

IDSА Occasional Paper No. 45

India's Relations with the Latin America-Caribbean Region

Prospects and Constraints

Sanjay Badri-Maharaj

India's Relations with the Latin America-Caribbean Region

Prospects and Constraints

Sanjay Badri-Maharaj



INSTITUTE FOR DEFENCE
STUDIES & ANALYSES

रक्षा अध्ययन एवं विश्लेषण संस्थान

© Institute for Defence Studies and Analyses, New Delhi.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photo-copying, recording or otherwise, without the prior permission of the Institute for Defence Studies and Analyses (IDSA).

ISBN: 978-93-82169-73-4

First Published: April 2017

Price: Rs. 150/-

Published by: Institute for Defence Studies and Analyses
No.1, Development Enclave, Rao Tula Ram Marg,
Delhi Cantt., New Delhi - 110 010
Tel. (91-11) 2671-7983
Fax.(91-11) 2615 4191
E-mail: contactus@idsa.in
Website: <http://www.idsa.in>

Cover &
Layout by: Geeta Kumari

Printed at: M/S Manipal Technologies Ltd.

India's Relations with the Latin America-Caribbean Region

Prospects and Constraints

Introduction

With a population of over 630 million in 2015,¹ the Latin America-Caribbean region is a diverse and dynamic entity covering well over 13 per cent of the world's surface, with a combined gross domestic product (GDP) of over USD 5 trillion in nominal terms or over USD 7 trillion when calculated by Purchasing Power Parity (PPP).² As India's international political and economic clout grows, it has embarked upon enhancing its ties with Africa, East and South-East Asia with significantly more prominent political, diplomatic, economic and even military outreach to the said regions but has made relatively little effort towards similarly increasing either its presence or prominence in the Latin America-Caribbean region. The objective of this paper is to take an initial step towards identifying why India has not taken a greater interest in the region and to highlight areas where improvements could be made to enhance bilateral and multi-lateral potential cooperation between India and countries within Latin America and the Caribbean.

¹ *World Population Prospects: Key findings & advance tables*, United Nations Economic and Social Affairs, at https://esa.un.org/unpd/wpp/Publications/Files/Key_Findings_WPP_2015.pdf (Accessed August 10, 2016).

² *World Economic Outlook Database*, International Monetary Fund, at <http://www.imf.org/external/pubs/ft/weo/2010/02/weodata/weorept.aspx?sy=2014&ey=2014&scsm=1&ssd=1&sort=subject&ds=.&br=1&pr1.x=22&pr1.y=9&c=311%2C336%2C213%2C263%2C313%2C268%2C316%2C343%2C339%2C273%2C218%2C278%2C223%2C283%2C228%2C288%2C233%2C293%2C238%2C361%2C321%2C362%2C243%2C364%2C248%2C366%2C253%2C369%2C328%2C298%2C258%2C299&s=NGDPD%2CPPPGDP&grp=0&a=> (Accessed August 10, 2016).

This paper, being written from a Latin American perspective, examines India's relations with the region in three spheres – economic (trade and investment), political/diplomatic and defence/ security. An distinction may be made between the hesitant and somewhat apathetic approach of the Indian government towards enhanced ties with the region and the rather more proactive and enthusiastic approach by the Indian business sector which has seen Indian trade with the region growing many fold and increasing at the same rate as China's, though its volume is ten times less.³ This divergence in approach is in stark contrast with the apparent synergy of effort between the Chinese business sector and its government which supports their activities in the region with both political support and the unequivocal backing of their financial institutions. It is argued that India should adopt a similar synergistic approach which would have the inevitable effect of simultaneously enhancing political ties with the region as well as bolstering trade. In respect of India's political/diplomatic endeavours, it is noted that India has lagged in extending equivalent diplomatic reciprocity with more countries in the region having embassies in India than vice versa. In the defence and security arena, India has lagged far behind countries such as China and South Korea in forging defence ties with the region and has failed to forge potential joint ventures with established and nascent arms industries in the region. In one sphere – law enforcement and, in particular, in the counter narcotics trade – cooperation is as yet non-existent in practical terms, though cocaine seizures have risen in India.

In examining the direction and future potential for India's relations with the region, it is hypothesized that a lack of focus, priority and impetus has been the main stumbling block to closer and more methodical ties. In addition, while some prominence has been given to ties with Brazil, other countries in the region, Argentina, Chile, Peru, Mexico and Colombia among them, have been not accorded a similar level of priority, and with the Caribbean and Central American countries largely on the periphery of

³ Evan Ellis, "Time to talk about India and Latin America", *Latin America Goes Global*, June 8, 2015, at <http://latinamericagoesglobal.org/2015/06/time-to-talk-about-india-and-latin-america/> (Accessed August 10, 2016).

even the limited Indian diplomatic efforts in the region. This has had the inevitable effect of not allowing relations to blossom to their full potential. Furthermore, it is argued that India has not sought to project itself effectively in the region and has adopted a less than proactive approach towards both building bilateral ties and regional ties and economic engagement has largely been left to private enterprise.

This paper is divided into five sections. The first introduces the region, highlighting the distinct geographic and linguistic zones therein with their connected yet divergent colonial experiences and will note some of the regional multi-national groupings and organizations that exist. The second gives an outline of how Latin America views India and why India's relationship with the region has not grown more rapidly. The third provides an overview of India's involvement with the region with the aim of state of affairs as they exist at present and highlight some of the shortcomings that currently bedevil India's relations with the region. The fourth examines the unrealized potential in the areas of technical, defence and law-enforcement cooperation. Finally, the fifth looks at the way forward and explore both avenues of cooperation as well as make certain recommendations aimed at enabling India-Latin America ties to achieve their potential.

Inevitably, a work of this nature has had to make certain compromises in respect of content and cannot make any pretensions to covering all aspects of the relationship between India and the Latin America- Caribbean (LAC) region or even all aspects of future prospects. However, it is offered as a combination of an overview and a perspective of where the relationship stands at present, what shortcomings may exist and what may be done to move things forward.

Section 1: The Latin America-Caribbean Region—A Skeletal Overview.

Given its vast geographic range, it is not unsurprising that there are substantial differences between the different component parts of the region. If we are to speak of the Latin America- Caribbean geographic entity, the fact that it is not monolithic in history, politics or economic development must be noted. The LAC region can be divided into:

- (a) Mexico
- (b) Central America: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama.
- (c) South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela
- (d) English speaking Caribbean: Antigua and Barbuda, The Bahamas, Barbados, Dominica, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago
- (e) Non-English speaking Caribbean: Cuba, The Dominican Republic, Haiti.
- (f) Foreign overseas territories/colonies: Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands, (British Overseas Territories), Puerto Rico (Commonwealth of the United States of America), US Virgin Islands (organized, unincorporated US Territory Guadeloupe, Martinique, Saint-Barthélemy, Saint Martin, French Guiana (France), Aruba, Bonaire, and Curaçao, Sint Eustatius, Saba, Sint Maarten (Netherlands).

Even these broad categories have some peculiarities with English speaking Guyana and Dutch speaking Suriname, part of the South American mainland and are geopolitically deemed part of the largely English-speaking Caribbean Community (CARICOM) as is French-speaking Haiti while Portuguese-speaking Brazil receives no such consideration and is firmly part of the otherwise almost entirely Spanish-speaking South America. Mexico, which here is given a unique slot, is perhaps the most confusing as it is variously considered as either North America or Central America –

the latter by the United Nations and the former if one were to take cognizance of its inclusion in the North American Free Trade Area (NAFTA).

Geographically, the large entities of Mexico, Central and South America possessing substantial landmasses, are set against the tiny islands of the English-speaking Caribbean. Within South America, the large population of Brazil is set against such countries as Suriname and Guyana which muster just over a million people between them. Demographically, the largely white populations of Argentina, Uruguay and Chile contrast with the Native-American/ mixed (metizo) populations that dominate the region from Mexico southwards. Large African and Afro-mixed populations exist in Brazil, Panama, Colombia, Venezuela and Honduras, while the African dominated populations of the Caribbean are tempered by the large Indian diaspora in Trinidad and Tobago, Guyana and Suriname. High literacy levels, with the exception of Haiti, are characteristic of the entire region although this does not translate to a commensurate level of skills, employability or even adaptability to either further education or careers with wide disparities existing between the wealthier nations of the region and the poorer ones. It should be noted that education has not necessarily resulted in improved socio-economic conditions.

In economic terms, the range is even greater with industrial powerhouses like Brazil, with one of the largest economies in the world being geographically proximate to less developed economies in Bolivia while in the Caribbean, impoverished Haiti exists alongside the oil-rich island of Trinidad and Tobago. This variation in economic strength and focus has wider implications for such issues as human development, poverty indices and crime. It should further be noted that while some Caribbean nations would statistically show a high GDP per capita, this is largely on account of their small populations who rely either on tourism or agriculture rather than on any extractive or manufacturing industries. However, within Central and South America, manufacturing industries are highly developed in such countries as Brazil, Argentina, Chile and Mexico while extractive industries dominate the economies of several South American countries. In addition, large agricultural sectors, both in terms of food production for domestic consumption as well as export, contribute extensively to the exports of the region as do such quasi-agricultural operations such as lumber extraction

and fisheries. Note must also be taken of the large criminal economies fuelled by a thriving narcotics trafficking trade between the region where countries function as either producers, processors of cocaine, or transshipment points. This trade contributes to the very high levels of crime experienced across the region, although once again there are disparities with countries such as Chile, Uruguay and Argentina are experiencing much lower levels of crime and criminal activity than such countries as Brazil, Mexico and Venezuela, though no country in the region has escaped from the scourge of the narcotics trade and the problems that accompany it.

Table 1: Nominal GDP in USD billions of countries of the Latin America-Caribbean Region

Country	2014	2015	2016 estimated	2017 projected
Antigua and Barbuda	1.248	1.287	1.332	1.389
Argentina	544.734	585.623	437.856	47.827
The Bahamas	8.511	8.705	8.917	9.195
Barbados	4.353	4.412	4.498	4.655
Belize	1.699	1.763	1.807	1.884
Bolivia	33.237	33.210	33.983	37.301
Brazil	2,417.158	1,772.589	1,534.782	1,556.435
Chile	258.682	240.222	235.419	243.924
Colombia	377.867	293.243	253.240	278.594
Costa Rica	49.604	52.898	56.908	60.803
Dominica	0.524	0.497	0.521	0.547
Dominican Republic	64.058	67.492	71.433	75.372
Ecuador	100.917	98.828	94.014	91.156
El Salvador	25.164	25.766	27.327	28.536
Grenada	0.912	0.954	1.000	1.050
Guatemala	58.827	63.911	68.142	72.092

Country	2014	2015	2016 estimated	2017 projected
Guyana	3.078	3.164	3.335	3.507
Haiti	8.711	8.618	8.160	7.743
Honduras	19.511	20.295	20.632	20.849
Jamaica	13.893	13.924	14.057	14.556
Mexico	1,297.850	1,144.334	1,082.431	1,166.601
Nicaragua	11.806	12.222	12.903	13.693
Panama	49.166	52.132	55.755	60.510
Paraguay	30.881	28.077	26.804	27.906
Peru	202.901	192.141	178.643	189.710
St. Kitts and Nevis	0.852	0.896	0.945	0.987
St. Lucia	1.404	1.416	1.425	1.456
St. Vincent and the Grenadines	0.730	0.757	0.784	0.819
Suriname	5.210	5.192	4.336	4.717
Trinidad and Tobago	27.268	24.553	23.816	25.299
Uruguay	57.471	53.794	53.145	54.941
Venezuela	250.281	239.572	185.611	149.508

Source: International Monetary Fund

From the data in Table 1, it can be seen that a number of economies in the region have suffered a contraction in their GDP. Some of this can be attributed to currency depreciation but much of it is due to the fall in global commodity prices, combined with a slowdown in the Chinese economy. However, to generalize about regional economic growth is to miss several variations within this. According to the International Monetary Fund, Mexico was poised to register a modest 2.4 per cent growth rate in 2016, partly on the strength of an economic recovery in the United States. The Central American region has benefited from relatively low oil prices

and strong economic growth in the United States and was collectively poised for a 4.25 per cent growth in 2016.⁴

In contrast, large economies such as Brazil and Venezuela continue to be mired in deep recession with the latter tottering on the precipice of economic collapse and reduced to importing food from Trinidad & Tobago (which itself is a food importing nation) starting in June 2016.⁵ Furthermore, in both Brazil and Venezuela, the economic crisis has been coupled with intense political dissatisfaction that led to the ouster of President Dilma Roussef in Brazil and ceding control of the Venezuelan parliament to the opposition. Endemic corruption has contributed to the political dissatisfaction in those countries.

The decline in commodity prices – whether mineral or agricultural – has had a severe impact on other countries with Colombia, Peru and Argentina among those set to experience economic decline in 2016.⁶ The difference in economic performance between commodity based economies and those based on tourism is also seen in the Caribbean where countries such as the Bahamas and Barbados registered positive growth, while oil and natural gas dependent Trinidad & Tobago experienced a sharp economic decline with the economy expected to contract by at least 4.5 per cent in 2016.⁷

⁴ *IMF Survey: Latin America's Economic Slowdown Continues*, International Monetary Fund, at <http://www.imf.org/en/News/Articles/2015/09/28/04/53/socar042716a> (Accessed on December 29, 2016).

⁵ J. Charles, "Trinidad Begins Food Exports to Venezuela", *Venezuela Analysis.com*, June 27, 2016, at <https://venezuelanalysis.com/news/12053> (Accessed on December 29, 2016).

⁶ P. Gillespie, "Latin America's Brutal Start to 2016", *CNN.com*, January 11, 2016, at <http://money.cnn.com/2016/01/11/news/economy/latin-america-2016/> (Accessed on December 29, 2016).

⁷ "Economy shrinks 4.5 percent", *CNC3 News*, December 19, 2016 at <http://www.cnc3.co.tt/press-release/economy-shrinks-45-percent> (Accessed on December 29, 2016).

Whatever the current growth figures, the LAC region has vast economic potential which can benefit from investment, expertise and cooperation. The diversity of the region's economies lends itself to broad-based engagement on the economic front.

The countries of the LAC region have a vast range in size and population - ranging from millions of square kilometres and hundreds of millions of people to tiny countries of tens of square kilometres and a few thousand inhabitants. Table 2 encapsulates the land area and populations of the countries of the region.

Table 2: Countries: Area and Population of the Latin America - Caribbean Region

Name	Area (km²)	Population
Argentina	2,780,400	43,417,000
Bolivia	1,098,581	10,725,000
Brazil	8,515,767	205,573,000
Chile	756,096	17,948,000
Colombia	1,141,748	48,229,000
Costa Rica	51,100	4,808,000
Cuba	109,884	11,390,000
Dominican Republic	48,442	10,528,000
Ecuador	283,560	16,144,000
El Salvador	21,040	6,127,000
French Guiana*	83,534	269,000
Guatemala	108,889	16,343,000
Haiti	27,750	10,711,000
Honduras	112,492	8,075,000
Mexico	1,972,550	122,435,500
Nicaragua	130,375	6,082,000

Name	Area (km²)	Population
Panama	75,517	3,929,000
Paraguay	406,752	6,639,000
Peru	1,285,216	31,377,000
Uruguay	176,215	3,432,000
Venezuela	916,445	31,108,000
Antigua and Barbuda	442	91,818
Bahamas	13,939	383,054
Barbados	431	283,380
Belize	22,966	351,706
Dominica	750	72,341
Grenada	345	106,349
Guyana	216,960	763,893
Haiti	27,560	10,572,029
Jamaica	10,991	2,720,554
Montserrat	103	4,900
Saint Kitts and Nevis	269	54,944
Saint Lucia	616	183,645
Saint Vincent and the Grenadines	389	109,360
Suriname	163,820	538,248
Trinidad and Tobago	5,128	1,354,438

Sources: CIA World Factbook, CARICOM, Official census data.

The political history of the region is, as might be expected, varied. The English-speaking Caribbean, Guyana and Suriname gained independence in the 1960s and 1970s from the United Kingdom and the Netherlands respectively in relatively peaceful processes – though not without some degree of turmoil and violence in some cases. On the other hand, Haiti

secured its independence from France in 1804 after a bloody revolution while Spanish Latin America and Brazil underwent a series of liberation wars, first against their colonial powers and then among themselves as individual regions asserted their political ambitions between 1810 and 1825, and which resulted in independence from their colonial powers.⁸ This difference in colonial experience and in the manner and times in which independence was obtained has had an impact on the socio-economic direction of the individual countries in the LAC region. The English speaking Caribbean was also somewhat more fortunate in that strong legislative and judicial institutions were left behind by the former colonial power which have, despite challenges, largely preserved and upheld individual rights and freedoms. A compelling argument can be made that it was these institutions that prevented the islands of the English-speaking Caribbean, despite corruption, nepotism and criminality being endemic, from descending into the oppressive lawlessness with chronic poverty, inequality and deprivation that has characterized the socio-political situation in the rest of the region.

This divergent political history has also been reflected in the post-colonial politics of the LAC region. Military dictatorships were commonplace in Central and South America until the 1990s, while Brazil and Haiti were ruled by self-proclaimed Emperors in the nineteenth century. In contrast to the more or less peaceful democracies of the islands forming the English-speaking Caribbean (Grenada is an exception, being under two separate dictatorships from independence to 1983), the rest of the Americas – including Guyana and Suriname – have had a far bloodier political past with civilian and military dictatorships vying for power, rigged elections with opposition coming from a combination of doggedly determined

⁸ While there are many books on Latin American history and politics, a useful synopsis can be obtained at R.A. Kittleston, David Bushnell and James Lockhart, "History of Latin America", at <https://www.britannica.com/place/Latin-America> (Accessed August 16, 2016). For an accessible history of Latin America, E. Williamson, *The Penguin History of Latin America: Revised Edition*, Penguin Books, London, 2010, is recommended.

civilians, and armed insurgent groups which have at times worked together. Despotic rule – whether civilian or military, left-wing or right-wing – was condoned by either superpower depending on their respective interests. Foreign backed coup d' etats were *de rigueur* from 1954 while legitimate social-democratic, agrarian reform and politically liberal groups were unfairly tarnished with the brush of being pro-communist.⁹ Table 3 lists the dates of independence of the respective countries of the region.

Table 3: Countries of the LAC region with dates of Independence

Country	Independence
Argentina	9 July 1816 (from Spain)
Belize	21 September 1981 (from UK)
Bolivia	6 August 1825 (from Spain)
Brazil	7 September 1822 (from Portugal)
Chile	18 September 1810 (from Spain)
Colombia	20 July 1810 (from Spain)
Costa Rica	15 September 1821 (from Spain)
Cuba	20 May 1902 (from Spain 10 December 1898; administered by the US from 1898 to 1902)
Dominican Republic	7 February 1844 (from Haiti)
El Salvador	15 September 1821 (from Spain)
Guatemala	15 September 1821 (from Spain)
Honduras	15 September 1821 (from Spain)
Mexico	16 September 1810 (from Spain)

⁹ R.A. Kittleson et al, "Latin America since the mid-20th century", at <https://www.britannica.com/place/Latin-America/Latin-America-since-the-mid-20th-century#toc60815> (Accessed December 29, 2016).

Country	Independence
Nicaragua	15 September 1821 (from Spain)
Panama	3 November 1903 (from Colombia; became independent from Spain 28 November 1821)
Paraguay	14 May 1811 (from Spain)
Peru	28 July 1821 (from Spain)
Uruguay	25 August 1825 (from Brazil)
Venezuela	5 July 1811 (from Spain)
Antigua and Barbuda	1 November 1981 (from UK)
Bahamas	10 July 1973 (from UK)
Barbados	30 November 1966 (from UK)
Belize	21 September 1981 (from UK)
Dominica	3 November 1978 (from UK)
Grenada	7 February 1974 (from UK)
Guyana	26 May 1966 (from UK)
Haiti	1 January 1804 (from France)
Jamaica	6 August 1962 (from UK)
Saint Kitts and Nevis	19 September 1983 (from UK)
Saint Lucia	22 February 1979 from UK)
Saint Vincent and the Grenadines	27 October 1979 (from UK)
Suriname	25 November 1975 (from The Netherlands)
Trinidad and Tobago	31 August 1962 (from UK)

Sources: CIA World Factbook, CARICOM, Official websites

Regional Organizations

The LAC region is replete with a plethora of organizations which serve a combination of both political and economic purposes. As can be seen, many of the sub-regional organizations involve nations of proximate geography. Several of these groups have countries and territories that are either not independent nations or not, strictly speaking, part of the LAC as either members or observers and this is reflective of the strong trade bias of these groups which have sought to enhance economic cooperation between the different areas in the LAC. These regional organizations and their membership- as shown in Table 4 are as follows:

1. Organization of American States (OAS)
2. Amazon Cooperation Treaty Organization (ACTO)
3. Andean Community (CAN)
4. Association of Caribbean States (ACS)
5. Caribbean Community (CARICOM)
6. Central American Integration System (SICA)
7. Latin American and Caribbean Economic System (SELA)
8. Latin American Integration Association (ALADI)
9. Latin American Parliament
10. Organization of Eastern Caribbean States (OECS)
11. Rio Group (RG)
12. Southern Cone Common Market (Mercosur)
13. Community of Latin American and Caribbean States (CELAC)
14. Union of South American Nations (Unasur)
15. Pacific Alliance (PA)
16. Bolivarian Alliance for the Peoples of Our America (ALBA)

Table 4: LAC regional and sub-regional organizations and membership

Country	OAS	CELAC	ACS	CARI COM	OECS	UNASUR	CAN	MERCOSUR	LAP	ALADI	SELA	RG	SICA	ALBA	PA
Canada	X		o												o
USA	X														o
Mexico	x	x	x	o		o			x	X	X	X			x
Guatemala	x	x	x						x	o	X	X	x		O
El Salvador	x	x	x						x	o	X	X	x		O
Honduras	a	x	x						x	o	X	X	x		o
Nicaragua	x	x	x						x	o	X	X	x	x	
Costa Rica	x	x	x						x	o	X	X	x		a
Dominican Republic	x	x	x	o					x	o	X	X	a		o
Panama	x	x	x			o			x	o	X	X	x		o
Cuba	a	x	x						x	x	X	x		x	
Venezuela	x	x	x	o				X	x	x	X	X		x	
Colombia	x	x	x	o			x	A	x	x	X	X			x

Country	OAS	CELAC	ACS	CARI COM	OECS	UNASUR	CAN	MERCOSUR	LAP	ALADI	SELLA	RG	SICA	ALBA	PA
Ecuador	x	x	o			x	x	A	x	x	X	X		x	
Peru	x	x	o			x	x	A	x	x	X	X			x
Bolivia	x	x				x	x	A	x	x	X	X		x	
Chile	x	x	o			x	a	A	x	x	X	X			x
Argentina	x	x	o			x	a	X	x	x	X	X			
Uruguay	x	x				x	a	X	x	x	X	X		o	o
Paraguay	x	x				x	a	X	x	x	X	X		o	o
Brazil	x	x	o			x	a	X	x	x	X	X			
Antigua and Barbuda	x	x	x	x	x									x	
Bahamas	x	x	x	x							X				
Barbados	x	x	x	x							X				
Belize	x	x	x	x							X	X	x		
Dominica	x	x	x	x	x									x	o
Grenada	x	x	x	x	x						X			o	
Guyana	x	x	x	x		x					X	X			
Haiti	x	x	x	x							X	X		o	

Country	OAS	CELAC	ACS	CARICOM	OECS	UNASUR	CAN	MERCOSUR	LAP	ALADI	SELLA	RG	SICA	ALBA	PA
Aruba			a	o											
Netherlands Antilles			a	o											
France	o		a												o
Puerto Rico				o											
U.S. Virgin Islands															

Note: x - member; o - observer; a - associate/acceding

Sources: OAS Website, Australia Department of Foreign Affairs and Trade, CARICOM

It is important to note that many of the LAC sub-regional organizations are aimed at economic integration and, in this respect, a compelling argument can be made that the LAC region has moved further along than any other part of the world save the European Union. By choosing to create these sub-regional entities to concentrate on economic issues, while allowing the larger regional organizations such as the OAS to focus on political affairs. The OAS, for example, allocates considerable effort towards human rights and jurisprudence. This has not been without its problems as the influence of the United States in the OAS has, on occasions, led to the OAS being seen as an instrument of US foreign policy with the attendant scepticism that this inevitably brings in a region where relations with the United States have at times been tense. The rise of left-wing/populist governments in the LAC – in particular in Venezuela and Bolivia – have led to tensions with the United States on issues of governance and domestic politics. The ALBA group was in part a response to this and, supported by Venezuela's then considerable oil wealth, ALBA was able to attract ideologically diverse partners in the English-speaking Caribbean as can be seen from the table above. How this will survive the collapsing Venezuelan economy remains to be seen. Mention must also be made of CARICOM which, while modelled on the European Community, and thereafter the European Union, has made remarkably little progress towards Caribbean integration largely due to domestic political constraints.

Section 2: Latin America's View of India

As will be discussed later, it would appear that India's interest in the LAC region is heavily driven by economic interests with political interface largely dominated by its relations with Brazil through BRICS and IBSA, Latin America's view of India seems to be similarly constrained. Three countries would need to be excluded from this general trend, Trinidad & Tobago, Guyana and Suriname, where the large Indian diaspora has a strong cultural affinity with India and, as a result and as such, a different view of India is held. It is incorrect to speak of a "Latin American" view of India. The region, as has been shown, is not monolithic and to capture impressions of India, it is necessary to look for writings from different countries in an attempt to piece together an impression of how the region views India.

If one examines the websites of Latin American embassies in India, the emphasis on economic and commercial affairs is evident. Details of commercial trade agreements, investor information and Memoranda of Understanding are available with political sections limited to lists of high level visits.¹⁰ Conspicuous by their absence was any mention of official academic or cultural exchanges.

To a great extent, this is reflected in academic writing on the subject. In one of the few pieces on the subject of India-Brazil ties, Oliver Steunkel, Assistant Professor at the Getulio Vargas Foundation in Sao Paulo, gave an overview of relations between the two countries in the political sphere but lamented that India remained "remarkably unexplored by Brazilian

¹⁰ The author searched the websites of the embassies of Argentina, Brazil, Chile, Colombia, the Dominican Republic, Mexico, Peru and Venezuela. In all cases, the emphasis on economic ties was evident. It should also be noted that some embassies did not have an English language option. However, the Venezuelan embassy's website was unique for its overt propaganda in favour of the current administration in that country. The Dominican Republic's embassy website is interesting in that while its Ambassador's message is upbeat about ties, the embassy's website seems focused on trade but more importantly tourism.

academics and policy makers".¹¹ Steunkel further notes that India related decisions are made based on "vaguely defined images and concepts" not the least being the "South-South" cooperation mooted by former Brazilian President Lula da Silva. Comparing rhetoric with reality, he notes that despite the hype over BRICS and IBSA, Brazil has seriously underinvested in its relationship with emerging powers.¹² Steunkel's article focusses on the growth in trade between India and Brazil but he goes beyond that. In a scathing comment, somewhat reflective of India's view on Brazil, he notes that Brazil realizes India's economic growth and medium term importance but that Brazil's India strategy is "long on rhetoric and high-profile encounters."

To Steunkel's credit, he has at least broached the subject of South-South cooperation and the lack of a strategy to effectively engage India. The discourse in the rest of the LAC region has not reached even that level. Even Mexico's highly-regarded Ambassador to India, Melba Pria, failed to articulate any vision beyond enhancing burgeoning trade ties and offering some insight into Mexico City's pollution control policy.¹³ It is perhaps an indictment of both India's failure to project itself into the LAC region as well as the region's failure to attempt to come to learn about the new India of the 21st century that Ambassador Pria stated that Mexico's view of India has been shaped by the writings of Octavio Paz who served as ambassador to India in the 1960s. This obsolete view of India, may be hindering the development of proactive strategies in the LAC region to engage India.

¹¹ O. Steunkel, "Seeing India through Brazilian Eyes", *Seminar*, Vol. 630, February 2012, p.2, at <http://freepdfhosting.com/dbbbfc48b5.pdf> (Accessed on December 29, 2016).

¹² *Ibid.*, p. 5.

¹³ P. Chandran, "Meet H.E. Melba Pria, The Mexican Ambassador Who Rides In Style", *Huffington Post*, July 15, 2016, at <http://www.huffingtonpost.in/prabha-chandran/meet-h-e-melba-pria-the-mexican-ambassador-who-rides-in-style/> (Accessed December 29, 2016).

This is exacerbated by the relatively limited interpersonal interaction between the populations of India and the LAC region. Distance and the impracticality of direct flights between India and the region means that regional visitors to India, and vice versa, are few in number. This is compounded by the fact that the LAC region gets all of its news about India filtered through the prism of Western news channels. Despite the fact that Indian television channels broadcast to the region, India has not chosen to create either a Spanish or English language news service to showcase itself to the region. The Caribbean, with its Indian diaspora, enjoys multiple entertainment channels but no news in English is available.

This means India is a largely unknown entity to the region. This can be contrasted with China which from the 1990s began to broadcast English language news programs to the Caribbean, giving programs to local channels and then offering its largely English language CCTV-N cable channel to the region. It should be noted that India's lack of sharing informative programs about itself is a phenomenon that dates from the 1990s. Prior to that, Indian government documentaries were made available to local channels in a timely manner. Now, to cite the example of Trinidad & Tobago, only a single channel ever broadcasts these documentaries and, even then, they are often many years out of date.

In this climate of ignorance, Latin America remains largely unaware of India's achievements, and of the opportunities that closer ties with India could offer. Conversely, Latin America has also failed to market itself effectively in India with a high level of unfamiliarity being pervasive. Latin America does have programming in English that is broadcast in North America, providing news and information about developments in the LAC region. However, such programming is not available in India and as such, India, like the LAC countries, finds itself largely dependent on the international print and electronic media for news about the region. This, it is submitted, does little to showcase the region to India.

Until and unless India showcases itself to the region – and vice versa – ignorance will be perpetuated, with both people and decision makers in the region being unaware of the potential of ties, cooperation and even of each other's culture. To be sure, this ignorance was also pervasive in Europe and North America. However, in those areas, India was blessed

with an active diaspora that was able to gradually showcase India to their adopted countries. Similarly, the LAC diaspora in North America was instrumental in shifting perceptions and highlighting opportunities in the LAC region.

While it is not suggested that the diaspora is any substitute for more effective official contact and engagement, a large and proactive diaspora can help enhance people to people contact and assist in shaping perceptions. In contrast to Europe and North America, the Indian diaspora in the LAC region has been of little assistance in highlighting India to the region. This is despite their being, at least in theory, a large diaspora in the LAC region. However, it is the composition of the diaspora that makes it ineffective in assisting closer India-LAC ties.

The Diaspora

The Indian diaspora in the LAC region consists of two very distinct groups. The smaller of the two comprises of Indians who have come to the region for business purposes, other employment or have otherwise settled in the region post-Indian independence. The much larger group is concentrated in three countries – Trinidad & Tobago, Guyana and Suriname (with substantial numbers in Jamaica as well) who are the descendants of indentured immigrants mainly from Uttar Pradesh and Bihar. This group emigrated to the region between 1838 and 1917 following the end of slavery and the slave trade and worked as bonded labour on the sugar plantations that dominated the economies of the three countries named above. Table 5 details the Indian diaspora in the LAC region by country, size and percentage of population

Table 5 The Indian Diaspora in the LAC region

Continent / Country	Overseas Indian population	Percentage of local population
Trinidad and Tobago	525,000	35.4%
Jamaica	90,000 (incl mixed)	3.4%
Grenada	12,000 (incl. mixed)	11.7%
Saint Lucia	4,700	2.8%

Continent / Country	Overseas Indian population	Percentage of local population
Guatemala	2,300	0.9%
Barbados	2,200 ^l	0.8%
Mexico	2,000	0.0004%
Saint Kitts and Nevis	1,100	2.6%
Belize	500	0.2%
Antigua and Barbuda	300	0.4%
Haiti	200	0.4%
Guyana	327,000	43.5%
Suriname	135,000	27.4%
Panama	20,000	0.3%
Colombia	20	Negligible
Brazil	1,900	0.001%
Argentina	1,600 ^l	0.004%
Chile	1,400	0.004%
Venezuela	690 ^l	0.0026%
Peru	145	0.0005%
Uruguay	90-100	0.001%

Sources: National Censuses, Indian Diaspora.nic.in, Report of the High Level Committee

Unlike the Indian diaspora in the United States, the United Kingdom or Canada, the people of Indian origin in Trinidad, Guyana and Suriname (and Jamaica) have no filial or economic ties to India and while very proud of their Indian heritage – retaining both religion and culture over 170 years after leaving India – links to India are limited. Once these numbers are removed, it can be seen that the Indian diaspora in the LAC region is very small and politically insignificant in respect of Indian foreign policy interests. However, the Indian missions in the region have played an important part in providing support to cultural activities and facilitating

travel between the countries of the region and India. As the Indo-Caribbean populations grew wealthier, greater numbers travelled to India and there was a resurgence in Indian cultural activities that was aided to some extent by the resident Indian missions.

Why the Continuing Disconnect?

It is not immediately apparent as to why neither India nor the LAC region has sought to match their increased economic ties with greater understanding of each other's dynamics or strengths. It may be that diplomatic assignments to India in the case of the LAC region, or to the LAC region in the case of India, were not seen as important, with the result that embassies were less than energetic in marketing their nations. This seems to be continuing today. While there has been no dearth of enthusiastic and capable diplomats on both sides, there is clearly a huge information gap which ill-serves the cause of enhancing relations. However, perhaps the reason lies in the reality that in neither India nor the LAC region has there been an articulated policy as to where bilateral relations should go. At present, progress in bilateral ties is measured by increasing trade rather than partnerships. This failure to articulate or engage on this level may be the reason why the potentially very useful South-South cooperation between India and Brazil, and indeed with the LAC region, is yet to achieve anything tangible.

It is also an unfortunate fact that contact between the LAC region and Indian bureaucrats, diplomats and even academia is less than satisfactory. From the author's personal experience in the Caribbean, as well as through interactions with several politicians, academics and citizens in the region, the Indian bureaucracy comes across as arrogant and short-sighted, being prone to be inflexible and intransigent.¹⁴ The bureaucrats also show little imagination or enthusiasm for enhanced ties beyond trade and are prone to treat the relationship as transactional with no regard for long-term potential.

¹⁴ The author, between May 2013 and January 2016, interacted with politicians in the Caribbean, government, and opposition as well as academics at the University of the West Indies. He also had extensive discussions with Indian diplomats stationed at the Indian High Commission, Port of Spain.

Diplomats, when enthusiastic about their posts, often lack the resources necessary to make the impact they desire. This creates significant problems for embassies seeking to enhance interaction with the broader populace as their shortage of resources means that their efforts can at best be concentrated in areas close to the location of the respective embassy. Moreover, visiting Indian academics have tended to limit their interaction to academic circles. It is even more unfortunate that the group most people in the region interact with are Indian retailers and small businessmen, some of whom are in the jewellery trade, and have less than a satisfactory public interface.¹⁵ All of this contributes to an indifferent, although by no means hostile, attitude towards India within the region.

Despite all of this, India has one advantage over other major powers when it comes to dealing with the LAC region – it comes to the region with a clean slate. India has no history of trying to undermine governments or to subvert local economies. Furthermore, should it choose to do so, India could be poised to become a partner in development and trade rather than a consumer of materials and a supplier of goods. The LAC region has had a long history of interacting with predatory capitalism and foreign interference in local affairs. To date, India's contact with the countries of the LAC region has entailed neither. This, it is suggested, gives India the opportunity to approach its dealings with the region from a non-transactional standpoint with a view towards a long-term commitment to investment and cooperation with the region rather than looking only at short-term economic gains.

¹⁵ In Trinidad, Guyana and Suriname, interaction between local Indians and migrant businessmen has been characterized by some degree of tension owing born in part due to a lack of communication and understanding.

Section 3: India and the LAC region—A snapshot of the status of ties

Economic Ties

Undoubtedly one of the major success stories of the last decade has been the significant increase in trade ties between India and the LAC region. Former Ambassador and one of India's most prolific writers on the subject, Rengaraj Vishwanathan, notes that India's trade with Venezuela (\$12.24 billion) and Brazil (\$11.36 billion) in 2014-15 was more than its trade with Sri Lanka (\$7.4 billion), Bangladesh (\$7 billion), Thailand (\$9.3 billion) and Vietnam (\$9.2 billion) as well as with traditional partners France (\$9.4 billion) and the Netherlands (\$8.7 billion) while trade with Mexico (\$6.25 billion) was greater than with Nepal (\$5.2 billion), Egypt (\$4.7 billion), Canada (\$5.9 billion), Italy (\$5 billion), Spain (\$5.1 billion) and Israel (\$5.6 billion). Exports to Brazil (\$5.96 billion) were greater than those to Japan (\$5.4 billion), Republic of Korea (\$4.6 billion), Malaysia (\$5.8 billion), Indonesia (\$4 billion), Thailand (\$3.4 billion), Nepal (\$4.5 billion), France (\$4.9 billion), Italy (\$5 billion), Spain (\$3.1 billion), Turkey (\$5.3 billion), Egypt (\$3 billion), and South Africa (\$5.3 billion) and India's exports to Mexico (\$2.8 billion) exceeded those to Russia (\$2 billion), Australia (\$2.78 billion) and Canada (\$2.2 billion).¹⁶

While trade inevitably suffers from the vagaries of such forces as commodity prices and exchange rates, Vishwanathan notes that Latin America's exports to India in 2014 stood at US\$29 billion while its exports to Japan and Spain were \$21 billion each, Germany-\$17 billion, Italy and UK-\$11 billion each and France-\$8 billion. In 2015, India was Latin America's sixth most important export destination with a value of \$18.8 billion, while this is a significant drop from 2014, thanks to falling oil prices, this figure was again more than the region's exports to Japan,

¹⁶ R. Vishwanathan, "India & Latin America: Closer Than You Think", *Latinvex.com*, October 14, 2015, at <http://latinvex.com/app/article.aspx?id=2361> (Accessed December 29, 2016).

Germany, Italy, UK and France.¹⁷ It is thus all the more surprising that trade with the region has been comparatively absent from the economic discourse taking place either in India or in the LAC region. The author can attest that in neither mainstream nor specialist media in the LAC region is India featured in any significant way.

Yet quietly and without fanfare, India has moved to set in place a series of preferential trade agreements with sub-regional blocs and individual countries with the specific aim of increasing trade between India and the LAC region. The Indian Ministry of Commerce in 1997 initiated the FOCUS LAC program which aimed at:¹⁸

- Sensitizing the organizations, viz., Export Promotion Councils, Chambers of Commerce & Industry, EXIM Bank, ECGC, etc., involved in trade promotion efforts
- Granting various incentives to Indian exporters and launching of export promotion measures
- Focusing on the Latin American region with added emphasis on major trading partners of the region.
- Focusing on the following major product groups for enhancing India's exports to the Latin American region:
 - Textiles including ready-made garments carpets and handicrafts
 - Engineering products and computer software
 - Chemical products including drugs/pharmaceuticals

¹⁷ R. Vishwanathan, "India: Long Term Bet for Latin America Exports", *Latinvex.com*, July 25, 2016 at <http://latinvex.com/app/article.aspx?id=2798> (Accessed December 29 2016).

¹⁸ *INTERNATIONAL TRADE - FOCUS: LAC*, Department of Commerce, at <http://commerce.nic.in/DOC/PageContent.aspx?Id=65> (Accessed December 29, 2016).

The FOCUS LAC program has had multiple extensions, the most recent of which came on 11th April 2014 and extended the program to March 2019. As part of this project, India signed two Preferential Trade Agreements (PTAs) with the MERCOSUR sub-regional bloc and Chile and is in the process of negotiating Free Trade Agreements (FTAs) with Mexico and Peru.¹⁹ It is hoped that both India and the LAC region overcome delays and make converting PTAs into FTAs a priority.²⁰ Joint Commissions/Committees have been set up with Argentina, Brazil, Mexico, Cuba, Suriname, Guyana, Venezuela and Trinidad & Tobago while The Federation of Indian Chamber Of Commerce and Industry (FICCI) and The Associated Chambers of Commerce and Industry of India (ASSOCHAM) have been tasked with the responsibility of increasing interaction with their counterparts in the region. In addition, the Confederation of Indian Industry (CII) has regular interaction with their counterparts in the LAC region, with whom they have signed Memoranda of Understanding (MOUs).²¹ The impact of FOCUS LAC is evident from the trade figures between India and the region. Even there, however, substantial differences exist in the volume and nature of the trade between sub-regional blocs and individual countries and India. This is unsurprising as the LAC region is diverse economically and this would inevitably bring about variations in trade volume and the products imported and exported to individual countries. The tables below, broken down by Ambassador Rengaraj Vishwanathan, illustrate the growth, scope and variations in trade with countries in the LAC region.

¹⁹ P. Chetty, "Initiatives by the Government of India to improve India-Latin trade relations", *Project Guru*, January 20, 2012, at <https://www.projectguru.in/publications/initiatives-by-the-government-of-india-to-improve-india-latin-trade-relations/> (Accessed December 29, 2016).

²⁰ T. Jaipuria, "No end in sight for India, Latin America trade talks", *Hindustan Times*, May 27, 2016, at <http://www.hindustantimes.com/business/no-end-in-sight-for-india-latin-america-trade-talks/story-Sag0yNOMlNdVemvem7ZCJ.html> (Accessed December 29, 2016).

²¹ Op. cit., n. 15.

The total Indian bilateral merchandise trade with the LAC region increased from US\$ 1.7 billion in 2001-02 to US\$ 38.80 billion in 2014-15. During this period, Indian exports to the region grew from a US\$ 751.95 million to US\$ 11.47 billion which approximates to a growth of 1425.88 per cent over this period. Indian imports grew from about US\$ 943.98 million to US\$ 27.32 billion over this period, a growth of about 2794.53 per cent. By 2015-2016, there were some noticeable changes, and Vishwanathan's comparison with the trade figures for 2014-2015 (now updated with the final figures for that year) is most interesting as shown in Table 5 while the following Table 6 highlights the key areas of trade between India and the LAC region.

Table 5 – Exports and Imports between selected LAC countries and India

Country	exports 2014-15	Imports 2015-16	total 2015-16	exports 2015-16	imports 2014-15	total 2014-15
Mercosur						
Brazil	2650	4040	6690	5964	5401	11365
Argentina	535	2472	3007	460	1992	2452
Venezuela	131	5702	5833	258	11978	12236
Paraguay	98	112	210	107	88	195
Uruguay	153	18	191	208	20	228
Pacific Alliance						
Mexico	2865	2283	5148	2862	3393	6255
Colombia	888	808	1696	1105	2135	3240
Peru	703	820	1523	820	590	1410
Chile	679	1961	2640	566	3081	3647
Bolivia	74	240	314	71	4	75
Ecuador	153	564	717	225	1066	1291
Cuba	54	1	55	37	2	39
Central America						
Panama	201	73	274	302	31	333
Guatemala	256	13	269	229	17	246
Nicaragua	83	4	87	66	2	68

El Salvador	69	6	75	62	10	72
Honduras	155	16	171	188	25	213
Costa Rica	135	62	197	96	155	251
Dominican Republic	175	479	654	141	291	432
Total	10.05	19.7	29.7	13747	29298	43008

Source: Ministry of Commerce of India (figures in million dollars) at <http://www.businesswithlatinamerica.com/business.html> (Accessed 15th August 2016).

Table 6: Major Items of Trade between India and the LAC region

Major exports to LAC in 2015-16 (USD million)

Vehicles	2796
pharmaceuticals	995
organic chemicals	819
Apparels	580
Diesel	578
equipment and machinery	557
chemical products	457
fibres and filaments	446
Aluminium products	376
iron and steel products	363
Cotton	312
iron and steel	308
plastic articles	301
Dyestuff	271
electrical machinery	265

Major imports from LAC in 2015-2015 (USD million)

Crude oil	9310
vegetable oil	2923
ores(mainly copper)	2289
gold and precious stones	1875
Sugar	606
electrical machinery	401
iron and steel	364
Wood	284
equipments and machinery	196
organic chemicals	195

Indian investment in the region exceeds USD 15 billion in the information technology (IT), pharmaceuticals, agrochemicals, mining, energy, and manufacturing sectors.²² Led by such firms as Tata Consultancy Services (TCS), Dr Reddy's Laboratories (pharma), United Phosphorus (agrochemicals), Shree Renuka Sugars, Havells Sylvania (lighting equipment), Videocon (television), and ONGC Videsh (oil), Indian companies have established a presence in the LAC region and currently Indian companies employ some 35,000 Latin Americans.²³ In contrast to China, which has flooded the LAC market with cheap manufactured goods and has voraciously sought to acquire raw materials in the region, India's approach is more nuanced. Though China has invested some US \$250 billion in the region and trade is projected to hit the US \$500 billion mark in the next decade, many Latin Americans resent the fact that cheap Chinese imports have adversely affected their local manufacturing industries and Chinese construction companies in the region continue their preference for Chinese as opposed to local labour.²⁴ In contrast, the 25 Indian IT companies operating in the LAC region alone employ some 20,000 locals.²⁵ On the flip side, twenty Latin American companies have invested nearly USD 1

²² *Business with Latin America*, at <http://www.businesswithlatinamerica.com/business.html#investment> (Accessed on December 29, 2016).

²³ J. Heine and R. Vishwanathan, "The Other BRIC in Latin America: India", *Americas Quarterly*, Issue: The New Brazil and the Changing Hemisphere, Spring 2011, at <http://www.americasquarterly.org/india-latin-america> (Accessed on December 29, 2016).

²⁴ A. Narain Roy, "A New Synergy: Hola Latin America, Namaste India!", *India Writes*, at <http://www.indiawrites.org/india-and-the-world/synergy-hola-latin-america-namaste-india/> (Accessed on December 29, 2016).

²⁵ H. Siddiqui, "India, LAC Countries can Together Become a Formidable Global Economic Force", Ministry of External Affairs, August 18, 2014 at <http://mea.gov.in/in-focus-article.htm?23937/India+LAC+countries+can+together+become+a+formidable+global+economic+force> (Accessed on December 29, 2016).

billion in India in steel, multiplexes, bus assembly, auto parts and electrical motors.²⁶

The FOCUS LAC project has been accompanied by the availability of funds under the Market Development Assistance (MDA) scheme which was aligned to the FOCUS LAC in 2006. Revisions in 2013 raised the ceiling of eligibility of those wishing to avail themselves of such funds.²⁷ While these economic ties are something of a success story, the focus on trade could lead to the relationship becoming purely transactional. This, it is suggested, would not augur well for long-term relations as minor irritants over tariffs and taxation could have a disproportionate effect in such an unbalanced relationship. Unless the economic impetus is accompanied by an equivalent political focus, ties will become bogged down in minutiae.

This is already becoming evident. In 2010, the Inter-American Development Bank (IADB) published a book entitled "India: Latin America's Next Big Thing" in which the tariff regimes in India and the region were examined. It was revealed that India's tariffs on Latin American agricultural goods were approximately 65 per cent compared to China's 12.5 per cent. It also noted that Latin American tariffs on Indian manufactured products at 9.8 per cent were significantly higher than the OECD average of 4-6 per cent. The book suggested that a reduction of 10 per cent on the average tariff imposed on Indian products could see a 36 per cent rise in Chilean and Argentinean imports of Indian goods.²⁸ These issues have

²⁶ R. Vishwanathan, "India and Latin America: A New Perception and a New Partnership", *Real Instituto*, July 22, 2014 at http://www.realinstitutoelcano.org/wps/portal/web/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari37-2014-viswanathan-india-latin-america-new-perception-new-partnership (Accessed December 29, 2016).

²⁷ D. Bhojwani, *Latin America, The Caribbean and India: Promise and Challenge*, Pentagon Press, New Delhi, 2015, pp. 136-137.

²⁸ "New IDB study calls for more trade, cooperation between India and Latin America", *Inter-American Development Bank*, July 27, 2010, at <http://www.iadb.org/en/news/webstories/2010-07-27/india-and-latin-america-trade-idb,7480.html> (Accessed December 29, 2016).

been allowed to fester for years and this inevitably has the effect of slowing the growth of trade between India and the LAC region. Of interest is the fact that the IADB speaks of Indian tariffs on agricultural products and Latin American tariffs on Indian manufactured goods. It is somewhat troubling that the trade relationship between India and the region still consists of the export of raw materials and agricultural goods from the LAC and the import of manufactured goods from India.

The Economic Commission for Latin America and the Caribbean (ECLAC or CEPAL in Spanish) has added its voice to the issue in a 2011 publication entitled “India and Latin America and the Caribbean Opportunities and challenges in trade and investment relations”. Like the IADB, the ECLAC report notes the enormous potential for trade and investment ties between the LAC region and India.²⁹ However, once again, in common with the IADB, it points to constraints in the form of tariffs but also in infrastructural shortcomings that hinder trade. As an example, both reports cite the absence of direct shipping services between India and the LAC leading to very high freight costs. Reductions in these costs could significantly boost trade.³⁰ These are issues, however, that are beyond the scope of private enterprise and investors to address. Decisions on establishing such transport links must come with the sanction of the respective governments and in as such there is no substitute for strong and effective political ties.

Political and Diplomatic Ties

India's political interaction with Latin America has had, in the past and to the present day, a focus on boosting trade. In more recent times, however, political engagement has been aimed at such issues as reforms in International fora, such as the United Nations Security Council. This has led to India's interests being focused on Brazil which has become a partner of India in such groupings as BRICS (Brazil, Russia, India, China and South Africa) and IBSA (India, Brazil and South Africa). However, this engagement

²⁹ “India and Latin America and the Caribbean: Opportunities and Challenges in Trade and Investment Relations”, *ECLAC*, November 29, 2011, at http://repositorio.cepal.org/bitstream/handle/11362/3021/1/S1100867_en.pdf (Accessed December 29, 2016).

³⁰ *Op. cit.*, n. 28.

with Brazil has not been matched by equivalent engagements with other powers of the region – a fact which India has not fully appreciated. India has been late in recognizing that the LAC region does not yet have a common viewpoint on institutional reform. This has been reflected in the fact that Mexico, Argentina, Colombia and Costa Rica (collectively known as the “coffee-club”), do not favour the proposal that the G4 (India, Brazil, Germany and Japan) along with one or two African states should become permanent members of the United Nations Security Council.

The argument that this would eliminate chances for more fundamental reforms of the UN, such as the elimination of the veto, has been accompanied by concerns that the G4 proposal would exclude them from the decision-making process and reduce their chances for representation in other international fora.³¹ The 33 countries of the region represent a potent voting bloc in the international arena and engagement with them is essential. This was illustrated in the recent discussions over India's desire for membership in the Nuclear Suppliers Group where Prime Minister Modi's brief visit to Mexico was needed to elicit that nation's support.³² It is also to be noted that Argentina's Ambassador, Rafael Grossi, the outgoing chairperson of the NSG to assist the incoming chairperson (from Switzerland) in continuing informal discussions on India's membership.³³ India has developed a strong relationship with Brazil but it needs to do so with other countries.³⁴

³¹ Ibid., p. 196.

³² R. Deshpande, “How Modi won over Mexico on NSG”, *The Times of India*, June 12, 2016, at <http://timesofindia.indiatimes.com/india/How-Modi-won-over-Mexico-on-NSG/articleshow/52708857.cms> (Accessed December 29, 2016).

³³ S. Haidar, “NSG appoints nuclear envoy to informal panel for India”, *The Hindu*, June 26, 2016, at <http://www.thehindu.com/news/national/nsg-appoints-nuclear-envoy-to-informal-panel-for-india/article8773418.ece> (Accessed December 29, 2016).

³⁴ T.S. Maini and S. Ramaswamy, “India's Latin American Policy: Looking Beyond Brazil”, *The Diplomat*, April 12, 2014, at <http://thediplomat.com/2014/04/indias-latin-american-policy-looking-beyond-brazil/> (Accessed December 29, 2016).

In stark contrast to a vibrant trade relationship, it is a damning indictment of India's diplomatic attitude to the LAC region that more Latin American countries have embassies in India than India does in Latin America, with fourteen resident Indian missions in the region compared to twenty LAC resident missions in India. By way of illustration, India has embassies or high commissions in the following LAC countries: Argentina (also covering Uruguay and Paraguay), Brazil, Chile, Colombia (also covering Ecuador), Cuba (also covering the Dominican Republic and Haiti), Guatemala (also accredited to El Salvador and Honduras), Mexico (also covering Belize), Panama (also covering Costa Rica and Nicaragua), Peru (also covering Bolivia, Venezuela (also covering Aruba, Netherlands Antilles), Jamaica, Suriname, Guyana and Trinidad & Tobago. In contrast, all of the above countries (barring Jamaica) have embassies in India along with Ecuador, the Dominican Republic, Paraguay, Uruguay, El Salvador, and Bolivia.³⁵ Admittedly, some of the Embassies are accredited to multiple countries but this does not detract from the fact that India has not reciprocated the efforts of some Latin American countries in establishing full embassies. At the very least, this is short-sighted and it is unfortunate that the Ministry of External Affairs and the broader Government of India persists in this apathetic approach. It is preposterous that Indian plans for three more embassies – in Ecuador, the Dominican Republic and Uruguay – have still not fructified since they were first proposed in 2013 and the Indian missions in such countries as Trinidad & Tobago have remained underfunded and understaffed relative to their responsibilities. The lack of resources at many of the Indian missions in the region – in particular in the Caribbean – is glaring compared to the efforts of the Chinese.

While it is true that India's historical links through the anti-colonial struggle and its diplomatic and ideological ties through such entities as the Non-Aligned Movement (NAM) have previously had little resonance in the

³⁵ For a list of Indian embassies in Latin America and a list of Latin American Embassies in India see: <http://www.businesswithlatinamerica.com/Contacts.html> and <http://www.businesswithlatinamerica.com/Contacts1.html>.

LAC region outside the English-speaking Caribbean and Cuba, the fact is that the LAC region has established high-level diplomatic ties with India which has not been matched in certain instances.³⁶ It should be noted that the LAC region's involvement in NAM in the Cold War era was circumscribed by the over-arching influence of the United States in the region and the right-wing orientation of many of the national governments. The military dictatorships that dominated the governments of Latin America viewed NAM through the prism of their own struggles against left-wing ideology and were deeply sceptical of NAM and its motives.³⁷ It is perhaps no surprise that it was only the region's leftist governments which initially showed any enthusiasm for NAM although by the Sixteenth NAM Summit in Tehran in 2012, 26 of the region's 33 countries attended as full members of NAM, while six more attended as observers.³⁸ As India's engagement with the region grows, it will have to contend with the plethora of regional and sub-regional organizations that exist in the LAC region and which are increasingly important in shaping the political as well as the economic discourse in the region.

Bilateral diplomatic ties were severely hampered in the 20th century through a combination of distance, a lack of economic and cultural interaction and the absence of a cultural and linguistic diaspora outside the Caribbean nations of Trinidad & Tobago, Suriname and Guyana. This is perhaps understandable as India in its post-independence period and until the late 1990s was constrained by a lack of diplomatic resources, domestic economic weakness and more urgent foreign policy priorities. Perhaps as an inevitable consequence of the vast geographical distance separating

³⁶ An excellent overview of the history of diplomatic relations between Indian and the LA region see: D. Bhojwani, *Latin America, The Caribbean and India: Promise and Challenge*, Pentagon Press, New Delhi, 2015, pp. 106-125.

³⁷ *Ibid.*, p. 123-125.

³⁸ For attendance and membership details, see <http://namiran.org/background-members/>. The Seventeenth NAM Summit postponed and was finally held in Venezuela from September 13-18, 2016.

Indian from the region and India's focus on its own neighbourhood, the LAC region played a minimal role, if any, in India's strategic or geopolitical considerations.³⁹

The emergence of India as an economic power in its own right and bolstered by a huge increase in bilateral trade with the LAC region, has given added impetus to enhanced diplomatic relations and has been accompanied by an increase in the strength of the Indian Foreign Service (IFS) cadre with skills in Spanish and Portuguese enabling a small but nonetheless significant increase in the staffing levels at Indian missions in the region.⁴⁰ India's quest for defence joint ventures and export markets has also led to the posting of defence attaches in Chile and Brazil. Even with these improvements, Indian diplomatic engagement with the region has yet to reach its potential and to an observer, there still seems to be a lack of urgency towards broadening and enhancing engagement on the bilateral diplomatic front.

Whether this relative diplomatic neglect is a matter of a lack of appreciation of potential, a legacy of post-independence, post-colonial hang-ups and orientation, a lack of resources or a combination of all of the above factors, the fact is that the IFS is at a disadvantage in regards to the personnel it is able to dispatch to Latin American missions. Former Ambassador Deepak Bhojwani points out that the Japanese and South Korean missions have a core of diplomats who have specialized in the region, while countries like China and Russia have deployed teams of highly specialized professionals to promote and safeguard their interests.⁴¹ India's failure to develop a similar nucleus of professionals hampers its diplomatic engagement within the region. These shortcomings at the diplomatic level have had a direct impact on the success – or lack thereof – of India's aid

³⁹ R.Desai, "A New Era For India-Latin America Relations?", *Forbes.com*, June 25, 2015, at <http://www.forbes.com/sites/ronakdesai/2015/06/25/a-new-era-for-india-latin-america-relations/#79fe612629d4> (Accessed December 29, 2016).

⁴⁰ *Ibid.*

⁴¹ *Ibid.*, p. 210.

initiatives in the LAC region. Dealing with the high interest rates of the EXIM bank aside, Indian missions in the region are ill-prepared to cope with or advise on the bureaucratic hurdles that prevent the effective and timely implementation of schemes and have led to potentially popular schemes such as the establishment of Centres of Excellence in Information Technology (CEITs) becoming ineffectual white elephants in countries like Cuba.⁴²

Diplomatic shortcomings may have also contributed to the relative lack of success of the ITEC (Indian Technical and Economic Cooperation) Scholarship Program in the LAC region. Started in 1964, this program offers over 8000 scholarships globally.⁴³ Unlike Africa and Asia, India's ITEC slots allocated to the region are significantly underutilized. For example, out of 638 slots allocated to the region in 2013-2014, only 393 were utilized.⁴⁴ The ITEC Program is one of the most useful instruments that India has at its disposal for simultaneously enhancing cooperation and creating a higher and more positive profile of India in the region. It is therefore imperative that the underutilization of the program in the LAC region be examined carefully with a view towards rectifying any lacunae that might exist.

In recent times – from 2001 onwards – there have been many high-level visits of heads of state and heads of government from India to the region and vice versa.⁴⁵ However, these visits are no substitute for strong diplomatic engagement and a strong diplomatic presence. Despite the distance, other more pressing diplomatic priorities and resource constraints, even poorer LAC countries such as El Salvador, Paraguay and the Dominican Republic have seen the potential of relations with India and have invested in resident high-level diplomatic missions. It is time that India reciprocated without further delay.

⁴² Ibid., p. 148.

⁴³ See "About ITEC", at <http://itec.mea.gov.in/?1320?000> (Accessed December 29, 2016).

⁴⁴ Op. cit., n. 18, p. 147.

⁴⁵ Ibid., pp. 111-112.

High Level Visits

Since coming to office in 2014, the Narendra Modi government has intensified an outreach to the LAC region that had been slowly gathering pace since days of the Vajpayee government. An indication of India's keenness is evident from the intensive interactions with the region in the last few months. While Modi himself has thus far only visited Brazil in July 2014 and that too for the BRICS Summit, as opposed to a visit for bilateral contact, and paid a lighting visit to Mexico in 2016, his senior ministers have conducted a series of visits to the region. It is of interest to note the very strong economic bias of these visits which seem to be focused on increasing trade and investment with the LAC region.⁴⁶ Lest it be thought that the visits were all one-way traffic, it is instructive that the Presidents of Brazil (Lula and Rouseff) have visited India no fewer than four times between 2004 and 2012 while no fewer than 10 heads of state from Latin America visited India between 2001 and 2011 with the Presidents of Mexico, Chile and Argentina visiting.⁴⁷

In 2014, Foreign Office Consultations were held with Colombia, Bolivia, Nicaragua, Mexico, Chile, Ecuador, Argentina, Guatemala, Uruguay and El Salvador and a Joint Commission Meeting (JCM) was held with Mexico. In 2015, Foreign Office Consultations (FOCs) were held with Costa Rica, Honduras and Barbados and a Joint Commission Meeting was held with Suriname. Senior ministers have visited several countries including Mexico, Colombia, Venezuela, Ecuador, Guatemala, Jamaica and Dominican Republic, while there were visits by Foreign Ministers of Mexico, Guatemala and Suriname to India. The former President of Guyana, Donald Ramoutar, and the Vice president of Cuba have also visited India in 2015.

⁴⁶ H. Siddiqui, "Latin America holds huge promise for Indian trade & investment", Ministry of External Affairs, July 20, 2015 at <http://www.mea.gov.in/in-focus-article.htm?25492/Latin+America+holds+huge+promise+for+Indian+trade+amp+investment> (Accessed December 29, 2016).

⁴⁷ *Op. cit.*, n. 27, p. 110.

India's Petroleum and Natural Gas Minister Dharmendra Pradhan, accompanied by a high-level business delegation, followed by Minister of State for External Affairs, Gen (retd) VK Singh, visited the region recently. Aiming to woo investors from the region and increase India's outreach in Latin America and the Caribbean, the visit the Ministers also reviewed bilateral co-operation in the areas of energy, agriculture, pharmaceuticals, IT and the automotive industry. The visit of VK Singh to Venezuela was of particular significance as Venezuela is India's third largest supplier of crude oil. A priority for India should be to increase exports to Venezuela where there is good demand for Indian goods. India's also has significant investments in Venezuela. The overseas arm of the state-run oil exploration firm, ONGC-OVL, has invested in two projects in the country. Venezuela and India have also signed a dozen agreements on energy in recent years, including for development of the Orinoco Belt, oil exploration and production, cooperation and development in the gas, petrochemical and hydrocarbon sectors.

India has also sought engagement with sub-regional organizations and to this end an official delegation led by Minister of State for External Affairs—General V.K. Singh—met the Representatives of Member States of SICA in a meeting held in Guatemala City on 28 May 2015. India has an institutional mechanism for dialogue with SICA. Two ministerial meetings had been held in 2004 and 2008 both in India but this one, coming after a gap of seven years was the first to be held in Central America and one hopes marks the beginning of more frequent and more fruitful interaction. In further engagement with sub-regional organizations, the first ever India-CARICOM Joint Commission meeting was held in Georgetown, Guyana, on 2 June 2015 following the installation of a new government led by David Granger. The meeting was led by Special Secretary, Ministry of External Affairs, R. Swaminathan and CARICOM Secretary General Ambassador Irwin LaRocque.

In 2016, the Seventeenth Summit of NAM was held in Venezuela between 17-18 September. Unfortunately, Prime Minister Modi did not attend the same, with the Indian delegation being led by Vice-President Ansari. It remains to be seen whether the visit to the region would be limited to the Summit or whether the opportunity to foster stronger ties bilaterally will be encouraged.. It has to once again be emphasized that the tenor of the

high-level visits has, to date, been focused on trade and investment. This needs to be adjusted or the risk of the dynamic being reduced to the purely transactional looms large.

It is instructive to note that Prime Minister Modi is yet to make any official visit to the LAC region with a specific view to enhancing bilateral ties with any country in the region. In the Presidential system that dominates Latin American governance, there is no substitute for visits by Heads of Governments. In addition, it must be asked, whether the mechanisms to ensure implementation of schemes and monitoring of bilateral ties are adequate to the task. High-level visits, as has been stated before, have great utility in providing focus, setting policy and raising the profile of bilateral relations, but there is a crying need for strong diplomatic, bureaucratic and technocratic infrastructure to support these initiatives. India needs to move towards creating this infrastructure to support the efforts of its political leadership which appears to be intent on furthering India's relationship with the region.

Section 4: Unrealized Potential

While the economic and diplomatic dimensions of India's relationship with the LAC region have acquired a dynamic of their own, despite shortcomings and some lack of impetus, however, there are areas where India and the LAC region have unrealized potential. It is suggested that, with a little effort, some radical transformation might be possible.

The three areas chosen for focus are scientific/technical, defence and law-enforcement. In these three spheres, Latin America has links, to varying degrees, with Europe, the United States, Japan and more recently China. India may not be able to compete directly with any of these powers directly, but can carve out niche areas for cooperation. The benefits of cooperation in these spheres may not be immediately evident in economic terms but will enhance the relationship between India and the LAC region which could prove beneficial eventually. Moreover, a broad-based non-transactional relationship positions India in a better position to influence decision makers in the region.

The Potential for South-South Technical Cooperation between India and the LAC region

Closely linked to economic ties should be cooperation in science and technology. Given the fact that many Latin American countries – Brazil, Mexico and Argentina among them – have developed their own technological areas of expertise, it is interesting to note that technical and scientific cooperation between India and the region is as yet nascent. India itself has made significant strides in areas where Latin America is conspicuous by its absence and as such the scope for partnership and assistance is considerable. Given the relative industrial and technical expertise in Latin America, cooperation in the scientific and technical spheres would be on a much more equitable basis than India's efforts in Africa which lacks the expertise level found in Latin America. In the energy sphere, despite India's continuing import of large quantities of crude oil from the LAC region, scope exists for cooperation in renewable and blended energy sources. Brazil has long been a leader – if not a pioneer – in the use of ethanol blended fuels to reduce the consumption of oil. With India intent

on increasing the ethanol blending in petrol to 5 per cent by September 2016 (up from 2 per cent at present) and with ambitions of increasing the blend to as high as 20 per cent in the future, India can learn from Brazil's experience in this regard.⁴⁸

Conversely, India has acquired considerable expertise in the construction and operation of nuclear reactors which might be an attractive option for some in the LAC region which has significant uranium deposits that in turn could be of interest to India.⁴⁹ India's expertise in renewable energy such as solar and wind power could also be of interest to the region.

In respect of space cooperation, in 2004, India and Brazil signed a framework accord on space cooperation which was augmented in 2014 to allow Brazilian earth stations to process data from Indian IRS remote sensing satellites.⁵⁰ In addition, India on 10 January 2007 placed an Argentine nano-satellite—the Pehuensat-1—into orbit via ISRO's PSLV C-7 launch vehicle.⁵¹ However, scope for cooperation is limited by the fact that the Eurospace launch site in French Guiana may offer more economical launching facilities for large communications satellites.

⁴⁸ D. Das, "India to have 5% ethanol blended petrol by Sept 2016: Pradhan", *The Hindu Business Line*, February 11, 2016, at <http://www.thehindubusinessline.com/economy/india-to-have-5-ethanol-blended-petrol-by-sept-2016-pradhan/article8223004.ece> (Accessed December 29, 2016).

⁴⁹ R. Soutar, "Will booming India topple China in Latin America?", *The Third Pole*, January 17, 2016, at <https://www.thethirdpole.net/2016/01/17/will-booming-india-topple-china-in-latin-america/> (Accessed December 29, 2016).

⁵⁰ "IRS satellite data: New agreement between India and Brazil", *United Nations Office for Outer Space Affairs*, July 18, 2014, at <http://www.un-spider.org/news-and-events/news/irs-satellite-data-new-agreement-between-india-and-brazil> (Accessed December 29, 2016).

⁵¹ "Polar Satellite Launch Vehicle (PSLV-C7) successfully launches 4 satellites", *ISRO*, January 10, 2007 at <http://www.isro.gov.in/update/10-jan-2007/polar-satellite-launch-vehicle-pslv-c7-successfully-launches-4-satellites> (Accessed December 29, 2016).

However, despite this potential, the cooperation between the region and India has not achieved its potential. Whether it is in space or in fuel technology, cooperation is minimal. There is relatively little practical interaction between the scientific communities. This is not helped by the moderate success of the ITEC program in the LAC region. As has been stated earlier, India's ITEC slots allocated to the region are significantly underutilized with only about half the slots being filled. The LAC nations have failed to publicize the ITEC scholarship, perhaps out of a lack of appreciation of what cooperation that India has to offer. It is worth considering partnerships at the institutional level between Indian Universities and their counterparts in the LAC region to foster a combination of intellectual exchange plus research on targeted projects of interest.

Even in respect of high-technology industries such as shipbuilding and aerospace, there is little interaction between Indian shipyards and their LAC counterparts, such as COTECMAR of Colombia or SIMA of Peru or between Hindustan Aeronautics Limited (HAL) and regional aviation companies such as EMBRAER of Brazil or ENAER of Chile. In these two sectors alone, there is much scope for cooperation. Indeed, it is strange that neither the LAC countries nor India have availed themselves of the opportunities for joint ventures in these spheres, reflecting the somewhat short-sighted approach towards technical cooperation exhibited to date.

Defence Cooperation

Defence cooperation between India and the LAC region is extremely limited. India's purchase of three Embraer EMB-145 aircraft for its domestic Airborne Early Warning project notwithstanding, there is no meaningful cooperation in respect to defence production, research and development, or even joint military exercises. Throughout the entire region, India has much to offer in respect of training, equipment (lethal and non-lethal) and overall security cooperation. Indeed, as the potential for pirate attacks increases in the region and the spectre of terrorism looms large, Indian expertise in these spheres could be of considerable interest to the region.

Furthermore, UN peacekeeping operations provide the opportunity for enhanced cooperation as Brazil, Uruguay, Chile, Argentina and Colombia have contributed extensively to UN peacekeeping forces worldwide. The

armed forces of even the smaller Caribbean countries such as Trinidad & Tobago and Jamaica served with distinction during peacekeeping operations in Haiti. In the quasi-related spheres of disaster management and humanitarian assistance, Latin American and Caribbean forces routinely undertake such activities and could again benefit significantly from Indian experiences in this regard, with the exchange of personnel and joint exercises that this would inevitably bring, leading to a higher Indian defence profile in the region,

In stark contrast to China, India's military training links with the region are limited. China has actively encouraged officers from the region to attend its training schools for specialized and staff training⁵² India has not accorded sufficient priority to the same with an attendant absence of presence and profile in the region. China's policy of encouraging military training links has built up a cadre of officers who may now be open to considering purchases of Chinese weapons, and it may be no coincidence that China's arms sales to the region have soared.⁵³ These sales have been supported by a sustained Chinese diplomatic effort which has targeted not just military stipulated requirements but also the political leadership of certain countries, such as Argentina, Bolivia and Venezuela, who have been amenable to Chinese arms sales as a way of asserting independence in an area hitherto dominated by the influence of the United States.⁵⁴

⁵² G. Marcella, "China's Military Activity in Latin America," *Americas Quarterly*, Issue: China's Global Rise: Implications for the Americas, Winter 2012, at <http://www.americasquarterly.org/Marcella>, (Accessed December 29, 2016).

⁵³ E. Ellis, "Should the U.S. be worried about Chinese arms sales in the region?", *Latin America Goes Global*, May 11, 2015, at <http://latinamericagoesglobal.org/2015/05/should-u-s-be-worried-about-chinese-arms-sales-in-the-region/> (Accessed December 29, 2016).

⁵⁴ K. Lahrichi, "China's Growing Military Sway in Latin America", *Asia Sentinel*, August 4, 2014, at <http://www.asiasentinel.com/politics/china-military-sway-in-latin-america/> (Accessed December 29, 2016).

Among the more prominent sales of defence products have been:

1. The sale of two Mahindra Rakshak armoured vehicles and one Mahindra Rapid Intervention Vehicle to Guyana Police Force⁵⁶
2. The sale of 139 Ashok Leyland 4x4 trucks to the Honduran army.⁵⁷
3. The sale of Mahindra 4x4 vehicles to Argentina, Uruguay and Belize.⁵⁸
4. The sale of 29 Mahindra Marksman vehicles to the Chilean Carabineros Special Forces.
5. The sale of 2 civil model Dhruv helicopters to Peru.⁵⁹
6. The sale of 7 Dhruv helicopters to Ecuador.
7. The sale of 3 Chetak helicopters to Suriname.

These sales are modest but not insignificant. However, two sales have been plagued by some degree of controversy, occasioned in part by poor

⁵⁵ For example, the INS Godavari visited Trinidad in 1986-87 and the next visit was by INS Tabar in 2004-05.

⁵⁶ "More vehicles for the Police Force", *Indentureship*, August 27, 2005, at http://runaway070.tripod.com/Mahindra_Limited.htm (Accessed December 29, 2016).

⁵⁷ "US\$ 10.5 mn order for Ashok Leyland from Honduras", *Business Standard*, January 12, 2009, available at http://www.business-standard.com/article/press-releases/us-10-5-mn-order-for-ashok-leyland-from-honduras-109011201097_1.html (Accessed December 29, 2016).

⁵⁸ E. Ellis, "Time to talk about India and Latin America", *Latin America Goes Global*, June 8, 2015, at <http://latinamericagoesglobal.org/2015/06/time-to-talk-about-india-and-latin-america/> (Accessed December 29, 2016).

⁵⁹ P. Bose & R Menon, "HAL secures copter order from Peru", *Business Standard*, June 24, 2008, at http://www.business-standard.com/article/companies/hal-secures-copter-order-from-peru-108062401061_1.html (Accessed December 29, 2016).

post-sales support and poor contract coordination with the purchaser. The sale of the Dhruv to Ecuador was widely hailed, and rightly so, as a major breakthrough for Indian arms exports. However, after a number of crashes (several of which were caused by pilot error), the helicopters were withdrawn from use citing, among other things, poor spares support from HAL.⁶⁰ It is unfortunate that India seems to have seen this potential breakthrough in purely transactional terms and have pointed to undoubted failures on the part of Ecuador to stick to contractual obligations. This approach, combined with the failure to establish any regional spares depot or maintenance facilities in Ecuador, created difficulties to sustain the aircraft so far from India and HAL's facilities.

Similarly, the sale of Chetaks to Suriname was plagued by poor contract management and "financial and administrative obstacles" which led to the helicopters being ready long before pilots were ready to be trained, leading to a delay in delivery of the helicopters.⁶¹ In addition, an apparent disconnect between the user and supplier in negotiating the contract led to Suriname acquiring Chetaks rather than the Dhruvs that they reputedly preferred. It should be noted that on this latter point, HAL always seemed clear that it was selling Chetaks to Suriname rather than Dhruvs, but the issue remains a point of minor contention between the parties. Even the sale of the Mahindra Marksman to Chile has had its share of controversy as a litany of complaints about poor visibility, security flaws and off-road performance have been levelled at it but it is not known if Mahindra &

⁶⁰ "Ecuador cuts Dhruv helicopter contract with HAL after 4 crashes", *The Times of India*, October 16, 2016, at <http://timesofindia.indiatimes.com/india/Ecuador-cuts-Dhruv-helicopter-contract-with-HAL-after-4-crashes/articleshow/49403144.cms> (Accessed December 29, 2016).

⁶¹ "India Gives 3 Chetak Helicopters to Suriname", *Defence Aerospace*, March 16, 2015, at <http://www.defence-aerospace.com/article-view/release/161842/india-delivers-3-chetak-helicopters-to-suriname.html> (Accessed December 29, 2016).

Mahindra is working on any remedial steps to overcome the criticism.⁶² India's most successful export story to the LAC region is of neither vehicles or arms but of armour plating. Since 2007, the Indian company MKU Private Limited, a manufacturer of ballistic protection for personnel and platforms, has been the sole supplier of body armour to Brazil and secured a contract to install ballistic protection panels on the fleet of Mi-17 helicopters operated by Mexico's Navy and police. In addition, 40,000 sets of body armour are to be supplied to the Ecuadorian Interior Ministry.⁶³

In none of the above cases has the Indian government been the prime mover, providing support, reassurance and a method of informal dispute resolution to prevent minor issues becoming major ones. This was despite the fact that Suriname used USD13m from a USD16m Indian line of credit to make the purchase. Little interest was shown thereafter in making the procurement flow smoothly with "financial and administrative problems" playing a part in delaying the delivery of the helicopters. It was the proactive approach of the Indian ambassador to Suriname that enabled the delivery of the Chetaks and the acceptance of them by the Suriname government. Had a similar proactive approach been followed in Ecuador and Chile, it is possible that issues and concerns raised by the customers could have been dealt with without acrimony. It is ironic and absurd that Indian defence sales to Honduras and Ecuador took place in countries where India does not even have embassies.

India may also be missing a rather unusual opportunity. Latin America's military establishments are in the throes of replacing older equipment with refurbished second-hand weaponry. This has included both Colombia and Ecuador purchasing much used second-hand combat aircraft from

⁶² G. Vilarrubia and J.P. Figueroa, "Carabineros spends US \$ 3.5 million in armored cars that have serious security flaws", *Ciper Chile*, August 21, 2013, at <http://ciperchile.cl/2013/08/21/carabineros-gasta-us-35-millones-en-carros-blindados-que-tienen-serias-fallas-de-seguridad/> (Accessed December 29, 2016).

⁶³ *Op. cit.*, n. 58.

Israel and South Africa, respectively, and second-hand tanks from Israel and Germany have found their way to Uruguay, Ecuador, and Chile.⁶⁴ India has a large stock of decommissioned T-55 tanks and MiG-21, MiG-23MF and -23BN aircraft. It is possible that these items could find buyers in Latin America, albeit at low prices, following refurbishment by India. In fact, such items would be welcome additions to arsenals of countries unable to afford new Western or Russian weapons, yet desirous of modernizing ineffective arsenals. It would be a low-risk, low-cost approach towards enhancing India-LAC defence sales with benefits to both sides.

Law Enforcement Cooperation

While defence cooperation with the LAC region is poor, it is not fundamentally dangerous to Indian national interests. This is not the case with other security cooperation – in particular law enforcement collaboration in the counter-narcotics trade. The potential of the trafficking of cocaine to India is being realized with South American cartels, using the smuggling routes that have become increasingly popular for the smuggling of cocaine to Europe – using Africa as a transshipment point. Increasingly, the LAC-Africa route is being used to smuggle drugs into South Asia. The Mexican narcotics cartel the *Zetas*, having been severely impacted by enhanced US border security, has obtained control of a lucrative smuggling route from West Africa to Europe.⁶⁵ Colombian cartels,

⁶⁴ For an overview of enhanced Latin American defence spending and arms replacement programmes, see D. Negro Ponte, “Russo-Latin American Arms Sales”, *Americas Quarterly*, Winter 2015, at <http://www.americasquarterly.org/content/russo-latin-american-arms-sales> (Accessed December 29, 2016); T.H. Moran, “Supplying the Latin American Military”, *The North American Congress on Latin America*, at <https://nacla.org/article/supplying-latin-american-military> (Accessed December 29, 2016); and R. Duarte Villa and J. Viggiano, “Trends in South American weapons purchases at the beginning of the new millennium”, *Revista Brasileira de Política Internacional*, July/Dec 2012, at http://www.scielo.br/scielo.php?script=sci_arttext&pid=S0034-73292012000200003 (Accessed December 29, 2016).

⁶⁵ E. Pachico, “Europol: Mexico Trafficking More Cocaine to Europe”, *Insight Crime*, May 4, 2011 at <http://www.insightcrime.org/news-briefs/europol-mexico-trafficking-more-cocaine-to-europe> (Accessed December 29, 2016).

traditionally the largest suppliers to Europe, while still powerful, are losing ground to the Mexicans. Colombia has long dominated the cocaine trade and is still the main source of supply to Europe, transhipped through Venezuela or Brazil. The latter two countries are beginning to emerge as the major places of embarkation for narcotics bound for the West Africa-Europe route. The surge began in 2004 with seizures of 46 metric tonnes of cocaine being reported between 2005 and 2008.⁶⁶ This coincides with a decision of the Venezuelan government in 2005 to suspend cooperation with the United States Drug Enforcement Agency (DEA).⁶⁷ This has led to an upsurge in cocaine trafficking out of Venezuela where corrupt law enforcement and military personnel, porous borders with Colombia and apparent government indifference have contributed to this trend. In Brazil, the combination of porous borders with three major cocaine producing countries (Bolivia, Colombia and Peru) and a poorly patrolled coastline are combined with a thriving legitimate trade with West Africa thus facilitating the smuggling of cocaine by subterfuge, corruption or coercion of legal traders.⁶⁸ South Africa has emerged as one of several preferred transshipment points for cocaine emanating from Brazil, taking its place alongside Angola, Nigeria, Guinea and Guinea-Bissau.⁶⁹

⁶⁶ P.L. Maguire, "Narcotics Trafficking in West Africa: A Governance Challenge", Pardee Paper No. 9, March 2010, p. 3, at http://www.bu.edu/pardee/files/2010/03/Pardee_Paper-9-Narcotics-Trafficking.pdf (Accessed December 29, 2016).

⁶⁷ G. Wilpert, "Venezuela's Chavez Confirms Suspension of Cooperation with DEA", *Venezuela Analysis*, August 8, 2005, at <http://venezuelanalysis.com/news/1279> (Accessed December 29, 2016).

⁶⁸ N. Brune, "The Brazil–Africa NarcoNexus", *Americas Quarterly*, Issue: Impact Investing: Profit Meets Purpose, FALL 2011, at <http://www.americasquarterly.org/brune> (Accessed December 29, 2016).

⁶⁹ M.Plautt, "Cocaine—the South Africa connection", *New Statesman*, February 12, 2013, available at <http://www.newstatesman.com/world-affairs/2013/02/cocaine-south-africa-connection> (Accessed December 29, 2016).

For India, it should be a matter of enormous concern that cocaine cartels have started seeing South Asia as a new transshipment point and market. Higher quality cocaine is increasingly being seized by Indian police and in June 2015, liquid cocaine worth USD 14 million was seized in Chittagong.⁷⁰ Whether India was the final destination of these drugs is unclear as the region is emerging as a useful transshipment point to Europe. The LAC-West Africa nexus should also be a cause of concern as most of the cocaine smuggled into India has thus far been through the use of African nationals as “drug mules.”⁷¹ This is changing as in April 2015, a Peruvian national, Armando Lopes Reyes was arrested with 1.29kg of pure cocaine.⁷² As cocaine use slowly increases in India – with an affluent upper and middle class able to afford the drug, the potential for a cocaine addiction surge cannot be underestimated – not to mention the possibility of the LAC cartels finding common cause with the existing Indian underworld and possibly terrorist groups. The seizure in Bangladesh could be a pointer to cocaine cartels seeking to make use of the heroin and ganja smuggling networks existing in North-East India.

It is an unfortunate fact that some in India have tried to write-off these incidents in 2015 as “isolated.” It is true that India is not yet a major market for cocaine. However, there are some very disturbing trends that show that cocaine use and addiction is growing among India’s middle and

⁷⁰ R. Paul and J. F. Daniel, “Cocaine smugglers turn to South Asia for new routes, markets”, *Reuters*, July 12, 2015, at <http://in.reuters.com/article/asia-drugs-idINKCN0PM03K20150712> (Accessed December 29, 2016).

⁷¹ K. Sehgal and M. Thomas, “India’s cocaine addiction is worsening—and South American drug cartels are lining up”, *Qz.com*, June 30, 2015, at <http://qz.com/439324/indias-cocaine-addiction-is-worsening-and-south-american-drug-cartels-are-lining-up/> (Accessed December 29, 2016).

⁷² R. Shekhar, “1.3kg pure Columbian cocaine seized from Peruvian national”, *The Times of India*, April 16, 2015, at <http://timesofindia.indiatimes.com/city/delhi/1-3kg-pure-Columbian-cocaine-seized-from-Peruvian-national/articleshow/46939043.cms> (Accessed December 29, 2016).

high socio-economic groups.⁷³ Furthermore, the latest United Nations Office on Drugs and Crime (UNODC) report suggests that India is a transshipment point for cocaine destined for Israel and China.⁷⁴ Intelligence and law-enforcement cooperation could be critical to disrupting these disturbing patterns. To date, India's cooperation with the LAC region in this sphere is limited to the point of being nearly non-existent. However, this needs to change as the consequences of the neglect and underestimation of the threat and challenges posed by the LAC narcotics cartels can be serious.

⁷³ S. Farooqui, "India becomes cocaine trafficking centre as drugs follow rise of rich", *The Guardian*, October 1, 2015, at <https://www.theguardian.com/global-development-professionals-network/2015/oct/01/india-cocaine-trafficking-drugs-rich-economic-growth> (Accessed December 29, 2016).

⁷⁴ N. Chauhani, "India a transit point for Afghan heroin, cocaine: UN report", *The Times of India*, June 26, 2016, at <http://timesofindia.indiatimes.com/India-a-transit-point-for-Afghan-heroin-cocaine-UN-report/articleshow/52921392.cms> (Accessed December 29, 2016).

Section 5: The Way Forward

That India has accorded a degree of priority to its relationship with the LAC region is evident from its high-level visits and the dynamic trade relationship between India and the region. However, it is equally clear that the relationship cannot be exploited fully if it continues to be almost exclusively focused on trade. Furthermore, India's engagement with Brazil, while important, cannot be to the exclusion of other countries in the region. Yet, there is a foundation on which to build and with a combination of an adjustment of focus, minor enhancement of resources allocated to missions in the region, and some innovation in its approach to joint-ventures, there can be even greater impetus imparted to relations between India and the region.

Economic Cooperation: Trade and Investment

India's trade and investment policy in the LAC region has fared relatively well. At the outset, it should be made clear that India lacks the resources to emulate Chinese investment in the region, but this in no way should be seen as a handicap for enhanced cooperation. India's more nuanced approach to trade and investment has the potential for building partnerships within the region without in any way disrupting local industry. What is needed is support for existing Indian companies as they continue to invest in the region by way of support from Indian financial institutions and diplomatic support to facilitate navigation through the bureaucratic processes that exist in every country. India would do well to extend the PTA concept to regions outside MERCOSUR and Chile and the FTA concept to other LAC nations beyond Mexico and Peru. It is imperative that India also, through diplomatic channels, works towards avoidance of double taxation treaties in the LAC region as well as beginning engagement to reduce regional tariffs on Indian goods and vice versa.

If there is an area for improvement, it is in the scope of joint ventures. For example, India has yet to explore the possibility of joint development of civil aviation with the Brazilian aviation company Embraer. While Embraer and India's Hindustan Aeronautics Limited have very different priorities, a partnership with Embraer could see the development of a next-generation airliner. Similarly, scope exists for partnerships in the sphere of automotive development with Indian companies such as Tata, Ashok-Leyland and

Mahindra, all of which have a presence in the region, can consider partnerships with local firms with a view to increasing market penetration as well as facilitating the strategic partnerships necessary to ensure product longevity within the region. Initiative and innovation is needed to maximize these potential areas of cooperation.

Political and Diplomatic Ties

These two areas are closely interlinked as the latter is essential for the support of the former. In the 21st century, as a rising power – and a global power whether it realizes it or not – India cannot continue to operate with fewer embassies in the region than the region has in India. In addition the seeming fixation with Brazil, cannot come at the expense of Furthermore, there cannot be a continuing failure to engage the region at the Head of Government/ Head of State level where there has been a conspicuous absence of effort to use this as an instrument of promoting bilateral ties. In essence, India needs to – and without further delay:

- 1) Initiate a program of state visits of the Indian Prime Minister and President to the region with reciprocal invitations being extended.
- 2) The visits must not be aimed at merely boosting trade and investment but must seek to enhance bilateral ties.
- 3) Time-bound implementation of projects must be ensured.
- 4) Indian embassies must be opened in every LAC country that has an embassy in India.
- 5) Indian diplomatic missions in the LAC region must be given adequate resources and must also be staffed by personnel knowledgeable about the country in which they are serving as well as being supported by bureaucrats and technocrats who understand the nuances of the region, its laws and its commercial idiosyncrasies.
- 6) Programs such as ITEC must be reviewed with the aim of increasing the utilization of the available scholarship slots.
- 7) The intensity of the engagement with Brazil must not be lessened but should be replicated in respect of relations with such countries as Mexico, Colombia, Argentina, Peru, Venezuela and Chile, while

simultaneously increasing interaction with other countries in the region.

- 8) Renewed focus must be placed, with political and diplomatic support, on South-South cooperation between India and the LAC region in the technical and scientific spheres with a realistic understanding of the relative strengths and shortcomings of the respective parties.

A greater effort must also be made by Indian policy makers to understand the diversity of the region and calibrate engagement accordingly. Furthermore, India must view the region, as far as possible, in non-transactional terms. The relationship must be seen for its long-term potential and the intrinsic value of having good relations with a bloc of 33 countries.

Defence and Security Cooperation

Unlike the economic sphere and even, to a great extent, the political/diplomatic sphere, this arena is a virtual blank canvas for India-LAC relations. While it would require an in depth study of relative strengths as against requirements to determine areas of either defence production cooperation or increased defence sales, there is no doubt that India can increase its defence profile in the region by participating in the regional defence expositions and initiating a series of visits to explore these areas. The posting of more military attaches in the region would be a useful first step. In addition, there should be an increase in officer-exchange programs with the region while increasing the number of slots made available at Indian training academies to candidates from the region. An increased number of naval visits with perhaps some minor joint exercises would also be a useful way of raising awareness of India's military capabilities in the region.

In respect of other security cooperation, the need is extremely urgent in respect of counter-narcotics trafficking. India must consider allowing the Narcotics Control Bureau to station personnel on attachment to Indian embassies in target countries – perhaps Colombia, Peru, Venezuela and Brazil to start. Forging intelligence sharing links with the national police forces of these countries would be a vital first step in understanding and then successfully interdicting the growing cocaine trade between the LAC region and South Asia.

Conclusion

India's Latin American outreach has been remarkable for its lack of hype and its low profile. It has been, in some ways a success story with significantly enhanced trade and investment. India has become a major trading partner of many countries in the region. It has also sought to engage the countries of the region- on a bilateral and multilateral basis - with a view to expanding these economic links.

However, this has not been matched with sufficient efforts in other spheres and India has lagged in its political and diplomatic engagement with the region, perhaps overemphasizing its relationship with a single country while not according similar attention to others. The fact that several countries still lack Indian diplomatic representation at the Ambassadorial level, despite many of those countries having embassies in India is an indication of this disconnect between a vibrant economic engagement and a somewhat lethargic diplomatic one.

By adopting a largely transactional approach to its relationship in dealing with the region, India has made at best half-hearted efforts in the defence/ security sphere, and has allowed the potential for south-south cooperation in the scientific/ technical spheres to be largely unrealised. Furthermore, India has not grasped the importance of law-enforcement cooperation with the LAC region to combat the menace of the narcotics trade and as such, engagement between law-enforcement agencies is minimal.

It could be because of the low-profile of the effort that the value and potential of the relationship with the region is too often overlooked, resulting in missed opportunities for improved bilateral relations. A recalibration of India's outreach is required to maximize the potential of bilateral and multilateral relationships with the LAC region. The additional resources required are modest but the potential mutual benefits could be very substantial and it is for India to take the initiative and show the requisite dynamism to realise the full potential of enhanced engagement with the region.

This paper seeks, from a Latin American perspective, to examine India's relations with the Latin America-Caribbean region. It makes a distinction between the hesitant and somewhat apathetic approach of the Indian government towards enhanced ties with the region and the rather more proactive and enthusiastic approach by the Indian business sector which has seen Indian trade with the region growing many fold and increasing at the same rate as China's. India's diplomatic and political engagement with the region has been simultaneously too focused on trade while concentrating attention on Brazil alone without a similar level of engagement with other major countries in the region. It has also failed to show high-level diplomatic reciprocity and has allocated inadequate resources to its missions in the region to further its aims. The paper suggests that the reasons for this are in part based on a lack of awareness of the region, an inadequate appreciation of the potential areas of cooperation, and a tendency to view the relationship too much from the trade perspective. It argues that India needs to re-calibrate its engagement with the region and attach priority to broad-based engagement without diluting emphasis on trade.



Sanjay Badri-Maharaj is a graduate of the Department of War Studies, Kings College London with PhD and MA degrees in War Studies. He is an attorney-at-law and has worked as a freelance journalist for several publications as well a researcher and lecturer. He has served as a consultant to the Ministry of National Security of Trinidad and Tobago, and to its Ministry of the Attorney General. He was a Visiting International Fellow at IDSA from June to September 2016.



INSTITUTE FOR DEFENCE
STUDIES & ANALYSES
रक्षा अध्ययन एवं विश्लेषण संस्थान

Institute for Defence Studies and Analyses

No.1, Development Enclave, Rao Tula Ram Marg,

Delhi Cantt., New Delhi - 110 010

Tel.: (91-11) 2671-7983 Fax: (91-11) 2615 4191

E-mail: contactus@idsa.in Website: <http://www.idsa.in>