Современные реалии мировой экономики

RUSSIA–VENEZUELA ECONOMIC RELATIONS: PROBLEMS AND PROSPECTS

Калинина Юлия Владимировна
Финансовый университет, Москва, Россия
E-mail: ylkal@mail.ru

Both Venezuela and the Russian Federation have considered friendly relations to be strategic since 2001, when the President of the Russian Federation, Vladimir Putin, and Venezuelan President Hugo Chávez decided to heighten relations between the two countries.

Venezuela - as an example of the development of relations with Latin America and the Caribbean as a whole - maintains such strategic relation with the Russian Federation due to some political reasons. However, such political cooperation has led to a very important economic relation.

The central element of this strategic relation is the need to build a multipolar world, which is a notion shared by Venezuela and many of the geopolitically independent Latin American and Caribbean governments. In the case of Venezuela, this notion of multipolarity is strongly rooted in the Bolivarian conception of external relations, which is one of the fundamental pillars of Venezuela's foreign policy.

The need to build a multipolar world is one of the major foreign policy concerns of Latin America, as evidenced by the attempt to establish strategic relations with one of the emerging or rather re-emerging powers of the world. Of course, the Russian Federation has traditionally played a prominent geopolitical role at the global level. However, in Venezuela's opinion, such role might have been overshadowed after the fall of the Berlin Wall and the collapse of Socialist countries, but the country has reemerged as a power over the last ten years.

For a country such as Venezuela, which seeks to establish a Latin American and Caribbean union - that is, to create a power bloc in Latin America and the Caribbean in line with the Bolivarian notion of pursuing a universal balance - there arises the need to maintain relations with other power blocs in the world. Without a doubt, the Russian Federation is one of those blocs and offers an independent alternative to the unipolar imperial dominance exerted by the United States over the Americas after the fall of the Berlin Wall.

The idea is not to simply declare that Venezuela has a strategic relation with one of the major blocs of this multipolar world, which has resulted in a diversity of economic links, but to actually build a power bloc, because the unipolar or imperial hegemony can only be confronted through the establishment of an alternative power bloc.

In other words, that reality cannot be reversed only by declaring the intention not to submit to the dictates of a hegemonic power. It is necessary to construct a real power, for instance, by establishing relations in the area of energy, which is one of the fundamental objectives that both governments are pursuing.

It is worth pointing out the major directions of economic cooperation:

- investment relations is hydrocarbons

- co-operation in the energy area

- nuclear energy for civil purposes

-mining

- automotive industry

- infrastructure sector

- inter-bank interaction

- security and defense

It is clear, if Venezuela and Russia are to build a counter-hegemonic power, they cannot overlook the financial area. Venezuela and the Russian Federation have also strived to forge the appropriate financial tools for their strategic relation. In this regard, in a joint effort in , we created a Russian-Venezuelan bank with the support of a Russian financial institution.

Speaking about security and defense, it is worth to point out that there is a need to foster cooperation in these areas , which are quite important for Venezuela.

What is the main reason why Venezuela started to work closely with Russia in the areas of security and defense?

It happened because of the refusal of the US government to provide spare parts for the AC-130 cargo planes and F-16 fighting falcons, breaching contracts with Venezuela. In the wake of such unilateral breach by the U.S. government, our country was forced to look for solutions. Thus it is evident that Venezuela needs to maintain relationships with such a recognized power as the RF. Paradoxically, the sanctions aimed to harm that the economy, on the contrary, actually stimulate the development and cooperation with other countries and it plays into the hands.

Another fact it is worth emphasizing is that in the past five years, from 2006 to 2011, bilateral trade has more than doubled from US$ 7.6 to 17.1 billion.[1] Of course, countries welcome this trend, but they still remain unsatisfied with these volumes. They should try to be more innovative, to find new possibilities for economic and trade ties, to strive to diversify areas of cooperation.

It is necessary to point out that these countries have made some progress in the target. They have established joint ventures in different fields, not only in the fields of oil and defense, but also in the production of flowers, in the provision of “know-how” in the area of railway transportation, in the heavy-duty truck assembly facilities, in housing construction, space exploration, nuclear power and others.

It is clear that the Russian Federation is a nation with which Venezuela could undertake far-reaching strategic alliances of economic nature. The Euro-Asian country has a population of 150 million people and a promising market, considering the important role played by internal consumption as the driving force of economic growth.

It is also necessary to outline the possibilities for Russia's participation in renovating the Venezuelan fleet of passenger and cargo aircraft, modernization of the railway network, development of the joint fishing fleet and other directions.

However, it is worth mentioning that trade between Russia and Latin America has its ups and downs. This evidences, on the one hand, the lack of well-grounded bases for trade exchanges (direct guarantees) and, on the other, how attractive the Russian market continues to be for Latin America and vice versa.

What steps is it necessary to take for positive changes in trade relations?

- At present, the highest spheres in Russia reiterate the view that the country has no future without reindustrialization, modernization and innovation. The economy based on technological advances must break out of the vicious circle of being a primary economy

and embrace diversification.

Some possible breakthroughs can be achieved in the following areas: high-tech chemistry, pharmaceutical industry, non-metallic and composite materials, aviation, nanotechnology and information and communication technologies, nuclear energy, space activities, hydroelectric and thermoelectric power generation.

- It is also important to break up the ‘vicious circle' of Moscow and St. Petersburg and expand into the interior of the country, by establishing more direct supplies to cities in central and eastern Russia.
- Russian companies need to ensure post-sale service for exported machinery and equipment.

The condition of ensuring spare part supplies and appropriate maintenance must be obligatory for all Russian companies in the markets of the region, so as to avoid the repetition of failed attempts in the past to provide “Kamaz” trucks to Chile and Peru due to the lack of post-sale service.[2]

- To lay a strong foundation for long-term Russian-Venezuelan relations, there should be diversification at the institutional level on the part of Russia.

The promotion of products and the search for partners involves going beyond the usual circle of partners and participating more actively in sectoral international expositions, strengthening links with provincial branches of chambers of industries and trade in Russia, with federal business associations such as Delovaya Rossia, the RSPP and their local subsidiaries.

Besides, among the main factors contributing to better trade relations are: direct high-level contacts, the inter-governmental commissions for economic, trade, scientific and technological cooperation, the business committees or councils, and the chambers of commerce.

To summarize all the above mentioned, the prospects of Russia-Venezuela relations are promising as the horizons that have opened up are vast.

[1] Final Report of the Regional Meeting on recent developments in economic relations between the Russian Federation and Latin America and the Caribbean, http://www.sela.org/ attach/ 258/EDOCS/SRed/2014/03/T023600005751-0-IF-Reunion_Regional_ -_BRICS -INGLES.p (дата обращения 20.11.14)

[2] Final Report, Extra-Regional relations, http://www.sela.org/attach/258/EDOCS.pdf (дата обращения 20.11.14)

Источники и литература

1) Trade Map, http://www.trademap.org/Bilateral_TS.aspx (дата обращения 20.11.14)
2) Final Report of the Regional Meeting on recent developments in economic relations between the Russian Federation and Latin America and the Caribbean, 2012, http://www.sela.org/attach/258/EDOCS/SRed/2014/03/T023600005751- 0-IF-Reunion_Regional_-_BRICS-INGLES.pdf (дата обращения 20.11.14)
3) Final Report, Extra-Regional relations, 2009, http://www.sela.org/attach/258/EDOCS.pdf (дата обращения 20.11.14)