

# Opportunities and promises for India in Latin America

by [Come Carpentier de Gourdon](#)

India and the central and southern part of the Americas are geographically antipodal but historically connected by the European colonial legacy since the Iberic states from the late fifteenth century sought to reach “Las Indias” both through the southern and western routes and long retained the impression that the newly found continent across the Atlantic was the easternmost part of Asia. Portugal was for more than a century the dominant European maritime power in India and south east Asia, while Spain conquered the Philippines which could be regarded in some respects as the farthest component of Indochina because of the influences it carried from both the two great Asian civilizations.

The triangular sea traffic carried out by the Lusitanian fleets between Brazil, west and east Africa and India linked those various regions of Lisbon’s overseas empire. The Baroque Counter-Reformation had an impact in all the areas where Portugal held sway in religion, art, and generally in the forms of social organisation. Agricultural and textile goods as well as cattle from India reached Brazil, while some plants and seeds from South America were disseminated by the western colonizers in the south Asian subcontinent and over time drastically modified the native agricultural practices and dietary habits.

The quest for freedom from the colonial yoke created bonds between some political thinkers and social leaders in both parts of the world, particularly between India on the one hand and Mexico, Argentina, Peru, Colombia and Chile in the early twentieth century, as evidenced by the ideological proximity, at least in some respects, between stalwarts such as Jawaharlal Nehru in India, Lazaro Cardenas and Diego Rivera in Mexico, Juan Peron in Argentina, Romulo Betancourt in Venezuela, Joscelino Kubitschek and Getulio Vargas in Brazil, not to forget Fidel Castro in Cuba, who cultivated personal friendship with the Nehru family since the nineteen sixties. Some of the leading revolutionary thinkers and activists in Latin America – as well as Nehru – had been members of the League against Imperialism, set up at an international conference in Brussels in 1927, which was the embryo of the future Non-Aligned Movement.

Even before India became independent, its nationalistic elites aspired to build prosperity and strength through economic self-sufficiency and sovereign autonomy within regional cooperation for which many Latin American nations were striving as well. However limited resources and pressing domestic and regional priorities forced the respective governments, most of them born out of what some analysts call “democratic bourgeois revolutions”, to neglect the ambitious visions of cooperation since even intra-regional Latin American coordination proved difficult or unpopular for much of the twentieth century, whereas the hegemony of the United States and Western Europe remained overwhelming there and prevented the effective pursuit of other priorities.

Since the year 2000 and even before however, the global transition that resulted from the collapse of the Soviet bloc and the abandonment of the socialist economic model in most nations has reshaped maps and has brought India and Latin America together through a new dynamics, not so much anymore according to the logic of non-alignment and “Third World solidarity”, although the anti-colonialist imperative remains alive, but rather as the expression of a new freedom and flexibility (which Chilean diplomat and scholar Jorge Heine calls the “Spirit of Cancun” after the 2003 WTO summit) in an increasingly multi-polar or multi-vector space in which the fast decline of American power leaves room for several nations, formerly regarded as peripheral, to carve out a new, still evolving international system.

However, while India has gradually adopted many of the features of a relatively liberal market society since 1991, much of Latin America, partly under revolutionary Cuban inspiration, has been swept by a political “red-pink” wave since the rise to power of Hugo Chavez in Venezuela in 1998, the latest addition being President Ollanta Humala’s electoral victory in Peru in 2011. Hence, New Delhi seeks a higher place in the global order without openly challenging the geo-political *status quo* while much of Latin America is openly demanding a radical restructuring.

The refusal of certain Latin American countries, such as

Argentina and Ecuador to pay a part of the foreign debt which they regard as illegitimate or criminal, and the nationalization of some foreign natural resource holdings by Bolivia, Argentina and Ecuador, are watched with great interest in India as those may be signs of a rising global trend. On the other hand, India and Brazil joined hands in the G-4 to press their case for permanent membership of the UN Security Council as part of the larger demand for a radical reform of the outdated organization, but it is clear that many Latin American states are not in favour of a permanent seat for Brazil and would prefer a regional rotating seat, just as other South Asian states oppose India's candidacy.

National ambitions thus often conflict with the demands of regional collaboration and if India wishes to cultivate both strategic and economic relations with Argentina and Mexico among others, it may be well advised to reconsider its championing of Brazil's claim because just like India, Brazil may be accused of practicing a form of regional sub-imperialism as some of its leading socio-economic theorists, such as Mauro Marini, have argued.

In that context nevertheless shared political and cultural memories from the age of colonial rule and a common "Indo-European" linguistic and civilisational heritage provide a base for a rapid rapprochement between two regions whose very physical remoteness precludes any rivalry or suspicion regarding mutual territorial ambitions. Contrary to the United States, Western Europe or even China which may be feared or resented

for various reasons in Latin America, India does not arouse any concern there, except perhaps on commercial grounds. There can thus be a dialogue between nations on a foundation of equality and mutual trust and respect.

## **The Strategic Dimension**

Both South Asia and the Latin America are still trying to shake off the remains of colonial yoke. While the influence of the United States is in steady decline in the Southern American continent, Mexico, Central America and most of the Caribbean states, not to mention Colombia remain firmly in Washington's grasp. Recent initiatives such as the reactivation of the 4<sup>th</sup> US Fleet, operating in the Gulf of Mexico and the South Atlantic as well as the buildup of SOUTHCOM, the pursuit of "Plan Colombia" intended for surveillance and covert or overt intervention in the Andean countries under the banner of the war on drugs and terror, and the initiation of the "Project for Cooperation in the Americas" show that the US is not giving up its claims of leadership (i.e. hegemony) on "its" continent.

India on the other side of the world is at the heart of the ocean that bears its name and which has become in the last few years a focus of interest for the great powers and in particular for the western alliance in the context of the American "pivot to the Pacific", given the fact that many of the maritime highways from East to West go across it (especially from the resource rich Gulf towards China

and Japan). South Asian states therefore are under intense pressure from the US and its allies to act as local surrogates and eventually provide bases for NATO-related military installations, mainly directed against Iran and also against China and the Russian Federation, which explains the strong American military interest in Pakistan, Nepal and Myanmar.

The long-term American plans to bring under their aegis the formerly Soviet Republics of Central Asia, Iran and Afghanistan and consolidate their hold over the Arab Gulf states and the China Sea by promoting an Indian Ocean alliance under US patronage is a long term threat to India's independent position as it would force it to become part of the NATO states league against the Sino-Russian bloc.

It is hence in India's diplomatic tradition to coordinate its foreign policy with the Latin American states that are wary of western military ambitions. Brazil, as the rising "counter-hegemonic power" (Guedes, 2012) and the anchor of the young South American Defence Community (SADC) and the equally young Union of South America (UNASUL), - combining the MERCOSUR countries with the nations of the Andean Pact - is a natural dialogue partner, but so are Argentina, similarly opposed to Anglo-American dominance and the more radical states of Venezuela (with which a joint Indo-Venezuelan commission was formed in 2005), Ecuador and Peru.

With Brazil, bilateral relations have been reinforced by the creation of the BRICS and IBSA organizations to which India is party. The long term vision is that of a Southern Indian Ocean-Atlantic axis stretching from Delhi to Brasilia through Pretoria and connecting three countries that may be defined as “middle powers of a continental scale”, peripheral in the global order until today but now moving to centre stage. Argentina and Mexico have been associated to that forum through the “BAIMSA” informal consultation process.

Brazil, India and South Africa have a historic commitment at least in theory to the three Ds (*Decolonisation, Development, Disarmament*) and they share a legacy of essential non-alignment in their foreign policy choices. Brazil's declared guideline since 1961 has been *politica externa independente* and South Africa became non-aligned after the end of the Apartheid regime. Most if not all Latin American countries and India share similar positions with regard to states seen as problematic by the West, such as Iran, North Korea, Cuba, Libya and Syria and also have congruent perceptions of the Palestinian issue. As a former British colony, India cannot but be sympathetic with Argentina's claims over the Malvinas (or Falkland Islands) since New Delhi has never condoned the occupation of the Diego Garcia Island in the Indian Ocean by a US military base hosting nuclear armed bomber aircraft.

Beyond the bilateral convergences at work, India is also vitally interested in not losing out to China which has made giant inroads in all of Latin America and has become a major trading partner and investor. The fear of many South American states that Chinese economic dominance may replace American hegemony motivates them to seek stronger relations with India which is not seen as a threatening rival or an enemy by the US government, unlike the PRC.

The critical but tormented relationship, tinged with rivalry and suspicion between Brazil and Argentina, now bound within the MERCOSUR economic union (with which India entered into a Preferential Trade Agreement (PTA) in 2005, presents an interesting object lesson for New Delhi because it illustrates that continental unity is unachievable unless the two “Southern cone” giants coordinate their policies and likewise India cannot achieve long term regional and even internal stability and maximize her potential without coming to a comprehensive agreement with her largest neighbour in the subcontinent, Pakistan with which she has no real natural border and which controls access to West and Central Asia.

There are parallels between Brazil’s geo-strategic position which incited it to seek hegemony over its continent (as expressed by the motto: *Brazil Potencia*) in order to reach the Pacific Ocean and Antarctica, and India’s own situation since partition which surrounded her with smaller states that fear her domination.

The National Security Schools in India and Brazil, rooted in historic geopolitics, have tended to advocate effective control through overwhelming military superiority of the outlying nations, while those who favour regional cooperation and multi-lateralism in both countries are aiming for a regional common market and a “zone of peace”. Those latter objectives are now being gradually achieved, despite many remaining difficulties, in Latin America, but remain remote in South Asia where the long-standing Indo-Pakistani conflict is still simmering. The “Brasilia Consensus” is hence a relevant subject of study for India’s endeavour in building a Afro-Asian “Delhi Consensus”, in line with Pandit Nehru’s vision, which is becoming manifest through her increasing cooperation with the ASEAN nations, Japan, China and the Republic of Korea in the framework of the East Asian Summit (EAS) as a counterpart of the Community of Latin America and the Caribbean (CELAC).

For Mercosur to become a reality, the Brazilian authorities had to find ways of reassuring the Argentine elites that their country’s sovereignty would not be lost to the benefit of the larger northern neighbour and likewise India has to implement a process (as proposed by the late Prime Minister IK Gujral in the eighties) designed to show Pakistan that it need not fear being swallowed up or vassalised by the giant to the East. In a similar vein, Brazil’s relatively successful diplomacy with smaller bordering states, including Bolivia, Venezuela, Peru and Colombia provides some useful lessons to India in her

dealings with equally suspicious neighbours like Nepal, Bangladesh, Sri Lanka and Myanmar.

The Latin American and South Asian blocs can thus become regional poles in a new plural global system and develop their interactions in the fields of defence, advanced science and technology - in areas such as electronics, biotech, robotics and nanotech -, oceanic and space exploration and protection of the environment, especially the invaluable but threatened tropical land, alpine and maritime ecosystems that they have. Their cooperation can be aided by the fact that there are large communities of Indian origin in a few CELAC countries (Guyana, Suriname, Trinidad and Tobago, some of which are also Commonwealth members) while Sri Lanka as well as large parts of India, Bangladesh and Myanmar keep many traces of Portuguese and Dutch influence, just as of South America does.

Further, while India is the largest member of the British Commonwealth, Brazil is the leader of the Community of Portuguese Speaking countries and most other states on the continent belong to the Association of Spanish speaking countries. Brazil and India have found synergies in states where they have growing economic interests such as energy rich Angola, Mozambique (both Portuguese speaking) and Anglophone Nigeria and they are working together to enhance and protect their stakes there in view of an aggressive and multi-pronged Chinese commercial penetration which triggers a joint US-European economic and military response. The annual

defence budgets of Brazil and India are of the same order to magnitude (around 30 billion US Dollars for each in 2011) and that makes them the foremost military powers in the Southern hemisphere where they share a keen strategic and economic interest in Antarctica for one.

Between the Chinese colossus and the increasingly militarised western bloc, intermediary regions such as South Asia, Latin America and Africa will need to cooperate if they wish to preserve their autonomy in the new Cold War or Great Game. Brazil and other large Latin American states aspire to carve out a strong presence in Asia while India has a natural place in the continent that for long shared her name in European cosmology and whose native populations are still known as Indians.

## **The Economic Momentum**

In an age when more than ever economic issues dictate or trump political considerations, the dynamics of the Indo-Latin American relations are predictably dominated by matters of commerce, finance and industry. India is a big consumer of many of the mining and agricultural commodities produced by Latin America and an exporter of a number of manufactured goods, including textiles and garments, electrical and electronic equipment, software, machine tools and pharmaceuticals. Trade has thus expanded fast in the last few years and many of the largest Indian public and private corporations (Tata,

Mahindra, OVL, Essar, Wipro, Jindal, Reliance, NIIT, Infosys, the KM Birla Group *et al.*) now have a footprint in many countries of the continent while some of Brazil's giant industrial groups, often backed by the BNDES, the national bank for economic and social development, are becoming direct investors in the Indian industrial sector.

To avoid some of the protectionist tariff barriers erected by Brazil against non-UNASUR states, many Indian goods enter it from Paraguay, Argentina or Caribbean nations where they are made or assembled. Indeed in 2011 India exported to Brazil (mainly manufactured) goods for a value of more than four billion US \$ while its imports from Brazil – mostly raw materials and agricultural commodities - barely exceeded two and a half billion, leaving the South American partner with a large deficit. The concerns and disputes with China - which dwarfs India's presence in the continent in almost every respect -, caused by the heavy trade deficits incurred by the states of the region have sometimes led them to favour trade with India as an alternative, as is the case when India purchased large quantities of Argentina's soy crops, which made up for the loss of the Chinese market caused by Beijing's retaliation to Buenos Aires's protectionist measures.

Trade with the smaller but dynamic Chile has been rising fast and has reached impressive levels, ranging from minerals to wines and pharmaceutical products. However the enduring "colonial" pattern of that trade which has so far mostly consisted in India purchasing Brazilian corn

and timber products, Chilean copper, Venezuelan oil and gas and Bolivian tin, while selling machine tools, software, pharmaceuticals and automobiles, is a matter of concern for Latin America which wishes not to continue living the consequences of the Dependency Theory in the new international order.

India has shown interest for years in joining the APEC (Asia-Pacific Economic Forum) as another vehicle to bridge distances across the Pacific and Indian Ocean though there is still a moratorium on the enlargement of that US-dominated body.

Under the Cardozo presidency in Brazil, an Indo-Brazilian agenda for commercial and technical cooperation was adopted and led to the signing of a bilateral agreement in 2007 during the mandate of his successor Lula de Silva.

Keeping in mind the fact that there are some parallels between the economic development paths charted by India and some Latin American countries such as Brazil and Argentina which also sought a “third way” between liberal capitalism and Soviet collectivism in the second half of the twentieth century, by practicing protectionism, state-managed national development strategies and import substitution (according to the CEPAL agenda in Brazil and India’s Nehruvian socialism) until the global crisis of the late nineteen eighties, there are valuable lessons to be learnt by all from each other, despite the

major differences in socio-political and demographic conditions.

India must always be wary of the pitfalls of the Latin American experience, to wit social disintegration, urban violence and lawlessness, periodic military rule, hyperinflation and repeated financial emergencies that have bedeviled most states of the continent for decades and even centuries. Yet like them, India is one of most economically unequal or unfair societies in the world and is interested in adapting to her own needs Brazil's poverty fighting methods (the "zero hunger strategy") which include the distribution of cash payments ('family benefit programs' known as PBF – *programa borsa de familia*) to the poorest sections of society.

Another important area for cooperation is the production and use of ethanol and biofuels in which Brazil is a global leader. Accordingly Brazil and India with China, the European Union, South Africa and the USA set up an international forum on biofuels at the UNO in 2007. Separately since 2002 India has a bilateral agreement with Brazil for technical support in setting up gasohol (fuel alcohol from sugarcane) and ethanol plants. Likewise both South Asia and Latin America have a critical need for low cost appropriate technologies capable of responding to the priority needs of their poorest citizens.

Although Brazil has long been famous for its gigantic

agro-industrial cash crop and cattle farms (*fazendas*), the government over the last several years has helped its subsistence farmers to turn their small holdings into economically viable agro-forestry plots, following techniques promoted by environmental not-for profit organizations like *Pro-Natura*. The exchange of knowledge and experience between South American and Indian environmentalists (including Vandana Shiva who is an adviser to the government of Bolivia in its ecological policies) related to the diverse rainforest, alpine and alluvial plain ecosystems on both continents supports the protection of genetic capital in all its diversity from the predatory interest of “northern” biotechnological and pharmaceutical multinationals.

On the macro-economic scale, beyond the coordinated efforts that both India and the CELAC-UNASUR-ALBA bloc have been making to press for a reform of the global monetary-banking-trading system in such fora as the WTO and the G-20 whose creation owes a lot to India, Brazil and Mexico since the 2003 Cancun Summit, just as India and Brazil had spearheaded together the earlier UNCTAD process, there is from the start of the global crisis in 2008 a concerted strategy between BRICS to develop alternatives to the current financial regime dominated by the US dollar and the western powers led by the US, through the agency of the World Bank, the International Monetary Fund, the Bank for International Settlements and the international payment clearing mechanisms. In particular, the establishment of a mechanism for multi-lateral BRICS currency swaps would massively expand the capacities of the current

bilateral swaps being applied between Russia and China, China and Brazil, India and China and by China and India for their energy purchases from Iran. Such an intra-BRICS system, to be eventually extended to the three respective continents to which the BRICS belong, would gradually mitigate or even negate the effects of economic sanctions imposed by the US-led western bloc.

At the BRICS summit held in New Delhi in March 2012, a proposal was mooted for a BRICS bank that could act as supplement or substitute to the World Bank and other multi-national financial institutions. That international bank was expected to come into being at the summit to be held in South Africa in March 2013. Proposals have also been tabled for a payment clearing union and trade settlement system as well as an international insurance and reinsurance club that could be extended to all interested countries.

One of the factors motivating those initiatives, as noted by Ambassador Neelam Deo and Dr Akshay Mathur in their June 2012 report for the Indian Council on Global Relations (Gateway House) entitled “BRICS: An Alternative Financial System” was the persistent and stifling attempts being made since a few years by the USA and its subordinate states to block Iran’s energy sales and foreign commercial activities, after similar sanctions had been enforced for many years against Iraq and Libya, which made the BRICS states fear that the same type of pressures might be applied to any one of them at any time for any reason.

The alternative mechanisms being envisaged by them would include commodity exchanges that would bypass the almost hegemonic existing ones and, although Dubai for one has operated for a few years an oil and gas bourse, the DME, it is still under the control of the Anglo-American alliance of which the Emirate is an unofficial outpost. The BRICS goal is to become independent from the hegemonic American NYMEX and British ICE by creating an alliance between such domestic Exchanges as the Indian MCX in Mumbai and the Iranian Energy Exchange on Kish Island. Likewise a BRICS-managed alternative to the nearly monopolistic Dollar-controlled SWIFT system has been envisaged.

Those ambitious plans are meeting with insidious but dogged opposition from the western powers, bent on protecting their supremacy as can be expected. But they are essential to the achievement of real self-determination and untrammeled development for many emerging countries.

## Cultural Influences

Historically the circulation of ideas and artistic concepts and creations has been limited due to geographic and linguistic estrangement although Argentina, Mexico and Brazil showed relatively early interest in certain aspects of Indian philosophy and religion. This is indicated in the writings of literary figures such as Jorge Luis Borges,

Pablo Neruda and Octavio Paz and by the great respect in which Mahatma Gandhi and Rabindranath Tagore were held by large numbers in those countries.

On a more popular level, aside from the wide dissemination of theosophy in Latin America in the first half of the 20<sup>th</sup> century and the popularity of Buddhism in certain mystical circles, a result of the religious influence was the emergence of the syncretistic *Umbanda* cult in Brazil which has some Hindu features. More recently, a number of Indian spiritual teachers and movements have gained large followings in much of Latin America, in particular the Universal White Fraternity, the Brahma Kumari, Hare Krishna, Integral Yoga, Radha Soami Satsang, Vipassana and Divine Life (of late Swami Yogananda) organisations as well as historic spiritual masters like Sri Ramakrishna, Swami Vivekananda, Sri Aurobindo, Ma Anandamayee, Sri Ramana Maharshi and internationally famous gurus such as the late Maharishi Mahesh Yogi, Osho, Satya Sai Baba, Sri Sri Ravi Shankar, Sadh Guru,Yogi Bhajan, Ma Amritamayee and several others less well known.

In the Christian realm, Mother Teresa is universally revered in Latin America. To give a concrete example of Indian cultural “soft power”, the current Vice-President of Venezuela and Hugo Chavez’s designated successor, Nicolas Maduro is a devotee of Sai Baba. Those personal and collective mystical and philosophical links are likely to be reinforced by a growing two way current of cultural exchange although one may harbour reservations about

the prospect of cooperation in the area of television entertainment, given that the most popular productions for export from Brazil and Mexico are the *telenovelas* (Spanish for soap operas) which cannot be said to enhance the ethical and intellectual level of their viewers, no more than the bulk of the Bollywood film production.

So far the foreign fare available on Indian cable channels is almost entirely Anglo-Saxon and overwhelmingly North American, while few Indian cinematic productions are given public distribution in the Americas. That may change in the future, given the similarities between Indian and South American societies which are family-oriented, gregarious, strongly attuned to dance, music and religious festivities, fond of pomp, circumstance, conspicuous display and deeply class conscious and stratified.

A more essential interaction is taking place in the area of natural conservation and restoration based on ancestral indigenous philosophies inherited by Indian and Latin American civilizations. Bolivian President Evo Morales has taken the initiative for a return to the pre-Columbian wisdom (“*Bien vivir*”) in harmony with nature. The new national Constitution (adopted in 2012) recognises the rights of Mother Earth (*Pachamama*) as a living being whose welfare is primordial for the survival of all life, including all of mankind as Morales proclaimed in his 21 December 2012 “Manifest from the Island of the Sun”, on Lake Titicaca. He was referring implicitly also to the Quichua-Aymara concept of *Ama Guana*, enjoining

respect for the natural balance of life and therefore analogous to *Ahimsa*. This revival of “Indian” civilization was heralded in the years before the Second World War by the Mexican statesman Jose Vasconcelos and the Peruvian intellectual Haya de la Torre who defined themselves and their *mestizo* countrymen as members of the “Cosmic Race”, a blend between the Old and New worlds.

Native American Shamans, Indian Vedic sages and Tibetan Lamas have known for some time that they have much in common and much of value to share between them and with the world. All in all, the strategic, economic and cultural encounter between those two increasingly important and wealthy regions of the world is likely to produce a heady combination of human and natural capital than can hold its own against any of the great powers of the future.

*Based on an article originally written for Revista Geopolitica in January 2013*