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# Alberto Fernández's Magical Odyssey to Russia and China



Evan Ellis | February 15, 2022  
Global Americans Contributor



*Photo: Russian President Vladimir Putin and Argentine President Alberto Fernández making press statements. Source: Sergei Karpukhin / TASS.*

President Alberto Fernández's state visit to Russia and the People's Republic of China (PRC) this month was tragic for Argentina—its national interests, its reputation as a democratic voice in the region, and moderates within Peronism who sincerely believe in the government as a tool for social justice and progress.

The choice by Argentine voters in October 2019 to return the Peronists to office largely reflected frustration with former President Mauricio Macri's inability to adequately address the country's accumulated challenges through his market-oriented policies and re-engagement with Western governments and financial institutions. One decisive factor in the decision to give the Peronists another opportunity at governing was Fernández's promise of moderation in both international and economic affairs in the wake of perceived corruption, economic chaos, and international isolation of Argentina under the previous Peronist government of Cristina Fernández.

In the context of Alberto Fernández's campaign commitment to pursue a balanced foreign policy, his state visit to the PRC during the Winter Olympics put Argentina on the wrong side of a compelling moral issue. The United States and several European governments have chosen to boycott the games due to China's ongoing human rights violations against the Uighur Muslim population. However, Fernández's stop in Russia and meeting with President Vladimir Putin as 120,000 Russian troops were poised to invade Ukraine was an even graver statement about the Peronists' alignment with anti-democratic governments. Both visits reinforce ties with governments that actively violate the rights of their populations while inherently condoning the ongoing, large-scale military threats these countries have made against their neighbors.

Argentina's substantial and growing commercial interests with Beijing and longstanding agricultural trade with Russia could have provided some room for Fernández to justify his trip—if he had reinforced the democratic values that Argentina has so long advocated on the regional and international stage. However, Fernández's rhetoric and decisions throughout the trip diminished his standing as a president far more than the inherent problems created by the bad timing of his trip.

### **Alberto in Moscow**

In Russia, in comments during his public meeting with Putin that differed from what the Foreign Ministry had prepared for him, Fernández removed any doubt about his personal feelings and the purpose of his visit. He proclaimed his desire to use Russia to help Argentina move away from its relationship with both the United States and the International Monetary Fund (IMF) while offering to allow Russia to use Argentina as a point of entry to expand its limited presence in Latin America and the Caribbean. Fernández's awkward and painfully long statements in front of the cameras, gazing directly at Putin as the Russian president stared back expressionlessly, was difficult to understand outside Argentine domestic politics, Fernández's poor judgment, or both.

If Fernández had wished to make such a cynical bargain with Putin, he could have conceivably done

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strategic interests and proclaimed values. Argentine Finance Minister Martín Guzmán had just reached a tenuous agreement with the IMF postponing repayment of the government's debt beyond the end of the Fernández administration while obligating it to virtually no politically difficult policy changes. Fernández's very public slap in the face to the IMF seemed to put the still-unratified deal at risk. Moreover, Argentine Foreign Minister Santiago Cafiero had just traveled to Washington asking for the Biden Administration's help. Fernández's public rebuke of the Biden Administration and senior officials such as National Security Advisor Jake Sullivan, who had extended goodwill to Argentina in its difficult circumstances, inherently undermined that U.S. trust while diminishing the credibility of Fernández's assertion of a balanced foreign policy.

Fernández's deliberately public Faustian bargain with Putin may be part of an attempt to assuage those on Peronism's left flank, such as Cristina Fernández and Maximo Kirchner. Both had indicated their strong displeasure with the IMF negotiations. In this interpretation, President Fernández may have cynically calculated that the IMF and the Biden administration are sufficiently professional to understand the domestic drivers of Argentine foreign policy.

Beyond the president's headline-producing comments, the official communique from the Argentine Foreign Ministry emphasized the strategic agreement signed between Russia and the outgoing Peronist government of Cristina Fernández in 2015—but largely ignored during the Macri administration—as the framework for building a robust new relationship. The public comments also mentioned possible collaboration in railroad infrastructure (where the Chinese presently have a leading role), oil, gas, the petrochemical industry, and banking, with talks likely building on previous discussions about installing a Russian bank in Argentina. However, the official statement

explored collaboration at lower levels, including Russian interest in technology from Argentine's state technology agency INVAP for long-range radars, the possible sale of 12 Russian fighter aircraft to Argentina, or the possible construction of a factory in Argentina for the Russian car and truck maker Kamaz.

## **Alberto in Beijing**

With respect to his state visit to the PRC, as with Russia, Fernández made inopportune comments, declaring himself a great admirer of Mao Zedong and the Chinese communist system. Nonetheless, in contrast to the president's stop in Russia, his visit to China was marked by agreements on a broad range of concrete projects and areas of cooperation that highlight Argentina's extensive bonds with the PRC in commercial and other matters.

The "substance" of the trip occurred during his meeting with President Xi on the last day, February 6. While not as dramatic as Fernández's declarations to Putin, in Fernández's discussions with Xi, Argentina predictably reaffirmed its support for Beijing's One-China Principle—the basis for the PRC's territorial claims over Taiwan—while the PRC reciprocated by backing Argentina's claim over the Falkland (Malvinas) Islands. In addition, the Fernández government consummated its long-anticipated formal adherence to China's Belt and Road Initiative. The act, accompanied by an agreement on cooperation, was symbolically important in declaring the country's openness to integrate with the PRC on China's terms—reversing the reluctance of the previous Macri government, like other center-right governments in the region, to make such ambiguous pledges of economic fealty.



Although little covered by the Western press, the Argentine expression of fealty also included support for China's "[Global Development Initiative](#)," the PRC's new marketing strategy, which highlights the benefit of China and its companies and banks to poorer countries. The communique also referenced the current Argentine CELAC presidency, [2022-2024 China-CELAC plan](#), and [China-CELAC forum](#)—held in [December 2021](#), thus emphasizing the importance that the PRC places on CELAC as a tool for its multilateral engagement with the region.

More substantively, the Fernández-Xi summit formalized executive-level commitments on a broad range of projects prepared by Argentina's foreign ministry and its zealous Sinophile ambassador in Beijing, [Sabino Vaja Narvaja](#). The [official 22-point communique](#) indicates that PRC financing for these projects alone [totals USD \\$23.7 billion](#). Public agreements signed before the summit, in addition to the [list of projects of interest divulged by the Argentines](#), provide insight into the details of what constitutes the "[cooperation in agriculture, mining, energy, and investment](#)" referenced in the communique.

### **A New Era of China-Argentina Cooperation**

At the top of the list, Argentina specifically agreed to [spend \\$8 billion, largely financed by the PRC](#), for the [Chinese firm Gezouba](#) to build a new Hualong-1 nuclear reactor in the Atucha nuclear complex. Significantly, this will be the PRC's first attempt to recreate this relatively recently designed reactor outside of China. One must hope for Argentines and others downwind from the Atucha complex that the Chinese builders of the Hualong-1 reactor do better than those in Ecuador who built the [Coca Codo Sinclair hydroelectric facility](#). The project suffered numerous [major](#)

defects stemming from its poor planning and implementation, which allegedly redirected a river, caused massive erosion, and ruptured both of Ecuador's oil export pipelines.

Beyond Hualong-1, ongoing China-Argentina collaboration in the energy sector likely encompasses work for the Cauchari solar farm—already the largest facility of its kind in South America, the Potrero del Clavillo-El Naranjal solar and wind farm, and the Cerro Arauco wind/solar park in La Rioja.

Concerning energy transmission, Fernández also reportedly discussed a \$1.1 billion commitment in work for the State Grid group on the power grid for greater Buenos Aires. The project would further the advance of PRC companies in electricity distribution and transmission in Argentina, complementing significant advances in Brazil, Peru, and Chile through tens of billions of dollars in acquisitions by Chinese firms such as State Grid, China Three Gorges, and State Power Industrial Corporation (SPIC) in those countries.

In telecommunications, Fernández's visit to Huawei headquarters suggests the government's favorable disposition in letting the company, already subject to significant espionage-related concerns, participate in the rollout of 5G and other national connectivity and smart cities projects in Argentina. Additionally, the joint communique embraced cooperation by the two nations in the "digital economy," suggesting the Fernández administration's receptivity to an expanded role for Chinese companies carrying sensitive government, corporate, and personal data—including in telecommunications and smart cities—but also e-commerce.



In biomedicine, in the runup to the Fernández-Xi summit, negotiators formalized an agreement giving PRC-based Sinopharm the right to produce its vaccine in Argentina, building on arrangements born of its Phase III testing there during the early phases of the COVID-19 pandemic. The communique also mentioned broader cooperation against COVID-19. The technology transfer component of such collaboration could theoretically facilitate Sinopharm access, overtly or by other means, to mRNA technologies of leading Western pharmaceutical firms operating in the country.

Collaboration in mining mentioned by the communique likely includes a recently announced plan for the PRC-based company Zijin to build a \$380 million lithium carbonate plant in the province of Catamarca, further expanding its already substantial presence in Argentina's lithium sector.

In transportation, expanded collaboration mentioned in the communique likely referred to recent deals for additional work for Chinese companies developing and supplying trains to the Belgrano Cargas rail system, San Martín, and Rocas. In addition, the two governments likely discussed several other road and bridge projects, including the possible construction of an auto assembly plant in Santa Fe by the Chinese firm Chery. However, it is unclear how such a project would differ from the Chery facility that previously operated in nearby Montevideo, Uruguay, but which closed in 2015 and left 350 workers unemployed. The communique's reference to infrastructure collaboration likely reflects Chinese companies' agreements to build a sewage treatment facility, water pipeline, gas transmission pipeline, and low-income housing project at the Argentine government's expense.

The talk of agriculture mentioned in the statement included a 5-year plan for deepening agricultural cooperation. Such programs are likely to impact the Argentine economy, given the PRC's increasingly important role in Argentine soy and other exports. On the other hand, it is unclear whether officials discussed the previously stalled multi-billion-dollar Chinese investment to double Argentina's pork export capacity.

In finance, the communique explicitly included a commitment to expand China's debt swap arrangement with Argentina. However, it did not clarify if the Chinese were granting the roughly \$3.5 billion expansion of the existing \$18.7 billion swap agreement, as discussed in the runup to the summit.

The meeting also included the formalization of plans to open a new Argentine consulate in Chengdu, reflecting how the depth of China-Argentina commercial actions now involves extensive interactions at the subnational level for both countries.

Not surprisingly, the communique contained no mention of the memorandum of understanding signed by Fernández during his visit regarding the \$664 million acquisition of Chinese JF-17/FC-1 fighters by the Argentine Air Force, programmed in the country's 2022 defense budget.

For Fernández, his China trip after his stop in Russia was a blessing since the numerous concrete agreements in Beijing helped to distract from his inopportune public expressions in Moscow. Indeed, after Moscow, Fernández was remarkably subdued in Beijing. The president's performance in China also compared favorably to the 2015 trip by his Peronist predecessor Cristina Fernández,

who, while in Beijing, infamously made an inappropriate, racist tweet ridiculing the Chinese for difficulty in pronouncing the letter “R.”

## **Implications for the Region**

For the United States, Fernández’s words in Moscow and the scope of collaboration formalized or discussed in Beijing highlight the mounting strategic risks in the region stemming from the reinforcing dynamics of leftist populism, extra-hemispheric actors, and the destabilizing effects of the COVID-19 pandemic. As that political transition continues, knowledgeable and capable officials within the Biden administration are likely engaged in serious thinking about the implications. In addition to the well-known criminally connected authoritarian governments in Cuba, Venezuela, and Nicaragua; developments of concern include more complex cases such as Xiomara Castro’s new Libre government in Honduras, President-elect Gabriel Boric in Chile, right-wing populist Nayib Bukele in El Salvador, Andrés Manuel López Obrador in Mexico, Luis Arce in Bolivia, and Pedro Castillo in Peru, to name a few. Also of concern is the likely election of former M-19 guerilla Gustavo Petro in Colombia and Luiz Inácio Lula da Silva in Brazil.

The legitimate popular grievances over corruption, endemic poverty, inequality, insecurity, and poor government performance that brought these governments to office must not allow the democratic left in Washington to presume there is no threat—even if some U.S. officials can relate to the social justice causes which animate their Latin American and Caribbean counterparts.

Fernández’s performance this month reminds Washington that, while there are many principled

constraints, and bad actors within them provide opportunities for U.S. rivals to expand their presence in the region for malign purposes.

In this context, Argentines must think hard about the direction in which their country is heading. Likewise, as the Biden Administration prepares to host the [Summit of the Americas in Los Angeles in June](#), they must think hard about where our Argentine friends and partners in the rest of the region are heading.

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