

Sunflowers lay over an image with the Spanish message: "Peace in Ukraine" outside the Russian embassy after demonstrators protested Russia's invasion of Ukraine in Mexico City, March 24, 2022. (AP Photo/Marco Ugarte)



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The Impacts of the Russo-Ukrainian War on Latin America in the Age of Strategic Competition

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As we enter the second year of the Russo-Ukrainian war, it is prudent that the foreign policy community examine the impacts of the conflict on other regions, including Latin America.

Despite the distance between Latin America and Ukraine, the conflict has disrupted the region and exacerbated the negative impacts of the COVID-19 pandemic. COVID-19 disproportionately affected Latin America's fragile socioeconomic, fiscal, and political situation. For example, Brazil, a major

regional economic powerhouse, was one of the worst-struck countries in the region, and the pandemic significantly impacted its economy. The country's [GDP contracted by 4.1%](#) in 2020, and unemployment reached a record high of 14.1% in the first quarter of 2021. The pandemic also impacted Brazil's fiscal situation, with the country's [debt reaching 90% of GDP](#). Brazil's downturn is not an isolated incident, albeit a microcosm of the region. In addition, the instability allowed authoritarian regimes to further consolidate control in places like [Nicaragua](#), Venezuela, and [El Salvador](#). For instance, leaders like El Salvador's [Nayib Bukele](#) capitalized on the chaos of the pandemic and a desperate citizenry to strengthen his power.

Furthering the impacts on domestic politics, the confluence of the pandemic and war in Ukraine disrupted global supply chains, agriculture production, and energy resources. Moreover, as tensions between the West and nations such as Russia and China continue to grow, globalization is becoming increasingly divided. This will likely lead to further political turmoil and socioeconomic disparity in Latin America, which has already been compounded by the war and the lackluster COVID-19 recovery efforts. With these repercussions still lingering, a lack of economic and trade development, an intensifying energy crisis, and rampant inflation prevailing in 2023, the region's outlook remains bleak.

Regional Impacts

Despite Russia accounting for only [.6 percent of Latin American total trade](#), the region relies heavily on Russian energy supplies and imports like wheat and fertilizer to sustain local agricultural operations. However, due to a persistent shortage of fertilizers in the past year, [prices have tripled, leading farmers within this region to scrupulously downsize their crop production](#). This market disruption resulted in economic repercussions and induced food insecurity worldwide. In September, the former President of Peru, [Pedro Castillo](#), drew attention to how the Russo-Ukrainian war and its subsequent economic sanctions have caused extreme hardship for the area's poorest citizens in agrarian communities.

Last year's (2022) skyrocketing energy prices and fertilizer shortages caused a dramatic surge in the Food Price Index, with [food costs rising](#) by an estimated 7% and [oil prices escalating](#) to 30%. Coupled with COVID-19's economic blow to the region, these issues leave the most vulnerable consigned deeper into poverty. In 2020 alone, Latin America experienced the [greatest plunge in GDP](#) out of any other region. As such predicaments continue to arise for regional politicians, it is clear that more must be done to address this ongoing crisis.

Strategic Competition

In an increasingly multipolar world featuring major players such as Russia, China, and the U.S., a new era of great power rivalry has emerged, known as [strategic competition](#). This competition extends beyond geographical boundaries, and the Western Hemisphere has once again become a critical region where major powers vie for influence. The recent COVID-19 response has highlighted this competition, as each of these three countries worked to promote their vaccines in the hemisphere. However, while the U.S. distributed its vaccines to the most affected countries, China, and Russia, to a lesser extent, provided [vaccines based on concessions](#) that these countries had to make to receive vital care for their people.

The pandemic caused considerable financial distress to many countries in the region, and the war in Ukraine only adds to their woes. With this weak state of affairs, nations are at risk of extra-hemispheric powers looking to exploit these vulnerabilities for economic or political gain. As a result, regional governments face a tough decision between maintaining geopolitical alliances, trade dependencies, and international rebuke against Russian aggression. This has become apparent as many Latin American countries have taken a [neutral approach](#), refusing to take sides and unwilling to [provide armaments to Ukraine](#), even though the Commander of U.S. Southern Command, General Laura Richardson, has offered to [replace the donations](#) with newer American systems. To further complicate matters, Russia views Latin America as a strategic opportunity to [challenge U.S. hegemony](#), evidenced by its presence in Cuba, Venezuela, and Nicaragua. Meanwhile, [China is taking advantage of the region's](#) economic fragility by pursuing predatory infrastructure deals, which ultimately lead to debt traps due to China's loan structures. We can see the impacts of debt-trap diplomacy in places like [Ecuador](#), where significant Chinese debt appears to influence the diplomatic reaction to China's [Illegal, Unregulated, Unreported Fishing \(IUUF\)](#) in Ecuador's exclusive economic zone.

Russia

Russia's view of Latin America as a means to challenge prevailing U.S. influence in Eastern Europe, famously coined as "Russia's near-abroad," is not novel. However, following Moscow's invasion of Ukraine in February 2022, Russian military presence decreased significantly throughout Latin America, diminishing the impacts of their disruptive [disinformation campaign](#) in the region. As Russia continues to wage war in Ukraine, it heavily relies on other authoritarian regimes to maintain geopolitical clout and present dilemmas for the U.S. For instance, when war broke out, Moscow threatened to place sophisticated military capabilities within [Cuban and Venezuelan](#) borders. This threat, reminiscent of the Cuban Missile Crisis, aimed to increase tensions within America's

near-abroad. These [types of campaigns](#) are waged as a broader Russian effort to diminish U.S. legitimacy and influence throughout the hemisphere.

Furthermore, Russia exports military equipment to many countries in the region, including U.S. partners such as Mexico, Colombia, Ecuador, Brazil, and Peru. Sanctions against Russia have made these nations vulnerable [to degrading critical military capabilities](#) like medium-lift helicopters due to a lack of maintenance support.

Diminishing U.S.-partner readiness posed by the consequences of the war hinders defense & security missions that prove beneficial to U.S. interests (such as counternarcotics operations). Moreover, heightened insecurity caused by growing instability could also cause more regional populations to seek refuge elsewhere- whether in the United States or other nations- thereby increasing pressure on already-taxed governments and institutions even further and deepening existing political divisions within the region.

People's Republic of China (PRC)

Anemic economic development in Latin America also allows countries like [China to occupy a more prominent trading role](#), pushing them closer to becoming the leading partner. This is especially disconcerting given that 8 out of 14 nations in the world that still maintain formal diplomatic relations with Taiwan are in the Western Hemisphere. Still, the PRC continues to make gains, as Honduras recently signaled its desire to drop its long-standing relationship with Taipei to establish diplomatic relations with Beijing. China utilizes trade, technology deals, and infrastructure projects to coerce Latin American states into [abandoning their diplomatic relations with Taiwan](#) in favor of Beijing, thus furthering their foreign policy aims. Therefore, Latin America is a critical actor in modern strategic competition and pushing back on the PRC's priority effort to permanently displace Taiwan from the diplomatic world. As China re-emerges from its COVID-19 lockdown, its growing presence in the region's markets and deals on infrastructure and technology could add to the current precariousness. The burgeoning regional debt crisis and impacts of the Ukraine conflict provide China ample opportunities to prey on nations affected most and weaken America's hemispheric influence. Moreover, China seeks to assert its power force projection in multiple spheres of influence, threatening a multipolar world and, thus, increasing the potential for kinetic conflict.

Recommendations

Recommendations to reduce economic impacts from the War in Ukraine and protect Latin American sovereignty should focus on promoting economic development, reducing dependencies, and mitigating risks associated with Russia and China.

1. The U.S. government should work closely with Latin American countries to support regional economic development through the Department of Commerce, particularly in infrastructure, manufacturing, and technology sectors. The department can provide technical assistance, financing, and other resources to help Latin American countries diversify their economies and reduce their dependence on a few key exports.
2. The State Department can assist by reviewing contracts related to infrastructure and other projects to call out improprieties, particularly concerning potential debt-trap diplomacy schemes used by China. The department should also promote transparency and good governance in Latin American countries, which can help reduce corruption and other illicit behavior that external powers can exploit.
3. The Department of Defense can assist by providing military security cooperation, modernization, and intelligence support to call out bad behavior from external powers. In addition, the department should provide critical military capabilities to countries in the region to enhance readiness and security, further reducing their need for aging and unreliable Russian military hardware.
4. The U.S. and Latin American countries can work together to enhance intelligence sharing and monitoring of Russian and Chinese activity in the region, particularly regarding election interference, cyberattacks/ransomware, and disinformation campaigns.
5. The U.S. government should work with Latin American countries to promote the rule of law and human rights, which can help deter authoritarian regimes from consolidating power.
6. The U.S. government should work with Latin American countries to promote regional resilience to future shocks, such as pandemics and climate change. This can be done by promoting sustainable development, environmental conservation, economic diversification, and disaster preparedness.
7. Latin American countries can work to reduce their dependence on Russian and Chinese imports and energy supplies by diversifying their supply chains and promoting domestic production. Governments can also work to develop regional partnerships to promote trade and cooperation, which can help reduce their dependence on extra-hemispheric powers.

Conclusion

In summary, the war in Ukraine has presented dire consequences for Latin America, economically and politically, as nations struggle to balance competing interests, sustain their economies, and preserve their autonomy. The conflict compounds the hemisphere's weaknesses, creating turbulence and opening opportunities for malign actors to capitalize on its vulnerabilities. This situation is expected to continue for the foreseeable future, with little reprieve from its distressing effects, unless the region and its reliable partner to the north (U.S.) develop a comprehensive approach to the regional issues.

Overall, by promoting economic development, reducing dependencies, and mitigating risks associated with extra-hemispheric powers such as Russia and China, the U.S. government and Latin American countries should cooperate to protect their sovereignty and reduce the economic impacts of the war in Ukraine. Going forward, Latin American nations must stand up for their belief in democracy and sovereignty by joining the West to denounce Russia's invasion of Ukraine and work with the international community to resolve the conflict.

Disclaimer

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