# India-China Competitions in Latin America: Some Observations

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#### ABSTRACT

This article traces the historical trajectory of India and China's present in Latin America and the Caribbean. It attempts to delineate their strategic role in the region. It questions what are the major developments and reasons behind the relative success of the Chinese in the region compared to the dearth of Indian. It also explores the potentials and future of these relations and their impact on the region. Both India and China are venturing into Latin America and the Caribbean for not only carving 'zones of influence' for trade and economic matters but also to find newer and untested sources of energy. In doing so, it becomes imperative to not only examine China's and India's relations with Latin America but the implications on the countries of the region.

Keywords: India-China competition, Latin America, strategic role.

Tulisan ini secara garis besar membahas tentang trayektori historis hubungan India dan Cina dengan negara-negara di kawasan Amerika Latin dan Karibia. Tulisan ini coba membandingkan peran strategis Cina dan India di kawasan. Cina disatu sisi mengalami kesuksesan sedangkan India mengalami kondisi sebaliknya. Tulisan ini juga mengeksplorasi potensi dan masa depan India dan Cina di Amerika Latin dan Karibia. Kehadiran India dan Cina di Amerika Latin dan Karibia tidak hanya mempunyai kepentingan untuk memperluas pasar, tapi juga dalam rangka menemukan sumber energi baru. Untuk itu, menjadi penting untuk mempelajari tidak hanya hubungan India dan Cina dengan Amerika Latin, tetapi juga implikasinya terhadap kawasan.

Kata-Kata Kunci: kompetisi India-Cina, Amerika Latin, peran strategis.

The end of the Cold War and the onslaught of the era of globalization, witnessed a regional competition in Asia both for influence as well as economic domination. The most important event in the period following the global transformations was the rise of China's power at the regional and subsequently at the global levels. In the present scenario, China, India and other countries are seeking new partners and re-orienting their policies, one of which is with Latin America countries. Most Indian governments have treated Latin America with benign indifference and well-intentioned neglect except with Brazil. In contrast, the Chinese presence throughout the region is visible and palpable.

# **Historical Antecedents and Linkages**

Since India's independence, India and Latin America adopted vastly divergent policies towards international politics and the emergent global order; notwithstanding, they shared history of colonialism and economic imperialism. Geography has been a major constraining factor. The policy indifference of the Indian state is not a recent manifestation of its strategy towards Latin America and the Caribbean. For instance, when India failed to gain support from the Latin American countries on Korean Political Conference under the aegis of the United Nations, Nehru was sufficiently incensed. Sure enough, Nehru failed to understand why the Latin American countries voted against India on an Asian question such as Korea (Gangopadhyay 2009, 398). Moreover, in 1960s, it becomes quite apparent that India willingly ignored the Cuban question. On the issue of the Bay of Pigs invasion, India's reluctance to comment was visible. In fact, Nehru passed Cuba during his trip to Latin America. His cold indifference to Fidel Castro's friendly disposition towards India in the early 1960s was clear when he said, 'I have plenty of work in my own country' (Gangopadhyay 2009, 398). While, on the one hand, India ignored Cuba, on the other, India signed a trade protocol with Mexico, renewed its 1958 trade agreement with Chile, and concluded fresh agreements with Brazil and Argentina. At the UNCTAD. India and the Latin American countries developed some kind of contacts which were purely coincidental (Gangopadhyay 2009, 398).

The situation altered slightly when Indira Gandhi strode to power. She believed that India and Latin America had many 'common ideals', but what these were remained vague and unclear. This was the first instance that Latin America was accorded the distinction of being included in an important foreign policy statement made by the prime minister of India. The striking similarity in their socio-economic conditions, their common commitment to world peace by both the regions, and the need to do away with the inequalities between the developed and the developing countries had encouraged them to formulate some common strategies to

bridge the gap between these two developing regions of the world. Despite these, the visit of Indira Gandhi to Latin America did not generate an adequate momentum towards strengthening the relations between them.

Much like her predecessor Nehru, Gandhi avoided visiting Cuba and carefully evaded mentioning the US intervention in the Dominican Republic as well as the US role in the Vietnam War. Moreover, she promised a new Latin America policy for India. Subsequently, in 1970, India signed an agreement with Brazil on cooperation in peaceful uses of nuclear energy (Narayanan 1981). In 1969, India also sent trade delegations under the Federation of Indian Chambers of Commerce and Industry (FICCI), to visit some of the selected countries in Latin America. After the visit, the FICCI made more than 40 recommendations. They conceded that India's efforts to strengthen economic and trade ties with Latin America suffered from 'handicaps' like 'lack of planned and scientific marketing strategy, lack of contact among businessmen, and non-availability of shipping services' (Narayanan 1981).

In the 1980s, despite India's close relations with the region through the Non-Aligned Movement, there were stagnation interactions in real terms. India had supported the Argentine rights over the Malvinas/Falkland Islands. In the same time, India had cooperated rigorously with Peru, Mexico and other Latin American nations to consolidate the objectives of nonalignment. Yet, Latin America continued to be seen as a region that was too far away to trade, or even was seriously considered as a strategic alliance partner.

On the other hand, the Latin American domestic conditions prevented them to tie closer relations with India. Latin America in the 1980s had to face a period of domestic convulsions and transitions such as the freedom from deadweight of authoritarianism and was deeply imbricated in a crisis arising from the huge foreign external debt. No wonder, their foreign policy considerations were either limited to redeem foreign external debt, or focused on dealing with the United States.

Like India, China also had a long history of relations with Latin America, especially through Macau. However, when compared to India's laissez-faire and erratic relations with Latin American countries, China relations with the region can be seen as a developed and systematic long-term strategy to engage the region. In the 1970s, China developed relations with the anti-communist right wing military dictatorships in Latin America. The PRC built on the international processes that aimed to dismantle the world-wide recognition of Taiwan and set the long-term

cross-ideological and multi-partisan basis of the Sino-Latin American relations. The initial steps taken by the Chinese was to established and deepen the diplomatic relations with the countries of the region. Starting in the early 1980s, Beijing invested in the development of cadres to manage the relations with Latin America. For instance, a Sino-Mexican treaty brought 110 young Chinese officials, for two year tour to El Colegio de Mexico to study Spanish and learn about Latin America. Subsequently, the Chinese diplomats appointed were through professionals who had been trained and had worked in Latin America. Furthermore, China has invested in the growth of think-tanks that were capable of analyzing the various Latin American experiences. The Chinese government set up the Institute of Latin American Studies of the Chinese Academy of Social Sciences and Department of Studies about Latin America of the Chinese communist party that studies the various countries of the region (Dominguez 2006).

# Relations with Latin America and the Caribbean: Emerging Agendas

The collapse of the Soviet Union and the disintegration of Eastern Europe compelled states to rethink their foreign policies in the changed global matrix. By virtue of its globalizing impulses (arising out of structural adjustment programs and attendant neo-liberal economic reforms), India could ill-afford to neglect the region of Latin America and the Caribbean any longer. The end of the Cold War had unleashed unprecedented forces and offered new opportunities to explore, establish and sustain varied relations with these countries, that had hitherto been somewhat constricted bv the ongoing superpower rivalry (Gangopadhyay 2009, 402).

Given the comparable levels of development and complementarities between India and the major countries of the Latin American region, the deepening of economic interactions was a natural outcome for strengthening of the robust geo-political relations between them. Any determined effort to promote relations with Latin America called for the strengthening of institutional mechanisms of cooperation. In the recent years, it was evident that with the identification of the thrust countries within the region, India naturally inclined to move towards the larger ones, as they provided opportunities for interaction in several areas such as joint ventures, consultancy contracts and transfer of technology agreements. While various issues of common concerns were identified and projected, trade remained the most important item on India's policy agenda towards Latin America (Gangopadhyay 2009, 402).

In 1997, the Government of India announced an action plan, Focus LAC,

with the express motive of revitalizing Indo-Latin American trade and economic relations. As mentioned earlier, the apparently close and cordial relations between India and the countries of Latin America did commensurately translate into vigorous commercial relations. Distance, language barriers, inadequacy of information, and the absence of fast and economic shipping and air links were some of the obvious obstacles in the way. Still, India's trade with the region during last few years has been growing rapidly. It has increased from US \$473.66 million in 1991-92 to US \$1705.8 million in 2000-2001, registering an increase of more than 260 per cent in the short span of nine years, to US \$ 30 billion in 2013.

India has also signed preferential trade agreements (PTAs) with MERCOSUR and some of the larger countries in the region like Colombia, Chile, Brazil, and Venezuela. There are plans to constitute joint working groups to further explore bilateral mechanisms for enhanced economic and trade links with Mexico, Brazil and Colombia. The government has also initiated a program to encourage invitations to journalists from Argentina, Venezuela, Chile and Mexico to visit India. Various Indian banks intend to open branches in some of the major capital cities of the region. Plans are on as well to jointly organize an Indo-LAC health summit by the department of culture (Government of India) and FICCI (Gangopadhyay 2009, 402).

Of late, India has been engaging certain countries of Latin America on specific issues rather than going the whole hog with a sweeping policy. This is amply discernible in India's deepening relations with Brazil. Indo-Brazil relations are oriented towards the fulfilment of mutual interests ranging from strategic partnership to reciprocal claims of a permanent seat at the United Nations' Security Council, IBSA, BRICS, etc. India and Brazil have maintained cordial relations for long even as Brazil remained an observer member of the nonaligned movement. Indeed, India-Brazil relations seem to be poised for vigorous expansion amid the disappointingly slow growth in India–Latin America relations in general. India and Brazil have been working towards improving their relationship on multiple fronts. This has manifested not only in the increased bilateral trade that has reached US\$12 billion, but also seen substantial rise in the fields of science, technology, biofuels and defense co-operation. In the long run, Brazil is emerging as India's new 'strategic partner' with its established credentials in number of areas including in the field of air defense surveillance systems. The two have signed an agreement laying special emphasis on cooperation in areas such as aeronautics and shipbuilding. Proposals concerning military-to-military cooperation, jungle warfare, jungle survival training and integrated air defense management have also been discussed. On the trade front, the Indian pharmaceutical industries have already started making inroads

into the Brazilian markets because of their reliable quality and competitive pricing. India is a major supplier of retroviral drugs to Brazil to fight the AIDS/HIV problems there. So far, the Indian companies have invested US\$ 16 billion in Brazil.

The visit of Dr. Manmohan Singh to Brazil on 13 September 2006 was a first by an Indian prime minister in 38 years. During this visit, India and Brazil was agreed to cooperate in three broad areas, namely commercial, scientific and agricultural sectors, the start of a strategic dialogue, and closer partnership in the international for aincluding the UN and the WTO. In the bilateral sphere, agreements were signed on scientific and technological cooperation, air services, human settlements, plant health protection, cultural festivals, technical standards, oil exploration and construction. In the arena of sports, Mr. Lula agreed to send Brazilian football coaches to train Indian players. An important outcome of the meeting was the decision to start a bilateral strategic dialogue on regional and global issues such as energy security and the international security situation including terrorism. In the last decade or so there have been more frequent bilateral visits from both sides leading to increased engagement with each other. India has succeeded in exporting rich Indian philosophy, yoga, traditional music and Bollywood to Latin America. The Indian Council of Cultural Relations (ICCR), the nodal agency entrusted with this task, generally refers to these centers as part of its 'cultural diplomacy'.

There remain a number of un-resolved issues between India and the countries of Latin American and the Caribbean. The Indian perspective towards the People of Indian Origin (PIOs) living in Latin America and the Caribbean region has been a much overlooked issue. At the PravasiBhartiyaDiwas the government posited the idea of the OCI card (Overseas Citizenship of India) for such NRIs which was realized in 2005. Yet, none of the proposals discussed had anything to offer to the great number of PIOs living in the various countries of Latin America and the Caribbean. The previous sections also amply demonstrated that India can no longer claim its lack of knowledge and awareness about Latin America as the major hurdle in taking their relations to newer heights. Equally true is the realization that the efforts made hitherto towards developing meaningful economic relations lacks consistency. The prevailing political climate in the region and the historically cordial relations that some of Latin American countries share with India should act as the building blocks for further advancement by both the sides. The

<sup>&</sup>lt;sup>1</sup> It's a registration for the PIOs who have left Indian on or after 26 January 1950 who become eligible for the card except those from Pakistan and Bangladesh. It is however not to be confused with "dual citizenship" which the India Citizenship Act of 1955 does not permit.

field of education is probably been the most neglected and ignored sector. Despite the presence of institutions of high quality education on both sides, there seems a total ignorance about each other's educations expertise. Also missing are the possibilities of exploring bilateral relations in the non-politico-economic-cultural-military sectors.

Even today, foreign policy makers as well as academics and scholars keep thinking in terms of an undifferentiated continental mass called 'Latin America'. The fact that India's relations with Latin America have failed to penetrate the regional smokescreen speaks volumes. By contrast, one does not fail to notice the significance of bilateral ties when we talk in such specific terms as Indo-US relations, or Indo-Russian relations, or even Indo-Nepal relations for that matter. The message is loud and clear: there are individual countries that hold far more value for Indian policy makers than the entire Latin America put together. Small wonder, then, that even after more than five decades of independent foreign policy making, we remain prisoners of Indo-Latin American relations (Gangopadhyay 2009, 416).

When compared with the Sino-Latin America Relations, one sees a proactiveness and pursuance of its foreign policy abroad with the belief of 'peaceful rise' policy of China from the 1990s. A cursory overview of China-Latin America relations brings forth certain interesting developments. Many of the Chinese high officials have travelled to Latin America at key junctures. In 1990, to counter Taiwan's efforts to capitalize on the Tiananmen Square massacre, the Chinese President Yang Shangkun visited 5 of the Latin American countries. Also, since the 1990s, China's participation in APEC has put it in contact with many of the region's presidents and other leaders while lower-level officials consolidated these relations by their reciprocal visits. For instance, the significance given by the emerging China to Latin America was evident when President Ziang Zemin visited the region in 1993, 1997 and 2001. In addition, there was the historic visit made by President Hu Jintao in 2004. Political and military ties have seen a significant improvement since the visit of Hu Jintao in 2004. President Hu Jintao since then had visited Latin America twice and it was followed by the visit of Xi Jinping in 2009. Between 2004 and 2009 most Chinese officials visited Venezuela, Mexico, Brazil, Peru and Cuba with reciprocal visits from the Latin American governments. In fact, the former Venezuelan President Hugo Chavez visited China six times since 1998 and President Maduro as part of his first foreign visits too made it to China. The visits have also corresponded with the signing of 121 bilateral agreements and cooperative initiatives with Latin American and the Caribbean nations

since 2000.<sup>2</sup> In addition, the recent edition of the Spanish website of the People's Daily and the opening of the Spanish channel in the Chinese Central Television are examples of the close contacts between China and the region.<sup>3</sup>

In the past ten years China has taken a larger role in Latin American affairs. The rising importance of this relationship was highlighted in the release of the First Policy paper on Latin America by the Chinese government in 2008 and the growing number of high-level visits and bilateral agreements between China and the countries of the region. Additionally, China has expanded military ties with the region focusing on military-to-military exchanges through frequent official visits and regular exchange of flag officers. Venezuela, Chile, Bolivia and Cuba maintain strong military ties with Chinese military through high level military visits, military officer exchanges, port calls and limited arms sales (Koleski 2011, 14). For instance, in December 2009 the Chinese fleet made an official port call to Peru, Ecuador and Chile. Brazil has begun to provide the Chinese navy training with its recently procured aircraft carrier. Countries like Venezuela, Bolivia and Ecuador have begun to buy Chinese arms and military equipment such as radar and aircraft.<sup>4</sup> These agreements were reinforced in March 2011 by the signing a military cooperation agreement with China for the purchase of uniforms, non-lethal equipment for the rest of the region (Koleski 2011, 15-16).

In the past ten years, trade between China and Latin America has skyrocketed due to China's enormous demand for new sources of natural resources and untapped markets for Chinese companies and brands. From 2000 to 2009, annual trade between China and Latin American countries grew more than 1,200 percent from US\$10 billion to US\$166 billion. The trade figures are at US\$240 billion in 2012. The Chinese foreign investment rose from US\$621 million in 2001 to US \$44 billion in 2010 according to the United Nations statistics. This rapid growth has led China to designate Brazil, Mexico, Argentina, and Venezuela as its

<sup>&</sup>lt;sup>2</sup> Three-fourth of these focused on 6 key areas: cultural (17), Economy and trade (15), protection of investment (14), public administration and consular (13), science and technology (17) and tourism (13).

<sup>&</sup>lt;sup>3</sup> President Hu Jintao visited Brazil, Argentina, Chile, and Cuba in 2004 and Costa Rica, Cuba, and Peru in 2008. In 2010, he had to shorten the duration of his trip to Brazil, Venezuela, and Chile to address the aftermath of the Qinghai earthquake. Vice-President Xi Jinping visited Mexico, Jamaica, Colombia, Venezuela, and Brazil in 2009 (Dumbaugh et al. 2005).

<sup>4</sup> Bolivia has spent US\$ 58 million in 2007 on 6 aircrafts to counter-narcotic operations.

'strategic partners' in the region and to emerge as Latin America's second largest trading partner, just after the United States.<sup>5</sup> Nevertheless, overall trade with China remains small, roughly onequarter of the region's total trade with the United States, and is highly concentrated in resource-rich countries. China has emerged as the largest export destination for Brazil, Chile, and Peru and the second largest export destination for Argentina, Costa Rica, and Cuba. Despite this enormous growth, only 7 percent of Latin American exports went to China in 2009, mainly consisting of raw materials and commodities. China is also becoming a new source of FDI in the world as the world's fifth largest investor country. Since 2003, China has increased its global outward FDI flows by 1,880 percent and according to the Chinese government's 2009 Statistical Bulletin of China's Outward FDI, only 13 percent of this outward FDI is in Latin America, whereas nearly threefourths is in Asia. Of the US\$7.33 billion in Chinese FDI for Latin America in 2009, the Cayman Islands and British Virgin Islands received 73 percent and 22 percent respectively. The largest recipients of Chinese FDI from 2003 to the first semester of 2010 were Brazil (41 percent), Venezuela (15 percent), Peru (12 percent), Argentina (11 percent), and Chile (2 percent).6

China has recently increased its participation in Latin American regional organizations. In 2004, China joined the OAS as a Permanent Observer. In 2008 China joined Inter-American Development Bank as a donor member and donated over US\$350 million for public and private sector projects. In 2009, the IDB signed partnership agreements with the Export-Import Bank of China and China Development Bank to finance various projects in the region, strengthening China's presence in the region as an alternative to the United States and European Union for funding. More specifically, China has used its membership in the IDB to open the region to Chinese imports and direct funding for less-developed countries in the region as a member of the special committee (Koleski 2011, 15-16). China has also expanded its diplomatic ties to the following regional organizations like the Group of Rio, the Andean Community, and Caribbean Community (CARICOM) among others. These Chinese initiatives have provided Latin American countries with additional

<sup>&</sup>lt;sup>5</sup> See www.chinausfocus.com/foreign-policy/is-the-china-latin-america-fiestaover, accessed 4 November 2013.

<sup>&</sup>lt;sup>6</sup> The United States is the region's largest investor with 17 percent of total FDI to the region followed by the Netherlands at 13 percent and China at 9 percent. Economic Commission for Latin America and the Caribbean, "Foreign Direct Investment in Latin America and the Caribbean, 2010," *United* Nations, May 2011. http://www.eclac.org/publicaciones/xml/0/43290/2011-138-LIEI\_2010-WEB\_INGLES.pdf

sources of funding and a partner beyond the United States and European Union.

China has sought to use investment and funding to encourage Latin American countries to officially de-recognize Taiwan and recognize PRC as the 'official China', thereby weakening Taiwan's global support for a role in the international arena. A key issue for China remains the continued recognition of Taiwan by many Central American and Caribbean nations. Currently, 12 of the 23 countries with diplomatic relations with Taiwan are located in this region.<sup>7</sup> In the past, Taiwan used to play a role in military exchanges and training, but more recently, Taiwan has focused its efforts on providing significant economic incentives, humanitarian assistance, and frequent high-level official visits. Taiwan regularly provides grants and infrastructure support such as housing projects and a new congress building for Paraguay costing over US\$50 million. To encourage Latin American countries to switch their support from Taiwan to mainland China, China has followed Taiwan's cheque book diplomacy, offering significant aid packages and other economic incentives. For example, Dominica shifted its recognition to Beijing in 2004 with a pledge of US\$112 million in aid over six years. Costa Rica followed suit in 2007 receiving various benefits, most notably a US\$300 million in government bonds and various infrastructure and public works projects, US\$10 million cash donation, US\$83 million for a new national soccer stadium, US\$1 billion joint venture for petroleum refinery, and a free trade agreement finalized in 2010 (Koleski 2011, 15-16). More recently, Taiwan has been less able to compete with China's offers, leading it to officially renounce its diplomatic practices in 2008. The remaining countries of the region are believed to be holding out for more lucrative deals with China and, in the meantime, use China's offers to secure additional funding from Taiwan. For example, St. Kitts was considering switching its recognition to mainland China until Taiwan provided US\$ 8 million for a stadium. This type of behavior is expected to continue as these countries work to negotiate more expensive economic packages in the future (Dominguez 2006).

The success of China in Latin America has also been due to the rhetoric used by the Chinese leaders which promotes the idea 'development' instead of 'free trade' which is seen to be more agreeable by one and all (Koleski 2011, 15-16). It has strengthened the possibility of a political dialogue between the 'new left' leaders in Latin America and the

<sup>&</sup>lt;sup>7</sup> These countries are mainly located in Central America and the Caribbean and include Belize, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Saint Christopher and Nevis, St. Lucia, and St. Vincent and the Grenadines.

'progressive' Chinese communist party. For instance, in a move for its own recognition vis-a-vis Taiwan, China continues to strongly harness the 40,000 Chinese Diaspora living in Argentina. It is cited by many scholars as part of the Chinese new global strategy, i.e., a new harmonious world order and its fight against US hegemonism. In the recent past, Hu Jintao along with a number of Latin American presidents have emphasized on the 'historic qualitative change in Sino-Latin America relations' (Koleski 2011, 15-16). China has been wise in negotiating with various countries of the region to pre-empt the 'antidumping' tariffs on Chinese goods. Moreover, by labelling countries such as Brazil, Venezuela, Argentina and Mexico as strategic partners has gone a long way in strengthening the relations. The US officials and members of the Congress view China as the most serious challenge to the American interests in the region since the end of Cold War. The US prooccupation with Iraq and Afghanistan and the War on Terror created an opportune power vacuum in the region. Subsequently, the struggle between US and Brazil over trade and economic issues were relegated to the US to the position of an unwelcomed 'outsider'. The US is concerned about the Chinese presence in the Panama Canal, deployment of Chinese peacekeepers in Haiti, China's support for Fidel and Madero and their growing interests in Venezuelan oil. The contract to construct a channel connecting the Pacific Ocean to the Caribbean Sea by the Nicaraguan government to a Hong Kong based company strengthened this point of view (Koleski 2011, 15-16).

A study of China–Latin America relations reveals that all is not that well in the recent years. Although China has become Latin America's main trading partner, however, none of the Latin American countries including Brazil figure among China's top ten trading partners (Carlos and Neves 2011, 5-6). Moreover, relations between the two sides do not constitute a South-South exchange, as official Latin American rhetoric may suggest, but an increasingly North-South relationship, with the countries of the region being an exporter of commodities and an importer of manufactured goods from China.

The concerns of top Brazilian economic officials regarding the negative effects of a currency war with China reflect concerns in Brazil's non-commodity sectors. "China is seen both as a clear competitor, and as a competitor who is difficult to neutralize with policy interventions, because the fear of retaliation on the commodity trade is too high" (Carlos and Neves 2011, 5). Argentina's recent struggles with China can attest to this. Moreover, China faces an image problem in the region, which it must address by taking Latin American interests into account. Second, many interests between China and Latin America's most developed economies do not overlap, "because many Chinese exports compete directly with exports from Latin America" (Carlos and Neves

2011, 7). Trade between China and the countries of the region are becoming more and more asymmetrical. China's need for continued and uninterrupted energy supply to harness its growth rate makes it vulnerable to pressures from supplier nations many of whom come from Latin America. The Latin Americans are also increasingly becoming skeptical to the aggressive business style and are beginning to be overwhelmed by the Chinese presence in their continent.

### Conclusion

India and China are both viable and strong contenders in Latin America. The historical linkages and decades of goodwill that India had harnessed since the end of Second World War, provides India with a greater sense of camaraderie with the countries of Latin America and the Caribbean. India's foreign policy is often called as an 'epic of missed opportunities' which need not be the case of Latin America and the Caribbean. The pace of establishing cooperation remains somewhat slow but India could still depend on existing good ties to improve its relations with the countries of Latin America and the Caribbean. As China continues to rise and is being seen with increasing suspicion, India's non-aggressive posture and high moral and ethical values rooted in realpolitik may work well with the countries of the region. In fact, a sense of optimism is visible on both the sides. Moreover, India will also need to be seen and be acceptable as a feasible alternative to China. Evidently, there is an urgent need to develop a coherent and comprehensive strategy towards Latin America and Caribbean. There have been too much of dithering and too many ad hoc and piecemeal solutions. Any comprehensive approach will have to move within the region on the basis of wellidentified and clearly demarcated country-specific issues and areas of cooperation.

\* The author would like to express her thanks to Hayden Santimano.

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