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# THE NEW RUSSIAN ENGAGEMENT WITH LATIN AMERICA: STRATEGIC POSITION, COMMERCE, AND DREAMS OF THE PAST

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R. Evan Ellis

U.S. ARMY WAR COLLEGE



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**THE NEW RUSSIAN ENGAGEMENT  
WITH LATIN AMERICA:  
STRATEGIC POSITION, COMMERCE,  
AND DREAMS OF THE PAST**

**R. Evan Ellis**

**June 2015**

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## FOREWORD

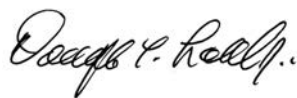
In recent years, attention by the U.S. national security establishment to challenges in the Western Hemisphere has concentrated on issues of transnational organized crime, socialist populism, potential terrorist threats, and similar challenges arising from poverty, inequality, and weak governance in parts of the region. As Latin America and the Caribbean nations have expanded their economic and other forms of engagement with countries beyond the region, the majority of attention has gone to activities in the region by the People's Republic of China, and to a lesser extent, by the Islamic Republic of Iran. The equally important re-engagement with the region by the Russian Federation during this period has received less attention, particularly among scholarly articles.

Russia's re-engagement with the region, which began in earnest in 2008, coincided with an escalation in tension with the United States over the role of Russia in the civil war in Georgia and the related succession of Abkhazia and South Ossetia. This led Russia to deploy nuclear-capable backfire bombers and warships to the Caribbean, as well as initiating a wave of presidential level diplomacy and heightened cooperation with regimes of the Bolivarian Alliance of the Americas (ALBA). In 2014, as tensions with the United States escalated over the conflict in the Ukraine, Russia renewed its attention to the Western Hemisphere with a new wave of diplomatic and military activity concentrating on the relatively anti-U.S. ALBA regimes, as well as Brazil and Argentina. In both 2008 and 2014, Russia's initiatives in Latin America and the Caribbean seemed designed to force the United States to respond to a challenge in its own hemisphere, expanding

Russia's freedom of action in its own near abroad. In the process, Russia's actions sent an important message that U.S. security concerns in the Western Hemisphere are not only a function of dynamics occurring in the region itself, but also in the interconnected global security environment. Thus, U.S. decisionmakers responsible for Latin America and the Caribbean must also consider developments in other theaters.

The present monograph by Strategic Studies Institute professor Dr. R. Evan Ellis is one of the first in-depth treatments of contemporary Russian engagement with the countries of Latin America and its significance from a national security perspective. As such, it provides important insights into both the nature of the challenge posed by Russia, as well as the evolving role and persistent importance of Latin America and the Caribbean to the national security of the United States.

This monograph is part of the ongoing effort by the Strategic Studies Institute of the U.S. Army War College to provide analysis of contemporary issues impacting Latin America and the Caribbean and other regional security environments, in support of the Department of the Army, the Department of Defense, and other U.S. decisionmakers. We hope that readers find this work both useful and intellectually stimulating.

A handwritten signature in cursive script, reading "Douglas C. Lovelace, Jr.".

DOUGLAS C. LOVELACE, JR.  
Director  
Strategic Studies Institute and  
U.S. Army War College Press

## ABOUT THE AUTHOR

R. EVAN ELLIS is a research professor of Latin American Studies at the Strategic Studies Institute, U.S. Army War College, with a research focus on the region's relationships with China and other non-Western Hemisphere actors. He has presented his work in a broad range of business and government forums in 25 countries on four continents. He has given testimony on Latin America and Caribbean Security Issues to the U.S. Congress, and has discussed his work regarding China and other external actors in Latin America on a broad range of radio and television programs, including CNN International, CNN En Español, The John Bachelor Show, Voice of America, and Radio Marti. Dr. Ellis is cited regularly in the print media in both the United States and Latin America for his work in this area, including *The Washington Times*, *Bloomberg*, *América Economía*, *DEF*, and *InfoBAE*. Dr. Ellis has published over 110 works, including *China in Latin America: The Whats and Wherefores* (2009), *The Strategic Dimension of Chinese Engagement with Latin America* (2013), and *China on the Ground in Latin America* (2014). Dr. Ellis holds a Ph.D. in political science with a specialization in comparative politics.



## SUMMARY

In many ways, Russia's expanded engagement in Latin America as a response to escalating tension over the Ukraine was a repetition of its answer to U.S. involvement in the 2008 conflict in the former Soviet Republic of Georgia. In the 2008 conflict, as the U.S. deployed naval forces to the Black Sea in response to Russian support for the breakaway republics of Abkhazia and South Ossetia, Russia countered with a series of actions in Latin America, including sending nuclear-capable Tu-160 bombers to Venezuela, from where they conducted symbolically charged flights around the Caribbean. This was followed a month later by the deployment of a four-ship Russian naval flotilla to the area to conduct military exercises with the Venezuelan navy before making port calls in Cuba and Nicaragua.

In addition to Russia's military deployments, in November 2008, Russian President Dmitry Medvedev traveled to Latin America to participate in the leadership summit of the Bolivarian Alliance for the Americas, then subsequently hosted both Venezuelan President Hugo Chavez and Nicaraguan President Daniel Ortega in Moscow. Three months later, Bolivian President Evo Morales also traveled to Russia, followed in November 2009 by Ecuadorian President Rafael Correa.

By comparison to the extensive literature on the activities of the Soviet Union in the Western Hemisphere during the Cold War, and by contrast to the rapidly growing body of works on China's activities in the region, very little beyond journalistic accounts have been written to examine contemporary Russian activities in Latin America and the Caribbean. As

Russia's reassertion of its global position and associated tensions with the United States proceed apace, a broad understanding of Russia in the Americas becomes evermore important, both as a question of U.S. national security and as an important dynamic shaping the global geopolitical environment. This monograph seeks to do so, focusing on the character of the ongoing Russian re-engagement with Latin America and the Caribbean and its implications for the United States.

# **THE NEW RUSSIAN ENGAGEMENT WITH LATIN AMERICA: STRATEGIC POSITION, COMMERCE, AND DREAMS OF THE PAST**

## **OVERVIEW**

In February 2015, Russian Defense Minister Sergei Shoigu traveled to Latin America to meet with leaders and defense officials in Cuba, Nicaragua, and Venezuela. The focus of meetings in all three countries was on access to ports and airfields in the region so as to support Russian military operations in the vicinity of the United States. In Nicaragua, Minister Shoigu signed an agreement to facilitate Russian access to the ports of Corinto and Bluefields, as well as strengthening counterdrug cooperation and discussing weapons sales. The trip advanced discussions and reinforced the message sent by Russian President Vladimir Putin when he had traveled to the region just 7 months previously, including Cuba, Nicaragua, Argentina, and Brazil. As the Barack Obama administration increasingly pressured Russia regarding its activities in the Ukraine, Russia was equally capable of reasserting its presence and challenging the United States in Latin America, the region once considered the “U.S. backyard.”

In many ways, Russia’s expanded engagement in Latin America as a response to escalating tension over the Ukraine was a repetition of its answer to U.S. involvement in the 2008 conflict in the former Soviet Republic of Georgia. In that conflict, as the U.S. deployed naval forces to the Black Sea in response to Russian support for the breakaway republics of Abkhazia and South Ossetia, Russia had countered with a series of actions in Latin America. These actions

included sending nuclear-capable Tu-160 bombers to Venezuela, from where they conducted symbolically charged flights around the Caribbean. This was followed a month later by the deployment of a four-ship Russian naval flotilla to the area to conduct military exercises with the Venezuelan navy before making port calls in Cuba and Nicaragua.

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Russia's re-engagement with Latin America and the Caribbean has proceeded unevenly since its beginning in 2008. At that time, Russia concentrated on a limited number of countries, including the regimes of ALBA, as well as Argentina, Brazil, and Peru, even though it has engaged commercially, politically, and economically with other states of the region as well.

With respect to economic interactions, by contrast to expanding activities in the region by the People's Republic of China (PRC), Russia's economic activities there have been smaller and concentrated in a more limited number of sectors, including arms sales, petroleum, electricity production, and mining. Yet, however uneven, Russia's re-engagement with the region since 2008 has produced significant cumulative results. When President Putin traveled to the region in 2014 on a four-nation tour to send a message to the United States over the conflict in the Ukraine, he was not doing so from the same low base from which his

predecessor, Medvedev, had begun when Medvedev launched the prior diplomatic re-engagement with the region.

In another contrast to Chinese engagement with Latin America and the Caribbean, Russia has not shied away from acting in a way that overtly challenged the United States. As noted earlier, the 2014 round of Russian re-engagement with the region began with an announcement by Shoigu that his nation was talking with Nicaragua, Cuba, and Venezuela about establishing bases in those nations for resupplying Russian warships, and potentially for refueling Russian long range bombers. One year later, as noted previously, the Defense Minister visited the three countries to conduct talks regarding such base access. This was complimented by an announcement during the same period that Russia, for the first time, might send its aircraft on long range patrols that would reach into the Gulf of Mexico.

By comparison to the extensive literature on the activities of the Soviet Union in the Western Hemisphere during the Cold War, and by contrast to the rapidly growing body of works on China's activities in the region, very little beyond journalistic accounts have been written to examine contemporary Russian activities in Latin America and the Caribbean. As Russia's reassertion of its global position and associated tensions with the United States proceed apace, a broad understanding of Russia in the Americas becomes evermore important, both as a question of U.S. national security and as an important dynamic shaping the global geopolitical environment.

This monograph seeks to fill that gap, focusing on the character of the ongoing Russian re-engagement.

ment with Latin America and the Caribbean and its implications for the United States.

### **Background.**

By comparison with some other extra-hemispheric actors such as China, India, and Iran, the political and economic relationships that Russia maintained with Latin America and the Caribbean during the Cold War arguably give it a substantial base of experience in dealing with the region. Yet, Russia's engagement with Latin America and the Caribbean began well before the Cold War. In the 19th century, Russian officials and persons of influence affiliated with the Tsarist court recognized, in Latin American independence movements from Spain and Portugal, an opportunity to expand Russia's economic and political influence through ties to the region.<sup>1</sup> Both Brazil, which fought its war of independence from Portugal from February 1822 to November 1823, and Mexico, which won its independence from Spain in 1821, sought ties with Russia as part of their maneuverings among other European powers.<sup>2</sup> The Russian-American Company, with economic interests in commerce with the region (not unlike those of the British East India Company in Asia), also played an important role in advancing relations during this period.<sup>3</sup>

During the 20th century, the Russian revolution and the formation of the Union of Soviet Socialist Republics (USSR) gave rise to a mixture of sentiments among Latin American leftists toward the new Soviet government. The Soviet Union, for its part, nurtured ties with leftist parties and revolutionary movements in Latin America and the Caribbean. Yet, not until the Cuban Revolution of 1959 did the region become a

significant focus for Soviet initiatives to advance the communist cause and the strategic position of the USSR in its global struggle against the United States.

In many ways, the success of Fidel Castro's revolutionary forces in seizing power in Cuba in January 1959 showed the Soviet Union the potential for leftist movements and others supportive of the USSR to come to power by force in Latin America and the Caribbean.<sup>4</sup> Driven in part by such new optimism regarding the possibilities for advancing communism and the Soviet strategic position in Latin America, the USSR began to develop important centers of Latin American studies during this time, such as the Latin American Studies Institute of the Ministry of Foreign Affairs in Moscow.<sup>5</sup>

From the 1970s through the 1990s, the Soviet Union provided overt and covert support for, and maintained relationships with, numerous revolutionary movements throughout the region, including those in El Salvador, Guatemala, Grenada, and the Dominican Republic.<sup>6</sup>

Beyond such backing, the Soviet Union also pursued a second track of maintaining friendly ties with leaders who, while not communist, pursued a populist or independent orientation that disposed them to work with the USSR to varying degrees. Such figures included Salvador Allende in Chile (until he was deposed and killed in September 1973), Juan Peron in Argentina, Getúlio Vargas in Brazil, and General Jose Torres in Bolivia. Later examples with whom the Soviet Union collaborated to some degree included General Juan Velasco Alvarado in Peru, as well as Mexican President Luis Echeverría.<sup>7</sup>

Beyond Cuba, several countries maintained an important military relationship with the Soviet Union

during this period. The most prominent was Velasco, whose Peruvian government purchased substantial quantities of arms and received advisors from the Soviet Union. In addition, when the *Frente Sandinista de Liberación Nacional* (Sandinista National Liberation Front or FSLN) came to power in Nicaragua in 1979, its newly triumphant revolutionary leader, Ortega, similarly brought Soviet advisors into the country, as well as receiving Soviet military and economic aid.<sup>8</sup>

The Soviet Union also maintained important economic relationships with more conservative regimes. Examples include Argentina, under the military rule of Jorge Rafael Videla, whose government became a major supplier of grain to the USSR after 1980 when the United States suspended its own sales of grain to the Soviet Union.<sup>9</sup> In a similar fashion, the Brazilian military government of João Baptista de Oliveira Figueiredo sold feed corn to the Soviet Union.<sup>10</sup>

Beyond food sales, Soviet economic ties to the region during the Cold War included participation in the construction of hydroelectric power plants in Brazil, Mexico, and Colombia; irrigation projects in Peru and Venezuela; and purchases of Cuban sugar, Brazilian cacao, and Colombian and Ecuadorian bananas.<sup>11</sup>

Although the collapse of the Soviet Union in 1991 did not end engagement with Latin America and the Caribbean, economic aid from the successor Russian government to political allies such as Cuba<sup>12</sup> and Nicaragua<sup>13</sup> declined sharply, and diplomatic activity in the region was similarly scaled back. As Russia's economy was transformed during the early post-Cold War years, the nature of its economic engagement with Latin America and the Caribbean shifted, focusing on a small number of industries in which the new Russia was building global ties. These included arms, petroleum, mining, and electricity generation.

During this period, the legacy of Latin America's strategic value to the Soviet Union was not lost to the new generation of Russian thinkers, but rather redefined within the context of Russian global engagement. In 1997, for example, Foreign Minister Yevgeny Primakov made a trip to Argentina, Brazil, Colombia, and Costa Rica where he spoke of Latin America as a major Russian ally in the construction of a multipolar world.<sup>14</sup>

Russia's legacy of engagement with Latin America and the Caribbean during this period both contributes to, and creates challenges for its present activities there. Part of that legacy is a group of now high-ranking (or retired) military officers, diplomats, businessmen, and others in Russia familiar with the region and the Spanish language (as well as Portuguese to some degree). At the same time, however, Russia's past engagement has also left a cadre of conservative political and business figures in influential positions in Latin America and the Caribbean, who are deeply suspicious of Russia's intentions as it seeks to rebuild its ties in the region.

Fast-forwarding to the present, Russian companies and diplomats have sought to position themselves between a developed West and a rising Asia, with well-known products in niche sectors such as defense, and companies able to play by a more "flexible" set of rules than the U.S. and European firms that they are competing against. With the persistent and deepening hostility between Russia, the United States, and Europe, however, Russia's ability to position itself between the West and Asia may be eroding.

## **Motivations.**

Russia's re-engagement with Latin America arguably reflects a complex mix of often reinforcing, but occasionally conflicting, strategic, economic, and internal political considerations. For Russia, as suggested previously, the nation's return to Latin America and the Caribbean is a reaction to an aggressive campaign by the United States following the collapse of the Soviet Union to not only bring the states of the former Warsaw Pact into the North Atlantic Treaty Organization (NATO),<sup>15</sup> but building alliance relationships with the Baltic States<sup>16</sup> and other nations once part of the Soviet Union itself. Russia believes this would bring the political and military power of its former adversary to the very doorstep of Russia.<sup>17</sup>

By creating a political and potential military challenge close to the United States, Russia's projection in the hemisphere attempts to force the United States to focus part of its attention and resources on responding to the new vulnerability close to home, thus leaving it with less resources and attention to challenge Russia in its own neighborhood, or in other parts of the world. Beyond its strategic value, re-engagement with Latin America also arguably has benefitted Russia's leaders in domestic politics. Under the regimes of both Russian Presidents Medvedev and Putin, Russian military activities in Latin America, high-level diplomacy with Latin American leaders, and the economic projects highlighted and facilitated by such diplomacy, demonstrate to the Russian people that the nation is overcoming the perceived tragedy of its withdrawal from the world stage following the collapse of the Soviet Union.<sup>18</sup> It is now returning to a position of strength in which Russians can take pride.

For Medvedev in 2008, Russia's return to Latin America was arguably important in helping to overcome perceptions of him as a weak leader, only "keeping the presidential chair warm" until his predecessor, Russian strongman Vladimir Putin, could reclaim power. For Putin, the latest deepening of Russia's engagement with Latin America and the Caribbean, including his July 2014 trip to the region, demonstrated to Russians that his policies in the Ukraine had not isolated the nation internationally, and indeed, that they were returning Russia to a position of international leadership in which they could take pride. Indeed, as Putin consolidates his power within the Russian political system and constructs a "cult of personality" in the Russian tradition, the return to Latin America which bears his imprimatur helps him to win his place among a long line of Russian leaders who have built or asserted the greatness of the Russian nation, such as Rurik, Alexander Nevsky, Ivan the Great, Ivan the Terrible, and Peter the Great.

Within the framework of strategic and domestic political considerations, Russia's focus on particular industries, such as arms, petroleum, mining, and electricity infrastructure projects is a product of the structure of Russia's economy and the tools available to the Russian state. In addition, it reflects the imperatives of leading industries in the Russian economy, and the influential figures connected to them.<sup>19</sup>

### **Country Focus of Re-Engagement.**

As Russia has reconstructed its ties with Latin America and the Caribbean, its limited resources and the legacy of its activities in the region during the Cold War has led it to concentrate its activities on three groups of countries:

1. former Soviet-era allies such as Cuba and Nicaragua,
2. the broader group of states willing to assume the political risk of working with Russia against U.S. influence in the region, such as Venezuela, and to a lesser degree, Bolivia, and Ecuador, and
3. states neither opposed to the United States or Russia, but in which Russia has a strategic commercial interest.

In the case of the first group, although Russia was able to leverage relationships and economic dependencies from the Cold War period, it also had to overcome the legacy of resentment for having “abandoned” those allies. This challenge was most visible in Cuba, where there was a widespread perception, at least among the leadership, that the economic hardship that the island had experienced in the 1990s was due, in part, to the Soviet Union having “stranded” it financially.

In Nicaragua, by contrast, the communist Sandinista government was voted out of power in 1990, the year after the fall of the Berlin Wall. The 2007 return to power of Sandinista leader Ortega set the state for Nicaragua to reach out to Russia during the 2008 Georgia crisis in an unsolicited gesture to recognize the new breakaway republics of Abkhazia and South Ossetia. In the process, Nicaragua earned Russian gratitude and set the stage for the resumption of Russia-Nicaragua diplomatic interactions, as well as Russian aid.<sup>20</sup>

The difference between the group of Cold War era Soviet client states and new Russian allies such as Venezuela is not their willingness to work explicitly with Russia against the United States. Rather, newcomers such as Venezuela lack a cadre of military and politi-

cal leaders who openly collaborated with the Soviet Union against the United States during the earlier era. By contrast, the Cuban and Nicaraguan leaderships understand from personal experience that inviting a Russian military presence into the country threatens the United States and could precipitate a forcible intervention against the regime. When the current Venezuelan leadership similarly invites Russian warships and nuclear-capable aircraft to stage operations from the country, they arguably do so without a historical sense of the potential risks of such actions.

Such differences notwithstanding, the combination of both types of allies provide Russia with the opportunity to engage with the region in a sufficiently provocative way so as to send a message to the United States. As noted earlier, Russia's open gambit in this exchange was to deploy Tu-160 bombers to Venezuela, and from there, to conduct flights in Caribbean airspace to remind the United States that, with the help of partners in the region, it could put nuclear-capable offensive military assets able to strike the United States with little warning.<sup>21</sup> The staging of Russian warships from Venezuela, and subsequently port calls to Cuba and Nicaragua, reinforced this message, while demonstrating the willingness of multiple nations of ALBA to participate in the implicit threat. For similar reasons, Russian President Medvedev chose a summit of ALBA leaders in Caracas, Venezuela, to receive him when he traveled to the region in November 2008.<sup>22</sup>

With respect to the third group, the three countries with which Russia has had the most significant interactions have been Brazil, Peru, and Argentina. Although the response of these countries to Russian advances has not included explicit anti-U.S. political or military

activity, the progress achieved is significant because of the political, military, and economic weight in the region of the countries involved.

### **Russian Engagement through Multilateral Forums.**

As during the Cold War period, Russia has used multilateral forums to compliment other vehicles for its political and economic engagement with Latin America. It has done so across a broad range of activities, from meetings of groups such as the G-7 (United States, Japan, Germany, France, United Kingdom [UK], Italy, and Canada), G-20 (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK, the United States, and the European Union [EU]), and the Asia-Pacific Economic Cooperation (APEC), to anti-U.S. entities such as ALBA, and those exclusive of the United States, such as the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States (CELAC). In general, Russia has used different types of forums in different ways. It has employed conventional forums such as the G-7, G-20, and APEC as tools to participate on an “equal footing” in the “club” of advanced nations, while it has used forums such as ALBA, UNASUR, and CELAC to send symbolic messages to the United States and strengthen its ties with the region in a way that excludes the United States.

In a similar fashion, the BRICS (Brazil, Russia, India, China, and South Africa) forum offered Russia an important opportunity to engage with not just members of the alliance itself,<sup>23</sup> but also with other Latin American countries which came to the site of the

summit. Forums such as the G-20 and APEC have afforded Russia multilateral engagement opportunities with Latin American countries on Russian soil. The September 2012 APEC summit, for example, was held in Vladivostok, Russia, and the September 2013 G-20 meeting was held in St. Petersburg. Similarly, the next BRICS summit in 2015 is to be held in Ufa, Russia,<sup>24</sup> and the 2018 World Cup will be held in Russia as well.

Beyond such engagements, Russia has also sought engagement with Latin American and Caribbean states through the framework of explicitly Latin American multilateral forums and sub-regional forums. Russia has used Latin American venues exclusive of the United States to spearhead its re-engagement with the region. These include not only ALBA, but also CELAC, whose foreign ministers met with their Russian counterpart in Havana, Cuba, in May 2013. At the end of the meeting, Putin expressed a strong interest in developing a relationship.<sup>25</sup> Russia has similarly indicated interest in “substantive interactions” with UNASUR, the Pacific Alliance, the Central American Integration System (SICA) and the Caribbean Community (CARICOM), notably ignoring a demonstration of interest in the Organization of American States (OAS), in which the United States and Canada are members.<sup>26</sup>

### **Military Interactions.**

As during the Cold War with the Soviet Union, military engagement has been a cornerstone of Russia’s reassertion of its presence in Latin America and the Caribbean. Such engagement, although somewhat more low key than it was during the Cold War, has encompassed a full range of military activities, including expanded leadership visits, education and train-

ing interactions, arms sales, and deployments to the region. As noted earlier, Russia has reactivated and built upon relationships with Soviet-era client states of Nicaragua and Cuba, as well as leveraging countries which purchased Russian military goods during the Cold War and which have maintained some ties with the Russian armed forces. These countries include Peru, as mentioned previously, and to a lesser extent, Brazil and Mexico.

With respect to arms sales and associated maintenance and training support, between 2001 and 2013, Russia sold Latin America \$14.5 billion in arms, representing approximately 40 percent of the \$35.5 billion in arms purchased by the region from external sources during the period.<sup>27</sup> Of these purchases, approximately \$11 billion went to Venezuela.<sup>28</sup> Russian arms are well represented at Latin American defense expos such as FIDAE in Chile, Latin American Agribusiness Development (LAAD) Corporation in Brazil, and SitDef in Peru.<sup>29</sup>

Russia's most successful product in engaging with the region has been its helicopters with over 400 Mi-17 transport helicopters reportedly in service in the region, accounting for 42 percent of its military helicopter fleet.<sup>30</sup> Virtually all of the major countries in the region have at least some Russian helicopters in their inventory, including Venezuela, Peru, Brazil, Ecuador, Argentina, and Mexico. In many of these countries, Russia has used its earlier success selling arms to the region to win contracts in the contemporary period for maintaining and repairing them. The experience with Russian products and the simplification of maintenance, spare parts, and training by concentrating the weapons inventory on a single country,<sup>31</sup> decreased the complexity of maintenance and training in prolif-

erating supplier countries. This experience and simplification, as well as the personal relationships built up over years of working with the Russian personnel, have each played a role in helping Russian companies secure such contracts.

Despite such successes, the Russian record in the Latin American arms market has not been without problems. Despite the previously mentioned success of Rosoboronexport in selling \$11 billion in arms to Venezuela,<sup>32</sup> it saw those sales stall when Venezuela's Bolivarian Socialist government ran out of money in a growing financial and political crisis. This allowed Chinese arms companies to make significant inroads in a market that had once been almost completely dominated by the Russians.<sup>33</sup>

Although Russia has sold the country attack helicopters and air defense systems, the Brazilian market has not lived up to the importance that Russia has put on the country as a partner.<sup>34</sup> Indeed, Russian arms manufacturers have suffered multiple disappointments in Brazil, including the failure to sell the country the Russian Su-35 fighter or the Tigr light armored vehicle, as well as the inability to win follow-on work from the 2008 contract for Mi-35 attack helicopters beyond the 12 units in the original contract. On the other hand, the BrahMos missile, one of the most significant new weapons that could be introduced into the region through sales to Brazil, is not entirely Russian, but rather a collaborative effort with India.<sup>35</sup>

With respect to military activities beyond arms sales, Russian deployments, institutional visits, and other forms of military engagement with Latin America have increased and tapered off with the two previously mentioned cycles of heightened tensions with the United States, in 2008 with the crisis in Georgia, and in 2014 with escalating tensions in the Ukraine.

During the Georgia crisis, as a short-term response to the U.S. naval presence in the Black Sea, Russia sent two supersonic, nuclear-capable Tu-160 backfire bombers to Venezuela, and from there, to conduct exercises in the Caribbean.<sup>36</sup> Approximately 1 month later (reflecting the time required to plan and execute a trans-Atlantic naval movement), Russia sent a 4-ship naval flotilla to Venezuela, including the cruiser *Peter the Great*, the destroyer *Admiral Chabanenko*, a mine-sweeper, and a supply ship. These ships conducted a naval exercise with their Venezuelan counterparts before making port calls in Cuba and Nicaragua.<sup>37</sup>

In a manner parallel to its actions during the 2008 Georgia conflict, as U.S.-Russia tensions escalated over the Ukraine in 2014, Russia bolstered a flurry of diplomatic activity to the region by Foreign Minister Sergei Lavrov and President Putin with declarations regarding the establishment or reactivation of bases in Venezuela, Cuba, and Nicaragua.<sup>38</sup> During the same months, a Russian signals collection ship visited Cuba multiple times.<sup>39</sup>

Despite the correlation between U.S.-Russian tensions and Russian military activity in Latin America, a portion of expanding Russian military engagement with the West has been independent from tensions elsewhere. In March 2013, for example, following a visit to Nicaragua by Russian Armed Forces Chief of Staff Valery Gerasimov, Russia announced that it was constructing a major new counterdrug center in Managua, Nicaragua. The facility, officially addressing the very real problem of drug production in, and shipment across, the region, would be used to train not only Nicaraguans, but also law enforcement personnel from an array of other countries in the region, giving Russia important security engagement opportunities with those nations.<sup>40</sup>

Similarly, a three-ship Russian flotilla traveled to the region in August 2013, making port calls in both Cuba and Nicaragua.<sup>41</sup> In February 2014, as the crisis in the Ukraine escalated, Commander in Chief of U.S. Southern Command General John Kelly commented that Russia's new military presence in the region was greater than anything seen in 3 decades.<sup>42</sup>

### **Commercial Focus of Re-Engagement.**

By comparison with other extra-hemispheric actors in the region such as the PRC, Russia's commercial engagement has been more limited in its overall volume and in its concentration on a number of countries and sectors. In 2013, Russia's bilateral trade with Latin America and the Caribbean was \$18.8 billion, representing less than 1 percent of the \$2.35 trillion in trade between the states of the region and the rest of the world. This was 14 times less than China's \$257.9 billion in trade with Latin America and the Caribbean.<sup>43</sup> Even as Russia expands its bilateral trade with the region, it continues to fall further behind China, the current star in interregional trade. Although Russia's trade with the region has expanded almost six-fold from the \$3.3 billion that it traded with the region in 2003, China's trade with the region increased almost 10-fold during the same period.<sup>44</sup>

Russia's commercial relationship with Latin America is dominated by its engagement with Brazil and Mexico, which together represent 50 percent of Russian trade with the region. Other significant partners there, in declining order, include Argentina, Ecuador, Panama, Jamaica, Trinidad and Tobago, Chile, and Nicaragua. The composition of trade between Russia and each of its partners also varies significantly.

For example, Russia both imports products from and exports products to Brazil, by contrast to Venezuela, for which only \$10 million (less than .3 percent) of its \$3.42 billion in trade was from exports to Russia. Similarly, Mexico and Peru run significant trade deficits with Russia, while for most of the rest, Russia imports more from these countries than it exports to them.<sup>45</sup>

With respect to the sectorial composition of Russian trade with Latin America, the latter has been particularly concentrated in petroleum, mining, arms sales, and niche technologies such as nuclear energy. In the petroleum and mining sectors, Russian firms have made investments in a number of Latin American countries, including oilfields in Venezuela and bauxite mines in Jamaica and Guyana, among others. Russian firms such as Inter Rao and Power Machines have bid for, and supplied, components for the construction of hydroelectric and thermoelectric facilities, while Rosatom has positioned itself to build civilian nuclear reactors in Brazil and Argentina, and less realistically, Ecuador, Peru, and Paraguay. Russia has also been a significant buyer of Latin American agricultural goods, and in recent years, the country has demonstrated an expanded interest in Latin America as a tourist destination, with a focus on Cuba, Jamaica, and other islands of the Caribbean.

In general, Russian banks have not played as significant a role in advancing its projects in Latin America in the way that Chinese financing has underwritten its construction and infrastructure projects in the ALBA states and the Caribbean, with Chinese policy banks loaning more than \$100 billion to the region between 2005 and 2013.<sup>46</sup> Nonetheless, Russia has provided money to select Latin American countries, including \$4 billion through the Russia-Venezuela joint bank

in 2012 and 2013 to make possible Venezuela's purchase of Russian arms.<sup>47</sup> Similarly, the Russian policy bank Vnesheconombank has offered financial backing for Russian hydroelectric projects in Ecuador and Argentina.

With respect to multilateral lending, in July 2014 at the BRICS summit in Fortaleza, Brazil, Russia, like other BRICS members, offered to put up \$10 billion in seed capital for the establishment of a new "BRICS bank."<sup>48</sup> Russia has also indicated an interest in joining the Inter-American Development Bank, and has signed cooperation agreements with the Andean Development Corporation (CAF) and the Latin American Association of Development Financing Institutions,<sup>49</sup> yet to date, such proposals have not borne fruit.

With respect to Russia as a market and source of investment for Latin America and the Caribbean, the mediocre performance of the Russian economy and the nation's limited commercial interactions with the region have not inspired the same level of enthusiasm among the region's political leaders and businessmen that China has inspired there. Although Russia has a reservoir of goodwill with certain Latin American and Caribbean countries, particularly among its Cold War allies and the members of ALBA, Latin American students are not clamoring to learn Russian, nor are businessmen hurrying to establish themselves in the Russian domestic market.

### **Ethnic Russians in Latin America.**

In interacting with the states of Latin America and the Caribbean, Russia has a relatively limited diaspora of its ethnic nationals living there. Most of Latin America's Russian population immigrated from the

end of the 19th century through the early-20th century, fleeing economic hardship and later the violence and chaos of the 1917 Russian Revolution.

Between the formation of the Soviet Union and its collapse in 1989, a smaller group of Russians migrated to the region, including some who came to countries such as Cuba to fight for the revolutionary cause. The largest Russian immigrant population in Latin America and the Caribbean is found today in Argentina, Uruguay, and Brazil,<sup>50</sup> although small numbers of Russians are found throughout the region.<sup>51</sup> They have not, however, played a highly visible role in contemporary Russian re-engagement with the region, either in economic or political terms.

### **Intellectual Infrastructure.**

By contrast to the PRC, Russia's re-engagement with Latin America that started in 2008 was able to leverage a relatively well-developed pool of academic knowledge regarding the region, as well as a substantial group of persons with the language skills to operate there, thanks to the legacy of Soviet engagement there during the Cold War. This includes the previously noted sending of advisors and others to Cuba and Nicaragua, the nurturing of relationships with guerilla movements in states such as El Salvador and Guatemala, and ongoing ties to the states of the region, as well as out-of-power leftist parties and movements. As Sovietologist Cole Blasier put it in 1987, the Soviet Union established a presence in the Western Hemisphere "unique in history."<sup>52</sup>

As noted earlier, the intellectual infrastructure in Russia for understanding Latin America began to increase in 1959 with the Cuban revolution and the op-

portunities that it highlighted for the Soviet Union to expand its political and military position in the region. While Russian engagement itself fell off somewhat with the retrenchment of Russia at the end of the Cold War, the nation's key Latin America centers today are able to leverage to some degree the body of knowledge built up by Latin Americanists from that era:

1. the Institute of Latin America, Moscow,
2. the Institute of World Economy and International Relations in Moscow,
3. the Latin America research center at Moscow State University, and
4. the Center for the Study of Latin America, part of St. Petersburg State University.

Of these, the oldest, largest, and most prestigious is arguably the Institute of Latin America, established by the Soviet government in 1961. At its height in the late-1980s, this institute included 100 full-time researchers and provided support for others in other institutions throughout the country.<sup>53</sup>

### **Interactions with Other Extra-regional Actors.**

Another important consideration for Russia as it has expanded its engagement in Latin America is competition from, and complementarity with, the commercial and governmental entities of other extra-hemispheric actors also operating in the region. In political, military, commercial, and other affairs, those interactions have featured a complex mixture of competition and complementarity. In forums such as the BRICS, for example, Russia has presented a united front with states from outside the hemisphere such as China and India against established "developed

nations” in the region. In military affairs, as noted previously, Russia has cooperated with India to develop the hypersonic BrahMos missile,<sup>54</sup> marketed to Latin American countries including Brazil, Chile, and Venezuela.<sup>55</sup>

At the same time, Russia also competes with other extra-hemispheric actors for the Latin America defense market. Examples include a 2012 bid for an air defense systems contract in Peru, in which Russian and Chinese companies went head-to-head. In Venezuela, Russian arms sales have been to some degree displaced by sales to Chinese companies, beginning with a \$500 million contract in July 2012 to the Chinese arms company NORINCO. The contract included purchase of armored vehicles, fighter aircraft, and other advanced equipment once supplied almost solely by Russian companies to the Venezuelan market.<sup>56</sup>

With respect to commerce, Russian, Chinese, and Indian companies have competed for oil blocks and mining concessions in Venezuela, Ecuador, and other countries of the region. In Argentina, for example, Russian and Chinese companies have been rivals in the energy sector for hydroelectric projects such as the Nestor Kirchner and Jorge Copernic facilities on Argentina’s Santa Cruz River, as well as for the construction of new nuclear facilities.<sup>57</sup>

## **RUSSIAN ENGAGEMENT WITH LATIN AMERICA COUNTRY-BY-COUNTRY**

The following section of this monograph analyzes Russian activities in Latin America and the Caribbean on a country-by-country basis, with an emphasis on political and military engagement, as well as Russian commercial projects in the region in sectors such as

petroleum, mining, energy infrastructure, and to a lesser extent, trade. While this section attempts to cover the most significant country relationships, commercial ventures, and interactions, it does not attempt to provide an exhaustive list of all countries or Russian activities in the region.

## **Mexico.**

The current Mexico-Russia relationship is relatively modest, although during the Cold War, the Soviet Union courted left-of-center Mexican Presidents like Luis Echeverría, who, in 1973, became the first Latin American leader to visit the Soviet Union. Reciprocally in 2004, Russian President Putin traveled to Mexico for a state visit, meeting with his counterpart, Vicente Fox. In 2005, Fox reciprocated by making a state visit to Russia, and the two met again in the G-8 (United States, Japan, Germany, France, the UK, Italy, Canada, and Russia) + G-5 (United States, Japan, Germany, France, and the UK) meeting in St. Petersburg in 2006.<sup>58</sup> As a legacy of Mexico's independent posture in the Americas, that country has traditionally maintained some military interactions with Russia.

In the domain of arms sales, the Mexican navy has purchased Russian BTR-60 and Ural-4320 armored vehicles, 52 of which remain in service,<sup>59</sup> as well as 9K38 Igla anti-aircraft missiles. Russia has also sold to Mexico 24 Mi-17 Hip-H helicopters, acquired between 1996 and 1999, as well as 12 Mi-8T Hip-C transport helicopters and two Antonov An-124 heavy transport aircraft.<sup>60</sup> As with Russian military engagements in other Latin American countries, such sales have created opportunities for interactions for the maintenance of, and modifications to, the equipment. Beginning in

May 2014, Mexico began to send its aging Mi-17s and Mi-8Ts helicopters to Russia for upgrades, even as it replaced another part of the same military transport fleet with European Airbus Super Puma helicopters.<sup>61</sup> Security interactions have also extended beyond arms sales to Russian assistance in the struggle against organized crime, with an agreement signed between the two governments on the topic in 2010.<sup>62</sup>

In addition to military actions, Russia also engages with Mexico in the commercial sphere to a greater degree than is commonly recognized. In 2013, Mexico was Russia's 6th largest trading partner in the region, although almost the entire relationship (\$827 million out of \$849 billion in bilateral trade) was Mexican purchases of Russian products.<sup>63</sup> Mexico's exports to Russia also include a relatively large quantity of manufactured goods. Indeed, 55 percent of Mexican exports to Russia in 2013 were motorized vehicles (cars, trucks, motorcycles, etc.), although another 12 percent was alcohol and other beverages. For Russia, half of the nation's exports to Mexico in 2013 were iron and steel, with another 21 percent being fertilizers, and another 18 percent being mineral fuels and oils.<sup>64</sup>

With respect to specific Russian investments in Mexico, Russian oil companies have expressed interest in the nation's petroleum sector, seeking to capitalize on opportunities for participation for foreign nationals created by reforms to the sector. The first major foray by a Russian firm into the sector was the Russian firm Lukoil, which signed an agreement with the Mexican state oil company Pemex in February 2014 to cooperate in oil exploration and the supply of oil technology.<sup>65</sup> As in other Latin American countries, the Russian atomic energy agency Rosatom has signed an agreement with the Mexican government to assist in

the development of civilian nuclear power,<sup>66</sup> although the agreement has not yet produced a significant commercial initiative.

In aviation, the Mexican commercial airline Interjet has purchased \$650 million in Superjet-100 planes from Russia's Sukhoi.<sup>67</sup> Russia has also sought to facilitate tourism and other travel with Mexico, with the two countries establishing direct flights between Moscow and Cancun.<sup>68</sup> In general, the focus of Russian tourism in Mexico has been the state of Quintana Roo, the location of Cancun and the Caribbean beach resorts of Riviera Maya, with an estimated 30,000 Russians visiting the state in 2011 alone.<sup>69</sup>

Despite its close relations to the United States, Mexico's interest in exporting goods to Russia has positioned it to benefit from Russia's dispute with the United States and Europe over the Ukraine. As with other countries such as Argentina and Brazil, when Russia suspended purchases of agricultural goods from the United States and Europe,<sup>70</sup> the Mexican government repeatedly sought to facilitate opportunities for Mexican companies to increase agricultural exports to Russia,<sup>71</sup> but found little interest among them in doing so.<sup>72</sup>

## **Nicaragua.**

During the Cold War, Russian and Cuban assistance helped bring the FSLN and its leader Ortega to power,<sup>73</sup> and help the government to survive the challenge posed by the contra insurgency. Nonetheless, the relationship atrophied following Russia's withdraw from the region in 1989 and the loss of power by the Sandinistas in the February 1990 Nicaraguan national election.

The renovation of close relations between Russia and Nicaragua that began in 2008 was triggered by a coincidence of imperatives and enabling conditions on both the Nicaraguan and Russian sides. In January 2007, former Nicaraguan President and revolutionary Ortega returned to power after prevailing in a complex presidential election in which both his Sandinista movement and the more conservative opposition were split. If Ortega was looking for an opportunity to show his Russian allies that Nicaragua could still be useful to Moscow in the post-Cold War era, such an opportunity presented itself in September 2008 during the civil war in Georgia, when Ortega's government became the first in Latin America to recognize diplomatically the pro-Russian breakaway republics of South Ossetia and Abkhazia.

In the context of the same conflict, in the final months of 2008, Russia reached out to receptive states in Latin America and the Caribbean in order to conduct political and military activities in close proximity to the United States. This action was intended to send a symbolic warning to the United States that Russia was capable of acting in the U.S. "backyard," in response to what it interpreted as U.S. meddling in its own sphere of interest. Nicaragua was one of the states, along with Venezuela and Cuba, which agreed to host some of the most provocative aspects of the Russian demonstration. Specifically, Nicaragua received two Russian nuclear-capable, supersonic Tu-160 bombers sent by Russia to conduct flights in the Caribbean. A month later, in December, it similarly hosted a visiting flotilla of Russian warships led by the cruiser *Peter the Great*.<sup>74</sup>

Following the incidents of 2008, Nicaragua continued to play a key role in Russian military engage-

ment with the region. In April 2013, Chief of Staff of the Russian Armed Forces General Valery Gerasimov traveled to Nicaragua to preside over the opening of a munitions disposal facility in the country, and to discuss military cooperation between the two countries.<sup>75</sup> While there, he also showcased a new military training center which Moscow was constructing in Managua, the “Marshall Zukhov” military counternarcotics training center, also in Managua,<sup>76</sup> building upon a counternarcotics cooperation agreement signed between the two nations in March 2013.<sup>77</sup> Through the new center, Russia is potentially able to interact not only with Nicaraguan law enforcement officers, but also those from other Central American countries, as well as Ecuador and the Dominican Republic, among others.

In September 2013, two Russian warships made a port call in the Nicaraguan Pacific-Coast port of Corinto, after visiting Cuba and passing through the Panama Canal.<sup>78</sup> At the end of October of 2013, Nicaragua was visited by a Russian delegation headed by the Secretary of the Russian Federation Security Council (and former head of the Russian intelligence service) Nikolai Patrushev,<sup>79</sup> resulting in the signing of an agreement for Russian support in the modernization of Nicaragua’s armed forces.<sup>80</sup> Also emerging from the Patrushev visit was an agreement facilitating high-level consultations between the High Command of Nicaragua and Russia’s Security Council, advancing the level of strategic cooperation between the two countries.<sup>81</sup>

In conjunction with the Patrushev visit, in a manner paralleling events of September 2008, two Russian Tu-160s, made a trip to the region, first flying from Russia to Venezuela, before conducting aerial maneu-

vers in the Caribbean and landing in Nicaragua. While on return from Nicaragua to Venezuela, the bombers caused an international incident when they made unauthorized incursions into Colombian airspace in the proximity of the Colombian island of San Andres and the surrounding cays.<sup>82</sup> This act that was seen by some in Colombia as a message of Russia's support to Nicaragua's claim to the waters surrounding the islands, and perhaps the islands and cays themselves.<sup>83</sup> The coincidence of the incursion with the visit of Patrushev (considered a hard-liner), raised the possibility that the incursion was a signal sent to Colombia following coordination between Patrushev and Ortega, although no concrete evidence substantiating such a connection has emerged.

Later in October (possibly also linked to the Patrushev visit), President Ortega requested, and the Sandinista-dominated Nicaraguan parliament passed, a resolution authorizing visits to Nicaragua by Russian warships, military aircraft and ground forces, as well as authorizing Russian forces to conduct patrols off of Nicaragua's Caribbean coast near the Colombian island of San Andres and surrounding cays,<sup>84</sup> although as of the date of this writing, the Russians had not done so. Russia-Nicaragua military interactions and announcements of future cooperation continued to expand throughout 2014 as tensions between the United States and Russia increased over the conflict in the Ukraine. In February 2014, as noted previously, Nicaragua was one of three Latin American countries mentioned by Russian Defense Minister Shoigu as candidates for establishing new Russian maintenance bases in the Caribbean.<sup>85</sup> In June 2014, Russia opened a maintenance facility for military vehicles in Nicaragua in support of that nation's mechanized brigade,

further allowing Russia to expand its military presence there.<sup>86</sup>

In general, Russia-Nicaragua military cooperation has paralleled other aspects of the re-engagement between the two countries that began in 2008. In 2013, the two countries signed an agreement regarding Russian support for the modernization of the Nicaraguan armed forces.<sup>87</sup> Pursuant to that agreement, new Russian military equipment has begun to appear in Nicaragua, including two Mi-17 aircraft,<sup>88</sup> BMP-1 armored personnel carriers, BM-21 mobile rocket launchers, PT-76 light armored vehicles, and announced negotiations for Mig-29 fighter aircraft.<sup>89</sup> Russia has further donated equipment to the Nicaraguan military, including \$500,000 in first aid equipment donated in January 2014,<sup>90</sup> and has discussed selling Nicaragua Russian patrol boats and the Tigr light armored vehicle.<sup>91</sup>

Russia military-to-military engagement also has included sending Nicaraguan personnel to Russian institutions for training,<sup>92</sup> as well as conducting joint counternarcotics operations on Nicaraguan soil. In March 2013, for example, a joint Russia-Nicaragua operation against a local drug gang resulted in the arrest of 41 persons and the seizure of 10 “containers” of cocaine.<sup>93</sup>

With respect to Russia-Nicaragua commercial activities, by contrast to the significant amount of military cooperation between the two countries since 2008, trade between the two has been a modest \$522 million, with all but \$18 million of that Nicaraguan imports of Russian products.<sup>94</sup> Of Nicaraguan exports to Russia in 2013, 95 percent were comprised of three products: oilseeds, coffee, and meat, in that order. Similarly, 80 percent of Russia’s exports to Nicaragua during the

period were cereals, with an additional 9 percent being fertilizers.<sup>95</sup> Specific commercial transactions between Russia-Nicaragua are dominated by the donation of goods, or their purchase by the Nicaraguan state with concessional loans, followed by their resale within the country. Key examples of such transactions since 2008 include Russia's gift of 520 buses, 500 Lada-brand cars and trucks,<sup>96</sup> and 100,000 tons of wheat, as well as the construction of a \$41 million hospital.<sup>97</sup>

The largest project in which Russia has considered participating in Nicaragua is the canal connecting the Atlantic and Pacific coasts of the country. Possible Russian support for the canal, long desired in Nicaragua, was a key discussion topic in Ortega's trip to Moscow in 2008,<sup>98</sup> although the countries did not proceed forward with the project at that time.<sup>99</sup> In 2012, the initiative shifted to an even more ambitious \$40-\$80 billion canal project spearheaded by Chinese businessman Wang Jing and his company Hong Kong Nicaragua Development (HKND). Yet, despite the media attention given to the possibility of a leading role by the Chinese government and banks in the project, Russia also continues to pursue an interest in participating in some fashion. When Russian President Putin made an unscheduled stop in Managua as part of his July 2014 trip to Latin America, analysts speculated that Russian participation in the canal project was part of the agenda.<sup>100</sup> In a follow-up visit by a Russian delegation in September 2014, the Nicaraguan civil defense authority announced that Russia would provide equipment to be used in the construction of the canal.<sup>101</sup>

## **Guatemala.**

Within Central America, Guatemala is an outlier as a Central American state which has maintained some

economic and diplomatic ties with Russia despite a legacy of unsuccessful attempts by Marxist guerillas to overthrow its conservative government.<sup>102</sup> Although Guatemala technically established relations with the Soviet Union in 1945, political and other engagement between the two countries remained limited during Guatemala's 30-year long civil war from 1960 through 1990, in which Russia was seen to back the insurgents seeking to overthrow the Guatemalan government.<sup>103</sup> Even after the peace accords of 1996, which put an end to the Guatemalan civil war, the country conducted diplomatic relations with Russia through Costa Rica until 2007, when Russia established an embassy in Guatemala City. In March 2010, Alvaro Colom became the first Guatemalan president to visit Russia.<sup>104</sup> The trip, however, occurred near the end of his term, and Colom's successor, General Otto Perez Molina, has not shown a similar interest in diplomatic engagement with the country.

With respect to economic interactions, Russian companies have had a small presence in Guatemala's mining and petroleum sectors. In 2011, for example, the Russian firm Solway purchased the Fenix ferromanganese mine near the town of El Estor.<sup>105</sup> The resulting entity *Compania Guatemalteca de Niquel* has subsequently invested \$450 million dollars in the sector.<sup>106</sup> In petroleum, in July 2013, the Russian-backed Panamanian company Zacapa was granted a concession by the Guatemalan Ministry of Energy and Mines to explore for gas and oil.<sup>107</sup>

## **Venezuela.**

Venezuela, alongside Nicaragua and Cuba, has arguably been one of Russia's cornerstones for the

re-engagement that it has pursued with the region since 2008. Although Venezuela lacks the legacy of intergovernmental collaboration with Russia during the Cold War that mark Cuba and Nicaragua's relationship with Russia, Venezuela has partially compensated for that through its willingness to support Russian initiatives in the region, the magnitude of its arms purchases from Russia, and the significance of its oil reserves, in which Russian firms have shown a strong interest.

The story of Venezuela's contemporary engagement with Russia began in 2006, with a focus on arms purchases. The Venezuelan regime of former military officer Hugo Chavez turned to Russia to buy arms when the U.S. refused to sell the nation spare parts for its F-16s fighter aircraft. Venezuela was motivated to turn away from Western arms suppliers almost entirely when the United States successfully prevented European arms manufacturers from selling their product to the country, based on agreements that those manufacturers had signed in order to incorporate U.S. technology in their own weapons. These sales<sup>108</sup> became the initial lynchpin of Venezuela-Russia cooperation, allowing Venezuelan leader Chavez to simultaneously defy U.S. attempts to deny him arms, while keeping his supporters within the Venezuelan military happy.

Against this backdrop, when U.S.-Russia tensions escalated in 2008 over the crisis in Georgia, Chavez was willing to make Venezuela available to Russia as a platform through which the latter could engage diplomatically with, and project, military forces to the region in order to send the United States a warning and potentially distract it from engaging in Georgia by putting the United States strategically at risk in its own "backyard."

As noted previously, Nicaragua recognized the pro-Russian breakaway republics of Abkhazia and South Ossetia, and Venezuela was the lead actor to receive Russia's nuclear-capable Tu-160 supersonic bombers when they deployed to the Western Hemisphere in September 2008 amidst the escalating conflict. Similarly, 2 1/2 months later, Venezuela was the first country in the region to receive the four-ship flotilla of Russian warships led by the cruiser *Peter the Great*. Naval exercises were conducted with the ships before they moved on to visit Nicaragua and Cuba. In each case, the Chavez regime showed that it was willing to go beyond provocative anti-Western rhetoric to host Russian military forces that the United States might have perceived as menacing, with the risk of provoking military action from the United States.

Despite Venezuela's enthusiasm to receive Russian military assets, the Russians, for their part, were careful to ensure that, in sending a message to the United States through their actions, they were not perceived as excessively provocative. Prior to the arrival of the Tu-160s, for example, Russia publicly announced that they were not carrying nuclear weapons.<sup>109</sup> Moreover, when the naval flotilla arrived in Venezuela, Russia cut short the scheduled 3-day exercise between the ships and the Venezuelan navy, and denied a request by Venezuelan President Chavez to visit the lead Russian ship.<sup>110</sup>

Following the departure of the Russian naval flotilla, the Chavez regime continued to remind the United States of its willingness to offer itself as a host for Russian military and other activities in the Americas. In March 2009, for example, Chavez announced that he would allow Russia to use Venezuelan terrain to base strategic bombers, presumably for use against the United States. Yet, the island that he publicly men-

tioned for basing the aircraft, La Orchilla,<sup>111</sup> was far too small to permit the take-off of the Russian aircraft in question, even if a runway was built from one tip of the island to the other. This suggested that the announcement had been more a message to provoke the United States than a serious initiative.

Such Venezuelan openness to military collaboration with Russia has continued to the present day. When Russian Minister of Defense Shoigu announced in February 2014 that Russia would establish permanent facilities in the region to receive and resupply its military forces, it included Venezuela as one of the three Latin American regimes to serve as a possible host, along with Cuba and Nicaragua.<sup>112</sup>

Venezuela's purchases of Russian arms, mentioned previously as the launch point of the contemporary close Venezuela-Russia relationship, has served as a compliment to its willingness to host Russian military forces. From 2001 through 2013, Russia sold Venezuela over \$11 billion in military goods,<sup>113</sup> making the country by far the principal purchaser of Russian arms in the Western Hemisphere, accounting for over two-thirds of the \$14.5 billion in sales to the region by the Russian arms supplier Rosoboronexport.<sup>114</sup> Russia's arms sales between 2006 and 2014 may be loosely divided into three groups of purchases. The first group of sales, with a value of approximately \$4 billion, was focused on helicopters, fighter aircraft, and small arms. Venezuela purchased 53 helicopters from Russia, including 38 Mi-17V-5s, 10 Mi-35M2 attack helicopters, and three Mi-26T2 heavy transports.<sup>115</sup> Indeed, the quantity of Russian helicopters sold to Venezuela was so great that in 2011, the Russian company Transas announced that it was setting up a regional center for helicopter instruction there.<sup>116</sup> In addition to

helicopters, the first group of Venezuelan purchases also included 24 Su-30 fighter aircraft and 100,000 Kalashnikov rifles, as well as Russian assistance in building a factory in the country to assemble them.<sup>117</sup>

The second group of Russian arms sales to Venezuela, whose negotiation and delivery spanned the period from roughly 2008 through 2011, included 12 Tor-M1 self-propelled air defense systems, Zu-23 anti-aircraft guns, 12 9K58 Smerch multiple rocket systems, 2S23 120 millimeter (mm) self-propelled mortars, Igla-S man-portable surface-to-air missiles,<sup>118</sup> and T-72B1V tanks, of which Venezuela eventually purchased 192.<sup>119</sup> Other Russian systems acquired by Venezuela during this period also included BMP-3 and BTR-8A armored personnel carriers,<sup>120</sup> Bal-E mobile coastal defense missile systems, Buk-2ME and S-300VM Antey-2500 mobile anti-aircraft missile systems.<sup>121</sup>

The third group of sales, which were negotiated as Chavez' health deteriorated in 2012, was only partially realized due to deepening economic problems in Venezuela. This group included Russian fast attack boats, submarines, and Yak-130 fighters to replace Venezuela's aging F-5s,<sup>122</sup> as well as 10 Mi-28 NG Night Hunter attack helicopters.<sup>123</sup> Agreements for even more arms purchases were signed in May 2014, between the commander in chief of the Venezuelan armed forces Carmen Meléndez Rivas, and the Vice-president of the Russian Federal Military Technical Cooperation Service, Andrei Boltsov, on the occasion of the 10th Ruso-Venezuelan High-Level Intergovernmental Commission.<sup>124</sup>

With respect to the Russia-Venezuela commercial engagement, Venezuela is Russia's second largest trade partner in the region behind Brazil, yet the relationship is extremely imbalanced. In 2013, for example,

all but \$10 million of the \$3.42 billion in Russia-Venezuela bilateral trade was Venezuelan purchases from Russia.<sup>125</sup> With respect to the composition of Russian exports to Venezuela, according to the United Nations (UN) COMTRADE database, in 2013, 92 percent of those exports were accounted for by three types of goods: 59 percent of the total were arms, 26 percent were vehicles (cars, trucks, and motorcycles), and 7 percent were electrical and electronic equipment.<sup>126</sup>

With respect to specific nonmilitary projects in Venezuela, Russian companies have leveraged the favorable political relationship between the two countries to build a significant presence in Venezuela's oil sector, although Russian companies operating there have experienced numerous difficulties. In 2009, a five-company Russian consortium committed to an investment of \$16.2 billion to develop the Junin-6 oil block in the newly nationalized Orinoco tar sands, with the resulting Russia-PdVSA (Petróleos de Venezuela, S.A., the Venezuelan state-owned oil and natural gas company) venture operation named "Petromiranda."<sup>127</sup> The deal included payment of a \$600 million signing bonus to PdVSA.<sup>128</sup> In addition, the Russian oil company Rosneft (part of the Junin-6 consortium) subsequently contracted with PdVSA for rights to the Carabobo 2 block, making a royalty payment of \$1 billion for those rights,<sup>129</sup> while the Russian firm Lukoil contracted for the Junin-3 block.<sup>130</sup>

As with other multinational firms, the Russian companies in the Venezuelan oil sector experienced delays in working with their Venezuelan partners to invest and bring production on line.<sup>131</sup> Due to such frustrations, in January 2013, the Russian firm Surgutneftegaz pulled out of the Junin-6 consortium, selling its stake to Rosneft.<sup>132</sup> In October 2013, Lukoil similarly announced that it was withdrawing from the

country.<sup>133</sup> As other Russian companies have pulled out of oil operations in the Orinoco tar belt, Russian petroleum activities in Venezuela have become increasingly concentrated in the hands of the Russian firm Rosneft, headed by Igor Sechin, a former Soviet-era intelligence operative close to Putin. Sechin's long-term interest and expanding stake in the Venezuela petroleum sector was illustrated in 2014 when he sponsored the construction of a statue dedicated to Chavez, in the late Venezuelan leader's home town of Sabaneta, and traveled to the town to dedicate it personally.<sup>134</sup> Indeed, in July 2014, the consolidation of Russian oil activities in Venezuela in the hands of Rosneft continued with the company's purchase of the Venezuelan assets of Weatherford International.<sup>135</sup>

In addition to petroleum, Russia also has a modest presence in Venezuela's mining sector, although, there, as in the petroleum sector, its companies have experienced difficulties. In January 2009, the Russian mining company Rusoro formed joint venture concessions with the Venezuelan government to develop the Las Cristinas and Brisas minerals fields. The award took by surprise the Canadian firm Crystallex, which had applied for permits to develop the properties.<sup>136</sup> Yet Rusoro did not fare much better in dealing with the Chavez regime than had Crystallex, and by August 2012, Rusoro had become embroiled in a legal dispute with the regime over its Venezuela operations.<sup>137</sup>

Nor have Russian projects in Venezuela been limited to arms, petroleum, and mining. Russia has reportedly discussed a joint venture with the Venezuelan government to construct a shipyard.<sup>138</sup>

In the financial sector, in 2009, Russia and Venezuela announced a joint-capital bank to fund projects in the country,<sup>139</sup> with \$4 billion in initial funds.<sup>140</sup> Its

principal focus, to date, has been underwriting the sale of Russian arms to the country,<sup>141</sup> with loans of \$2 billion in 2012 and \$2 billion in 2013 to support such transactions.<sup>142</sup>

## **Cuba.**

From 1959, when Fidel Castro and his supporters overthrew the Batista government and took power in Havana, until the collapse of the Soviet Union in 1991, Cuba served as Russia's principal partner for engaging with, and advancing, its strategic position in the region. When Moscow sought to rebuild its relationships with Latin America and the Caribbean prior to its high-profile political and military moves in 2008, it began with a low-key attempt to repair its relations with Cuba.

During the Cold War period, Russia was Cuba's principal patron and ally, as well as its main collaborator for advancing anti-U.S. revolutionary movements in the third world, including Latin America, the Caribbean, and Africa. For Russia, in the form of the Soviet Union, post-Revolution Cuba was the principal gateway in Latin America and the Caribbean for activities with state partners, insurgents, and other groups to advance global communism and the strategic position of the Soviet Union.<sup>143</sup> Russia reciprocated the favor, providing not only billions of dollars in arms, loans, and aid to Cuba, but also hosting tens of thousands of Cubans to travel to Russia for education in its universities.<sup>144</sup>

During the Cold War period, the Soviet Union also maintained its most important overseas signals collection facility at Lourdes, Cuba,<sup>145</sup> housing an estimated 3,000 Soviet intelligence specialists. With

respect to military support, between 1961 and 1991, Russia provided Cuba with an estimated \$16 billion in arms, including T-55 and T-62 tanks; anti-aircraft defenses; MiG-29, MiG-23, and MiG-21 fighters; Mi-24, Mi-17, Mi-8, and Mi-14 helicopters, among other equipment.<sup>146</sup>

Russia's withdrawal from the region in 1989 created significant financial hardship for Cuba for which it was able to compensate only partly through help from the PRC. Nonetheless, Russia's withdraw left lingering resentment within the Cuban leadership.<sup>147</sup> With the election of Putin to the Russian Presidency, the country began cautiously to rebuild its ties with Cuba. Putin visited the country in December 2000, and in September 2004, Russian Foreign Minister Lavrov made a visit to the country.<sup>148</sup> Reciprocally, in December 2006, Cuban Foreign Minister Felipe Perez Roque visited Russia.<sup>149</sup>

When Russia began the current stage of its re-engagement with Latin America in 2008, it featured Cuba prominently in its outreach, alongside of Nicaragua and Venezuela, as noted previously. Russian President Medvedev made a point to visit Cuba, although only for 1 day, during his November 2008 Latin America trip and met with both President Raul Castro and his brother, Fidel.<sup>150</sup> Raul Castro reciprocated with a trip to Russia 2 months later, in January 2009, 22 years after the last visit by a Cuban president to the country, that of his brother, Fidel.<sup>151</sup>

Despite such activity, Cuba's embrace of Russia's re-engagement with the region in 2008 was subtly less enthusiastic than that by Venezuela and Nicaragua, arguably reflecting lingering resentment over the economic hardship caused by Russia's precipitous withdraw from the region in 1991. By contrast to

Venezuela and Nicaragua, Cuba did not follow Russia and diplomatically recognize the republics of Abkhazia and South Ossetia in August 2008 when they broke away from Georgia.<sup>152</sup> Similarly, it was Venezuela, rather than Cuba, that initially hosted the two Russian Tu-160 bombers when they deployed to the region in September 2008. Nor did Cuba participate in the naval exercise which Venezuela and Russia conducted in the Caribbean, although the flotilla did make a port call in the Port of Havana, Cuba, following conclusion of the exercise.<sup>153</sup>

As Russian re-engagement with the region continued in the years which followed, Cuba continued to play an important role. Following his departure from the Russian presidency in May 2012, Medvedev paid a new visit to Cuba in February 2013, this time as Prime Minister. When Putin traveled to the region in 2014 in the context of the escalating crisis in the Ukraine, he made Cuba the first stop on his trip.<sup>154</sup>

With respect to military cooperation, since 2008, Cuba has consistently been included in virtually all Russian deployments to the region, although typically with Venezuela playing the leading role. Because of its proximity to the United States, Cuba has also repeatedly played a role as host for the real and proposed positioning of Russian military assets in the region, as well as being the recipient of modest quantities of new Russian arms and military-to-military personnel and training interactions.

Beyond such temporary deployments and with Cuba's proximity to the United States, the nation may be resuming its Cold War role as host for Russian collection of signals intelligence (SIGINT) against the United States. In February 2014, as the crisis in the Ukraine escalated, the Vishnya-class Russian SIGINT

ship *Viktor Leonov* (SSV-175) conducted operations in the Caribbean, then made a port call in Havana harbor.<sup>155</sup> With respect to land-based SIGINT facilities, in July 2014, Russia indicated that it would re-activate and send personnel to the facility at Lourdes, Cuba, just 155 miles from the United States, which it used to monitor the United States during the Cold War.<sup>156</sup>

Beyond intelligence collection, Cuba has also been mentioned by Russia as a candidate for the servicing, or even basing, of offensive military assets. In March 2009, Chief of Staff of Russia's long range aviation Major General Anatoly Zhikharev captured the attention of the international press when he spoke publicly of the possibility of using Cuba (in addition to Venezuela), as a base for Russian military aircraft. Russian defense officials quickly qualified his remarks, saying that the General had been speaking only hypothetically.<sup>157</sup> Although Zhikharev's comments were not followed up by concrete action, the theme re-emerged in February 2014, when Shoigu indicated that Cuba was one of three Latin American countries (the other two being Venezuela and Nicaragua) in which Russia was considering facilities to receive and resupply its warships and other military assets.<sup>158</sup>

With respect to post-2008 arms sales, Moscow is helping Cuba to maintain and upgrade its legacy Cold War era Russian military equipment. In 2011, for example, Russia built an assembly line for the production of 7.62-mm rounds for Kalashnikov rifles at the Che Guevara weapons factory in the eastern part of the country, after having constructed a similar facility in Venezuela.<sup>159</sup> The nation has also resumed gifts and sales of arms on credit to Cuba. In April 2013, for example, Gerasimov visited the country and announced that Russia would give Cuba a \$650 million

credit for the purchase of eight military aircraft: two Tupolev Tu-204s, three Antonov An-158s, and three Ilushyn-96-400 aircraft.<sup>160</sup> In December 2013, Russia announced that it was restructuring Cuba's \$35 billion Cold War debt,<sup>161</sup> with Russian President Putin finalizing the write-off of all but \$3.5 billion during his July 2014 visit to Havana.<sup>162</sup>

Russia and Cuba are also collaborating in various strategic technology areas. For a number of years, Russia and Cuba have collaborated in the area of medical research,<sup>163</sup> including biotechnology.<sup>164</sup> During Putin's July 2014 visit to the region, Cuba also agreed to host ground facilities for the Russian GLONASS (Global Navigation Satellite System), which competes with the U.S.-based global positioning system (GPS).<sup>165</sup>

With respect to other types of commercial cooperation, Cuba-Russia ties have been more modest than suggested by the history of close military and political cooperation between the two countries. Russia-Cuba trade was almost \$179 million in 2013, ranking it 15th among Russia's trading partners in Latin America, and less than a 10th of Cuba's \$1.88 billion in trade with China.<sup>166</sup> Of the Russia-Cuba trade, all but \$32 billion were Cuban imports of products from Russia.<sup>167</sup> According to the UN COMTRADE database, 27 percent of those Russian exports to Cuba in 2013 was equipment for nuclear reactors, 24 percent was vehicles (cars, trucks, buses, and motorcycles), and 11 percent was railway equipment, followed by rubber goods and electrical machinery.<sup>168</sup> At the individual firm level, Russian companies are present in the Cuban gas and oil sector, the electricity sector, logistics and construction, the Cuban nickel industry, sugar refining, and tourism among others. Cuba also hosts Russian-Cuban and Cuban-Russian business councils.

During 2008 to 2014, Russia expanded its presence in the Cuban petroleum sector, with the Russian firms Gazprom and Rosneft drilling for oil in the Gulf of Mexico.<sup>169</sup> The Russian firm Zarubezhneft is also present, drilling in the Boca de Jaruco oilfield in cooperation with Cuba's state oil company Cupet.<sup>170</sup>

With respect to other infrastructure projects, Russia has also agreed to fund the construction of four 200 megawatt power stations to boost capability at the Cuban Maximo Gomez and East Havana thermoelectric power plants, with the work to be done by the Russian firm Inter Rao.<sup>171</sup> Russian companies are also participating in the construction of a new international airport at San Antonio de los Baños.<sup>172</sup> They are also reportedly involved in upgrading the port of Mariel,<sup>173</sup> which Cuba hopes to turn into a major logistics hub, with potential investment from Russian and other companies in the special economic zone associated with the port.<sup>174</sup>

For years, going back to the Soviet period, Russian purchases of Cuban sugar have also been an important part of the relationship between the two countries.<sup>175</sup> Nonetheless, although the Cuban government has sought foreign investment in its sugar industry, to date, Russian companies have not sought to participate in the sector.<sup>176</sup>

With respect to tourism, Cuba has long been a favored destination for Russians seeking to escape their nation's cold climate, with an estimated 70,000 Russian tourists visiting Cuba in 2013.<sup>177</sup> Yet, in recent years, Russia has been engaged in negotiating visa-free access to other countries in the Caribbean and Latin America, to facilitate travel by its citizens to a broader array of tourist destinations.

## Guyana.

Russian activities in Guyana have principally concentrated on the bauxite mining, although the Russia-Guyana relationship also reflects the political legacy of Russian courtship of Guyanese leftists during the Cold War. The People's Progressive Party (PPP), under which Guyana achieved independence from Great Britain, was significantly left-of-center, and Cheddi Jagan, one of its two founding fathers, was openly Marxist, defying the United States to maintain relations with Cuba after that country's revolution in 1959. Afro-Guyanese independence leader Forbes Burnham, who came to power after Jagan, openly courted the Soviet Union for loans and fostered ties between his People's National Congress (PNC) and the Soviet Communist Party.<sup>178</sup>

The continuity of the Russia-Guyana relationship from the Cold War period to today can be seen in Guyana's most recently retired President, Bharat Jagdeo. Jagdeo, who still is believed to exercise considerable influence in his country, also has personal ties to Russia, having studied economics there, receiving a degree from the People's Friendship University of Russia in 1990.<sup>179</sup> In February 2010, Jagdeo made a politically charged, albeit little recognized, state visit to Russia in which he spoke warmly of his host and openly invited Russia to expand its presence in the Caribbean.<sup>180</sup>

In terms of Russia's commercial relationship with Guyana, the International Monetary Fund lists trade between the two countries as negligible, with less than \$1 million in imports to, and exports from, the two countries in 2013.<sup>181</sup> Bauxite dominates the Russia-Guyana trade relationship, with 95 percent of Guya-

nese exports to Russia in 2013 categorized as mineral ores, followed by a small quantity of animal products and textiles. Reciprocally, 60 percent of Russian exports to Guyana were rubber products; 18 percent, iron and steel; and 8 percent, vehicles (cars, trucks, buses, and motorcycles).<sup>182</sup>

Since the 1970s, the Soviet Union, and now Russia as its successor, have purchased Guyanese bauxite.<sup>183</sup> The physical presence of Russian companies in Guyana's bauxite sector, however, dates to 2004, when the mining company Russia Aluminum (RusAl) signed a joint venture agreement with the Guyanese government to conduct mining operations in the country, creating the Bauxite Corporation of Guyana (BCGI). In 2006, RusAl acquired Guyana's state-owned Aroaima Mining Company,<sup>184</sup> transforming BCGI into a subsidiary of RusAl. Following RusAl's consolidation of control over Guyana's bauxite assets and a 2007 visit to Russia by President Jagdeo, Russia also sent a team to evaluate possible construction of a hydroelectric facility to support the processing of the bauxite ore,<sup>185</sup> although the plans did not result in a concrete project. RusAl's relationship with the Guyanese community since establishing itself in the country have been difficult, with multiple strikes and a decision by BCGI to "de-recognize" the Guyana Bauxite & General Workers Union (GB&GWU), with whom it had been negotiating.<sup>186</sup>

Although Russia has not highlighted its relationship with Guyana as part of its relationship with Latin America, it has continued to focus attention on Guyana in recent years. This includes the write-off of \$56.7 million in Guyanese debt to Russia in February 2013.<sup>187</sup>

## Jamaica.

As a fellow part of the Caribbean basin, the history and nature of Jamaica's relations with Russia resemble those of Guyana, as described earlier. Although the Jamaican socialist government of Michael Manley, who came to power in 1972, developed friendly relations with Cuba and, to some degree, the Soviet Union,<sup>188</sup> a relatively deeply rooted and widespread spirit of anti-Communism inhibited closer USSR-Jamaica relations during the Cold War, and left Russia with a very limited base upon which to build relations today.<sup>189</sup>

The contemporary Russia-Jamaica commercial relationship is dominated by bauxite. The International Monetary Fund recorded only \$93 million in trade between the two countries in 2013, of which almost all was Jamaican exports to Russia.<sup>190</sup> Correspondingly, 99 percent of these exports were categorized as inorganic chemicals, presumably bauxite.<sup>191</sup> The physical presence of Russian companies in the Jamaican bauxite sector began in 2007 when RusAl merged with its smaller rival, the Siberian Urals Aluminum Company (SUAL), as well as the aluminum assets of the multinational Glencore, to form a new company United RusAl with a 65 percent stake in the Jamaican company Aluminum Partners (Alpart), as well as a 93 percent stake in the West Indies Alumina Company (Windalco).<sup>192</sup>

Russian bauxite operations in Jamaica experienced difficulties almost from the beginning. With the fall in global aluminum prices in the late-1990s, United RusAl was forced to scale back its Jamaica operations, shutting down its Kirkvine and Alvine facilities in March 2009,<sup>193</sup> and closing Windalco in March 2010.<sup>194</sup> Nonetheless, the company also took advantage of the depressed market to expand its position in the sector,

buying out the 35 percent stake that its Norwegian partner, Norsk Hydro, had in the Alpart project,<sup>195</sup> while also acquiring the Jamaican government's 7 percent stake in Windalco in 2014,<sup>196</sup> forgiving debts owed to RusAl by Jamaica, in exchange its equity in Windalco.<sup>197</sup>

As in Guyana, RusAl's perceived heavy-handed style in managing its bauxite operations in Jamaica gave rise to some political tensions in the country. In June 2014, the government threatened to strip RusAl of its concession in the Kirkvine and Alvine refineries if they did not resume operations.<sup>198</sup> Nonetheless, beyond the issue of its plant closures, RusAl's relationship with Jamaican society has generally been positive. Following practices common among other multinational companies operating in the country, the company employed Jamaicans in management positions, and built up goodwill with its workers and the surrounding community by providing public works and social benefits.<sup>199</sup>

Beyond mining, Russia's relationship with Jamaica has also focused on tourism. In 2012, the two countries agreed to establish nonstop flights.<sup>200</sup> An estimated 10,000 Russian tourists traveled to Jamaica in the first 8 months following the start of the flights in 2013, a 644 percent increase over the same period during the prior year.<sup>201</sup> Nonetheless, the number of Russian tourists traveling to the country continues to be low.<sup>202</sup>

## **Ecuador.**

Although Russia's relationship with Ecuador has not been as high-profile as that with other ALBA countries such as Venezuela and Nicaragua, it has maintained a modest but important relationship with

Ecuador across a range of activities and sectors including military cooperation, petroleum, infrastructure construction, banking, and even nuclear power. As with other parts of Latin America and the Caribbean, Russia began to expand its relationship with Ecuador in November 2008, the wake of tension with the United States over the crisis with Georgia. During that month, Ecuadorian President Rafael Correa met in Caracas with his Russian counterpart, Medvedev, who had traveled to Venezuela to participate in a summit of ALBA countries. In October 2009, Correa followed up by traveling to Moscow (the first time an Ecuadorian leader had ever done so),<sup>203</sup> and returned for a second time in October 2013.<sup>204</sup> To date, however, neither Russian President Putin, nor his predecessor, Medvedev have visited Ecuador.

With respect to military interactions, Russian arms sales to Ecuador begun later than those to neighboring Peru and Colombia. One of Russia's first major end item sales to Ecuador was a \$22 million transaction, selling 2 Mi-17Es to the Ecuadorian air force,<sup>205</sup> with the contract signed during Ecuadorian President Correa's October 2009 trip to Moscow, and delivered in January 2011.<sup>206</sup> During Correa's second trip to Moscow in October 2013, Russia sought to expand military cooperation, offering a \$200 million loan for the purchase of additional Mi-17s and other equipment.<sup>207</sup>

With respect to Russia-Ecuador commercial relations, the two countries registered \$1.28 billion in trade in 2013. Indeed, Ecuador was also one of the few Latin American countries to enjoy a significant trade surplus with Russia, with \$1.13 billion in exports to the country, vice \$150 million in imports from it that year.<sup>208</sup> According to the UN COMTRADE database, 99 percent of Ecuador's exports to Russia were concen-

trated in four categories: fruit (68 percent of the total), live trees and plants (23 percent), seafood (4 percent), and miscellaneous edible items (4 percent). Similarly, 90 percent of Russian exports to Ecuador fell into four categories: mineral fuels and oils (49 percent), fertilizers (23 percent), iron and steel (11 percent), and cereals (7 percent).<sup>209</sup>

With respect to specific projects, the Russian company Gazprom is present in the oil sector, with a contract to operate in Block 6 in the Gulf of Guayaquil, including a commitment to invest a total of \$1.5 billion to develop it.<sup>210</sup> Russian energy firms and banks currently play a role in the renovation of Ecuador's electricity production and transmission infrastructure (although Chinese banks and companies dominate the 10 projects currently underway). Two ongoing initiatives, are partially financed by Russia's Ex-Im bank and include the supply of components by the Russian firm Inter Rao: (1) the \$1 billion Cardenillo power plant in the province of Azuay (with a contract signed in 2014, and work on the \$528 million facility begun in 2011);<sup>211</sup> and (2) a \$195 million thermoelectric power plant.<sup>212</sup> The Ecuadorian government has also publicly expressed on multiple occasions its interest in developing a nuclear power capability with Russian support, including a 2009 agreement between the two countries,<sup>213</sup> as well as a visit to Ecuador by the Russian atomic energy agency, Rosatom.<sup>214</sup>

Nor has Russia-Ecuador cooperation been limited to energy and military cooperation. When Ecuadorian President Correa and Russian President Putin met in October 2013, they discussed an estimated \$1.5 billion in collaborative projects, including a 1,800-mile rail link from the capital city of Quito in the Andes Mountains, to the Pacific Ocean. As with Russia and

Venezuela, there has also been financial cooperation between Russia and Ecuador in support of commercial projects, with Ecuador's central bank and Russia's Vnesheconombank signing a cooperation agreement in June 2012.<sup>215</sup>

As with Mexico and other countries, when Russia suspended agricultural purchases from the United States and the EU, Ecuador was one of the Latin American countries which expanded its own exports to Russia to make up the difference.<sup>216</sup>

### **Colombia.**

The close U.S.-Colombian relationship under Colombian President Alvaro Uribe has arguably inhibited Russia's cautious engagement with the country, yet Russia, nonetheless, continues to maintain low-level military and economic interactions with Colombia, while its current President, Juan Manuel Santos, has indicated some desire to expand the Russia-Colombia relationship.<sup>217</sup>

At the political level, Russia and Colombia's mutual lack of emphasis on their relationship is illustrated by the fact that in recent years, no Colombian president has traveled to Russia, nor has a Russian president visited Colombia. Yet, Russia has indirectly indicated its interest in the country. According to a Colombian source, between approximately 2012 and 2014, the Russian embassy in that country doubled its size to approximately 25 persons. In the context of Colombia's close relationship with the United States in the post-Cold War era, Colombia has generally perceived Russia as a threat, due to its association with leftist governments surrounding the country (including Venezuela, Ecuador, Cuba, and Nicaragua), as

well as for its presumed support during the Cold War era to groups fighting against the Colombian government, such as the *Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary Armed Forces of Colombia or FARC).<sup>218</sup>

On the other hand, Russia has, at times, also been a vehicle through which Colombia has sought to offset its dependence on the United States. The country's first major military acquisition from Russia, for example, dates to 1996, when the government of Colombian President Samper became angry with the United States for decertifying his government on the issue of counterdrug cooperation (and for having blocked him from entering the United States because of his alleged drug ties). Samper turned to Russia to acquire Mi-17 military transport helicopters.<sup>219</sup> In 1997, Colombia signed a \$42 million contract for 10 Mi-17s,<sup>220</sup> eventually acquiring a total of 24 of the helicopters, as well as Antonov-32 high-wing transport aircraft. Although the acquisition created an opening for sending Colombian pilots and other personnel to Russia for training on the new systems. Although the Russians initially established a presence in Colombian bases such as Tolimaida for the maintenance of Russian-made helicopters and aircraft, in recent years such activities have been outsourced to the Colombian company, *Vertical de Aviación*.<sup>221</sup>

In a similar fashion, the Colombian air force does not own the Russian Antonov-32 aircraft that it uses, but rather leases them. Although Russian aircraft are generally well regarded by Colombian officers for the simplicity of their maintenance under harsh field conditions, the Colombian military has reportedly been reluctant to acquire more Russian equipment. One reason, according to Colombian defense experts, is to

avoid complicating the logistics system, since acquiring Russian equipment would introduce more complexity into the nation's logistics system. Arguably, this would create difficulties in interoperability with the United States and other allies, a consideration that is becoming increasingly important to Colombia as it expands its role in multilateral international missions such as UN peacekeeping.<sup>222</sup>

Besides aircraft, Colombia is reportedly also producing Russian BTR-80 armored vehicles under license. However, the role of Russian companies and personnel in this activity is not clear.<sup>223</sup>

With respect to Colombia-Russia military-to-military personnel interactions and leadership interactions, the most significant event in recent years was the 2008 trip by then-Colombian Defense Minister Juan Manuel Santos to Moscow to attend an Interpol conference. Indeed, the visit was the first time that a Colombian defense minister had traveled to Russia.<sup>224</sup> Beyond the Santos visit, a small number of Colombian officers have traveled to Russia for special forces and other training, yet by contrast to the number who are regularly sent to the PRC National Defense University in Changping, China, no Colombians in recent years have been sent to Russia's senior staff academy.

In general, Russia has cautiously explored opportunities to improve its relationship with Colombia when they have presented themselves. According to a Colombian source, during the 2013 U.S. budget crisis, the U.S. Government informed Colombia that it might have to cut approximately \$50 million in security assistance programs from the country, prompting Russia, and later the PRC, to offer to fill the deficiency if the Colombian government wished.<sup>225</sup> According to the same source, the Colombian government did not pursue the offer.

Russia's sales of a significant quantity of arms to neighboring Venezuela is viewed with concern, more because of Venezuelan instability than because of a perceived credible offensive capability by the Venezuelan military against its Colombian neighbors. Similarly, Colombians are concerned by the previously mentioned plans announced in February 2014 by Shoigu to re-establish military facilities in Cuba, Venezuela, and Nicaragua,<sup>226</sup> as well as Russia's reoccupation of the electronic surveillance facility at Lourdes.<sup>227</sup> These actions are collectively perceived as a strategic encirclement of pro-U.S. Colombia by Russia through its allies Cuba, Nicaragua, Venezuela, and Ecuador. Indeed, the November 2013 invasion of Colombian airspace by two Russian bombers was seen in Colombia as signs of Russian hostile intent, reinforcing the message sent by Russia's deployment of nuclear-capable bombers and warships to the region in 2008.<sup>228</sup>

Beyond military affairs, Russia-Colombia non-governmental narcotics and other criminal ties are a growing concern. The current presence of the Russian mafia in Colombia is believed to be less than during the 1990s at the high-point of power of the Cali and Medellin cartels. Incidents suggesting ongoing activity by Russian criminal groups in Colombia include the 2013 murder of a Russian businessman under mysterious conditions in Barrio Kennedy locality of Bogota, as well as the implication of Russians in the supply of components for an operation constructing narco-submarines near Buenaventura. Colombia is also believed to be the principal source of cocaine for the Russian market, which is believed to be expanding.<sup>229</sup>

In terms of trade and investment, Russia's ties with Colombia are very modest. In 2013, Russia-Colombia bilateral trade was a mere \$382 million, making

Colombia Russia's 12th largest trading partner in the region. This volume was also insignificant in comparison to Colombia's \$10.5 million in bilateral trade with the PRC that year, or even its \$5.2 million in 2013 trade with India.<sup>230</sup> With respect to the composition of the trade, according to the UN COMTRADE database, in 2013, 64 percent of Colombian exports to Russia were "live trees and plants" (presumably flowers), followed by 11 percent "miscellaneous edible preparations," 7 percent coffee, and 5 percent "edible fruit." In a pattern seen in Russian engagement with other countries in the region, Russian exports to Colombia were dominated by fertilizers (46 percent), mineral fuels and oils (12 percent), iron and steel (11 percent).<sup>231</sup> There have been attempts at the official level to strengthen such interactions, including the Colombian-Russian Intergovernmental Commission on Economic, Trade, Scientific and Technological Cooperation,<sup>232</sup> but thus far with minimal impacts.

With respect to specific projects, one Russian company in the petroleum sector, Lukoil, had a significant presence in Colombia, but withdrew from the country in 2012. While the official reason given was that it needed funds to develop a new oil find in the Middle East,<sup>233</sup> another contributing factor may have been extortion demands and other difficulties that Lukoil experienced in its area of operation.<sup>234</sup> In 2012, the Russian energy company TNK, also considered investing in Colombia,<sup>235</sup> but did not pursue its interest.

In the mining sector, as in petroleum, Russian interests are reportedly conducting exploratory operations in the east of the country near the Venezuelan border, but without a major formal presence to date.<sup>236</sup> For the Russians, one of the minerals of interest is coltan, used in modern smartphones, and believed to be mined and sold in small quantities by the FARC.

Russia also had hopes of marketing a number of energy projects in Colombia, including the construction of hydroelectric power facilities by companies such as Inter Rao, as well as the sale of nuclear reactors. To date, such major projects have not gone forward.

On the other hand, because of the crisis, Russia reportedly engaged in conversations with Colombian agriculture producers about purchasing meats and other products to compensate for European sources of supply lost because of sanctions and increasing tensions over the Ukraine. Nonetheless, as of the time of this writing, no major expansion of Colombian food exports to Russia had occurred.

## **Peru.**

Peru today is one of Russia's most important arms buyers and military partners in Latin America. It has also maintained a significant political relationship with Russia in the contemporary period, although one which has received less scrutiny than Russia's relationships with the ALBA regimes.

With respect to political interactions, Russian President Medvedev included Peru as one of four stops in his November 2008 trip to Latin America, designed to highlight Russia's re-engagement with the region. Almost 4 years later, in September 2012, Peruvian President Ollanta Humala met with his Russian counterpart, Putin, during the APEC leaders' summit in Vladivostok, Russia.<sup>237</sup> The two met again in July 2014 in Brazil, when Putin's presence there for the BRICS summit coincided with Humala's visit to the country for the CELAC forum.<sup>238</sup> Four months later, in November 2014, Humala made a state visit to Russia en route to the APEC summit in China, meeting with his coun-

terpart, Putin. In doing so, Humala made history as the first Peruvian president ever to visit Russia.<sup>239</sup>

One of the cornerstones of the Peru-Russia relationship for more than 40 years has been military ties. The legacy of Russia's presence in Peru dates to the populist military regime of General Juan Velasco Alvarado (1968-75), who pursued a quasi-socialist policy during his time in power, nationalizing many key industries, and turning to Russia as the principal supplier of Peruvian military hardware. Much of the now aging equipment in Peru's military inventory dates to this period, including 280 T-55 tanks (of which 50 remain in service), as well as an Mi-8 helicopter, 30 BRDM-2 armored cars, 12 BTR-60 armored personnel carriers, 24 BM-21 GRAD, and two BM-13 multiple launch rocket vehicles. Nonetheless, purchases of Russian equipment continued after the end of the Velasco regime, including the acquisition of 24 MiG-29 fighter aircraft in 1996 by the government of Alberto Fujimori,<sup>240</sup> as well as Su-25 ground support aircraft and Mi-25 attack helicopters,<sup>241</sup> among other systems. The legacy of collaborating with Russia remains particularly strong today among senior officers in the Peruvian Army, many of whom studied in the country as part of military exchange programs.

As Russia began re-engaging with Peru in the post-2008 period, it leveraged the abundance of Cold War era Russian military hardware in the Peruvian inventory, as well as the goodwill within the senior Peruvian Army leadership toward Russia, to win new military contracts and rebuild relations. The new acquisitions included a \$106 million contract signed in August 2008 for the upgrade of Peru's aging fleet of Mig-29s,<sup>242</sup> of which 19 are still in service,<sup>243</sup> with subsequent commitments for up to \$400 million more in

aircraft upgrades.<sup>244</sup> The country also won a contract to maintain and restore aging Russian helicopters. In October 2012, four aging Mi-25 attack helicopters were restored to service by Russian maintenance personnel as part of this program.<sup>245</sup>

In 2010, following the Peruvian government's difficulties with the acquisition of Chinese-made MBT-2000 tanks,<sup>246</sup> its army decided to acquire six Mi-171 and two Mi-35 P helicopters in support of operations in Apurimac and Ene River Valley (VRAE), site of operations by the terrorist group, *Sendero Luminoso*. In December 2013, the Peruvian military signed a contract to acquire an additional 24 Mi-171 helicopters in a contract valued at \$528 million, in support of increasing the mobility of its forces operating in the region.<sup>247</sup> The contract also included \$180 million in offsets in support of Peru's economy and defense sector, including the co-production of parts,<sup>248</sup> and the construction of a base to maintain the helicopters near the Peruvian Air Force Base in the La Joya district of Arequipa.<sup>249</sup>

By 2013, Russian military sales to Peru were advancing on all fronts. Highlighting the importance of the relationship for Russia, Shoigu made Peru one of two stops in his October 2013 visit to the region, with the other being Brazil.<sup>250</sup> During the visit, there were discussions of the sale of 110 T-90S tanks to Peru to replace the country's aging stock of Russian T-55s, as well as a possible factory for the manufacture of military and civilian trucks by Russian manufacturer Kamaz, although both transactions were subsequently postponed until after the 2016 Peruvian national elections.<sup>251</sup> In October 2013, Peru was also evaluating the purchase of the Russian BTR-80 armored personnel carrier, although as of the time of this writing, the sale had not gone forward.<sup>252</sup> Similarly, the Peruvian

army entered discussions concerning the acquisition of Russian man-portable Igla air defense munitions to replace their aging stock of Pechora missiles.<sup>253</sup> Beyond military sales, Russia has also begun to expand significantly its military education cooperation with Peru, offering in 2012 to sponsor 200 Peruvian military officers who would study in Russian universities.<sup>254</sup>

Paralleling initiatives in Nicaragua, in May 2012 Russia also announced a new counterdrug cooperation initiative with Peru.<sup>255</sup> In March 2013, as part of that effort, director of the Russian Antinarcotics State Committee Victor Ivanov presented a counternarcotics action plan to Peruvian President Ollanta Humala, including not only the training by Russians of Peruvian police antinarcotics units, but also the planning and execution of “joint strategic operations.”<sup>256</sup>

By contrast to the substantial level of Peru-Russia political and military engagement, economic ties between the nations are relatively modest. As of 2013, Peru was Russia’s 11th largest trading partner in the region, with a mere \$403 million in bilateral trade. With respect to Russian exports to Peru, mineral fertilizers comprise over 50 percent. Reciprocally, approximately 54 percent of Peruvian exports to Russia were agricultural products, while 41 percent were mining products.<sup>257</sup>

Peru and Russia have also collaborated in the space arena. In November 2013, Russia launched two Peruvian microsatellites into low earth orbit, PUCP-Sat 1 and Pocket PUCP, from the Russian Yasny cosmodrome.<sup>258</sup> In addition, as with a number of other Latin American states, Peru is reportedly investigating the use of the Russian GLONASS satellite navigation system (a rival to the Western system GPS).<sup>259</sup>

In the energy sector, Russian companies have played a modest role in Peru, with the Russian petroleum company Gazprom reportedly interested in participating in the construction of a new gas pipeline, as well as a possible liquid natural gas compression plant in the country.<sup>260</sup> Beyond petroleum, Russia and Peru have also had some discussions regarding nuclear power, including a visit to Peru by representatives of Rosatom in March 2013, as well as the inclusion of the topic during a state visit by Humala to Russia in November 2014.<sup>261</sup>

In the energy and construction sectors more broadly, the Russian companies Inter Rao and Power Machines have reportedly been pursuing work in Peru,<sup>262</sup> but to date, no major projects have emerged. During his November 2014 trip to Moscow, Russian President Putin met with the head of Russia's state-run company Russian Railways, Vladimir Yakunin, to discuss Russian participation in a planned transcontinental railroad link across Brazil and Peru,<sup>263</sup> although to date the Chinese have been the principal drivers of the project.

In May 2014, Peru and Russia also launched talks for a free trade accord,<sup>264</sup> with negotiations still in progress at the time of this writing.

## **Brazil.**

Both economically and more broadly, Brazil is arguably Russia's most important partner in the region, although in specific areas, Russia's partnerships with countries such as Venezuela, Cuba, Nicaragua, and Peru may overshadow the relationship with Brazil. With respect to Russia-Brazil political engagement, the two nations have a special partnership which, by

contrast to Russia's other relationships in Latin America and the Caribbean, goes beyond the region in both its political and economic scope. Indeed, the "global" nature of the partnership was manifested in the "Strategic Alliance Agreement" signed between those two states in October 2005,<sup>265</sup> as well as the membership of both in the BRIC forum (established in 2006 and later renamed "BRICS" to include South Africa).

Interactions between Russian and Brazilian leaders in recent years has been regular, both as part of, and independent from, the BRICS forum. Russian President Medvedev included Brazil in his four-nation trip to Latin America in November 2008, then returned to Brazil in April 2010 when the BRIC forum was hosted in the country, then returned again in March 2013 as Prime Minister.<sup>266</sup> More recently, Russian President Putin traveled to Brazil in July 2014 to attend the BRICS summit in Fortaleza, making it the cornerstone of his own four-nation Latin America trip. Brazilian President Dilma Rousseff interacted with her Russian counterpart, President Putin, during her attendance at the G-20 summit in St. Petersburg, Russia, in December 2012.<sup>267</sup>

The political nature of the interaction between Russia and Brazil was further highlighted in March 2014, when Brazil abstained from its criticism of Russia in a key UN vote over the activities of the latter in Crimea.<sup>268</sup> By contrast to fellow BRICS partner China, Russia explicitly supports Brazil's candidacy for a permanent seat on the UN Security Council.<sup>269</sup>

With respect to military interactions, Russia has placed great emphasis on Brazil as an arms market, with \$306.7 million in arms sales to Brazil between 2008 and 2012. Russian arms sales to Brazil include a \$150 million<sup>270</sup> contract in 2008 for 12 Mi-35 attack

helicopters, the last of which were delivered at the end of 2014,<sup>271</sup> as well as an agreement in 2012 to sell Brazil seven Ka-62 medium transport helicopters.<sup>272</sup> In support of Brazil's purchase of the Russian helicopters, Russian Helicopters, Inc. and the Brazilian firm Odebrecht signed an agreement in 2013 to establish a maintenance facility in Brazil to perform assembly, maintenance, repair, and overhaul operations on such helicopters.<sup>273</sup> Beyond these deals, Brazil's arms purchases from Russia also include negotiations for three batteries of the Pantsir-S1 truck-mounted air defense system, in a contract that could be worth \$1 billion.<sup>274</sup> In addition, Brazil has acquired other weapons from Russia, including the Igla-S man-portable anti-aircraft missile, many of which were delivered to Brazil in March 2010.<sup>275</sup>

In addition to such sales, Brazil is rumored to be interested in acquiring the new supersonic BrahMos missile, co-developed by Russia and India.<sup>276</sup> While such an acquisition would have a dramatic strategic impact on the region, it has not yet gone beyond the phase of general interest. In addition, Russian companies have been active participants in the annual LAAD defense expo which occurred in April 2015 in Rio de Janeiro, Brazil, as well as other military expositions in the region. In March 2014, the Brazilian firm Odebrecht and Russian firm Rostec signed an agreement on the sidelines of the FIDAE military air show in Chile.<sup>277</sup>

Despite such successes, Russia's advances in its defense relationship with Brazil have arguably been much less than hoped. Russia lost its bid, for example, to sell Brazil the Sukhoi-35 fighter as part of the country's FX-2 fighter modernization effort,<sup>278</sup> with Brazil ultimately choosing the Swedish Gripen NG.<sup>279</sup> Similarly, Brazil's acquisition of Mi-35 attack helicopters

was terminated in 2014 after the delivery of only the original 12 units. Russian difficulties in selling arms to Brazil have occurred in part, because the country has its own domestic arms industry which, in some sectors, competes with equipment that Russia would like to sell. As an example, in 2010, the Brazilian federal police entered into conversations with Rosoboronexport over the possible purchase of the GAZ-2975 Tigr light armored vehicle for use in riot control missions.<sup>280</sup> However, the sale was vetoed because it competed with a similar Brazilian-made vehicle, the Guarani. In a similar fashion, Russian interest in selling Brazil a nuclear submarine was also unsuccessful, reportedly because Russia was unwilling to transfer a sufficient amount of technology to the Brazilian defense industry.<sup>281</sup>

With respect to military-to-military personnel interactions and leadership visits, senior Russian officials periodically travel to Brazil, such as the October 2013 trip by Defense Minister Shoigu. Such contacts also include lower-level interaction, including training provided by Russian instructors in May 2010 in Brazil on the use of the then recently acquired Igla-S man-portable anti-aircraft missiles.<sup>282</sup>

With respect to the economic relationship between the two countries, as noted previously, Brazil is by far Russia's most important trading partner in the region, with its \$5.9 billion in bilateral trade with Russia in 2013, accounting for 31 percent of all Russian trade with the region for that year. The relationship is a trade surplus in Brazil's favor, with \$3.3 billion in Brazilian exports to Russia, and \$2.6 billion of Brazilian imports. A substantial portion of this trade on both sides is agricultural goods, with 94 percent of Brazilian exports to Russia comprised of agricultural

products, including beef and wheat,<sup>283</sup> and 65 percent of Russian exports to Brazil comprised by fertilizer, although Russia also exports significant quantities of metals and high tech machinery to Brazil as well.<sup>284</sup>

In the petroleum sector, Russian firms have very little presence in Brazil's newly developed offshore oil fields. One exception is Russian firm Rosneft<sup>285</sup> whose subsidiary TNK is involved in a joint venture the Brazilian firm HRT *Participacoes em Petróleo* in the Solimões river basin.<sup>286</sup> In addition, Gazprom reportedly has opened up a representative office in the country, with plans in investing in Brazilian offshore oil.<sup>287</sup> In mining, Russian companies such as RusAl and Ruroso are also relatively absent in Brazil. One of the few examples occurred in 2011, when the Russian mining and coal company OAO Mechel entered an \$800 million joint venture with Brazilian iron company Usina Sidurigica do Para.<sup>288</sup>

In energy, in Brazil, as in Argentina, Russia has sought to participate in the possible expansion of the nation's nuclear power generation capacity,<sup>289</sup> with the Russian commercial nuclear agency Rosatom signing a memorandum of understanding with the Brazilian private energy and construction firm Comarga Correa in July 2014 regarding the construction of a nuclear waste storage facility in Brazil and possible Russian participation in a future Brazilian nuclear reactor.<sup>290</sup> Reflecting the structural similarities between Russia and Brazil in select sectors, Russian construction companies have been unable to penetrate Brazil's electricity infrastructure market, where they have had to compete directly with capable, well-financed and well-connected Brazilian competitors such as Odebrecht. Nevertheless, undeterred, Russian companies have expressed hopes of playing a role in the con-

struction of hydroelectric and thermoelectric power facilities in the country.<sup>291</sup>

In the commercial aircraft sector, competition exists between Russian and Brazilian companies. Russia reportedly blocked the Brazilian company Embraer from access to the Russian private jet market because the commercial side of the Russian aircraft manager Sukhoi was afraid that Brazilian aircraft would compete with Sukhoi's candidate for the regional jet market, the "Interjet Superjet."<sup>292</sup> On the other hand, there are a number of Brazil-Russia partnerships in the manufacturing and technology sectors, including joint ventures by the companies Kaspersky Laboratories, Biocad, and Qiwi.<sup>293</sup>

Russian firms are venturing into Brazil's financial market, albeit in a limited fashion. In June 2012, for example, the Russian investment firm VTB Capital announced that it was cooperating with the Brazilian firm BTG Pactual to establish an investment presence in the Brazilian market.<sup>294</sup> Finally, as with other countries in the region, Brazil has positioned itself to benefit from Russia's suspension of agricultural purchases from European suppliers as tensions expanded over events in the Ukraine in the summer of 2014.<sup>295</sup>

## **Bolivia.**

As with the other countries of ALBA, Russia has enjoyed a close relationship with Bolivia in the post-2008 era, although arguably not as close as its relationships with Venezuela, Cuba, and Nicaragua, or even as close as its relationships with key non-ALBA partners such as Brazil and Peru. At the political level, Bolivian President Evo Morales traveled to Moscow in July 2013 for a forum of gas exporting countries,

where he met with his Russian counterpart, Putin.<sup>296</sup> Morales also met with Putin as part of a special dinner for visiting heads of state in July 2014.<sup>297</sup> Significant presidential level diplomacy also includes a 2009 trip to Russia by Morales to meet with President Putin's predecessor, Medvedev,<sup>298</sup> as well as a meeting between Morales and Putin in Caracas, Venezuela, in April 2011. Such interactions have also included ongoing lower-level visits such as the trip by Bolivian Foreign Minister David Choquehuanca to Moscow in May 2011.

On the other hand, unlike fellow ALBA nations such as Venezuela, it is of note that Bolivia did not diplomatically recognize the breakaway republics of South Ossetia and Abkhazia during the 2008 Georgia civil war. The country is also one of the few nations in the region to continue to require a visa for Russians to enter the country, although the procedure by which they request the visa upon arrival at a port of entry makes the requirement only pro forma. Russia-Bolivia engagement includes both military and commercial activities, yet to date, few major projects contemplated between Russia and Bolivia have gone forward on either front.

With respect to arms sales, from 2009, the Bolivian military was in discussions with Russia for the possible purchase of 10 Mi-17 transport helicopters,<sup>299</sup> as well as the acquisition from Russia of a \$30 million Antonov Business Jet (Antonov BJ)<sup>300</sup> to serve as the President's executive aircraft, (announced in September 2009) and a credit of \$250 million to cover the purchases.<sup>301</sup> As part of the deal, the two countries also discussed establishing a region-wide center for aircraft maintenance at Airbase 92, near the Bolivian city of Cochabamba,<sup>302</sup> although the plan never went

forward. In the end, neither the helicopter purchase nor the purchase of the Antonov business jet were realized. The Bolivian military reportedly decided that it did not have sufficient resources for the helicopters, while President Morales decided to purchase a Falcon 900EX (the type used by one of his favorite soccer teams, Manchester United) as his presidential aircraft.<sup>303</sup> Despite these setbacks, the foreign sales organization for Russian arms, Rosoboronexport, has had some successes in Bolivia. In March 2014, for example, a commission from the Bolivian government traveled to Russia to evaluate a more modest Russian offer to sell Bolivia two Mi-17s.<sup>304</sup> As with other nations in the region, Bolivia has maintained a regular interchange with senior Russian military officials, including an August 2013 trip to Bolivia by Deputy Chief of Staff of the Russian Armed Forces Major General Oleg Leonidovich Salukov.<sup>305</sup>

With respect to commercial interactions more broadly, Bolivia and Russia registered only a token \$17 million in trade in 2013.<sup>306</sup> Of Bolivian exports to Russia in 2013, 73 percent were inorganic chemicals, with almost the entire remainder composed of fruit and nuts. Reciprocally, 71 percent of Russian exports to Bolivia similarly were in the category of inorganic chemicals, with most of the remainder composed of paper products.<sup>307</sup>

As with other Latin American countries, Russia has also expressed interest in launching satellites for Bolivia as well as selling the country nuclear reactors.<sup>308</sup> To date, however, such projects have not gone forward.

In the petroleum sector, both Russian firms Rosneft and Gazprom have been active in the country. The relationship began to improve greatly in Decem-

ber 2008 when Gazprom signed a \$4.5 billion exploration agreement with the Bolivian government.<sup>309</sup> Also in December, Russia spent \$4 million on a study of the Bolivian gas industry, and later indicated its intention to open a joint Russia-Bolivia center for gas exploration.<sup>310</sup> Gazprom today has a joint venture in Bolivia with Total Oil to explore the Azero block, with a total pledged investment of \$130 million. Rosneft, for its part, committed to explore for petroleum in Bolivia in November 2013,<sup>311</sup> and in July 2014, during a meeting with Bolivian President Evo Morales in Brazil, Russian President Vladimir Putin reaffirmed that the company was still considering an investment in the country.<sup>312</sup>

In mining sector, Russian firms are reportedly interested in exploiting Bolivia's lithium deposits, concentrated in the Uyuni salt flats,<sup>313</sup> believed to be the largest in the world. To date, as with numerous other interested international actors, the Russians have not been successful in securing a concession from the Bolivian government to do so.

## **Argentina.**

Argentina historically has maintained a strong relationship with Russia as an economic, and, at times, a security partner, despite the country's history of tensions with Russia over its perceived support for leftist groups regarded as threats by the nation's military government.<sup>314</sup>

In the 1980s, when the United States suspended grain sales to the former Soviet Union, Argentina was one of the countries which significantly expanded the export of foodstuffs to the country to compensate for the loss.<sup>315</sup> Indeed, much of the export-oriented cereals sector in Argentina today is a product of the demand

for exports to the Soviet Union during that period. U.S. support for the British position in the 1982 war for control of the Falklands/Malvinas islands also reportedly strengthened ties between the Argentine military government and the Soviet Union.<sup>316</sup>

Argentina today is also the host of Latin America's largest population of ethnic Russians who immigrated to the country during the late-19th and early-20th centuries.<sup>317</sup>

The continuing importance of Argentina to Russia in the contemporary context was highlighted by then President Medvedev's stop in the country in April 2010 en route to attend the second BRIC summit in Brazil,<sup>318</sup> as well as inclusion of the country in Russian President Putin's July 2014 trip to the region.<sup>319</sup> The relationship has also included some political cooperation, in addition to military and economic ties. Argentina abstained, for example, on a 2014 UN vote condemning Russian activities in the Crimea. Reciprocally, President Putin indicated, during multiple visits on multiple occasions, support for Argentina's claim against Britain over the Falkland Islands.<sup>320</sup>

With respect to military cooperation, Russia has long sought to sell a broad array of arms to Argentina, including Mi-17 and Mi-35M helicopters, Igla man-portable missiles, high-speed missile boats and patrol craft, Buk-M1-2 and Tunguska air defense systems, military vehicles, and rifles.<sup>321</sup> Argentina's defense budget has been very limited in recent years, however. One of the few major purchases actually to occur was a 20 billion euro deal for five Mi-171 E-model helicopters with an associated package for maintenance and pilot training.<sup>322</sup> In 2012, Rosoboronexport announced Argentine interest in the follow-on purchase of three Kamov Ka-226T helicopters.<sup>323</sup> In the same year, Ar-

gentina also announced construction of a new ship with Russia for transportation to the South Pole.<sup>324</sup> In December 2014, the Argentine defense ministry signed an agreement to buy four Neftegaz-class supply vessels from the Russian state-owned enterprise Zarubezhneft in a deal valued at \$8.1 million.<sup>325</sup>

With respect to commercial interactions, Argentina was Russia's third most important trade partner in the region after Brazil and Venezuela, registering \$1.54 billion in bilateral trade in 2013. Of this amount, only \$334 million was Russian exports to Argentina, while \$1.21 billion was Russian imports from the country,<sup>326</sup> due to the importance of Argentina as a provider of foodstuffs to Russia. In 2013, 88 percent of Argentine exports to Russia were agricultural goods, with meat the leading category. Reciprocally, 65 percent of Russian exports to Argentina that year were mineral fuels; with another 22 percent, fertilizers; and 4 percent, components for the nuclear industry.<sup>327</sup>

With respect to specific nondefense projects, notable activity between the two countries have occurred in the space sector, nuclear and hydroelectric power, and petroleum, among others. In the field of space, in 2010, Argentina signed an accord that committed it to participation in Russia's GLONASS satellite navigation system.<sup>328</sup> In the nuclear power domain, Russian atomic energy agency Rosatom has expressed interest for a number of years in participating in helping Argentina to expand and modernize its nuclear power generation facilities.<sup>329</sup> In July 2014, during his visit to Argentina, Russian President Putin indicated that his country was participating in the bidding process for Argentina's next nuclear reactor, Atucha III,<sup>330</sup> although Argentina signed a \$2 billion agreement with China to finance the long delayed reactor just weeks after the Russian declaration.<sup>331</sup>

In the petroleum sector, Russian company Gazprom is working with Argentine state oil company Enarsa on the production of liquefied natural gas (LNG).<sup>332</sup> With respect to oil exploration and drilling operations, when the Argentine government nationalized the assets of Spanish company Repsol YPF, Russia was one of the countries that it approached to potentially take over the property.<sup>333</sup> In the end, however, the Argentine government contracted with the U.S. energy company Chevron, rather than Russian companies, to develop the concession.<sup>334</sup> In addition, Russian companies Gazprom, Rosneft, and Lukoil, along with other international players, have been invited by Argentine authorities to invest in the development of the Vaca Muerte shale oil fields, believed to be one of the largest in the region.<sup>335</sup> Although Russian activities in Argentina's petroleum sector was not a focus of Russian President Putin's July 2014 visit to Argentina,<sup>336</sup> Gazprom chairman Alexander Medvedev reportedly discussed the matter with a visiting Argentine trade delegation just 2 months later.<sup>337</sup>

Russian companies are also competing for a number of energy industry infrastructure projects in the country. Gazprom, for example, has expressed interest in participating in the construction of a \$1.5 billion gas pipeline between Argentina and Bolivia.<sup>338</sup> Separately, Russian firm Inter Rao is competing to build the Chihuido I and II hydroelectric facilities in the Argentine province of Neuquén with the backing of the Russian financial institution Gazprombank.<sup>339</sup> Inter Rao has already won a contract for the preliminary design phase of the \$2 billion Chihuido I facility.<sup>340</sup> The Russian firm Power Machines similarly played a role in the construction of the Caracoles hydroelectric plant, which opened in 2008, and in 2011, signed a con-

tract for the supply of equipment to the Punta Negra power plant.<sup>341</sup> Power Machines was further part of a consortium which sought a role in the construction of the Jorge Copernic and Nestor Kirchner hydroelectric facilities on the Santa Cruz River. The firm ultimately lost the bid to the Chinese Gezouba group.<sup>342</sup>

In agriculture, as with Brazil and other South American nations, Argentina has also sought to take advantage of Russia's suspension of agricultural purchases from Europe due to the escalating crisis in the Ukraine. In September 2014, Argentina sent a delegation to negotiate expanded meat exports to Russia.<sup>343</sup> Other Russian commercial interests in Argentina reportedly include interest by Russian truck producer Kamaz in the Argentine market,<sup>344</sup> as well as Energomashexport,<sup>345</sup> RusHydro,<sup>346</sup> and Russian financial firms including Sberinvest Russian Bank, Aterra Capital, and the Russian Direct Investment Fund.<sup>347</sup>

Russia-Argentina commercial engagement even involves the media. In October 2014, in a public ceremony, the Argentine President Cristina Fernández de Kirchner announced that Russia TV would be broadcast in Argentina as a free public channel.<sup>348</sup>

## **Paraguay.**

The Paraguay-Russia relationship traditionally has been dominated by Paraguayan food exports to Russia, and traditionally has not been overtly political. Although the nation has considered the purchase of Russian arms, including a 2011 Russian offer to sell six combat aircraft for its air force<sup>349</sup> and transport aircraft for its national police,<sup>350</sup> Paraguay has not yet bought Russian end items. Nor has there been a significant Russia-Paraguay military relationship.

With respect to commercial interactions, bilateral trade between Paraguay and Russia in 2013 was a modest \$269 million, making the nation Russia's 13th largest trading partner in the region. Virtually all Paraguayan exports to Russia during the year were agricultural products, with 57 percent of the total value being the export of meat.<sup>351</sup> Indeed, Russia has been the major purchaser of Paraguayan beef, accounting for 77 percent of the country's exports.<sup>352</sup> Reflecting the importance of the relationship, Russia even helped Paraguay to repair and modernize one of its meat processing facilities in 2012 to support Paraguayan beef exports to Russia.<sup>353</sup> Paraguay was one of the countries hoping to benefit from the suspension of Russian beef purchases from the United States and Europe in 2014.<sup>354</sup> Reciprocally, 95 percent of Russian exports to Paraguay in 2013 was fertilizer.<sup>355</sup>

Beyond agricultural trade, Russian nuclear energy agency Rosatom reportedly has visited the country multiple times, including an attempt to interest Paraguay in purchasing technology to develop its uranium into the refined material yellowcake, usable for nuclear reactors. To date, no public project has emerged from the talks.<sup>356</sup>

## **Uruguay.**

As with Paraguay, the most significant dimension of Uruguay's relationship with Russia has been exports of meat to Russia, although in 2013, the PRC replaced Russia as Uruguay's most significant extra-regional purchaser of beef.<sup>357</sup> In political terms, the Uruguay-Russia relationship has not included the amount of high-level contacts as other relationships mentioned in this monograph, although Russian President Pu-

tin did meet his Uruguayan counterpart, Jose Mujica, in Buenos Aires, Argentina, in July 2014, along with Venezuelan President Nicolas Maduro and Bolivian President Morales, in a special dinner sponsored by Argentine President de Kirchner.<sup>358</sup>

With respect to arms purchases, although Uruguay has limited resources to buy military hardware, Russia has sold some military items to the country. Uruguay was, for example, one of the first nations in the region to purchase the Russian Tigr light armored vehicle, with the Uruguayan national police acquiring three of the vehicles in 2011 as part of a force modernization program.<sup>359</sup> Uruguay also uses Russian Ural heavy-duty trucks in its military inventory, acquiring eight of these vehicles in August 2012.<sup>360</sup> In addition, in 2012, the Uruguayan police bought \$1.2 million in Russian small arms as part of that force modernization.<sup>361</sup> In addition to the Uruguayan police, as of late-2014, the nation's military was reportedly considering the acquisition of Russian Yak-130 training aircraft, and possibly Russian Saburov or Steregushchy class naval patrol vessels in a deal that would have included Uruguayan meat in barter as part of the transaction.<sup>362</sup>

With respect to the broader economic relationship, in 2013, Uruguay registered only \$166 million in bilateral trade with Russia in 2013, all but \$1 million were exports, the vast majority of them agricultural goods.<sup>363</sup> In 2013, 51 percent of Uruguay's exports to Russia were meat products, with dairy goods accounting for an additional 33 percent.<sup>364</sup>

With respect to nuclear energy, Uruguay has expressed interest in cooperating with Russia to develop a reactor for electricity generation.<sup>365</sup> To date, nothing has come of the initiative. In petroleum, Russian firm Gazprom has expressed interest exploring for oil and

gas off of the coast.<sup>366</sup> Lukoil has expressed a similar interest, but to date, nothing has come of these initiatives.<sup>367</sup> In the domain of agriculture, as with other countries in the region, Uruguay indicated in July 2014 its intention to expand such exports in lieu of Russia's suspension of food purchases from Europe.<sup>368</sup>

## **Chile.**

As one of the closest allies of the United States in the Southern Cone, Chile's interactions with Russia have been minimal.<sup>369</sup> Like many other nations in the region, during the Cold War, conservative Chilean military governments looked at Russia with suspicion due to its presumed support for leftist groups in their country.<sup>370</sup> Nonetheless, the return of Michelle Bachelet to the Chilean presidency in March 2014 with the backing of a far more left-of-center coalition has opened the door for a significant expansion of Chile-Russia engagement.

Prior to 2014, the most recent visit by a Russian president to Chile was Putin's trip to Santiago in November 2004 to meet with then-Chilean President Ricardo Lagos. With Bachelet's return to the Presidency enabled by left-of-center parties such as the Chilean Communist Party, however, the level and tempo of diplomatic interactions have increased markedly. Two months after Bachelet's March 2014 inauguration, Russian Foreign Minister Lavrov made an official visit to Chile.<sup>371</sup> Six months later, President Bachelet met with Putin on the sidelines of the APEC leaders' summit in Beijing, in a dialogue that Putin subsequently described as "intense."<sup>372</sup> The Bachelet-Putin meeting also produced a commitment for Chilean Foreign Minister Heraldo Muñoz to travel to Russia to follow-

up on issues raised by the presidential discourse.<sup>373</sup> Moreover, Bachelet has also reportedly invited Putin to visit Chile.<sup>374</sup>

With respect to military affairs, Chile's interaction with Russia historically has been minimal. In the domain of arms sales and associated training and maintenance contracts, Chile has consistently relied on U.S. and European military equipment. Indeed, one of the few Chilean purchases of Russian arms occurred during the Cold War era, when Chile's Marxist president Salvador Allende purchased DShK machine guns from the Soviet Union. Ironically, the weapons were used by the Chilean military in deposing Allende on September 11, 1973, including in the attack on the presidential palace, La Moneda.<sup>375</sup> More recently, in 2009, Chile announced its intention to acquire five Mi-17 helicopters from Russia in a contract valued at \$80 million, prompting the U.S. Secretary of Commerce to express his disillusionment in uncharacteristically negative terms.<sup>376</sup> Although Chile, like Brazil and Venezuela, reportedly has also been interested since 2008 in the BrahMos missile, jointly developed by India and Russia, there have been no specific announcement in the public domain about doing so.

With respect to military-to-military contacts, there have been almost no recent, high-level visits between Chilean and Russia defense officials. Nor have there been significant academic interchanges or joint exercises between the countries.<sup>377</sup> Nonetheless, the warming of relations under the second Bachelet administration in Chile has also carried over to the defense sector, with the previously noted April 2014 visit to Chile by Russian Foreign Minister Lavrov, including a meeting with Chilean Defense Minister Jorge Burgos in which the "potential for military exchanges" was discussed.<sup>378</sup>

With respect to trade, Chile was only Russia's ninth largest partner in the region, with \$752 million in bilateral trade recorded in 2013. While not insignificant, such a level of commercial interchange contrasts unfavorably with Chile's \$33.9 billion in trade with the PRC the same year, or its \$3.90 billion in 2013 trade with India.<sup>379</sup> With respect to the composition of the trade, 45 percent of Chilean exports to Russia during this period was seafood, while another 33 percent was fruit and nuts. Of Russian exports to Chile, 87 percent were comprised of rubber products, fertilizer, and mineral fuels, in that order.<sup>380</sup>

In the space sector, Russia has collaborated with Chile to reactivate the Pulkovo astronomical observatory located at the El Roble mountaintop in Chile.<sup>381</sup> In energy, the firm RusHydro has been involved in minor projects in the country, such as one for electricity generation from wave action in 2011.<sup>382</sup> Chile has discussed interest in a Free Trade Agreement with Russia,<sup>383</sup> but to date, the initiative has not borne fruit.

## **IMPACTS ON THE REGION AND ON THE UNITED STATES**

As an economic phenomenon, Russia's re-engagement with Latin America and the Caribbean is modest by comparison to the size, scope, and rate of expansion of China's commercial and military presence during the same period. Moreover, Russia's future ability to finance arms purchases, construction projects, petroleum, and mining activities in the region is likely to be seriously limited by long-term downward pressures on the price of petroleum, the export of which is a key source of revenues for the Russian state, as well as a source of resources for firms such as Ros-

neft, Lukoil, and Gazprom as they pursue projects in Latin America and the Caribbean. It is probable that the resources available to Russia will also continue to be limited by the adverse effect of economic sanctions from the United States and Europe.

Such limitations notwithstanding, since 2008, Russia has demonstrated a clear and persistent willingness to expand its political, military, and economic footprint in Latin America and the Caribbean, and to do so in a manner that does not shy away from projecting military force close to U.S. borders, or engaging in political and security cooperation in the region in a fashion that explicitly challenges the United States.<sup>384</sup> While Russia's activity may be on a small scale and limited to a handful of states and sectors, its presence will likely be a persistent facet of the new globally-interconnected strategic environment currently reshaping the region.

### **Economic Impacts.**

In commercial terms, the impact of Russia's re-engagement with Latin America is concentrated on a relatively small group of countries, including the ALBA regimes, plus Peru, Brazil, and Argentina. Those impacts are also concentrated on a limited number of economic sectors, including military sales, petroleum, atomic and hydroelectric energy generation, mining, and agriculture. By contrast to Chinese trade with the region, Russia's manufactured products, such as Lada cars and buses and Kamaz trucks, have not significantly penetrated Latin American and Caribbean markets except in those special cases such as Cuba or Nicaragua, where they have been given as gifts, or access has been granted on politically favorable terms.

Even in sectors such as petroleum and mining, in which Russia has some presence in the region, its companies have proven to be as vulnerable to the risks of Latin American markets as their Western counterparts. In some countries, including Venezuela and Nicaragua, select Russian companies such as Rosneft may have received special access because of the country's political relationship with the host government. Yet even so, such activities, including oil investment in Venezuela's Orinoco tar belt, arms sales, and participation in the Nicaragua Canal, each depend on Russian financing, the availability of which is limited by Russia's mediocre economic circumstances,<sup>385</sup> made worse by the effects of persistently low oil prices and expanding international sanctions.<sup>386</sup>

By contrast to the expanding presence of Chinese companies in the region<sup>387</sup> and the associated growth of Chinese soft power through the hope of commercial benefit,<sup>388</sup> Russia does not appear to be on the path to displace U.S. companies from commercial markets in the near future, nor to exert significant influence over Latin American and Caribbean states through their hopes for access to Russian markets, investments and loans.

### **Strategic Impacts.**

Despite the aforementioned limitations, Russia's presence in Latin America nonetheless significantly impacts the strategic U.S. position in Latin America. Such impacts do not, however, come from Russia alone, but the way in which Russian re-engagement with the region interacts with the activities of other extra-hemispheric actors in Latin America and the Caribbean to alter the dynamics of the region.

Such impacts may be divided into three categories:

1. Undermining the disposition of key actors in the region to work with the United States on trade, security, and other initiatives, both within the region, and beyond it.

2. Isolating strongly pro-U.S. regimes such as Colombia and Chile.

3. Arming, contributing to the survival of, and politically emboldening anti-U.S. regimes in the region currently represented by the states of ALBA and Argentina, including collaboration of these regimes in hosting Russian military forces, and activities in the region that present strategic threats to the United States.

Through commercial and security collaboration, Russia gives states such as Brazil and Peru options other than working with the United States or the EU as their principal security partner, as well as giving them alternatives to U.S.-led initiatives to address problems of importance to the region from trade and development, to narcotrafficking and organized crime, to standards for democracy and human rights.

Engagement with Russia, in conjunction with other actors such as China, has also undermined, in subtle ways, U.S.-led concepts for multilateral organization in the Americas such as the OAS and the Inter-American system. While Russia has not explicitly promoted alternative forms of sub-regional organization that exclude the United States such as UNASUR, CELAC, and ALBA, it has been more receptive to engaging with these multilateral organizations, than it has to working with the OAS, and that has contributed to the perceived functionality and importance of these organizations.

Beyond the region itself, the increasing independence of such actors in the Americas makes it difficult for the United States to mobilize coalitions to act with authority outside the region, from votes in the UN to the imposition of international sanctions. While difficulties such as Mexico and Chile's opposition to a UN-sanctioned role that Iraq cannot be blamed on Russia,<sup>389</sup> the interest of Latin American states in working with Russia undermines the U.S. position in more subtle ways. In the summer of 2014, for example, Russia's ability to turn to Latin America as a food supplier allowed it to defy U.S. and European sanctions over its actions in the Ukraine, and reciprocate by cutting off Russian imports of European agricultural products.<sup>390</sup>

Beyond such impacts on coalition formation, Russian engagement with the region on the United States also adversely impacts pro-U.S. states such as Colombia, Chile, and even Honduras, which arguably perceive themselves as increasingly surrounded by pro-Russian states, and threatened by Russia's activities in the region. In the case of Colombia, Russia's close political, military, and economic relations with the three ALBA states that surround it (Venezuela, Ecuador, and Cuba), and perceived historic Russian ties to groups that fight against the Colombia government internally, such as the FARC and the ELN, increase the Colombian government's sense of encirclement by hostile forces, and its interest in informal security guarantees from its traditional ally, the United States. For some in Honduras, the prospect of renewed Russian engagement with neighboring El Salvador, in combination with the strong Russian position in Nicaragua and Cuba, raises similar fears of "encirclement."

With respect to the ALBA states, the economic viability of regimes such as the Bolivarian government

of Venezuela arguably is enabled more by loans and support from the PRC than from Russia. Nonetheless, Russian activities reinforces, and sometimes complements, the impacts of Chinese engagement in select sectors such as petroleum, arms, and construction, and provides political support for the anti-Western projects of these countries in a way that the PRC, to date, has been reluctant to do. As suggested earlier, Russian arms and investment thus make these regimes somewhat more viable, and potentially more dangerous to their neighbors.

In turn, the viability of these regimes, and their willingness to host Russian military and irregular activities, creates an opportunity for Russia to operate in the region in a manner that threatens the United States in the hemisphere when it wishes to do so. During a conflict involving Russia in another theater, for example, such allies present Russia with options to act in Latin America and the Caribbean so as to force the United States to divert attention and resources away from its activities in other parts of the globe. Examples of such possible actions include basing or resupplying nuclear-capable military assets in countries in close proximity to the United States, such as Venezuela, Cuba, Nicaragua, and Ecuador. Other possibilities include supporting military action against a U.S. ally, such as a Venezuelan occupation of historically contested Colombian territory on its border, or a Nicaraguan incursion against Costa Rica.

As noted previously, sending such a message was arguably one of the principal motives behind Russian deployments of its Tu-160 bombers, and later warships, to the Caribbean in 2008, as well as the more recent proposals for base access and to conduct long range patrols in the Caribbean.<sup>391</sup>

## RECOMMENDATIONS FOR U.S. LEADERSHIP

In general terms, Russian re-engagement in Latin America and the Caribbean demonstrates the importance of considering not only the challenges to U.S. national security that emerge from Latin America itself, but how extra-regional actors with objectives adverse to the United States, such as Russia, may directly or indirectly impact U.S. national security, and hemispheric security, by acting there.

In broad terms, this analysis reinforces the need for U.S. decisionmakers to consider Latin America in strategic terms, rather than focusing on its individual challenges, such as drugs, crime, and immigration, as law enforcement or developmental issues to be managed. With the end of the Cold War, the United States has arguably ceased to seriously consider Latin America as a source of potential challenges beyond issues of crime and migration. The United States has fallen into the illusion that Latin America and the Caribbean are isolated from the global strategic landscape, rather than a fundamental part of it. Even if the endogenous threats to U.S. national security may be minimal, the ideological orientations of governments of the region, and their relationships with extra-hemispheric powers such as Russia, may take on new relevance for U.S. national security as a product of what happens in other parts of the world.

At a policy level, and within the Department of Defense (DoD), the U.S. response to the new engagement in the hemisphere by Russia and other extra-regional actors should begin with a detailed analysis of how the latter might attempt to build upon and employ its presence in the region under a broad range of

scenarios. Such scenarios should include how Russia, in conjunction with (or in opposition to), other global actors, might act in the region in the near-term, as well as what it could do in a future in which it is engaged in a major conflict with the United States (including the use of military force in, or from the region).

Ideally, analysis of such scenarios should include consideration of variants with a range of assumptions about how other major global actors may be oriented toward both Russia and the United States, such as whether or not China would collaborate with Russia in the region in the context of global hostilities with the United States. The analysis should include an evaluation of both the likelihood and gravity of the consequences contemplated, as well as indicators for detecting the course of action, leveraging associated opportunities, and countering or mitigating its adverse effects.

In a conflict scenario, in evaluating whether Latin American states would risk openly assisting a competitor such as Russia against the United States, analysts should also consider conditions under which such an anti-U.S. regime in the region might calculate that the United States might not prevail in the broader conflict, or might not be able or willing to impose consequences for such behavior. Beyond assessing the possibility of Latin American states providing direct assistance to Russia during a global conflict, such as access to bases or intelligence support, analysts should also consider ways in which states of the region could impact the outcome of the global conflict by withholding cooperation, such as not supporting the U.S. position on the crisis in international forums such as the UN, not contributing personnel or resources to an international coalition deployed to the conflict zone, not provid-

ing intelligence support to the United States, or not allowing the United States to use its territorial waters or airspace.

Finally, using the specific scenarios generated, the United States should consider strategies that it could use to counter Russian actions in the Western Hemisphere during a conflict, in shaping the conflict in the lead-up to it, and in shaping the strategic environment in the present day to mitigate or reduce the probability of undesirable outcomes. In developing strategies to manage the identified risks and pursue associated opportunities, the United States should consider collaboration with like-minded extra-hemispheric actors, whose values and interests in resisting the Russian advance in Latin America coincide with that of the United States. Japan, South Korea, and India each are arguably candidates to collaborate with the United States in select areas. Each has commercial interests in the region, each is adversely impacted by the expansion of Russia's presence globally, and each has an interest in strengthening its own ties with the United States in the face of the expansion of rivals in its own region, which include not only Russia, but also others such as the PRC.

At the level of combatant commands, U.S. Southern Command and U.S. Northern Command, and their respective Army components, U.S. Army North, and U.S. Army South, decisionmakers should be particularly attentive to the risks and opportunities presented by individual countries. In Peru, for example, the United States should build upon its strong support to the nation as a provider of intelligence and training in counterterrorist and counterdrug operations to strengthen its relationship as partner of choice, by contrast to Russia, whose relationship arguably has

focused principally on equipment, which may not be dedicated to those areas of the country, such as the VRAE-M, which need it most.

In Cuba, the United States should be attentive to the current regime's interest in securing the lifting of economic sanctions, particularly as the economy of its Venezuelan patron crumbles. Such interest may be leveraged to help persuade Cuba not to cooperate with Russia in ways which would create strategic threats to the United States, on the grounds that such cooperation might create problems for the political case in the United States for the lifting of sanctions. Such politically sensitive Cuban actions might include permitting Russia to have renewed access to the signals intelligence collection facility at Lourdes, or signing agreements for Russian military aircraft and warships to have regular access to Cuban facilities.

In Nicaragua, which similarly seeks to balance its relationship with the United States with that of Russia, the United States might emphasize that continued Nicaraguan access to U.S. markets under the provisions of the Central American Free Trade Agreement could be jeopardized by providing base access to Russian warships, permitting Russian warships to conduct large-scale "counternarcotics" patrols from Nicaraguan ports, or expanding Russian intelligence operations in the country, even if in the name of counterdrug patrols. At the same time, the United States should also consider increasing the presence of U.S. military forces in the Caribbean, providing implicit security guarantees to, and increasing the level of, operational coordination with those nations in the region most intimidated by growing Russian presence in the region, including Colombia, Costa Rica, and Honduras.

The paradox of contemporary Russian re-engagement with Latin America and the Caribbean is that the Russian political and military initiatives, which coincided with the 2008 conflict in Georgia and the current conflict in the Ukraine, were most likely intended, in part, to provide the nation with increased latitude to maneuver in Eurasia by forcing the United States to divert some of its attention away from the area in order to address risks in the Western Hemisphere “backyard.” Yet in the process, through its dramatic actions, Russia has done the United States a favor, highlighting the risks to the United States stemming from potential Russian activities in the region, and in the process giving the United States the opportunity to address such vulnerabilities before a global crisis in which Russia or another U.S. geopolitical rival might seek to exploit them.

Yet the favor that Russia has done the United States by highlighting the potential national security risks to the United States through such engagement is only an opportunity if the United States responds by taking meaningful action to address them. Doing so will require significant resources, yet the price of not acting is potentially far greater than the nation is in a position to pay.

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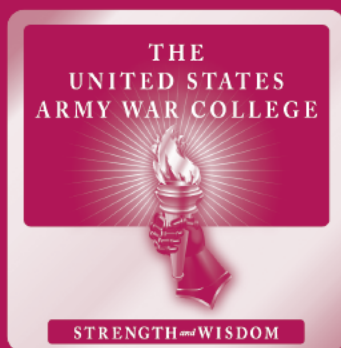
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