

2 CHAPTER

India and France Relations

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Historical background of diplomatic relations
- Commercial diplomacy
- Nuclear and technology diplomacy
- Defence diplomacy
- Rafale diplomacy
- Analysis of bilateral visits

HISTORICAL BACKGROUND TILL THE COLD WAR

India and France had a limited colonial relationship during the colonial times, with the French having colonial settlements in some parts of India, like Chandannagore, Yanaon, Karikal, the Coromandel and Malabar coasts and Pondicherry. However, today, it is one such country in Europe with regard to which we have a very well defined foreign policy. The relations between India and France are not just limited to economic interaction but are based on other broad areas of defence, nuclear technology, strategic partnership and global partnership. Diplomatic relations have existed since 1947. The French have been old supporters of India's entry to the UN Security Council. What is equally interesting is that the French have been ardent promoters of a nuclear pact with India. France supports India in NSG and other export control regimes. The relations in the first phase of Cold War had created the foundation of Indo–French relations for post-Cold War period.

The relations of India and France began on a cordial note after 1947. France was involved in Indo–Chinese colonial settlements in 1950s. In 1958, Charles de Gaulle in France decided to put an end to French occupation in Indo–China and by 1962, France had succeeded in its intentions. The legacy of de Gaulle is important as in 1950s, he also ended the French rule in Algeria by signing the Evian Agreement with Algerian National Liberation Front. Though France was not a follower of NAM, de Gaulle did ensure national independence and strategic autonomy in the national decision-making process, independent of the US–UK axis. De Gaulle did take progressive steps independent of the west.

Charles de Gaulle and Strategic Autonomy

De Gaulle recognised China in 1964 during peak Cold War times and even went ahead to initiate a dialogue with Russia. In 1966, the French withdrew from the

military command of NATO. In 1966, de Gaulle also visited Cambodia. His visit to Cambodia came at a time when the US was busy fighting the Vietnam War. While in Cambodia, de Gaulle asserted that a military solution is not a long-term solution in Asia and Asians in no way would submit to Pacific powers. In all the instances above, we see an aggressive assertion of the national independence of France based on the nationalistic feelings of the French. However, certain historians have maintained that French wanted to maintain a strategic autonomy from the west as the French felt insulted on not being invited to Yalta Conference. This approach of strategic autonomy by France resonated well between Nehru and de Gaulle. However, an initial hiccup in the Indo–French relationship came in 1956 Suez Canal crisis when the French, along with the British, resorted to joining Israeli-sponsored planned hostility on Egypt (for details, refer [Section H, Chapter 1](#) in the book). India, during the Suez Canal crisis, stood in opposition to the French for the first time.

After India became independent, one area of Indo–French cooperation that began on a positive note was nuclear research. In 1948, the Department of Atomic Energy in India was established. Homi J. Bhabha decided to look for foreign cooperation. Amongst the foreign players, France was the first with which India opened up cooperation. In 1951, Nehru went to France. This visit was also important as it was a step towards strengthening nuclear cooperation. In 1960s, France helped India establish a heavy water production unit in Baroda. In 1979, the French again helped India with the establishment of a Fast Breeder Reactor at Kalapakkam. After India's peaceful nuclear test in 1974, when other nations suspended nuclear commerce with India, French continued to supply India with fuel for the Tarapur plant and continued the supply till 1992. The 1962 Indo–China conflict saw the French condemning China for its military moves along the border as they chose to side with India. Indira Gandhi, during her tenure as Prime Minister of India, also visited France. Despite the bilateral level visits, the relationship maintained a low profile in the initial years. The breakthrough occurred for the first time in 1980. In 1980, the French President Valéry Giscard d'Estaing saw India as a future potential power and in 1981, Giscard's successor, President François Mitterrand, laid the foundation of a successful future relationship during the state visit of Indira Gandhi to Paris.

In 1982, Mitterrand himself visited India, leading to the opening up of a new partnership. Mitterrand encouraged French firms to do business with India but the French firms had an image of Indian markets being based on excessive regulation and state control. The French firms found India a difficult place to do business and thus the governments of both countries began to undertake cultural promotion to gradually ease the process. It was decided that India would promote its culture in France, enabling the French people to know more about India, which would, in turn, open up business collaboration. The era of Rajiv Gandhi in India saw some steps towards the liberalisation of the Indian economy which was viewed very positively by the French businesses. Many French firms began establishing offices in India to prepare themselves for the future. In 1989, Mitterrand visited India again. In order to encourage French businessmen to enter Indian markets, a host of cultural interactions were envisaged. When the Cold War ended and India migrated towards an open economy, the process provided further impetus to the economic relations.

INDIA AND FRANCE SINCE COLD WAR TILL NOW

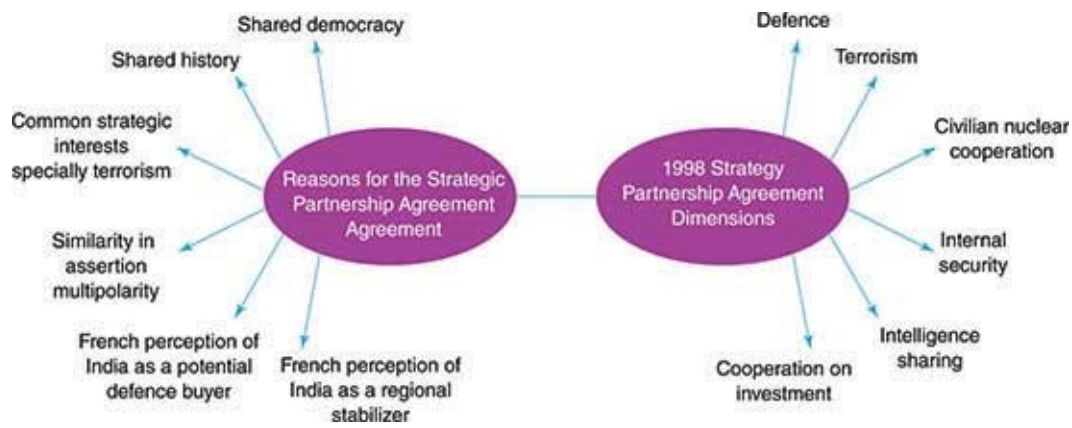
In 1988, I.K. Gujral was an interim Prime Minister. He had not been able to prove his majority in the house. Jacques Chirac, despite the absence of a stable government, visited India. Later on, I.K. Gujral was replaced by a new government headed by Vajpayee. The first diplomatic assertion of India came at the time of the 1998 nuclear tests. After the 1998 tests by India, UNSC condemned India while the US and Japan imposed sanctions on it. But when it came to the French, they did not resort to imposition of sanctions, unlike other powers. This was viewed by India very positively and also ensured that 1998 nuclear test did not emerge as an obstacle in the Indo–French Relations. However, after the nuclear tests by India, a new thinking emerged in the foreign office of France. A small minority group did feel that India should not have crossed the threshold and undertaken the test. However, the majority asserted that it was better to accept India as a de facto nuclear weapon state and initiate cooperation at a civilian nuclear level. The French knew that any nuclear cooperation with India would be difficult till the time there were to be a consensus on ending India's nuclear isolation. Consequently, the French adopted a wait-and-watch policy with a clear tilt towards envisaging a favourable civilian cooperation at the nuclear level in future. After the US negotiated a nuclear deal in 2005 with India, Jacques Chirac decided to engage with India, and in 2006, he declared in favour of nuclear cooperation with India.



Strategic Diplomacy, India and EU

France is a part of the European Union (EU) and the rules of its economic engagement are clearly defined. The EU, as previously discussed, favours deep economic cooperation with India and since 2005, India and the EU have been strategic partners. But what is to be remembered here is that the strategic Partnership between India and the EU does not mention anything about nuclear commerce. This is due to internal issues in the EU itself. Within the EU, at the strategic level, there is an absence of consensus which is not in the case of interactions at the economic level. At the strategic level, due to power differences between players of the EU, they are unable to forge consensus although it is about something that, unlike economic trade, that may touch all of them. It is due to this dichotomy that leveraging strategic autonomy and defining strategic relations with India is tricky. It is in this context that the French, in 2006, envisaged strategic nuclear cooperation with India while the EU in its strategic partnership in 2005 did not.

In fact, Chirac had visited India in 1998, after the nuclear tests and went on to establish a strategic partnership with India. An important dimension that emerged in the strategic partnership agreement was of defence dialogue and defence cooperation. Since then, India and France have held regular dialogues at the defence level. The origin of this strategic partnership lies in a shared common history of the two nations and in France's colonial involvement with India in a limited sense. Even in the post-independence period the French preferred to keep Pondicherry as an expression of the open French culture. The more important connecting factor is the shared democratic values of the nations. Jacques Chirac further visited India in 2006 and signed the nuclear cooperation. The diagram below explains other dimensions.



The coming of Nicholas Sarkozy after Jacques Chirac had ensured the continuity in the Indo–French equations. The high-level visits continued and Sarkozy has visited India twice in his tenure from 2007 to 2012. He was the Chief Guest of the Republic Day parade in 2008 while in 2009, Manmohan Singh went to France as a Chief Guest for Bastille Day. The coming of François Hollande to power as the President of France in 2012 had seen a rise in Indo–French economic cooperation. Hollande was the Chief Guest of Republic Day of India in 2016.



Personal Relationships and Diplomatic Corps in Indo–French Relations

All French Presidents, since the 1980s, have always had a positive stance on engagement with India. What is equally interesting is that the diplomatic support to these Presidents has also at times played a key role. Chirac had a personal interest in Asian and India arts and culture. A diplomat named Dominique de Villepin, in his initial career, had served in India. He later on served as a Foreign Minister and then the Prime Minister of France. Another crucial link in the Indo–French relation was played by Maurice Gourdault-Montagne, who served as diplomatic advisor to Chirac from 2002 to 2007 and had been fluent Hindi, playing an important role in Chirac’s decision-making group that took the ultimate steps to the nuclear deal.

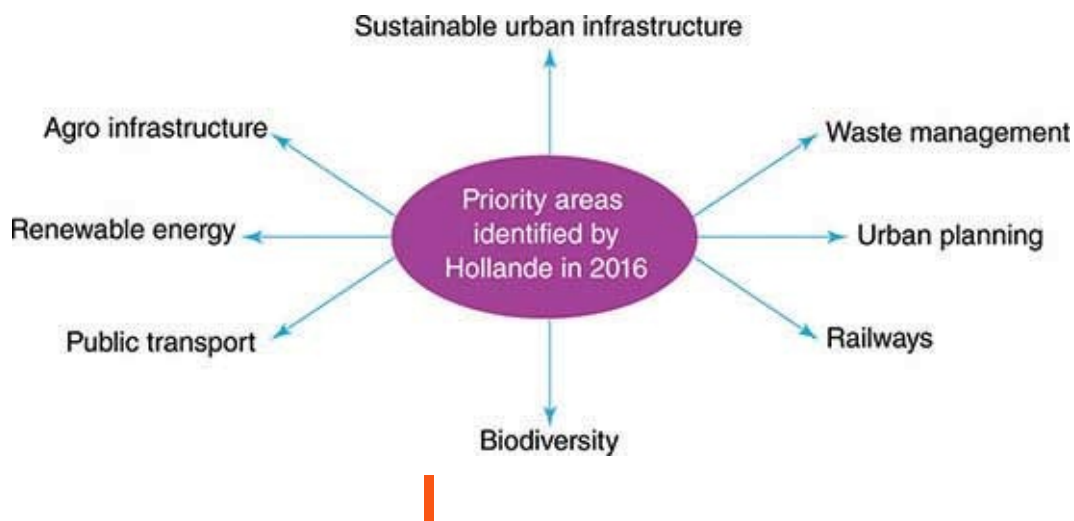
INDIA–FRANCE COMMERCIAL DIPLOMACY

The commercial link between India and France had been developed to a large extent by JRD Tata. JRD Tata had a unique French Connection. He was born and brought up in France. Later on, he went on to become a bridge of modern Indo–French relations and after his death, he was buried in Paris.

The institutional architecture of the commercial structure is as follows:



Since the 1990s, various French firms have taken up investments in India. Between 2000 and 2015, France has invested around three billion dollars' worth FDI. There are more than 1000 French firms in India with a total stock of around 17 billion dollars. Some prominent firms include Schneider, Alstom, Saint Gobain, Renault, Airbus, Michelin, Vinci, Lafarge, Sanofi Aventis, Danone and an energy firm called Total. Indian firms like Tata, Ranbaxy, and Infosys and TCS are prominent players in France. A lot of small Indian firms in automobile parts and plastics also are doing business in France. In 2016, when Hollande revisited India in January, he identified certain priority areas for commercial interaction.

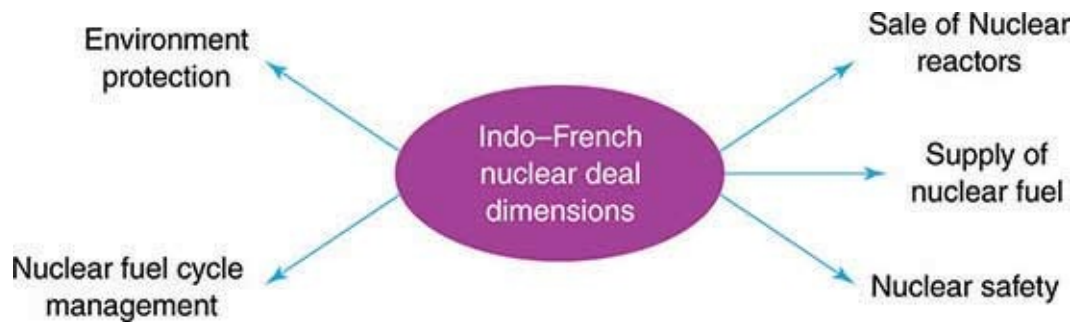


India–France Cultural Connect

The most important cultural interaction between India and France is the Festival de Cannes. It is a festival where a lot of Indian films are screened. In 2013, Cannes also celebrated 100 years of Indian Cinema. Due to the Cannes festival, the people-to-people connects get established. The ICCR organises festivals in France and regular cultural interactions also happen for promoting deeper understanding. Indology is an important factor in France at present and it focuses on Sanskrit, art, literature and Indian philosophy.

INDIA–FRANCE NUCLEAR AND TECHNOLOGY COOPERATION

As mentioned previously that after India and the US concluded a nuclear deal, it was followed by one with France as well in 2008.

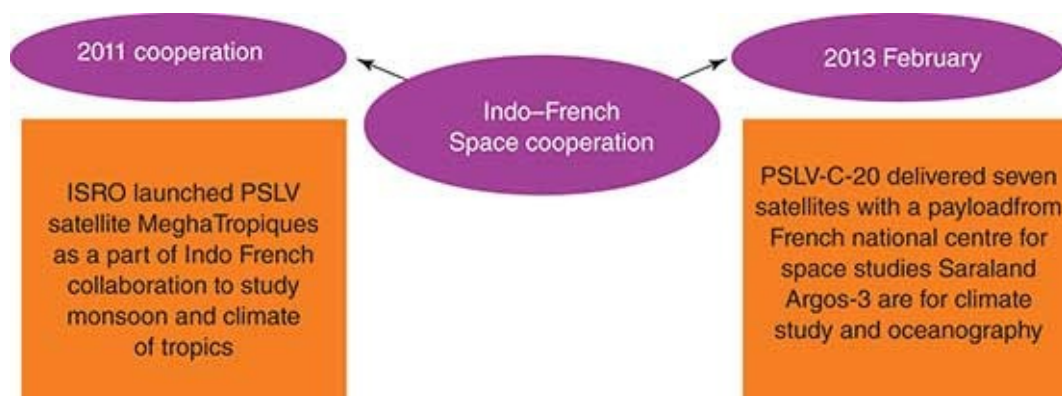


In 2008, India and France concluded an agreement where Areva (the French firm) will work with the NPCIL as per a signed MoU to build 6 European Pressurized Reactors (EPR) for 10,000 MW electricity in Jaitapur to give nuclear fuel to India for 25 years.

Issues at the Jaitapur Plant

The proposed nuclear plant is in Madban village of Ratnagiri District in Maharashtra. The plant has witnessed some protests in recent times. The area on which the plant is to be established is very close to the sea. A lot of fishermen depend upon the sea for livelihood. Once the plant is operationalised, it is expected to release a lot of hot water in the sea. The fishermen fear that this release of hot water will raise the sea temperatures, which would, in turn, affect fishing. The fish catch of Ratnagiri is exported to the EU and Japan. The release of the hot waters will affect their exports. In 2003, the region of Ratnagiri was also declared as a horticulture district and is famous for Alphonso mango. The National Environment Engineering research institute, in its report, has branded large tracts of land as barren land. This is viewed by the locals as dichotomous to the claims of government of Maharashtra. The site of Jaitapur being in a highly seismic zone adds to the existing concerns.

India and France, since 1960s, have undertaken space cooperation and the ISRO has been deeply associated with the French. Since 1981, the ISRO has been using French made Arians rocket facilities in French Guiana.



India, France and the ITER Project

The International Thermonuclear Experiment Reactor (ITER) project was envisaged in 1980s. A final agreement was signed in 2006 at Elysee Palace while it was enforced from 2007. The ITER site is in Aixen Provence in France where India is an

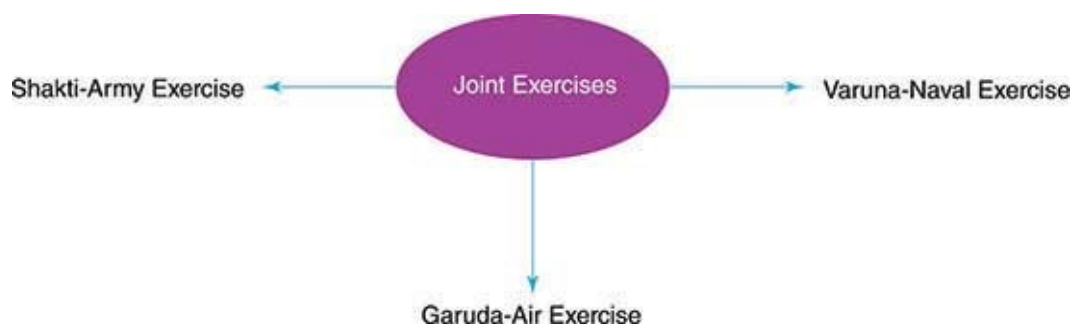
important partner country along with France. The ITER is environment friendly and evergreen due to the fact that it uses nuclear fusion instead of nuclear fission. In a nuclear reactor, the atoms are split and power is generated. When we split atoms, it generates radioactive waste. The nuclear wastes have to be managed. In contrast, the ITER fuses the atoms. The fusion generates waste which is either helium or water. In the project India is contributing in creating the largest refrigerator in the world that would work at minus 269 Celsius. The need for such a refrigerator is a part of the project. In the process of fusion at the ITER, a huge steel frame will be heated to a high temperature and then giant magnets would be used to release atoms that would fuse with the steel frame, generating more heat which would be used to rotate the turbine. The magnets are special super conducting magnets which will operate only when kept cold. The fridge would ensure the same.

INDIA–FRANCE DEFENCE RELATIONSHIP

A crucial bedrock of the Indo–France relation is defence cooperation. India and France undertake large weapon procurement diplomacy. France is a leading supplier of defence equipment to India. It supplies aircrafts, helicopters, surface to air missiles and artillery.



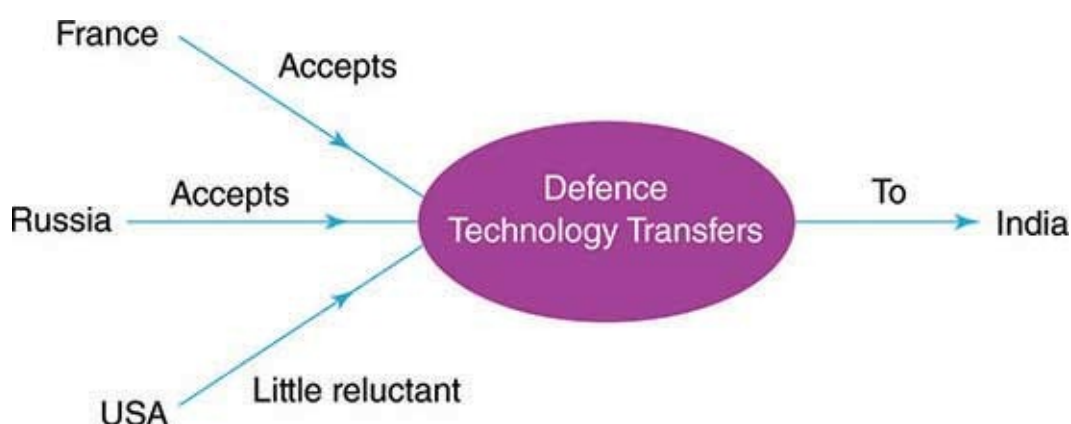
India and France have established joint working groups on terrorism in 2001. There are more than 60 events at various levels of defence interactions between India and France.



At the defence level, what works between India and France is the level of diplomatic and political trust each has on the other. Moreover, although France has been supplying some weapons to Pakistan, it has never tried an Indo–Pak hyphenation. France has always adopted the policy of dehyphenation in defence diplomacy. France also accepts that India has a defence foreign policy of diversification and shall drive its policy as per its national interests. Russia undoubtedly remains a big supplier, but the US, Israel and France are also major partners. France has no insecurity with regard to India's policy of diversification.

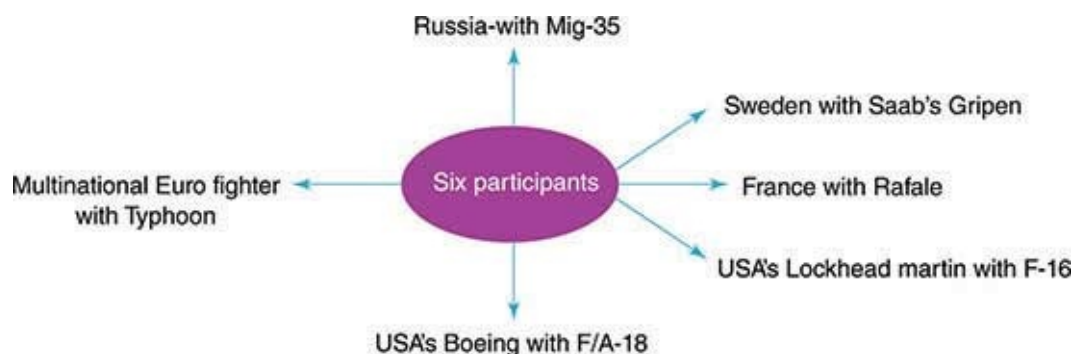
India had signed a pact with a French firm named DCNS for technology transfer to Mazgaon Docks Limited. Mazgaon Dock Limited was designated as the builder. The pact with DCNS included Indo–French collaboration for six scorpene class submarines. A scorpene class submarine is known for its stealth features and can be used to launch guided attacks with torpedoes and tube launched anti-ship missiles. In May 2016, Kalvari became the first scorpene class submarine that went into operation.

An understanding between India and France is that France would not halt spares supply and weapon supply in war, though with respect to the US and Germany, a lot of uncertainty prevails on this point. France understands India's need to go beyond the buyer–seller relationship to the realm of strategic defence partnership. India prefers to envisage joint development and production with players to emerge as a potential partners for the future. France has accepted India's policy of co-production and development of defence equipments.



India–France and Rafale Issues

Dassault is a French firm that manufactures aircraft. Rafale is one such omnirole aircraft (MMRCA), which can perform multiple functions. It can perform nuclear deterrence, carry out in depth strikes and can also function as an anti-ship strike aircraft. The Indian Airforce (IAF) had both heavy and light fleet. In 2001, the IAF decided to procure medium fleet. A major part of the plan was to introduce MMRCA as part of the medium fleet. In 2007, the Defence Acquisition council started a bid through Request For Proposal (RFP) for 126 MMRCA aircrafts. In the contract to bid for the MMRCA, six manufacturers participated.

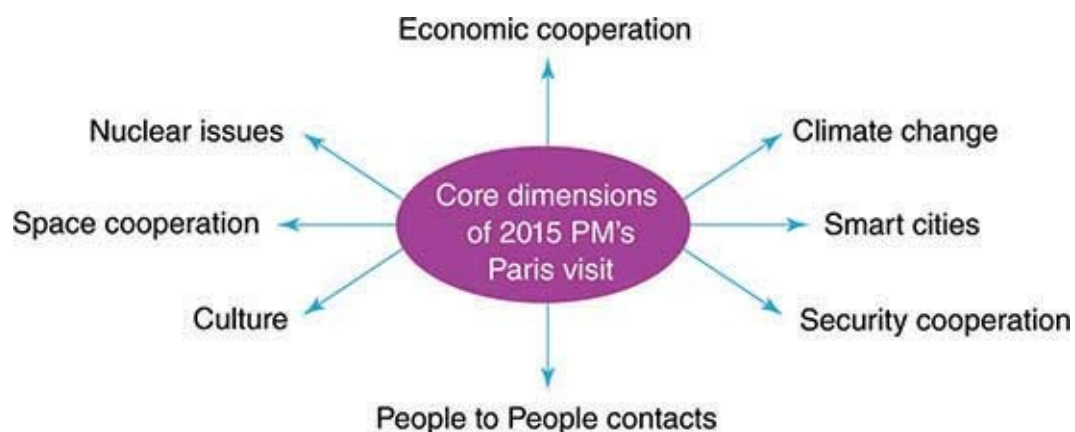


The IAF tested the air craft of all six participants and shortlist Rafale and Euro fighter. In the final bid in 2012, Dassault won the contract for the supply of 126 Rafale MMRCA. As per the deal, it was decided that 18 Rafale aircrafts will be purchased in a fly

away condition and the rest of the 108 will be manufactured by Hindustan Aeronautical Limited (HAL) in India and France would undertake a technology transfer. The negotiations with Dassault began in 2012 and got completed in 2016. In the four years' interval, the price was being negotiated. In 2016, the earlier plan of 126 Rafale was declared economically unviable and India finally decided to take 36 Rafale jets in a fly away condition. One of the reasons for the delay in negotiations was a disagreement on assembling the aircrafts in India. The offset clauses also emerged as an irritant. As per the defence procurement policy of India, any foreign firm doing defence business with India has to bring some portion of the investment of the agreed amount of the deal back to India for investment here. The policy says that any defence deal above ₹300 crores by a player means the player should invest 30% of the value in India. During the negotiations, India had been pitching that France has to participate in Make in India and thereby demanded 50% offset clause and also that France establishes two bases for Rafale in India. The French were willing to participate in Make in India but alleged that the establishment of two bases and other helmet related modifications may escalate deal costs and finances. The French are also unwilling to agree to the demand for a 50% offset clause.

PRIME MINISTER'S VISIT TO PARIS—2015

In 2015, the Indian PM Narendra Modi visited Paris and concluded the final agreement for the supply of 36 Rafale jets in a fly away condition. The PM communicated economic concerns as a factor for the watering down of the deal. An agreement was signed between Larsen and Turbo, and Areva to reduce costs of Jaitapur Nuclear Power Plant (JNPP). The cost reduction is to be done by increasing the localisation and local procurement of the equipment.

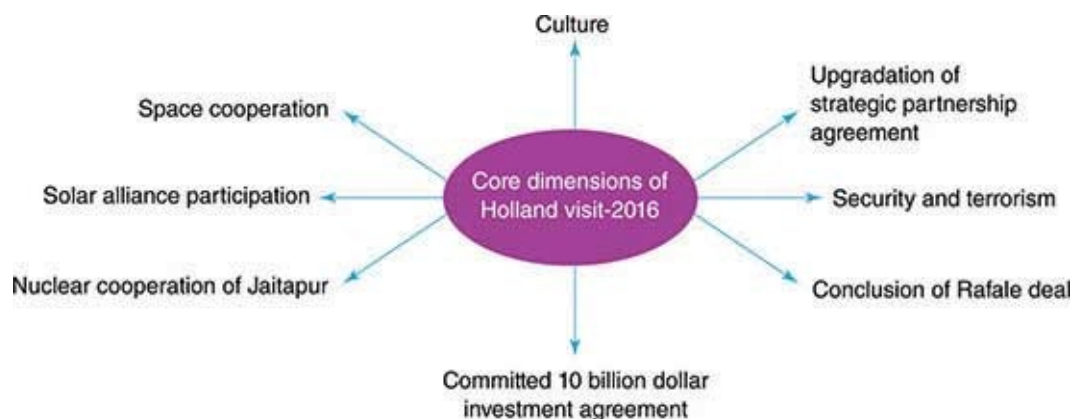


The PM also undertook 'Naav Pe Charcha' with his French counterpart on the Seine River. In all, many agreements on the core dimensions mentioned above were signed. PM addressed a gathering of the Indian diaspora at the Carrousel du Louvre. The PM gifted France a book called *India and the Great War*, which had been prepared and published by the MEA and included narratives about the contribution of Indian soldiers in Neuve Chappelle, France. The PM gifted Hollande a painting, titled 'Tree of Life'.

Analysis of François Hollande's Visit to India, January 2016

In January, 2016, François Hollande landed in India for a three-day visit and was the chief guest of Republic Day Celebrations. He also visited Chandigarh, Nagpur and Puducherry. He began his visit from Chandigarh where he attended the Indo–French Business Summit. From Chandigarh, he flew to New Delhi to take part in Republic Day Celebrations. For

the first time ever in modern Indian history, the foreign troops of the 35th Infantry Regiment of the 7th Armoured Brigade participated and marched with the Indian forces on Indian soil.



The French firms committed 10 billion dollars’ worth investment in India for the next five years in manufacturing and assistance in Make in India. The French Development Agency has earned 60% of its total budget for developmental projects in India. The visit consolidated the strategic partnership and discussions are underway to elevate it to the special strategic partnership level. During Hollande’s visit, an agreement was reached to cooperate on terrorism, intelligence sharing and counter-terrorism. Cyber security also emerged as a new dimension of discussion. France has been supportive of India’s International Solar Alliance of 122 nations between the Tropic of Cancer and the Tropic of Capricorn announced in the Paris–COP-21. A core component of Hollande’s visit was France committing Rupees 22000 cores for five years to the development of solar energy.

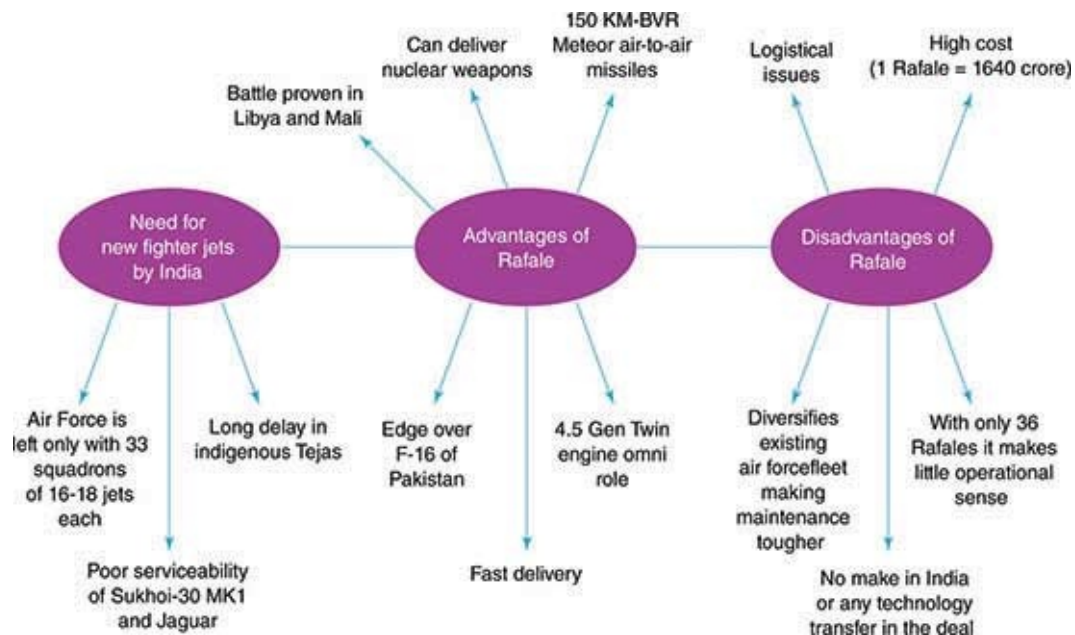


During the Hollande visit, the Rafale pact was concluded. The pricing has not been put in the pact. The most significant agreement is at the railways level where France has agreed to produce 800 electric locomotives as part of a joint venture between Indian Railways and Alstom in Bihar (Madhepura). At the space level, the two have agreed to establish a roadmap for JNPP by 2017. They have also agreed on the development of smart cities and France has committed support for the development of Chandigarh, Nagpur and Puducherry. A cultural exchange programme had been planned from 2015 to 2018 and a decision had been taken for India to organise Namaste France from September to November, 2016 and for France to organise Bonjour India in 2017. A Hindi conference had also been planned for 2016 in Paris. France has agreed to work on establishing a Delhi–Chandigarh route for trains at 200 KMPH speed corridor.

CONCLUSION OF RAFALE DEAL

India on 10th April, 2015, finally announced the decision to buy 36 Rafale fighter jets which will boost for India’s air power to deter China and Pakistan. In September, 2016, India finally inked the inter government agreement (IGA) and other associated

commercial protocols with France. The Indian government has also cancelled the MMRCA project to acquire 126 fighter aircraft in 2015 citing Indian Air Force's critical operational necessity and the need to cut time and costs to go for direct acquisitions of 36 Rafale aircrafts. As per the new deal with France, France will have to plough 50% of the contractual value back to India as per the offset clause.



4th Generation Technology and design is based on 1980s. They use avionics and basic radars and are used globally.

4.5th Generation Use 4th generation airframe but advanced avionics. Developed in 1990s.

5th Generation Cutting edge stealth technology based on supersonic cruise. For ex, F-22 Raptor of US.

FINAL ANALYSIS

France has emerged as India's most trusted international partner. It is visible in India's decision to allow a French contingent of troops to take part in the Republic Day celebrations in 2016. India has shed-off its isolationism to embrace France as a trusted European partner. Paris is crucial for New Delhi for many reasons. Firstly, US, China and United Kingdom have tilted towards Pakistan while engaging with India. This is something that has not gone down well with India. France, on the other hand, has decided to focus on engaging with India without embracing Pakistan. Secondly, as EU continues to witness troubles (ranging from financial crises of 2007, recent refugee crises, ISIS attacks in Europe, Russian annexation of Crimea, BREXIT and Trump's climate change policy), France is crucial for India to promote a balance of power in the Eurasian landmass. France has been an undiminished power in Indo-Pacific and has decided to enhance the overall capabilities of India. Thirdly, China wants to assume regional and global leadership. India prefers to engage with France to establish a more equitable world order in this new emerging concert of powers. India will continue to strengthen its ties with France in the times ahead.