

**Russian Military and Economic Interests and Influence
in Latin America and the Caribbean:
Threats, Limits, and U.S. Policy Recommendations**

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Hearing on Russia in the Western Hemisphere:
Assessing Putin's Malign Influence in Latin America and the Caribbean
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Chairman Sires, Ranking Member Green, and members of the Subcommittee, thank you for giving me the opportunity to testify, and to share my analysis with you concerning Russia's interests and influence in Latin America and the Caribbean. Because others providing testimony today are experts on Russia's media and social media campaigns in the region, I will concentrate on the material levers of Russian influence, including military and economic ties.

Summary

While Russia's unprovoked invasion of Ukraine dominates the news, in recent years Moscow has also expanded its security and economic footprint far beyond its borders. Alongside its direct military intervention in Syria and its despicable use of Wagner Group paramilitary forces in

Libya, Sudan, the Central African Republic, Mozambique and Mali,¹ Russia has attempted to restore its military and economic influence in Latin America and the Caribbean (LAC). Yet its efforts in the Western Hemisphere, while of vital concern to the United States, have faced real limits, including growing competition from China. Kremlin endeavors in the Americas have often fallen flat. Russia's malign activities near U.S. borders and along the sea lanes that protect and support U.S. defense and commerce must be closely monitored. But it is important not to overreact, so that key U.S. resources remain focused on the central Russian threat in Europe and Eurasia. Indeed, Russia's weaknesses provide an opportunity for well-reasoned diplomatic outreach by the U.S. to chip away at Russian influence in the LAC region.

Russia's Global Goals and Latin America and the Caribbean

President Vladimir Putin views Moscow's gambits abroad as a way to restore a sense of Russian power and glory, after what he sees as the humiliation of the Soviet Union's collapse and the decline of Russia's global influence in the 1990s. He uses foreign adventures to boost his popularity at home and enshrine his place in Russian history. Rather than attempting to restore the precise geography of former Soviet influence, Putin is opportunistic. The Kremlin tries to attract any country that the U.S. and its allies have neglected or snubbed, while taking advantage of lingering historical fears in the global South about U.S. and western imperialism.

The Kremlin seeks permanent new air and naval bases abroad that can interfere with the military and commercial freedom of movement of the U.S. and its allies. It sells advanced weaponry widely and without much oversight, contributing to a global glut of armaments while creating long-term relationships of dependency. It also attempts to gain leverage through energy and other commercial deals. Russia threatens the democratic and human rights values of the U.S. and its allies, shoring up brutal dictators and authoritarian politicians through patronage relationships based on personal loyalty and the trading of security and business favors. Russian support worsens humanitarian tragedies, sometimes threatening our allies with destabilizing mass migration and refugee flows, as with those fleeing Nicolás Maduro's Venezuela. Putin's standard

¹ Kimberly Marten, "The GRU, Yevgeny Prigozhin, and Russia's Wagner Group: Malign Russian Actors and Possible U.S. Responses," testimony before the Committee on Foreign Affairs Subcommittee on Europe, Eurasia, Energy, and the Environment, United States House of Representatives, July 7, 2020.

toolkit of deception and ambiguity has left the U.S. and its allies frequently surprised, creating confusion, sowing doubt, and hindering our ability to react cohesively and quickly.

Putin meanwhile seeks to entangle Russian state security interests with private commercial deals for his close network cronies. The Russian state regularly cooperates with global organized crime rings in these efforts.² This bolsters support among his key supporters for Russia's foreign adventures and may be helping to pay for them, as the boundaries between state and private interests and funding erode. It simultaneously entrenches corruption and authoritarianism abroad. Russia leaves vulnerable populations subject to what amounts to a new form of imperialism, where individual leaders in impoverished countries are kept in place by Moscow.

Limits to Russia's Global Actions

Yet Russia today lacks the Soviet Union's resources and global sway. Recent years have seen a major shift in Russian strategic thinking: toward the adoption of a low-cost, opportunistic "information warfare" mindset (often referred to as the "Gerasimov Doctrine" or "hybrid warfare"), associated with the activities of intelligence agencies and special forces rather than regular military forces. With the important exception of its current war in Ukraine, most of Russia's recent operations abroad have been relatively limited and low-risk endeavors—even its direct military intervention to support Bashar Assad in Syria involved few regular Russian military boots on the ground.³ Now that Russia is under heavy international financial and trade sanctions, with its military and economic resources and Putin's domestic reputation tied up in the Ukraine war, Moscow is unlikely to be able to afford significant intervention in faraway locales.

The limits of Russia's international trajectory contrast with the successes of China. Beijing has achieved global impact through establishing trade and investment relationships with foreign countries through its Belt and Road Initiative, including throughout the LAC region. Chinese deals are often accompanied by joint police and military training activities and arms sales,

² Mark Galeotti, "Crimintern: How the Kremlin Uses Russia's Criminal Networks in Europe," European Council on Foreign Affairs, Apr. 18, 2017; Sebastian Rotella, "Gangsters of the Mediterranean," *The Atlantic*, Nov. 10, 2017; Catherine Belton, *Putin's People: How the KGB Took Back Russia and Then Took on the West* (New York: Farrar, Straus and Giroux, 2020).

³ Anna Borshchevskaya, "Russia's Strategic Success in Syria and the Future of Moscow's Middle East Policy," *Lawfare*, Jan. 23, 2022; Andrew S. Weiss and Nicole Ng, *Collision Avoidance: The Lessons of U.S. and Russian Operations in Syria*, Carnegie Endowment for International Peace, March 20, 2019.

providing China with security opportunities alongside its economic influence. Russia fears being left behind as China's global status grows, and this, too, impels Moscow's foreign actions.

Putin has found common cause with right-wing authoritarian regimes around the globe that fear democracy, and also with more traditional left-wing populist leaders who are suspicious of U.S. global leadership, including in Latin America.⁴ Yet Russia faces ideological limits compared to the Cold War Soviet Union. Soviet Moscow could attract the populations of poorer, post-colonial countries because Communism seemed to offer an alternative model for quick economic growth to new states emerging from old western empires.⁵ Putin has attempted to create a new ideological identity for Russia, largely focused on a homophobic, anti-feminist version of nationalist Orthodox Christianity that portrays Western liberal values as degenerate.⁶ Ideologues associated with his regime have gained leverage with far right authoritarian nationalist movements abroad.⁷ Yet the hypocrisy of the lavish and louche lifestyles of Putin and his billionaire cronies, along with Russia's complete disregard for the sanctity of human life in its military interventions, undercuts any claim by Putin's regime to be truly Christian—or to having much in common with genuine socialist populism.

Russian Goals and Successes in Latin America and the Caribbean

Following its seizure of Crimea and initiation of warfare in the Donbas in 2014, Russia has explicitly tried to undermine U.S. interests and influence among its Latin American and Caribbean neighbors, in direct payback for Washington's support of Ukraine.⁸ In March 2022, General Glen D. VanHerck, commander of USNORTHCOM and NORAD, testified before the U.S. Senate Armed Services Committee that the largest foreign contingent of Russian military intelligence (GRU) officers is currently stationed in Mexico; General Laura Richardson,

⁴ Andrea Moncada, "Will Russian Influence in Latin America Grow in 2022?" *Americas Quarterly*, March 30, 2022.

⁵ Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (New York: Cambridge University Press, 2011); Westad, *The Cold War: A World History* (New York: Basic Books, 2017).

⁶ Alexander Lukin, "Eurasian Integration and the Clash of Values," *Survival* 56, no. 3 (June-July 2014): 43-60; Dmitry Adamsky, "Christ-loving Diplomats: Russian Ecclesiastical Diplomacy in Syria," *Survival* 61, no. 6 (2019): 49-68; Valerie Sperling, Alexandra Novitskaya, Janet Elise Johnson, and Lisa McIntosh Sundstrom, "Vladimir Putin, the czar of macho politics, is threatened by gender and sexuality rights," *The Conversation*, Apr. 11, 2022.

⁷ Marlene Laruelle, *Eurasianism and the European Far Right: Reshaping the Europe-Russia Relationship* (New York: Lexington Books, 2017).

⁸ Douglas Farah and Liana Eustacia Reyes, "Russia in Latin America: A Strategic Analysis," *PRISM* 5, no. 4 (2015): 101-117; Farah and Kathryn Babineau, "Extra-regional Actors in Latin America," *PRISM* 8, no. 1 (2019): 96-113; Stanislav Secieru, "The Comeback Kid: Russia in Latin America," *European Union Institute for Security Studies Brief* 24 (Nov. 2021).

USSOUTHCOM commander, agreed.⁹ GRU officers globally have been responsible for malign actions including election interference in the U.S. and other democracies, an attempted coup to try to prevent Montenegro from joining NATO, and assassination plots using radiological and chemical weapons. Their presence in Mexico is disturbing.

Cuba, Nicaragua, and Venezuela are ruled by longstanding authoritarian regimes that have cooperated deeply with Russia over many years. In other LAC countries, leaders with authoritarian or leftist populist leanings who are suspicious of the United States have won democratic elections, sparking concerns about possible avenues for Russian influence. Russia has recently succeeded in gaining diplomatic and rhetorical support from some LAC countries, although this has been uneven. For example, Bolivia, Cuba, and Nicaragua each voted against the UN General Assembly resolution expelling Russia from the Human Rights Council in April 2022, and a number of other LAC countries either abstained or failed to vote, creating a regional split. These actions are at least in part reciprocal, since Russia has repeatedly supported authoritarian LAC leaders facing democratic and human rights protests and termed them U.S. “regime change” efforts.¹⁰

Presidents Jair Bolsonaro of Brazil and Alberto Fernandez of Argentina earlier bucked U.S. criticism and met with Putin in Moscow in February 2022, just before Russia’s invasion of Ukraine. Their foreign ministers chose to meet with Russian Foreign Minister Sergey Lavrov at the G-20 gathering in July 2022, even as many other countries shunned him. Meanwhile Mexican President Andrés Manuel López Obrador has expressed his “respect” for Putin and declared his neutrality on the Ukraine war, and members of his MORENA political party even established a Russian friendship society in March.¹¹ Yet in Brazil, Argentina, and Mexico, support for Russia is both shallow and domestically contested. In each case their shared economic interests with Moscow are real, but relatively small.

⁹ Stenographic Transcript before the U.S. Senate Armed Services Committee, Mar. 24, 2022, p. 53.

¹⁰ Samuel Ramani, “Russia Returns to Latin America,” *Royal United Services Institute (RUSI) Commentary*, Aug. 19, 2021.

¹¹ Arturo Sarukhan, “López Obrador’s flirtation with Russia risks worsening US-Mexican relations,” *Brookings Order from Chaos Blog*, Apr. 11, 2022.

Limits to Russian Influence in Latin America and the Caribbean

With the exception of the Bahamas (which on March 12 ordered its financial institutions not to cooperate with any Russian entities under western sanctions¹²), no LAC countries have yet declared their own Russian sanctions. It should be noted, however, that any country with financial interests in the U.S. is unlikely to violate the terms of American sanctions against Russia, given the clout of the U.S. banking system and the power of the U.S. Treasury Department to impose secondary sanctions on violators. This has forced LAC countries dealing with Russian businesses to find payment workarounds in the face of SWIFT banking system restrictions, and may discourage future deals. Juan Sebastian González, U.S. National Security Council senior director for the Western Hemisphere, believes this will negatively affect the regimes in Cuba, Nicaragua, and Venezuela, in particular, and even impede Russian money laundering schemes there.¹³

Well before 2022, though, the Russian playbook in the LAC region had been limited by material constraints. Russia has also faced reputational concerns in the region about its reliability as a partner. Cuba suffered greatly from the collapse of the Soviet Union and the withdrawal of Moscow's economic support in the 1990s, providing an inroad for new Chinese influence amidst lingering distrust of Russia.¹⁴ Russia's reputational problems were exacerbated when its highly-touted Sputnik-V COVID vaccine, imported by a number of LAC countries, faced delivery delays and then failed to gain World Health Organization approval, leaving those inoculated with it unable to travel internationally.¹⁵ The next sections review some of what Russia has tried to do in the LAC region in recent years, and what it has actually accomplished.

PERMANENT MILITARY AND SECURITY BASES

Russia lacks the military presence in Latin America enjoyed earlier by the Soviet Union. Despite a raft of Russian statements in recent years promising renewed security cooperation with a

¹² Minami Funakoshi, Hugh Lawson and Kannaki Deka, "Tracking sanctions against Russia," Reuters, July 7, 2022 update.

¹³ Jorge Agobian, "Sanciones de EE.UU. a Rusia impactarán a Venezuela, Nicaragua y Cuba, estima la Casa Blanca," *VOA News Latin America*, Feb. 25, 2022.

¹⁴ R. Evan Ellis, *The New Russian Engagement with Latin America: Strategic Position, Commerce, and Dreams of the Past*, U.S. Army War College Strategic Studies Institute, June 2015, pp. 39-40.

¹⁵ Chase Harrison, "In Vaccine Race, Russia Trips in Latin America," *Americas Society/Council of the Americas (AS/COA)*, Aug. 12, 2021; Beatriz Garcia Nice, "Latin America's Stranded Sputniks," *Wilson Center Weekly Asado Blog*, Nov. 19, 2021; Paul Stronski, "In Mexico, the Window on Russia's Vaccine Diplomacy Is Closing," *Carnegie Endowment for International Peace*, Apr. 28, 2022.

number of LAC countries, Moscow has not achieved much on the ground. In January 2022 Russian Deputy Foreign Minister Sergei Ryabkov warned that Russia might deploy some kind of “new military infrastructure” in Cuba and Venezuela, and in February Maduro announced plans for “powerful military cooperation” between Venezuela and Russia. While this situation is worth watching, recent history suggests it may be more rhetoric than reality.

In 1991 Soviet President Mikhail Gorbachev began withdrawing what had been 11,000 Soviet military forces based in Cuba,¹⁶ including a 2,600-strong Ground Forces brigade.¹⁷ Putin himself closed the remaining Soviet signals intelligence base in Lourdes, Cuba (where up to 1,500 civilian and military personnel worked at the peak of the Cold War¹⁸) in 2002, ostensibly in a gesture of goodwill to the U.S. after the September 11, 2001 terrorist attacks, but more likely because it had lost much of its technological value and Russia could not afford to keep it open. There were widespread reports starting in 2014 that Moscow would reopen the Lourdes base, and Google satellite images indicate that structural changes were made by someone there in recent years.¹⁹ But there is no evidence (at least in open sources) indicating that Russia ever returned. A sophisticated new radar dome appeared at the Cuban signals intelligence base in Bejucal in 2018, but again there is no open source evidence linking it to Russia, and some believe it was built by China.²⁰

Russia has constructed GLONASS (akin to the U.S. GPS system) civilian navigation satellite tracking bases in Latin America, with four in Brazil (a fifth has been planned for many years but has not yet opened) and another in Nicaragua. There were reports in 2015 that Russia had also negotiated a station in Cuba,²¹ but again no open-source evidence that it was built. The Nicaraguan GLONASS base, opened in 2017, may have additional intelligence purposes: it is located adjacent to the U.S. embassy in Managua, employs Russians on a permanent basis, and

¹⁶ Doyle McManus, “Soviet Troops to Leave Cuba, Gorbachev Says,” *Los Angeles Times*, Sept. 12, 1991.

¹⁷ US Department of State Bureau of Public Affairs, *Cuban Armed Forces and the Soviet Military Presence*, Special Report 103 (Aug. 1982), p. 5.

¹⁸ “Lourdes [Cuba] Signals Intelligence (SIGINT) Facility,” GlobalSecurity.org, July 17, 2014.

¹⁹ Lukas Andriukaitis, “#PutinAtWar: Russians Back to Cuba,” Atlantic Council Digital Forensic Research Lab, Nov. 21, 2017.

²⁰ Victor Robert Lee, “Satellite Images: A (Worrying) Cuban Mystery,” *The Diplomat*, June 8, 2018.

²¹ John R. Haines, “Everything Old Is New Again: Russia Returns to Nicaragua,” Foreign Policy Research Institute Eurasia Program *E-Notes*, July 22, 2016.

(unlike the Brazilian facilities, which are open to scientists for research) is closed to outsiders.²² Nicaragua may have received a discount on 50 surplus Russian tanks in return for agreeing to host the facility.²³ There is also a Russian counter-narcotics training center in Nicaragua, inaugurated in 2013, that employed 130 Russians by 2016.²⁴ Yet whatever their real purposes are, these installations are small, and a far cry from the Soviet military presence in the region.

ROTATIONAL RUSSIAN SECURITY FORCES AND MILITARY EXERCISES

Russia often sends military trainers and technicians abroad, including to support long-term arms sales contracts, and as a result hundreds of rotating Russian military specialists have been scattered on the ground in recent years (including in Nicaragua²⁵ and Peru²⁶). In Venezuela Russian military specialists have supported Buk surface-to-air missile systems and S-300 missile defense systems, as well as Su-30 fighter jets, T-72 tanks, and a helicopter training facility.²⁷ The presence of this relatively small Russian contingent could not directly threaten the United States, but may have helped deter direct U.S. intervention against Maduro following the 2019 presidential crisis in Venezuela, when the country's national assembly and the Organization of American States recognized challenger Juan Gaidó as the rightful acting president. Yet even then, the Russian defense industrial conglomerate Rostec withdrew most of its personnel from Venezuela in 2019, cutting its civilian and military staff of 1,000 to a few dozen, when Venezuela's economic crisis left Maduro unable to pay for Rostec's services.²⁸

Russia's Wagner Group was said to have provided protection in 2019 for Maduro against opposition forces,²⁹ although this claim has been contested by investigative journalists on the

²² Haines, "Everything Old Is New Again;" Joshua Partlow, "The Soviet Union Fought the Cold War in Nicaragua. Now Putin's Russia Is Back," *Washington Post*, Apr. 8, 2017.

²³ Haines, "Everything Old Is New Again."

²⁴ Farah and Reyes, "Russia in Latin America," p. 105.

²⁵ Alejandro Sanchez, "Nicaragua Acquires Russian T-72 Tanks," *Jane's Defence Weekly*, May 4, 2016; Sanchez, "Russian Military Delegation Visits Nicaragua, Plans Exercises," *Jane's Defence Weekly*, Apr. 13, 2017; Sanchez, "Russia Donates Two Antonov Aircraft to Nicaragua," *Jane's Defence Weekly*, Feb. 27, 2018.

²⁶ Beth Stevenson, "Russian Helicopters Opens Peruvian Facility for Mi-17 Helicopters," *Jane's Defence Weekly*, Dec. 11, 2018.

²⁷ Dmitry Fediushko, "Rosoboronexport Opens Helicopter Training Facility in Venezuela," *Jane's Defence Weekly*, Apr. 1, 2019; Interfax, "Arms Trade: Russia Helps Venezuela Restore Combat Capacity," as reported in *Russia and CIS Defense Industry Weekly*, Apr. 26, 2019; Martin Arostegui, "Russia Missiles in Venezuela Heighten US Tensions," *Voice of America*, Apr. 29, 2019.

²⁸ Thomas Grove, "In a Blow to Maduro, Russia Withdraws Key Defense Support to Venezuela," *Wall Street Journal*, June 2, 2019.

²⁹ Maria Tsvetkova and Anton Zverev, "Exclusive: Kremlin-linked Contractors Help Guard Venezuela's Maduro," Reuters, Jan. 25, 2019.

ground.³⁰ It is not clear that Maduro would actually have needed Russian support given the large number of experienced Venezuelan and Cuban troops already guarding his regime.³¹ Further, the Wagner Group's contractor, Putin crony Yevgeny Prigozhin, does not appear to have any commercial interests in Venezuela, and his business ties have accompanied every other Wagner Group deployment outside Ukraine. While Russian security contractors were flying in and out of Venezuela at the time, including individuals who may earlier have been on Wagner Group contracts, their purpose in Venezuela may instead have been to defend Russian-operated oil fields from sabotage at a time of political unrest, or to maintain order at gold mines on the Colombian border.³²

In December 2018 two nuclear-capable TU-160 bomber aircraft landed temporarily in Venezuela, for the third time in a decade (the first visit coincided with Russia's war against Georgia in 2008).³³ These visits were likely intended to remind the U.S. of Russian strategic nuclear deterrence capabilities at times of high tension, but do not appear to have posed any new threats to U.S. defenses. Russia has meanwhile carried out a variety of small-scale military and naval exercises in the LAC region for many years.³⁴ Nicaragua's renewal in March 2022 of its decade-long annual joint training plan with Russian forces, involving the visit of 230 Russian soldiers for six months, was criticized by the United States for proceeding despite Russia's invasion of Ukraine.³⁵ But this was not a novel occurrence and did not involve any increased Russian presence in the country.

Visiting Russian military forces in recent years have also docked at seaports and airports in Cuba, Nicaragua, and Venezuela, and Moscow signed an access agreement for the use of two ports in Nicaragua.³⁶ Those countries can each be considered reliable transit nodes for a Russian

³⁰ Anna Varfolomeeva, "Are Russian 'Mercenaries' in Venezuela? What We Know," *The Defense Post*, Jan. 25, 2019; Lilya Yapparova, "Geopolitical debts: Why Russia is really sending military advisers and other specialists to Venezuela," *Meduza*, July 29, 2019.

³¹ Adam Taylor, "How Many Cuban Troops Are There in Venezuela? The U.S. Says over 20,000. Cuba Says Zero," *Washington Post*, May 2, 2019.

³² Emma Graham-Harrison and Clavel Rangel, "Venezuela's Gold Fever Fuels Gangs and Insecurity," *The Guardian*, June 8, 2019.

³³ Andrew Osborn, "Russian nuclear-capable bomber aircraft fly to Venezuela, angering U.S.," Reuters, Dec. 11, 2018.

³⁴ Augusto César Dall'Agnol, Boris Perius Zabolotsky, and Fabiano Mielniczuk, "The Return of the Bear? Russian Military Engagement in Latin America, the Case of Brazil," *Military Review*, Mar.-Apr. 2019: 128-139.

³⁵ Ismael Lopez, "Nicaragua Congress renews Russian training exercise approval," Reuters, June 14, 2022.

³⁶ Dall'Agnol, Zabolotsky, and Mielniczuk, "The Return of the Bear?"

presence in Latin America. Theoretically Russia could send anti-ship cruise missiles and surface-to-air missiles through those ports without requiring a major naval deployment to support them, potentially threatening U.S. control of key sea lanes and even targeting Florida.³⁷ But the distance of those ports from Russia, and their proximity to the overwhelming military and intelligence presence of US SOUTHCOM forces, leaves any Russian forces in the region subject to eavesdropping, and vulnerable to harassment, blockade, or attack in the event of conflict.

U.S. forces must of course prepare for worst-case scenarios, including some kind of Russian military distraction campaign in the LAC region as the Ukraine war continues. Military conflict there is possible, and Putin has surprised the world elsewhere. But it seems unlikely that even Putin would risk violent escalation near U.S. borders, unless he believed that Russian territory or his own regime faced an immediate existential threat from Washington.

ARMS SALES

Despite a major push to secure new weapons contracts in the LAC region, Russia has struggled to find willing buyers.³⁸ Russian arms sales pitches have been thwarted by local budgetary shortfalls,³⁹ by Moscow's unwillingness to share advanced technology,⁴⁰ and by better offers from Russian competitors.⁴¹ In 2018 the U.S. warned its own clients in the region that they would be locked out of future deals if they turned to buying arms from Russia.⁴² The U.S. and Europe today remain the dominant weapons providers in the region.

Between 2000 and 2016 Latin America accounted for less than 5% of Russia's global arms sales (with a sharp decline after 2012), and 80% of its Latin American market has been dominated by Venezuela.⁴³ Yet by 2015 even Venezuela was buying 90% of its weapons from China.⁴⁴ According to the Stockholm International Peace Research Institute (SIPRI), a highly reliable

³⁷ James Holmes, "Will Russia Send Missiles to Cuba?" *National Interest*, Feb. 7, 2022.

³⁸ Ramani, "Russia Returns to Latin America."

³⁹ Charles Forrester, "Russia Continues to Push Sales to South America," *Jane's Defence Weekly*, Feb. 9, 2016.

⁴⁰ Dall'Agnol, Zabolotsky, and Mielniczuk, "The Return of the Bear?"

⁴¹ Jonathan R. Olguin, "Russia, Bolivia Renew Military-Technical Cooperation Agreement," *Jane's Defence Weekly*, Sept. 8, 2016.

⁴² Lara Seligman, "U.S. Military Targets Growing Russian and Chinese Influence in Latin America," *ForeignPolicy.com*, Nov. 19, 2018.

⁴³ Richard Connolly and Cecilie Sendstad, "Russia's Role as an Arms Exporter," *Chatham House Research Paper*, Mar. 20, 2017.

⁴⁴ *Ibid.*

source of global arms sales data, only four LAC countries have received weapons transfers from Russia since 2014—Brazil, Nicaragua, Peru, and Venezuela—with none after 2017.⁴⁵ Cuba received a \$50 million loan for Russian weapons purchases in 2019, but there is no publicly available evidence that any arms deliveries occurred. Russian personnel still service existing arms contracts in the LAC region, but Moscow’s recent marketing efforts have fizzled.

TRADE AND INVESTMENT

After the Cold War Russia’s economic presence in the LAC region collapsed, and Moscow has never again become a major player there. Its business dealings in the region have markedly increased since the 1990s, but remain comparatively small. By 2019 (the last year for which records are easily available, and a useful indicator since it predates the global COVID trade slump) Russia’s overall trade with Latin America was only \$12.4 billion.⁴⁶ That is an order of magnitude lower than totals for the region’s two dominant foreign economic powers, the U.S. and China. It is also less than the LAC regional trade of Canada, many European countries, Japan, South Korea, India—and even Vietnam. Around 80% of Russian exports to the LAC region are raw materials, including fertilizer, petroleum products, and iron and steel.⁴⁷

Brazil is Russia’s largest LAC trading partner, accounting for around a third of the regional total,⁴⁸ although Russia provides only a tiny fraction of Brazil’s overall exports and imports. One key import from Russia (and from Russia’s sanctioned ally Belarus) is a quarter of the fertilizer used by Brazil’s agricultural industry.⁴⁹ The U.S. has not sanctioned fertilizer, in order to avoid further contributing to the global food crisis caused by Russia’s invasion of Ukraine. Even then, avoiding SWIFT banking sanctions has created extra headaches for Brazil, and may lead it to look for alternatives.

⁴⁵ Data compiled from the online SIPRI Importer/Exporter Trend-Indicator Value tables, last updated Mar. 14, 2022.

⁴⁶ Unless otherwise noted, the data here was compiled from the online World Integrated Trade Solution (WITS) tracker of the World Bank, 2019.

⁴⁷ Aleksandra G. Koval and Vladimir Rouvinski, “Russia in Latin America: Beyond Economic Opportunities,” in *Forward to the Past? New/Old Theatres of Russia’s International Projection*, ed. Aldo Ferrari and Eleonora Tafuro Ambrosetti (Milano, IT: Institute for International Political Studies, 2020), p. 122.

⁴⁸ *Ibid.*, p. 123.

⁴⁹ Jack Nicas and André Spigariol, “Good News for Food, Bad News for War: Brazil Buys Russian Fertilizer,” *New York Times*, May 8, 2022.

Brasília and Moscow also maintain an economic relationship through their joint membership in the BRICS organization (whose other members are India, China, and South Africa). While often dismissed as a talk shop whose members share few interests, the BRICS have sometimes coordinated their efforts with significant political impact, for example in pushing for rule changes in the International Monetary Fund and World Bank.⁵⁰ Argentina (which like Brazil conducts a very small fraction of its trade with Russia) has recently expressed an interest in joining the BRICS, too. But while Russia initiated the idea of forming a BRICS organization in 2004 to compete against U.S. and Western economic influence globally,⁵¹ China's economy now dominates 70% of the BRICS total, leaving the organization more a Chinese than Russian tool. The June 2022 BRICS summit gave Putin a symbolic platform to complain about sanctions, but led to no concrete policy changes.

Russian direct investments in the LAC region are also relatively small, measuring less than \$180 million in 2018⁵² (around 12% of total foreign investment there).⁵³ Most of the Russian presence is concentrated in the oil and gas sectors in Bolivia, Brazil, Mexico, and Venezuela. Despite talk of building Russian nuclear energy plants in the region and a series of memorandums of understanding, the only apparent current Rosatom investment is a research facility in Bolivia.⁵⁴

Russia's support for Venezuela's oil sector in particular has been political rather than profit-driven. State oil company Petroleos de Venezuela SA (PdVSA) became reliant on Russian investment after China withdrew amid the economic chaos created by Maduro. Joint ventures with Russia today produce around 15% of Venezuela's highly reduced crude oil output.⁵⁵ A Reuters investigation showed that Russia's state-controlled Rosneft oil company was pressured by the Putin regime to support PdVSA for political reasons, despite experiencing huge losses.⁵⁶ When Rosneft was forced to withdraw in 2020 because of U.S. sanctions on its subsidiaries, a

⁵⁰ Cynthia Roberts, Leslie Armijo, and Saori Katada, *The BRICS and Collective Financial Statecraft* (New York: Oxford University Press, 2017).

⁵¹ Rachel S. Salzman, *Russia, BRICS, and the Disruption of Global Order* (Washington: Georgetown University Press, 2019).

⁵² Koval and Rouvinski, "Russia in Latin America," p. 124.

⁵³ UNCTAD World Investment Report 2022, *Fact Sheet: Latin America and the Caribbean*, FDI Flows 2018.

⁵⁴ Ramani, "Russia Returns to Latin America."

⁵⁵ Fabiola Zerpa and Ezra Fieser, "Russian Oil Rigs in Venezuela Complicate U.S. Talks with Maduro," Bloomberg.com, Mar. 11, 2022.

⁵⁶ Christian Lowe and Rinat Sagdiev, "Ornico Swamp: How Russia sank billions of dollars into Venezuelan quicksand," Reuters, Mar. 14, 2019.

Russian sovereign enterprise bought its Venezuelan assets. Yet new sanctions against Russia have complicated this relationship, forcing the company to pay its workers in rubles.⁵⁷ Meanwhile the redirection of Russian oil sales to Asia from Europe because of sanctions has created new market competition between Russia and Venezuela there, creating a potential opening for the U.S.⁵⁸

Russia is also alleged to have helped Venezuela evade export controls. In 2019 Russia was accused of helping Maduro launder Venezuelan gold in Dubai, after the U.S. imposed strong sanctions against Caracas and urged its allies to block Venezuela from accessing its foreign-held assets.⁵⁹ Both Venezuela and Russia denied this report. But if laundering did in fact occur, Russia might have swapped “dirty” Venezuelan gold for “clean” gold with Russian certificates of origin, investing it in a seemingly legitimate offshore account that Moscow could allow Maduro to access surreptitiously. Now new Russian-origin gold has itself become untradeable in the U.S., UK, Canada, and Japan (the London Bullion Market Association had already suspended the accreditation of Russian gold refiners),⁶⁰ making it much more difficult for Russia to take similar actions today. Indeed western financial sanctions against Moscow have made it difficult for Maduro to access any assets he may have stored on Russian territory.⁶¹

Conclusions and Policy Recommendations

The Kremlin would like to expand its sway in Latin America and the Caribbean, and makes frequent statements about doing so. The U.S. must carefully observe Russian military activities in the Western Hemisphere, and be prepared to react in the event of escalation. Some regional diplomatic and rhetorical cooperation has also raised U.S. hackles, although its substantive effects seem minimal thus far.

Yet Russia’s material influence in the Latin American and Caribbean region is limited. It lacks the deep ideological roots of the Cold War era, and Putin’s relationships with most individual

⁵⁷ Alexandra Ulmer and Marianna Parraga, “Russian oil firm shuffles Venezuela assets as sanctions bite,” Reuters, Mar. 29, 2022.

⁵⁸ Anatoly Kurmanaev and Farnaz Fassihi, “Jockeying in oil markets may strain Russia’s relations with Venezuela — and Iran,” *New York Times*, July 12, 2022.

⁵⁹ See the summary by Jamie Dettmer, “Mystery Deepens over Venezuela’s Gold,” *VOA News*, Feb. 1, 2019.

⁶⁰ “UK, U.S, Japan and Canada to ban Russian gold imports,” Reuters, June 26, 2022.

⁶¹ Clare Ribando Seelke, “Venezuela: Overview of U.S. Sanctions,” Congressional Research Service report, May 23, 2022.

leaders are based on relatively weak ties of political convenience. China has already made significant inroads against Russia in the region, even in Cuba and Venezuela. Russia's influence is likely to shrink as global financial sanctions against Moscow increase the cost of doing business, and the Kremlin will be further constrained by the expenses it faces in financing its war in Ukraine.

This provides opportunities for the U.S. and its allies to counter Russian influence in the region:

- By staying diplomatically engaged, including through ensuring that ambassadorial posts are filled.⁶² Russia moves in when U.S. attention wanes.
- By exposing the truth about the corrupt and violent actions of the Putin regime, including through Spanish- and Portuguese-language broadcasts and social media.
- By offering trade and investment alternatives to democratic states, such as encouraging Brazil's adoption of high-tech alternatives to traditional fertilizer use,⁶³ to further reduce Russia's fading economic grasp in the face of sanctions.
- By using trade and investment incentives, such as the administration's recent initiatives toward gradual reduction of sanctions on the Venezuelan oil sector, to encourage progress on human rights and democratization efforts among the region's autocratic regimes.

The U.S. must also avoid overreacting to Russian rhetoric. Washington should recognize that much Latin American and Caribbean unhappiness with the U.S. is longstanding and organic, not fabricated by Russia, and that a long-term decline of relative U.S. influence in the region has not led to a burgeoning Russian replacement presence. Indeed it may be China, not Russia, that most threatens U.S. leadership in the region in coming years.

⁶² Christopher Sabatini, "Biden Is Setting Himself Up for Embarrassment in Los Angeles," *ForeignPolicy.com*, May 4, 2022.

⁶³ Vinod Sreeharsha and Samantha Pearson, "Fertilizer Price Surge Drives Brazil to High-Tech Alternatives," *Wall Street Journal*, June 8, 2022.