November / 2019 ISBN: 978-9972-671-62-3







THE RELATIONS BETWEEN
PERU AND THE RUSSIAN
FEDERATION: REVISION
AND INTERPRETATION
FROM AN INTERNATIONAL
RELATIONS PERSPECTIVE

Sebastien Adins Mildred Rooney

2019





NOVEMBER 2019

www.idei.pucp.edu.pe

www.kas.de

ISBN: 978-9972-671-62-3

# THE RELATIONS BETWEEN PERU AND THE RUSSIAN FEDERATION: REVISION AND INTERPRETATION FROM AN INTERNATIONAL RELATIONS PERSPECTIVE

1ª ed., November 2019 ISBN: Nº 978-9972-671-62-3

© Pontificia Universidad Católica del Perú Instituto de Estudios Internacionales (IDEI) Plaza Francia 1164, Lima 1 – Perú

Email: idei@pucp.edu.pe Telf.: (51-1) 626-6170

URL: <www.pucp.edu.pe/idei> <www.facebook.com/ideipucp>

© Konrad Adenauer Stiftung (KAS) Av. Larco 109, 2º Piso, Lima 18 – Perú

Email: kasperu@kas.de URL: <www.kas.de/peru> Telf.: (51-1) 416-6100 URL: <www.kas.de/peru/es> <www.facebook.com/kasenperu>

#### Authors:

Sebastien Adins, Pontificia Universidad Católica del Perú Mildred Rooney, Pontificia Universidad Católica del Perú

All rights reserved. The total or partial reproduction of this book without express authorization by the editors and by any means is forbidden.

November, 2019





NOVEMBER 2019

www.idei.pucp.edu.pe www.kas.de

ISBN: 978-9972-671-62-3

# THE RELATIONS BETWEEN PERU AND THE RUSSIAN FEDERATION: REVISION AND INTERPRETATION FROM AN INTERNATIONAL RELATIONS PERSPECTIVE

Sebastien ADINS and Mildred ROONEY\*

In February 2019, Peru and the Russian Federation celebrated the 50th anniversary of the establishment of diplomatic relations at Embassy level. However, the first diplomatic contact between the two countries dates back to 1863, with Peru being one of the first states in the region to establish a relationship with the then Russian Empire.

Once the Soviet Union was established in 1917, interaction with Latin America was generally scarce for several reasons: geographical distance (and proximity to the hemispheric hegemon, the United States), the fervent anti-communist stance of the elites in the region and, in the eyes of the CPSU, the supposed low revolutionary potential of Latin America. Only with the inauguration of Khrushchev's "peaceful coexistence" policy and, even more, the Cuban Revolution of 1959, Moscow began to exhibit a, clearly pragmatic, rapprochement to the region, considering its potential as an economic partner (basically, buyer of Soviet machinery and weapons) and a playground to "balance" Washington and underset its superpower status.

Compared to other South American states, Peru was slow to establish official diplomatic relations with Moscow. On the one hand, Lima acted as one of the main allies of the United States during the first decades of the Cold War, despite the existence of certain frictions generated by the great presence of US investments and the uncompromising positions of

\_

<sup>\*</sup> This document has been prepared based on the book by Adins, S. & Mildred, R. (2019). The Relations between Peru and the Russian Federation: Revision and Interpretation From an International Relations Perspective. Lima: Institute of International Studies (IDEI) of the Pontifical Catholic University of Peru and the Konrad Adenauer Foundation. The digital version of the book can be found at: http://repositorio.pucp.edu.pe/index/handle/123456789/166581 https://www.kas.de/web/peru/einzeltitel/-/content/las-relaciones-entre-el-peru-y-rusia-reivsion-e-interpretacion-desde-las-relaciones-internacionales

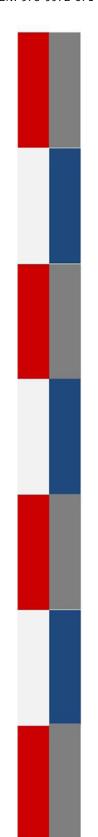




NOVEMBER 2019

www.idei.pucp.edu.pe www.kas.de

ISBN: 978-9972-671-62-3



Washington in some controversies. Perhaps the best expression of this political conservatism was the prohibition, in force for more than a decade, to trade with socialist countries or to project Soviet movies.

On the other hand, historically Peruvian foreign policy prioritized the relations with its neighbors, especially Chile and Ecuador, with which it maintained territorial disputes at that time. Only during the sixties, progressive intellectuals and politicians, military circles and a new generation of diplomats began to defend the idea of an "universalization" of foreign relations and, therefore, a more pragmatic pose of the their state in international matters. In this sense, the coming to power of the "Revolutionary Government of the Armed Forces" (GRFA), led by Juan Velasco (1968-1975), meant the realization of these innovative ideas on the Peru's international projection.

Undoubtedly, the military regime was not only the starting point, but at the same time, the highlight of the bilateral relations developed between Lima and Moscow over the past five decades. Thus, during the 1970s, Peru became one of the main importers of Soviet machinery and engineering services in Latin America, and a hub for the Aeroflot airline and the Soviet fishing company. More importantly, considering the relationship ahead, the military government acquired, like no other state in the region, a complete defense system from the USSR, consisting of tanks, airplanes, helicopters and missiles, among other weapons. In addition, the GRFA promoted the use of scholarships offered to the country; several hundreds of Peruvian students were trained in Soviet universities, a dynamic that continued until the nineties.

The eighties were, for both states, extremely difficult. Peru not only went through a deep economic crisis, like other Latin American countries, but also witnessed the beginning of an internal armed conflict that lasted for more than a decade. In turn, although the Soviet system already showed obvious signs of exhaustion at the beginning of the decade, the sudden economic and political reforms implemented by Gorbachev led to the abrupt end of the USSR. These domestic contexts caused a clear slowdown in the intensity of relations, on that occasion mainly based on debt issues and, an important subject for Moscow, the prolongation of fisheries contracts. Nevertheless, in 1985 Peru set a record - not reached until now - in its (mainly non-traditional) exports to the Soviet market, for an amount of more than 230 million dollars.

After the fall of the USSR, the foreign policies of both countries began to coincide, although without being able to converge or strengthen bilateralism in the short term. Russia's foreign policy in the first half of the nineties clearly searched to strengthen its relations with the West and to complement the implementation of the orthodox, IMF inspired, economic shock therapy. By 1996, when this policy had resulted in the worsen-





#### **POLICY PAPER** NOVEMBER 2019

www.idei.pucp.edu.pe

www.kas.de ISBN: 978-9972-671-62-3

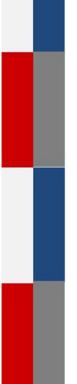
ing of the socio-economic crisis and the West remained indifferent towards Moscow, then Foreign Minister Yevgeny Primakov started to redefine Russia's international role towards big power status and present its country as an architect of "polycentric" international order, equipped with an independent and "multi-vector" orientation that also included Latin America.

In the case of Peru, during the nineties, the economic-commercial agenda and, particularly, its international reinsertion through a unilateral trade liberalization ranked as the highest priority. From that perspective, relations with the Russian Federation did not receive too much attention, due to the reduced volume of commercial exchange compared to those that Peru maintained with the United States and European countries; and, the internal political and economic situation of both countries.

In this context, the (few) approaches that occurred focused on the treatment of the debt issue and the military purchases realized by Peru during its border conflict with Ecuador at the beginning of 1995. Unlike what happened in the 1980s, fishing was not a priority anymore: Lima did not seek to strengthen its position as an exporter of fishery products and their derivatives, but rather, showed reluctance to boost relations with Russia in this area. On the other hand, it is worth mentioning that during the same decade, the Asia Pacific Cooperation Forum (APEC) was able to establish itself as a relevant mechanism for the construction of the bilateral relationship, after the entry of both economies in 1998.

Most of these actions showed that the initiative came from Russia (especially after the second half of the nineties with the implementation of the "Primakov Doctrine") and the rather reactive stance of Peru. The latter only prioritized proposals linked to the military field and some politically non-sensitive issues, such as the cooperation between the Diplomatic Academies of both countries and in the cultural, educational and scientific scopes.

The arrival of Vladimir Putin to the government at the beginning of the 21st century has meant the reaffirmation of Russian foreign policy under the Primakov Doctrine, although it has gradually acquired new nuances. Concerning Latin America, Moscow aims to defend four main interests. First, given the growing tensions with the West since 2008, as in the times of the USSR, Moscow has periodically displayed a "tit-for-tat" strategy in the region in front of the United States, with the support of the revisionist governments of the "Bolivarian axis". Secondly, Russia's "national champions" consider Latin America as a potential receiver of FDI in particular sectors like nuclear energy, the construction of hydroelectric power stations and/or railways and the extraction of natural resources (mainly oil, gas and minerals). Third, through a political dialogue between Moscow and Latin America's main regional institutions (CELAC,







#### **POLICY PAPER** NOVEMBER 2019

www.idei.pucp.edu.pe www.kas.de

ISBN: 978-9972-671-62-3

Mercosur, CAN...), the region can contribute to the formation of a polycentric global order, somehow capitalizing on existing anti-imperialist tendencies in some of its countries. Finally, Latin America also constitutes an opportunity for the projection of Russian soft power and to enforce its image as great power, both for national as international audiences.

On the other hand, in general terms, the Peruvian foreign policy premises released during the "Fujimori decade" have been maintained throughout the following governments. At the priority level, in the first place, Peru has sought to maintain good relations with its traditional partners, the United States and European countries. Likewise, in this new century, Peru has acted as a "status seeker", highlighting not only its macroeconomic stability and international insertion, but also through the promotion of (Western) political values such as human rights and democracy, nation branding campaigns (advertising campaigns for the construction and promotion of "Peru Brand") and the organization of international summits.

Regarding Peruvian-Russian relations throughout the 21st century, the Partnership Agreement signed in 2006 stands out, as well as the establishment, reactivation and use of bilateral, multilateral and regional mechanisms. At the bilateral level, there are four intergovernmental bodies to address the technical-military, economic-commercial, scientific and technical cooperation, as well as the fishing issue and political consultations; one hybrid (the Peru-Eurasian Economic Commission Working Group); an inter-parliamentary dialogue mechanism; and, various cooperation initiatives at the inter-institutional level. Within the multilateral mechanisms, APEC stands out, because it has served as a platform for presidential and foreign ministers meetings. At the regional level, CELAC predominates (and its predecessor, the Rio Group).

With respect to the commercial-economic axis of the current Peruvian-Russian relations, the intensity levels are clearly below their potential. Thus, by 2018, Peru came to export for an amount of 135 million dollars (out of a total of almost 48 billion dollars of Peruvian shipments in this year) to the Russian market. Although this figure reflected an increase over the previous year with more than 50%, Russia only ranked 31st between Peru's export partners. In addition, it is well below the level of intermediate neighboring economies such as Chile (925 million dollars) or Ecuador (837 million dollars).

On the other hand, bilateral trade is characterized by being systematically deficient for Peru: in 2018 it imported 339 million dollars of Russian products. Likewise, despite the Peruvian interest shown to negotiate a Free Trade Agreement with Moscow, the Russian participation in the customs union of the Eurasian Economic Union, excludes the possibility



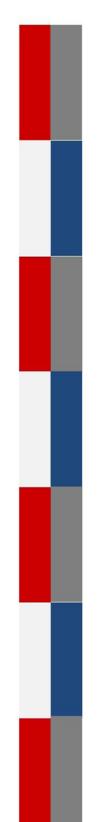


# **POLICY PAPER**NOVEMBER 2019

www.idei.pucp.edu.pe

www.kas.de

ISBN: 978-9972-671-62-3



of a bilateral agreement. In addition to this, Russia seems to prioritize its trade ties with European, Asian and some MENA economies. Furthermore, it is worth mentioning that Russian investments in Peru are negligible –according to official (Peruvian) figures, they do not reach three million dollars–, despite the potential that exists in sectors such as mining and hydrocarbon extraction, hydropower and railway construction.

In the military sphere, the bilateral relationship mainly involved the purchase, especially between 2008 and 2013, of weapons, vehicles and aircraft (Mi17Sh and Mi35 helicopters) and, technical cooperation, within the framework of the Technical-Military Agreement signed in 2004. Peruvian interest in expanding the military agenda with Russia can be explained by the need to modernize and repower its military equipment, which was no longer postponed due to the impact of the maritime dispute with Chile before the International Court of Justice (2008-2014). Likewise, Peru sets out to take advantage of Russian proactivity, due to the comparative advantages that it offers in this area, such as attractive industrial compensation services (offset), the construction by Russia of the "Aeronautical Maintenance Center" (CEMAE), as well as for the offer of training in countering drug trafficking, prevention and attention to emergency situations, and participation in Peacekeeping Missions.

Finally, in the political field, the Joint Declaration of Strategic Partnership signed in November 2015 during the Conference of the Parties (COP21), could be considered a (symbolic) milestone in the bilateral relationship. Although the instrument contemplates the dimensions of bilateral cooperation and mentions the international spheres in which intergovernmental coordination can be deepened, it is still a declarative document, which has, for now, failed to substantially contribute to the strengthening of Peruvian-Russian relations.

Based on the abovementioned, relations between Peru and Russia have gone through periods of greater and lesser intensity. Russia with its self-perception of great power that has remained relatively constant, first as an empire, then as the USSR and later as the Russian Federation, has demonstrated a proactive stance vis-a-vis its Peruvian counterpart. For its part, Peru's self-perception has oscillated between a more assertive and pragmatic foreign policy (mainly during the Military Government of the Armed Forces); and, other (recurring) periods in which its projection has been more limited to the hemisphere (neighboring countries and the United States), conservative and ideological.

On the other hand, an eventual impulse in the economic-commercial agenda, present in the discourse of both countries, goes through the overcoming the infrastructural gaps - lack of a direct logistic connection - and the construction of a more efficient promotion strategy of Peruvian and Russian products in both markets. Such actions would eventually

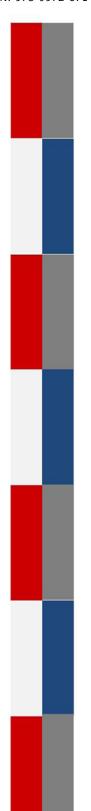




NOVEMBER 2019

www.idei.pucp.edu.pe

www.kas.de ISBN: 978-9972-671-62-3



create synergies that can lead to the approach and knowledge of entrepreneurs in both countries.

In conclusion, it is necessary to note that Russia has failed to produce results in the construction of an image as an "attractive and reliable" partner for Peru. In this sense, although the Russian bureaucratic capacity turns out to be more complex than the Peruvian one, the public diplomacy strategy would need to be readjusted, taking into account concrete and direct material incentives. Moreover, achieving greater political convergence implies reviewing the ideas that give content to the selfperceptions of both countries, the perception of the "other" in the bilateral relationship, as well as the international system (structure).