

HEARING BEFORE THE
HOUSE COMMITTEE ON FOREIGN AFFAIRS

Russian Engagement in the Western Hemisphere

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I would like to thank the Chairman Royce, Ranking Member Engel, and the other esteemed committee members for the opportunity to speak before the Committee today.

Originally from Russia, I have moved to Latin America about 20 years ago, and currently I am Director of CIES Research Center at Icesi University located in the city of Cali in Colombia. My primary research interests focus on relations between Russia and Latin America, and, in recent years, I have had an opportunity to travel extensively in the region to conduct field research as well as to coordinate a number of research activities on the topic, in collaboration with researchers in Latin America, Russia, Europe, and the United States. This group organized several academic meetings to present their findings to other researchers, public officials and experts, including the meetings of Latin American Studies Association in Washington, DC in 2013, and in San Juan, Puerto Rico earlier this year.

(1) Overview: the Russian "return" to Latin America

I would like to begin my testimony by sharing some general observations with regard to the Russian presence in Latin America, placing a particular emphasis on the evolution of Russian goals and objectives in the Western Hemisphere from the beginning of the 1990s until now.

Following the collapse of the Soviet Union, the government of Boris Yeltsin seemed to lose all interest in Latin America. During the first part of the 1990s, the political, military, economic, and cultural contacts between Russia and this part of the world declined sharply. This change was particularly noticeable in Cuba, the most important ally that Moscow had in the Western Hemisphere during the Cold War; the commercial turnover between the two countries declined by 69 percent, and, in 2001, Russia closed down the Lourdes Electronic Radar Station which had been used to spy on the United States. In other Latin American nations, the picture was similar. Along with the decline in commerce, political contacts between Russia and the region were reduced to a low level.

But during the first decade of the 21st century, the situation changed dramatically: between 2000 and 2014, Russian presidents travelled seven times to Latin America, and the Russian minister of foreign affairs visited the subcontinent a dozen times.

By 2008, Russian trade with Latin America had doubled from 1996. The same year, in a new vector, Russia declared its foreign policy to be a strategic partnership with Latin America. It aimed at broadening “the political and economic cooperation with . . . Latin American and Caribbean countries and their associations, relying on the progress achieved in relations with the states of this region in recent years,” and enhancing “its interaction with these states within international arrangements ,” promoting “export of Russia’s high-technology products to Latin American countries,” and implementing “joint energy, infrastructure and high-tech projects, inter alia, in accordance with the plans developed by the regional integration associations.” Important private and state-owned Russian companies, chiefly from the energy sector, took advantage of the favorable political environment and established or strengthened their presence in Latin America.

By 2015, Russia is maintaining diplomatic relations with all countries in the Western Hemisphere. With many of these countries, the Russian government signed a visa-free agreement allowing greater ease of travel between the regions. Additional evidence of the Russian advance into this territory includes the remarkable growth of Russian arms sales to Latin American countries as well as the visits by Russian navy ships and strategic bombers to Venezuela, Nicaragua, and Cuba. Several Latin American leaders openly supported Moscow’s stand on conflicts in Georgia and Ukraine.

Taking into consideration the dynamic relations between Russia and Latin America, the political leaders in Russia began to talk about the Russian “return” to Latin America, referring to similarities between the current state of affairs and the policy promoted by the Soviet Union during the Cold War. However, characterizing the Russian presence in the Western Hemisphere as a “return” is inaccurate, since the Russian objectives only partially match those pursued by the Soviet Union. It is also important to recognize that the Russian strategy toward the subcontinent has evolved in line with the changing geopolitical strategy of Moscow.

The beginning of the Russian re-engagement with Latin America in the 1990s can be explained primarily by the interests of the Russian companies in conquering new markets and taking advantage of new opportunities. The famous visit of Yevgeni Primakov to Latin America in 1997 was intended to provide political support in the region for Russian businesses in the energy and military industrial sectors. At the same time, other trade between Russia and the region was growing fast, with Argentina and Brazil at the top of the list of Russian trade partners in Latin America. Meanwhile, a part of Latin America took a political left turn; countries like Brazil, Venezuela, Nicaragua, Ecuador, Argentina, and Bolivia were now ruled by leftist or populist leaders. At that point, Russian leaders were careful not to align themselves publicly with the anti-American rhetoric of the Latin American leftist presidents, but this has changed because of the shifting of Russian global strategy following the war with Georgia in August, 2008. Moscow regarded the diplomatic recognition by Nicaragua and Venezuela of the breakaway Georgian republics of Abkhazia and South Ossetia as evidence of international support for the Russian stand in the conflict, and that Russia was capable of operating in the US “near abroad”. Hence, the arrival of Russian navy ships and strategic bombers at Venezuela was a message clearly directed to the United States after it sent its navy ships to the Black Sea. From this perspective, the 2014-

2015 Russian response to the Ukrainian crisis in Latin America was similar to that of 2008. Whereas only a few of Latin American countries openly supported the Russian annexation of the Crimean peninsula, Moscow maintained stable relations with every Latin American nation and mitigated the efforts of the United States and its allies to isolate Russia. However, the economic ties between Russia and several Latin American nations have not been as enduring. Many Russian companies from the energy sector eventually left the region, and the arms trade has suffered major setbacks in recent years.

(2) The Russian strategy in the Western Hemisphere

The current Russian strategy in the Western Hemisphere is to strengthen diplomatic relations with Latin American countries while promoting economic cooperation and the arms trade. Russia

Three groups of countries in the region can be distinguished in light of these efforts. The first group consists of Venezuela, Nicaragua, and Cuba, which have offered full support to Russia in the Ukrainian and Syrian crises. These countries benefit from Russian cooperation in the energy sector, have been recipients of Russian aid and are major buyers of Russian arms. They are also willing to let Russian air and naval forces use their territory.

The second group includes Argentina, Mexico, and Brazil, the most economically important countries of the region, as well as several other Latin American nations. While the leaders of these countries may not fully collaborate with the Kremlin's international agenda, Russia still counts on their support in various multilateral arrangements, including the United Nations, BRICS, and G-20.

The third group of countries has strong ties with the United States and are unwilling to risk their relations with the West in order to please Moscow, but do not want to antagonize Russia, either. An example is Colombia, which is maintaining its alliance with the United States while avoiding confrontation with Russia.

Let me illustrate the above observations by taking a closer look at some of the bilateral relations between Russian and countries of Latin America.

(3) Russia and Venezuela

For today's Russian general public, Venezuela is the most recognizable country in Latin America. This is because of the high number of visits of the Venezuelan leaders to Russia and extensive coverage of the country's relations with Moscow by the Russian mass media. The evolution of Russian relations with Venezuela clearly demonstrates the shift in Russian strategies in Latin America.

In Venezuela, amongst the powerful Russian privately and state-owned corporations that were gaining access to this South-American market in the 2000s, one could find many of the most important Russian companies, including Gazprom, Rosneft, Lukoil, Surgutneftegaz, and TNK-BP. In 2010, a major contract was agreed upon between the Russian National Petroleum Consortium (NNK12) and Petroleos de Venezuela SA (PdVSA), concerning the start of a joint venture to explore

the Venezuelan oil reserves in the Orinoco River area. It was expected that the total investments in this project would reach between 20 and 30 billion dollars during the next twenty-five years.

Any discussion of Russian-Venezuelan relations during the period in question would be incomplete without mentioning the arms trade between the two countries. Since 2005, Russia has supplied Venezuela with a hundred thousand Kalashnikov automatic rifles, twenty-four Su-30MK2 fighter jets and approximately fifty helicopters, at a total cost estimated at 4 billion dollars. This constituted a dramatic breakthrough by Russia into the Latin American arms market, and it also caused alarm bells to ring for traditional arms sellers in the region as well as by some of Venezuela's neighboring countries.

However, today there are evidences that the official discourse, which emphasizes the equally attractive benefits of the Russian trade and energy collaboration with Venezuela, is far from telling the whole story. It seems that, in reality, some of the Russian companies, with already established presence in Venezuela, fear any further involvement and even try to leave the country because of the political instability and variety of other business risks.

By contrast to the situation with energy cooperation and trade, the political contacts between Moscow and Caracas during the recent years had strengthened transforming Venezuela, along with Nicaragua and Cuba, into a major Russian key ally in the Western Hemisphere. This collaboration included the support by the government of Venezuela of the Russian stand in the Georgian 2008 war and the conflict in Ukraine as well as an offer to station Russian air and naval forces in the country. The current President of Venezuela Nicolas Maduro managed to maintain country's close political ties with the Russian leaders as Hugo Chavez did in the past.

(4) Russia and Nicaragua

In 2008, Russian foreign strategy changed dramatically as a result of the first war between Russia and one of the former Soviet republics. When Moscow ordered its troops to cross the border with Georgia, the Kremlin was expecting the West not to intervene, since the South Caucasus was considered by Russia as part of its "near abroad." However, the reaction of the Western powers was a strong one, and, above all, it was the coverage of the war by the Western mass media that turned the Russian military victory into its international public opinion defeat. Hence, the announcement of the decision by the government of Nicaragua to recognize both of the separatist republics as new independent states on September 5, 2008 was extremely timely. Russia rushed to show its appreciation of the Central American nation: in December 2008, Moscow opened a credit line to Nicaragua and an agreement with the Russian state-owned company Inter RAO EES to build several small- and medium-sized hydroelectric and geothermal plants in Nicaragua was signed. A close cooperation between two countries continued ever after. The plans of opening of a counternarcotic training facility had been announced, and the high-ranking Russian military officials became frequent visitors to this Central American nation. Today, Nicaragua continues to fully support Russia at the international stage.

(5) Russia and Colombia

Colombia was one of the first Latin American countries to establish diplomatic relations with the Soviet Union back in 1935. An Embassy and a Cultural Center were opened in 1943, and were used to spread Marxist ideology in the region. However, following the assassination of a very popular political leader Jorge Eliécer Gaitán, the diplomatic relations were broken and not restored till almost two decades later. In general terms, the interactions between Moscow and Bogota during this time remained limited to energy sector and university training of Colombian students in the Soviet Union. It is worth of mentioning here that several of the top FARC leaders were educated in the Soviet Union and speak fluent Russian.

In the mid-1990s, Moscow was one of only a few countries that openly supported the President Ernesto Samper after he was accused of receiving money from the Cali drug cartel, and then the Russian Minister of Foreign Affairs Yevgenii Primakov was the only high-ranking diplomat from outside Latin America who visited Bogota back then. In return, Russia was given a contract to supply a number of transport helicopters for the Colombian army, and, about the same time, a couple of Russian oil companies obtained licenses for oil exploration in Colombia.

However, after the end of Samper's term, Russia's political, economic and cultural contacts with Colombia had been rather insignificant. It was, on the one hand, the worsening of relations between Colombia and Venezuela, and, on the other hand, the beginning of Moscow's rapprochement with Venezuela that triggered an alarm in Bogota. After an arms deal was made between Russia and Venezuela, the Minister Lavrov had to visit Bogota in order to give assurances to the President Alvaro Uribe Velez that the deal is not meant to jeopardize Colombian security. Another episode that two countries had to find the way to deal with was the incident with the Russian strategic bombers entering the Colombian airspace without a permission of the Colombian authorities. Since the planes were flying from Nicaragua to Venezuela at the very moment when the tensions were high because of a territorial dispute of Nicaragua with Colombia in the Caribbean, the violation of the Colombian airspace was perceived by in the country as a sign of Moscow's support of Nicaragua.

Despite of the above-mentioned episodes, Russia is trying not to jeopardize its relations with Bogota. Colombia is important for Moscow because it offers an opportunity to demonstrate that attempts at international isolation of Russia following the crisis in Ukraine were not successful. Earlier this year, the Russian Embassy in Bogota was able to organize a celebration of the 80th anniversary of the establishment of diplomatic relations between two countries, and the Colombian President Juan Manuel Santos, as well as the Minister of Foreign Affairs Maria Angela Holguin met the Russian Minister of Foreign Affairs Lavrov, who visited the Colombian capital on this occasion.

(6) Impact on the Region and the Implications for the United States

The current Russian economic presence in the Western Hemisphere is very significant if compared to the state of Russian commerce and trade with the region in the 1990s. In some cases, it is now about the Russian incidence in the countries and areas, where Moscow did not have any noteworthy footsteps before, in particular, with regard to arms sales. However, the Russian

economic engagement with Latin America is rather modest in comparison with that of some other extra-hemispheric actors, firstly, the People's Republic of China. Moreover, it is important to underline that Russia's capacity to further build up its presence in the Western Hemisphere is limited because of the low price of petroleum on international markets and the effect of economic sanctions imposed on the country by the United States and Europe. While the relations between Russian leaders and many of their Latin American counterparts can be characterized as strongly sympathetic, some of them lack a long-term commitment and may crumble under new leaders.

At the same time, political contacts between Russia and a number of Latin American nations, in particular, Venezuela, Cuba, and Nicaragua have intensified and paved the way for military cooperation with these countries thus explicitly challenging the United States in its "near abroad". Russia also seems to expand the areas of cooperation by offering collaboration in sensitive issues such as drug trafficking and international organized crime in the countries, where in recent years the capacity of the United States to cope with the issues have been reduced. In addition, in the challenging global geopolitical context, Russia has managed to maintain stable relations with all Latin American countries and therefore effectively undermined the efforts of the United States and its allies to isolate Moscow in order to pressure the government of Vladimir Putin to change its current policy in Europe.

(7) Recommendations

I would like to invite the United States House of Representatives to consider the following:

The Russian re-engagement with Latin America is evidence that the processes that are taking place in Latin America and the Caribbean are part of the changing global geopolitical landscape, and the answers to the challenges posed to the United States economic and security interests as a result of the Russian return to the region are to be considered from a global perspective.

It is also important to open possibilities for a more comprehensive study of the Russian presence in Latin America by academic institutions and think-tanks in the United States. Whereas in recent years, research activities concerned with China's presence in the region have been booming, the Russian presence in Latin America has been mostly neglected. However, to better understand the Russian long-term interests in this part of the world, support for academic research is pivotal.