and Brazil also ballooned.

Sanctions have helped to bring Russia and LAC together and, rather than acting as a barrier, have spurred greater cooperation. There are clear limits to their positive effects, however. If the sanctions showdown with Russia heats up to the extent that it has with Cuba and Venezuela, secondary US sanctions may scare off Russia's Latin American partners. This is not yet a reality, however, merely a possibility.

The main fields of cooperation, from energy to innovation

Areas of cooperation beyond the trade in consumer goods include energy, technological innovation, some infrastructure projects, military-technical cooperation and the supply of aircraft.

The most notable examples of cooperation with Russia in electricity generation concern Argentina, Cuba and Ecuador. Russian companies have supplied Ecuador with gas and steam turbines for the thermal power plants that are being built. In 2015, Russia extended Cuba a long-term (to 2024) EUR1.2 billion loan at an interest rate of 4.5% to finance the construction of four 200-megawatt power units. By size and conditions, it was the biggest loan of the past 25 years. Energy has been a traditional area of cooperation between Russia and Argentina, with 30% of the country's energy needs previously being supplied by Soviet equipment. In 2011, Russia's "Power Machines" supplied hydro-power turbines and generators for the "Punta Negra" Hydro Power Plant (HPP), the 18th HPP in LAC where the company's equipment was used. Nevertheless, Russia has encountered problems with China, its closest competitor which seeks to head off Russian initiatives. Such was the fate of the 2015 agreement

17. "Rossiia zaniala vtoroe mesto po importu goviadiny iz Argentiny" [Russia Is in Second Place for Imports of Argentine Beef], Natsional'noe agragnoe agenstvo, 10 January 2019, available at: www.rosng.ru.

whereby Vnesheconombank (VEB) would lend \$1.2 billion for the supply of Russian equipment to the Chihuido-1 HPP. In May 2017, the two sides could not agree on the interest rate and China lent the money instead.¹⁸

One area in which Russia and China's interests overlap is nuclear energy. Rosatom is negotiating with Argentina about where to build a new nuclear power plant,¹⁹ while China plans to put up the Atucha-III nuclear power plant in 2021.²⁰ Russia has also been active in the field of nuclear energy in Bolivia. Since 2016, Rosatom has been negotiating with the Bolivian Nuclear Energy Agency about creating a Centre of Nuclear Research and Technology in El Alto. A construction contract was signed in September 2017²¹ and building was then meant to begin. In February 2020, however, the interim government that came to power after the coup d'état in November 2019 mothballed the project indefinitely.²² The project has not even been saved by Moscow's "soft" recognition of Jeanine Áñez's provisional government,²³ which was partly designed to avoid the collapse of this important investment project.

The experience of another Russian company—Acron, among the world's biggest producers of mineral fertiliser—shows that the risks of Bolivia-related projects falling through is extremely high. In July 2019, the Bolivian State Oil Company (YPFB) and Acron signed an agreement to sell urea, a fertiliser derived from natural gas, on the Brazilian market. To do so, they planned to acquire a fertiliser plant in Brazil. In November 2019, however, after Evo Morales stepped down as President, the Brazil energy giant Petrobras announced that the deal was off. Brazilian analysts believe that politics played a not insignificant role in this decision.²⁴

18. "Tras caer la financiación de Rusia, Chihuido se ilusiona con China" [After Russian Financing Falls Through, Chihuido Gets Its Hopes up About China], *Rio Negro*, 17 May 2017, available at: www.rionegro.com.ar.

19. "Rusia y Argentina debaten ubicación de futura central nuclear de alta potencia" [Russia and Argentina Discuss the Location of the New High-Power Nuclear Power Plant], *Sputnik*, 29 May 2019, available at: <https://mundo.sputniknews.com>.

20. "China, Russia Looking to Build Nuclear Plants in Argentina", *Powermag*, 7 January 2019, www.powermag.com.

21. "Rosatom i predstaviteli novykh vlastey Bolivii posetiat stroitel'stvo Tsentra iadernykh issledovaniy i tekhnologij" [Rosatom and Representatives of Bolivia's New Government Visit the Building Site of the Centre for Nuclear Research and Technology], *Neftegaz.ru*, 7 December 2019, available at: <https://neftegaz.ru>.

22. "Bolivia anuncia que detiene la construcción de un centro nuclear con la rusa Rosatom" [Bolivia Announces That It Is Halting the Construction of a Nuclear Centre With Russian Rosatom], *Sputnik*, 12 February 2020, available at: <https://mundo.sputniknews.com>.

23. "Riabkov: vopros o priznanii ili nepriznanii RF An'es rukovoditelem Bolivii ne stavitsia" [Riabkov: The Question of Whether Russia Recognizes or Does Not Recognize Áñez as Leader of Bolivia Is Not Being Posed], *TASS*, 14 November 2019, available at: www.tass.ru.

24. "Crise na Bolívia afeta venda de fábricas de fertilizante da Petrobras" [Crisis in Bolivia Affects the Sale of Petrobras Factory], *Folha*, 26 November 2019, available at: www1.folha.uol.com.br.

With Cuba, Russia is working on joint transport and infrastructure projects, including restoring rail infrastructure over a ten year period, which involves \$1.88 billion in investment.²⁵ Russia is also helping Cuba restore metallurgical and energy facilities, as well as supplying locomotives, automobiles and KAMAZ, GAZ and AvtoVAZ lorries. Argentina is in talks with Russia about hosting a KAMAZ joint assembly factory, with finished goods being transported on to Latin American markets. Russian companies have also built highways and railways as part of local infrastructure projects in Argentina and Brazil.

Russia is becoming increasingly familiar with innovative and digital technologies, which gives it a competitive edge over China and the USA. Beijing mostly invests in, and works on, the modernisation of LAC infrastructure and innovative projects are not yet a prominent feature of its expansion in the region. Washington, meanwhile, does not work to develop this sector in LAC because dependence on US technology serves its interests. Russia has launched significant innovative projects in Nicaragua, Ecuador and Bolivia. It has begun to cooperate with Nicaragua on pharmaceuticals and a large joint enterprise to manufacture vaccines is already in operation. In Ecuador, the Skolkovo Foundation has sponsored the opening of the Yachay technology and education park, a facility that is unique to LAC and which will train specialists. The telecommunications sector is worthy of particular note. In the late 2000s, the Russian company Yota fulfilled a Rostec project to provide a mobile phone network across Nicaragua.²⁶ The Glonass navigation system is a project of the Roscosmos State Corporation and currently operates in Brazil, Nicaragua and Cuba.²⁷ Talks are underway about widening its sphere of operation in LAC.

Russia manufacturers of civilian and military aircraft are also active in Latin America from time to time. Mexico, Brazil and Peru are Russia's main customers in the region. In December 2015, the Mexican company InterJet bought 18 Sukhoi Superjet-100s, followed by a further four. However, problems have appeared here too. In March 2019, the Mexican company raised the possibility of selling the aircraft on to third countries, proposing to hand them over to Cuba. There are various theories for why Interjet rejected the plane. The Russian side points to Interjet's financial

25. "Rusia ayuda a Cuba a crear red ferroviaria única en América Latina" [Russia Helps Cuba to Create Unique Railway Network in Latin America], *Die Welt*, 7 June 2019, available at: www.dw.com.

26. "Yota investiruet v Nikaragua" [Yota Invests in Nicaragua], *M Forum*, 16 October 2009, available at: www.mforum.ru.

27. "Rossiia uskorit vykhod Latinskoj Ameriki v kosmos" [Russia Accelerates Latin America's Departure for Space], *Rossijskie kosmicheskie sistemy*, 28 March 2017, available at: <http://russianspacesystems.ru>.

difficulties, while the Mexican side insists that the quality of after-sales servicing did not meet its expectations.²⁸ The partnership began on a positive note: in 2016, plans were afoot to set up a company to sell SSJ-100 aircraft across the region. These plans came to nought, however. The Russian company Irkut is currently preparing to enter the Brazilian market by supplying new-generation MC-21 passenger jets. The possibility of manufacturing components for this aircraft in Brazilian factories is also being considered. Another element of aeronautical cooperation between Russian and LAC is helicopters, but here, we are entering the field of military-technical cooperation.

Military-technical cooperation: the heart of geopolitical cooperation between Russia and Latin America

Military-Technical Cooperation (MTC) stands out among the ties that bind Russia and Latin America together and the Latin American market is crucial for Russia, if not the absolute priority, with Russia second only to the USA in weapon sales. MTC is usually counted as economic cooperation because of the large income it brings to weapon manufacturers but, in our view, it is more complicated than that. The field of MTC is better seen as economic in *form* but political in *content*. True, MTC is carried out on the basis of scrupulously drafted contracts and loans but its underlying goals are deeply political, bound up with protecting the state sovereignty of the seller as well as the buyer. For Russia, selling weapons to its Latin American partners is a way of establishing an external, extra-territorial and extra-continental line of defence for Russia itself.

MTC with LAC states is highly geopolitical, constituting a response to NATO activity on Russia's borders. Despite the fact that the "Cold War" structure of international relations is a thing of the past, many of its basic features have reappeared since 2014, albeit under different conditions. Priority for MTC has been given to Nicaragua and Venezuela, with Cuba being something of a separate case. The answer to the question of why Russia has cooperated more actively with left wing regimes is that their ideology has centred, and continues to centre, on anti-Americanism. Russia has used these feelings and skilfully turned them to its advantage to promote its geopolitical interests.

28. "Sukhoi Superjet 100 v Meksike meniaut uslovia poletov" [Sukhoi Superjet 100 Changes Flight Conditions in Mexico], *Kommersant*, 23 August 2019, available at: www.kommersant.ru.

Over the last five years, the Russian Ministry of Defence has been extremely active abroad, including in Latin America. Deputy Defence Minister and Colonel General Alexander Fomin observes that: “We have significantly increased our cooperation with the armed forces of countries in different regions. Over this period, 39 new military cooperation agreements have been signed with states in the Middle East, Africa, the Asia-Pacific and Latin America”.²⁹ Agreements have been struck with such LAC countries as Venezuela, Cuba, Nicaragua, Bolivia, Argentina, Brazil, Peru and Chile. It was in 2003 that Russia began to view LAC as an area of geopolitical interest and arms sales resumed from 2004, following Putin’s historic visit to Brazil, Mexico and Chile. Since then, Russia has actively developed its military cooperation with seven countries, namely Argentina, Brazil, Venezuela, Colombia, Peru, Uruguay and Ecuador.³⁰

Perhaps the most attractive country after Venezuela (see below) for Russia’s military-industrial complex is **Nicaragua**, a country where the Soviet inheritance lives on. For instance, it remains true that as much as 90% of the Nicaraguan army’s equipment was made by the Soviet Union. The level of contact between the two countries’ defence ministries is also quite high and cooperation ranges from the supply of weapons to educational programmes. During Chief of the General Staff Valery Gerasimov’s visit to Managua in April 2013, it was confirmed that Russian servicemen stood ready to help establish computer classes for military training centres, as well as to make use of expired ammunition in a facility built with Russian support. Russo-Nicaraguan military-technical cooperation remains in good order: in August 2016, Daniel Ortega’s government acquired a set of Russian T-72B1 tanks for \$50 million.

Until recently, a longstanding buyer of Russian helicopters has been **Peru**. According to various estimates, the Andean country possesses more than 100 civil and military helicopters, some of which it uses for anti-terrorist operations.³¹ Peru bought T-55 tanks in the Soviet period and expressed a desire in 2013 to purchase a set of T-90S tanks, but due to economic problems, it decided a few years later to prioritise helicopter purchases. In 2018, a service centre opened in Lima to repair Russian “Mi” helicopters, including ones that Russia has supplied to other countries in

29. “Avtoritet Rossijskoj armii za rubezhem rastet” [The Prestige of the Russian Army Abroad Is Improving], *Krasnaia Zvezda*, 27 December 2019, available at: <http://redstar.ru>.

30. “‘Rabotaem chestno’. Kakoe rossijskoe oruzhie pol’zuetsia sprosom na rynke Latinskoj Ameriki” [“We Work Honestly”. Which Russian Weapons Are in Demand on the Latin American Market], *TASS*, 4 April 2019, available at: www.tass.ru.

31. “Rossiia otkroet v Peru tsentr podgotovki letchikov dlia vertoletov Mi-171Sh” [Russia Opens a Centre in Peru to Train Mi-171Sh Helicopter Pilots], *Vesti Ekonomika*, 14 May 2019, available at: www.vestifinance.ru.

the region. On opening, the centre's order book was already full to 2023.³² The centre trains pilots as well as carrying out repairs. Problems arose in 2018-2019, however, as a result of sanctions imposed on Russian companies, specifically the CAATSA ("Countering America's Adversaries Through Sanctions Act"³³) sanctions applied to the company Russian Helicopters. Fearing that it might fall under secondary US sanctions, Peru decided, for the first time in a decade, to temporarily switch supplier to a Belarusian producer, purchasing two MI-171Sh helicopters from the "Belspetsvneshtekhnika" enterprise. Incidentally, Mexico decided not to purchase a set of Russian helicopters in February 2020 for the same reason.³⁴

There is a clear military-technical dimension to Russia's relations with **Cuba**. In 2007, the two sides signed an agreement on military-technical cooperation³⁵ and it began to be implemented two years later: in 2009, Russia undertook to extend Cuba \$20 million in state credit (at an interest rate of 5%) in order to finance purchases of Russian arms and military equipment. Since then, Cuba has bought Russian artillery systems, armoured vehicles, air defence systems and naval equipment. Ten years after the initial credit line was opened, Russia approved a second large loan worth EUR38 million in February 2019.³⁶ Within six months, it became clear what Cuba planned to do with the money. Havana decided not to go down the traditional route of buying weaponry from Russia and planned instead to spend the money on modernising its armed forces and updating its defence industry.³⁷ Rumours surface regularly in Russian media that Russia is planning to open a military base in Cuba³⁸ but no concrete information has been confirmed. It is unlikely that Russia would get this close to Havana considering the increasing tension between both countries and the USA.

32. "V Peru otkrylsia servisnyj tsentr po remontu rossijskikh vertoletov" [Service Centre Opens in Peru to Repair Russian Helicopters], *TASS*, 11 December 2018, available at: www.tass.ru.

33. "Spisok kompanij, popavshikh pod novye sanktsii SShA" [A List of the Companies That Have Fallen Under US Sanctions], *Vedomosti*, 28 October 2017, available at: www.vedomosti.ru.

34. "México niega posible compra de helicópteros rusos" [Mexico Denies Possible Purchase of Russian Helicopters], *El Universal*, 14 February 2020, available at: www.eluniversal.com.mx.

35. "Soglashenie mezhdru Pravitel'stvom Rossijskoj Federatsii i Pravitel'stvom Respubliki Kuba o voenno-tekhicheskom sotrudnichestve" [Agreement Between the Government of the Russian Federation and the Government of Cuba on Military-Technical Cooperation], *Kodeks*, 18 December 2007, available at: <http://docs.cntd.ru>.

36. "Rossiia predostavit Kube kredit v razmere EUR38 mln po linii VTC" [Russia Provides EUR38 Million in Credit to Cuba for MTC], *TASS*, 6 February 2019, available at: www.tass.ru.

37. "Kuba uluchshit sovetskoe oruzhie" [Cuba Improves Soviet Weaponry], *Rossijskaia Gazeta*, 13 August 2019, available at: www.rg.ru.

38. "Rossiia mozhet sozdat' na Kube svoi voennye bazy" [Russia May Establish Its Own Military Bases in Cuba], *Nezavisimaia Gazeta*, 1 November 2018, available at: www.ng.ru.

So far, MTC with **Brazil** has not developed as far as it could have done between these two large powers and BRICS partners. Cooperation is founded on helicopter purchases. With the rise of the centre-left candidate Lula to power in 2002, a working group on cooperation in the area of military technology was created as part of the inter-governmental commission. Thanks to the working group, an inter-governmental agreement on military-technical cooperation was signed in 2008. In practice, right up until 2006, the only significant deal to be carried out was Brazil's 1994 purchase of 56 "Igla-S" portable surface-to-air missile systems for \$10 million. This was the first military deal to be struck between Russian and Brazil. A second contract for "Igla-S" systems was struck in 2006 but, this time, it was worth twice as much as the 1994 purchase. In the same year, a contract was also concluded for the supply of four Russian Mi-26 helicopters, that would go on to be used in Brazil's monitoring of the Amazon. It was for the same reason that Brazil decided to pay \$150 million in 2008 for 12 Mi-35M combat helicopters, also known as "flying tanks". The contract was partially fulfilled six years later with the delivery of 9 helicopters. The defence relationship strengthened significantly following Defence Minister Shoigu's visit to Brazil (and Peru) in October 2013, which resulted in the signing of an updated military cooperation agreement, which came into effect in March 2018.³⁹ Between 2008 and early 2013, Russia supplied Brazil with \$306 million-worth of arms.⁴⁰ Negotiations resulted in a roughly \$1 billion contract for three batteries of the medium-range, Pantsir S-1 surface-to-air missile system and two mobile batteries of the short-range Igla-S system. The Igla-S batteries were supplied to Brazil in January 2016⁴¹ but the Brazilian government halted the contract for the Pantsir S-1 batteries for technical reasons in February 2017 and new talks began with Russia about possibly replacing this medium-range system with more powerful batteries. With Bolsonaro's rise to power, talks about military technical cooperation were thrown into uncertainty and relations cooled noticeably. The BRICS grouping continues to exist but probably only in a formal sense and for reasons of inertia. The BRICS summit held in Brasilia in November 2019 showed that the Brazilian government is not ready to freeze contacts but no breakthrough agreements were achieved with Russia, including in the field of MTC.

39. "Soglasenie mezhdru Pravitel'stvom Rossijskoj Federatsii i Pravitel'stvom Federativnoj Respubliki Brazili o voennom sotrudnichestve" [Agreement Between the Government of the Russian Federation and the Government of the Federal Republic of Brazil on Military Cooperation], Ministry of Foreign Affairs of the Russian Federation, 14 December 2012, available at: www.mid.ru.

40. "Rossijsko-brazil'skoe voenno-tekhnicheskoe sotrudnichestvo" [Russian-Brazilian Military-Technical Cooperation], TASS, 16 December 2014, available at: www.tass.ru.

41. "Brasil recebe da Rússia sistemas portáteis de defesa antiaérea Igla-S" [Brazil Receives Igla-S Portable Air Defence Systems From Russia], *Sputnik*, 3 February, available at: <https://br.sputniknews.com>.

Russia's contact with **Chile** is mostly at the level of organisation and coordination. In November 2019, for instance, in the midst of protests against the government of S. Piñera, representatives of Russia's armed forces visited the city of Valparaíso to share their experiences. In general, Russia could be described as an exporter of security measures to the region since Russia's power ministries are in constant contact with their counterparts in most LAC countries.

With **Argentina**, the current phase of military-technical cooperation started five years after the left-wing government of Néstor Kirchner came to power. In September 2010, Rosoboronexport signed a EUR20 million contract with the Argentine Ministry of Defence to supply two Mi-8 helicopters (Mi-171E in the export variant).⁴² Five more years later, Argentina bought four "Neftegaz"-class multipurpose tugs/escort vessels for \$8 million.⁴³

The beginning of Mauricio Macri's term as President did not lead to significant changes in the military relationship between Russia and Argentina. Two agreements related to military-technical cooperation were signed following Macri's visit to Russia in April 2015, regarding information sharing between power ministries and information security. The two sides were pragmatic and sought to become partners. Buenos-Aires repeatedly signalled that it was interested in further expanding its purchases of Russian weaponry, as shown by the Argentine Minister of Defence's (Julio Martínez) statements during his visit to the Russia's "Army-2016" international exhibition of Russian arms in September 2016. Contact between the two countries' defence ministries endured but the momentum that had been built up under the Kirchners dissipated. In 2017, for instance, Russia and Argentina did not manage to agree on holding a Military-Technical Cooperation Forum despite such forums having been held each year between 2008 and 2014.⁴⁴ The polar cooperation programme continued by inertia whereby Russian Il-76 aircraft helped to supply Argentine bases in the Antarctic.⁴⁵ It is possible that with the change of political direction in Argentina and the formation of the Alberto Fernández government, new agreements will add meat to the bones of the relationship.

42. "Argentina pokupaet rossiskie vertolety" [Argentina Buys Russian Helicopters], *Voennopromyshlennyy Kur'er*, 5 May 2012, available at: www.vpk-news.ru.

43. "Llegaron a Argentina los cuatro buques rusos para la Armada" [Four Russian Ships Bound for the Navy Arrived in Argentina], *Agencia INFODEFENSA*, 8 December 2015, available at: www.defensa.com.

44. "Argentina podría acoger en 2017 foro de cooperación militar con Rusia" [Argentina May Host Forum on Military Cooperation With Russia in 2017], *Sputnik*, 8 September 2016, available at: <https://mundo.sputniknews.com>.

45. "Aerolanzamientos desde Il-76 ruso a la base antartica argentina en Belgrano" [Air Drops From Russian Il-76 to the Argentine Antarctic Base in Belgrano], *Agencia INFODEFENSA*, 11 February 2017, available at: www.defensa.com.

It is evident from this tour of the region that Russian military cooperation is quite widespread, encompassing all the leading LAC powers. The supplies of weaponry are not offensive in character and are mostly aimed at resolving each country's domestic, local, challenges.

Strengths and Weaknesses of Russian “Soft Power” in Latin America

Russia’s “soft power” tools in LAC have developed very unevenly. Very little attention was paid to them in the 2000s, which greatly benefited China, USA, Europe and Turkey. Each of these countries has its own particular way of implanting itself in the region’s culture. China has its extensive network of Confucius Institutes which, besides teaching mandarin, transmit Chinese culture. Turkey works to popularise its film industry: Turkish romances and drama series are wildly popular amongst Latin American audiences and have done much to increase tourism to Turkey. The USA continues to exert influence by sponsoring non-governmental organisations (NGOs) and establishing foundations, particularly in Latin American universities. Russia’s tactics for spreading its influence are closer to China’s but it is not nearly as active as China. The following are Russia’s soft power tools for developing cultural links: the “Russkij Mir” (Russian World) foundation has ten centres and “cabinets” in LAC (two in Argentina and one each in Brazil, Peru, Ecuador, Costa Rica, Guatemala, Nicaragua, Cuba and Mexico)⁴⁶ which aim to popularise the Russian language and culture. The Rossotrudnichestvo agency has three Russian Centres of Science and Culture in Argentina, Peru and Chile and its representatives work in Russian embassies in Brazil, Venezuela, Cuba, Mexico and Nicaragua.⁴⁷ The third instrument is the Pushkin Russian Language Institute, which has branches in Ecuador, Peru and Cuba. The total number of Latin Americans who are learning Russian remains small, though it is growing from year to year. Rossotrudnichestvo puts the number at 25-30,000 people.⁴⁸ The practice of exchanging students is also an established part of cooperation between states and Latin American

46. “Tsentry fonda ‘Russkij Mir’” [Centres of the “Russkij Mir” Foundation], *Russkij Mir*, available at: www.ruskiymir.ru.

47. “Zarubezhnye predstavitel’sтва Rossotrudnichestva” [Foreign Representations of Rossotrudnichestvo], Rossotrudnichestvo, available at: <http://rs.gov.ru>.

The full name of the organisation is the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Cooperation.

48. “La agencia Rossotrudnichestvo constata un enorme interés por idioma ruso en América Latina” [The Rossotrudnichestvo Agency Notes Enormous Interest for the Russian Language in Latin America], *Sputnik*, 13 January 2017, available at: <https://mundo.sputniknews.com>.

universities have agreements in place with Russian universities to provide scholarships. The number of Latin American students being taught in Russia increased from 1,600 in 2011 to 4,400 in 2017. Students are most likely to come from Ecuador (883), Brazil (844) and Colombia (846)⁴⁹ and Rossotrudnichestvo is taking great pains to advertise and popularise Russian universities. As part of the strategy to expand Russia's cultural and humanitarian presence in the world, the agency unveiled a project in mid-2019 to promote the Russian system of education in LAC. The large sums of money earmarked for the project—6 million roubles—attest to the agency's seriousness of purpose. Among other things, the project involves carrying out field research to study the Latin American market with a view to promoting Russian models of education at all levels. The project is due to be implemented in four countries, namely Chile, Peru, Argentina and Bolivia.

In recent years, Russia has sought to make up for lost time in increasing its informational influence in the region. Over the last decade, the Russia Today TV channel has become perhaps the most powerful and influential Russian soft power tool, and instrument of public diplomacy, through its Spanish-language version RT Actualidad (now, RT en Español). The channel was born in 2009 and quickly won the trust of its Latin American audience. It is not rare for the audience of RT's content to be as big, or sometimes even bigger, than the audience of American media, which have historically occupied a strong position. RT's Latin American audience tripled in size between 2015 and 2018, to 17 million viewers.⁵⁰ A true "information war" for the hearts and minds of Latin Americans is currently being waged between RT and the leading trans-national media outlets. Among other things, the Russian channel cooperates closely with the Venezuelan channel Telesur and acts as a platform for the region's left-wing politicians, both past and present. For instance, the former President of Ecuador, Rafael Correa, hosts a weekly programme on RT en Español where he interviews many left-leaning ex-presidents and covers events in a way that is beneficial to Russia.

49. "Eksport rossijskikh obrazovatel'nykh uslug. Statisticheskij sbornik" [The Export of Russian Educational Services. A Statistical Compendium], Center for Social Forecast and Marketing, Moscow, 2018. The figures relate to data for 2017. Available at: <http://socioprognoz-ru.lgb.ru>.

50. "Ezhenedel'naia teleauditoria RT vyrosla bolee chem na tret' i ravna 100 mln" [RT's Weekly TV Audience Grew by More Than One Third and Is Around 100 Million], *RT*, 3 April 2018, available at: <https://russian.rt.com>.

Venezuela: Why and How Russia Supported Chavismo

This study ends with a further examination of Russian cooperation with Venezuela. The scale and depth of cooperation between Russia and Venezuela sets it apart from other Latin American countries. We do not propose to assemble a timeline of contracts signed or to describe each area of cooperation separately: that would entail writing another article and has already been researched many times, both in Russia⁵¹ and abroad. Instead, we will try to answer some key questions. Why did Moscow get so close to Hugo Chavez's government? Why and how does Russia support the government of Nicolás Maduro? What is the main value of cooperation with Caracas for Moscow, beyond purely economic gain?

Russia and Venezuela drew closer together at the beginning of the 2000s. Subjective and structural factors underpinned this rapprochement. The former included the affinity in mindset between Presidents Putin and Chavez. Both hailed from the security services and they quickly found a common language and developed a personal relationship. It was the personal, mutual understanding between presidents which laid the foundation for future cooperation. The objective factors included the beginnings of the shift in foreign policy orientation that accompanied Vladimir Putin's rise to the presidency. Venezuela became a kind of gateway for Russia's "entry" into the region and the country with which Russia tried to compensate for the breakdown in relations with Cuba following the collapse of the USSR. To quickly perform a volte face in relations with Cuba was risky and preference was therefore given to Venezuela as a close ally of Cuba (after Chavez came to power). By cosying up to Venezuela, therefore, Russia could indirectly move closer to Cuba, with which it later developed a cooperative relationship of strategic importance. Of course, the political and economic resemblance between Russia and Venezuela also underpinned their significant and sustained cooperation. On the political level, these were two states with similar, super-presidential, political systems. Economically, both were raw-

51. See, for instance, D. M. Rozental, "Venesuel'skij uzal latinoamerikanskoj politiki Moskvyy" [The Venezuelan Node in the Latin American Policy of Moscow], *Latinskaia Amerika*, 2018, No. 10; A. O'Brien, "Venezuela and Russia: Geopolitical Allies in the 21st Century", *Yale Review of International Studies*, March 2019, available at: <http://yris.yira.org>.

material economies that specialised in extracting hydrocarbons. The USA has noted that Russian support for the Venezuela energy sector has become one of the crucial factors in Venezuela's political stability at a time of crisis. In January 2020, for instance, Elliott Abrams spoke for the US diplomatic establishment when he said that Russia was acquiring and reselling 70% of Venezuela's oil, thereby throwing a financial "lifeline" to Caracas.⁵² This fact alone demonstrates the importance for Venezuela of cooperating with Russian oil companies, first and foremost Rosneft.

The two critical areas of cooperation between Russia and Venezuela are undoubtedly the military and the oil sector. Of these two, the military was given priority. Between 2010 and 2016, Venezuela accounted for 80% of all the Russian weapons and military equipment sold to LAC. With Chavez at the helm between 1999 and 2013, Russia systematically and comprehensively reequipped the Venezuelan army and modernised its technology. Authoritative Russian experts, who are intimately involved in the practicalities of cooperation with Venezuela, note that "thanks to Russian supplies, the Venezuelan armed forces met their main requirement for arms and military equipment for two branches of the armed forces—the ground forces and the air force. By buying a significant quantity of highly-effective Russian air defence systems, Venezuela has become better defended from a hypothetical air strike than any other Latin American country".⁵³ In our view, it was the Russian factor, combined with the deep transformation of the armed forces under Hugo Chavez, that did the most to preserve political stability in Venezuela during the particularly difficult year of 2019. At the beginning of 2019, when Juan Guaidó proclaimed himself "interim President",⁵⁴ much of the Russian expert community doubted whether the Maduro government would survive until the end of the year. The events of 2019 and the beginning of 2020 showed this prediction to be mistaken.

However, Russia has had to compete with China here too in recent years. Until recently, Russia was the clear leader on the Venezuelan arms market but it was displaced by China around 2016-2017. This shift was noted by the Latin American portal Defensa.com, which specialises in analysing the region's defence markets. The portal's analysts note that due to the economic crisis, the Maduro government was forced to cut military

52. "EE. UU. admite que subestimó el apoyo de Rusia a Maduro" [USA Admits That It Underestimated Russia's Support for Maduro], *ABC*, 8 January 2020, available at: www.abc.es.

53. S. Chemezov, S. Goreslavskij, "Diversifikatsiia rossijskogo eksporta vooruzhenij: venesuel'skij case study" [The Diversification of Russian Arms Exports: A Venezuelan Case Study], Vol. 63, No. 2, 2019, p. 29-35.

54. A. Piatakov, "Vooruzhennye sily Venesuely: epoha Ugo Chavesa" [The Armed Forces of Venezuela: The Hugo Chavez Era], *Latinskaia Amerika*, No. 6, 2019.

purchases by 90% in 2015-2016 compared to 2013-2014.⁵⁵ Over this period, China supplied more to Venezuela than Russia, which had led the way in arms sales since 2005, although China is still far from matching the total amount of weaponry supplied by Moscow. Beijing provides Venezuela with armoured vehicles and soldiers' equipment, as well as helping to modernise the components used in the construction of military facilities.

A particularly "load-bearing element" of the whole Russian-Venezuelan relationship is the activity of the Rosneft corporation, which is a financial and investment "donor" to the two countries' cooperation. According to Reuters, Rosneft has invested around \$9 billion in Venezuelan projects since 2010.⁵⁶ Additionally, it provided a \$6 billion loan to Venezuela as advance payment for future oil deliveries. Rosneft played and continues to play a crucial role in the National Oil Consortium that was created in 2008 and included Gazprom Neft, Lukoil, TNK-BP and Surgutneftegas. Soon after it was created, however, the consortium began to break up: Surgutneftegas left in 2012, followed in 2019 by Lukoil which feared the highly unstable situation in Venezuela.⁵⁷ By 2020, only Rosneft, having swallowed up TNK-BP, and Gazprom Neft continued to operate in Venezuela. Rosneft acts energetically as a transmission belt for Russia's geopolitical interests and has become a significant irritant in relations between Russia and the USA. For instance, Rosneft's acquisition of a 49.9% stake in Citgo Petroleum, a subsidiary of the Venezuelan company PDVSA that operates in the USA, was strongly criticised by US congressmen.⁵⁸ Rosneft is also helping a sanctioned Venezuela to solve its problems: some of Venezuelan oil being exported to India is directed to the Rosneft-owned Nayara Energy factory. At the end of March 2020, Rosneft took the decision to leave the "Venezuelan battlefield". Its assets were transferred to the newly established Roszarubezhneft, which is controlled by the Russian government. The motivation of the company is to avoid sanctions imposed by the United States for cooperation with Caracas. The departure of Rosneft does not mean that Russia is leaving Venezuela. So far, there is no sign of change in the general course with regard to this South American country. Though with the improvement of conditions, a reverse "castling" scenario may equally unfold.

55. "China aventaja a Rusia como proveedor de defensa a Venezuela" [China Surpasses Russia as Arms Supplier to Venezuela], *Defensa.com*, 1 February 2017, available at: www.defensa.com.

56. K. Lou, R. Sagdiev, "Kak Rossiia zakopala milliardy dollarov v zbyuchie peski Venesuely" [How Russia Buried Billions of Dollars in the Quicksand of Venezuela], *Reuters*, 14 March 2019, available at: <https://ru.reuters.com>.

57. "Gigante rusa Lukoil detuvo operaciones petroleras con Venezuela" [Russian Giant Lukoil Halts Oil Operations in Venezuela], *Voa Noticias*, 14 February 2019, available at: www.voanoticias.com.

58. "Letter to Steven T. Mnuchin—The US Secretary of Treasury", 12 December 2017, available at: <http://jeffduncan.house.gov>.

In general, economic cooperation with Russia has declined significantly between the Chavez and Maduro eras. The peak in bilateral trade was reached in 2013, when it was worth \$2.4 billion dollars. In recent years, the volume of trade fell by an order or magnitude until it was worth just \$80 million in 2018, most of which were Russian exports: Russian wheat exports to Venezuela accounted for \$50 million of the \$80 million total. Russia ended military technical cooperation (MTC) with Venezuela and stopped extending loans. Not one major MTC contract was signed in 2018-2019. China has occupied the niche of financial donor to Venezuela in recent years, as it did in previous years: between 2005 and 2016, 17 of the 77 Chinese loans to Latin American countries went to Venezuela (with a combined value of \$62.2 billion). When it comes to consuming Chinese credit, then, Venezuela remains the indisputable leader among Latin American states. In 2018, China opened another credit line worth \$5 billion to modernise Venezuela's oil industry. It is clear that China is moving to occupy the areas of cooperation from which Moscow retreats, thereby also playing a weighty role in stabilising the regime. The only two constants in the Russian-Venezuelan relationship are energy and one other "product" (or so-called "symbolic capital"), unwavering political support. In our view, such support is quite an important element of bilateral cooperation and it was sorely tested in 2019 against the background of Guaido's self-elevation. At the most critical moments, Russia has always given Venezuela moral support and lobbied for stability to be maintained and dialogue entered into by the warring parties. China took the same general line.

In terms of support to Venezuela, one can speak of a de-facto geopolitical triangle being formed between three centres of power: China as a great power, sparring with the USA for world economic and political dominance; Russia as a great military power which maintains parity with the USA in nuclear missiles and is the world's second largest arms exporter; and Venezuela, not only as an energy power, but also as a first rate natural resources power. It is worth remembering that Venezuela possesses not merely record proven oil deposits but also massive amounts of gold, diamonds and coltan, an ore composed of rare metals used in hi-tech manufacturing. Venezuela is one of only four countries in the world to possess this strategic raw material. One theory holds that China is particularly interested in Venezuela because of coltan, since African deposits are controlled by US companies.⁵⁹ Therefore, the overall value of

59. A. Boguslavskij, "Kto pol'zuetsia afrikanskimi prirodnyimi resursami?" [Who Is Using African Natural Resources?], *Rossiiskij sovet po mezhdunarodnym delam*, 8 February 2018, available at: <https://russiancouncil.ru>

Venezuela should not be reduced solely to oil: once all of its natural resources are taken into account, it emerges as a power of global importance with a specialisation in resources. Of course, the power triangle is not reflected in any institution and there is hardly a need for one. But it remains a fact that Russian and Chinese support broke through the international isolation that Venezuela was suffering in 2019 when, against all norms of international law, more than 50 countries recognised Guaido as the legitimate acting President of Venezuela. The possibility was even floated on the internet and in Western media that Moscow had sent members of various Private Military Companies (PMCs) to Venezuela to protect President Maduro.⁶⁰ These theories were never substantiated, however. The opposition-oriented internet outlet Meduza, which initially shared this theory itself,⁶¹ carried out a meticulous investigation and discovered only isolated cases of former soldiers being sent to Venezuela to guard Russian oil companies, while no direct links were found to the political life of Venezuela.⁶² The argument that Russia's military presence in Venezuela is non-political in nature has been confirmed by influential Latin American media, which trusted Meduza's investigation.⁶³ The two countries' power ministries consult one another constantly, as shown, for instance, by Colonel General Tonkoshkurov's visit to Venezuela in March 2019. Legally, dialogue and cooperation proceed on the basis of existing signed contracts and consist of Russia helping to service the arms and military equipment that it formerly supplied in such large quantities.

The question arises of why Moscow is so persistent in supporting Caracas? The answer is to be found more in the field of politics than that of economic interest. The point is that both Venezuela and Russia sincerely believe that they are under attack through the so called "hybrid warfare". Both governments fear "colour revolutions". Russia therefore supports Venezuela in order to minimise the risk of similar tactics being used against itself. China thinks in roughly the same way. The stability of Venezuela is thus extremely important for both Moscow and Beijing. In our view, this essentially explains Moscow's consistent support for Caracas.

60. "Paramilitares rusos viajaron a Venezuela para proteger a Maduro" [Russian Paramilitaries Travelled to Venezuela to Protect Maduro], *El País*, 25 January 2018, available at: www.elpais.com.

61. "Reuters: naemniki iz ChVK 'Vagner' otpravilis' v Venesuelu oxraniat' Nikolasa Maduro" [Reuters: Mercenaries From "Wagner" PMC Headed to Venezuela to Protect Nicolas Maduro], *Meduza*, 25 January 2019, available at: <https://meduza.io>.

62. "Ochen' strannoe chustvo viny. Zachem Rossiia otpravliaet v Venesuelu voennykh sovetnikov i drugikh spetsialistov" [A Very Strange Feeling of Guilt. Why Russia Is Sending Military Advisers and Other Specialists to Venezuela], *Meduza*, 29 July 2019, available at: <https://meduza.io>.

63. "¿Por qué hay militares y asesores rusos en Venezuela?" [Why Are There Russian Soldiers and Advisors in Venezuela], *El Estímulo*, 4 August 2019, available at: <https://elestimulo.com>.

Conclusion

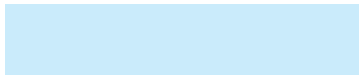
Conditions are not currently ripe for a flowering of relations between Russia and LAC. For Russia, the region matters above all as a place where it can demonstrate its geopolitical ambitions outside its traditional area of geopolitical influence. For Moscow, cooperating with LAC means challenging US hegemony, not just in the region but across the world. China's deep penetration into the region will make it increasingly difficult to pursue this demonstrative strategy in future. Russia finds itself in a kind of vice between the USA and China, which are competing hard against each other in Latin America.

Officially, Russia's relationship with such governments as Argentina, Brazil, Venezuela, Cuba, Nicaragua and Ecuador has risen to the level of a strategic partnership. In half of cases, however, the strategic partnership exists in word but not in deed. Cooperation is marked by local, ephemeral projects whereas a strategic partnership entails planning and carrying out initiatives with one's sights set on the decades to come. In the final analysis, Russia's ability to move from word to deed in its strategic rapprochement with LAC will depend less on Russia itself than on the positions taken by the USA and China. Firstly, it will depend on the extent to which the USA, which traditionally regards LAC as an area of exclusive geopolitical interest, will allow Russia to move in that direction. A weakening of US interest towards the region, for whatever reason, would open up additional opportunities for Moscow. Second, it will depend on how tough and all-encompassing is competition from China. At present, Russia occupies niches and areas of cooperation that have not yet been taken by China. If Chinese activity in the region becomes more diverse in nature, the opportunities for Russia will narrow considerably.

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