

India must consolidate engagement with CELAC

IANS By Deepak Bhojwani / IANS India Private Limited

Mon 23 Jul, 2012

On Aug 7, Chile's Foreign Minister Alfredo Moreno, on an official visit to India, had a wider agenda than his ministry's brief. He was in Delhi representing the recently formed Community of Latin American and Caribbean States, or CELAC, its Spanish acronym. The most recent pan-regional grouping was formally launched in Venezuela at a summit last December, though it was announced at an earlier summit of regional leaders in Mexico in February 2010.

Chile is the current president pro tempore of CELAC, which does not have a full-time secretariat. Moreno was joined by Nicolas Maduro, the foreign minister of Venezuela, which held the presidency in 2011, and Rogelio Sierra, the vice foreign minister of Cuba, which assumes the presidency in 2013. The Troika, as it is known, met with External Affairs Minister S.M. Krishna.

The joint statement issued after the meeting is one of the most comprehensive declarations of India's intentions and policy direction towards this region to emanate from the government of India.

Apart from the commitment to 'exchange of visits' at all levels including at the summit level, leading towards realisation of a 'strategic partnership' between India and CELAC, the first official Foreign Ministerial Dialogue between India and the whole of Latin America and the Caribbean (LAC) agreed to hold annual meetings at the foreign minister level.

Detailing the sectors in which both sides can expand cooperation -- trade and investment, energy, minerals, agriculture, science and technology, culture, education and people-to-people contacts -- the statement goes on to acknowledge the meeting of minds on important multilateral issues. While neither the event nor the statement have made headlines, let us look at the significance of what has happened.

Then prime minister P V Narasimha Rao formulated and set in motion the Look East Policy in the early 1990s. ASEAN policy towards India was then one of benign neglect. Among other reasons, ASEAN leaders had felt slighted when Narasimha Rao, as external affairs minister, declined their invitation in 1982.

By the 1990s the Asian Tigers were roaring economies. India was left out while China, Japan, South Korea and others consolidated their presence as ASEAN Dialogue Partners. It took India a

few years to graduate to this status. Thanks to a pro-active foreign policy towards the region over the past two decades, we now have a place in all Southeast Asian forums. The benefits are evident.

LAC has been a distant frontier. Apart from some patronizing gestures towards the Indian diaspora in the Trinidad-Guyana-Suriname Caribbean corner, and occasional regional tours by India's leaders, there was little attempt in the past to even articulate, let alone convey, India's interest in the incredible potential that exists, given the natural and resource complementarities, and the absence of political differences, with this region.

The 21st century saw an improvement in political and economic exchanges, but our interaction has been largely bilateral, apart from occasional meetings with loose regional groupings such as the Rio Group, Caricom (Caribbean community) and SICA (Central American Integration System) without the requisite attempts to keep the dialogue alive and result-oriented. We can now count on one organization that represents all the 33 sovereign nations of the region, and which is here to stay, despite ideological, political, systemic and other differences, disparities in size, and other inner contradictions.

CELAC will steer a course independent of the US, hitherto the predominant regional power, but deliberately excluded from its decision making process, along with Canada.

The region has a territorial extension over five times the size of India, and is a massive exporter of agricultural products, energy, minerals, and other natural resources. Forward-looking economic policies in most countries have yielded impressive growth, over four percent in 2011 and an expected 3.7 percent this year; manageable inflation figures; stable, even appreciating currencies in most major economies; investment-friendly policies that have resulted in significant inflows; and a prosperous market of over 600 million, with average per capita income of over US\$10,000.

Little wonder that leading Indian companies such as the Tatas, Mahindras, Bajaj, Infosys, Jindals, ONGC, Reliance, Essar, Shree Renuka Sugars, and a number of smaller players, are present there, and yet more are in the pipeline. The Ministry of Commerce is actively negotiating the expansion of tariff agreements with Chile, wants to do the same with the five-nation Mercosur (Brazil, Argentina, Uruguay, Paraguay and Venezuela), and has sent out feelers to Peru and Colombia. With almost all the major economies, we have agreements on protection of investments, avoidance of double taxation, civil aviation and others, which provide the judicial matrix for the next phase, hopefully one which will focus on better connectivity.

In his address to the Indian Council of World Affairs in Delhi Aug 8, Foreign Minister Moreno urged the gathering of Indian officials, former diplomats and business representatives not to waste time. In a telling reminder, he mentioned that the next stop of the Troika was China. That visit resulted in a communique in which the Chinese have already planned the next meeting in September 2012.

While we cannot expect CELAC, in the near future, to be the motor of our cooperation with the region, which will still largely depend on decisions made in the individual capitals, we must

consolidate this engagement with an organization that has chosen India as its first dialogue partner.

(Deepak Bhojwani is a former Indian ambassador to Colombia, Venezuela and Cuba and has served in Brazil as consul-general. He can be contacted at deepakbhojwani@hotmail.com)