

# GEOPOLITICAL ANALYSIS May 22, 2019

Negotiating Security in Latin America, How Russia Regained a Foothold in the Western Hemisphere

#### By Taylor Valley

What is Russia's geopolitical game in Latin America? Since the early-2000s, we have witnessed bilateral trade spike by 44 percent, around 40 diplomatic visits by high-ranking Russian officials, and budding military cooperation through joint-naval exercises in Latin American ports. Some explain this growth as Russian efforts to create multipolarity in the western hemisphere and undermine U.S. influence in the region. This narrative of bilateral relations disregards a key element that may be driving Russia's engagement— the role of Latin American leadership.

From the dawn of the Cold War until today, the western hemisphere has seen sporadic Russian involvement in Latin America. Soviet support of Fidel Castro in Cuba and the backing of the Sandinistas in the Nicaraguan civil war were just flashpoints in this fraught narrative of engagement. Until the collapse of the Soviet Union in 1991, Moscow's exploits in the region were fueled by the existential, ideological struggle to reign supreme in the 'third world.' Located comfortably in the United States' 'backyard,' Latin America was considered a crown jewel in the Soviet conquest. When not caught in the crossfire, leftist Latin American leaders could gain real benefits from the cold-war struggle between the U.S. and the Soviet Union. Leaders including Fidel Castro and the Nicaraguan revolutionary, Daniel Ortega, were both able to secure their socialist regimes with the help of Soviet aid. However, the fall of the Soviet Union and ensuing recession in the 1990s meant no more cheap tanks or economic support for these so-called 'fraternal nations.'

Today, Russia's strongest points of contact in the region are Nicaragua's Daniel Ortega and Venezuela's Nicolás Maduro. Careful analysis of this engagement reveals that contemporary Russo-Latin American relations may be *driven by* Latin American leaders and *not by* Russian

foreign policy. That is not to say that Russia does not benefit from this engagement; Russia does indeed— it has acquired access to key Latin American ports, a stake in Venezuelan oil, and ownership of <a href="strategic Nicaraquan real estate">strategic Nicaraquan real estate</a> to name a few gains. In their negotiations with Russia, it is Latin American leaders that have more to lose by *not* engaging with Russia, therefore making them the instigators of the partnership and giving Russia an easy 'in' to Latin America.

Understanding new Russian engagement in the western hemisphere as a negotiation between Russia and Latin American leaders provides a clearer picture of how, why, and to what extent Russia's influence extends in the region. Although the Cold War is long over, leftist leaders in Latin America still see themselves as prime targets for U.S. aggression. To mitigate these security concerns, leaders including Ortega, former Venezuelan leader Hugo Chavez and Maduro have employed a strategic 'omnibalancing' technique to secure protection from Russia in a strategic value-creating negotiation move.

Omnibalancing, a theory put forward by Steven David (1991), explains the security alignments of leaders in 'third world' countries in a way that the traditional balance-of-power theory fails to consider. Unlike great powers, small, deeply corrupt countries develop their security policies to protect the regime, rather than the state. To do this, leaders in such countries ally themselves with the adversary of their adversary. By bringing in outside parties, these leaders are leveraging themselves over the opposition, thereby reducing the probability of direct confrontation with their primary adversary. By inviting Russia into the region, Ortega and Maduro are effectively creating a new target for U.S. hostility and diverting U.S. pressure away from their regimes. This is a strategic move, because it also creates value for Russia by granting it regional access, influence, and partnerships. A closer look at the Russo-Nicaraguan relationship reveals that the omnibalancing logic likely drove Ortega to make the first move in an attempt to bargain regime security.

### The Ortega Partnership

In the 1980s, Daniel Ortega, Nicaragua's revolutionary hero, worked to maintain strong



relations with the Soviet Union. Ortega lost his bid for re-election in 1990 and remained out of the spotlight until his return to the presidency in 2007. Ortega re-entered the political scene in a weak position with no clear mandate to office. With just under 40 percent of the popular vote, his victory is owed more to fractions in the right parties than his appeal to the people. Likely fearing for the fate of his Socialist regime against domestic unrest and U.S. pressure, Ortega wasted no time in extending an olive branch to President Putin. During this period, there is a noticeable spike in bilateral trade, marked by transfers of Russian military equipment to Nicaragua. With special assistance from Russia. Ortega also modernized the national police, the underpinnings of his increasingly authoritarian regime.

Since the revival of the bilateral relationship, Russia has shown great magnanimity to Ortega by allowing his government to purchase Russian military equipment on credit. In 2016 alone, Nicaragua ordered a fleet of 50 Russian-made T-72 B-tanks valued at around \$80 million. This purchase is astounding considering Nicaragua's entire military budget for that year was only \$79 million. To return the favor, Ortega publicly demonstrates his loyalty to Russia with great ceremony. In 2012, Ortega allowed Russia to begin construction of a civil-military GPS system, **GLONASS**, on Nicaraguan territory. Additionally, Ortega officially acknowledged the Russian annexation of South Ossetia and Abkhazia during the Georgian war in 2008, as well as, the annexation of Crimea from Ukraine in 2014. In another show of reciprocity, in 2015, Nicaragua granted the Russian Navy port access in the Corinth and Bluefields regions through a memorandum of understanding. Russia and Nicaragua's quid pro quo is a low-cost highreward arrangement. By exchanging trade-offs— Russia discounting its military goods and openly supporting Ortega and Ortega offering political support and geostrategic access to Russia—the two countries have negotiated a mutually beneficial and, so far, sustainable relationship.

#### The Chavez-Maduro Partnership

The Russo-Venezuelan saga is similar to that of Nicaragua's tale. In 2008, just one year after Hugo Chavez's re-election to the Venezuelan presidency, bilateral trade spiked, military cooperation increased, and leaders of both

countries pledged to work together to build a multipolar world. Rosneft, a Russian state-controlled energy company, has already invested billions in joint ventures with its Venezuelan counterpart PDVSA over the past decade. Politically, Venezuela, like Nicaragua, has also pledged its support for a Russian South Ossetia, Abkhazia, and Crimea.

Even with Venezuela's gradual slip into recession in 2013, Russia continued to extend loans, trade discounted military equipment, and restructure some of the Venezuelan debt burden. Today, however, this budding partnership has turned into a patron-client system with Russia tightly controlling the purse strings. Venezuela's descent into poverty has left Russia in a tough position. With a few billion Russian rubles sunk into Venezuelan oil and a grim return on investment, why should Russia stay in Venezuela?

The Russo-Venezuelan relationship is more than just oil, it is an ongoing negotiation for regime security and geostrategic opportunity. A strong connection with the Maduro regime gives Russia a stake in Venezuela's future and real power to shape political dynamics in South America. With domestic unrest and U.S. calls to drive Maduro out of power, the leader's best move is omnibalancing— strengthening ties with U.S. adversaries, Russia and China, to offset the U.S. threat to his regime. Significant Russian and Chinese investment in Venezuela make the threat of U.S. invasion not only a Venezuelan security concern, but also a serious problem for Russia and China. With billions in sunk costs, Russia and China are incentivized to offer Maduro the economic and military support necessary to ward off U.S. advances.

## In Latin America to stay?

Domestic politics in Latin America have proven to be an indicator of strong bilateral relationships with Russia. Leftist, authoritarian regimes make better partners for Russia. The limited partnership between left-leaning leader, Cristina Kirchner of Argentina and Russia is further evidence of this. Kirchner's friendly rapport with Putin, interest in expanding relations with Russia, and rejection of the so-called "U.S. neoliberal regime" marked a relatively close period in the Russo-Argentine relationship. The subsequent election of the pro-U.S. candidate in Argentina, Mauricio Macri, in



2016 marked the end of this era and returned Argentina squarely back in the U.S. camp.

Furthermore, Russia's growing relations with Bolivia's socialist president, Evo Morales, indicates that Latin American leadership is integral in maintaining a partnership. The Russian energy giant Gazprom is expanding in Bolivia and ongoing dialogue between Morales and Putin aim to increase the Russian investment. Russia's quiet support of Morales's leadership has gone mostly undetected, perhaps because unlike Nicaragua and Venezuela, Bolivia is in a relatively stable position. The persistence of powerful, leftist leaders in Latin America presents Russia with a unique and relatively easy access point to the region.

Overall, Russia's reemergence in Latin America is less a signal of a new Russian foreign policy in the region and more a reaction to the shifting demands of Latin American leaders. Russia's strongest points of contact in Latin America remain Daniel Ortega and Nicolas Maduro because of their tough domestic situations and tensions with the United States. Despite a soft power campaign in Latin America to strengthen cultural relations, Russia's focus remains on cultivating ties with leadership.

Understanding the dynamics of contemporary Russo-Latin American relations reveals Russia's pattern and methods of engagement. Ultimately, it is Russia's strategic partners in Latin America that will determine Russia's staying power in the region.

Taylor Valley is the Coordinator of the Negotiation Task Force at the Davis Center for Russian and Eurasian Studies at Harvard University, and a Senior Associate at Negotiation Design & Strategy (NDS), a training, advisory, and research development group. Taylor received her Master's degree from Harvard University in Russian, Eastern European, & Central Asian studies where she wrote her thesis on contemporary Russo-Latin American relations. The commentary and analysis expressed here represent the author's own.