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SPECIAL CONTRIBUTOR

The Impact of Russia's Ukraine Invasion on Latin America

R. Evan Ellis | June 13, 2023



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The following article is an extended version of comments presented virtually by the author, in Spanish on June 7, 2023, to a [forum on the topic in Madrid, Spain](#), put on by the Geopolitical Observatory for Latin America (OGAL).

Since the time of the first European explorers, Latin America's political, social, and economic dynamics have been strongly influenced by European developments. Contemporary Latin American social structures, institutions, religion, and political culture continue to bear the legacy of colonial systems. The timing and outcome of 19th Century independence movements—including the heritage of Brazil as the host of the region's first European empire—was shaped by Napoleon's invasion of Europe.

However, Latin America has generally been more of an object of influence than an agent. With the exception of Brazil's support to [maritime security in the Atlantic](#) and its contribution to [efforts to liberate Italy from fascist control](#), Latin America remained mostly on the sidelines during World War II—even though the region was [profoundly impacted by the war](#). During the Cold War period, Latin America [became a battleground](#) for the Soviet Union's attempts to advance a global Communist order.

The greatly [expanded connectivity of the post-Cold War world](#) arguably strengthened the interdependence between events in Europe and Latin America, but has not significantly increased Latin American agency in the relationship. European companies expanded their presence in the region [almost eight-fold during the second half of the 1990s alone](#). Europe has long played a role in projects and the discourse in the region on [development](#), [human rights](#), and the [environment](#). For instance, Europe has increasingly become a destination for the region's drug supply and Europe-based

Today, the impact of Russia's unprovoked invasion of Ukraine and its ongoing military activities against Ukraine's population and infrastructure to occupy the country is consistent with the relationship Latin America has had with Europe historically. The effects flowing from that interdependence have been significant and multifaceted against a backdrop of a region-making an effort to distance itself from them.

Economic Impacts

In the economic domain, Russia's invasion disrupted global supply chains and caused price spikes for a range of products, including fertilizers, basic foodstuffs, and fuels. The difficulties in accessing fertilizer and the food and fuel price spikes came on the heels of the COVID-19 pandemic, which not only hit the region with the highest per capita mortality rates in the world but also decimated businesses and wiped out personal savings. The pandemic also left governments with grave fiscal imbalances, impeding their ability to effectively protect their residents from the new price spikes and supply shocks. Further compounding such pressures, fertilizer shortages and price increases in the Southern Cone countries, such as Brazil and Argentina, came at the same time as record droughts which decimated crops and related earnings from agriculture.

Western sanctions on Russia, even when not fully embraced by the countries of the region, further complicated the economic picture in Latin America. Some countries lost significant export earnings. Ecuador, for instance, exported a substantial portion of its shrimp to Russia prior to the invasion.

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armed forces across the region use a significant amount of Russian military equipment, including Mexico, Colombia, and Peru. As a result, they had difficulty servicing that equipment and keeping it operating within the international sanctions regime.

More broadly, Russia's invasion also damaged Latin America by increasing uncertainty in financial markets. This contributed to a depressed investment environment and sustained high-interest rates in the region, as apprehension drove investors to projects and assets in developed markets perceived as less risky. Overall, Russia's invasion of Ukraine has truncated the region's recovery from the COVID-19 pandemic. Latin America's GDP, which grew 5.2 percent in 2021 as the region bounced back from the pandemic, is expected to grow at a rate of only 1.3 percent in 2023.

Not all of the impact of the Russian invasion has been negative for Latin America. By contributing to the inflation of commodity prices, Russia's war has helped bolster export earnings for select commodities in some countries. Still, such windfalls were reduced by the moderation of commodity prices caused by China's weaker-than-expected recovery and agricultural producers, such as Brazil and Argentina, losing potentially valuable export earnings due to record drought.

Political Impacts

Beyond the explicit economic effects, Russia's invasion has arguably contributed to a region that is less politically stable and with a weakened democratic foundation. The price shocks helped fuel protests and unrest in Peru, Panama, and Ecuador, among other countries. More broadly, the deepening of such economic stresses has helped to deepen longstanding dissatisfaction with the performance of democratic systems, already evident in the fall of 2019 with severe nationwide protests in Ecuador and Chile.

According to the polling organization Latinobarometer, the number of people in the region who agreed that democracy was the preferable form of government fell from 63 percent in 2010 to 49 percent by 2021. In the context of eroding faith in the ability of democracy to deliver, the stresses from the Ukraine invasion—on top of those from COVID-19—have while undercut the ability of democratic regimes to govern. This in turn has brought more populist leaders to power across the region and increased the risk of further turns to non-democratic alternatives in the future.

It would be an exaggeration to say that the economic, and by extension, political effects of Russia's war played the decisive role in the December 2022 fall of Pedro Castillo in Peru, the political weakening of Guillermo Lasso in the context of the corruption scandal that forced him to invoke "Muerte Cruzada," or the possibility that Ricardo Martinelli, just nominated by his "realizando metas" party in Panama will return to power in May 2024 as a populist leader. Yet the inflation and fiscal dilemmas fueled by Russia's invasion have arguably been one important element in each, as well as other difficult political dynamics playing out across the region.

Despite these concerns, there are some sources of hope. In the context of a region already controlled by an unprecedented number of left-oriented regimes as well as the war's bad publicity for anti-U.S. authoritarian leaders like Vladimir Putin and its adverse economic effects, could contribute in some cases to bringing right-oriented leaders back to power. The most significant near-term possibility is in Argentina's October 2023 elections, where in the face of inflation of more than 100 percent and growing risks of a new fiscal default, both the Peronist President and Vice-President have said they will not run and the current front-runner, Javier Milei is a politically non-traditional libertarian.

Security Thinking and International Relations

Beyond its economic and political effects, Russia's invasion of Ukraine has also had a significant, wide-ranging, if uneven impact on thinking about international relations in the region, particularly on security and other matters. For a Latin America which has not seen a full inter-state military conflict since the 1995 Cenepa War between Peru and Ecuador, Russia's invasion reminded the region that armed aggression by one state against another is still possible. Thus, highlighting the persistence of the traditional role of armed forces to defend state sovereignty and its population.

The war also had a significant, if diverse, impact on thinking in the region about the character of Vladimir Putin's regime in Russia. For states of the more "principled, democratic" left in the region—such as Gabriel Boric's government in Chile—Putin's invasion and associated human rights abuses made it difficult to continue the casual relations that many had maintained with Russia before the invasion.

Defying the broader trend, however, the embrace of Russia by a handful of authoritarian populist regimes in the region—including Nicolás Maduro in Venezuela, the Ortegas in Nicaragua, and Miguel Díaz-Canel in Cuba—highlighted the ongoing strategic risks that those regimes pose to the U.S. and the region. Indeed, those populists have also begun forging alliances with Russia's allies—such as Belarus' Alexandr Lukashenko—in an attempt to demonstrate to domestic audiences that they have not become international pariahs. Instead, they are able to cooperate, albeit in limited ways, against the liberal order. The recent agreement to send Cuban military personnel to Belarus, supposedly for training activities but possibly to fight for Russia, is the most recent illustration of this broadening collaboration between illiberal regimes in both regions.

Beyond such political dynamics, the military developments of the war have arguably impacted thinking in Latin America about military training and

American militaries are following developments in Ukraine closely. They are capturing lessons about mechanized warfare, the use of drones, missiles, air defense systems, and other matters. In addition, it demonstrated Russian deficiencies in training and logistics. Indiscriminate attacks against civilian targets and power and water infrastructure and Russia's use of its own soldiers as "cannon fodder" have arguably had a chilling effect on the receptivity to Russian doctrine across Latin America.

Despite such far-ranging impacts, and consistent with its posture historically, neither Pro-Putin regimes nor democrats in Latin America have gotten involved in the conflict in meaningful ways. With the exception of Putin's friends—defiant Central America regimes such as Xiomara Castro in Honduras and Nayib Bukele in El Salvador, and more opportunistic actors such as Lula in Brazil—the majority of the region has generally voted to condemn Russia at the United Nations. Most Latin American states have also generally respected the international sanctions regime against Russia. Still, given the global reach of the U.S. financial system and its legal liabilities, respect for sanctions is arguably a reflection of economic self-interest and not an affirmation of the region's condemnation of Russian aggression.

Indeed, the region has notably avoided imposing its own sanctions on Russia. Moreover, it has notably not sent military aid and has lagged behind Europe and other parts of the world in sending other forms of assistance to the Ukrainian people. Not even those countries most politically aligned with the U.S. in the region have embraced an initiative suggested by the head of U.S. Southern Command General Laura Richardson to donate their difficult-to-service Russian equipment to Ukraine and replace it with U.S. equipment. On the other hand, the new leftist regime of Luiz Inácio Lula da Silva in Brazil has criticized the U.S. for "prolonging" the war by helping Ukraine defend itself. Additionally, in the name of "peace," Brazil welcomed Russian Foreign Minister Sergei Lavrov to the region and discussed expanded trade with the

Conclusion

In the United States, I have been moved by the number of Ukrainian flags spontaneously hung by ordinary Americans in their homes in solidarity with the Ukrainian people in an otherwise deeply divided country. In Latin America, the region to which the U.S. is intimately connected by ties of geography, commerce, and family, I worry that the lessons of Ukraine about the fundamental importance of a rules-based international order and the need to sacrifice to defend its principles has been obscured by the region's own troubles and deepened its cynicism about democracy, the protection of fundamental rights, and the rule of law.

This past week Brazil's President Luiz Inácio Lula da Silva welcomed Venezuelan President [Nicolás Maduro to Brasilia](#) with an embrace, dismissing as a mere "[narrative](#)" the [numerous outstanding criminal cases](#) against him as well as the more than [seven million Venezuelans forced to flee](#) his regime. The same Lula criticized the West for helping Ukraine to defend itself against Russia's invasion as "[prolonging the war.](#)" What a contrast to Lula's iconic predecessor Getúlio Vargas, who contributed a division of Brazilian forces to the campaign to liberate Italy in 1944. It is hard to imagine Vargas [criticizing Allied efforts](#) to defend Europe against the aggression of Hitler and Mussolini.

While the economic effects of Russia's invasion of Ukraine are grave, the truly worrisome development has been to deepen the wounds of a region whose pain from COVID-19, corruption, insecurity, and government performance has eroded the already fragile consensus on the importance of principle. The challenge ahead is to do better in making the case for why democracy and individual rights are not just eloquent words but meaningful concepts worth the price of defending. For those words to resonate, the United States must not only keep faith with Ukraine, but also with this hemisphere. It must give its people reason to believe that values can have meaning. It must show that

the private sector, for all of its imperfections, is still the best way to generate value for a society and protect individual liberties.

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