



Indian Council of World Affairs

Sapru House, Barakhamba Road

New Delhi

ICWA International Conference
on

Latin America
**Focus Latin America: The Need for an Effective
Programme**

Recommendations

Inaugural Session

- India enjoys very warm and friendly relations with each of the countries in the region. Over the last few years, India's ties with the Latin America and Caribbean (LAC) region, in terms of its political engagement as well as trade and commerce has intensified significantly. India not only shares common values of democracy and respect for human rights with LAC countries, but also contributes to international order and development through memberships of several international organisations and work closely together in the UN, G-77, NAM etc.
- LAC region is an important partner for India's nutritional security needs, and in development of agriculture and agricultural processes. **Latin America can fulfil few of India's needs in terms of pulses and select oilseeds.** Latin America has emerged as an important source of hydrocarbons for India.
- India has pursued its interaction with regional groupings in LAC such as the CELAC, SICA and CARICOM countries with the aim to deepen and strengthen India's engagement with these very important regional groups. **India is also working on expanding its Preferential Trade Agreement (PTA) with MERCOSUR which need to be expedited at an early date.**
- The total Indian bilateral merchandise trade with the region increased from a modest US\$ 2.065 Billion in 2002-03 to US\$ 28.31 Billion in 2011-12. During this period total Indian exports to the region grew from a modest US\$ 1.084 Billion to US\$ 12.27 Billion, a growth of about 1031.7 % over these ten years. Similarly our imports grew from about US\$ 0.98 billion to 16.036 US\$ Billion over this period, a growth of about 1535.82 %. The percentage share of India's exports to Latin America in its global exports has increased from 2.058 % in 2002-03 to 4.01% in 2011-12. In the same period, the percentage of India's imports from Latin America in its global import has increased from 1.59% to 3.28%.

- India would like the LAC companies to set up businesses in India through Foreign Direct Investment or joint venture with domestic companies under the Government of India's flagship programmes such as Make in India, Skill India etc.
- **India intends to share its expertise and experience in the field of tele-medicine, tele-education and e-governance, weather mapping etc.**
- India's strategy for the LAC region is to enhance India's political and economic engagement with all the 33 countries in the LAC region to strengthen this partnership. This also includes securing market access for Indian exports, diversification of its export basket, securing India's investments and the interests of Indian businesses. **Encouraging investments from the region is an important part of this strategy to increase business interactions.**
- India has changed the way it engages with LAC. Today there is more knowledge about LAC not only within the government but also amongst general public and this is reciprocated in the LAC region. However, **the LAC countries would like India to consider opening more Indian Missions in the region. The e-visa scheme is very helpful and will encourage tourists and business to flow between the two, especially from people who come from nations that have no diplomatic representations.**
- **Air connectivity has increased over the past few years. AI has announced a direct flight to Madrid. This would help in closing the connectivity gap.**
- **The LAC region would again like to welcome Prime Minister Narendra Modi to the region for an extensive visit.**

Session One- Building Economic and Trade Complementarities

- Lack of understanding between India and Latin America due to geographical distance, traditions, language and culture were considered difficult for enhancing trade and economic cooperation but not insurmountable.
- **Peru is expecting a comprehensive FTA with India which could accelerate growth in trade and investment.**
- **Peru is looking for Indian technology and investment to realize its full economic potential and enhance trade and commerce with the country.**
- India and Latin America relationship is going beyond commodities with 134 Indian companies in the LAC region. **There is a need for increasing cultural and people to people linkages and institutionalising the relationship.**
- Liberalisation of India's trade policy, and the horizontal expansion of trade and investment are creating new incentives. Nonetheless, there are still some roadblocks. **For Indian businesses, the drawback has largely been the lack of awareness about the LAC region and the business opportunities it presents. There is a need for more engagement to highlight the prospects in the region.**
- **Feasibility studies should be explored for developing small and medium enterprises in both LAC region and India. Trilateral agreements and pilot projects could be initiated within the LAC region, and India could participate in such pilot programmes. Among the developing countries,**

innovation is the key area to explore, particularly with regard to R&D cooperation.

- **Liberal regime for grant of Educational Visa for students to promote student exchange and also for vocational training.**

Session Two- Regional Groupings: Towards Convergence

- India is invited to the Cuba Oil & Gas 2017 Summit that is going to be held on 7-9 February 2017. **India can promote investment in the oil and gas sector.**
- **India should enhance interaction with the small island countries of the Caribbean through culture and people to people contacts apart from trade and commerce.**
- **Preferential Trading Agreements (PTAs) and Regional Trade Agreements (RTAs) approach from India's side is needed in select items and sectors for enhanced engagement with Economic Commission on Latin America and the Caribbean (ECLAC). So far the interactions have been minimal.**
- **India has been providing credit (under LOC) to the Latin American countries but has failed to provide a similar arrangement to the Caribbean islands; hence this area should be focused upon.**
- **Trilateral projects between India and ECLAC can be analysed and implemented.** Transparency on Pacific Alliance is important so that India can be aware of the objectives of the Pacific Alliance, ECLAC and also can think about its active involvement.
- **India and Argentina have low trade volume which can be boosted by an increase in cultural, academic and professional exchanges, investing in joint collaborations in the IT sector, earth and water sciences and biotechnology etc.**
- Indian Diaspora can be a strategic asset and not only an extension of India's cultural diplomacy.
- **India's defence cooperation with the LAC region has been lackadaisical, which is an area of future of cooperation.**
- The 23 countries of the Caribbean Islands including Surinam and Guinea need special focus. India needs to see these islands through a special prism as they are vulnerable to climate changes. **The focus has to be on development and cooperation in all areas of bilateral relations between India and these Caribbean countries.**

Session Three- Environment and Climate Change

- Develop and use the regulatory framework of COP21 for emissions reduction/mitigation. **There is a need for a unified monitoring system and definition of 'mitigation' needs to be worked.**
- **Both LAC and India can use the structure of BRICS Bank/ New Development Bank for climate change mitigation.** Along with the commitment to reduce consumption, South-South cooperation is also necessary.

- **Public Policy design is the key in the articulation of competitiveness strategy that includes the challenges of climate change adaptation. Substantial political will is required for reversing current trends. Participation of civil society and private sector is also needed but that would require incentivisation.**
- Increase transparency of the cost and the public investment on climate change.
- **Potential synergies between India and LAC- in energy, agriculture and technology need to be looked into.**
- **Energy efficiency could be achieved by IT and Clean technologies. Innovation for SMEs and entrepreneurship also needed. Data collection for better policies and measures is required.**
- There is a huge debate on the difference between mitigation and adaptation. While mitigation refers to activities by developed countries, adaptation refers to efforts by developing countries. **Mitigation versus Adaptation- A Cost-Benefit analysis is needed.**
- Emission reduction not a viable solution for developing countries as the impact of domestic political scenario on international negotiations is unclear.
- **International Regimes should cooperate or get involved to bring down emissions in India and LAC.**
- India and Caribbean countries can cooperate in the following specific areas:-
 - a) **India Specific:**
 - Contribute to the GHGs reduction.
 - New focus on renewable sources of energy.
 - Plant new trees to create Carbon Sink.
 - India's commitment to INDCs 40%- National Action Plan for Sundarbans needed.
 - BISCRI- the Civil society initiative to be studied and replicated.
 - **Climate change information to be distributed in local languages to capture young generation and more people.**
 - b) **Caribbean Specific:**
 - **Regional Resilience Development Implementation Plan needed.**
 - **Promote ecotourism and cut down on deforestation.**
 - **Job creation in the areas on non-fossil fuel industries.**
 - **Coastal management policies to be developed.**

Session Four- Soft Power: Cultural and Social Interactions and Diaspora & Interlined Identities

- Of late, different levels of interaction in the international arena have enhanced an urge for knowing each other and that has led to dissemination of knowledge about each other's societies which impacts all aspects of social and political life.
- Both political and economic powers are shifting from the west to the east; as well as from the north to the south and at present, soft power is playing an equally important role in the domain of foreign policy, as the role of hard

power (economic and military) has shrunk after the emergence of multi-polar world.

- The literary and epistemic engagement between India and LAC nations is not a new phenomenon. Now, it is required to revisit the engagement in the current perspective. One key element in Latin American literature has been the representation of Indian freedom struggle. In the recent past, various social movements in India have also been a dominant literary genre of Latin America. In addition, the Latin American literature has also seen the cultural consolidation of the idea of the third world.
- Migration is not a new phenomenon and has always been there since the beginning of human civilization. It has been the main source for the spread of ideas, philosophies, social behaviors, cultures and traditions. When the migrants become a Diaspora, they play an important role in not only preserving but also its disseminating the culture of the home country.
- Mexican migration is different from Indian migration because they do not go far away and never lose touch with their homeland. USA is the biggest destination for Mexicans. They form the third largest migrant community after migrants from China and India. Mexico receives high amount of remittances (mainly from USA), which contribute to the prosperity and well being of the migrant families who have been left behind.
- There is close link between culture and politics in international relations. Culture plays an important role in the evolution of bilateral relation. It also gives a glimpse of social life which connects with the people and society of the other country.
- Identity is equally important in global engagement because it acts as a defining feature among multiple players and determines the nature of ties in the global arena. Identity politics also leads to domination and discrimination because it constructs the “other” in the domain of international politics.
- **There is great potential between India and LAC nations to improve the ties through the application of soft power which has shifted from government to entrepreneurs, civil societies and cultural groups which can further impact the existing ties.**
- Public diplomacy is a major part of soft power. The role of soft power can be seen in philosophy, yoga, astronomy, culture, arts, religious ideas, and the role of Diaspora. **The medium of cinema (Bollywood) also plays a great role. India being a democratic nation and multi-cultural society, has leverage over China when it comes to the application of soft power. India can attract the LAC countries through its cultural and civilization image.** LAC region is also home to great civilizations and cultures and this common bond can help India forge closer relations. India by organizing film festivals, food festivals, book fairs and through Bollywood or Indian regional cinema and television is playing its part in bringing the two sides closer to each other.

Session Five: Challenges of Growth and Development

- The rise in economic capacity in LAC region has transformed social sector. It has expanded the urban middle class. World Bank in its 2010 report estimated that 152 million Latin Americans have joined the middle class, while OECD maintained that around 275 million people joined the middle class.
- India and LAC countries face similar challenges of growth and development. However, they address the challenges differently. Unlike India, LAC countries do not have land-man ratio problems; they are more fortunate in natural resources and equally fortunate in tackling their political instability (including border issues) as India is facing now. The LAC region overcame the problem of political instability during the initial years post obtaining their freedom, in the early 19th century. Hence, they had ample time to concentrate on social and economic issues. There is presence of both income but due to its unequal distribution there is also wealth inequality.
- There is a need to build distributive policies such as conditional cash transfers; for the development of sustainable economic models that enable governments and societies to ensure the political economy is not dependent on, and vulnerable to, mobilisation of wealth overwhelmingly from natural resources.
- The reality of industrialised agriculture was also discussed, which adds value to the primary material and depends on new technologies, including genetic engineering.
- **The LAC countries and India need to focus on building complementarities. The two sides should go beyond and identify specific technologies and projects from which both sides could benefit. India's integration into LAC fora and its participation in value chains was taking place but much more needs to be done in identifying niche areas.**
- Both speakers and participants pointed out the extensive official and private projects that had consolidated an awareness of mutual strengths. **More official patronage is required to leverage the immense talent and disposition on both sides to realise the full potential of the relationship for the cause of development.**
- Both sides, with some exceptions, share a commitment to democracy and sovereign equality. While there are nuances, especially within LAC, on account of political tendencies of individual States, India presents a value-neutral opportunity for all LAC partners
- **The relationship has been focused entirely on economic issues and more narrowly on trade. It is now time for the relationship to explore areas beyond this narrow confine.**
- Today, there are enterprises on both sides, which want to look at relations beyond development. IT is one of them, which has helped in capacity building

and has created employment opportunities for 20,000 to 50,000 persons in the LAC region. **In comparison to Africa, India's efforts in the LAC region are infinitesimal. India has not focused at the LAC region as much as it has done with African countries. At the same time, the LAC countries have also not targeted India.**

Concluding Session

- Trade and economic relations between India and the LAC region as a whole are considered to be a success story. Pacific Alliance countries have prioritised some issues including value chain addition, economic integration, SMEs, education and trade facilitation. These are common issues.
- **There needs to be a regular dialogue on the issues of trade, security and cooperation on the international issues such as climate change, between India and the LAC countries.** This is important not only to understand each other's soft power but also from the perspective of trade and economic relations. It can also reduce information deficit.
- **Similarity of challenges faced by India and countries of LAC were discussed and three areas of collaboration were identified. These are (a) agriculture, (b) energy and (c) technology. There is a need for India and LAC nations to share their research on climate change issues.**
- India and the LAC region can work together in areas of job creation and together develop eco-tourism. **The role of BASIC countries in climate change negotiations should be taken into account. Carbon trading might emerge as a new area of cooperation.**
- In spite of distance between India and the LAC region, both have influenced each other through literature, culture, philosophy and spirituality.
- In terms of Diaspora, India and the LAC nations can learn from each other, particularly, from the experiences of Mexican Diaspora in the US. **It is also important to understand the role of Government of India regarding its Diaspora in many countries, especially the US. The LAC countries should learn from the Indian experience.**
- **LAC region has worked towards reduction in poverty, inequality, promotion of democracy and huge wave of urbanisation. The two sides can share best practices in this regard.**
- LAC countries are having increased economic cooperation with Asian countries especially with China and India. Unlike China which is state-driven economy, India's incremental relation with LAC has been maintained primarily through private sectors and social collaboration. India and the LAC region are getting closer in economic terms, with growth and development being the central theme for both.