

**Indo-French Strategic Partnership, 1998-2013:  
Areas of Opportunities and Obstacles**

*Thesis submitted to Jawaharlal Nehru University  
for award of the degree of*

**DOCTOR OF PHILOSOPHY**

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2017



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DECLARATION

I declare that the Thesis entitled “Indo-French Strategic Partnership, 1998-2013: Areas of Opportunities and Obstacles” submitted by me for the award of the Degree of Doctor of Philosophy, of Jawaharlal Nehru University, is my own work. This Thesis has not been submitted for the award of any degree of this University or any other University.

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## DEDICATION

*I dedicate my thesis to my family for being a strong support for me throughout my life. I have always seen a shine in their eyes over my small success. A wish to express my special gratitude to my loving parents who sacrificed their dreams to realise mine. They see their dreams being realised in me. They have supported me throughout my life despite difficulties and lack of resources. Their prayers and blessings always helped me and showed me path in my life. They have always been my source of inspiration. My sisters **Vandana, Bharati and Priyanka** and my younger brother **Hrishabh** have always treated me with love and affection. They constantly inspire and encourage me to excel in my life. Their blessings and affection inspired me to undertake this research and to write my thesis.*

*I also dedicate my thesis to Jawaharlal Nehru University where I spent over twelve years of my life. This university has expanded the horizon of my social, political and humanitarian understanding during my stay. Whatever I have achieved in my life has a great contribution from this university. Apart from its world class infrastructure and economic stay, it provides us with an environment of freedom with a sense of responsibility, debate to expand our outlook and an opportunity to see whole India within campus.*

**SOURABH KUMAR**

## ACKNOWLEDGEMENTS

*No piece of research work can be performed in isolation. This thesis, a modest work of mine is also no exception. Though, written by me, I owe this thesis to the efforts and contributions of so many people. This would have been impossible to finish the work without their unconditioned help. I wish I could mention all of them here.*

*First and foremost I owe my greatest gratitude to my Supervisor **Prof. Ummu Salma Bava** for her continuous support throughout my M. Phil. and Ph. D. research. Her immense patience, continuous guidance, motivation, inspiring words, capable inputs and immense knowledge have helped me exceptionally to finish this work. I have not known any other such a busy professor and still I feel myself fortunate to always get time for discussing and getting important inputs all the time. I will always owe my gratitude to my supervisor for her family-like care outside home and her constant encouragement to undertake new responsibilities and completing my work on time. I feel myself blessed to have such a caring yet strict supervisor, advisor and mentor for my Ph. D. research.*

*I would also express my heartiest thanks to **my parents, sisters and my younger brother Hrishbh** for standing with me throughout my life. This is the result of their immense support and care that I have reached so far. Their love, care and belief in me always inspired me to undertake new responsibilities and to complete it. All my success is a result of their constant support to me at spiritual as well as emotional level. I like to thank my younger brother who has constantly encouraged me to complete my thesis in time.*

*I extend my gratitude to my first professors in Jawaharlal Nehru University, **Prof. Narasimhan Kamala** and **Prof. G. Sivam** from the Centre for French and Francophone Studies (CFFS), School of Language, Literature and Culture Studies (SLL&CS). They are the ones who transformed me in my early days in this campus. The constant support and encouragement from **Prof. Narasimhan Kamala** has helped me overcome my sorrows and difficulties in my life. She will always be an inspiration for me throughout my life.*

*I also extend my gratitude to **Prof. Jean-Luc Racine** for all his help and inputs during my field work in Paris. He had always been helpful from extending me his invitation for*

*research work to find me an accommodation in such an expensive city to arranging me interviews with experts for my thesis work and to arrange me the facility of visiting various libraries during my field work. I would like to thank him again for constantly taking his time out of his busy schedule for discussing and giving all important inputs for my thesis work. I would also like to extend my gratitude to **Dr. Gilles Boquérat, Isabelle Saint-Mézard, Dr. Christian Wagner** and the official in the Ministry of Defence of France to share their inputs during my field work. I would also like to thank the **Centre d'Etudes de l'Inde et l'Asie du Sud (CEIAS)** for extending its invitation to me to undertake my field work in Paris.*

*I take this opportunity to extend my sincere gratitude to the Indian Council for Social Science Research (ICSSR), New Delhi, for awarding me a doctoral scholar fellowship, which enabled me to complete this thesis without having financial constraint at the end of Ph. D. I would again thank the ICSSR for awarding me scholarship for data collection abroad, which enabled me to undertake my field work successfully in an expensive yet beautiful city without any financial constraint. I would also extend my gratitude to the Faculty members of Centre for European Studies (CES). I am also grateful to the librarian and staffs of the centre (CES). They have been supportive throughout my study.*

*Last but not the least, there are many people I wish to acknowledge and thank them for providing inspiration and support during the writing of this thesis. I would like to extend my heartiest thanks to my friends and fellow scholars – **Jagdish, Sonam** for their support and encouragement, for having discussions on dhabas during sleepless nights when we were working on thesis, and for all the fun we have had in JNU. I would like to extend my gratitude to my friends **Namrata, Sumit, Alok, Janhawi, Gaurav, Vijay Apurva, Chandni and Utkarsh** for helping and encouraging me all the time in my life. I extend my gratitude to them for their constant help to me throughout my stay in JNU and helping me grow here as a human being.*

*And above all I thank the Almighty for His kindness and blessings for making this difficult work done in time.*

**SOURABH KUMAR**

## **Preface**

The thesis represents a study of the Indo-French Strategic Partnership and an assessment of the progress achieved through this Strategic Partnership by both countries in various areas of cooperation. This thesis explores the situation prevailing for India and France after the end of the Cold War in order to identify the reasons behind the establishment of the Strategic Partnership. The thesis undertakes a comparative study of the level of cooperation between both countries after the end of the Cold War period as well as after the establishment of the Strategic partnership. This thesis also does a comparative analysis of other partnerships of both the countries to assess the importance of this Strategic Partnership for them. In the post-Cold War period, it is observed that Strategic Partnership has emerged as a prominent tool in foreign policy of countries. This research tries to find a definition and usage of Strategic Partnership in foreign policy.

The bipolar power structure of the world that existed after the end of the World War II ceased to exist after the disintegration of the Union of Soviet Socialist Republics (USSR) in December 1991. The United States of America emerged as the undisputed superpower or the 'hyperpower' in the world. This was marked as the victory of the political idea of liberalism and the market economy over socialism and the closed economy. As the theory of structural realism suggests that the unipolar structure is the least durable structure, a tendency of engaging countries in one way or another was observed. The changed situation in the world prompted countries to establish new partnerships with new partner states.

In the aftermath of the end of the Cold War, countries found new tool as strategic partnership to engage other ones which enhanced relationship between partner states beyond bilateral issues. As the usage of strategic partnership increased in the era after the Cold War, a necessity was felt among the scholars to define it. It has two components in it: strategy and partnership. Many scholars have tried to describe it so far but this has such a vast range of possibilities that it is still very difficult to frame this idea in a definition.

In the changed global power structure, India also started engaging with new countries as it had lost a good ally in the form of Soviet Union after its collapse. The 1990s came with several challenges as well as opportunities for India. After sailing through the crises in the beginning of the 1990s, India embarked on the path of development after the economic reforms undertaken in the beginning of 1991 under the Congress government. France was the first country to realise the growing potential of India in the 1990s. It established Strategic Partnership with India in January 1998 to enhance cooperation in political, economic, defence and security areas.

This Strategic Partnership was important for both the countries for various reasons. For India, it found another friend in France that had a permanent seat in the United Nations Security Council (UNSC). This was seen as an acknowledgement of India's growing potential at the global level. With the fast growth rate, India's energy requirements were increasing enormously and it was looking for diversification of its energy sources. France was a pioneer in the field of nuclear energy and was willing to extend its cooperation in this field with India.

France, on the other hand, was willing to engage a fast growing India for several reasons. France was a great advocate of a multipolar world order that it considered as the most durable power structure system. It regarded India in the South-Asia as a potential leader and perhaps a power to counter China in this region. It also aimed at the large growing market provided by India, for its goods, technology, defence equipment, aviation industry and nuclear energy industry.

Despite the nuclear tests conducted by India in May 1998, France did not criticise India. Rather, it acknowledged the security concerns of India and welcomed the Indian move of 'no first' use of nuclear weapons. It also played an important role in lowering the criticism of India on international fora like the G8, P5 and the United Nations Security Council (UNSC). This changed completely the relation between India and France and they engaged in cooperation in various areas of strategic importance.

Today, the engagement has grown to a large extent. The Strategic Partnership is marked by regular high-level meeting at the level of the Head of State/Head of Government followed by extensive rounds of meetings. These efforts have resulted in a deep-rooted partnership between India and France. Both countries have exhibited convergence of ideas on international fora on several occasions. France has supported Indian bid of

permanent seat in the UNSC from the beginning of the Strategic Partnership. It has also extended its support for India's entry to several control regimes like the Nuclear Suppliers' Group. India's support of French cause in Mali and their role in successful conclusion of COP21 and adoption of the Paris Agreement was few examples of growing relationship between the two countries. In recent time, the conclusion of inter-governmental deal of Dassault's Rafale aircrafts is another success of the Strategic Partnership. However, such events of convergence are also coincided by the events of divergence as shown during the Libyan as well as Syrian crises. This reflects the basic value of the Strategic Partnership which is based on the idea of national sovereignty and strategic autonomy which has been the pillars of foreign policy of both the countries.

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## *List of Acronyms*

ACDA	Arms Control and Disarmament Agency
AEA	Atomic Energy Act
AEC	Indian Atomic Energy Commission
AERC	Atomic Energy Research Committee
ALH	Advanced Light Helicopters
ASEAN	Association of Southeast Asian Nations
BIT	Bilateral Investment Treaty
BRICS	Association of Brazil, Russia, India, China and South Africa
BOP	Balance of Payment
BVR	Beyond Visual Range
CD	Conference on Disarmament
CDAOA	Command of Air Defence and Air Operations
CEA	Commissariat à l'Énergie Atomique
CEEC	Committee of European Economic Cooperation
CEFIPRA	Indo-French Centre for Promotion of Advance Research
CEP	Cultural Exchange Programme
CERI	Centre for International Studies and Research
CFSP	Common Foreign and Security Policy
CNES	Centre National d'Études Spatiales
CPCO	Centre for Planning and Operations Management
CRR	Cash Reserve Ratio
CTBT	Comprehensive Test Ban Treaty
DAE	Department of Atomic Energy
DCN	Direction des Constructions Navales
DRDO	Defence Research and Development Organisation
DTTI	Defence Trade and Technology Initiative
EEP	Educational Exchange Programme
EMS	European Monetary System
ESS	European Security Strategy
EU	European Union
FDI	Foreign Direct Investment
FMCT	Fissile Material Cut-Off Treaty
FTA	Free Trade Agreement
GAGAN	Global Positioning System Aided Geo Augmented Navigation System
GDP	Gross Domestic Product
GPS	Global Positioning System
HAL	Hindustan Aeronautical Limited
HCDC	High Level Committee for Defence cooperation
HIV/AIDS	Human Immune Deficiency Virus / Acquired Immune Deficiency Syndrome
IAEA	International Atomic Energy Agency
IAEC	Indian Atomic Energy Commission
IAF	Indian Air Force
IFR	In-Flight Refuelling
ICCR	Indian Council for Cultural Relations

IFRF	Indo-French Research Forum
IRIGC-TEC	Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation
IRNSS	Indian Regional Navigation Satellite System
ISRO	Indian Space Research Organisation
JAP	Joint Action Plan
JCETC	Joint Committee for Economic and Technical Cooperation
JWC	Joint Working Group
LCA	Light Combat Aircraft
LoI	Letter of Intent
MBT	Main Battle Tank
MEA	Ministry of External Affairs
MDG	Millennium Development Goals
MDL	Mazagon Dockyards Limited
MEDEF	Mouvement des Entreprises de France
MGL	Mécanique Générale Langroise
MoU	Memorandum of Understanding
MTC	Military Technical Cooperation
NASA	National Aeronautics and Space Administration
NDA	National Democratic Alliance
NATO	North Atlantic Treaty Organisation
NNWS	Non-Nuclear Weapon State
NWS	Nuclear Weapon States
NPCIL	Nuclear Power Corporation of India Limited
NPT	Non-Proliferation Treaty
NRIs	non-resident Indians
NSA	National Security Advisor
NSG	Nuclear Suppliers Group
NWS	Nuclear Weapon State
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development
OEEC	Organisation for European Economic Cooperation
PSLV	Polar Satellite Launch Vehicle
PRL	Physical Research Laboratory
PTBT	Partial Test Ban Treaty
R and D	Research and Development
RIMPAC	Rim of Pacific Satellite launch vehicle
SNEP	Sub-terranean Nuclear Explosion Project
TIFR	Tata Institute of Fundamental Research
TRIPS	Trade-Related Intellectual Property Rights
UN/UNO	United Nations / United Nations Organisation
UNSC	United Nations Security Council
USA/US	United States of America / United States
USSR	Union of Soviet Socialist Republic
WMD	Weapons of Mass Destruction
WTO	World Trade Organisation

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# **CHAPTER 1**

## **Introduction**



# Chapter 1

## Introduction

### Background

The long bipolar structure of world politics was ended by the end of the Cold War following the disintegration of the Union of Soviet Socialist Republics (USSR). Waltz put forward his theory of balance-of-power that when an existing balance of power shatters, a new one will eventually form and the expectation is not that a balance, once achieved, will be maintained, but that a balance, once disrupted, will be restored in one way or another. There is a strong tendency towards balance in the system (Waltz 1979). In this regard, it was seen that the level of cooperation between different countries had increased after the end of the Cold War. The end of bipolar system opened up opportunities for different countries and they entered into different kind of cooperation, partnerships and alliances for various reasons. More often, the established powers tended to engage with emerging powers to maintain the power equation in the world order and also to contend with the new emerging multipolarity. These engagements also lead to strategic partnership between these countries.

India established a strategic partnership with France in 1998 for mutual cooperation in various sectors including political, economic, defence, energy, science and technology and culture. This partnership was based on high-level meeting at the Head of State/Head of Government levels. Both the countries have witnessed an exponential growth in many sectors after the establishment of the strategic partnership. The longevity and the strength of the relations between India and France can be traced in the statement of Prime Minister Dr. Manmohan Singh during the state visit of the French President to India on 14 February 2013. He said, “India regards France as one of its most valued strategic partners. France has given us strong and steadfast support at difficult moments. Our relationship is defining by the breadth and diversity of our cooperation, as well as by the intensity of our dialogue” (Hindustan Times: 15 February 2013).

Similarly, François Hollande, in one of speeches in Delhi addressing to French community emphasised over the well-established relationship between India and France. He said, “The

relations between France and India, it's true, are exceptional because they go back to our shared history. India has always been beside France during its difficult situations- I think especially during First and Second World War- and France has been beside India- especially during the time when it accessed its independence.” (French Embassy in India: February 2013). The warmth and depth of relationship which India shares with France can easily be understood by these statements of the Head of Governments of both the nations.

The first association of India and France can be traced back in history to the 17<sup>th</sup> century when François Bernier, a French physician and traveller, became the personal physician of the Mughal emperor Aurangzeb for 12 years. In the early 18<sup>th</sup> century, France was playing an active role in the history of India. The French General Dupleix helped Muzafar Jung in the Deccan and Chanda Sahib in the Carnatic, in the conflict against Robert Clive. The French succeeded in few wars against the English but were finally defeated at Masulipatam in 1759 and at Wandiwash in 1760. France was one of the major European nations apart from Great Britain to establish colonies in India. It established its colony as Madras Presidency covering the modern states of Andhra Pradesh and Tamil Nadu. France lost much of the Madras Presidency to the British but retained control of Pondicherry, Karaikkal, Yenam and Mahé. It maintained its foothold in Chandannagar in West Bengal also.

France established diplomatic relations with the newly independent India in 1947. Both countries negotiated the peaceful transfer of Pondicherry and other establishments to India, which was completed by 1954. India's attempt of establishing defence relationship with France dates back to 1949, when the mountain kits were acquired for Kashmiri troops. However in 1953 the purchase of seventy one Ouragan MD-450 aircrafts made it even stronger. During the following decade India purchased 110 *Mystère-4A* fighter aircrafts, 164 *AMX-13 / Model-51* light tanks, 12 *Alizé* anti-submarine warfare aircrafts and 3 SA-316B *Allouette 3* light helicopters from France. Though the volume of defence trade between India and France was not much and it was often overshadowed by the defence trade of India with the USSR, France had shown its commitment to India several times. France followed its allies during India-Pakistan war for imposing arms embargo against both the sides. Despite doing that France continued supplying India detached pieces of French Aircrafts. Soon after that, in first quarter of 1966, France lifted the embargo too. In 1971 also, when the US aircraft carrier Enterprise entered the Bay of Bengal, France supported the cause of Bangladesh and India. In 1982, India sealed a deal for 40 Mirage aircrafts with France.

In the early 1980s, France took over the supply of heavy water to Tarapur nuclear plant from the US. India -France defence MoU signed in 1982, was an effort to institutionalise the defence relations between them. After this MoU was signed an armaments committee as well as an Indo-French defence corporation working Group was established. This defence corporation however concentrated more on sales of arms but not on the border security issues which might affect the two countries. For the whole period of cold war India and France restricted their defence matter only to commercial. After USSR, now France became the second most important weapon supplier, but still they were just business partners and refrained from any strategic discussions. However, France had offered support to India's nuclear energy program since the beginning of the Indian Atomic Energy Commission. But on the whole, as Jean Luc Racine says, the bilateral relationship of India and France all along the 1960s to the 1980s was not bad but somewhat indifferent.

In the early 1990's, after the end of the Cold War, India went through a major economic crises. India had lost a major ally in the form of Soviet Union as it had disintegrated and with it the socialist model of economy also lost its credibility. The economic situation of India was such that it reached the verge of bankruptcy. All these conditions led to a paradigm shift in the economic policy of India when Finance Minister Dr. Manmohan Singh adopted liberal economic policies and started opening the Indian market for foreign companies under the supervision of Prime Minister P. V. Narsimha Rao. By the mid 1990's, the economic liberalisation adopted by India gave a strong impetus to development and a strong economy and annual growth of India touched the 7 percent mark for the first time in 1997. France was one of the first countries to recognise the growing political as well as economic potential of India in the changing post-Cold War world order. In 1994, Alain Juppé, French Minister for External Affairs visited India to introduce the French agenda to restart the political dialogue and to develop the economic relationship. A regular dialogue had been established between the Confederation of French Industries and its Indian counterpart by 1997, the Confédération Nationale du Patronat Français (now renamed as Mouvement des Entreprises de France or MEDEF).

The turning point in the bilateral relations between India and France came with the visit of President Jacques Chirac in January 1998. The year came as a 'watershed' in Indo-French bilateral relations. President Chirac gave a call for a strategic and political dialogue with India which France endorsed through the support it showed when India carried out the nuclear tests in May the same year. Further, the Strategic Dialogue was initiated during the visit of Prime Minister A. B. Vajpayee

to Paris in September and the first Indo-French Strategic Dialogue took place the following month in Delhi. Since then the bilateral relation has witnessed a dramatic growth in cooperation in political, economic and defence area. The volume of trade has increased several folds, number of strategic meetings on several diplomatic levels has risen and the cooperation in defence and nuclear sector has gone up.

## **Foreign Policy in International Relations**

The foreign policy of a country is generally expressed in terms of 'objectives' and 'goals'. Objectives of foreign policy, as Doctor explains, "are sought to be achieved within a short or reasonable range of time while goals have no definite time limit; they represent the best conceivable state of affairs that a nation would like to achieve in terms of maximum time span that can be analytically conceived" (Doctor 1977:4) While elaborating it he gives the example of 'peace' which is a goal for which no time limit is conceived. But normalisation of relation after a war is an objective sought to be achieved in a definite time limit. He further says, "A goal is idealistically conceived; it stands for the best that is desirable. In contrast, an objective is realistically conceived; it is the best that can possibly be achieved within a time limit" (Doctor 1977:4) Further explaining he says that the bulk of foreign policy comprises of objectives relating to the material welfare of the people like food-aid, foreign loans etc. and the enhancement of power or prestige by a nuclear blast or build-up of nuclear weapons etc. goals tends to be ethically worded in terms of ideologies such as the achievement of the Marxist stateless society which is the goal of Soviet foreign policy (Doctor 1977:5).

In addition to this, both goals and objectives may be distinguished from aspirations. Doctor says, "An aspiration is a hope which becomes a goal or objective only when the national community is willing to make the sacrifice and effort to try and achieve it. An aspiration in other words will not become an objective or foreign policy goal unless it is sufficiently cherished" (Doctor 1977:5). He gives the example of the unification of India and Pakistan as an aspiration of some Indians not an objective or goal of India's foreign policy.

Goals and objectives of a nation's foreign policy helps to constitute the national interest as the nation conceives it. But national interest is not merely the sum total of goals and objectives. It is something beyond that. The concept of national interest helps the nations to decide the order of

priorities among various goals and objectives. National interest can be seen from three different aspects. First aspect is called the normative or civic aspect. From this aspect, the national interest stands for “some ideal set of purposes which a nation should seek to realise in the conduct of its foreign relations.” Second aspect regards the national interest as a description of “those purposes which the nation, through its leadership, appears to pursue persistently through time.” Third aspect regards the national interest as “a Kaleidoscopic process by which forces latent in (American) society seek to express certain political and economic aspiration in world politics through the highest organs of the state” (Seabury 1963:Ch. 4).

Although national interest varies from county to country, its core elements remains the same for all countries. National security is one of the core national interests for all big and small countries. On the minimum level, national security implies national independence and territorial integrity. But on the macro level, it goes beyond it and includes protection of ideology and way of life. Even big and powerful countries work to achieve security. This further leads to the search for power and force. But acquisition of power by a country fills other weak or neighbouring countries with suspicion and a feeling of threat. This is called as “security dilemma”. Therefore, two factors have to be taken care of by foreign policy: one is the preparation of security and the second one is to ward off the suspicions of other nations about its aggressiveness (Doctor 1977:9).

Another core element of national interest is the promotion of economic interests. For a wealthy nation like the USA, the economic interest may comprise continuing prosperity or maintaining its economic lead or standard of living but for a developing country, the economic interest may lie in aid for development, food-loans, import of technology etc. Though security and economic prosperity are core factors of national interest, there are other elements also which constitute the foreign policy of a country. For example, many countries have cited that the maintenance of conditions of national and international stability is one of the elements of their national interest and hence an objective of their foreign policy (Doctor 1977:10).

Thus, competitive national interest between countries can lead to conflict and even war. As countries enhance power and build capability and capacity, in the case of bad relation or competition, the consequence of a ‘security dilemma’ can be disastrous. During the Cold War period, one witnessed the competitive national interest between the United States and the USSR.

### **National Interest as a Tool of Foreign Policy**

National interest is the governing principle of foreign policy. The elements of national interest can be divided into two categories as general and particular. The general element of national interest can be explained as concerns of every state at preserving its political independence in terms of the freedom of the state to follow any policy, domestic or foreign and territorial integrity by safeguarding its international boundaries. The manifestation of this element may vary from balance of power and alliances to Non-alignment and Panch Sheel, but the preservation of territorial integrity as national interest remains the same. The particular element of national interest concerns more about social and economic development. For example the USA aim to preserve its economic interests to maintain the living of its society. Similarly, the developing countries aim for economic development and improvement of living standard (Appadorai 1992:2).

In the modern world, the pursuance of national interest by any state must ideally be in compliance with the universal ideals, principles of international law and morality. In other terms peace, justice, sanctity of treaties, non-intervention in other people's affairs, freedom and a decent standard of living for all are some of the aspects which have to be taken into account by a nation while serving its national interests (Appadorai 1992:6).

Appadorai points out three guidelines for foreign policy in accordance to the fact that national interest is the governing principle in foreign policy. First, "the national interest cannot be secured without power." With acquisition of power, it may create the state of fear or hope or bonds of common interests. This again can be traced to a number of factors such as economy, military resources, technological development, geopolitical situation, the number and morale of the people, the strength of the government and its diplomatic maturity. Second, guideline talks about the 'truism' in terms of making any commitment by any nations which must not be more than its capacity to fulfil them. Third guideline emphasises the importance of the domestic background in the evolution and success of foreign policy (Appadorai 1992:6-8).

### **National Interest and India's Foreign Policy**

The architect of India's foreign policy, Jawaharlal Nehru was well aware of the fact that national interest is the governing principle of foreign policy. This can be very well observed in his speeches. He said, "In the ultimate analysis a Government functions for the good of the country it governs and no government dare do anything which in the short or long run is manifestly to the

disadvantage of the country” (Nehru 1961:28) On the issue of a condition of conflict of interests between those of India and other nations, Nehru (1950) was quite clear about his preferences:

“If our view point is different, you cannot expect me to give up our viewpoint or the results that we have arrived at, because some other nations think differently. I just would not do that. I do not understand long and repeated arguments about this. I am on my country’s side, and on nobody else’s<sup>1</sup>.”

Though he supported the Gandhian principle that the means to be employed to achieve an end are as important as the end itself, he left some aspect of modification in this:

“... a statesman or a man who has to deal with public affairs cannot ignore realities and cannot act in terms of abstract truth. His activity is always limited by the degree of receptivity of the truth by his fellowmen. Nevertheless, the basic truth remains: truth is always to be kept in the view and, so far as possible, it should guide our actions” (Nehru 1950:28-29)

The words “so far as possible” make an important modification in the theory of the relation between state and morality as held by Gandhi. The successors of Nehru expressed their unreserved adherence to the principle and the guidelines laid down by him. Even the Janata Party government between 1977 and 1980 adhered to the same principles (Appadorai 1992:10).

Thus, the achievement of national interest by using the right means as far as possible by keeping world cooperation and world peace in mind became the central element to the theory of India’s foreign policy. The elements of national interest for Nehru and his successors was political independence, territorial integrity and economic development along with the promotion of world peace. Appadorai points out three means employed by Nehru to achieve the national interests of India as i) the role of power, ii) nonalignment and iii) friendship with all countries. Though Nehru did not completely endorsed the Gandhian doctrine of non-violence, he emphasised the role of a peaceful approach to the solution of international problems. He believed that this approach of discussion, negotiation and accommodation are the only ways left for the settlement of differences between different nation states. Nonalignment can be defined as not entering into military alliance with any country, and in particular with any country either of the Western or of the Communist bloc. The policy of friendship with all the countries was based on the idea of making efforts for cooperation on political, economic and cultural sectors. This cooperation is subject to one basic condition: “That in our external, internal or domestic policy, in our political policy, or in our

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<sup>1</sup> From reply to debate on Foreign Affairs in Parliament, 7 December 1950.

economic policy, we do not profess to accept anything that involves, in slightest degree, of dependence on other authority” – said Nehru in the Lok Sabha on 9 December 1958 (Appadorai 1992:11-13).

## **India’s Foreign Policy**

India emerged as an independent state after a long history of British Colonial rule on 15 August 1947. The first architect of the Indian foreign policy was a leader of the anti-imperialist national liberation movement of India led by Mahatma Gandhi. There was a huge impact of Gandhi on Jawaharlal Nehru, the first Prime Minister as well as Minister of External Affairs of India. Jawaharlal Nehru pursued the foreign policy of India with idealism, nonalignment, a movement for decolonisation and promotion of world peace. The analysis of foreign policy of a country is based on its historical evolution, economic compulsions and strategies, and its geo-political situation in the world political system. As a British colony, India had its structural linkages with the world capitalist system for the production and export of raw materials for the metropolitan country and the imports of manufactured products. This structural linkage of India with the British was challenged by the anti-imperialist national liberation movement. India entered the world scene as an independent country and pursued the policies of building a relatively self-reliant capitalism and a foreign policy of non-alignment (Bhambhri 1981:1-9).

For a better analysis the Indian foreign policy can be divided into three distinct time periods. The first phase started just after Independence and lasted until 1962. The next phase extended from 1962 to 1991. The third and current phase started in 1991 and continues to the present day. Jawaharlal Nehru, the principal architect of independent India’s foreign policy was a supporter of ideational foreign policy. He supported multilateral institutions and placed significant constraints on defence spending, and had strongly advocated the process of decolonisation. These policies were an effort from a new, weak yet large nation to transform the global political order these policies became embodied in the doctrine of nonalignment. The ideas substantiated in the doctrine of nonalignment were in keeping with elements of India’s historical and cultural legacy. The moral stance of nonalignment against colonisation and apartheid was completely inspired by the Gandhian heritage of India (Ganguly 2010:1).



India sought for promotion of world peace through influencing international relations through its commitment to reason and through whatever moral influence it could project. India succeeded unexpectedly and remarkably in this exercise in the 1950s and early 1960s. India was not just the most prominent but the first voice to be heard at the United Nations and in the Chancelleries of the world, emphasising the danger and irrelevance of the phenomenon of colonialism, imperialism and all forms of discrimination. During the early phase of the Indian foreign policy, the main concerns were- first to consolidate the Indian polity and the national territory. Second, India had to cope with the problem of defining its political and strategic world view in the context of Cold War. Third, it had to structure relations with two of its most important neighbours, Pakistan and China. Fourth, it was also concerned about the colonial powers working at retaining their political influences in the newly decolonised states (Dixit 2001a:24).

Indira Gandhi in the 1960's and 1970's made a clear message to its neighbouring nations, that while India does not have any kind of aggressive and hegemonistic intention towards them, its response to any threats to its unity and territorial integrity emanating from other countries would receive a prompt and decisive response. This content and range of the assertiveness and realistic Indo-centric orientations in Indian foreign policy was incorporated with the help of building up India's technological and defence capacities stronger. Indira Gandhi worked for the economic development as well as India's security consolidation for its position in the international community. She established defence cooperation arrangements with the Soviet Union culminating in the signing of the Indo-Soviet Treaty of Peace, Friendship and Cooperation of August 1979. She started successful policies for improving India's capacities in the spheres of space and nuclear technology. It resulted into India's nuclear weapons capacity and the satellite and missile capacities both for technological and defence purposes. J. N. Dixit sees the nuclear test at Pokharan in 1974, the first launching of satellites, missiles and rockets for scientific and technological purposes as concretization of new policy orientation of under the leadership of Indira Gandhi (Dixit 2001a:30-31).

In the 1980's, Rajiv Gandhi, on his part, initiated various policies in order to cope up with the contemporary world scenario. He opened up lines to the US and Western countries, while sustaining requisite levels of relations with the Soviet Union. He embarked on the path of greater diversification of sources for supplies and technologies for the defence section. He started liberalisation of the Indian economy to sustain the almost bankrupt economy (Dixit 2001a:42-43).

In the 1990's, the end of Cold War and the disappearance of the Soviet Union left India and many developing countries with no leverages which they exercised in their foreign policies and strategic matters over the period of fifty years (Dixit 2001b:69). This development at the world level resulted into pushing transformation in India's foreign policy. India continued with its non-aligned movement's demand for democratisation of international relations/ organisation and consensual decision-making on all major international problems or disputes. In effect, it maintained the continuity of its foreign policy with the heritage of Nehru- Nonalignment; maintenance and promotion of world peace; peaceful settlement of disputes; peaceful co-existence of nations of diverse ideologies and political/economic/social system; economic development of underdeveloped countries with international assistance. India departed from the idea of mixed economy propagated by Nehru and it embarked on the path of liberalisation of its economy.

These policy changes have had far-reaching impact on the substance and priorities in foreign policy. Since promotion of economic relations and cooperation with other countries has had a much higher priority than before 1991, economic diplomacy seems to have somewhat superseded the traditional diplomacy on political issues - international peace and security, peaceful settlement of disputes. In consequence, as M. S. Rajan says, India played much less active role in world and in UN in the 1990s (Rajan 1997:23).

A new era in India's foreign policy started in 1998 when India conducted five nuclear tests including a thermo-nuclear test and it asserted its position as a nuclear weapon power in the world order. The reasons for this test can be assessed as: first, the progressively deteriorating security environment that India was witnessing for a long time compelled it to assert its nuclear abilities. Second, the discriminatory and restrictive international regime which could have stopped India realising its potential in space and nuclear technologies motivated India to exercise the nuclear option. Third, India was opposed to the fact that existing five nuclear weapons states would remain a dominating entity for a prolonged period of time. Fourth, India required a long-term and sophisticated defence capacity in the context of several wars since Independence. Fifth India recognised the fact that there are two options now, either to overcome the pressures from nuclear weapon capable states, by becoming nuclear weapon capable state, such as France or China to to be like Argentina, South Africa and Brazil and see their nuclear technology power dream to shatter due to international pressure. India went for the first option to overcome the pressure\_(Dixit 2001a:33). This is importance to mention here that India kept her nuclear option open and had

conducted her first peaceful nuclear test in 1974. However, the NDA government led by Bharatiya Janata Party decided to go in for an overt nuclear position as indicated in their election manifesto and subsequently doing so after coming into power.

### **Key Drivers of India's Foreign Policy**

While discussing the foreign policy of India, it is imperative to discuss the key drivers of it. After getting independence in 1947, the policymakers of India were well aware of disadvantages of colonialism and hence were completely against it. This anti-imperialist sentiment led to a major foreign policy of India in its early years after independence. Sumit Ganguly and Manjeet S. Pardesi (2009), therefore, highlight three key features that characterized India's foreign policy in this era. These features were: First, "India played a significant role in multilateral institutions and particularly in the United Nations peacekeeping operations. Second, it also emerged as a critical proponent of the non-aligned movement. Third, as a leader of the non-aligned movement it also made a significant contribution toward the process of decolonization." (Ganguly and Pardesi 2009:6)

The idea of non-alignment remained the main characteristic of Indian foreign policy in following decades also. But, domestic as well as international factors also had influence on the foreign policy of India. For example, internationally, following discrimination from the West nations, India entered into massive military cooperation relationship with the Soviet Union. Due to this massive relationship, India had to soften its stand when the Soviet Union invaded Afghanistan. Domestically, due to the domestic politics and national ideology, India never supported Israel. On one hand, the Indian leadership was attentive toward the sentiments of the Muslim population. On the other hand, the creation of Israel was viewed as the continuation of a colonial policy on ideological level (Ganguly and Pardesi 2009:11-13).

In the aftermath of the disintegration of the Soviet Union, the course of Indian foreign policy again received a great change. It started to recognize the sole superpower, the United States and started to engage it with India. In the early years of 1990's, these efforts did not work due to various reasons and situation got worsened with the nuclear tests conducted by India in May 1998. Moreover, the relation received a positive turn by the end of the millennium. In Asia, giving recognition to Israel in the wake of the Oslo Accord between Israel and Palestine was also a major

change in Indian foreign policy. Simultaneously, India also started engaging countries in Southeast Asia through its “Look East Policy” that was neglected for a long time period.

In contemporary foreign policy of India, there are eight key drivers. These, as suggested by Varun Sahni, are: India’s quest for strategic autonomy; its aspiration to status transformation; its desire to play a role in shaping the global system; its need to access technology and bypass technology denial regimes; its hunger for energy; its regional imperatives; its search for a continental role; and its diaspora policy. He also points out that there are five crucial factors which are not acting as drivers of Indian foreign policy in today’s world. These factors are: democracy, culture, geography, markets and norms (Sahni 2007:21).

Ever since its independence in 1947, India has always been vocal on the aspect of its strategic autonomy. Non-alignment was the greatest attempt by India to seek and maintain its policy autonomy in a bipolar world. India signed a Treaty of Peace, Friendship and Co-operation with the Soviet Union in the background of emerging Washington-Beijing-Pakistan axis and in prevision of another war against Pakistan which gave it a sense of security backup. The collapse of the Soviet Union in 1991 left India with no friend in the international system. Though India had friendly relations with many countries but it did not have any friend in the sense of mutual support in security matters. The problem became worse due to domestic condition of India. It was facing problems on economic, social, political and security aspects. Today, as we all know that India has emerged successfully from those conditions, the quest for attaining strategic autonomy still remains.

Status transformation in the international political system is one of the major drivers of Indian foreign policy. India’s overt bid for the acquisition of a permanent seat with veto power in the United Nations Security Council (UNSC) is the manifestation of its desire for status transformation. India as an emerging power possessing both the capability and the willingness to manoeuvre its way into great power status is now widely recognised in the world which is one of the positive developments in world politics for India (Sahni 2007:23).

India’s quest for acquiring a great power status leads it to play a significant role in the shaping of international system. To acquire a great power status India needs to interact with different countries for various reasons. Its needs to acquire latest technologies which is quite essential for its development. This cannot be accomplished with the help on any one nation. This is again in the

context of a technology denial regime supported by the US, India needs to attain its requirements as far as technology transfer is concerned. In addition to this, India's hunger for energy security can also be understood. Thanks to the development, the requirement of energy has grown several folds. It is therefore comes as no surprise that the search for energy security has become a fundamental drivers of foreign policy (Sahni 2007:24).

India as an emerging power wants to perform as a great power needs to integrate and pacify its neighbours. India cannot be able to deliver on the global level if its neighbours keep its policy attention focused on the region. In other way it can be said that for India, its region is not a launching pad, rather it is a constraint. It is working to improve its situation in the region. Similarly, India is looking for a great role in the South Asian region. With the shift in the global centre of gravity from the Euro-Atlantic to Asia Pacific, the role of India has increased (Sahni 2007:25-26).

India, in the contemporary matrix of politics has recognised the importance of its people living in other nations. This has been a new development in the Indian foreign policy. This has happened basically due to three factors. First is the religious and cultural aspect and second is the economic aspect whereas the third factor is political. The Indian government has realised that the overseas Indians diaspora can influence the policymaking process of different countries (Sahni 2007:28).

Thus, India has evolved its foreign policy in recent years to achieve the above explained goals. But, as P. Chitalkar and D. M. Malone say that it is a challenge in any democracy to take decision in foreign policy. They cite Appadorai 1981 as:

“Foreign politics demand scarcely and of those qualities which are peculiar to a democracy; they require on the contrary, the perfect use of almost all those in which it is deficient... A democracy can only with great difficulty regulate the details of an important undertaking, persevere in a fixed design, and work out its execution in spite of serious obstacles. It cannot combine its measures with secrecy or await their consequences with patience” (Chitalkar and Malone 2011:81).

David Malone and Rohan Mukherjee (2009) says that social and political factors have also served to evolve its foreign policy and policymaking. He suggests a number of factors like ethnic identity, religious identity, secessionist movements and insurgencies that create hurdle in decision making in terms of foreign policy. The policy of India toward the separatist movement of Tamils in Sri Lanka can be seen as one example of how foreign policy decisions are influenced by domestic factors (Malone and Mukherjee 2009:17)

## **Strategic Partnership as a Tool of Foreign Policy**

In recent years, the number of strategic partnerships among different states has increased especially after the end of Cold War. These partnerships are bilateral as well as multilateral. Since the 1990s, old cooperative relationships have been re-baptised and new ones have been constituted as 'strategic partnership'. These partnerships are playing an important role in the changing world order after the end of the Cold War. The increase in the number of strategic partnerships in this period can be explained with the help of changing geopolitics and the quest of creating a multipolar world order by established and emerging powers.

The only sustainable alternative to bipolarity is multipolarity (Waltz 1979). In the post-Cold War period, the established countries have realised the economic and political growth of emerging powers and they have established strong relationship with them. In effect, there has been a shift from the bipolarity of the Cold War to multipolarity thereafter.

Multipolar world is not only meant to have elements of power pockets and groups rather this multipolar world is certainly meant to reflect the strategic as well as transitional economy between countries and important regional organisations. However as far as the strategic issues are concerned they might just influence realpolitik but the economic influence and energy security concern will determine the core of the matter (Bandyopadhyay 2012: ). Such relations are based on cooperation in trade, investments, technology, cross-border production systems and flows of information and communication for a long-term systemic economic stability that would guarantee cooperation on the basis of collective interests and shared expectations (Le Pere 2005:1).

### **Strategy**

The term 'Strategic partnership' contains two different terms 'strategy' and 'partnership' where 'strategy' comes from the military context. Strategy is a rational process. It contains three elements: intention, time and design. It can be defined as a plan of action designed to achieve a long term or overall goal (Bava 2015:3). In terms of war, success requires a clear articulation of political aims and the development of an adequate strategy to achieve them. A strategy is said to be successful only if it meets some criteria, such as if it is clear in identifying political goals, if it should calculate the comparative advantage related to enemy, if it estimates the costs and the benefits carefully and compares the risk and reward with the possible alternative strategies

(Mahnken and Maiolo 2008). The word “strategy” can be associated with the economic concept of “strategic alliances”, it relies on cooperation between (economic) actors agreeing to produce something jointly in order to realise common goals. Thereby, the existing competition between them will be suspended at least partially. Cooperation then means a common advantage and success (Maihold 2010:153).

The background of the concept “strategy” is rooted in military usage and in domestic politics such as election campaign strategies. According to this perspective, strategy can be viewed as “a well-planned pursuit of a clearly-defined long-term goal or as a planned realisation of a certain long-term interest” which has precisely defined objectives, timeframes and action plans (Bendiek and Kramer 2010:24).

### **Partnership**

“Partnership” is a cultural idea for the joint shape of a relationship. Simply by its choice of name, the concept includes assumptions of equal rights and tasks and the possibility of constructively discussing the joint development of the relationship. With partnership, there also comes an expectation of exclusivity (Maihold 2009: 149-156).

The term ‘strategic partnership’ is extensively used by the EU in recent years. Whereas, the EU does not provide any clear definition of ‘strategic partnership’ but it wishes to actively seek common ground on issues of mutual interest, support each other’s political agendas and take joint political action at regional or global level (COM 2006) the issues of mutual interest differs from partnership to partnership (Schmidt 2010:3). This ambiguity in concept is supported by various researchers. Some argue that it might even be an advantage, since a certain degree of flexibility and constructive ambiguity is indispensable for a concept such as this. In the absence of a uniform conceptual straightjacket, there is room for mutual adjustments, concessions, trade-offs, pragmatism and an incremental approach (Grevi 2008:158).

Strategic partnership facilitates countries to gain political and strategic advantages. It augments the political and economic will of the people within the region and the world and it enhances the ability to play a major role in the region. Belief in modern politics, peaceful transformation of political order and abhorrence to external interventions are some of the basic requirements for evolving strategic partnership between two countries (Beri 1997:336). It is a kind of relationship

which “involves two actors that are powerful and capable of taking strategic action together” (Emerson 2001: 45)

Strategic partnership however goes further to establish a framework for cooperation between two or more of the parties as a means to expand and enhance the benefits of this agreement for building a strategic political and economic partnership between them. Such cooperation aims at strengthening and building on existing cooperative relationships among the countries, including a focus on innovation, research and development. Partnership of this kind also creates opportunities for trade and investment, promoting competitiveness and innovation, which includes the involvement of both the private as well as public sectors. By the virtue of this, mutual economic growth and development is also encouraged by supporting the role of private sector in recognizing, promoting and building strategic alliances. In such partnership, the importance is given to the economy, scientific research, technological cooperation, education, culture and primary industry.

In the words of Chinese Prime Minister Wen Jiabao, “cooperation in a strategic partnership should be long-term and stable transcending both differences and ideology and social systems and the impact of individual events. Furthermore, it should take place on an equal footing and be mutually beneficial” (Schmidt 2010:3). The lack of substantial clarity risks overstretching the concept and creating confusion within the EU and abroad (Biscop and Renard 2009:5).

States also go on for multiple bilateral relations and strategic partnerships together with multilateral agreements. This creates a tension between multilateral objective and the bilateral approach of strategic partnerships. Still, with the strategic partnerships’ ambition to go beyond bilateralism by agreeing on how to cope with joint global challenges at different levels, including multilaterally, this format, in this view, can still be seen as conducive to the goal of effective multilateralism (Vasconcelos et al. 2010:5).

Partnerships are strategic when they pursue objectives that go beyond purely bilateral issues and help foster international cooperation. Besides, it provides a framework, and evidence, for assessing progress in implementing strategic partnerships, highlighting that they fulfil reflexive, relational and structural purposes at once. However the concept of strategic partnership is widely criticised as ill-defined, all-inclusive and relatively empty of political substance, there are attempts for defining the basic elements of a real strategic partnership, which would include



comprehensiveness, reciprocity, empathy and normative proximity, duration and the ambition to reach beyond bilateral issues (Grevi 2012:5).

Strategic partnership is a new concept of the foreign policy toolkit. It can be defined as a signalling device aimed at enhancing the level of engagement and cooperation. As a normative label or as a performative instrument of action, strategic partnership can be seen as a new form of association between international political actors (Bava 2010:379).

During 2000's, it is observed that the number of strategic partnerships increased dramatically. It is due to the fact that a global engineering on the multilateral level is required to successfully manage the economic crisis. This can also be used as a flexible and multi-purpose foreign policy instrument in a growing complex international system (Grevi and Renard 2012:6).

## **Emerging Power in World Politics**

The bipolar power structure of world political system came to an end with the disintegration of the Soviet Union. This phenomenon left the world with a single hegemon i.e. the US, and the world led to a unipolar system. In recent years, it is seen that the US hegemony is facing problems on various issues, in particular due to the emergence of various countries and groups of countries which are playing a significant role in the formation of rules of the 'game'. These countries and the group of countries can be referred to as 'emerging powers'. Emerging powers can be well understood with reference to 'great power' and 'middle power'. Great powers are the states that have capabilities and intentions of changing and shaping the system. Whereas, the middle powers are the states that lack system shaping capabilities of the great powers, but whose size, resources and role make them important and unavoidable. Cox proposes three approaches that have constituted the basis for development of middle power internationalism. These are the interests of countries in the approach towards world order i.e. the broader political environment; range of production i.e. the international economy including the economic and social forces it generates; and the nature or complexity of the dominant values, social forces and institutions embedded in their state-society complexes (Westhuizen 1998:440). In this reference, the emerging powers are middle powers on ascendant. These are the states that have the capabilities and that have signaled their intention to maneuver their state into great power.

According to this definition of emerging power, Russia and China cannot be labelled as emerging powers. Russia, on one hand, has been a great power ever since the Napoleonic wars. It is a great power facing decline like France and United Kingdom. This decline is in terms of economy and aging population. China, on other hand, is an emerging economy and a rising power. It has already given a great systemic impact on various aspects on international level. China's impact on multiple aspects of the international system and the world economy is no longer in doubt. Nevertheless, the list of emerging power in the world is increasing day by day and all the countries are making an impact on the world power system individually or in the form of various forums. Some emerging powers are China, India, Russia, Brazil, South Africa, Canada, Argentina, Egypt, Indonesia, Mexico, Chile, South Korea, Turkey, Philippines, Thailand, Nigeria etc (Weiss and Abdenur 2014:1750). The spectrum is very vast which always leaves a possibility of redefine the idea of emerging power.

A number of scholars have defined emerging power in various ways. Andrew Hurrell and Sandeep Sengupta characterize emerging power with high growth rate and rapid development. They also associate it with the increasing central role of these countries which they are playing in a global capitalist system (Hurrell and Sengupta 2012:466). Thomas G. Weiss and Adriana Erthal Abdenur define emerging power as:

“Countries whose policy elites are able to draw on economic and other sources of power to project influence both within and outside their immediate neighbourhood and regions, and which play a substantial role in the call for global governance reform (Weiss and Abdenur 2014:1752).”

A number of the observers and diplomats categorize emerging countries as a part of former ‘Third World’ and the ‘global south’ though, they have championed from being recipients of official development assistance (ODA) to being net donors. All the emerging powers have been important players in the field of international development. They are not merely the beneficiaries of assistance and providers of cooperation, but also are contributors to initiatives and normative debates within the UN development system (Weiss and Abdenur 2014:1753). Shaw et al. defines emerging powers as state that has the capacity of ‘public diplomacy’ and the ability to identify and advance new international priorities as well as an alternative agenda for international cooperation (Shaw et al. 2009:30).

In the post-Cold War period, the importance of the emerging powers has increased a lot. Yet, it is difficult to generalize the character of an emerging power. Weiss and Abdenur propose four reasons for this ambiguity. First, the structure and the configuration of the international arena has changed a lot in previous years. The world has moved more towards a multipolar order. It has given impulse to some of the emerging power and renewed the debates of reformulation of the architecture of global economic and financial governance. Second, many emerging powers have increased their relevance in the international development by becoming major providers of South-South cooperation. They insist that these cooperation are distinct in principle and practice from more traditional development cooperation. Third, certain emerging powers have been working for enhancement of policy coordination and launching concrete joint efforts, for instance via BRICS. The emerging powers are seeking to actively participate in and even transform the global norm-setting process in the development cooperation arena rather than be subjected to norms set by traditional donors and international organisations dominated by industrialised economies. Fourth, emerging powers have diversified the form of participation. It has not stuck merely to international development where it has participated actively. These powers have acted in providing political stability in some unstable countries also. This is pertinent that the roles and positions of emerging powers are far from homogeneous. Their political regimes, development models and geopolitical interests vary and frequently diverge (Weiss and Abdenur 2014:1755).

Emerging powers are countries that not only aspire to play a greater role in international affairs but they rather call for reform of current global governance architecture. This is why these countries are becoming more and more important players within the international arena after US hegemony losing its influence over several stages on current global governance in the post-Cold War era. This is more obvious to see in this highly uncertain scenario, emerging powers are increasingly coordinating their position with the help of loose coalitions such as BRICS. BRICS, in particular, since the great global financial crisis in 2008, have amplified the call for a more representative and effective global governance architecture. They have also contested increasingly the norms set through established institutions such as the UN and the Bretton Woods institutions. This is emphatically visible in the past decade where the field of development has undergone deep change as these countries have expanded their South-South cooperation (Abdenur 2014:1880).

Today, these emerging powers have moved a step ahead from economic growth. With the help of this robust economic growth they have got the leverage in shaping the development norms. Moreover, the proliferation of norm-setting arenas has granted emerging powers new ways to contest norm-setting efforts that are perceived to be Northern-led whether it is undertaken within the UN or it is pursued outside it. It is observed during the last decade the emerging powers have long engaged in normative debates and have begun to influence those discussions (Abdenur 2014:1882).

MacFarlane characterises emerging powers as countries having regional preponderance, aspiration to a global role and the contesting of US hegemony. In this regard, the identity of emerging powers is distinctive and dynamic. Their position in international arena is changing with their growth in global power balance system and in their capacity to shape outcomes. They carry some potential to change the system by challenging the hierarchy of the system in which they exist. In addition, some emerging powers are seeking to enhance their position in the international arena through the exercise of 'soft-power'. They tend to promote the ideas and values that are attractive to others. In this approach, it is the attractiveness of a state's identity and values that provides wider influence in international relations (MacFarlane 2006:44).

Cornelissen talks about four characteristics of emerging power. The first is the growing size of the national economy which has been rapid and continuous. It has tended to outstrip the performance of those major industrialised states which have given shape to the world economy in the twentieth century. The second characteristics is the relative influence of these countries which they exercise over contemporary trajectories of the world economy. These countries have garnered a credit surpluses in recent years. The third characteristics is the growing role of these countries in deepening multilateralism in world politics. In this regard, these countries are tended to form new diplomatic alliances which is different from the Southern solidarity of the Cold War era and specifically based on economic and compatibilities for closer economic partnerships. The fourth characteristics of emerging powers is that they are not from the sphere of North Atlantic industrial capitalism which gave predominant form to the world economy in the twentieth century (Cornelissen 2009:7).

Thus, the ascendance of emerging powers is significantly challenging the very constitutive character of the international system and it is carrying implications for the framing of power in

this system. Here, it is interesting to mention the way in which shifting balance of influence of emerging powers confronts and forces adjustment to the established patterns of world hegemony. Emerging powers are today affecting the established system of hierarchy and hegemony of the international arena. This is happening in several overlapping fashions. First as the world's economic epicentre(s) are facing unsettling effect by these powers which has this sheer force of economic expansion. Second as many emerging powers attribute their rise to not to just patterns of industrialisation, like the traditional power but their experience are nowadays regarded as alternative models of development. Third these states are cohering in alliances to seek an international condition which will favour their continued expansion. This brings them credible challenges to the institutions of trade collaboration and governance upon which the post-war regime of liberalisation and hegemonic enforcement was built. Fourth, this form of emerging power multilateralism not only often changes the rule but these might end up changing the very essence of the 'game' (Cornelissen 2009:10).

### **Opportunity for India and France in Strategic Partnership**

In post-World War II context, India and France chose different options. France became a member of NATO and India adopted the principles of non-alignment. During the Cold War, the Indian foreign policy was based on Nehruvian ideas of non-alignment. It had been the propagator of not taking sides of super-powers and maintaining a balance in the world order. During the 1950's, India was very vocal on part of non-aligned countries on various international issues (Rajan 1997:23). During this period, the western bloc claimed that India was much closer to the USSR and socialist countries all over the world. India was always criticised by the western bloc for establishing major economic and technological cooperation with socialist countries especially with the USSR. They also supplied arms to India which was generally denied by the Western (NATO) States (Rajan 1997:26-27).

Until 1962, India strongly disagreed with France on several foreign policy matters. Nehru strictly opposed the colonial policy of France, especially in Indochina and in Algeria. The French withdrawal from Indochina and the end of war in Algeria in 1962 were decisive in facilitating Indo-French bilateral relations. Another strong cause of discord between two countries was the establishments of France in different parts of India. Despite the 1954 accord for the de facto transfer of the five French 'comptoirs' to India, the shift did not occur until 1962 when the Delhi

Treaty was signed. The solving of these various contentious issues was vital in bringing France and India closer in the 1960's (Roger 2007:4).

The following decade saw a shift in the behaviour of both countries which laid the path for a strong relation between these countries in years to come. India's defence policy was changed after the Chinese aggression in 1962. India embarked on the path of modernising its armed forces. The upgrading trend was further accentuated by the second India-Pakistan war of 1965. France played an important role in India's quest of modernising its weaponry. Though the volume of armed deals was not great, French attitude during that decade was vital for their later defence cooperation and helped lay the foundations for a serious partnership. During the Indo-Pak war of 1965, France was still supplying the detached pieces for French aircrafts. After this for the next two decades the strengthening of India's relation with France was witnessed. In this period of time an exponential increase in the volume of arms deal was also seen (Roger 2007:5).

Further improvement in bilateral relation was seen when France supported the cause of Bangladesh and India in 1971 in contrast to the entering of US aircraft carrier *Enterprise* in the Bay of Bengal, which was seen in India as an act of intimidation. Paris also took over from the US the supply of heavy water to Tarapur nuclear plant in the early 1980s. During this period, efforts were made by the head of governments of both the countries to enhance the relationship though nothing significant came out. On the economic front, major French banks and French companies were present in India and the new economic policy launched by the Congress government in 1991 attracted attention. In India's nuclear programmes, France had offered its support to the Indian Atomic Energy Commission since its beginning (Racine 2002:159-160).

India and France established nuclear relations in the beginning of 1949 when India was a newly independent country with a need for substantial technological base and France being a country outside the Manhattan Project, found significant potential in each other for cooperation in the field of atomic energy. This agreement which involved a lot of information exchange came at such a time when there was U.S.-led worldwide information censorship which made such cooperation impossible. It is to be noted that strong personal relationships between the CEA (Commissariat à l'Energie Atomique) and AEC (Indian Atomic Energy Commission) scientists were behind sustaining the cooperation. The quest for foreign policy independence by Paris and New Delhi during the Cold War helped to iron out Franco-Indian bilateral differences, as both countries found

their autonomy compromised amidst superpower politics. In this context, Nehru's policy of non-alignment and Charles de Gaulle's 1966 decision to withdraw France from the integrated command structure of the NATO strike a note of how both countries valued autonomy in foreign policy.

Regardless of being the third largest weapons supplier to India the political equation between India and France was restrained by the 'ambivalent' French attitude towards Pakistan during the period of Cold War. The transformation in the relationship came when India conducted its nuclear tests in 1998. In fact, France was one of the few countries that did not criticise India's nuclear tests; nor did it impose any economic sanctions. Rather, France has supported India's bid for a permanent seat in the UNSC. Cooperation was increased in the field of nuclear technology with the signing of 'Framework Agreement for Civil Nuclear Cooperation' in January 2008 during French President Nicolas Sarkozy's visit to India (Bava 2010:382).

France sees India as a reasonable actor of stability and security in Asia. Moreover, France identifies common interest with India in terms of defence, internal security and nuclear energy. These actors played an important role in shaping the strategic partnership between both the countries (Rault 2013:6-8). Since the establishment of the strategic partnership the opportunities have increased several folds in various areas. The bilateral trade in 2012 amounted € 8 billion. France has become the 9th largest foreign investor in India with a cumulative investment of approximately € 2.31 billion during the period April 2000 to June 2012. The number of technical and financial collaborations approved with France are 952. Similarly, there are about 800 French companies working in India with about 150,000 employees. Both the countries have opened a new gateway of opportunity in the areas of civil nuclear energy, space, defence, cultural exchange, education and technology, railways etc (MEA 2013).

## **Cooperation for India and France in Strategic Partnership**

### **Defence Cooperation**

For the Indo-French Co-operation agreement, a framework is developed. This framework suggests to have talks regularly. Normally meetings on industrial collaboration and service exchanges are held frequently. In New Delhi on 26th-27th April 2012, the defence secretaries of the HCDC (The

High Level Committee for Defence cooperation) met. In Paris on 17th -19th December 2012, the 11th meeting of the Indo-French Research Forum (IFRF) was held.

At Istres air base in France, the Garuda iv (Indo-french Air Force exercise) was held for the period of 14th to 25th June 2010. Varuna (The Indo-French naval Exercise) was held from 19th -22nd July 2012 in port of Toulon in Mediterranean Sea.

In Chaubattia, India, the first Indo-French joint army exercise (Shakti) was held for the period of 9th to 22nd October 2011. Rafale from M/S Dassault has been selected for the Indian Air Force by the Govt of India. For the Indian Airforce procurement of 126 MMRCA from France. However the contract negotiations are still MEAng on (MEA 2013a).

### **Education and Technology**

In last few years a growth is noticed between India and France specially if we look into educational co-operation we see more than 300 MoUs signed between the two countries. These MoUs are signed basically between both Universities and private institutions. In 2010-2011 the total number of Indian Students In France was 2500, which increased and reached to 2550 for the year of 2011-2012. This number has been increasing over the years. There is a growing expectation to further strengthen the bilateral E and T collaboration. This expectation can be easily traced from the joint statement issued during the visit of The president of France Francois Hollande to India, this tour was held in Feb 2013(14th feb to 15th feb). This joint statement emphasises on building an education plan which will include twinning of higher education institutions, mutual recognition of degrees, research collaborations and training of teachers.

EEP(Educational Exchange Programme), which includes mutual recognition of degrees, bolstering the research programme and increasing student-scholar research mobility through a flexible visa regime, is providing the framework for bilateral educational cooperation between Indian and France.

EEP consists of a joint working group. One of the most important initiative in the field of education can be seen in the form of new IIT in Rajasthan. A Letter of Intent (LoI) was signed in 2012, following a joint declaration of 2008.

The office of The Indo-French Centre for Promotion of Advance Research(CEFIPRA) has been established in delhi, It is the nodal framework for promoting bilateral scientific cooperation in fundamental & applied research, frontier technologies and exchange of scientists and post-doctoral



researchers. CEFIPRA has completed 25 years. This centre has an annual funding of € 3 million, where India and France equally contributing Euro 1.5 million each.

The “Raman-Charpak Fellowship” has been launched in Feb 2013 to boost research and cooperation between Indian and French research institutions and universities. This fellowship will enable exchange of doctoral students between the two countries. To further broaden the scope of future engagements in S &T several Memorandum of Understanding and Letter of Intent (LoI) between institutions were signed during the visit of French President in February 2013 to India. For the Global technology Summit to be held in New Delhi France will be the partner country (MEA 2013a).

### **Space Cooperation**

Indian and France both the countries view each other as important partners for space technology and applications. One of the main reasons behind this is the rich history of cooperation of four decades between ISRO (Indian Space Research Organisation) and its French counterpart Centre National de Etudes Spatiales (CNES). The history of collaboration dates back to four decades. Joint radiation experiment, space components development and space education are some of the areas where the scientific community of both the countries collaborates. ISRO and CNES (French National Space Agency) have an umbrella agreement, operating successfully since 1993, under which joint missions like Megha-Tropiques and SARAL have been taken up. On 12th October 2011 the ISRO's Polar Satellite Launch Vehicle (PSLV) launched the Indo-French Joint satellite Megha-Tropiques. Another joint Indo-French satellite SARAL (Satellite for ARGOS and ALTIKA), carrying a Ka-band altimeter to study the ocean surface and a platform for collecting data, was successfully launched by PSLV on February 25, 2013. In Bangalore India and France organised a 'science seminar' and 'Research and Technology Workshop' in February 05th-06th, 2013, here India and France have jointly identified areas of further co-operation. A Statement of Intent for Long-Term Co-operation in Space between ISRO and CNES was signed between Chairman ISRO and President of CNES on 14 February 2013. Under a commercial Launch Service Agreement between Antrix Corporation Limited (ANTRIX), the commercial arm of ISRO and ASTRIUM SAS, a Company under EADS, France, an advanced Remote Sensing satellite - SPOT -6 built by ASTRIUM SAS was successfully launched on-board ISRO's Polar Satellite Launch Vehicle (PSLV – C21) on 9 September 2012. For launching services of Indian Geo-Stationary

satellites, India is dependent upon 'Arianespace' (A French based company). On a co-operative mode the APPLE satellite was launched soon after that Ariane launched 14 Geo-Stationary satellites of India, on a commercial basis (MEA 2013a).

### **International Threats Recognized by India and France**

India and France are committed to help each other in case of conventional as well as non-conventional threat. France has been giving a helping hand to India during wars in 1965 and 1971. France kept on supplying detached pieces for French aircrafts to India during the 1965 Indo-Pakistan war. This move was seen as a great help in India. The following two decades witnessed the strengthening of the bilateral relation and the number and volume of arms deals increased exponentially (Roger 2007:6). In 1971, France supported the cause of Bangladesh and India.

Similarly, India and France have always been vocal against terrorism. This can be seen in the relation of these two countries where counter-terrorism is accepted as one of the pillars of the strategic partnership. In the joint statement issued by India and France during the state visit of President Francois Hollande, both the countries accepted that a close consultations and cooperation have been established in the field of security and counter-terrorism. Both the countries declared that no compromise was possible with terrorism. They were determined to support each other when facing scourge. Both agreed on addressing the cross border terrorism at the multilateral level by supporting initiatives in the framework of the UN such as the draft Comprehensive Convention in International Terrorism (MEA 2013b).

### **Indo-French Relations in the Post-Cold War Period**

The end of Cold War brought several changes in the world order. The bipolar world dominated by the US and the USSR tended towards a unipolar world with the US as a 'hyperpower' in the world after the collapse of the USSR. The demise of the Soviet Union deprived India of the support of a veto-wielding power in the UNSC. It ended a highly favourable arms transfer relationship that had enabled New Delhi to maintain a modern military. It also removed a virtual guarantee against Chinese nuclear blackmail. Moreover, the economic condition of India was such that it was at the verge of bankruptcy. This led to a radical realignment of Indian foreign policy (Ganguly 2004:43).

Realising the wave of change taking place throughout the world, India embarked on the path of reforming its economy by liberalising it and opening it for the world despite strong opposition

from various leaders and trade unions. It had also started giving importance to cooperation on bilateral as well as multilateral bases. The economy of India started to flourish and it was evident that India was on the path of becoming a strong economy. It was also observed by numerous scholars (Rajan, Raja Mohan etc) that India was MEAng to play an important role in the world politics, particularly in the matter of world peace and peaceful settlement of disputes through multilateral fora. Being the most experienced country in intervention diplomacy among the so called Third World countries, the expectations were high vis-à-vis role of India in contemporary international problems like – middle East- peace settlement, the harmonisation of relations among the breakaway states of former Yugoslavia and so forth. The discussion over possible new permanent membership of India in the UNSC and support from various countries for the same was a kind of acceptance from those countries for the greater role of India in world diplomacy in days to come (Rajan 1997:29).

In the aftermath of the Cold War, despite their diverging allegiances during the Cold War, India and France came closer as they were politically like-minded countries. The disintegration of the Soviet Union gave France and India a new opportunity for engagement in an emerging multipolar world order. The historical background of French foreign policy made this desire credible and the new direction in which India embarked after the disappearance of its Soviet mentor made it possible (Roger 2007: 10). This was materialised when India carried out its nuclear tests in May 1998 and France refrained from any criticism. Rather, it appreciated India's declaration in favour of non-proliferation. In addition, France endorsed India's claim for the permanent membership in the UNSC (Racine 2002:164).

The unipolar world, after the end of the Cold War period, was seen in India as a political as well as cultural challenge. Multipolarity was seen as a tool to balance the power in the world. It was observed that the European Union was acting like a probable pole in Europe and the same was being done by India in Asia (Heptulla 2000:60). In the concluding remark in a seminar on India and France in a Multipolar World, Hubert Védrine, French Minister of Foreign Affairs, said that France was determined to work for a multipolar world which existed potentially. He emphasised on the role of the European Union in Europe and India in Asia. He added that the emerging poles should not oppose each other individually or in groups, but rather, maintain mutual relations based on cooperation and multipolarity would have to be, to the greatest extent possible, cooperative. He

used the word 'hyperpower' for the U.S. and he emphasised on the requirement of a robust cooperation between India and France. This French concern about the American 'hyperpower' struck a resonant chord in India. As a result of this concern, India had actively sought to establish a robust political and security relationship with France, which included military-to-military contacts, high level bilateral exchanges involving senior policymakers, and weapons deals (Ganguly 2004: 44).

The quest of multipolarity was not the only reason for the rapprochement between India and France. It was also linked with the economic reforms undertaken by India in 1990s. Government's new economic policy of liberalisation and opening up of the market greatly attracted France. Major French companies, including high-technology and defence sector industries such as Dassault and Aerospatiale, started settling in India around that time. But it was not until 1998, when the perception of India changed in France and the economic relations really started to flourish (Roger 2007:9).

In January 1998, the strategic partnership between India and France was established which aimed cooperation in areas such as civil nuclear, defence, space and fight against terrorism. The cooperation has now spread over other sectors such as trade and investment, culture, science and technology and education. Cooperation in the area of railways is the latest in the list.

The strategic partnership is based on high level meeting on regular interval. Numerous meeting on various levels has taken place in these years. The volume of the arms deals has increased and total trade between two countries has gone up. Meanwhile, the Indo-French bilateral trade has not reached the € 12 billion target set by both the governments during the visit of the French President Nicolas Sarkozy to India in January 2008. The bilateral trade is lagging below € 8 billion. Nevertheless, around 750 French companies are active in India employing around 250,000 Indians (MEA 2013).

Since the end of the Second World War, the possession of nuclear weapons has been, in effect, a qualification for Global Power Status in the world affairs including permanent membership of the Security Council (Rajan 1999:12). France understood the requirements of India for its nuclear tests. It equated India's nuclear policy with its Gaullist's drive for strategic autonomy. The main reasons of France supporting India after the nuclear test done by India was because of India's

policy of being a firm supporter of non-proliferation, as well as India used its own capacity and solely reliable to those to conduct these tests and its opposition for exporting its technological knowledge abroad (Roger 2007:11).

Indian Prime Minister Dr. Manmohan Singh visited France on 30th September, 2008. During this visit a landmark agreement in the area of Civil Nuclear Energy Cooperation was signed between India and France. The agreement was on Civil nuclear cooperation. Following this the General Framework Agreement and the Early Works Agreement between NPCIL and Areva for implementation of EPR NPP Units at Jaitapur were signed during the visit of President Nicolas Sarkozy to India. The visit was scheduled from 4th -7th December 2010.

Indian Space Research Organisation (ISRO) and its French counterpart Centre National d'Etudes Spatiales (CNES) have a rich history of cooperation of about forty years. Both the countries have undertaken numerous operations and have launched numerous satellites jointly (MEA 2013).

This strategic partnership between India and France has great importance for both the countries. Cooperation in several sectors has brought both the countries closer in their economy, civil nuclear program, defence, science and technology, culture and education. Though both the countries have seen an exponential growth in various fields of the strategic partnership, there are some sectors that need to be addressed. France is aiming on India as a key player in Asia to maintain the balance of power. It also sees India as one of the poles in a multipolar world. From India's perspective, it is the first strategic partnership which it has signed with any country. France being a permanent member of the UNSC increases the importance of the partnership. France has always supported India's claim for the permanent membership of UNSC. Thus it will be interesting to find out how this strategic partnership has changed the Indo-French relations in recent years and what are the goals, both the countries are aiming with the help of this strategic partnership.

## **Research Framework**

In the 1990s, the world experienced a number of events one after another. The disintegration of the USSR was one of the major events of the time. It ended the long Cold War situation existing after the end of the World War II. This led to the end of the bipolar world and the US emerged as the sole superpower in the world due to its overwhelming military and economic might. This was the

period marked by a tendency among countries to engage other countries in order to build a multipolar world order. Among several forms of cooperation and partnerships, strategic partnership emerged very fast as a foreign policy tool in this period.

The end of the Cold War came as a challenge as well as an opportunity for India. Suffering from a crisis-ridden economy, India emerged as a fast developing country in the mid-1990s following the economic reforms undertaken by the Congress government led by Prime Minister P. V. Narasimha Rao. In addition, India tested its nuclear device in May 1998 in Pokharan. This was a decision taken by the NDA government led by Prime Minister A. B. Vajpayee. These two phenomena of the 1990s changed the image of India in the world.

France was the first country to realise the growing potential of India. On the initiative of France, India and France entered into a Strategic Partnership in January 1998. Since then the cooperation between both the countries has grown exponentially. Both the countries have expanded their cooperation in all strategic areas including political, defence, economic, security, civil nuclear energy and space. They have exhibited convergence of ideas on global level several times. An encouraging result has been seen in almost all the areas of cooperation between both the countries after the establishment of the Strategic Partnership.

In the light of the aforementioned background, the research has analysed how strategic partnership had emerged as a prominent tool of foreign policy in the post-Cold War period. It also tried to put it in framework in order to derive a possible definition of this partnership. The study also examined the situation after the end of the Cold War in order to explore the reasons of the establishment of Indo-French Strategic Partnership in January 1998. It also examines the geopolitical situation which prompted both countries to enter into the Strategic partnership. It also does a comparative study of engagement between both the countries before and after the establishment of the Strategic Partnership. This research has addressed certain research questions such as the difference between a strategic partnership and bilateral partnership, the nature of engagement between India and France during the Cold War period and afterwards, importance of the strategic partnership for India and France, areas of opportunities and obstacles in the growth of the strategic partnership, the enhancement of political influence of both the countries at the global level. The foregoing research issues have been examined within the framework of the following research hypothesis:

- In the context of Post-Cold War geopolitics, India and France as emerging and established powers have found new means of engagement through the strategic partnership which has strengthened the Indo-French relationship in the twenty-first century.
- The opportunities for enhanced cooperation in political, defence security and energy areas vis-à-vis the obstacles encountered in the areas of trade and investment, science and technology, culture and education show that the Indo-French Strategic Partnership has not delivered in all areas.

The research has examined aforementioned hypotheses under the following chapters in detail.

### **Chapter – 1: Introduction**

This chapter has introduced the research to be undertaken. Research questions and proposed hypotheses have been elaborated and the concept of Strategic partnership has been defined. It also discussed the issues relating to established and emerging powers in the context of the changing geo-politics. This chapter examined the historical background of the India-France relationship traced the bilateral relationship during the Cold War period. In particular it focused on the constraints posed by the structure of international politics on both countries and the choices for political engagement between them.

### **Chapter – 2: Strategic Partnership as Foreign Policy Instrument for India and France in World Politics in the Post-Cold War Period**

This chapter examined the shift in the foreign policy of India and France in the post-Cold War period. This chapter also examined the strategic partnerships established by India and France with other countries. It discussed the reasons behind establishing such strategic partnerships by both the countries.

### **Chapter – 3: India-France during the Post-Cold War Period: From Engagement to Strategic Partnership**

This chapter examined the shift in international politics with the end of Cold War and the reasons behind the establishment of the Strategic Partnership between India and France. It gave the account of development in various sectors after 1990 to 1998.

### **Chapter – 4: India-France Strategic Partnership: Enhancing the Bilateral Engagement**

This chapter examined the role of Strategic partnership between India and France in enhancing the cooperation and analysed the level of cooperation in fields of political, economic, defence, energy

security and space cooperation and other important areas between India and France. In particular, the strategic partnership was analysed in the context of engagement between an emerging and established power.

## **Chapter – 5: Conclusion**

In the background of the hypotheses and chapters, the research has applied the realist theory and has taken a deductive approach. Realism focuses on states as the main actors. World politics represents a struggle for power between states each trying to maximise their national interests by balancing the power. Thus, world politics is all about bargaining and alliances, with diplomacy a key mechanism for balancing various national interests. In this context, this theory has helped in examining the role of the Indo-French Strategic Partnership in shaping the bilateral relationship in the 21<sup>st</sup> century.

The research has extensively used both primary and secondary sources. Primary documents emanating from both the Indian and French governments were extensively used. In addition, secondary sources including journal articles, newspapers and books were also be used in this research. A field trip to France has been undertaken to get insights from higher officials in different offices, policy experts, academicians and experts in various think tanks in Paris as well as in Berlin. The research also includes excerpts from various interviews with experts and higher officials in think tanks and ministries which have been conducted during the field work in Paris and Berlin.



## **CHAPTER 2**

# **Strategic Partnership as a Foreign Policy Instrument for India and France in World Politics in the Post- Cold War Period**

## Chapter 2

### **Strategic Partnership as a Foreign Policy Instrument for India and France in World Politics in the Post-Cold War Period**

#### **Introduction**

The world witnessed two disastrous events in the first half of the twentieth century namely, World War I and II. The official end of World War II was marked after the announcement of surrender by Japanese Emperor Hirohito, the main reason to surrender was use of atom bomb against Hiroshima on 6th August 1945 and against Nagasaki on 9th of August 1945. These two wars had a devastated impact as tens of millions of soldiers and civilians were killed and there was a huge economic loss. The end of World War II is also marked by the rise and fall of fascism, one of the greatest political developments of twentieth century. Moreover, World War II affected and framed the world history for the next five decades. This period, generally known as the Cold War era was dominated by the balance of power between the US and USSR. Most of the events taking place in this time period were direct consequences of World War II. For example, the Korean War and the construction of the Berlin Wall were the result of the partition of Korea and Germany at the end of the War (Smith 1995:51)

The world after the end of World War II was completely different from its beginning in 1939. In 1939, the international political structure displayed 'multi-polarity' where the major actors were Soviet Union, the United States, United Kingdom, Japan, Germany, France and Italy. Multipolarity refers to a international condition, where there are more than two poles. However there are some authors who explains Multi-Polarity as a condition where there are more than three poles. Once the World War Wass over in 1945, we witnessed the domination of only two great powers; the U.S and the Soviet Union. These two powers dominated the world political structure due to their military and economic strength after the end of World War II when other previous powers were relatively very weak in those terms (Yazid 2014:122).

The Cold War was a war like situation between the two superpowers the United States and the Soviet Union that began in the aftermath of the surrender of Hitler's Germany in 1945. In 1941, Soviet Union and the Western Allies countries became an ally following the Nazi aggression against the USSR. But, as the War ended, ruptures became more evident between those who were

once allies due to extremely different viewpoints. Now the world being divided into two opposing camps as the United States and the USSR started building up their own zones of influence. As a result of which the cold war did not remain an exclusive conflict between the US and the Soviet Union, rather it became a global conflict that affected almost all countries. In real terms, Europe became one of the main theatres of the Cold War as it was divided into two distinct blocs in the influence of the US and the USSR. The United States supported and influenced the European integration process in Western Europe, whereas the USSR influenced the countries of Eastern Europe which became the satellite countries of the USSR (CVCE 2015:3). To counter the expansion of the communist ideology and Soviet Union's influence on European countries, the United States came with the Marshall Plan following the Truman Doctrine which was signed by 16 countries. These countries were Austria, Belgium, Denmark (with the Faroe Island and Greenland), France, Greece, Iceland, Ireland, Italy (and San Marino), Luxembourg, the Netherlands, Norway, Portugal (with Madeira and the Azores), Sweden, Switzerland (with Liechtenstein), Turkey and the United Kingdom which immediately created a Committee of European Economic Cooperation (CEEC). This group was further concretized by the formation of the Organisation for European Economic Cooperation (OEEC) on 16 April 1948. West Germany and the territory of Trieste joined the group in 1949 and when the United States and Canada joined the group, it became the Organisation for Economic Cooperation and Development (OECD). Later this group was further expanded (CVCE 2015:7). Similarly, in the area of defence the cooperation was concretized in the form of signing the North Atlantic Treaty in Washington by United States, United Kingdom, France, the Netherlands, Belgium, Luxembourg, Canada, Denmark, Iceland, Italy, Norway and Portugal to pave the path for the formation of North Atlantic Treaty Organisation (NATO). Responding to this development in Western Europe, the USSR came with the creation of the Warsaw Pact in 1955 after the accession of FRG's to the North Atlantic Treaty. Countries forming the mutual defence pact to counter US aggression were the USSR, Albania, Bulgaria, Czechoslovakia, the GDR, Hungary, Poland and Romania (CVCE 2015:11-12). These developments can also be understood well by the views of George Kennan in his article in *Foreign Affairs* where he advocated the policy of containment against further aggressive Soviet moves. Kennan favoured the "adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points, corresponding to the shifts and manoeuvres of Soviet policy." (Kennan 1947: )

All long the Cold War, the two great powers exercised all the resources at their disposal to intimidate and to subvert from 1947 onwards. They indulged into several strategic and ideological clashes often marked by crises of varying intensity. True, that these two Great Powers never had direct war, they almost pushed the world at the verge of nuclear war on several occasions. Indeed, nuclear deterrence served as an effective means for avoiding a military confrontation between the two Great Powers. The role of these two great powers affected a lot the policies all over the world and the effect was thus seen in the foreign policy of countries all over the world.

As it is said that the Cold War period influenced the foreign policy of almost all the countries of the world to a great extent, India could not left away from this development in the world political structure. Immediately after its independence from the British rule in 1947, India found itself between the political structures of the world which was divided between two poles. On one hand the United States was promoting democracy and free market economy, on the other hand USSR was promoting a socialist structure of governance with a closed economy. India as a nascent state, suffering from extreme poverty and absence of resources was in a great need of industrialisation, modernisation, infrastructure and nation building. Under the leadership of the first Prime Minister Pandit Jawaharlal Nehru, India embarked on its unique form of foreign policy characterised by Panchsheel, Non-alignment, Anti Imperialism, Anti-Racism, Anti Colonialism and Strengthening of the United Nations (UN). These principals were followed by the successors of Jawaharlal Nehru throughout the Cold War.

France chose the bloc headed by the United States after the end of World War II. France was influenced by the United States on various levels. Both the nations became military allies in the North Atlantic Treaty Organisation, cooperated in their policies vis-à-vis the USSR and European integration. They fought together in two wars of Korea and Indochina. France enjoyed the largest amount of aid from the United States under the Marshall Plan. It had effect on its economic development, international relations and internal policies (Wall 2002:1-4). During the first decade the relation between the United States and France remained amicable but the turning point came with the establishment of the fifth Republic in France. The accession of de Gaulle to the head of the state in 1958 started a new era of French foreign policy. Having freed from the burden of its colonial past, de Gaulle advocated to redefine French power and influence in the world after the end of the Algerian war in 1962. He started a new era of assertive French diplomacy, bolstered by

France's emerging nuclear capability. His foreign policy was based on the idea of establishing France as a leading world nation. In this regard France withdrew its membership from NATO's military integrated command in 1966 and at the same time, France launched its independent nuclear development program which was seen in France as restoration of national independence and national pride. In the United States, the Atlantic policy of de Gaulle was seen as anti-American. From the 1960s through the 1970s, the core of de Gaulle's Atlantic policy was guided by the idea of acquiring more power, independence and grandeur. The nature of transatlantic relations remained essentially unchanged, and continued to affect interpretations of this period, whether in France, the US, or the rest of the alliance (Ali 2012:207-208).

De Gaulle also gave an impulse to the formation of the European integration through European Community. Though, he was not very keen about this idea in the 1940s and 1950s, but by the beginning of the 1960s he chose the European Community as a building block of cooperation. Ali (2012) suggests three major reasons behind his manoeuvre of courting European integration. First, de Gaulle wanted to establish France's leadership in Western Europe. Second, he was aiming to distance Britain as a major rival to France for such a leadership role, by duplicating the Western Union with the European Union, based on the "EC six" which would exclude Britain. Third, he was trying to weaken NATO by distancing France, and eventually the European states that would follow its leadership, from NATO's integrated organization, thus reducing the impact of US influence on Europe and more importantly on France (Ali 2012:208).

The departure of de Gaulle in 1969 did not make much of a change in the foreign policy of France. His successors George Pompidou (1969-1974), Valéry Giscard d'Estaing (1974-81), and François Mitterrand (1981-1995) expressed their desire to maintain and protect French 'independence' several times. The security policy during this period was based on the idea of preserving the national interest above all. Therefore, France never stopped developing its weapon capacity in the nuclear and in the conventional field. De Gaulle's vision for a durable European status quo making France as the leading European power remained the essence of French Atlantic policy. Undermining of 'Yalta' remained the main objective of French foreign and security policies. Though, Mitterrand urged NATO to deploy two US intermediate nuclear system, it did not alter the fundamental principles of French foreign policy. In the time when the setup of European

security was organised between the two alliances, France maintained the goal of an international order free from the bipolar structure (Ali 2012:213).

Thus, Cold War is a global historical period which begins in 1947 with the introduction of the Truman Doctrine advocating to contain communism and the influence and expansion of the Soviet Union. The period is observed to end with the fall of the Berlin Wall in 1989 and decline and collapse of the Soviet Union and the Eastern Bloc in 1991. This period is also characterised by the division and rivalry between two nuclear-based great powers and their camps. These two great powers came with various strategies to gain its influence and to restrict the influence of other camp. Stalin's policy was based on the idea to ensure the safety of the Soviet states to give a base from which the international proletarian revolution would spread one day. He believed that capitalism will be doomed and so will be imperialism. The contradictions among them will lead to their self-destruction. The United States came with the idea of promotion of democracy and capitalism to counter the idea of self-destruction and it applied the theory of containment to restrict the influence of Soviet Union and communism all over the world (Gaddis :2-7). These strategies left Europe highly militarised and prone to another war. The strategy of containment was working on two levels, the economic and the military by granting financial aids to friendly governments around the world. In the Marshall Plan and technical aid programme, it worked mainly at the economic level. After the blockade of Berlin, the cooperation began to operate at the diplomatic as well as the military level. All the aid was given by the United States to establish great unity and closer cooperation on the part of the western European powers (Thomson 2007:797). During this difficult period, India and France chose the strategies which suited them the best. India, a nascent state, chose to lead the path of non-alignment. In the process of breaking the strands of colonialism, it could not accompany the bloc lead by the United States nor could it go with the USSR. France became the part of the Western bloc and was the big receptor of American aid under the Marshall plan which helped it to reconstruct the nation after the devastation of World War II.

## **The World after the Cold War**

The world order which emerged in the aftermath of the World War II started unravelling in the 1980's when Mikhail S. Gorbachev, general secretary of the Communist Party of the Soviet Union, introduced reforms in the USSR. Gorbachev took the office of General Secretary of the USSR in

a difficult situation. The economy was in a very bad state. Understanding the necessity of deeper structural changes, Gorbachev announced an agenda of economic reform called *perestroika* or restructuring. It paved the path for liberal economy with private ownership of businesses and foreign investment. This policy was also intended towards putting more resources towards productive areas in the civilian sector (Gaddis 2005:231-233). He also introduced the idea of *glasnost* or openness to increase freedom of the press and the transparency of state institutions. It became very helpful to reduce the corruption at the top of the Communist Party and lessened the gap between Soviet citizens and the western world (Gibbs 1999:7). Relation between the United States and the USSR started moving in positive direction. The tension was eased out by the two heads of state. On 3 December 1989, Gorbachev and George H. W. Bush declared the Cold War over at the Malta Summit (BBC News 3 December 1989).

By 1989, in the absence of Soviet military support, the communist leaders of the Warsaw Pact states were losing their power and the Soviet bloc was at the verge of collapse by 1989 (Gaddis 2005:235-236). Communist Party in all the Central and Eastern European countries were losing hold on their citizens whereas, democratic indigenous organisations were gaining strong popularity among people. It resulted into change of governments in almost all the countries mostly peacefully except Romania where the Communist government was ousted violently. The wave of change culminated with the fall of the Berlin Wall in November 1989. It symbolised the demolition of the Iron Curtain which was dividing Europe into two blocs and hence, collapse of European communist government in East Europe. In the Soviet Union also the situation changed dramatically and the policy of *glasnost* weakened the bonds between states of the Soviet Union. The freedom of press and dissent allowed by *glasnost* and the festering 'nationalities question' led various components of the Union to declare their autonomy from Moscow, with Baltic States withdrawing entirely from the Union. Finally, the USSR was declared officially dissolved on 25 December 1991 (Gaddis 2005:248-257).

The dissolution of the USSR brought a new world order as there was no two great powers to confront each other. The world moved towards the system of unipolar world. John Ikenberry (2010) in his article 'The restructuring of the international system after the cold war' explains this event as closure of an era which opens another. This was a turning point in the history of mankind. The bipolar order collapsed peacefully without war between the great powers unlike the earlier

historical events. Moreover, unlike past postwar moments, the global system was not overturned. The dominant core of that system led by the United States remained. On the contrary, the system created by the United States and its allies after the World War II remained as it was. The end of Cold War consolidated and expanded that order. The Soviet bloc disintegrated and started to integrate into that order. It can be said that the end of Cold War was not the beginning of an all new world order rather the last gasp in the completion of an old one. The globalisation of the world economy and the growing market orientation of the developing world worked as catalysts for the change. He further adds that the formation of this new order led to change in the nature of security problem in the global system. The threat to international order was no longer the assumption of great power war, but violence and instability prevailing in weak, failed and hostile states residing on the periphery of the system caused more threat to the new world order. The change in the structure of world system after the end of Cold War had the seed during Cold War. This is like two systems coexisting together during the Cold War. The first was the bipolar order which is considered as the structure of the Cold War. The other was the liberal hegemonic order led by the United States that existed 'inside' the larger bipolar global system. After the end of Cold War, the 'inside' order became the 'outside' order extending its logic to the larger global system. In other words, it was a story of the victory of a liberal international order of the United States (Ikenberry 2010:535-536).

The end of an age long status in the world order opened the occasion for interpretations from scholars and thinkers all over the world. Different schools of thought explain the end of Cold War in different ways. Many scholars have written about the end of Cold War and the future course of the world order. Some of them needs to be explained here. One of the most debated interpretations of this change in the world order was put forward by Francis Fukuyama (2008) in his article 'The end of history?'. In this article, he explains this event in relation to the conflict between various ideologies. He says that the twentieth century witnessed the ideological violence-

“...liberalism contended first with the remnants of absolutism, then bolshevism and fascism, and finally an updated Marxism that threatened to lead to the ultimate apocalypse of nuclear war. But the century that began full of self-confidence in the ultimate triumph of Western liberal democracy seems at its close to be returning full circle to where it started: not to an “end of ideology” or a convergence between capitalism and socialism, as earlier predicted, but to an unabashed victory of economic and political liberalism” (Fukuyama 2008:6).



He also says that the triumph of the west explains that there is no alternative to the Western liberalist model and argues that the end of Cold war is leading mankind towards the ‘end of history’ that is “the end point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government.” The collapse of Marxism-Leninism in the Soviet Union will be explained as the death of a living ideology of world historical significance with few remnants scattered in various parts of the world. The collapse of bipolar system is not MEAng to end the war altogether. There is a high possibility of-

“Conflict between states still in history, and between those states and those at the end of history, would still be possible. There would still be a high perhaps rising level of ethnic and nationalist violence, since those are impulses incompletely played out, even in parts of the post-historical world. Palestinians and Kurds, Sikhs and Tamils, Irish Catholics and Wallons, Armenians and Azeris, will continue to have their unresolved grievances. This implies that terrorism and wars of national liberation will continue to be an important item on the international agenda. But large scale conflict must involve large states still caught in the grip of history, and they are what appear to be passing from the scene” (Fukuyama 2008:16-17).

Thus, he emphasises on the continuation of conflicts in the world between different groups of people and he foresees such conflicts to be culminated in the form of war for national liberation and sometimes it leads to the rise of terrorism. He emphasised on the ideological differences for such developments. John Mearsheimer (2008) on the other hand, says that the ideological development explained by Fukuyama as decisive forces has actually very less impact. He sees interest as more important factor than ideology. He also says that the new era of peace is nothing but a mirage and the future will be worse than the recent past. The power structure of Cold War was more stable than the new world order. He argues –

“The prospects of major crises, even wars, in Europe is likely to increase dramatically now that the Cold War is receding into history. The next forty-five years in Europe are not likely to be so violent as the forty-five years before the Cold War, but they are likely to be substantially more violent than the past forty-five years, the era that we may someday look back upon not as the Cold War but as the Long Peace in John Lewis Gaddis’s phrase” (Mearsheimer 2008:18).

He argues that the root causes of war and peace is the distribution and character of military power among states.

*Three major factors that lead to the establishment of peace after 1945 in Europe were:*

- 1. The bipolar distribution of military power on the continent*
- 2. The rough military equality between the polar powers- The United States and the Soviet Union*
- 3. The a fact that each of these superpowers is armed with a large nuclear arsenal (Mearsheimer 2008:18-19).*

The end of Cold War ended the long bipolarity of the power equation of the world present since 1945. The fall of Berlin Wall and disintegration of the USSR gave way to the rise of the sole super power- the United States. In the absence of any counterbalance or opposition of equal dimension, the US established itself as a hyperpower in the world (Bava 2009:108). Thus the world can be seen as an era of *Pax Americana* as proposed by Eric Hobsbawm (1999). After the Cold War, there is no foreseeable possibility that any country could compete with the nuclear and aerial strength of the US. Moreover, after the disintegration of Soviet Union it is unimaginable to think that any country or any group of country would challenge it militarily. This has resulted into increase of military interventions by the US in various parts of world which includes Panama in 1989, the Gulf War in 1991, Haiti in 1994 and many more (Hobsbawm 1999:10-11). Though these interventions have invited strong criticism from various scholars, some scholars see these interventions in other way. For example, the presence of American military in the Persian Gulf serves as a guarantee for weak states against attacks by their stronger neighbours. This has become one of the trends after the end of the Cold War that conflicts in several areas that were relatively quiescent during the Cold War have emerged. The war between Armenia and Azerbaijan, fighting in Chechnya, secessionist movements in Sri Lanka and Sudan are some of the examples (Yilmaz 2008:45-46).

Thus, leading trends after the end of the Cold War can be explained as several events taking place at a very fast pace to change the world. This era is marked by a sharp increase in the number of peacekeeping operations, which explains that the world did not remain at peace in comparison to the Cold War era. Though, there were many conflicts during the Cold War period but most of them were wars for independence for the colonial powers and some conflicts were the results of ideological differences between the two great powers. However, the depletion of ideological clashes between the two super powers also led to decrease in number of veto at the Security

Council. Western system and western ideology based on liberalism and democratic values became dominant in this era. This along with an absence of counterbalance of power gave way to the US to become a hyperpower. This gave the US opportunity to exercise its hegemonic power in several areas. The Middle East can be taken as an example where it entered during the Gulf War and its influence became stronger with its military operation to Afghanistan and invasion of Iraq after the attack of 11 September 2001. This era has also witnessed a change in the role of NATO and its expansion to the border of the Russian Federation (Yilmaz 2008:46-47).

The end of the Cold War can be considered as emergence of non-conventional threats all over the world. With the end of the bipolar structure of power, some conflicts which were otherwise not visible due to this structure came to the fore. The ethno-political movements in the Eastern Europe, Central Asia, Africa and many other parts of the world are some of the examples. These problems are mostly intra-national conflicts for which international organisations including the United Nations were not prepared. Other emerging threats include the increasing religious militancy and terrorism. This era has also seen the increasing economic antagonism of North-South. The removal of bipolar world has resulted in power gap in some regions giving an impulse to conflicts for establishing hegemony in a region by several countries (Yilmaz 2008:48-54). Even the US President George Bush admitted that the major threats for the post-Cold War period would be insurgency, terrorism and drug trafficking (Hobsbawm 1999:12). This has led to more 'instability' and 'disorder' in the world as Immanuel Wallerstein (1993) says, where there is immense opportunities for countries to act together to counter such threats and to stabilise the world for a better future.

Thus, the end of the Cold War brought dramatic changes in the world order. It affected the world on political, economic and security levels. On political level, the world witnessed the formation of a unipolar world order where the United States emerged as the hyperpower and there was no one to stop it. The only resistance it had during the Cold War in the form of the Soviet Union had collapsed and as a result to that the world witnessed military interventions by the United States in several parts of the world. This event was also explained as the triumph of one ideology on another i.e. the triumph of liberalism and capitalism over Marxism-Leninism and Socialism. On the economic level, the socialist model of economy had collapsed and the liberal and capitalist model of economy had proven its strength. Very soon, countries in the Eastern Europe and in the other

part of the world started liberalising its economy and tried to integrate with the world economy. On the security level, the end of the Cold War gave an opportunity to conflicts to be visible that were not visible due to the existing power equation in the world. These conflicts were mostly based on clashes between different ethnicity and religious beliefs. Conflicts in the Eastern Europe, Central Asia and Africa are some of the examples. These conflicts led to several peacekeeping operations in these affected areas. This increased the role of the United Nations as well as it affected a lot the foreign policy of countries all over the world. The rise of unconventional threats like terrorism, insurgency and drug trafficking also required attention from the countries around the world. All these factors affected a lot the foreign policy of any country after the end of the Cold War. These threats needed cooperation between two or more countries. Thus, we see an increase in the number of multi-national cooperation and deep bilateral relation. This was the time when we see an increase in the number of strategic partnership established by countries all over the world. It was a new phenomenon in the foreign policy where strategic partnership was used as a tool for one country to strengthen relation with another country.

### **Strategic Partnership as a Foreign Policy Tool**

The end of the Cold War was an end of the long bipolar power structure in world politics. The fall of Berlin Wall and the sudden disintegration of the Soviet Union left the world in flux as well as confusion regarding the future of the world structure. It was evident that the United States emerged as a hyperpower after the end of the Cold War and the world shifted towards unipolarity. But several countries were engaging themselves in bilateral as well as multilateral cooperation to minimise the effects of unipolar world. As Kenneth N. Waltz (2000) says, “in the light of structural theory, unipolarity appears as the least durable of international configurations.” This happens mainly due to two reasons. First, the dominant power involves itself into so many tasks beyond its own territory sometimes misusing its power that lead to exhaustion of power. Second, the sense of insecurity among weaker states regarding the future course of the dominant power even though it behaves with moderation, restraint and forbearance. Thus, the might of the United States militarily and politically spread a sense of insecurity among small nations. This insecurity leads weaker states to form different kinds of cooperation or partnership with other states to achieve a balance of power. Kenneth N. Waltz rightly says:

“Now the United States is alone in the world. As nature abhors a vacuum, so international politics abhors unbalanced power. Faced with unbalanced power, some states try to increase their strength or they ally with others to bring the international distribution of power into balance. The reaction of other states to the drive for dominance of Charles V, Hapsburg ruler of Spain, of Louis XIV and Napoleon I of France, of Wilhelm II and Adolph Hitler of Germany, illustrate the point.” (Waltz 2000:28)

The absence of any viable threat to the United States leaves the world in a state of unbalanced power where weaker states feel insecurity. This is also because the United States has a long history of intervention in weak states often in the name of bringing democracy in those states. This led to a reason for weaker states to strengthen their position by various means. A complex network of cooperation and partnership among states make way for the formation of a multipolar world order to minimise the effects of the unipolar world order. Waltz says:-

“Change in polarity also affect how states provide for their security. Significant changes take place when the number of great powers reduces to two or one. With more than two, states rely for their security both on their own internal efforts and on alliances they may make with others. Competition in multipolar system is more complicated than competition in bipolar ones because uncertainties about the comparative capabilities of states multiply as numbers grow, and because estimates of the cohesiveness and strength of coalitions are hard to make.” (Waltz 2000:5-6)

Thus, the world has shifted more towards multipolarity in recent years with a number of cooperation and partnership among various states. This time has seen formations of various groups of states like the European Union, BRICS and many more. Similarly, on bilateral levels, countries have enhanced their relation with engaging with each other on various areas. Among all these developments, establishing of strategic partnerships among states has emerged as a new phenomenon in the period of post-Cold War.

Strategic Partnership has emerged as a new tool of cooperation in international relations and as a new form of cooperation emerged in the post-Cold War period. Though we get ‘partnerships’, ‘alliances’, ‘free trade agreements’, ‘cooperation’, and ‘special relationships’ mentioned in older relations between two political actors, ‘strategic partnership’ is a rather new phenomenon. The *British National Corpus*, which provides a significant collection of text and expression used in English language in a time frame in a particular context, shows 6 entries for the expression ‘strategic partnership’ in the period 1980-1993. Moreover, none of these expressions is used in the context of International Relations (Davies 2011).

The *Corpus of Historical American English*, which provides a significant collection of text in American English like the *British National Corpus* shows that the expression ‘strategic partnership’ was used 11 times in the time period from 1810s to 2000s. In the 1980s, only one entry was shown and that too was not in the context of IR. In the following decade of 1990s, 5 entries were shown in the context of bilateral relations between the United States and other states in which the first entry was in 1992 regarding the US-Turkey Strategic Partnership. In 2000s, 5 entries were also found in the context of IR (Davies 2011). According to the data of *Corpus of Contemporary American English*, ‘Strategic Partnership’ has only one entry in the context of IR in the time period from 1990-1994 whereas, the number has risen to 29 entries in the time period from 1995-1999. Similarly, the expression has 33 entries and 45 entries respectively in the time frame from 2000-2004 and from 2005-2010 in the context of IR (Davies 2011). The analysis of these corpora explains that the use of expression ‘strategic partnership’ has grown in the period after the Cold War and is a new expression in the vocabulary of international relations. Nowadays, this expression is being used in an extensive manner. In this context it is evident to find out the basics of such kind of ‘partnership’ in International Relations. This is also imperative to understand the definition of ‘strategic partnership’ and intricacies involved in the establishment of such partnerships.

Though a lot has been written about strategic partnership, there is an incoherence among scholars regarding its definition. Many scholars have tried to frame its definition but no definition can explain the phenomenon of strategic partnership in a comprehensive manner so far. The same difficulty is expressed by Giovanni Grevi (2010) when he says that “Strategic partnerships are a political category that no EU document or statement clearly defines” (Grevi 2010:2). In the similar fashion, Khandekar (2011) says that “the notion of an ‘EU strategic partnership’ has yet to be defined by the European Union itself in any official document” (Khandekar 2011:9). Anne Schmidt (2010) raise the same concern while searching for a meaning for strategic partnership. She says that it is an unsurprisingly the ‘main complaint’ among analysts that “The EU itself does not provide a clear definition of what it means by ‘strategic partnership’” (Schmidt 2010:3).

There are few scholars who consider that this ambiguity in the concept is not problematic rather gives an opportunity to both the partners to form the partnership according to their convenience. Grevi (2008) says:

“In building strategic partnerships, a degree of flexibility and also constructive ambiguity is to be expected and is probably indispensable. The political nature of the undertaking entails room for mutual adjustments, concessions, trade-offs, pragmatism and an incremental approach, and does not lend itself to ideological dogmatism” (Grevi 2008:158).

It clearly says that the ambiguity and unclear conceptual framework of strategic partnership is an advantage for both the partners. But there are few scholars who do not endorse this idea. For them the absence of clarity and overstressing the concept are reducing difference between important relationships and strategic partnerships. This is again leading to create confusion within the EU and among its strategic partners. This is a real danger. (Biscop and Renard 2010:3)

Routledge Encyclopedia of Political Economy (2001) explains a strategic partnership between states as a political instrument to facilitate the intensification of the economic relationship between the parts involved. Similarly, Emerson (2001) explains strategic partnerships as a relationship, which “involves two actors that are powerful and capable of taking strategic action together” (Emerson 2001:45). In the similar fashion Marius vahl explains strategic partnership as

“[i]t has been suggested that the presence of *common values, common interests and mutual understanding* are essential criteria for a ‘partnership’, as opposed to more ‘co-operation’. It could furthermore be argued that a prerequisite for a proper ‘partnership’ is that it must be between generally similar parties of roughly *equal size*.” (Vahl 2001:4)

Still, defining strategic partnership is a very difficult task. Christian Wagner (2017) explains the strategic partnership as “a special relationship between two countries or actors.” He argues that “had it not be special we would have called every bilateral partnership as a strategic partnership.” He says-

“Strategic Partnership means that we give higher position to some bilateral relationship. It is also important to know whether special status is also supported by special programs. For instance, in Indo-German Strategic Partnership, there is a provision of (consultative meetings) consultation not only on the highest level i.e. during summit or annual meetings but also with the members of Cabinet. Germany has such relation with a handful of countries and India is one of them. Such partnerships are also looking at broad based area of consultation in areas like energy, trade, security, climate change and environment.” (Wagner 2017)

As Wagner defines strategic partnership as a special bilateral relation between two countries or actors, Isabelle Saint-Mézard sees strategic partnership where the spectrum of possibility is enormous. She defines it by what it is not rather what it is. She says-

“It is more like a political way of giving a signal of importance to a country. It is acknowledging a bilateral relation as worth giving importance, investing diplomatic energy and it can be anything to put into it. It is to distinguish from other country that you are ready to put the relation further with due importance. The concept of SP is like an empty box that can be filled by things according to circumstances, political will and economic interests. Communication at the highest level of State is established. For example, France informed India about its interests in Mali as soon as it started its action there and India understood its concerns.” (Saint-Mézard 2017)

Jean-Luc Racine defines strategic partnership as “an established official bilateral relationship where we discuss more bilateral and beyond that the global issue”. He further adds that “Strategic Partnership is sometimes misled by assuming it more about strategy in military terms but it is not like that. This is a set up where we discuss more beyond the bilateral issues.” (Racine 2017)

Though, it is already said that the concept of strategic partnership is such that a comprehensive definition is very difficult to derive, Giovanni Grevi (2010) tries to give an encompassing definition of what a ‘strategic partnership’ ideally is as follows-

“Partnerships do not become strategic by virtue of defining them as such. The debate on who is a strategic partner and who is not is a circular one and the practice of attributing such political status is quite inconsistent. Both the ‘strategic’ quality and the ‘partnership’ nature of relations with individual countries are often questioned. (...) Strategic Partnerships are those that both parties regard as essential to achieve their basic goals. This is because the cooperation of strategic partners can lead to win-win game and, conversely, because such partners are those who could inflict most harm to one another were relations to turn sour. (...) Strategic Partnerships are therefore important bilateral means to pursue core goals. As such, they may concern pivotal global but also regional actors. What matters is that they deliver. (...) Effective partnerships are bilateral relations that should contribute to bridging over various levels of cooperation” (Grevi 2010:2-3,5)

Grevi’s definition tries to elaborate the concept of ‘strategic partnership’ in the context of traditional meaning of these two expressions. Though it gives an overall idea of ‘strategic partnership’, it does not explain the relations of two actors involved in the partnership. Nandkarni (2011) explains ‘strategic partnerships’ as an engagement between two states or political actors which involves “forging links between countries that are neither allies nor adversaries, but which share a range of both common and divergent interests.” She further characterises ‘strategic partnerships’ with several common elements-



“(1) they are formalised in multiple written declarations, statements, arguments, and memoranda of understandings that outline clear policy objectives and attempt to build upon and deepen multifaceted ties; (2) they create formal institutional links at various governmental and non-governmental levels, generating multiple interactive channels at the levels of Track I (official) and Track II (people-to-people) diplomacy; (3) they set up a mechanism for summit meetings ... with more frequent meetings at the sub-ministerial and bureaucratic levels where officials explore common interests or concerns, often in joint task forces established to address specific issues; ... (5) seek to establish a stronger economic relationship; and (6) they attempt to foster greater awareness of each other’s culture...” (Nandkarni 2011:48-49).

Thus it can be said that strategic partnerships which has become a major tool of post-Cold War International relations is still a concept in making. In recent years, the use of this term has increased several fold and are being used frequently to establish relations among countries. Several scholars have tries to figure out the characteristics of such engagements among states or political actors of the world. Many have tried to define it in a framework but it seems that the concept is such a vast one that such definitions fail to explain it properly. In this way, it can be said that the study of strategic partnership could be based on specific partnership because in involves so many aspects among two states which completely differs in other set on states involved in ‘strategic partnership’.

## **Strategic Partnerships of India**

The foreign policy of India underwent reforms in the changed world scenario after the end of Cold War and it realised the contemporary power matrix and tried to engage all the possible partners around the world. After losing a trusted friend having nuclear and veto powers in the form of USSR, India became more approachable for the western states. India started establishing and reviving its relations in a new manner to all states. In this quest, India established a number of ‘strategic partnerships’ with important and major political and economic actors.

These strategic partnerships relates to core areas of national interest such as supply of defence equipment and technology, military exercises, cooperation in the field of nuclear energy, trade and investments, diplomatic support on critical issues, cooperation in science and technology, education, agriculture, information and communication technology, banking, insurance, and various other sectors.

Observing all the strategic partnerships it can be said that each partnership has a specific character focusing on certain issues. Here, three major strategic partnerships of India i.e. with the Soviet Union and later Russia, the United States and the EU will be discussed.

### **India-Russia Strategic Partnership**

India and the Soviet Union enjoyed a very deep friendly relation ever since the independence of India from its British Rule. During the Cold War, the Soviet Union has been a strong supporter of India's national interest. It has been a major economic partner as well as military partner for India. It has been the biggest military equipment supplier for India throughout the Cold War. After the fall of Berlin Wall and disintegration of the USSR, the relationship witnessed a difficult time but the relation came back on track very soon. India-USSR relation has been one of the key pillars of India's foreign policy. The Soviet Union has proved itself several times as a well established and dependable partner of India.

New dimension in the relationship between India and Russia was brought after signing of the "Declaration on the India-Russia Strategic Partnership" in October 2000. This declaration strengthened almost all areas of bilateral relationship which includes politics, defence, trade, economy, security, science, technology, culture. To ensure frequent interaction and follow up on these co-operation activities, some institutionalised dialogue mechanism is established both on political and official level. This strategic partnership is got new heights in 2010, now it does not remain strategic relation rather became Special and Privileged Strategic Partnership" (MEA 2015).

This partnership also insured an annual summit meeting between the President of Russian federation and the Prime Minister of India. This is the highest kind of institutionalised dialogue mechanism under the strategic relationship between the two countries. The 16<sup>th</sup> round of Annual Summit meeting took place in Moscow in December 2015. Moreover, a regular high-level interaction takes place on various levels. Two major inter-Governmental Commissions are formed for this engagement. IRIGC-TEC is one of the commissions constituted on Trade, Economic, Scientific, Technological and Cultural Cooperation, co-chaired by the External Affairs Minister of India and the Russian Deputy Prime Minister. Another commission is for Military Technical Cooperation (IRIGC-MTC) which is co-chaired by Indian and Russian Defense Ministers. These two commissions hold their meeting annually (MEA 2015).

India has a rich history of co-operation in various fields with Russia. Defence is one of the main fields where both the countries share longstanding friendship. The Military Technical cooperation between India and Russia started with very simple framework of buyer and seller, but soon this simple framework of buyer and seller grown into Joint research, development and production of advanced defence technologies and systems. India and Russia developed many projects together, The BrahMos Missile, which was a Fifth Generation Fighter Aircraft and the Multi Transport Aircraft, and production of SU-30 aircrafts as well as production of T-90 tanks are some of the landmark achievement of Indo-Russia technical cooperation. Along with this India and Russia also organises annual joint training sessions of armed forces.

An Indian contingent participated in the military parade in Moscow on 9 May 2015 during the 70th anniversary of the victory in the World War II. In December 2014, the two governments signed the Agreement for Training of Indian Armed Forces Personnel in the Military Educational Establishments of the Defence Ministry of the Russian Federation (MEA 2015).

In the field of economy, the Strategic Partnership has enhanced the trade and economic cooperation between the two countries. A target of US\$30 billion bilateral trade by 2025 was set by two countries during 15<sup>th</sup> Annual Summit.

International trade between India and Russia during 2014 was worth US\$9.51 billion, where export from India contributed US\$3.17 billion (an increase of 2.6% if we compare to 2013) and imports from Russia contributed US\$ 6.34 billion (decline of 9.2% in comparison to 2013). India's majorly export item covers pharmaceuticals, miscellaneous manufactures, iron and steel, apparels, tea, coffee and tobacco. Major items of import from Russia consists of defence and nuclear power equipment, fertilizers, electrical machinery, steels and diamonds. Indian investment in Russia are estimated around US\$ 7 billion which include Imperial Energy Tomsk; Sakhalin I; Volzhsky Abrasive Works Volgograd; and Commercial Indo bank. Russian investments in India total is about US\$ 3 billion, including Kamaz Vectra in Hosur; Shyam Sistema Telecom Ltd, Sberbank and VTB. Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC) is the apex G2G forum to review economic cooperation. It reviews sectoral cooperation under working groups on trade and economic cooperation, priority investments, modernization and industrial cooperation (sub-groups on civil aviation, mining, fertilizer, and modernization), outstanding issues, energy & energy efficiency, science and

technology, communications & IT, tourism and culture, and sub-groups on banking & financial matters and on conservation of tigers & leopards. Fora to facilitate business to business interactions are also created to increase trade between the two countries (MEA 2015).

Russia has been supportive to the Indian quest for civil nuclear energy requirements. It recognises India as a country with advanced nuclear technology with an impeccable non-proliferation record. In December 2014, Department of Atomic Energy (DAE) and Russia's Rosatom signed the Strategic Vision for strengthening cooperation in peaceful uses of atomic energy between India and Russia. Kudankulam Nuclear Power Plant (KKNPP) is being built in India with Russian cooperation which became operational in July 2013. Similarly, Russia and India are having a wide range of cooperation in various fields ranging from space to science and technology to culture and so on.

From Jawaharal Nehru-Nikita Khrushchev era of cooperation to Narendra Modi-Vladimir Putin era of cooperation, India and Russia have completed a long journey of mutual cooperation in various areas of mutual interest. Except few early years after the end of the Cold War, when the relation saw some drift, the relation has remained favourable and encouraging for both the countries. The signing of the Strategic Partnership with India in 2000 was an evidence of the realisation by Russia that "as a Eurasian power, an active Russian role and influence in dynamic Asia would be limited without a solid partnership with old friends like India" (Sachdeva 2011: 214). On the other hand India did not want to abandon its time-tested ally in form of Russia. After the end of Cold War, the world power equation turned towards a unipolar structure where the United States emerged as a sole superpower. In this situation, the idea of a multi-polar world power structure led to the formation of Strategic Partnership between India and Russia. Though India's relations with the United States, China and Europe was improving with time, it continued to strengthen its relations with its time-tested ally. Other than the quest for a multi-polar world the issue of terrorism also helped both the nations to come closer in this century (Sachdeva 2011: 215).

It seems that the relationship between India and Russia is very deep in nature and they consider themselves as 'natural partners' but some trends in past years do not support this idea. After the collapse of Soviet Union, the political relation was revived a lot but in the field of economy, the relation still remains in transition. The broken linkages after the collapse of Soviet Union have not been developed to the same degree. In this period, the Indian and Russian economies have moved

far from each other. It has been dependent mainly on the arms deal, and nuclear and energy industry linkages. Yet, these summit meetings and meeting at ministerial levels have tried to tackle the problem to great extent (Sachdeva 2011: 221).

Thus, here comes the major challenge for India and Russia to sustain this relationship when there is lack of dynamic commercial ties. India's trade with western countries have increased in the era of post-Cold War whereas, the trade with Russia has not grown in that manner. The future of the relation will depend on the importance of each other in other's development. In past Russia played an important role in industrialisation of India. In this way, it has an advantage of being familiar to the requirements of the market of India. So far, India has been able to develop linkages in defence production, oil and gas sector and in nuclear energy. The areas of mutual interest have already been identified by the industries of both the nations namely: information technology, pharmaceuticals, telecommunications, financial services, hydrocarbons, energy and power, oil and gas, food processing, financial consultancy, management services, textile and diamond processing. But, lack of information, visa problems and logistical issues remain the major problems for the fulfilment of goals set by the governments on which nothing substantial has been done by governments. Nevertheless, India and Russia remain an important actor for each other and are helping each other to grow. This is also believed by Indians that a strong Russia can bring an equilibrium in the world structure by bringing multi-polarity where India can also continue to grow (Sachdeva 2011: 221).

### **India-US Strategic Partnership**

India-US bilateral relationship has witnessed a major political shift in the first decade of the century. From leading the nations to impose sanctions on India after its nuclear tests in May 1998 to establishing a civil nuclear deal and strategic dialogue by 2009, the relationship has grown several folds. The United States recognised the “power potential of India, critical to the Asian strategic calculus, and has sought to overcome the Cold War legacy of mutual estrangement” (Bava 2008: 113). It has understood “the valid claims of India's national interest and has acted to enhance and strengthen India's military, economic, and technological capabilities, while endorsing common values” (Bava 2008: 108).

India-US bilateral relations have become global strategic partnership which is based on increasing convergence of interests on bilateral, regional and global issues. The visit of Prime Minister Dr.

Manmohan Singh to Washington D.C. in November 2009 as the first State Guest of President Barack Obama reaffirmed the global strategic partnership between India and the United States. President Obama's visit to India the next year in November gave further momentum to the bilateral relation and paved the path for a long-term framework for India-US global strategic partnership which Obama characterised as "one of the defining partnerships of the 21<sup>st</sup> Century (MEA 2013: 1). The relation received a new high with the adoption of the new motto - "Chalein Saath Saath: Forward Together We Go", following the visit of Prime Minister Narendra Modi in September 2014 to Washington D.C. (MEA 2014: 1).

The relationship has grown in the last decade with the result of high level political visits and wide-ranging and ever-expanding dialogue architecture which has established a long-term framework for it. Today, the India-US bilateral cooperation is broad-based and multi-sectoral, covering trade and investment, defence and security, education, science and technology, cyber security, high-technology, civil nuclear energy, space technology and applications, clean energy, environment, agriculture and health. It has also encouraged a vibrant people-to-people interaction which is supporting the relation to grow (MEA 2014: 1).

The Strategic Partnership of India and the United States is based on a Ministerial-level Strategic Dialogue co-chaired by External Affairs Minister of India and the Secretary of State of the United States. The first such meeting was held in July 2009 and the fifth meeting was held in July 2014. These meeting focused mainly on the five major pillars of mutual interest, namely: Strategic Cooperation; Energy and Climate Change, Education and Development; Economy, Trade and Agriculture; Science and Technology; and Health and Innovation. Bothe the countries have established a great bilateral dialogue mechanism on various levels to support the requirements of the relations (MEA 2014: 2).

The cooperation between India and the United States ranges in various sectors from civil nuclear to defence, counter-terrorism to security, trade and economy to energy and climate change and so on. In the area of civil nuclear cooperation, the bilateral Civil Nuclear Cooperation Agreement was finalised in July 2007 and was signed in October 2008. Though this Agreement is in a nascent stage, it was decided that a nuclear power project would be established in Gujarat. In the field of defence, a 'New Framework for India-US Defense Relations' was signed in 2005. This led to an exponential increase in the volume of defence trade, joint exercises, personnel exchanges,

collaboration and cooperation in maritime security and counter-piracy, and exchanges between each of the three services. Today, the number of joint exercises conducted by the two countries is more than their bilateral exercises conducted with any other country. Moreover, an Indian Navy ship took part in Rim of the Pacific (RIMPAC) exercise in 2014 for the first time. Moreover, the aggregate worth of defence acquisition from U.S. Defence has crossed over US\$10 billion. India and the United States have established a Defence Trade and Technology Initiative (DTTI) aimed at simplifying technology transfer policies and exploring possibilities of co-development and co-production to invest the defence relationship with strategic value.

After 9/11, the US has become more concerned about the menace of the global terrorism. India has always been very vocal against terrorism. The Strategic Partnership has seen a considerable progress in the field of cooperation in counter-terrorism. This includes sharing of intelligence, information exchange, operational cooperation, counter-terrorism technology and equipment. To expand partnership between India and the US to fight terrorism, information sharing and capacity building, a new India-US Counter-Terrorism Cooperation initiative was signed in 2010.

With a growth of 1.7% in comparison to last year the bilateral trade between India and the US reached to US\$ 63.7 billion in 2013. Export from Indian side contributed S\$ 41.8 billion while US exports contributed US\$ 21.9 billion. India - U.S. bilateral merchandise trade during the period January-October 2014 amounted to \$55.86 billion with a trade surplus of \$20.97 million in favour of India.. During the same year the India's merchandise exports grew by 6.8% in comparison to 2013, it became \$38.42 billion from \$35.97 billion. However a fall in US export to India was also noted for that time period, it felled by 5.36% rom \$18.43 billion to \$17.44 billion. During the year 2012, bilateral trade in services totalled \$58.76billion, of which U.S exports of services to India amounted to \$30.17 billion and India's exports of services to the U.S. added up to \$28.59 billion. In September 2014, during Indian prime minister's visit to US, a target of \$500 billion was set for bilateral trade in goods and services (MEA 2013).

US Bureau of economic analysis estimated that the current U.S direct investments in India is worth \$24 billion. From April 2000 to September 2014 total FDI investment from US to India was worth US\$ 13.19 billion according to Indian Official Statistics. This amount makes U.S the sixth largest FDI investor to India, as its constitutes 6% of total foreign investment in India. By the virtue of growing bilateral tie, now India's investment to U.S is growing. About US\$ 17 billion is invested

in the US by More than 65 large Indian corporations, including Reliance Industries Limited, Essar America, Tata Consultancy Services, Wipro and Piramal.

There are many dialogue mechanisms to strengthen bilateral engagement on trade and economic issues, including a Ministerial level Economic and Financial Partnership (last met in Washington in October 2013) and a Ministerial Trade Policy Forum (last met in New Delhi in November 2014). A Bilateral Investment Treaty (BIT) has been negotiated by the two countries to increase the investment between the two nations (MEA 2014).

Energy and climate change are one of the pillars of the Strategic Partnership of India and the United States. In this field the cooperation has grown with the help of the US-India Energy Dialogue launched in May 2005. This Energy Dialogue promotes trade and investment in oil and gas, coal, power and energy efficiency, new technology and renewable energy, civil nuclear cooperation and sustainable development. To establish a cooperation in the field of climate change issue, a high-level Climate Change Working Group has been constituted by two countries. Similarly, the cooperation is increasing in the field of Space, Science and Technology, Education and Health sector. Two governments have launched various projects to enhance the cooperation in these areas of vital importance.

This account of cooperation is an evidence of a new and dynamic bilateral relation between India and the United States. The relationship has undergone a change in the first decade of the century. With the economic and military growth of India and the terrorist attack in the United States compelled the United States to look India differently. This paved the path for a robust engagement between two states. From the days of Atal Bihari Vajpayee, it is observed in India that the United States and India are “natural allies” or “indispensable partners.” Dr. Manmohan Singh and Obama continued the enhancement of the relationship. The India-US Strategic Partnership is also having a special feature that it has delivered very well in time. It has set a bench mark for other strategic partnerships. This Strategic Partnership has not only changed the bilateral relations, it has also marked its effect on multilateral ties all over the world. It can be said that the global civil nuclear commerce and trade is one of the consequences of the civil nuclear agreement between the two countries (Bava 2010: 380). Though a lot has been achieved through this Strategic Partnership, there still remains some area of differences. These differences are mainly due to divers perception and approach of these two states. These cannot be considered as clash of interests and are being



sorted out through dialogue and negotiation without losing sight of long-term strategic convergence (Teja 2014: 184).

### **India-EU Strategic Partnership**

India and the European Union share a long relation ranging in several decades. India was one of the first countries that established diplomatic relations with the European Economic Community (EEC) in 1963. A Commercial Cooperation Agreement was signed in 1973. After the end of Cold War, the relation between India and the European Union has seen new heights. In 1993, a Joint Political Statement was issued which formally launched a political dialogue with annual ministerial meetings. Later in 1994, the Cooperation Agreement was signed that extended the relationship to broader economic and political affairs. India's economic achievements and its aspirations to play a major role in the world political system of the new century was acknowledged by the EU in the first bilateral summit in Lisbon in 2000 (Wagner 2008:87).

The European Security Strategy (ESS) of 2003 was the first EU document based on the concept of comprehensive security that mentioned strategic partnership as a 'kind of foreign policy tool'. With this document, the EU regarded India as a "key international players" and the landmark Strategic Partnership Agreement between the EU and India was launched at the fifth EU-India summit in the Hague in 2004 which proposed a series of "strategic policy dialogues" and "strategic sectoral dialogues" (European Commission 2004:6). This was a huge step in the relationship of the EU and India. This Strategic Partnership was proposed to enhance cooperation mainly in following areas:

- a) Cooperation, especially in multilateral for a, on conflict prevention, the fight against terrorism, and non-proliferation of Weapons of Mass Destruction
- b) A strengthened economic partnership through strategic policy and strategic dialogues
- c) Development cooperation, and
- d) Fostering intellectual and cultural exchanges.

The objective of this partnership was to have "a firm and visible upgrading" of the relationship from the existing dialogue between "good friends to a truly strategic partnership between two

major international players” (European Commission 2004: 45). Subsequently in 2005, the Joint Action Plan (JAP) was adopted to implement the Strategic Partnership in the sixth summit in New Delhi. The main points of the JAP was (Council of the European Union 2005):

- a) Strengthening dialogue and consultation mechanisms;
- b) Deepening political dialogue and cooperation;
- c) Bringing together people and cultures;
- d) Enhancing economic policy dialogue and cooperation;
- e) Developing trade and investment.

In 2006, at the Helsinki Summit, both sides agreed on a proposal to negotiate a free trade agreement. Negotiations are still under way for this agreement. In 2007, European Commission came up with the EU Country Strategy Paper for India (2007-2013) in which it expressed its strategy based on two pillars. The first forms the “basis for the EU’s future development cooperation so that India is able to achieve the Millennium Development Goals (MDG) by 2015” (Wagner 2008: 87). The second pillar concerns the implementation of the JAP (Wagner 2008: 88). In 2008 summit held in Marseille, France, JAP was reviewed and 40-odd new activities in four areas were added. These areas were peace and comprehensive security, sustainable development, research and technology, and people-to-people and cultural exchanges (Jain 2014: 7).

As far as the objectives set up in the JAP, the EU and India has increased its political cooperation with respect to security and defence in the aftermath of the Mumbai attacks in 2008. Counter-terrorism, as adopted in the JAP, has been a matter of concern for both the actors. It has been one of the major area of dialogue between them. From economic point of view, the EU has been the major partner of India’s trade. Since 2007, India and the EU have been negotiating a free trade agreement which covers trade in goods and services, investments, intellectual property rights and government procurement. This free trade agreement is supported by many people who see a positive impact for both the partners. Though, this FTA is being negotiated since 2007, it has not been finalised yet. There are some areas of concerns for both the partners. One of the major area of concern is liberalisation of trade and investment in banking services. The EU is pushing for a larger market access for its banks which see a large profitable market in India. Another area of

concerns is related to intellectual property rights in the field of medicine. The EU is seeking for data exclusivity clause in this area which would affect the production of generic drugs in India. These drugs are cheap and are exported to African countries to combat endemic diseases such as HIV/AIDS, tuberculosis and malaria. Besides this, India has been criticised by the EU for its human rights violations in few parts of country, though both shared values based on democracy and human rights. The same EU never criticise China and increases its activities with it though it is not even a democracy. It explains that despite the emphasis on normative values, the EU is driven by realistic considerations of trade. Moreover, the EU is a global economic actor but it has to prove itself as a political and military actor. The problems of divergent views on foreign policy matters by its member states have put the EU on a back seat in terms of political actor. Recently the diverse position on the unrest in Libya by different member states diminished its credibility as a critical security player. (Bava 2010: 379-380)

Thus, the Strategic Partnership between India and the European Union which has increased the interaction between two actors exponentially is facing few obstacles in recent past. In this regard it is important for both the actors to “enter a strategic dialogue that goes beyond the articulation of normative principles and leads to concrete action” (Bava 2008: 113). This lack in action is mainly because the EU has failed to establish itself as a political actor. Moreover, the lack of political consensus on foreign policy issues within the EU prevents New Delhi from considering Brussels as an important political actor (Bava 2010: 384). Therefore, India prefers to deal directly with member states of the EU rather dealing with an over-institutionalised and over-bureaucratised institutions of the EU. The policy-makers of India also want to ease the discomfort of dealing with an exhaustive, complex, supranational and postmodern entity like the European Union. In the wake of formation of new government in India in 2014 under Prime Minister Narendra Modi with the focus on development and good governance is surely MEAng to change the course of the relationship between India and the European Union as it has immense potential as an invaluable development partner (Jain 2014: 20).

## **Strategic Partnerships of France**

### **France-US partnership**

The end of the Cold War witnessed a transformation in the US-French relationship. During the Cold War, the United States, France and their NATO allies considered the Soviet Union as the principal threat to security. Security policies were formed keeping Soviet Union at the centre of the threat. France, though, was known for its independent attempts of policy-making. It was very much evident during the presidency of General Charles de Gaulle in the 1960's when France decided to opt out from the military integrated command of NATO. France has a self-identity which it has gained by spreading French values and views which are deeply rooted in democracy and human rights. Nonetheless, there were some incidences, where there was a cohesion throughout the alliance. These incidences were- the Berlin Crisis in 1961; Cuban missile crisis in 1962, and the debate over basing "Euromissiles" in the 1980's (Belkin 2011: 1).

After the cold war, the core interest of France and the US are mostly similar. Especially interest related to stability in Europe and regarding the terrorism. Both the US and France tries to build stability in Europe with the help of expanded EU and NATO.

Both the nations considers terrorism and proliferation of mass destruction weapon as the greatest contemporary threats. As far as the role of Russia is concerned regarding maintaining peace in Europe, both believe that Russia should be engaged only in constructive affairs of Europe.

The new challenges in US-french bilateral relationship was brought by post-cold war developments . It affected the bilateral relationship. The shift of the political and economic power away from the French German engine towards eastern and central Europe, might be the result of the unification and entry of central European states into the EU and NATO . While French-German initiatives remain of great importance in Europe, German perspectives are increasingly eastward; and, in some eyes, central European states feel closer strategically and politically to the United States than they do to France. However France still has a great role to play in European affairs, nothing much can succeed without the support of France in European Union.

France along with its European allies has insisted US to confront emerging crises within a multilateral framework in the period of Bush administration. There are two major threats which crosses borders and often involves non-state actors. These major threats are: Terrorism and proliferation. France, where possible, normally attempts to engage elements of the international community in responding to such threats, and to "legitimize" actions ranging from economic sanctions to political censure to military action at the United Nations. The U. S has disparaged the

United Nations, and is impatient with its decision-making process, this claim is made by many UN officials. France always wanted and promoted a world view where there is multipolarity. UN and EU these will represent different poles that will encourage economic development, political stability, and policies at times at odds with the United States. Bush administration never took this multipolarity seriously, they always thought multipolarity as a weapon against the U.S. Bush officials always claimed that multipolarity is nothing but euphemism for organising a opposition to U.S policies. Hence some U.S observers also considered France as antagonist.

Major change in the relationship came under the presidency of Nicolas Sarkozy. He was a staunch supporter of improving relations with the United States. He pursued a more practical policy than his Guallist predecessors, such as Jacques Chirac and de Gaulle himself, who anchored the elements of their nationalism by defining France as a country that selectively stood against US influence in the world. By contrast, Sarkozy accepted and even admired for the global leadership of the US. He also had this view that European security must have a US component.

Belkin (2011) identifies global perspective, multilateralism and the European Union as the major factors that are shaping the relation between France and the United States in the era of post-Cold War. The foreign policy of France is very much influenced by the ideas and values propagated after the French Revolution. It also sees that it has a “civilising mission” in the world. This is why French administration always emphasised the message of human rights and democracy, particularly in the developing world and in central and Eastern Europe. Similarly, France has always been vocal that all the international issues must be addressed in a multilateral framework. Sarkozy has also emphasised the importance of multilateralism. Shortly after his victory in the presidential election he wished that the United States would reverse course and lead the effort to combat global climate change. He also reaffirmed France’s commitment to NATO by bringing the country back into the alliance’s integrated military command structure after a gap of almost 40 years. In the same manner, the European Union play vital role in formation of French foreign policy (Belkin 2011: 7-10).

### **France-Russia Relations**

France and Russia enjoy prolonged strong relation right from the early modern days. During the World War II, they fought together against the fascist forces. But the relation became sour in the aftermath of the World War II when the world got divided into two poles and the United States

and the USSR representing the new world power structure. France chose to be on the adverse side of the USSR. Throughout the period of Cold War the relation between France and the USSR remained strained due to various reasons. After the collapse of the USSR, France signed a bilateral treaty with Russia, recognising it as a successor of the USSR. The relation between France and Russia has always been in ups and downs. During the Georgia war in 2008, France did not make any comment on the territorial integrity of Georgia. Moreover, there were no French protest when Russia failed to obey Sarkozy's deal to withdraw from Georgia and recognising governments in Georgia's territories (Herpen 2010: 4).

Another major event of the bilateral relation was the deal of Mistral class amphibious assault ships to Russia. The deal was signed in 2010. This was the first major arms deal between Russia and the Western World since World War II. The deal invited criticism from various sections of Europe. It was said that the security concerns of Poland, the Baltic States, Ukraine and Georgia was not taken into account while making the deal. On the other hand Sarkozy tried to persuade the West by saying again and again that "The Cold War is over." Situation became worse when this deal got criticism from many people in the high command of the Russian military industrial complex (Mendras 2013: 3).

The relation is also criticised for not being dealt in proper manner. The governments prefer to evoke the historical pictures more than the contemporary issues. Mendras (2013) argues that:

“the gap is widening between the romanticized relationship at the highest level, and the serious problems that spoil the bilateral dialogue, like energy, defense policies, the Eastern Partnership countries, or UN relations against dictator's use of indiscriminative violence. This two-tier approach complicates French positioning in such multilateral forums as the UN Security Council, the Council of Europe, OECD, or the EU-Russia Partnership, where the battle of wills with Moscow rarely abates” (Mendras 2013: 3).

The relation is also troublesome due to different set of governments in these two countries. France on one hand, is an old democracy, values coming from the French Revolution, a leading European State, a NATO member, and a nuclear power with relative world outreach. On the other hand, Russia is ruled by an authoritarian leadership, is richly endowed in raw materials, and has nuclear power and military outreach too.

## **India in the Post-Cold War Period**

The fall of the Berlin Wall and collapse of the Soviet Union started a new era in the world history. The collapse of one of the two great powers resulted in a unipolar world and the United States emerged as the sole superpower in the aftermath of the end of Cold War. This was a difficult situation for India and its foreign policy. The USSR has been one of the key pillars of Indian foreign policy. The sudden development in the world politics deprived India of a ‘natural partner’ and time-tested ally. It suddenly realised the absence of the veto shelter in the form of the Soviet Union. India was very much dependent on the USSR for its defence and military requirements. Now Russia was not in a condition to fulfil the requirements of growing Indian demands. This was the situation when India was almost at the verge of collapse as the foreign debt was at an all-time high and the opportunities were shrinking. This was the time when India had to rethink rigorously its policies.

In this difficult time, P.V.Narasimha Rao took the charge of Prime Minister of India. The country was facing an unprecedented financial crisis. High purchasing prices of oil in international market, first Gulf War, bringing Indian workers from Gulf countries during the war, payments of loans to multilateral banks, all costed a lot and had a very adverse effect on the national economy (Ganguly 2003/2004: 43). He very soon realised that he had a great task to finish. He had to lead India in a rapidly globalising world empowered by information revolution. In this time, it was extremely necessary for India to qualitatively reorient its economic, social and developmental policies. This was also became necessary for India to remain in “step with the mainstream of international development in this respect” (Dixit 2001: 45). This resulted into various changes in policies on domestic as well as foreign levels. India started liberalising its economy under his leadership. This was in stark opposition of the policy adopted by India in last four decades when India was facing difficult time after its independence in 1947. The Indian government embarked on a radical long-term structural adjustment program in concert with the World Bank and the International Monetary Fund. It included reducing several tariffs which were one of the highest ones of that time, reducing domestic regulations on industry, reducing subsidies to agriculture and fertilizer industries. It also reduced the spread of public sector in Indian economy (Ganguly 2003/2004: 43). These policy changes invited strong criticism from various sections of the society. M. S. Rajan (1997) writes:

“This change of priorities has led (since 1991) to increasing dependence of India (on financial and technological assistance) on other, developed, nations and external economic institutions, the World Bank and the IMF. This, in turn, is making India increasingly

indebted externally. It has been estimated (by the distinguished economist, I. G. Patel) that this indebtedness might be as high as \$100 billion by the end of this century. India is already the third largest debtor-nation among the developing countries. Presently, debt-servicing takes up more than a third of the central revenues (i.e., apart from those of the States). Inevitably, this dependence on external sources is likely to erode the degree of India's interdependence and sovereignty which it has for some four decades- in effect, India's continuing nonalignment" (Rajan 1997: 23-24).

The change in policy started showing its results by the middle of the decade when the national growth rate started rising from 1.06 in 1991 to 6.66 in 1994 according to the IMF. By the end of the decade, it became evident that Indian economy was meant to play an important role in the world economy when the growth rate kept rising when it reached 8.46 in 1998 according to IMF and the volume of the Indian economy kept increasing. This growth was also impeccable because of the fact that it happened in the backdrop of economic sanctions imposed on India by several nations in the aftermath of its nuclear tests in May 1998 and a short yet expensive war with Pakistan in Kargil in 1999. The continuing growth of the Indian economy created a favourable condition for foreign companies to increase their engagements in India. It also attracted several nations to increase its economic as well as political engagements with India. This change in economic policy also led to a change in the foreign policy of India where promotion of economic relation and cooperation with other countries became one of the higher priorities. Rajan writes:

“Economic diplomacy seems to have somewhat superseded the traditional diplomacy on political issues- international peace and security, peaceful settlement of disputes. In consequence, India plays (for this and the other reasons of preoccupation with domestic problems too) much less active role in world (UN) affairs. This is a noticeable change from India's involvement in world affairs during the Nehru era” (Rajan 1997: 23).

The change in economic policies surely had implications on the foreign policy of India. After the end of the Cold War, the situation was not very friendly for India. It had lost a trusted ally in the form of the USSR and was totally clueless in terms of where to place itself in the new political structure of the world. It had to redefine its position in the new regional groupings as well as the new politico-strategic security arrangements emerged in the aftermath of the end of Cold War. In this regard it had to develop a new relation with the emerging powers like North America, Western Europe, Japan, China, Russia and ASEAN as well as newly emerging countries like South Africa, Central Asia, the former European and Eurasian Republics of the Soviet Union. The wish of play an important role compelled India to “diversify its defence and economic cooperation with various



countries in conformity with new power equations emerging in the world in the context of orientation of policies of different important countries” (Dixit 2001: 46).

The foreign policy of India changed a lot in the changed global structure after the end of the Cold War. But the leadership was in an acute pressure due to the legacy of Nehruvian policy of non-alignment which had been the pillar of Indian foreign policy ever since its independence from the British Rule. C. Raja Mohan (May 2006) says:

“Since the 1990s, though, the challenge for the Indian leaders has been to reinterpret Nehru’s ideas to suit the new political context that had confronted it. The new Indian leaders could neither denounce Nehru nor formally reject Nehru’s ideas, for that would have invited serious political trouble. Yet they had to continually improvise and refashion India’s foreign policy to suit the new requirements” (Mohan 2006: 1).

It was in this background that India started looking at and engaging with the world in a new way. It opened its arm for all the countries shading away all the prejudices and leaving behind the baggage of the Cold War period. It moved from the idea of creating a “socialist society” to building a “modern capitalist” society. India went through several reforms to achieve this transformation and the changes started in 1991 started paying off by the end of the century by opening up various new options for the country on the foreign policy front. Bringing these changes in policy was not that easy. There was a pool of people ranging in all the spectrum of Indian society who had different views. They were unwilling to accept the situation emerged after the collapse of the Soviet Union. They even created a discourse which was more misleading than showing a right path. Ganguly (2003/2004) puts it aptly:

“Political commentators ranging from prominent university professors to well-known columnists expressed deep misgiving about overweening American power and lamented the abandonment of nonalignment and India’s willingness to take up all North-South issues. Their sandbagging hindered the leadership’s attempts to alter India’s foreign policy” (Ganguly 2003/2004: 42).

Nevertheless, the reforms were kept introduced by the government. One of the major changes occurred in the foreign policy of India was that it started giving more emphasis on economic ties rather political ties as earlier. It realised that it had fallen far behind other Asian countries including China, Singapore. India started seeking foreign direct investment and access to market in the developed world. It was easy to establish economic partnerships with different economic powers

of the world and it increased the trade flows. India also emerged as a favourable destination for outsourcing and its new prowess in information technology gave it a recognition in the world economy (Mohan 2006: 23). It paid off India well and very soon it embarked on high growth rate improving its potential which created a basis to transform its relations not only with great powers as well as with its regional rivals Pakistan and China and its neighbour states. Shifting from the notion of self-proclaimed leader of the “Third World” to realisation of having potential to emerge as a great power in its own right and shading away the notion of “anti-Western” was some more vital aspects of new foreign policy of India. Moreover, the transition from idealism to realism was the greatest shift in Indian foreign policy. In words of C. Raja Mohan, “India tended to see its role in world politics as the harbinger of a new set of principles of peaceful coexistence and multilateralism which if applied would transform the world” (Mohan 2006: ). This does not mean that during the Cold War India did not demonstrate realism. It did with various incidences, but the idealism overshadowed those incidences (Mohan 2006).

Another major transformation that changed the discourse of Indian foreign policy was the nuclear test conducted by India on 11 May and 13 May 1998 in Pokharan to assert its position as a nuclear weapons power. After a prolonged history of idealism and promotion of universal disarmament, India realised the importance of becoming a declared nuclear weapon state. The economic growth of the decade gave a kind of self-confidence to the government that it could overcome the economic sanctions would be imposed by major powers as a reaction to the nuclear test. Main reasons to go for nuclear weapons option suggested by J. N. Dixit (2001) are:

“First and foremost, the progressively deteriorating security environment that India faces and has faced since the late 1980s activated the leaders to go nuclear. Secondly, the incremental and definitive prospects of restrictive and discriminatory international regimes being put in place would have not just stifled but would also have put a complete stop in India realising its potential in the fields of space and nuclear technologies spurred India to exercise the nuclear option. Thirdly, India was averse to adjusting to a new international strategic and technological order in which the existing five nuclear weapons states would remain a dominating factor for a prolonged period of time. Fourth, India required a long-term and sophisticated defence capacity, in the context of its own post-independence experience of its territorial integrity being threatened more than once. Fifth, India took note of the fact that other nuclear weapons capable states, which were subjected to restrictive pressures, either overcame the pressures by becoming nuclear weapon powers themselves such as France and China, or they succumbed to international pressure and their nuclear technological capacities were capped, rolled back and eliminated as in case of Argentina South Africa and Brazil” (Dixit 2001: 33).

As expected, this prompted stark criticism from almost all the major powers except a few like France which addressed the national interest of India in positive manner. Several economic sanctions were imposed on India by various countries such as the US, the UK, Canada, Australia etc. But it was very difficult for other nations to contain India having so much potential and gaining fast economic growth. This was the time when major power started engaging with India in serious manner. It happened with the US also when it signed the historic nuclear deal with the Bush Administration in July 2005, just within seven years from Pokharan II in 1998. Under this deal, the US agreed to change its domestic non-proliferation law and revise the international guidelines on nuclear cooperation in favour of India. This deal was also important because it was a transformation in Indo-US relations from suspicion to a true alliance between India and the United States (Mohan 2006: 28) Riding on a robust economic growth and being a full nuclear power state, within few years, India established several other strategic partnerships with major powers including Japan, China, and Russia etc.

In the following years of its nuclear test India established very strong relations with almost all major powers engaging them in a strong manner. In its neighbourhood, it started engaging with China in various ways. Both the countries have become a major trade partners in recent years. They have agreed to resolve their border disputes in a peaceful manner and the signing of Strategic Partnership in 2005 added a feather in improving relations between the two nations. Yet, the policy to contain or to balance the power in the region with rising China is still not clear in Indian foreign policy. China is aggressively increasing its influence in India's immediate neighbourhood and in South East Asia. This will be one of the key drivers of India's foreign policy in future how it engages China (Mohan 2006: 30).

India established Strategic Partnership with Japan in 2005. Working under its "Look East" policy, India has improved its relations with several countries from South East Asia. It has become a "full dialogue partner" of Association of Southeast Asian Nations (ASEAN) and is also a member of ASEAN Regional Forum. It is engaging Southeast Asian countries in bilateral military exercises also. India has tries to improve its relations in its neighbour also engaging all the neighbours. In Middle East, India changed its age-long policy and established its full diplomatic relations with Israel. Due to some domestic and political reasons it was not done until 1992. This relation yielded an invaluable ally for India in the Middle East which has provided high-tech weaponry to it. This

also gave a message to the Arab Middle East that India could no longer be taken for granted (Ganguly 2003/2004: 43). Still the relation with the Arab Middle East remain amicable and is being deepened with increased economic and commercial cooperation, energy security and cooperation in combating religious extremism and terrorism (Mohan 2006:20).

Thus, India diversified its relation with nations of all parts of the global spectrum. Its policy was not restricted to engage major powers only but to engage with smaller and important countries also. It tried to enhance its relations with its neighbours by engaging them more rigorously. It has established strategic partnership with almost all the major powers in the world improving its relations after the end of the Cold War. It has diversified its relations with its policies like “Look East”. Ganguly (2003/2004) claims that it was only after the end of the Cold War that India’s foreign policy became ‘nonaligned’ in real terms. This is in the post-Cold War era that Indian foreign policy is being driven by its national interest breaking all the shackles and grievances of the Cold War period (Ganguly 2003/2004:42).

### **France in Post-Cold War Period**

The decade of 1980s was a decade of a number of changes. This decade witnessed the collapse of the world structure which was established in the aftermath of the World War II. These sudden changes ultimately culminated into the fall of Berlin wall and the collapse of Soviet Union and its disintegration. This was not an easy time for Europe and therefore to France. France was said to be in a fix regarding the future course of action of Europe. It was also concerned about the unification of Germany. It was said to be doubtful about the role of Germany in the new structure. It was also criticised for being passive during this crisis. The American historian John Lewis Gaddis (2005) in his book *The Cold War: A New History* makes no mention of the role of France during the critical period of 1989-91. But he does mention that the French President Francois Mitterrand then shared his ‘anxiety’ towards the ‘unsettling prospect’ of German unification with Soviet leader Mikhail Gorbachev and British prime minister Margaret Thatcher (Gaddis 2005: 250). On the other hand some scholars differ from this point of view. They put forward the idea that France “contributed constructively to the international settlement of the German question in particular and of the end of East-West conflict in general while promoting a distinctive vision of the post-Yalta European order with [...] the European construction” (Bozo 2007: 468).

During the last decade of the Cold War period, France was concerned about the future of Europe in that uncertain time. Therefore, it promoted and successfully relaunched the EC by reviving the Franco-German engagement in the spring of 1990. This effort paid off in less than two years when the European Union was formed. This was a big leap in the history of European integration. France always followed a distinct foreign policy from other west European countries throughout the Cold War and it kept its distinctiveness in the post-Cold War period also. The formation of the European Union and its objectives surely inculcated with the idea of independent policy vis-à-vis the United States. Bozo (2007) says:

“On the West European level, this was illustrated by Mitterrand’s determination to see the new-born Union be given responsibilities and capabilities in the field of diplomacy and, in the longer run, defence – a ploy in line with the traditional Gaullist view of a unified Europe’s key role in preserving the old continent’s stability after the Cold War and vindicated to some extent by the establishment of a common foreign and security policy (CFSP) through the Maastricht treaty” (Bozo 2007: 467-468).

In the quest to follow its own foreign policy free from the shadows of the United States, France always took a decision based on its own national interest. The act of pulling out itself from the NATO in the 1960’s was one of the demonstration of its desire to follow its own path. After the end of the Cold War Europe was divided into two groups on the issue of security system to be followed in the changed world scenario. The group of Atlanticist states, such as Great Britain and the Netherlands, were insisting on the retention of NATO as the prime element of any European security structure. On the other hand, the group of Europeanist states, mainly France, disagreed on this idea putting forward the idea of having a Euro-centric security system (Lansford 1999: 1). This idea is also contested by some scholars. Gordon (2005) in his article French Security Policy After the Cold War: Continuity, Change, and Implications for the United States quotes saying-

“The defense of Western Europe, for the present and for many years to come, can only be conceived of in a context of respect for the Atlantic Alliance. It is not in a matter of creating a defense organisation that will substitute for that of NATO. It is a matter of understanding the limits of the Atlantic Alliance and its military organisation. [...] The Atlantic Alliance will continue fully to play its major role in the maintenance of peace. [...] For a man of my generation, it is necessary to express the gratitude that is owed to the great American nation without which our liberty and our homeland would have been lost all significance.”

It suggests that France was not opposing to work with NATO but it was propagating an idea of having a Eurocentric security system which would work with NATO. Gordon again quotes Hubert

Védrine saying that “no one is trying to construct a system in competition with the one that exists” (Gordon 2005: 10).

France has been enjoying its independent nuclear policy since its inception. It has been one of the major pillars of its security policy. After the end of the Cold War, there was a debate in France whether to continue with the status quo or to change the policy. A group of experts along with the President François Mitterrand were in the favour of continuing with the traditional policy of deterrent posture whereas there was a group of experts that was in favour of diluting the deterrence posture of the nuclear policy. As the consequence of the US debate over counter-proliferation and the US-French disputes over “flexible response” during the Cold War, the leadership of France decided to continue with the traditional deterrence posture nuclear policy. France came with a White Paper in 1994 describing all kind of threats and risks French security was facing after the Cold War. It also described the use of nuclear weapons as a deterrence. This remained the guiding principles of French nuclear policy for long (Grand 1998: 531).

Another significance of the foreign policy of France in the post-Cold War period was its desire of creation of a multipolar world. It was very much aware of the emergence of the United States as a ‘hyperpower’. It has always advocated for a multipolar world for a more stable power structure. Hubert Védrine in his interview to Doordarshan on 17 February 2000 reiterated the French vision of the requirement of a multipolar world. It has also supported the aspiration of India as an emerging power and a growing regional power. It regarded India as an actor to establish peace in this region. The idea of the US becoming the ‘hyperpower’ and a need to create an effective multipolar world order strike a chord with Indian vision of world order. France established strategic partnership with several countries to maintain its status in the changed world order after the Cold War era. These strategic partnerships were mainly based on cooperation in political, economic, defence, military, space technology and nuclear energy.

Another aspect of engaging several countries at this level was to get an access to a market for its industry. By 1990’s the economy of France became stagnant and its industry was looking for new markets. It has established the Strategic Partnership with India as soon as 1998 and one of the major aspect of the Partnership was an increased exchange of economic cooperation. The trade has risen several folds after the signing of the partnership.

The independent aspect of French foreign policy is very well explained by Belkin (2011) as:

“Several factors shape French foreign policy. France has a self-identity that calls for efforts to spread French values and views, many rooted in democracy and human rights. France prefers to engage international issues in a multilateral framework, above all through the European Union. European efforts to form an EU security policy potentially independent of NATO emerged in this context. However, more recently, policymakers in France, Europe and the United States have come to view a stronger European defense arm as a complement to rather than a substitute for NATO” (Belkin 2011: 1).

It clearly says that France unlike other European countries is known for its independent foreign policy. It has even pulled itself out of military integrated command of NATO to pursue its independent policy. It has always advocated for a multipolar structure of the world system and has been a vocal on talking international issues in a multilateral framework.

Thus, in this chapter, it is discussed how the world underwent several changes on different levels after the end of the Cold War. The fall of the Berlin Wall in 1989 and subsequently, the collapse of the Soviet Union in 1991 brought an upheaval in the world order which put the world in flux. On political level, the bipolar world that existed after the end of World War II was replaced by a unipolar world where the United States emerged as the uncontested hyperpower in the world order. It was also seen as a triumph of liberalism and democratic values over Marxist-Leninist and socialist model of governance. On economic level, the socialist model of economy was superseded by the capitalist and liberal economy. On security level, the world started witnessing ethno-political movements in different parts of the world. The emergence of unconventional threats like terrorism, drug trafficking and insurgency was also marked by this era. This compelled countries to reform their foreign policy and engage with other countries in different ways. This was the time when countries started engaging with other countries by establishing strategic partnership. This was a new tool in foreign policy of countries. Since it is a new phenomenon in the world politics, it is still very difficult to define this partnership. Though this chapter has tried to derive a comprehensive definition of strategic partnership. Moreover, it has discussed some of the strategic partnerships established by India and France.

In the other part of the chapter it is discussed how the scenario changed for India and France after the end of the Cold War. In this part, it is briefly discussed how India was facing crises during the early years of the 1990s and how it emerged from such crises. India underwent economic reforms started in 1991. India started opening its economy for the world and went on the path of assimilating it with the world economy. Changes in the domestic policies resulted into high growth

rate of the Indian economy and by the end of the decade, it was clear that India was meant to play an important role in the world in future. Encouraged by the growth of economy, India shifted its nuclear policy and conducted nuclear tests in May 1998. This was a paradigm shift in the policies of India. It was an act to assert its aspiration to play an important role on the world stage. On the other hand, France was having a stagnant economy and was looking for new markets. The end of the Cold War and the bipolar structure of the world order, gave France an opportunity to look for new markets in the countries where it was not having share due to the previous order. On political level, France had distinct foreign policy from other western countries. Its foreign policy was based on the De Gaulle legacy which was based on independence of policy for own interests. This is why, France opted out of the military integrated command of the NATO. Here, it is pertinent to discuss the situations occurred after the end of the Cold War for both the countries and how they responded to those situations. In the next chapter, it will be discussed at length how India and France faced the last decade of the last century and how they came closer to established strategic partnership in 1998.



**CHAPTER 3**  
**India-France during the Post-Cold War Period: From  
Engagement to Strategic Partnership**

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### **India-France during the Post-Cold War Period: From Engagement to Strategic Partnership**

#### **Introduction**

The late 1980s witnessed a number of changes in the world. It finally culminated in the disintegration of the Soviet Union in December 1991. This led to the creation of Russia along with several Central and Eastern European and other countries. This was the greatest change of the era where one of the two prominent ideologies lost its battle. It also led to reformation of power structure on the world level. With the disintegration of the Soviet Union, the United States emerged as the only superpower of the world mainly by virtue of its overwhelming military and economic superiority which reaffirmed the political idea of liberalism and the market economy. In the early 1990's, the United States was universally regarded as the only super-power, or a 'hyper power' as the then French foreign minister called it or the 'ultimate hegemon'. It was seen that the world order changes with the end of wars between the great powers, but the bipolar world order collapsed without such war between the great powers and it was rather a peaceful event. It was also seen that one of the systems led by the United States remained intact and was later consolidated and expanded all over the world. Thus, countries grouped into the other system of the world order during the Cold War also began to integrate with the world order led by the United States (Ikenberry 2010:535). It established the supremacy of liberal and capitalist model of economy in the world. This emergence of the United States as the only super power and absence of counter-power paved the path for change in foreign policy of almost all countries including India and France.

It was observed that there was a wave of policy changes came after the end of the Cold War. These policies were aimed to regulate action of countries of world in the fields of trade, nuclear weapons and nuclear energy and environment conservation in the name of climate control. In order to reduce the nuclear weapons the then Soviet Union and the United States agreed through the Intermediate-Range Nuclear Forces (INF) Treaty of 1987, to eliminate all their land-based intermediate range missiles, and two-third of their strategic nuclear weapons. They also took unilateral action to eliminate their tactical and short-range nuclear weapons. Moreover, an unprecedented convention was signed by nations across the globe to ban, under strict verification, the development, production, stock-piling, deployment and use of chemical weapons, which constitute an important category of weapons of mass destruction (WMD). Another negotiations on Comprehensive Test

Ban Treaty (CTBT) were completed and the Treaty was endorsed by the UN General Assembly in 1996. It was signed by several countries, but it could not come into force because of the insertion into it of an 'Entry into Force' clause which required that all 44 nuclear capable countries sign the Treaty before September 1999, for it to become operational. These treaties, commonly known as control regime were mostly discriminatory.

These control regimes were very instrumental in the post-Cold War era when it came to proliferation of nuclear weapons. It came with the idea of retention and use of nuclear weapons by the nuclear weapon powers alone. It was with the opinion of prevention of the proliferation of WMDs to Third World countries so that the emergence of any of these countries as a big power on the world scene was not possible. For this purpose the Third World countries were expected not only to give up their ambitions to acquire WMDs but also substantially reduce their expenditure on conventional arms. In this regard, the US think tanks and policy makers came up with the theory of discriminate deterrence, i.e., "not a pre-fixed deterrence as during the Cold-War, but one that can be used discriminately and flexibly against any power that threatens to upset the status quo" (Dubey 2013:9). The US decision was endorsed by most of its allies. This decision envisaged to build a defensive weapon system against nuclear weapons was also directed against Third World countries. They also put in place a number of exclusive discriminatory regimes which had the purpose of freezing the level and structure of the development of developing countries. These included the Australia Group (for chemical weapons), the Missile Technology Control Regime (MTCR) (for missile technology) and the London Club (for nuclear weapons), which later became the Nuclear Suppliers Group (NSG). The purpose of all these groups was to control the export of dual-purpose substances, material and technologies in the respective areas. The list of substances, material and technologies which are prohibited or controlled under these regimes are so wide-ranging and open-ended that it made Third World countries unable to use such substance (Dubey 2013:10). Such regimes were mainly to prevent developing countries to access to advanced technologies so that the competition between the developed and developing countries could not take place. This was also with the thought that the developing countries would remain dependant on developed countries for latest technologies. Thus, it had strategic as well as commercial and economic motives of developed countries behind establishing such discriminatory regimes.

Along with such regimes, some environmental regimes were also established at that time like the Montreal Protocol. It required developing countries to phase out the production of substances the

use of which could have an adverse effect on the environment. In the areas where such regimes applied, the developed countries had a technology lead of at least 25 to 50 years over developing countries, but the later were given a margin of just a few years to phase out the production of such substances (Dubey 2013:10).

The end of the Cold War reinforced the Western model of democratic government. It also coincided with the increasing acceptance of values of fundamental freedoms and basic human rights. Moreover, country after country all over the world started opting for development strategies and free market economy thus integrating themselves with the world economy which was based on the ideas of “globalisation, integration, democratisation, and the expansion of liberal international order” (Ikenberry 2010: 536). In order to integrate with the world economy, a country required to rely on foreign markets, capital and technology. And for the latest technology, again it had to rely on one of the developed nations. Therefore, it had foreign policy implications and made developing countries like India to enhance its relation with the developed countries. Here, economy started playing a vital role in the foreign policy of a country. India also made several adaptations and changes in its foreign policy to cope up with the post-Cold War world order.

Indian foreign policy was MEAng through a difficult time in the beginning of the 1990s. On one hand, it had issues with its neighbours, on the other hand, on global level, the United States and other developed countries were putting immense pressure on India to toe their line on items such as “(1) the speed of our liberalisation plans, (2) the new (and discriminatory) regimes being initiated on transfer and development of high advanced technology and (3) nuclear non-proliferation, arms control and disarmament.” (Dixit 2003:225) Indian economy was MEAng through a very bad phase and above that, it was facing protectionist stipulations put forth by the developed countries, under the pretext of social and human considerations, through General Agreement on Tariffs and Trade (GATT) and later by World Trade Organisation (WTO). On the level of nuclear weapon front, there were several regimes introduced to prevent new countries to pass the threshold. It was becoming more difficult for countries like India to follow its independent nuclear policy through the introduction of discriminatory regimes like comprehensive test ban treaty (CTBT) and missile technology control regime (MTCR). India was facing immense pressure from the United States and other developed nations to follow this path. It was in this background, India conducted its foreign policy in the 1990s and was able to engage with major Western powers discarding its ideological baggage of the past in dealing with these countries. It also opened a wide

range of convergence of interest with these countries. Here, it is necessary to discuss in detail, the economic as well as nuclear policies of India during 1990s.

## **Opportunities and Challenges before India after the Cold War**

The changed world order along with some other international issues like Gulf War in 1991 brought difficult time for Indian foreign policy. These events had a very systemic effect on Indian policies in diplomacy as well as in economy. The 1990s was marked in India with two major policy changes: i) liberalisation of economy following the balance of payment crisis, and ii) an overt nuclear policy adapted after the nuclear tests in 1998. Here, it is important to examine the reasons behind these changes and what were the effects of these policy changes on the visibility of India on the global level.

### **The Indian Economic Crisis of 1990s and Economic Reforms**

The last decade of twentieth century started with several upheavals in the world as well as in India. This was the time when a series of political developments took place one after another which affected the world as well as India. The disintegration of the Soviet Union and the unification of Germany followed the policy of *Glasnost*. Iraq invaded Kuwait and set off another oil shock. In India, there were three changes of government in the short span of time from 1989 to 1991. At the same time an unprecedented socio-political upheaval was taking place after the introduction of affirmative action following the recommendations of Madal Commitssion and the demolition of a religious structure. In this background, India witnessed its worst economic crisis commonly known as the Balance of Payment (BOP) crisis. This along with changes taking place in the world, paved path for a paradigmatic change in economic as well as foreign policies of India.

### **Reasons behind the Economic Crisis of 1991**

There were several major and minor reasons behind the aggravated economic crisis that shook India in the beginning of 1991. The disintegration of the Soviet Union was one of them. This was an unrepairable loss of a great ally and an economic partner for India. It was the biggest trade partner of India and its disintegration had great impact on Indian economy. Specially, Rupee trade with the Soviet Union was an important element of India's total trade in the eighties. Exports to Eastern Europe constituted 22.1 percent of total exports in 1980 and 19.3 percent in 1989 which came down to 10.9 percent in 1991-92. The main components of this trade was capital goods and defence equipment and it was financed by long-term credits. The introduction of glasnost and the

disintegration of the USSR in 1991 terminated several payment arrangements in rupee (Virmani 2001:4). This was a major setback for the Indian economy. The loss of a great partner with which India had trades in rupee devaluated the Indian currency creating a big problem for Indian economy.

Apart from the disintegration of the USSR, Indian economy was also affected by the invasion of Kuwait by Iraq in the beginning of August 1990. This was also known as Gulf War which caused oil shock. The prices of crude oil rose rapidly after this crisis. However, this was comparatively a smaller oil shock than the previous ones, the price of oil started declining very soon and by February 1991, the prices were almost back at the level prevailing at the end of February 1990. For the 5-month period August 1990 to January 1991, crude oil prices were higher by about 65 percent than in the corresponding period of the previous year. Though the oil shock did not last long, yet had a much more lasting effect on India. A large share of Indian oil import came from Kuwait and Iraq. Due to this crisis, India had to buy crude oil from other sources on exorbitant rates to fulfil its growing requirements. This resulted into increase in oil import bill (Virmani 2001:4). The oil crisis was a double fold crisis for India as a number of Indian migrants living in Kuwait and Iraq had a very good contribution in India's foreign exchange. India lost this share of foreign exchange and had to spend a large amount of money for repatriation of these migrants from Kuwait. Moreover, exports to these two countries were also affected due to the embargo imposed by the United Nations.

Though the economic crisis hit India in early years of 1990s, efforts were made to liberalise the economy starting from the mid of 1980s. Big business groups were motivated to participate in the process of industrialisation with various new benefits. Attempts were made to loosen the direct physical controls and to initiate indirect financial incentives and disincentives. Overall, the 1980s witnessed a gradual and definite deregulation from domestic controls. Trade policy was also liberalised to some extent in the 1980s. As Klein and Palanivel (2000:3) say that there was some liberalisation of imports of capital goods in the second half of 1980s, with emphasis on technological up grading of Indian industry. This resulted into a record growth of industrial production of 8-9 percent per annum in the second half of the 1980s. The acceleration of growth during the 1980s was achieved with distinctly better productivity performance.

The relative higher growth rate in the eighties in comparison to the seventies was accompanied by higher fiscal deficits, rising current account deficits and larger external debt. This fiscal imbalance

was one of the major reasons of the economic crisis in 1991. This was the time of non-flexible exchange rate which led to a rise in the current account deficit. Subsequently, due to the restrictive and highly controlled FDI and foreign portfolio equity (FII), the higher current account deficit led to rise in external debt. In addition to that, the continuing decline in the productivity of governmental expenditure made government unable to pay the interest and to pay the interests, money was borrowed from abroad on commercial terms both from the capital market as well as non-resident Indians (NRIs). Consequently, it augmented the interest cost exponentially. For example, in 1983-84, out of \$22.8 billion of public and publically guaranteed external debt, roughly 17 percent was owed to private creditors. This share was sharply risen to around 30 percent out of total external debt of \$69.3 billion on the eve of the balance of payment crisis (Srinivasan 2003:1). Since the Indian economy was very controlled in practice, the main borrowers eventually were the central government and public institutions. The government expenditure grew at a phenomenal rate during the 1980s. It grew faster than both GDP and government revenues. In the same time period, total expenditure on the subsidies also grew exponentially. It rose from 8.5 percent of the total expenditure in 1980-81 to 10.2 percent in 1990-91. In absolute terms, the expenditure on subsidies rose from Rs. 19.1 billion in 1980-81 to Rs. 107.2 billion in 1990-91 (Bajpai 1996:3). In addition to that, the revised increased salaries of government employees only increased the difficulties for government. On one hand where gross fiscal deficit was growing enormously, the GDP growth rate declined from 6.9 percent in 1989 to 1.1 percent in 1991 (Malone and Chaturvedi 2009:7) aggravating the crisis.

Not late than the early months of 1991, the Indian economy suffered from a very acute and unprecedented macroeconomic crisis. This was known as the balance-of-payment (BoP) crisis. The foreign currency reserves of India had gone to \$ 1 billion which could pay only for two weeks of imports. This was for the first time that India reached at the verge of defaulting international payments. The central government fiscal deficit to GDP reached in double-digit level for the first time and the current account deficit reached almost 3 percent of GDP. In short, India reached at the verge of bankruptcy (Klein and Palanivel 2000:4). Bajpai (1996) explains the situation very well as:

“The balance-of-payment came under severe strain from one liquidity crisis experienced in mid-January 1991 to another in late June 1991. On both occasions, the foreign exchange reserves dropped significantly and the government had to resort to measures, such as using its stocks of gold to obtain foreign exchange, utilisation of special facilities (CFF, CCFF,

and ESAF)<sup>2</sup> of the IMF, and also emergency bilateral assistance from Japan and Germany among others. Having resorted to these measures, the government was able to avoid a default in terms of meeting its debt service obligations and financing of imports.” (Bajpai 1996:4)

However, this was not that India was facing an economic crisis for the first time. But, the earlier crises were mainly due to shortage of supply, increased rates of petroleum, droughts and floods. Thus, the crises used to recover once the country had good harvest the economy used to get stabilised. But this crisis was generated from the system paralysis and caused grave problems. Thus, a overhauling of system was required to overcome such crisis in 1991 (Klein and Palanivel 2000:5). Subsequently, the Indian government embarked on the path of a comprehensive programme of economic reforms which comprised with measures taken to attain stability, growth and to achieve a robust structural strength.

### **Economic Reforms undertaken by India**

Starting in June 1991, the Indian government introduced a number of liberalising measures, prompted mainly by the balance of payments crisis and partly by the necessity to use domestic resources more efficiently. These measures include significant tariff reduction, unification of the exchange rates, abolition of all quantitative restrictions on non-customer goods and adoption of a liberal set of rules for FDI. These measures along with current account convertibility to attract FD in India. Similar, required reforms were introduced in the industrial as well as service sectors to attract more private sector and enhance competitiveness among them. The goal of these reforms was to bring a balance between market and state. The reforms undertaken in major areas of Indian economy are discussed below.

### **Financial sector reforms**

In India, reform of the financial sector was identified, from the very beginning, as an integral part of the economic reforms. By and large, financial sector reforms in India have proceeded in five directions. A) to strengthen market institutions and allow greater freedom to financial intermediaries. These reforms were marked by gradual liberalisation of interest rates, development of money and capital markets and giving operational flexibility to banks in management of their liabilities subject to transparency and prudential norms. B) to take safety measures for the finance system. Measures such as income recognition norms, asset classification, meeting minimum

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<sup>2</sup> Compensatory Financing Facility (CFF), Cotingency and Compensatory Financing Facility (CCFF), and Enhanced Structural Adjustment Facility (ESAF)



capital adequacy standards through recapitalisation and devising a supervisory framework are steps in this direction. C) removal of operational constraints through lowering the share of pre-empted resources in the total resources of the banking system. This was achieved through gradual liberalisation of the cash reserve ratio (CRR) and the statutory liquidity ratio (SLR). D) to bring transparency in banking sector to create a more competitive environment. Several private banks were given new banking licences and major foreign banks were also invited to operate in India to increase competition, transparency and good services for citizens of India under the improved supervision of the Reserve Bank of India. And, E) to create financial institutions in terms of a supervisory body, audit standards, technology and a legal framework (Klein and Palanivel 2000:6-7). In addition to this, an important initiative taken as part of the reforms was the opening up of the capital market for portfolio investments. Indian companies had been allowed to access international capital markets by issuing equity abroad through the mechanism of Global Depository Receipts. To strengthen the private sector in India, the Capital Issues Control Act was repealed in May 1992. Under this Act, it was necessary for companies to get permission from the government for issuing capital and the pricing of new issues was also controlled by the government. This abolition helped private companies to issue capital according to the condition of market. To safeguard the interest of investors, speedy settlement, and to bring transparency in trading practices the Securities and Exchange Board of India (SEBI) was established as an independent statutory authority on 30 January 1992 through the SEBI Act, 1992. (Ahluwalia 1994:9).

Thus, improvement in prudential norms and standard, increased competition in the banking sector, liberalisation of interest rate were the focus of reforms in the financial sector. This was aimed at bringing more transparency and accountability to help industry grow faster in the new system

### **Tax reforms**

India had been considered as a country with higher tax rates. From 1990, India has witnessed a number of reforms in this sector also. These reforms were majorly focused on: a) expanding the tax base by including services that were not taxed previously; b) reducing rates of direct taxes for individuals and corporations; c) abolishing most export subsidies or reducing them successively; d) lowering import duties; e) rationalising sales tax and reducing the cascading effect of central indirect taxes by introducing a Modified Value Added Tax and Value Added Tax which was implemented nationwide in last half of the decade; f) rationalising both direct and indirect taxes

by removing unnecessary exemptions; g) providing for tax incentives for infrastructure and export-oriented sectors, including setting up special (Export) Economic Zones; and h) simplification of procedures and efforts for improving the efficiency of the tax administration system especially through computerisation.

Efforts made by government led to favourable results and within two years, the maximum marginal rate of personal income tax was reduced from 56 percent in June 1991 to 40 percent in 1994. Relaxation were made in the wealth tax where many things were exempted. In the same way the corporate income tax was also reduced to 46 percent with 40 percent tax and 15 percent surcharge in this time period whereas it used to be 51.75 percent for publically listed company and 57.5 percent for a closely held company. Custom duties and Excise duties were also reduced significantly under these reforms (Ahluwalia 1994:6). All these helped government enlarging the tax base and tax revenue started growing.

### **Industrial policy and Foreign Investment**

The economic reform of 1990's was marked by several relaxations in the industrial sector where license-raj was almost removed. Earlier a license was required for establishing and industry as well as to expand the existing investment. Through the "Statement of Industrial Policy" dated 24 July, 1991 which was referred as the New Industrial Policy, abolished the investment licensing and entry restrictions on Monopolies and Restrictive Trade Practices (MRTP). A very less number of industries were kept under the requirement of license like industries for defence equipment, atomic substances, narcotics, distillation and brewing of alcoholic drinks and cigarette and tobacco products (Panagariya 2004:23). This came as a major relief for investors in India. Along with these changes, the Indian market was opened for foreign direct investment (FDI). Several relaxation were made to attract FDI in various sectors. Now the equity limit for several industries were raised to 51 percent against 40 percent in some industries. This resulted in a speedy growth in FDI where the amount of investment increased dramatically. The volume of foreign equity approved by the government just after 24 months of the introduction of reforms amounted \$3 billion which used to be just \$150 million few years before (Ahluwalia 1994:4).

These reforms in various areas of economy helped India phase out the crisis it saw in the beginning of 1991. These reforms slowly started showing its results and India embarked on the path of development backed by a system of robust economy. Here, it is important to discuss the results of the measures taken by the Indian government to improve economy.

## **Economic Growth in the 1990s**

The economic restructuring measures produced appreciable results. Initially, growth declined sharply in response to the fiscal and monetary policies adopted to address the crisis. The reforms and good monsoons helped growth rebound to 5 percent in 1992-94. By 1994, Foreign exchange reserves in India rose to more than adequate level of \$15.07 billion. The current account deficit was also minimalized and the export was growing at the rate of 20.0 percent over the previous years (Wadhwa 2004:272). This was very encouraging sign for the development of India that was showing the successful overcome to its worst economic crisis. This success was later followed by tremendous increase in foreign direct investment (FDI). Major American companies such as Pepsi Cola, Coca-Cola, General Motors, General Electric, International Business Machines (IBM) and McDonald's started their business in India. It is a matter of fact that these companies were earlier forced to leave India in previous decades. Same pattern was observed with companies from Great Britain, France, Germany and Japan (Malone and Chaturvedi 2009:7). They started investing in industries as well as in service sectors. This along with good harvest and improving Indian industries and trade helped India grow around the rate of 7 percent for three consecutive years from 1994-97. It placed India among the world's best performing countries. Growth fell to 5 percent in 1997-98, but it picked up to 6.8 percent 1998-99, due to fluctuations in agricultural production. The industrial sector played an important role, both in accelerating and decelerating economic growth. The easing of constraints in the early 1990s led to a steady increase in industrial growth. However, it had sharply decelerated from 12 percent in 1995-96 to 6 percent or less in the last three years of the 1990's. There were encouraging signs that industrial production were picking up again by the end of the twentieth century. Growth of GDP from manufacturing was expected to grow almost double to 7 percent in 1999-2000 from 3.6 percent in 1998-99. The growth in GDP from the construction sector was likely to accelerate to 9 percent in 1999-2000 from 5.7 percent in 1998-99. Similarly, a high growth was observed in service sector which constitute 48 percent of Indian economy. The average annual growth rate of the services sector increased from 6.6 percent during 1981-90 to 7.1 percent during 1990-98. India had a major comparative advantage in services. India's service exports in 1997 were US \$ 9.3 billion, against its merchandise exports of \$ 32.2 billion (Klein and Palanivel 2000:24). India became one of the dominant suppliers of professionals to the United States in the Silicon Valley. Indians amounted over 50 percent of the H1B visa given by the United States for a long time. It started a supply chain initially from

Bangalore and later from other parts of India. It sparked a new identity of India in the world and it launched India on global level very fast (Basu 2012:6)

Riding on the reforms initiated in the beginning of the 1990s, the results were clear by the mid of the decade and the inflation also started lowering down and it reached less than 4 percent in April 1999. Growth in export and trade and industrial productivity the trade deficit started reducing. With introduction of FDI in Indian economy, it started integrating rapidly with the international economy. Soon India became one of the most dynamic countries in Asia for foreign direct investment. In short, the measures taken by the government for the reformation of Indian economy paid well in the last decade of the twentieth century. The economy which was struggling in the beginning of the decade due to various reasons started blooming and growing with a fast speed. This attracted various major players of the world to engage India on various fronts. For developed countries, India emerged as one of the biggest market and for India, it gave an opportunity to expand its relations with great powers and get benefited. This economic growth injected a notion of confidence into the government which was ready to express the world the desire of becoming a major player. Riding on one of the fastest growing economy, the nuclear tests in May 1998 in Pokharan by India was one of the greatest steps to assert the world its requirements and aspirations to play a major role in world politics in the new century.

### **India's Nuclear Policy in the 1990s**

India's nuclear policy since its inception had been ambiguous till May 1998 when it went for an overt nuclear policy following five tests in Pokharan. By conducting these nuclear tests, the first right-to-centre government of India, led by the Bhartiya Janata Party (BJP), resolved nearly five decades of nuclear debate in India in favour of an overt nuclear posture. Notwithstanding the expected criticism from the major players of the world and in the domestic politics, India decided to cross the nuclear Rubicon the *Lakshman Rekha*. It was a step forward for India towards becoming a normal nation where it started giving priority to realpolitik and national security above liberal internationalism, morality and normative approaches to international politics (Mohan 2003:7). This was a difficult decision to make for India keeping in mind its age long stand on nuclear weapons. To understand the dilemma Indian leadership was facing on nuclear issue for a long time, there is a need to revisit India's nuclear policy from the beginning.

### **India's nuclear policy from beginning to 1990**

The first Prime Minister of independent India Jawaharlal Nehru was very vocal against nuclear weapons. Nevertheless, he understood the importance of nuclear technology in national development. He also agreed to a lesser extent that nuclear weapons technology might have a role to play in national defence if efforts at nuclear disarmament should fail. But it is untrue to assume that Indian nuclear policy was based completely on Nehru's perspective on nuclear weapons. It is true that his perspective had a great influence on it but, it was also influenced by India's international security condition as well as by domestic variables such as the political change at the centre and the influence of bureaucratic elites (Rajagopalan 2009:95).

The quest for nuclear independence for India started years before it got independence. In the early years of 1940s, Dr. Homi Jehangir Bhabha, who had a good experience of developments in nuclear science in Europe wanted India to undertake such research for its development after independence. Therefore, in 1945, he established Tata Institute of Fundamental Research (TIFR) with the help of the Dorabji Tata Trust. The primary objectives of the TIFR were to conduct fundamental research in theoretical and applied physics and to train scientists for the development of nuclear energy in India. Even, the cooperation between Jawaharlal Nehru and Bhabha on the scientific and nuclear field had also began before Indian independence. They collaborated in 1946 to set up the Atomic Energy Research Committee (AERC) to promote research in nuclear physics at Indian colleges and universities.

In the post-independence India Bhabha received support from Nehru and on August 15, 1948, India passed the Atomic Energy Act (AEA) and established the Indian Atomic Energy Commission (IAEC) to begin work directly related to the exploitation of nuclear energy. The AEA provided that all research and development in the nuclear field would be conducted in secret, and all uranium and thorium reserves would be placed under state control. The chairman of IAEC was responsible only to the Prime Minister. In January, 1954, the Indian Atomic Energy Commission set up the Atomic Energy Establishment at Trombay. Also the Department of Atomic Energy was created with Bhabha as its head, responsible to the Prime Minister. All the scientists working on programmes related to nuclear power were transferred to Trombay. India got its first breakthrough when ASPARA ('water nymph'), an endogenously built one-megawatt thermal, moderated and cooled, swimming pool-type research reactor went "critical on August 4 1956" (Singh and Singh 2009: 83-93)

All these programmes during the period of Nehru was restricted to the peaceful use of nuclear technology for the development of India. Nehru was a great advocate of nuclear disarmament so he ruled out the possibility of formation of nuclear weapons in India. yet, he left the decision on future generation keeping ambiguity in policy which remained the characteristics of Indian nuclear policy until May 1998. Dr. Indrajeet Singh and Pradeep Kumar Singh (2009: 83-84) say:

“Indian decision makers were well aware that their country’s nuclear energy programme contained a built-in advantage of defense use if the need should arise.”<sup>2</sup> If necessary this nuclear energy capability could be converted to facilitate India’s future defense needs to make nuclear weapons. Nehru had always deplored nuclear weapons and nuclear deterrence and led many international efforts for nuclear disarmament and nuclear test bans. At the same time he did not foreclose the military nuclear option altogether, he deliberately kept it open until the time when the other declared nuclear powers would agree to take significant steps towards elimination of their own nuclear forces”(Singh and Singh 2009: 83-84).

Even C. Raja Mohan (2003) adds:

“Nehru clearly ruled out the military application of nuclear energy, although he said he could not vouch for the policies of the future generations of Indian leaders. With Nehru’s emphasis on peace and disarmament in India’s foreign policy, it could not have been otherwise. He took the lead in calling the world to come to a stand-still on nuclear weapon development, adopt a ban on nuclear testing and a freeze on production of nuclear material” (Mohan 2003:9).

Although, Nehru and Bhabha advocated for nuclear disarmament, they both believed that India should not give up the option to make nuclear weapons in future. Therefore, they protected India’s nuclear programme from external influence and refused to support various control mechanism. It is noteworthy that India had opposed the idea of an international control of atomic minerals and nuclear plants known as Baruch Plan<sup>3</sup> proposed by the United States in 1945. Similarly, it also opposed the idea of an international safeguards system on nuclear installations devised in the International Atomic Energy Agency (IAEA) in 1956 (Singh and Singh 2009:84). These steps were important to keep the option of military application of nuclear technology open as these plans sought to limit India’s nuclear potential and future decision making on the bomb.

The shift in policy came in the mid-1960s when in October 1964, China conducted its first nuclear test and declared itself as the fifth nuclear power. It had a grave repercussion in India’s nuclear policy. In 1974, Indira Gandhi with the help of the successors of Bhabha conducted the first Indian

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<sup>3</sup> The Indian reaction to the Baruch Plan, see the statement of India’s ambassador to United Nations, in UN General Assembly official records, 3<sup>rd</sup> session, 156<sup>th</sup> planning meeting, 04 Nov. 1998, 424-424.

nuclear test in Pokharan. Though this nuclear test did not meet the nuclear requirements of India and only demonstrated its atomic capability, it attracted severe reactions around the world. Pakistan did not waste time and indicated that the explosion was an act of validation of its long-held suspicion that India was motivated to build nuclear weapons through its nuclear programme. The United States raised its concern over the adverse impact the test might have in this region. It had concerns over the stability in this region after this explosion. Canada, which was helpful to India in its peaceful nuclear programme felt some kind of 'betrayal' and it reacted very angrily. India had to face several sanctions after this peaceful explosion. This compelled India not to claim itself a nuclear weapons power. Moreover, it confounded the whole world by calling the test a peaceful nuclear explosion and declaring that it had no intention of embarking on a nuclear weapons programme. That is why the name of the explosion was given 'Smiling Buddha', as Buddha was known for non-violence. The Feng-sui meaning of the code name (Smiling Buddha) embodies peace, prosperity and security.

After the first nuclear explosion in 1974, India started to face several pressures from the International bodies as well as its neighbours. This test gave an opportunity to Pakistan to embark on a clandestine nuclear programme. This quest was extensively assisted by China. This nexus was further overseen by the United States as it had its own interests in Afghanistan and Pakistan was assisting the United States there. In such situation, where India's security threat was increasing with the China-Pakistan nexus, Indira Gandhi thought to conduct a series of nuclear tests to fulfil India's nuclear requirements in early 1980s, but the secrecy was broken and the information got leaked which compelled her to cancel the programme. Since then, India got several chances to go for an overt nuclear policy by conducting nuclear tests but it could not get materialised due to various reasons. Meanwhile, reports were coming that Pakistan had already prepared nuclear device with the help of China. This aggravated India's security threat in late 1980s and early 1990s.

### **India's Nuclear Policy in the 1990s**

The sudden end of the Cold War raised various concerns for India. It was a radically transformed world order where India was left with no reliable power to help her in crisis situation. The loss of a traditional strategic ally and reliable arms supplier in the form of Soviet Union was a matter of great concern for India. It had also lost the veto shield of the Soviet Union on the issue of Kashmir in the United Nations. The security guarantee observed through the 1971 Indo-Soviet Friendship Treaty was also held practically invalid in the current global order. On the other hand, the United

States took the policy of pressurising India on various issues. Moreover, the growing nexus of Pakistan and China in the post-Cold War era aggravated India's strategic anxiety. In 1993 and again in 1995, China conducted a series of nuclear tests and deployed nuclear warheads in Tibet targeting India. In such circumstances India understood the importance of self-reliant defence posture that involved nuclear weapons.

During Kashmir crisis in 1990, both countries came to the brink of nuclear exchange. Professor Pervaiz Hood Bhoj asserted that "during the course of the 1990 crisis. Pakistan assembled the different components (of a bomb) it had and developed a crude nuclear device" (Chakma 2004:109). In the wake of the crisis, Indian Prime Minister V.P. Singh appointed Raja Ramanna as Minister of State for Defence and P.K. Iyengar as the chairman of the Indian Atomic Energy Commission. These appointments were significant in terms of communicating a nuclear signal to Pakistan. As Nucleonic week' observed' it meant that India was increasing its nuclear preparedness (Nucleonic week 22 February 1990).

Three specific developments in 1993 and 1994 further accelerated the Indo-Pakistan nuclear competition. A leaked American intelligence report in 1993 concluded that China had supplied M-11 missiles or components of this delivery system to Pakistan (Chellaney 1993:253). This aggravated India's uncertainty about China's intentions in the subcontinent and its anxiety over Sino-Pakistan collusion. This anxiety was accentuated when former Prime Minister Nawaj Sharif Confirmed at a public meeting on 23 August 1994 that Pakistan had developed an atomic bomb. This was reported in the Pakistani daily 'The Muslim'. Such a kind of claim coming from the former Prime Minister of Pakistan had big credibility and consequently gravely affected the Indo-Pakistani competition for nuclear weapons. This was accumulated by Washington's decision in Oct 1994 to lift sanctions that had imposed against Pakistan in 1993 in the wake of the revelation that China had supplied M-11 missile related components and technology by the mid-1990s. These events substantially aggravated India's security concerns. India was in a dilemma whether it should pursue an overt nuclear policy or keep the traditional ambiguity.

### **The nuclear non-proliferation regimes**

The era after the end of Cold War was an era of rapid changes. The United States remained as the only superpower was pushing a control regime over nuclear technology and programme in the



world. This was further accelerated after the Gulf War and the rising Western concerns about proliferation of weapons of mass destruction. This resulted into a great expansion of the technology denial regime and India was one of the main targets of these technology denial regimes propelled mainly by the United States in the 1990's. India was often regarded as a major proliferation risk mainly due to its ambiguous nuclear policy (Mohan 1998:379).

It was not for the first time that a control regime was being created or a Treaty for the control of the spread of nuclear weapons was being introduced. In 1963, Partial Test-ban Treaty was proposed in order to “prevent pollution of the environment by test explosions in the atmosphere, under water, and in space” (Iyenger 2000:15). This treaty was signed by India. Again in 1968, another comprehensive Treaty was introduced and negotiated. This Treaty was named as Non-Proliferation Treaty (NPT). This Treaty clearly divided the UN member states into two groups: nuclear weapon states and all the others. Countries who exploded a nuclear device before 1 January 1968 like US, UK, Russia, France and China was labelled as nuclear weapon state. This Treaty was introduced to put a stop to access for other countries to conduct nuclear explosions. India did not sign the treaty criticising it as discriminatory. In 1996, another Treaty was introduced; Comprehensive Test-Ban Treaty (CTBT) aiming to monitor and to stop any kind of explosion. Another Treaty, the Fissile Material Cut-Off Treaty (FMCT) was also introduced in this time period to prohibit the further production of fissile material for nuclear weapons or other explosive devices in the future.

These treaties were created with the view of controlling the export of nuclear material and technology. The NPT includes a basic export control requirement under paragraph 2 of Article III that says that all nuclear material and processing equipment to Non-Nuclear Weapon State (NNWS) must be under International Atomic Energy Agency (IAEA) safeguards. Facing challenge of defining what should be considered nuclear material and equipment, the Nuclear Weapon States (NWS) partying to NPT formed a committee called Zangger Committee which came up with a list called “trigger list” of items to control the flow of nuclear material and equipment in the world. This list has been frequently updated (Bruneau 2006:32).

The first nuclear test performed by India in 1974 had a great impact of the nuclear control regime in the world. The nuclear test was performed using plutonium extracted from a Canadian built reactor. This triggered a notion in the suppliers of nuclear technology that there was a requirement of more stringent control guidelines to prohibit the transfer and development of nuclear weapon

capability. This inspired the creation of the Nuclear Suppliers' Group (NSG) in 1975. This was a group of states that were producing nuclear technology and materials. The guidelines of the NSG were stringent and maintained that "the transfers would not contribute to the proliferation of nuclear weapons or other nuclear explosive devices or be diverted to acts of nuclear terrorism" (IAEA 2005a:3).

The NSG and the IAEA has updated its lists from time to time. The NSG Guidelines were further strengthened in 1992 by the addition of a list of dual-use technologies and more stringent requirements (IAEA 2005b). In addition, the IAEA strengthened its safeguard system in 1997 while introducing an Additional Protocol for safeguards agreements of states with the IAEA. The states were required to report for the trigger list as well as the dual-use items. It held states legally responsible for the compliance of these control. It also provided recourse and basis for enforcement in case of non-compliance (Bruneau 2006:32-33). These guidelines and lists of nuclear materials controlled by such bodies created a severe problem for India to continue its ambiguous nuclear policy. It was depriving India from getting technology and material to continue its nuclear program.

Moreover, in the 1990s, the US was propelling mainly two treaties to be signed and ratified by the member states of the United Nations: the Non-Proliferation Treaty (NPT) and the Comprehensive Test-Ban Treaty (CTBT). The NPT was negotiated in 1968 when by mid-1960s, there were five nuclear power states existing and there were many states that were at the threshold of attaining the status. This was a situation considered as alarming for world peace and efforts were strongly needed to stop the rising competition among countries around the world to get nuclearized. Thus, a new treaty was proposed and negotiated in 1968. Responding to the situation, the focus of the treaty was on nuclear disarmament and non-proliferation. As the preamble of the NPT declares,

"Considering the devastation that would be visited upon all mankind by a nuclear war and the consequent need to make every effort to avert the danger of such a war and to take measures to safeguard the security of peoples, ... [and] believing that the proliferation of nuclear weapons would seriously enhance the danger of nuclear war," the undersigned countries will renounce nuclear weapons (NPT 1968).

The purpose of this treaty was to stop further nuclear proliferation. The international community under this treaty agreed on a contract that the nuclear 'have-nots' (states not having nuclear weapons at the time) or non-Nuclear Weapons State (NNWS) would refrain from testing nuclear weapons, and the existing five nuclear 'haves' or Nuclear Weapons States (NWS) would follow

the path of disarmament. On this issue, William Foster, director of the United States Arms Control and Disarmament Agency (ACDA) at the time, wrote in Foreign Affairs that:

“In stressing that such measures as reductions in Soviet and American nuclear capabilities are important if we are to succeed in dealing with nuclear proliferation ... we would, by negotiating such measures, be giving evidence of our intention to reverse the arms race and to move towards a world order in which the role of nuclear weapons would be diminished. Lacking at least reasonable prospects of movement in this direction, it is hard to see how, in the long run, we can hope to put any limits on the membership in the nuclear club” (Foster 1965:598)

The NPT was a voluntary agreement that was signed by almost all countries without any reservations. But several developing countries like India, Pakistan, Argentina, Brazil, South Africa, Israel, Iran, Iraq, North Korea, Libya and Cuba chose to refrain from signing the agreement. It was mainly due to some major criticism and concerns raised by these developing countries. One of the major criticisms was that the treaty was based on unequal or “discriminatory” principles. This was because it failed to impose equal obligations on the nuclear haves (NNWS) and have-nots (NWS). The Argentine government criticised the treaty by stating:

“From the very beginning we rejected the Non-Proliferation Treaty because of its discriminatory character, since, for the first time in history, it legitimized a division of the world into two categories: countries which can do anything as regards nuclear affairs and countries which have their rights curtailed” (Carasales 1996:325-35).

Another criticism of the treaty was that the NWS had not followed their commitment towards disarmament under Article VI. On the contrary, the United States and the Soviet Union built thousands of nuclear weapons. Although they agreed to reduce the number of their nuclear weapons after the end of the Cold War in 1993 and ratified in 1997 by the United States and in 2000 by Russia. But this effort could not make any difference. Still the nuclear powers were relying on their nuclear weapons and they were reluctant to reduce their nuclear warheads. They were reluctant even to adopt the policy of no first-use or legally binding assurance that they will not threaten a nuclear attack on any non-nuclear state. Other smaller nuclear weapon states retain the number of their nuclear warheads to a few hundreds (Mistry 2000:3).

The change in the stand of developing countries on the criticism of the NPT came in the post-Cold War period. In 1991, after the end of the Gulf War, the discovery of clandestine nuclear program of Iraq came as a shock and it highlighted the dangers of proliferation. This reinforced the view that nuclear non-proliferation was necessary to enhance international security rather challenging it would worsen the situation. This brought a paradigmatic change in the stands of developing countries that were overtly criticising the treaty for decades. For this reason, the nuclear states

France and China, and the non-nuclear states Argentina and Brazil, signed the NPT after rejecting it for decades (Mistry 2000:3). At the same time, a US-led diplomatic efforts succeeded in bringing several countries that had not signed the NPT into this treaty. Still few countries such as India, Pakistan, Israel and Cuba opted to remain out of the treaty (Iyengar 2000:15). This diplomatic effort also succeeded in attaining the indefinite extension of the NPT in 1995, and in securing the adoption of the CTBT in 1996. During the discussion over the indefinite extension of the NPT, countries acknowledged the significance of the treaty in stemming proliferation and agreed to its indefinite extension. At the same time, it was expected by them that the nuclear weapon states would take stronger steps to fulfil their commitments towards Article VI of the treaty. Hence, the requirement of another treaty was sought for a comprehensive test ban of nuclear device. Thus a Comprehensive Test Ban Treaty (CTBT) was introduced in 1996. As Dinshaw Mistry said,

“It held the promise of halting the nuclear arms race because it bans nuclear testing, which is important for the modernisation and development of advanced nuclear weapons. If states cannot test and develop new nuclear weapons, the nuclear arms race is restrained. Thus the CTBT assumes particular prominence in the context of NPT Article VI” (Mistry 2000:3).

The introduction of CTBT and the indefinite extension of the NPT was seen in India as a discriminatory regime primarily propelled by the United States. India had several apprehensions against such discriminatory regimes. These treaties were making it difficult for India to continue with its ambiguous nuclear policy. These were seen in India to curtail its freedom and to stop its desire to acquire nuclear weapons. This was creating a security threat for India as it had a neighbour having nuclear weapons and another neighbour was claiming to have prepared nuclear weapons. In this situation India had to keep its national interests in priority to deal with such discriminatory regimes.

### **India and the NPT and the CTBT**

The NPT has traditionally been the foundation agreement of the nuclear non-proliferation regime. The NPT is based on two major principles of non-proliferation and disarmament. The ultimate goal of the NPT is not merely to have responsible NWS but to remove the nuclear warheads from the world. For this purpose, non-proliferation is taken as a tool to reach this goal. In the pursuit of achieving a world sans nuclear warheads, the non-nuclear weapon states has given up their nuclear program while the nuclear weapon states commit to “pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament,

and on a treaty on general and complete disarmament under strict and effective international control” under Article VI of the NPT.

India has always opposed and never signed the NPT for various reasons including national security, domestic politics and ideology. It has always rejected the treaty on ideological ground like many non-nuclear developing countries. In similar fashion, it opposed the NPT for its “discriminatory” and “unequal” nature of agreement. As India’s ambassador to the UN stated in 1968, the NPT “stopped the dissemination of weapons to non-nuclear weapon states without imposing any curbs on the continued manufacture, stockpiling and sophistication of nuclear weapons by the existing nuclear weapon states.” He also asserted that the treaty did not do away “with the special status of superiority associated with power and prestige conferred on those powers which possess nuclear weapons” (Mistry 2000:3). This discriminatory nature of the treaty was evident in the 1990s also when the nuclear weapon states pushed the limits of any reasonable definitions of “negotiations in good faith” and an “early date” over the three and a half decades since the treaty came into force. In practice, the nuclear weapon states had rejected nuclear disarmament as an obligation of the NPT, even though it existed on paper and was still seen as a commitment of nuclear weapon states by many non-nuclear weapon states (Bruneau 2006:30). Due to this reason, Prime Minister of India, Atal Bihari Vajpayee stated in 1998, “It is a discriminatory treaty and has not served the purpose of non-proliferation but has given the right to five countries to proliferate vertically in disregard of universal opinion against the very existence of nuclear weapons” (Vajpayee 1998).

On the issue of national security, India’s main concern was its two neighbours: China and Pakistan. Its objections over the “discriminatory” and “unequal” nature of the NPT arose from its national security concerns. India shares a very long border with China and its security concerns increased greatly in the 1960s following a devastating military defeat and loss of territory to China in the 1962 Sino-Indian War. The situation worsened with the atomic test conducted by China in 1964. It increased the concern of India as it had to contain China’s nuclear forces in addition to its conventional armed forces. In the following years, China kept increasing its nuclear arsenal and made India to keep its national security as the top most priority for any government. During the Cold War, the concern was a bit lessened by the support extended by the Soviet Union which partially balanced China during this time. But, after the end of Cold War, India was deprived of

the Soviet nuclear umbrella. Though some efforts were made for confidence building between China and India, still the Chinese threat was looming.

Another major security threat to India came from its neighbour with which it has fought several wars since its independence. It was assumed by India that Pakistan was conducting its clandestine nuclear program with Chinese help. Pakistan was preparing its nuclear arsenal to contain India. The security concern of Pakistan against India increased sharply after its defeat and the loss of half of its territory in the 1971 India-Pakistan War. Moreover, the 1974 nuclear test conducted by India was regarded as a “fateful development” in Pakistan increasing the security concern several folds (Mistry 2000:4). Some indicators were given by Pakistani leaders about its nuclear program but the biggest revelation was made by A. Q. Khan in an interview, on 14 March, 1985 that Pakistan, if required, could carry out an atomic explosion (Singh and Singh 2009:90).

Apart from ideological and national security reasons, the domestic political concerns of Indian government was another major reason of its stand over NPT. Dinshaw Mistry (2000) suggests three main reasons of politicization of nuclear issues in India. First, he says that the bureaucratic politics along with a nuclear lobby has always rejected the “discriminatory” treaties like the NPT and the CTBT. This has influenced a lot to government for not taking a moderate stand on such treaties. The nuclear scientists and the defence lobby of India have a history of opposing such treaties due to possible constraints applied on Indian nuclear programme if such treaties were signed by the government. Second, such nuclear policy comes with the fact that the policymakers of India regard nuclear program as representing its independence, sovereignty, and great-power potential. Thus, opposing treaties like NPT or CTBT is viewed as preserving or upholding Indian sovereignty. Third, the public opinion which was represented by various opinion polls was in favour of opposing such treaties (Mistry 2000:4).

Unlike NPT, India did not oppose CTBT right from the beginning. In fact, India was diplomatically active in promoting a test ban treaty. From Indian point of view it was a means to nuclear disarmament and it was not “discriminatory” like NPT, because it did not categorise countries between nuclear weapon states and non-nuclear weapon states. Under a CTBT, all the states whether NWS or NNWS would be barred from nuclear testing. During the early days of India’s independence, India played a lead role in promoting a test ban treaty. It was one of the leading countries that signed the Partial Test Ban Treaty (PTBT) in 1963. Mistry (2000) writes: “In 1954, Nehru was the first world leader to call for a test ban, and New Delhi played a leading role in

international diplomatic initiatives towards such a treaty. India was among the first countries to sign the Partial Test Ban Treaty (PTBT) in 1963” (Mistry 2000:5).

Similar line of action can be seen in the following years by the leaders of India. It overtly supported the test ban and promoted the idea of disarmament. India’s stand on CTBT started shifting in the 1990s when it was MEAng through various turbulence in various domain. In the new geopolitical situation India was heading towards a new future with a cautious steps. In this time when the NPT was indefinitely extended in May 1995 with a set of “Principles and Objectives for Nuclear Non-Proliferation and Disarmament” and the concerns of India was not addressed in this agreement, it chose to differ from its previous stand and started shifting its position on the CTBT. Mistry (2000) explains it clearly as:

“In 1994, when negotiations on the CTBT began at the Conference on Disarmament (CD) in Geneva, New Delhi continued to express support for the CTBT and did not link the treaty to disarmament. But while CTBT negotiations were MEAng on, another significant nuclear arms-control treaty – the NPT – was coming up for review. The eventual indefinite extension of the NPT in May 1995 was accompanied by a set of “Principles and Objectives for Nuclear Non-Proliferation and Disarmament.” This document did not contain as strong a commitment to disarmament as had been desired by many non-nuclear states ... [for] this reason, following the NPT Review and Extension Conference, New Delhi’s position on the CTBT began to shift” (Mistry 2000:5)

India started taking the stand that because the NPT Extension Conference had failed to take adequate stand on disarmament, the CTBT now seemed the next opportunity to address the issue and to bring a stronger disarmament commitment. At the UN, in its statement on October 26, 1995, India expressed serious concern that the indefinite extension of the NPT “legitimized for all time” the “division of the world into nuclear haves and have-nots (Statement by India October 26, 1995:78). On other multilateral stages also, India promoted the idea of a treaty for a comprehensive nuclear disarmament. It expressed its desire regarding CTBT that this treaty was “an opportunity to obtain a commitment to universal and comprehensive nuclear disarmament” (Statement by India October 18, 1995:71). And at the Conference of Disarmament (CD), it emphasized that, “to be meaningful, the Treaty should be securely anchored in the global disarmament context and be linked through treaty language to the elimination of all nuclear weapons in a time-bound framework” (Statement by India January 25, 1996:92).

Second change in India’s position on the CTBT was that it insisted on including a prohibition on laboratory testing and computer simulations. Both these stands taken by India in the aftermath of the indefinite extension of the NPT aimed at comprehensively halting all nuclear weapons

development by any country, thereby enhancing the process of disarmament. These concerns of India on disarmament was, eventually, incorporated in the preamble of a draft CTBT treaty of May 28, 1996. It declared,

“The cessation of all nuclear weapon test explosions and all other nuclear explosions by constraining the development and qualitative improvement of nuclear weapons and ending the development of advanced new types of nuclear weapons, constitutes an effective measure of nuclear disarmament and non-proliferation in all its aspect” (Disarmament Diplomacy 5 May 1996).

Though this language was maintained in the final draft of the CTBT, India finally rejected the existing draft and stepped away from the CTBT on June 20, 1996, citing that the treaty did not contain more concrete disarmament commitments. It stated as,

“India cannot accept any restraints on its capability if other countries remain unwilling to accept the obligation to eliminate their nuclear weapons. The CTBT is not conceived as a measure towards universal nuclear security interest. India, therefore, cannot subscribe to it in its present form” (Statement by India June 20, 1996:104-5).

Thus, these control regimes and treaties, especially, the NPT and the CTBT started a new debate in Indian strategic community. There was a debate whether India should have an overt or ambiguous nuclear policy in current situation. Scholars from either group had their own arguments to support their views. Recent developments in the nuclear world order were making India rethink its nuclear policy. It seemed that all options for nuclearisation were squeezing fast for India. As C. Raja Mohan (1998) says, “The indefinite extension of the NPT in 1995 was seen in India as permanently legitimising the possession of nuclear weapons by a few states; and that the total elimination of nuclear weapons was an increasingly unrealisable objective” (Mohan 1998:380). The gleaming ray of hope was seemed to be faded with the introduction of the CTBT. It seemed that all the options of India to become an overt nuclear weapon state in future was MEAng to be shut after this treaty. As Mohan (1998) says,

“The CTBT shook the Indian nuclear debate out of its long stupor and forced into open the question of testing. There was a growing sense that the CTBT would forever close an Indian decision to test – whether India joined the treaty or not. It also raised doubts about the longstanding policy of keeping Indian nuclear option “open” or “ambiguous”. The insistence of China that the CTBT would not come into force without India’s signature, and the incorporation of this provision into the Treaty despite India’s objections reinforced the point” (Mohan 1998:380).

Similarly, Singh and Singh (2009) express their concerns as,

“As the Comprehensive Test Ban Treaty (CTBT) monad towards conclusion in 1995, India found that any window of diplomatic opportunity to press its own strategic concerns was



rapidly closing. India calculated that once the CTBT was concluded, it would be politically very costly to conduct nuclear test. Therefore, like France and China, who first conducted a series of nuclear tests and then joined the treaty, the Narshima Rao government planned a nuclear test in prime by 1995” (Singh and Singh 2009:91).

Though India could not conduct those tests due to American pressure and the domestic situation was not such that it could have sustained sanctions from various countries after conducting nuclear tests. Despite international pressure, it was clear that there was no legal constraints to conducting nuclear tests once India rejected the CTBT in 1996. After 1995, the Indian governments led by Congress Party followed by the United Front decided not to go nuclear despite domestic pressure. It was only in 1998, when Bhartiya Janata Party (BJP) came into power and decided to conduct nuclear tests. The BJP did not have any inhibition about overt nuclearisation. As Mistry (2000) puts it, “Its foreign policy agenda was based on perceptions of an inevitable long-term Chinese threat to Indian security, which it believed would persist despite any temporary improvements in bilateral relations<sup>4</sup>” (Mistry 2000:6). Therefore, the BJP declared in its election manifesto that if it forms the government, it would review the nuclear policy. Following the promise of its manifesto the NDA government led by A. B. Vajpayee constituted a strategic review committee and on the basis of the recommendations of the committee, it conducted five nuclear tests on 11 and 13 May 1998, termed as Pokharan II (Singh and Singh 2009:92).

### **India’s Nuclear Test in 1998**

India carried out three nuclear device tests on 11 May 1998 in the desert ground near Pokharan in the state of Rajasthan at 3:45 PM. This was almost twenty-four years later that India tested another nuclear device. The scientists soon declared that they had detonated a “fission device with a yield of about 12 kilotons, a thermonuclear device with a yield of about 43 kilotons, and a sub-kiloton device.” (DAE and DRDO May 17, 1998). After several efforts, this was finally achieved. The international pressure was such that complete secrecy was maintained and very less people were

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<sup>4</sup> This reflects the “realist” view of international relations, which argues that in an anarchic international system, there is no final arbiter of disputes, and therefore no guarantee of external assistance to a state confronted with aggression. In such a system, states desire self-preservation and seek survival but are unsure about the intentions of other states. Further, a state can never know if its present allies will remain allies or become hostile. War is always a possibility. Thus military capability (including missile and nuclear weapons capability) rather than reliance on other states is the only assured form of survival.

informed about this test. Only the Prime Minister Atal Bihari Vajpayee, his Principal Secretary Brajesh Mishra and Planning Commission Deputy Chairman Jaswant Singh participated in the relevant deliberations with the top scientists. Other major personalities like the President and a few ministers were also informed very late (Perkovich 2000:416). It was an effort made by India to assert itself in international strategic order. India carried out two more sub-kiloton nuclear device tests on 13 May 1998. It made India cross the nuclear Rubicon, and gave it the strength to assert and affirm its position as a nuclear weapon power in a nuclear strategic world order. The same was proclaimed in an official press statement on May 11 which says that the tests “have established that India has a proven capability for a weaponised nuclear programme” (Hindustan Times May 12, 1998:1).

The government said that the nuclear environment in India’s neighbourhood was the major reason behind these tests. This was also necessary to provide reassurance to the people of India that their security interests were the top priority of the government (Perkovich 2000:417). In his letter to President Clinton on May 12, 1998, Prime Minister Atal Bihari Vajpayee explicitly made it clear that India was facing security threats from China and Pakistan that made it exercise the nuclear option:

“I have been deeply concerned at the deteriorating security environment, specially the nuclear environment, faced by India for some years past. We have an overt nuclear weapons state on our borders, a state which committed armed aggression against India in 1962. Although our relations with that country have improved in the last decade or so, an atmosphere of distrust persists mainly due to the unresolved border problem. To add to the distrust that country [China] has materially helped another neighbour of ours [Pakistan] to become a covert nuclear weapon state” (New York Times May 13, 1998).

Former Foreign Secretary J. N. Dixit suggests five major reasons for India embarking on the path of overt nuclear policy. He says:

“First and foremost [reason for overt nuclear weapons option], the progressively deteriorating security environment that India faces and has faced since the late 1980s activated the leaders to go nuclear. Secondly, the incremental and definitive prospects of restrictive and discriminatory international regimes being put in place which would have not just stifled but would also have put a complete stop in India realising its potential in the fields of space and nuclear technologies spurred India to exercise the nuclear option. Thirdly, India was averse to adjusting to a new international strategic and technological order in which the existing five nuclear weapons states would remain a dominating factor for a prolonged period of time. Fourth, Indian required a long-term and sophisticated defence capacity, in the context of its own post-independence experience of its territorial integrity being threatened more than once. Fifth, India took note of the fact that other nuclear weapons capable states, which were subjected to restrictive pressures, either

overcame the pressures by becoming nuclear weapon powers themselves, such as France and China, or they succumbed to international pressure and their nuclear technological capacities (in terms of self-reliance) were capped, rolled back and eliminated as in case of Argentina, South Africa and Brazil. India decided to adopt the first option to overcome these pressures” (Dixit 2001:33).

The regional insecurity and the opposition to global “discriminatory” treaties declared as the reasons for conducting nuclear test by the government of India were not new ones. These reasons existed for a long time. The situation did not change in 1998 nor it got aggravated. So the question arises why India decided to go for an overt nuclear policy then. Was there any other reason to embrace this option? To answer these question George Perkovich (2000) cites an interview of Jaswant Singh with National Public Radio in the United States. Jaswant Singh admitted in that interview, “all that we have done is give ourselves a degree of strategic autonomy by acquiring those symbols of power ... which have universal currency.” He further says:

“We cannot have a situation in which some countries say, “We have a permanent right to these symbols of deterrence and of power, all of the rest of you ... do not have that right. We will decide what your security is and how you are to deal with that security.” A country the size of India – not simply a sixth of the human race, but also an ancient civilisation – cannot in this fashion abdicate its responsibility” (Perkovich 2000:441).

This showed the anger among the leadership of India against the baggage of the era of colonisation. India was strongly opposing the “discriminatory”, “unequal”, and “colonial” control regimes and it desired for an international standing and autonomy. Perkovich thinks that this explains better the reasons of opting an overt nuclear policy by India than a specific security explanation. This may be true because India started asserting itself as a nuclear weapon state on various international fora. It augmented establishing strategic relations with several nuclear weapon states by the end of the century. Today, it has signed more than two dozen Strategic Partnerships with various countries including all nuclear weapon states recognised by the NPT in which France was the first country with which India entered into a strategic partnership in 1998.

## **Reactions from Major Powers after India’s Nuclear Test**

The second round of nuclear tests conducted by India created shock waves that shook the edifice of the international non-proliferation regime (Perkovich 2000:416). Immediately after the tests, India reiterated its conviction with global disarmament and a comprehensive ban on all underground nuclear testing. It also pledged that it will not conduct any further test and it showed its willingness to sign the CTBT. It assured all nations that these tests were for its security

deterrence and it also pledged 'not to use first' the nuclear option against any country. Yet the international community strongly condemned the nuclear tests of India which came with no surprise to India. The UN Security Council passed a resolution on June 6, 1998 stating that the members of the Security Council were "gravely concerned at the challenges that the nuclear tests ... constitute to international efforts aimed at strengthening the global regime of non-proliferation of nuclear weapons." The UN Security Council strongly condemned the tests but did not impose sanctions, though many states implemented their own measures and imposed sanctions on India (Bruneau 2006:34). Japan declared that India's tests were "extremely regrettable" while China expressed "grave concern" and strongly condemned it. Embarrassed over the failure of its intelligence, President Clinton stated that he was "deeply disturbed by the nuclear tests which India has conducted ... this action by India not only threatens the stability of the region, it directly challenges the firm international consensus to stop the proliferation of weapons of mass destruction" (Excerpts of President Clinton's Remarks on the Indian Nuclear Tests May 12, 1998). In the aftermath of the Indian nuclear tests countries like the United States, Japan, Australia, Canada and Germany suspended their bilateral non-humanitarian foreign aid to India and they were joined by other Groups of Eight and Western States in opposing non-humanitarian aid coming from International Monetary Fund and World Bank aid. These sanctions were seen as international disapproval of nuclear tests and were a kind of signal from these countries to sign the CTBT and to stop further testing and fissile material production. It was also signalled that India should refrain from the weaponization and deployment of its nuclear arsenals (Mistry 2000:8). The nuclear test shocked the US government and expert community. It was also shocked by the government's failure to anticipate and detect the pending tests as it was also seen as a failure of their intelligence agencies. The State department spokesman James P. Rubin declared that, "We are deeply disturbed by this announcement" (US Department of State May 11, 1998). The United States was so disturbed by the test that their statements were full of anger and professional dismay. Spokesman Rubin told reporters on May 12, "Secretary Albright believes it was appalling that Indian diplomats left the administration with anything but the impression that there would be nuclear tests this week." Another official told the Washington Post, "The Indians lulled us into thinking that they were not giving to undertake any precipitous action in the nuclear area without a careful review of their options" (Perkovich 2000:417-18) This anxiety of the US was due to the perception that this may start a chain reaction in the world and a lot of countries would cross the

barrier of non-proliferation and that would be hazardous for humanity and the world peace. Although after a difficult relation between India and the US, the relation had started to improve in the latter half of the last decade of the twentieth century. The relation deteriorated sharply after the nuclear tests and the US announced a number of economic and financial sanctions on India.

China took a day and reacted on May 12 and stated that it was “seriously concerned” by the nuclear tests. After the appearance of Vajpayee’s letter to Clinton in the New York Times Beijing changed its tone. China did not appreciate the blame as the cause of India’s tests or the 1962 war. The Chinese now declared that the tests showed “outrageous contempt” for the international community and should be strongly condemned (Perkovich 2000:419). This resulted into a sudden deterioration in the relation between India and China. A decade old diplomacy to improve relation between these two countries went into vein. The BJP government received stark criticism from the opposition for stalling this decade-long efforts of previous governments. China accused India for disturbing the regional harmony and it blamed India for beginning a nuclear arms race in the subcontinent. China demanded a roll-back of India’s nuclear and missile programmes. This reaction of China was seen in India as effort of China to maintain its supremacy in Asia in nuclear weapons. It was an effort of China using the reactions from the international community to stall India’s efforts for bringing multipolarity in the region (Mohan 1998:381).

The reaction from another neighbour was completely different in nature. Pakistan conducted five nuclear tests on May 28 in a tunnel under the Ras Koh mountain range near Chagai in Baluchistan. Prime Minister Nawaz Sharif declared over national television, “Today, we have settled a score” (Perkovich 2000:433). Thus, India put its relations with the United States, China and Pakistan into a prolonged phase of uncertainty.

The relief came from two countries: Russia and France. One was a traditionally ally country and another was a friendly country with independent stand trying to improve its relation with growing India. New Delhi was pleased with France and Russia as they did not criticise Indian nuclear tests in the same manner as other Western and major countries. they also played an important role in reducing the degree of criticism in the G8, P5 and at the level of United Nations Security Council (UNSC). While India enjoyed a long and robust relation with Russia, this was a turning point in the relationship of India and France where door were opened for a strong cooperation between them on political, economic and security areas (Mohan 1998:381). The role of France in various international fora was closely observed by the Indian government. The reaction from France was

quite encouraging for India as it addressed the key reasons of Indian nuclear tests. It also appreciated the willingness of India for signing non-proliferation treaties and the policy of ‘no first-use’. As Jean Luc Racine puts it:

“The French Foreign Affairs Ministry expressed on 13 May its “preoccupation” and called for restraint by all states in the region, but found “encouraging” the Indian declaration in favour of non-proliferation. The French Defence Minister added that India seemed to have conducted her tests by relying upon her own capacity, and that she was not willing to export her technical knowledge. In addition, the Minister of Parliamentary Affairs declared that the French government would “not encourage” the Americans in slapping sanctions against India, “because this is not the right way for seeing India joining nations willing to sign non-proliferation “treaties”” (Racine 2002:164).

Such support coming from a nuclear weapon state recognised by the NPT, having a permanent seat in the United Nations Security Council, and a pioneer country in using nuclear energy in non-military sector, was a soothing experience for India. The next day, The Economic Times commented, “A French kiss makes up for global bitterness” (The Economic Times 14 May, 1998). This was the time by which India and France had come closer in their engagements. After the end of the Cold War, both countries were improving their engagements on bilateral as well as global levels. The support of Indian cause of crossing the Rubicon of nuclear test by France was one of the biggest testimonies of how both countries were coming together and were willing to enhance their engagements to a partnership.

## **Opportunities and Challenges before France after the Cold War**

### **French Economy in the 1990s**

The French economy was also greatly affected by the phenomenon taking place in the world. It was affected by the disintegration of the Soviet Union and the unification of Germany. The French economy was also affected by the oil shock following the first Gulf War and due to tensions in the European Monetary System (EMS). It was marked by a rising inflation, fiscal deficit and unemployment and falling productivity and trade. In whole, the French economy was suffering from a recession which was long and severe. The recession started in the first quarter of 1992 and unemployment started rising from the fourth quarter of 1992. France emerged from recession in the second quarter of 1993, and unemployment began to fall in the third quarter of 1994 (Bizimana and Lacan 2010:2). This was the time when France began to look for new markets for its industry.

The beginning of the last decade of the twentieth century was not very promising for the French economy. The economy was slowing down and the GDP was growing at a lower rate. It grew at the rate of 1 percent in 1991. This recession in French economy came due to several domestic and foreign reasons affecting it severely. The situation was such that the productivity was slowing down and the unemployment rate according to OECD definition, was growing from 8.9 percent in 1989 to 12.5 percent in 1994. The fiscal deficit also increased from 1.2 percent of GDP in 1989 to 6 percent of GDP in 1994. This was an extraordinary development in a country whose deficit had only reached 3.2 percent of GDP in 1983, after the reflation of the early 1980s. France had a very good track record as far as fiscal deficit was concerned. This situation was also worrisome for France because the 1997 deadline for monetary union was getting closer and France was facing the prospect of not being able to meet the deficit criterion of 3 percent of GDP of Maastricht Treaty. Therefore, one of the first initiatives taken by the Chirac government was to propose to postpone the beginning of Stage III of EMU until 1999 which was endorsed by the European Council in June 1995 (Boissieu and Pisani-Ferry 1995:14).

### **Economic Reforms Undertaken by France**

One of the major reforms introduced by French government in the 1990s was the independence of the Banque de France. It was mainly done according to the requirement by the Maastricht Treaty during Stage II. This was done in January 1994 at the very beginning of this stage. This step even required a constitutional amendment (Boissieu and Pisani-Ferry 1995:15). It was a big step for financial reform in France which was breaking the tradition and a new setup was established. In the industrial sector, France had seen a cycle of nationalisation and privatisation in the 1980s. In 1982, the socialist government led by the President Francois Mitterrand nationalised five industrial groups and most of the banks resulting 24 percent of overall turnover of French industry and 20 percent of the total number of employees in industry under the government. The process was reversed by the rightist government led by Prime Minister Jacques Chirac during *cohabitation*<sup>5</sup> of 1986-1988. Chirac government privatised twelve firms including industrial and banks with

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<sup>5</sup> Cohabitation is a situation in French political system when there is a divided government. It means that this is a situation when the president and the Prime Minister belong to different political party. Thus, cohabitation occurs because of duality of executive: an independently elected President and a Prime Minister who must be acceptable both to this President and to the national Assembly.

530,000 employees. Then the process was stopped after the re-election of President Mitterrand for the second term (Boissieu and Pisani-Ferry 1995:17). The second phase of privatisation started in 1993 and this time governments of the right and the left became equally avid in their privatisation of state assets. As a result, employment in the public sector was cut in half between 1985 and 2000, when it reached 5 percent. This process was also in accordance with the practice in other OECD countries. Then, the state's direct control of the economy had been reduced to core areas of public service provision, such as the post office (Culpepper 2004:8). This was the same kind of reform undertaken by the Indian government during this period. In India also a wave of privatisation took place in the 1990s.

France also invited foreign companies to invest in French companies through FDI. Earlier, the French corporates used to have a cross-shareholding system that created *noyaux durs* – hard-core owners. These companies used to hold each other's shares and thereby provided mutual takeover protection. The introduction of FDI replaced the interlocking French shareholdings among large French firms by the growing weight of foreign institutional investors, mostly British and American (Culpepper 2004:9). By 2003, the foreign shareholding in French companies reached over 40 percent (Goyer 2003:2). These changes in financial and industrial sectors made French companies turn increasingly to equity markets. French companies started using the equity markets heavily in the 1990s to raise money. This was more like companies in the American liberal economy than companies in the German coordinated market economy (Culpepper 2004:10)

The 1990s was also marked by working-time reforms. Governments during 1990s came up with three major working-time reforms: the Robien Law and the two Aubry Laws (I and II). Previous laws reducing the legal workweek in France had been instances of pure regulation, in which the government set the rules for firms and workers and established the mechanisms for enforcing those rules. The Robien Law of 1996, passed by the rightist Juppé government, urged firms to negotiate individually with their workers to reduce the workweek, establishing a set of financial incentives to encourage that development. The Aubry (I) Law, passed by the socialist Jospin government in 1998, changed the character of the 35-hour negotiations by using the stick of government authority as well as the carrot of government incentive. The incentives were similar to those of the Robien Law, but the new stick was the stipulation that from the beginning of the year 2000, all firms with more than 20 employees would be compelled to pay employees on the basis of a 35-hour week. The Jospin government imposed the 35-hour law on employers from the year 2000 through Aubry



II Law (Culpepper 2004:12-14). The changes in the working hour rules introduced by Alain Juppé was more convenient for the employers but the Aubry II Law again raised difficulties for employers.

Thus, reforms undertaken by various governments in France during 1990's were mostly aimed at fulfilling the criteria of European Monetary Union. As Artus said that reforms were mainly intended to reduce the fiscal deficit because of constraints related to France joining euro (Artus 2012:1). Similarly, Boissieu and Pisani-Ferry (1995) expressed the same view as:

“For nearly two decades, from the creation of the European Monetary System to the Maastricht treaty and the discussions over its implementation, France has been a driving force behind European monetary integration. This goal has been consistently pursued by several governments of different political affiliations, and domestic economic priorities have been set accordingly. When a conflict arose between domestic and European objectives, like in 1982-83 or 1992-93, priority was given to the European commitment. The extent to which the pursuance of this objective has shaped French economic policy can hardly be overestimated. For a large part, the major changes in the framework of economic policy that have taken place in the 1980s and the 1990s can be attributed to it. Having committed itself to exchange rate stability and being aware of the conditions the country had to meet in order to be eligible to a shared leadership of European monetary affairs, French governments from both left and right undertook sustained efforts in order to adapt the country and to redefine the implicit or explicit rules of economic policy.” (Boissieu and Pisani-Ferry 1995:1).

The aim of all the reforms thus undertaken was in accordance with meeting the criteria of Maastricht Treaty. Therefore, the central bank was granted independence following a constitutional amendment. Industries and other banks were privatised and labour laws were changed. France also invited FDI in various sectors to strengthen its industry and market.

### **Engagements between India and France in the 1990s**

The last decade of the twentieth century was marked with convergence of interests between India and France. Both countries came closer in the newly emerged world order for various reasons. France looked at India as a potential country to play a vital role in maintaining peace and order in the subcontinent. India was also seen as a growing market for highly sophisticated industry products of France. Similarly, India was keen on improving its relation with France for its latest technology and energy requirements. After the fall of Soviet Union, India was also looking for improving its relation with major actors in the world politics and France was one of them.

During the Cold War, relation between the two countries were not troubled but “somewhat indifferent”. Both were driving their foreign policies independently but were considered into different blocs of the time. The turnaround came when the Prime Minister P. V. Narasimha Rao visited France in 1992. He discussed the economic reforms he was implementing and called for investment, cooperation in nuclear energy, space and oil research. He also discussed the new world order emerged after the 1991 Gulf War with his counterpart and he expressed his concerns on the issue of terrorism.

**Table 1 Bilateral Visits at the level of Head of State/Head of Government during the 1990s**

Year	Country	Name	Designation
1992	India	P.V. Narsimha	Prime Minister
1995	India	P.V. Narsimha	Prime Minister
1998	France	Jacques Chirac	President
1998	India	A.B. Vajpayee	Prime Minister

This visit surely set up the momentum and in 1994, French Minister for External Affairs, Alain Juppé visited India with his agenda. His agenda was to restart the political dialogue and to develop the economic relations. This affinity was based on the fact that both countries had a long history and deep roots of democratic values. This affinity showed the way and by 1994, 40 Airbus and 49 Mirage aircrafts were flying in India. Other French companies such as Dassault, Aerospatiale, Alcatel and many more companies had its presence in India.

This was the time when the economic reforms undertaken by the Congress government in India started producing positive results and Indian economy started growing at high rate. This growth rate was acknowledged by leaders all over the world. Sanajay Baru (2013) quotes Henry Kissinger in 1994 in his book *Diplomacy* hypothesizing that “the international system of the twenty-first century will contain at least six major powers – the United States, Europe, China, Japan, Russia and probably India – as well as a multiplicity of medium-sized and smaller countries” (Kissinger 1994:23). Highlighting the importance of India’s economic potential Kissinger in 2000 again reiterated his earlier formulation in favour of its potential as a major power (Baru 2013: 165). In France also, there were some think tanks that realised the growing potential of India. In November

1996, Thierry de Montbrial, Director of the French Institute of International Relations, the best known French think tank, had called for looking at India with “a different eye” and asserted that France “has everything to gain” in answering India’s quest for a new relationship with Europe (Racine 2002:161-63). During this time a number of French companies were starting their ventures in India and were receiving promising results. But this time was also marked by some difficulties by French companies to understand the market of India as well as aspirations of Indian people. In one such example, Peugeot, one of the leading car manufacturing companies started its venture in India in 1994. It was the time when other international car manufacturing companies like Hyundai and General Motors were investing in India but due to some strategic mistakes the Peugeot car did not get success in India<sup>6</sup> (Racine 2017). Though, in other sectors like information technology, telecom, infrastructure etc. French companies started doing well with time. The relation was also deepened in the areas like space cooperation and nuclear energy. Here, it is important to examine what were the relation between India and France during the 1990s in the major areas of cooperation like economy, defence, nuclear energy and space. This is important to study how did cooperation in these core areas progress in this time period which created a favourable situation where India and France entered into a Strategic Partnership in January 1998.

### **Economic Engagements in 1990s**

India and France share a very long economic relation. During the Cold War also, despite being in the different camps, both countries had a good economic relations. France has been a major trade partner of India. In 1990s, there was a growth in bilateral trade between India and France. In 1991, France ranked sixth of the list of India’s import partners having a share of 5.8 percent of the total Indian import. At the same time it ranked tenth in terms of India’s export partners with a share of 3 percent of India’s export. Table 1 (below) shows that in 1990-91, Indian export to France was just Rs. 766 crores which reached Rs. 2751 crores in 1997-98 which was almost four times the export amount of 1990-91. In the same time period, French export to India grew from Rs. 1304 crores in 1991 to Rs. 1468 crores in 1997-98. The French export reached the highest level of Rs. 2812 crores in 1995-96. It also shows that this time period was marked by trade balance deficit for India. The total amount of trade between India and France grew from Rs. 2070 crores in 1990-91 to Rs. 4219 crores in 1997-98. In this time period the trade between India and France became

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<sup>6</sup> Racine, Jean-Luc (2017), Personal interview, CEIAS, CNRS/EHESS, Paris, 24 March 2017.

almost double. Despite such growth in bilateral trade, France slipped to seventeenth position in terms of Indian import partners as new countries like China and Singapore increased their share at a much faster rate. The total import share of France for India slipped from 5.8 percent in 1990-91 to mere 1.7 percent in 1997-98. In export also, the results were not encouraging as France moved from tenth position to ninth position in the same time period but the share of export to France went down.

**Table 2 Indo-French trade during 1990-98 is as follows (figures in Rupees Crores):**

Year	Indian exports to France	French exports to India	Total Trade	Balance of Trade for India
1990-91	766	1304	2070	-538
1991-92	1049	1516	2565	-467
1992-93	1366	1722	3088	-356
1993-94	1582	1860	3442	-278
1994-95	1828	1933	3761	-105
1995-96	2499	2812	5311	-313
1996-97	2525	2694	5219	-169
1997-98	2751	1468	4219	+1283

Source: Economic Survey, Government of India, Various issues.

During this time period, major commodities exported from India to France were leather products and handicrafts. From French part, major commodities exported to India were project goods, metallic ores and machinery. It was observed that there was a decreasing trend in the exports of traditional goods and there was an increasing trend in non-traditional goods. It showed that the developmental efforts made in this time period diversified India's export structure to a great extent (Singh 2005: 201). According to Foreign Trade Statistics of India, major commodities exported from India to France and vice-versa are as follows.

**The top commodities of Indian exports to France during 1990-1998 were:**

- Leather products
- Wearing apparel made of yarn and fabric and accessories
- Handicrafts and carpets
- Basic organic chemicals and dyes
- Drugs, pharmaceuticals and fine chemicals

- Marine products
- Transport equipment
- Edible oils & fats
- Textile articles
- Metal products
- Paints and varnishes
- Garment & accessories
- Automobile vehicles
- Pumps & compressors

**The top commodities of Indian imports from France over the same period were:**

- Project Goods
- Metallic ores and Metal scraps
- Machinery
- Steel & iron alloy products
- Paper and board
- Electrical equipment & apparatus
- Basic organic chemicals
- Artificial resin/plastic materials
- Machine tools
- Chemical products
- Pharmaceutical, medicinal, chemical & botanical products
- Non-ferrous metals
- Synthetic rubber
- Pearls and semi-precious stones

(Source: Foreign Trade Statistics of India, Principal Commodity and Principal countries by DGCI and S)

**French Investment in India and Indian Investment in France in 1990s**

This time period is marked by opening of Indian market for foreign investment after the economic reforms. Earlier, foreign direct investment was extremely controlled. Efforts were made to attract investments from abroad and India got success in attracting a great amount of investment by the end of the 1990s. France was the second largest foreign investor in the world but in India, it ranked ninth as an investing country by the end of the decade. According to an estimate, total French investment in India between 1991 and September 2001 was US\$ 460 million in 434 cases out of a total of 13,498 cases worldwide. These investments were mainly in the sectors of fuels, chemical-other than fertilisers, cement and gypsum products, glass and telecom. There were many small French firms operating in India having very low representation. These were operating as representative agencies, sales and distribution offices, subsidiaries, technical collaboration, and in

some cases factories and joint ventures (Mathur 2002:23). Indian investment to France in this time period was very low.

Reasons behind this low trade and investment lied in the laws of respective countries. Indian investors experienced difficulties in understanding the French Tax Laws and French Company Law. Similarly, French investors experienced difficulties in understanding Indian Company Law and Indian direct and indirect tax laws. In addition, Indian exports faced high tariff and non-tariff barriers in France. Moreover, the complex bureaucratic network in India thwarted various French investments in India. The federal structure of Indian state made decision making a lengthy process resulted into increase in entry costs (Mathur 2002: 25). It is also observed that language played a big barrier in growing economic engagement between the two countries. French language was not a widely spoken language in India.

During 1990s, both countries made effort to increase engagement in the field of trade and investment. The Indian government was keen to showcase its economic development to the world after economic reforms. In this effort, Prime Minister P.V. Narasimha Rao's visit to Paris in 1992 was very important for the trade of both countries. He showcased the growing potential of Indian market after his policies of economic reforms in 1991. His efforts were aptly responded by the French government when the French Minister of External Affairs, Alain Juppe visited India with an agenda of strengthening economic relations. These efforts resulted in better trade results in the following year as the bilateral trade grew from Rs. 2070 crores in 1990-91 to Rs. 5311 crores in 1995-96. Yet, the larger picture was not very impressive as France was never had India as its priority. For France, it had most of its trade with its EU partners and the United States. Beyond these countries, it had a robust economic relations with its former colonies in Africa like Algeria, Egypt, Morocco, Tunisia and countries in the Middle East like Syria, Lebanon, and Jordan.

### **Defence engagements in 1990s**

India and France enjoyed a very long relation since the independence of India. France has been one of the major suppliers of defence equipment to India. The cooperation began in 1949 when France supplied mountain gears to Indian troops. India also bought a number of fighter planes and other defence equipment during the Cold War period. France earned a special position in India when it continued the supply of spare parts during the 1965 war between India and Pakistan. This was a very big step by France as other Western countries imposed an embargo on India. Even in 1971 war of Independence of Bangladesh, France supported the viewpoint of India. It was evident

that the USSR was the biggest supplier of India's defence equipment, yet the share of procurement of defence equipment from France was significant.

After the Cold War, the situation changed dramatically and Russia was not in a condition to help India in the same manner it used to during the Cold War period. This was the time when India was facing border issues with its neighbour having nuclear weapons. In addition, it was facing cross-border terrorism with another neighbour. India's security requirements are enormous and was increasing day by day. India had to diversify its source of defence equipment procurement. Here, France had an opportunity to enhance defence cooperation with India in order to get benefitted by India's defence requirements.

In the 1990s, India and France did not have major deal of defence equipment. The cooperation was marked by supply of Mirage 2000 aircrafts that were orderd in Deceber 1981. In 1985, an agreement was made for transfer of information in the field of security of Mirage 2000. From 1999, the servicing of Mirage 2000 aircraft was done in India and the manufacturer Dassault trained technician for the job. Negotiations started for the purchase of French submarine Scorpène which was ultimately concluded in October 2005. General (rtd) Alain Lamballe says that India was not very keen to buy French submarine. It used to prefer Russian or German submarines as all the Pakistani submarines were procured from France (Lamballe 2002: 533).

During 1990s, Indo-French defence engagement was further extended by the visits of Indian Defence Minister Sharad Pawar in June 1992. This was the first visit of Indian Defence Minister to France. This visit was followed by the visit of Air-Chief Marshal Kaul, Chief of Air Force of India, in June 1995 and the visit of General Roy Chaudhury, President of the committee of the Chiefs of forces and the Army Chief of India. In January 1999, Indian Defence Minister, George Fernandes visited France. From French side, Admiral Lanxade, Army Chief of France visited India in 1992. His visit was followed by the visit of Rear Admiral Bereau, commandant of French Fleet in the Indian Ocean. In 1998, followed by the visit of President Jacques Chirac, three generals visited India in February and December. This decade witnessed a beginning of frequent visits of high officials of armed forces from both countries. This helped in cutting the ice and building confidence between two forces. These confidence building measures further created a favourable condition for extensive defence cooperation between India and France in the first decade of twenty-first century through the Strategic Partnership started in January 1998.

### **Engagement in Civil Nuclear Energy and Space Technology**

India and France established cooperation in the field of civil nuclear energy in 1951 when an accord was signed between Indian Atomic Energy Commission (IAEC) from India and the French Alternative Energies and Atomic Energy Commission (CEA) from France. French scientists and directors of CEA Frederic Joliot-Curie and Raoul Dautry helped Homi Bhabha in developing research in the field of atomic science in India. Both countries had a very close relation since then with some stoppages in between due to international conditions after India's first peaceful nuclear test in 1974. The cooperation was suspended after the nuclear test in 1974 which could only be resumed when the US declined to supply fuel to the nuclear reactor of Tarapur in the beginning of 1980s citing its inability to do so under the clause of the Nuclear Non-Proliferation Act adopted in 1978. France started the supply of fuel to Tarapur reactor in 1983. This was a positive event that brought India and France closer in the post-Cold War period for greater cooperation.

Unfortunately, the cooperation again saw a stoppage in 1991 when France informed India about its decision to adhere to the Nuclear Non-Proliferation Treaty (NPT). It was thus unable to export nuclear technology or substance to India under the regime of NPT. Yet, France did not break the accord it signed before this date and continued to supply fuel to Tarapur nuclear reactor until 1993 when the contract expired. These events of support to India in difficult situation were very well received in India. India understood the limitation of France to perform its cooperation in the field of nuclear energy under the framework of the international rules. This time was very difficult for India as it was receiving pressure from various fora to surrender its nuclear programme and to sign control regimes like the Nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT). On one side where major powers like the United States, Canada, Australia were putting pressure on India to sign these treaties which India termed as discriminatory, on other side, France never pressurised India to do so. It supported India's cause of its security concerns. The halt in the field of civil nuclear energy which started in 1992 was averted after President Jacques Chirac's historic visit to India in January 1998. Which was further extended after the Indian nuclear test in May 1998 by signing of two accords on management of nuclear wastes and nuclear safety in 2000 (Soubbaramayer 2002: 517). Thus, France was quick to realise Indian requirements of clean energy as India's energy requirements were growing at fast speed with its economic growth. Both countries found each other complementing on this issue. India needed clean energy to satisfy its growing needs to develop on high rate and France was getting a big market for its latest nuclear



technology in India. This paved the path of cooperation in the field of civil nuclear energy between India and France in twenty-first century.

In the field of space technology, India and France had close relations since the establishment of Indian Space Research Organisation (ISRO). The French Centre National d'Etudes Spatiales (CNES) helped ISRO during 1960s in experiment with sounding rockets. Since then, both have very close relations. In 1965, an agreement was signed between India and France for the transfer of technology of the Centaure rocket which was a two-stage sounding rocket. This was agreed that the experiment regarding the rockets would be performed through collaboration with Physical Research Laboratory (PRL) in India. It was also decided to conduct exchanges of scientists and facilitating admission for Indian students in France to enhance cooperation (Krishnamurthy 2005: 133).

Further, the ISRO-CNES Joint Commission was formed following the signing of a Cooperation Protocol between ISRO and CNES in 1972. This Joint Commission used to discuss the possibilities of collaboration for satellite launch vehicle (SLV) and communication satellites. This cooperation was further expanded by two more inter-governmental agreements in 1977 and 1993. These agreements were aiming at study of cooperative programmes in satellites and balloons for space research and applications. This expanded the cooperation between the countries in the field of space technology to remote sensing, meteorology, communications and development of various other joint projects (Lele 2015: 14). It was observed that the cooperation between India and France in space technology remained dormant in the last decade of twentieth century from 1993 to 1998. It gained momentum with the visit of President Jacques Chirac to India in January 1998.

Thus, the visit of French President Jacques Chirac to India in January 1998 was a turning point in the relation between India and France. The bilateral relation received an impetus after this visit and engagements witnessed exponential growth in almost all areas of cooperation.

### **Indo-French Strategic Partnership, 1998**

The year 1998 is considered as the year of “watershed” in the relation of both countries. This year expanded the horizon of cooperation and engagement between these countries. This year was marked by a number of events. In January, President Jacques Chirac came to India as the chief guest on the occasion of Indian Republic Day. This was the year when India was celebrating its 50<sup>th</sup> anniversary of independence and having the Head of State of one of the Permanent members of the UN Security Council was significant. Jacques Chirac started his visit to India from Mumbai

where he addressed the business communities of the two countries. He wanted to give a message that France wanted to improve its economic relation with India. In his address, he said that his visit was a confidence vote in favour of a new India, modern, inventive, creative, liberating its initiatives and eager to occupy its due place in the world economic scene. The message was very clear that France was keen to establish robust relation with India that was growing fast after the reforms taken in the beginning of the decade. France was anticipating a bigger role for India to play in the world economy and politics. This is why President Jacques Chirac proposed to India to build up a global partnership based on complementarities and shared interests of both countries. France understood the growing capacity of Indian economy and wanted to explore the vast arena of possibilities in the field of industry, trade and finance in Indian market. He also expressed his desire to work together in the area of civil nuclear energy in the international framework. France was also proposing a better and robust understanding and cooperation in the field of defence and security. He proposed for a strategic dialogue between two countries which was well received in India. The Strategic Partnership was later established in October 1998 when Prime Minister Atal Bihari Vajpayee visited France and formalised the strategic dialogue (Racine 2002:162-166).

### **Bases created for the formation of Strategic Partnership**

Apart from the historic visit of President Jacques Chirac to India in January 1998, there is one more historic event which changed the relationship between India and France forever. India conducted nuclear tests on 11 and 13 May 1998. This test invited stark criticism of India by almost all major countries except France and Russia. The moderate stand taken by France on international fora and her sincerity to address the concerns shown by India was welcomed in India. This was the real test of the relation where France stood beside India in a situation when almost all developed countries imposed sanctions on India. The global bitterness was made up by a “French kiss” (The Economic Times, May 14, 1998). This nuclear test conducted by India did not harm the level of confidence built between India and France during the state visit of President Jacques Chirac in January 1998 to India. Now, India declared itself as a state with nuclear weapons though it was not recognised by the NPT. The strategic relation started during the visit of President Jacques Chirac was continued with more vigour after the arrival of the Bhartiya Janata Party in power and the reaction of France over the nuclear tests conducted by India. In June 1998, barely three weeks after the nuclear tests, Brajesh Mishra, Special Envoy and Principal Secretary to Prime Minister A.B.Vajpayee, undertook his first visit to a P5 (five permanent member nations of the UN Security

Council) member in Paris by a very high-profile member of the Indian administration. This relation as Racine suggests was significant due to two major reasons:

“First, Paris was offering precious elbow room to Indian diplomacy at a difficult time (the French were said to have mellowed the P5 and G8 statements condemning India’s tests, and were clearly not toeing the US line).”

And,

“Second, France was a possible provider of high technology. On both accounts, geopolitical and technological, France was seen as a way to balance whatsoever, even if on unequal terms, the necessary dialogue with Washington.” (Racine 2002:166)

This strategic partnership was established for a win-win situation for both countries. Both countries were looking for their long-term and short-term benefits from this partnership. The reasons for coming together was very evident in the statements made by top leaders from both countries. The French Minister of Foreign Affairs, Hubert Védrine, in his concluding address to a seminar on “India and France in a Multipolar World” organised on 16-17 February 2000, after recalling the steps taken by both countries in two previous years, said,

“It was high time that our two countries, both of which are committed to making their own assessments of world realities and autonomous decision-making with regard to the major issues affecting the planet, take the time for an in-depth dialogue. A start has been made. The benefits are obvious. We must continue.” (CERI and CSH 2001:197)

The statement was significant due to intension shown in it. It said that both countries were coming together for mutual benefits. And the relation was based on democratic values and to seek autonomy in decision making as far as the global issues are concerned. Here the underlying desire of creating a multipolar world become very evident. After the fall of bipolar structure of the world order, the world headed towards a unipolar world order as the United States emerged as the lone superpower termed “hyperpower” by Védrine. This unipolar world order was not endorsed by France as Védrine continues, “this unipolar system is excessive, questionable and has negative implications, including for the United States” and this is the reason we [France and India] are “determined to work for a multipolar world which exists potentially. And to develop a multipolar world order he suggested that Europe and India should grow as poles which are not contradictory to each other rather benefitting with each other. But at the same time he emphasised the importance of the rule of law and thus the role of the United Nations Security Council. He suggested that for a multipolar world, some reforms should be done in the Security Council. He also endorsed the permanent seat for India in the Security Council if the Council is enlarged. He said, “In any case,

in this Security Council, enlarged, reformed, and relegitimized through this reform, India obviously has its full place. That is our position” (CERI and CSH 2001:201-2).

Jaswant Singh, the Indian Minister of External Affairs, as a response in his concluding address in the same seminar affirmed that in the age of “transition or movement towards polycentric world, the essence lies not in confrontation, but in cooperation” and “it is clear that multipolarity or polycentrism has to be the alternative trend.” Emphasising on the requirement of strategic relation between the two countries he said, “it is in this open societies, that France at the heart of Europe and India as a stabilising factor in Asia are uniquely placed to work together” (CERI and CSH 2001:216-17).

Apart from the desire of creating a multipolar world there were some other reasons also for the establishing of the strategic partnership between India and France. Jean-Luc Racine<sup>7</sup> (2017) says that the economic growth attained by India after its economic reforms and a large emerging market were major reasons for French attraction towards India. This was compounded by the stable parliamentary system and a quest for independent foreign policy by India also struck the chord between the two countries. Racine emphasises more on the leadership and the decision-making of President Jacques Chirac to establish a strategic partnership with India in 1998 (Racine 2017).

Racine (2016) says that Jacques Chirac had a great affinity for Asia and during his presidency, he had in the top circle of the government two key aids having a deep knowledge of India as they had served in India earlier (Racine 2016:263). He believes that it was solely the idea of President Jacques Chirac to establish a Strategic Partnership with India as this offer came from him not from India<sup>8</sup>.

But, the growing economy of India was not the only reason for establishment of this strategic partnership. There were other reasons also. As Gilles Boquérat<sup>9</sup> (2017) points out, economy was not the only attraction, there was a security aspect also compounded with the thought of dealing in arms. France is known for its high level technology in defence equipment and France was looking for a new market for its defence equipment. France was aiming to promote its arms through joint

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<sup>7</sup> Racine, Jean-Luc (2017), Personal interview, CEIAS, CNRS/EHESS, Paris, 24 March 2017.

<sup>8</sup> *ibid*

<sup>9</sup> Boquerat, Gilles (2017), Personal interview, FRS, Paris, 17 March 2017.

exercises with India (Boquérat 2017). This was also possible because the French military industry had a very close relations with the French government<sup>10</sup> (Saint- Mézard 2017).

In addition to these reasons some geo-political factors were also responsible for the partnership. Isabelle Saint-Mézard (2017) claims that one of the reasons of France coming closer to India was its concerns over its territories in the Indian Ocean region. She thinks that France was anxious that India should not take any hostile stand on its territories in this area as colonial impression. France wanted to convince India that these are French territories (France Outre-Mer). France succeeded in convincing India in that and it supported the French Navy base in Reunion as an acknowledgment of this understanding<sup>11</sup> (Saint-Mézard 2017).

From Indian perspective, one of the major reasons of establishing Strategic Partnership with India was its growing requirement of energy supply to sustain its developing economy. Mistry (2016) points out that in the last decade of the twentieth century the energy consumption increased exponentially and hence energy issue became more important in India's foreign policy. India was looking for a "robust and multifaceted engagements across the world to promote India's energy security interests." Therefore, it sought for diversification of its consumption of energy sources. Nuclear energy became one of the major components India was aiming from various suppliers (Mistry 2016: 426-427). India saw France as a competent exporter of nuclear energy and technology. For France, it was an opportunity to explore a range of opportunities in big Indian market.

Thus, both countries looked for mutual benefits through the strategic partnership in the changed world order after the end of the Cold War. India embarking on the path of reforms and growth was looking for a reliable ally after the fall of Soviet Union. France having a veto and great economy with latest and sophisticated technology looked apt for a strategic partnership for India. In the age of control regime, France was a good option for India for transfer of technologies which was vital to sustain its development. For France, India looked like a France in South-Asian region which followed its foreign policy on its own terms as France does. It also considered India as an important and responsible actor to balance the power equation in the subcontinent and as a prominent pole

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<sup>10</sup> Saint- Mézard, Isabelle (2017), Personal interview, IFRI, Paris, 23 March 2017.

<sup>11</sup> *ibid*

in a multipolar world order. It was also seen as a great market for its industrial goods. Thus, making this partnership a win-win situation for both countries.

Thus, the last decade of the twentieth century brought dramatic change in the world order as well as in the relation between India and France. Moving ahead with its improved economy after reforms, India was attracting countries from all over to engage with it. France was one of the first countries to recognise the potential of India and enhanced its engagement with India. The relationship started growing fast as there was no baggage of Cold War then. After the loss of a reliable ally in the form of the Soviet Union, France was seen as a good partner having permanent seat in the United Nations Security Council (UNSC). The engagement started growing by the mid of the decade which was further culminated into establishing strategic partnership by both countries. This is significant due to two major reasons. First, the strategic partnership established by India and France was the first in its kind for India. India did not had such relationship even with Russia by then which had been a close ally to India. Second, the proposal of establishing a strategic partnership did not get any deviation even after nuclear tests conducted by India in May 1998 and the idea of strategic partnership was formalised in September 1998 when Prime Minister A. B. Vajpae visited Paris. The first session of meeting held the next month in New Delhi. This was the beginning of new era of partnership between India and France. A long period has been passed since the beginning of the strategic partnership between India and France. It is imperative to discuss the benefits enjoyed by both countries through this partnership. It is also relevant to assess the performance of partnership in various areas of cooperation. This will be discuss at length in the next chapter.

**CHAPTER 4**  
**India-France Strategic Partnership: Enhancing the  
Bilateral Engagement**

## **CHAPTER 4**

### **India-France Strategic Partnership: Enhancing the Bilateral Engagement**

#### **Introduction**

India and France came closer to each other very fast in the changed world order after the end of the Cold War. Post-Cold era War came with challenges as well as opportunities for both the countries. This was the era of the beginning of a unipolar world power structure where the United States emerged as the single pole or a 'hyperpower'. India had lost the support of the nuclear umbrella of the Soviet Union due to its disintegration in 1991. It was MEAng through economic, political and social upheavals in the beginning of the 1990s. After the disintegration of the Soviet Union, India lost a very reliable ally having veto power in the United Nations Security Council (UNSC). The USSR had been the major arms supplier to India. It had helped India to sail through various difficult situations: security or economic. The move of the Soviet Union to counter the security threat generated by the entry of the United States aircraft carrier ship Enterprise in the Bay of Bengal during the Independence war of Bangladesh was one of the examples of the depth of relationship enjoyed by India and the Soviet Union during the Cold War. In the beginning of the 1990s, India lost such security blanket as Russia was completely shattered due to the loss after its disintegration.

In this crisis situation prevailing in the world as well as in the country, the newly elected Congress government led by P. V. Narasimha Rao started liberalising, privatising and globalising Indian economy amidst stark protest from the opposition and a section of intellectuals. By the halfway through the decade, it became evident that India had embarked on the path of development as the steps taken to revamp Indian economy started giving signals of an emerging global economy. Using this image of a fast growing economy, India tried to come closer to various big economies including the United States and the United Kingdom. But, it was the time when the United States was keener on making India sign various control regimes rather improving its relation with a growing economy. Similarly, the United Kingdom was seen toeing to the ideas of United States and was not interested in giving emphasis to the bilateral relation with India.

In this situation, France was the first country to recognise the growing economic and political potential of India. Although, both countries were in different camps during the Cold War, their



relation was “not bad but somewhat indifferent” (Racine 2002:159). Both countries enjoyed a long relation based primarily on supply of arms. They primarily had a seller-buyer relation during the Cold War. Yet, they had a good deep collaboration in the arena of nuclear energy and space research. After the end of the Cold War&Disappearance of bipolar conflict and many of its constraints, both countries came closer in their understanding and in their exercise of international relations. As Mayoura (1998) says,

“Despite their diverging allegiances during the Cold War, France and India were both ‘politically independent minded countries’, which attached similar attention to the concepts of status and grandeur on the international scene. French nuclear policy in the 1960s, its partial pull-out of NATO in 1966, its ability to develop a national *force de frappe* and a nuclear deterrence doctrine were viewed with interest by India. Regardless of their diverging international positions, a certain mutual respect thus endured between France and India during the Cold War” (Mayoura 1998:562-563)

The end of the Cold War opened wide range of opportunities in the area of collaboration between India and France in various sectors. With the growing trend of Indian economy and having the realisation of a large market of such opportunities France started investing in India and it deepened its relation with India. This relationship was based on not only the economic engagement rather a deep-rooted desire of establishing a multipolar world order after the end of the Cold War. The establishment of a strategic partnership in 1998 between the two countries was a great step towards this objective. It was the beginning of a new era of cooperation in various fields. It was also the verification of convergence of ideas between India and France and it was an acceptance of emerging role of India in the South-Asian and in the world politics.

### **Indo-French Strategic Partnership: An Introduction**

A real initiative by the French government to enhance the bilateral relation was made in 1994 when the French Minister for External Affairs, Alain Juppé visited India. He came with the French plan to restart the political negotiation and to deepen the economic partnership. He wanted to build up a robust relation on what had already been accomplished. He came with the inclination to give ‘a new push’ to political and economic mutual assistance (Racine 2002:162). However, these wishes were not properly addressed by both countries until the French President Jacques Chirac’s historic visit in January 1998 which was rich in symbolism. He was invited as the Chief Guest for India’s Republic Day celebration when we were celebrating 50 years of independence. It was a very

significant move to have the Head of State of one of the P5 members of the United Nations Security Council as the Chief Guest on such occasion (Racine 2002:162-163). This year came as a 'watershed' in the India-France relations. It started a strategic discourse between the two states in January which materialised in the month of May after the moderate French response to Indian nuclear tests and was initiated through the visit of Prime Minister Atal Bihari Vajpayee to Paris in September (Roger 2007:9). The nuclear test conducted by India on 11 and 13 May 1998 came as a shock to the world and attracted stern reactions around the globe. This was the time when France showed her support to the cause of India which made a huge difference in India to perceive a country which was in the other camp during the Cold War. This was also a major reason for continuing the strategic dialogue proposed by Jacques Chirac during his visit in January. As Roger (2007) says that the French reaction was:

“[a] ‘french kiss mak[ing] up for global bitterness’. France’s demonstrated trust in India was perceived as a proof of its commitment to their bilateral friendship. Several visits and an intensified dialogue following the nuclear tests enabled the effective establishment of the strategic partnership, India’s first such strong affiliation with an outside country apart from Russia” (Roger 2007:11).

The year brought two major changes in the nature of Indo-French relation. Jean-Luc Racine points out the French President Jacques Chirac’s visit in January 1998 was the first major change in the relation that created the favourable condition by announcing several new developments to express the importance given by the French government to India. In second major change, France chose not to criticise India in the same words as other developed countries. This brought India and France closer and gave strength to the Indo-French relations which was taking shape under the international framework. This relation was further extended from bilateral ties to dialogue on global issues (Racine 2002: 161) The first session of the Indo-French strategic dialogue occurred in October 1998 in New Delhi and it started a new era in the relations between both countries. This strategic partnership was based on extensive dialogue and increased exchanges on defence matters – among various other sectors.

### **Indo-French Strategic Partnership: A New Beginning**

During his historic visit to India, on 24 January 1998 in Mumbai addressing businessmen from both countries, President Chirac defined his visit as “a confidence vote” in favour of “a new India,

modern, inventive, creative, liberating its initiatives and eager to occupy its due place in the world economic scene”<sup>12</sup> (Chirac 24 January 1998). On 25 January 1998, in Delhi, he offered to India to build up with France “a global partnership developed on [our] complementarities and [our] shared interests”. France, “the fourth world economic power”, was enthusiastic to “reinforce considerably its industrial, trade and financial links with India”. As a world leader in producing nuclear energy, Chirac said, France can also address this field “if certain conditions were met”. Apart from this, a vast spectrum of scientific and technical collaboration, and the setting up of an Indo-French Initiative Forum was expected to elaborate “a common Franco-Indian vision”, Paris was formally offering, in a significant move, to set up a strategic group, in order to facilitate “a better understanding of our defence doctrines and an increased military cooperation”. He also emphasised on the reforms in international governing bodies and proposed that India should play a great role in those bodies. He said, “The treaties and the practices which regulate the international political order should consequently be altered.” It was seen as a controlled but clear backing for India’s pursuit for a permanent member seat in an reformed UN Security Council<sup>13</sup> (Chirac 25 January 1998).

These propositions were extremely welcomed in India but the transition government of I. K. Gujral could not do much for their realisation. The situation changed with the formation of new government led by Atal Bihari Vajpayee in March and it decided to conduct nuclear tests. Many countries announced various sanctions on India and tried to alienate her. In this situation, France was supportive of India’s concerns. It was also critical to the move of slapping sanctions against India by several countries. This move was very well received in India and in June 1998, hardly three weeks after India’s nuclear tests, Brajesh Mishra, Principal Secretary to Prime Minister Vajpayee and Special Envoy visited Paris. This was the first visit to a P5 member nations of the UN Security Council after tests from a very high-profile member of the Indian administration. This visit paved the way for the realisation of the Strategic Partnership between India and France. The conception of a Strategic Dialogue was formalised in September 1998, when Prime Minister Vajpayee visited Paris after annual UN General Assembly meeting in New York. This was his first

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<sup>12</sup> Speech of Jacques Chirac, Mumbai, 24 January 1998.

<sup>13</sup> Speech of Jacques Chirac, New Delhi, 25 January 1998.

visit to a major foreign country after becoming the PM. This visit was marked by talks on various issues ranging from economy to strategic issues. CTBT and terrorism was also discussed at length. After the formalisation of a Strategic Dialogue, the first session was held in October 1998 in Delhi. This dialogue was an attempt to bring both countries closer and establish an environment of trust and mutual understanding so that relations are enhanced and cooperation is increased in a number of areas including domestic and international. As Racine says:

“The dialogue is not seen as a negotiation round. It is a process aiming less at immediate results than at developing trust and mutual understanding on all types of geopolitical issues. Paris shares India’s willingness to discuss freely all matters of global interest (and not just bilateral or regional problems), and values good relations with a country seen as a stabilizing force in Asia, and a future great power. New Delhi appreciates the French openness, its dedication to a multipolar world order” (Racine 2002:166).

The Strategic Dialogue initiated by India and France established a high-level meeting at the level of National Security Advisors that provided both sides an occasion to review key elements of the bilateral agenda between India and France and particularly, the overall global security situation and emerging challenges. This meeting is organised twice a year regularly since the inception of the Strategic Dialogue. The first high-level meeting of National Security Advisors took place between Brajesh Mishra and Gerard Errera in October 1998. The 26<sup>th</sup> round of summit at the level of National Security Advisors was organised in New Delhi on 09 October 2014 that was led by NSA and Diplomatic Advisor to the French President. Earlier, the 25<sup>th</sup> round was organised in Paris on 30 January, 2014 (MEA 2015).

The array of cooperation between India and France is very wide. It includes strategic areas such as nuclear energy, defence, and space. At the same time diplomacy has also become a vital component of the partnership. In addition to that India and France are increasing their volume of trade and investment and are spreading their cooperation in the areas of science and technology, culture and education. The collaboration in the field of railways is the latest entry to the list. Moreover, terrorism has become a global issue and India has been affected to this threat for a long time. France very well understands India’s concerns over terrorism and has been supporting India’s cause for measures against terrorism. Explaining the vast range of cooperation, the Indian Ministry of External Affairs states that:

“France was the first country with which India entered into an agreement on civil nuclear cooperation following the waiver given by the nuclear Suppliers’ Group (NSG), enabling India to resume full civil nuclear cooperation with the international community. There is also a growing and wide-ranging cooperation in other areas such as trade and investment, culture, science and technology and education. France has consistently supported India’s increasing role in international for a, including India’s permanent membership of the UNSC.” (MEA 2013a)

Certainly, the area of cooperation between India and France is very wide and therefore, there exists a long list of meetings of higher officials, ministers, Secretaries and chief of armed forces on various areas of cooperation. The Foreign Secretaries of both countries meet annually for Annual Foreign Office Consultations to discuss important issues of wide range from regional to global level. In this regard, the last round of Annual Foreign Office Consultations at the level of Foreign Secretaries was organised in Paris on 17 June, 2013. An Pact on Mutual Exemption for Short Stay Visas for Diplomatic Passport Holders was signed during the visit. In the same manner, a special Joint Working Group on Terrorism has been set-up for cooperation in the combat against terrorism. The 9th consultation of the Joint Working Group on Counter-terrorism was organised in Paris on 20 June 2014. In the realm of cyber security, a Cyber Dialogue has been started by the two nations. The first round of the India-France cyber dialogue was organised in Paris on 24 May 2013 (MEA 2013a). In the field of defence, a High Level Committee for Defence Cooperation (HCDC) at the level of Defence Secretaries has been constituted. This committee works through its three specialized sub-committees and deals with subjects related to joint defence cooperation. The last meeting of this committee was held in Paris on 12 January 2015 (MEA 2015). Thus, this Strategic Dialogue covers almost all the areas of strategic importance for the two countries and higher officials and ministers of corresponding area meet frequently and discuss possibilities for further deepening the cooperation.

A Track 1.5 dialogue between research foundations from the two countries was also initiated to give strength to the formulation of new dimensions of cooperation and to assess the continuing cooperation. The first round of the Track 1.5 India-France Annual Dialogue between the Observer Research Foundation, India and the Centre for International Studies and Research (CERI, Science Po – Paris) was organised on 23 May, 2013 in Paris. In the field of Trade and commerce, to enhance the cooperation, a Joint Committee for Economic and Technical Cooperation at the level of Ministers of Commerce has also been constituted. This committee deals with matters related to

trade and commerce. The 16th session of the Joint Committee for Economic and Technical Cooperation, at the level of Ministers of Commerce was organised in Paris on 23-25 June, 2010. Moreover, to surge the capacity of business between the two states, an Indo-French CEOs Forum was formed in 2009 following the visit of the President Nicolas Sarkozy to India in January 2008. This forum aims to recognise new avenues for collaboration and takes initiatives to facilitate business links between both countries. The sixth India-France CEO's Forum was held on 8-9 July, 2013 in Paris. The latest session of India-France CEO's Forum was held on 09 April, 2015. The first Annual Economic and Financial Dialogue was held on 29th October 2013 in Paris between Finance Ministries of France and India. Also, first meeting of Joint Working on Sustainable Urban Development was held on 20 September 2013 in Paris. The 9th Joint Working Group meeting on IT was also held during October 2013 in Paris (MEA 2015).

These extensive volume of meetings explains how deep-rooted this partnership is and how much importance both countries give to this Strategic Partnership. This importance is often expressed by the frequent visits of the Head of Government or Head of State after the setting up of the Strategic Partnership. In the country note on France, the Indian Ministry of External Affairs states:

“The momentum of bilateral exchanges has been maintained at the highest level over recent years. A clear indication of the importance that France assigns to the strategic partnership with India was the fact that India was the first country in Asia that the President chose for a bilateral visit.” (MEA 2013a)

The visits of the Heads of the governments to the other nation is one of the essential features of the Strategic Partnership between France and India.

**Table 3 Bilateral visits from India to France at the level of Head of State/Head of Government**

Year	Name	Designation
1998	A.B. Vajpayee	Prime Minister
2000	K.R. Narayanan	President
2003	A.B. Vajpayee	Prime Minister
2005	Dr. Manmohan Singh	Prime Minister
2008	Dr. Manmohan Singh	Prime Minister
2009	Dr. Manmohan Singh	Prime Minister
2011	Dr. Manmohan Singh	Prime Minister
2015	Narendra Modi	Prime Minister

**Table 4: Bilateral visits from France to India at the level of Head of State/Head of Government**

Year	Name	Designation
1998	Jacques Chirac	President
2003	Jean – Pierre Raffarin	Prime Minister
2006	Jacques Chirac	President
2008	Nicolas Sarkozy	President
2010	Nicolas Sarkozy	President
2013	Francois Hollande	President
2016	Francois Hollande	President

The French President Jacques Chirac paid an official state visit in February 2006, followed by state visits of his successor Nicolas Sarkozy who visited India twice: in January 2008 as the Chief Guest

for the Republic Day celebration of India and in December 2010. In the same way, Prime Minister Vajpayee paid a visit to France in September 2003 followed by Prime Minister Manmohan Singh who visited France in September 2005 and September 2008. In July of 2009, he was invited as the Guest of Honour at the Bastille Day Parade (French National Day celebration). This occasion was marked by the participation of a 400-strong contingent of the Indian armed forces which was leading the Bastille Day Parade. This was for the first time in the history that Indian troops took part in any another state's national day parade (MEA Aug 2011). Prime Minister Manmohan Singh again visited France in 2011 (French Embassy in India 2016). This can be observed that the frequency of visits at the highest level is not symmetric, yet the French Presidents and the Indian Prime Ministers have met regularly on the side-lines of the international diplomatic fora, such as the G20, UN General Assembly and the G8. This is significant to mention that the number of visits by the Head of government has increased remarkably after the initiation of Strategic Partnership between both countries. Such kind of visits by the Heads of the governments give impetus to the Strategic Partnership. This is also backed by regular meetings of other key members as several ministers, Secretaries of ministries and the Chiefs of armed forces. This vast range of decision makers making frequent meetings suggests how comprehensive the cooperation between India and France is. Both the countries give utmost priority to the Strategic Partnership as explained by the experts and higher official in the French Ministry of Defence<sup>14</sup>.

These extensive series of meetings on the highest level as well as on ministerial and Secretaries level show the importance of the Strategic Partnership for both the countries. These meetings on regular basis have enhanced the relationship between France and India after the signing of Strategic Partnership in 1998. During this period, France and India have exhibited their areas convergence on several occasions. Some major occasions were where France supported India's bid for entry as the permanent membership of the United Nations of Security Council (UNSC). Recently, it has endorsed India's membership for control regimes like the Nuclear Suppliers' Group (NSG). Racine (2016) says:

“Paris supported India's call for reforming the UNSC long before Barack Obama changed the US stance in 2010, and Paris reiterated in 2013 its willingness to see the UNSC reform

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<sup>14</sup> The idea was extensively discussed by various experts and a higher official in the French Ministry of Defence in March 2017 in Paris, France.



implemented 'at the earliest'. On the sensitive subject of civil nuclear energy, France has been willing early to grant India a special status, and was the first to sign an agreement with New Delhi weeks after this status was granted. Ending the technology denial imposed upon India since the 1970s was not simply guided by economic interests: it implied a diplomatic engagement in international arenas when the civilian nuclear agreement was negotiated. Today, Paris supports India joining the Nuclear Suppliers' Group and other export control bodies." (Racine 2016: 246)

India and France have enhanced their cooperation on counter-terrorism, particularly after the attack of 11 September 2001 in the U.S. A joint Working Group on Terrorism has been instituted to define the policy in this regard. From Indian point of view, France has supported India's fight against 'cross-border terrorism'. In the joint statement released during the visit of French President Francois Hollande to India in February 2013 put emphasis on how New Delhi and Paris are in accord. It refers to 'cross-border terrorism' and underline that "both sides agreed that Pakistan must abide by its commitment to expeditiously bring all the perpetrators of Mumbai terror attacks to justice." (MEA 2013b) Even on the issue of Afghanistan, it states that:

"the two sides recognized that terrorism poses the main threat to Afghanistan's security and stability, as well as the need for joint concerted efforts and cooperation by countries of the region to effectively counter it, including dismantling terrorist sanctuaries and safe havens, beyond Afghanistan's border, disrupting financial and tactical support being provided to terrorist groups." (MEA 2013b)

In an example of areas of convergence, on the issue of foreign military interventions, India supported the French operation in Mali as the demand for help came from the Malian president. India was informed by France before the French troops were actually deployed in Mali. India did not only supported French operation it pledged US\$ 100 million for reconstruction of Mali. This support from India is significant because India had criticised French operation in Lybia and had taken different position on the issue of Syria. Another area of difference between India and France is the issue of agriculture subsidies enjoyed by France and other European and American countries. India has criticised this policy of developed countries. This was one of the reasons for the failure of the World Trade Organisation's Doha Round.

Despite areas of differences, India and France have strengthened their Strategic Partnership since 1998. This is mainly because the core of the Strategic Partnership "remains unaffected by differences of views on geopolitical issues for symmetrical reasons." (Racine 2016: 248) The number of French Presidents invited on the occasion of the Republic Day celebration of India itself

is a testimony of growing relationship of India and France<sup>15</sup>. The Strategic Partnership is built on mutual interests in the areas of economy, space, civil nuclear energy and defence.

## **Areas of Cooperation between India and France in Various Sectors**

The Strategic partnership between India and France opened a range of cooperation between the two countries. It was also an end of the buyer-seller relation between the two countries which was prevailing throughout the Cold War period. Now the relationship has moved towards comprehensive cooperation in various sectors ranging from international political issues to economic issues to cooperation in information technology, energy, science and technology, culture, and railways etc. This partnership which is based on strategic dialogue conducted since 1998 is enhanced by regular meetings between foreign secretaries, working groups to address requirements of cooperation in these sectors. Here, it is necessary to understand the cooperation in various sectors after the establishment of Strategic Partnership between the two countries.

### **The Defence Cooperation**

The defence cooperation between India and France has undergone a dramatic transformation since the inception of the Strategic Partnership. It has evolved to become a true cooperation, touching upon various aspects of each country's defence requirements. This cooperation is conducted by meeting annually by the High Level Committee for Defence Cooperation (HCDC). The meeting takes place within the framework of the Indo-French Defence Cooperation Agreement. The HCDC consists of three subcommittees where one of those subcommittees conducts a dialogue on strategic issues, the other two pay attention respectively to military bilateral relations and to defence equipment (Racine 2002:168). This cooperation is one of the pioneers of the cooperation between India and France under the Strategic Partnership where both countries have done remarkable progress. In order to understand the level of cooperation in defence one needs to

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<sup>15</sup> Racine, Jean-Luc (2017), This idea was discussed by the expert during a personal interview at CEIAS, CNRS/EHESS in Paris on 24 March 2017.

understand how this cooperation works. There are four main pillars to this defence partnership between India and France:

- i) high-level visits between representatives of each country;
- ii) joint training and exercises;
- iii) research and development program; and
- iv) arms procurement (Roger 2007:11).

### **High-Level Visits**

Starting from the visit of President Jacques Chirac in January 1998, there are long lists of Heads of State, Ministers and Chief of Armed Forces to conduct high-level meeting on defence between the two countries. Meeting aimed solely at defence issues is conducted by the High Level Committee for Defence Cooperation (HCDC) which takes place annually. This meeting addresses broad geopolitical issues as well as military principles which aim at defining closer service to service cooperation (Racine 2002:168). Following is the list of the bilateral interactions on defence subjects that have taken place since 1998 every year:

- 1998: Chief of Staff of the French Army General Douin, came to India on 10-12 February, and was followed by visit of Chief of Staff of the French Air Force General Rannou, who visited India from 6 to 11 December (French Embassy in New Delhi 1998).
- 1999: Mr. George Fernandes, Indian Defence Minister visited France on 11-13 January (French Embassy in New Delhi 1999).
- 2000: Jean-Pierre Kelche, French Chief of Defence Staff visited India to hold discussions on defence cooperation on 23-26 April. These talks were followed by the visit of French Defence Minister Alain Richard on 18-19 May 2000, accompanied by Ambassador J.B. Ouvrieu (co-Chairman of the Indo-French Joint High Level Committee on Defence Cooperation) and Mme Kocher (Adviser to the French Prime Minister)(MEA 2001:64). During this talk, Alain Richard and Prime Minister Vajpayee agreed to intensify political dialogue and high-level military meetings (Manikandan 2006:104).
- 2001: General Yves Crène, Chief of Staff of the French Air Force visited India from 17 to 21 April. The 4<sup>th</sup> meeting of the High Level Committee on Defence Cooperation took place in Delhi in June. This was followed by the visit of Indian Minister of External Affairs and

Defence Minister Mr. Jaswant Singh on 28 September to France. There he met with President Chirac, with Mr. Védrine and with the Defence Minister Alain Richard (French Embassy in New Delhi 2001).

- 2002: Vice-President Mr. André Dulait led the Committee on Foreign Affairs, Defence and Army of the French Senate to India on 4 to 6 March. The Chiefs of the Indian and the French Armies met for the first time from 11 to 14 March. Chief of Naval Staff Admiral JL Battet visited India from 1 to 4 May (French Embassy in New Delhi 2002). Chief of Army Staff General S. Padmanabhan visited France in November. The 5<sup>th</sup> round of the High Level Committee on Defence Cooperation (HCDC) took place in Paris from 5 to 8 November and focused on an in-depth review of bilateral defence cooperation and step to further diversify and deepen it (MoD 2003:124).
- 2003: Michèle Alliot-Marie, French Defence Minister visited India on 27-28 April. A 90-member delegation from the French General Staff School (CSEM) visited India in May. Wilmot-Roussel, Rear Admiral Richard came for the Indo-French Navy-to-Navy Operational Staff Talks which were held on 9 and 10 September in Mumbai (MoD 2004: 43). Admiral Madhavendra Singh, Indian Chief of Naval Staff visited Paris from 19 to 24 October. The 6<sup>th</sup> round of the High-Level Committee on Defence met from 19 to 21 November in Delhi (MEA 2004: 84).
- 2004: Indo-French Staff Talks were held in Paris from 1 to 4 March (MoD 2004: 43). Indian Chief of Air Staff visited France in April. Navy-to-Navy Operational Staff Talks were held from 10 to 12 June (MoD 2005:50). The 7<sup>th</sup> Round of the High Level Committee on Defence Cooperation, led by French Defence Minister's Personal Representative J.F.Thibault and India's Defence Secretary Ajay Prasad took place on 17-19 November in Paris along with the three sub-Committees. Exchange programme between the armed forces of both states continued and many visits at senior staff officer level took place (MEA 2005).
- 2005: The 3<sup>rd</sup> Indo-French Navy-to-Navy Staff Talks took place from 17 to 21 January (MoD 2005:49). Head of the general staff for the Navy Admiral Alain Oudot de Dainville visited India on 21 June. The 8<sup>th</sup> meeting of the High Level Committee on Defence Cooperation

took place in New Delhi on 8-9 December, with Mr. Thierry Borja de Mozota leading the French side and the Defence Secretary leading the Indian delegation.

- 2006: This year was marked by the visit of the French President Jacques Chirac on 19-20 February. His visit led to the formation of an Agreement on Defence Cooperation. Pranab Mukherjee, the then Defence Minister met French Defence Minister Michele Alliot Marie on 4th September in Paris, as part of a three-day trip to France during which he visited the Command of Air Defence and Air Operations (CDAOA) and Centre for Planning and Operations Management (CPCO) at Taverny.
- 2007: Indo-French Strategic Dialogue took place between the National Security Advisor of the Prime Minister of India, Mr. M. K. Narayanan and the Diplomatic Adviser of the President of France on 30 July, Mr. Jean-David Levitte for talk under the Indo-French strategic partnership. During this session, both parties reiterated the utmost significance they attach to this strategic partnership. Mr. Narayanan and Mr. Levitte dealt with bilateral, multilateral and regional matters. They emphasised the conjunction of views between India and France and they stressed their readiness to strengthen the political, economic and cultural relations between the two countries, as well as their obligation to working together for peace, sustainable development and international security. Both sides highlighted their common endeavour to develop nuclear energy for peaceful commitments, including power generation plants, and agreed to accomplish expeditiously a bilateral co-operation agreement thereof. In this situation, they reiterated their commitment to international non-proliferation aims (French Embassy in New Delhi 2007).
- 2008: This year was marked by state visit of the President of France, Nicolas Sarkozy to India in January and the state visit of the Prime Minister of India in September. Nicolas Sarkozy was the Guest of Honour for the Republic Day celebration. This also marked the 10<sup>th</sup> anniversary of the establishment of the strategic partnership between the two countries. Both countries reaffirmed to enhance cooperation in defence and other sectors. They also reaffirmed their commitment to International peace and security, nuclear non-proliferation and counter terrorism and thus, to strengthen their cooperation against international terrorism through, inter-alia, increased operational contacts (French Embassy in New Delhi 2008).

- 2009: Minister of Defence Mr. Hervé Morin visited New Delhi from 3 to 4 December. He held a High-Level meeting with his counterpart Mr. A. K. Antony and senior Indian officials (French Embassy in New Delhi 2009).
- 2010: The President of France Mr. Nicolas Sarkozy visited India from 4 to 7 December. This visit was marked by announcement of the future course of action by the two countries (MEA 2010). Earlier, French Chief of the Defence Staff Admiral Edouard Guillaud visited India from 16 to 19 October. He held meetings with Chiefs of Indian Armed Forces. He also held high-level meetings with Indian officials, including Mr. Shivshankar Menon, the National Security Advisor.
- 2011: Mr. Gerard Longuet, the French Minister of Defence, visited India from 26 to 27 May. He held meetings with his counterpart Mr. A. K. Antony, Minister of Defence, India, and Air Chief Marshal P. V. Naik, Chief of Air Force Staff and Chairman of the Chiefs of Staff Committee, Admiral N. K. Verma, Chief of Naval Staff, and General V. K. Singh, Chief of Army Staff. He also held high-level consultations with various Indian authorities (French Embassy in New Delhi 2011a). From 5 to 8 May, the French landing helicopter dock Mistral and Frigate Georges Leygues visited Kochi as part of its training of midshipmen not only in defence drills but also diplomacy and geostrategic issues (French Embassy in New Delhi 2011b).
- 2012: Indian Air Chief Marshal Norman Anil Kumar Browne visited France from 22 to 25 May. He held meeting with his counterpart Mr. Palomeros and the French Minister of Defence Mr. Jean-Yves Le Drian. He also visited the operational facilities of the Saint-Dizier 113, Cognac 709 and Istres 125 air force stations (French Embassy in New Delhi 2012).
- 2013: The President of France, Mr. François Hollande paid his first visit to India from 14 to 15 February. Both countries agreed on a robust framework to develop the partnership in future. They also reaffirmed their commitment to the global peace and security (MEA 2013a). The French Minister of Defence, Mr. Jean-Yves Le Drian, visited India from 25 to 27 July 2013. He held meetings with his counterpart, the Defence Minister of India, Mr. A. K. Antony. He also held high-level meetings with various Indian authorities (French Embassy in New Delhi 2013).

The High Level Committee for Defence Cooperation conducts high-level meeting on a regular basis within the framework of the Indo-French Defence Cooperation Agreement established in 2006. It constitutes a crucial portion of this comprehensive bilateral partnership. The High Level Committee on Defence Cooperation is co-chaired by two representatives selected by each country's Defence Ministries. During each summit, the committee undertakes an evaluation of the previous year, inspects the current activities taking place in the field of defence, establishes a cooperation plan for the following year and reviews its sub-groups' actions<sup>16</sup> (Decree no. 2006-1403). Taking place annually, consecutively in France and in India, it goes beyond the exchange of views and insights regarding defence matters (Racine 2002:168). The sub-committees of High Level Committee on Defence Cooperation also pays attention to military cooperation and defence equipment. These high level meetings and dialogues over strategic matters and exchanges on defence doctrines, show how this bilateral defence cooperation has progressed since 1998 when it was still limited to arms sales. This development also shows the significant distinction between the various aspects and categories of *defence* cooperation: military collaboration relates to joint drills and operations, and industrial cooperation mainly encompasses defence equipment and arms deals. The military sub-committee organises and directs military cooperation with the aim of undertaking 'mutually advantageous activities for the French and Indian armed forces'<sup>17</sup> (Decree no. 2006-1403). The defence equipment sub-committee is assigned with examining current programs and identifying new prospects in the area of industrial armament cooperation. While many states limit their associations to arms transfers, India and France enjoy much broader defence cooperation.

In addition to the High Level Committee on Defence Cooperation and the annual Strategic Dialogue, an Indo-French Joint Working Group on International Terrorism was also set-up-1 a few days before the 9/11 terrorist attacks. This idea had been discussed as early as June 2000, showing the convergence of idea of France and India on global security issues. This working group meets

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<sup>16</sup>Décret n° 2006-1403 du 17 novembre 2006 portant publication de l'accord de coopération dans le domaine de la défense entre le Gouvernement de la République française et le Gouvernement de la République de l'Inde, signé à New Delhi le 20 février 2006 (1), <http://www.admi.net/jo/20061119/MAEJ0630095D.html>

<sup>17</sup> Ibid.

every six months and aims at increasing relations in order to strengthen both countries' ability to promote security and fight international terrorism<sup>18</sup> (Decree no. 2006-1403).

While high level military and ministerial visits have significantly developed since 1998, they constitute only a side of Indo-French defence collaboration. Summits of the High Committee on Defence lead to an improved number of cooperative actions, which are then set up at the level of the armed forces and of the defence industry.

### **Joint Trainings and Exercises**

The French and Indian armed forces have increasingly partaken in joint trainings and exercises since 1998. Being very far apart physically, partnership between the two armies is more difficult than with the two other branches of the armed forces. Naval exercises have become institutionalised to take place every year, and cooperation is also on the rise between the two air forces. These bilateral exercises and trainings are becoming increasingly multilateral, with other countries participating in order to attain maximum inter-operability for ultimate international operations.

### **Naval exercises and trainings**

France was the first state with which India steered a naval exercise after the Pokhran tests of 1998. It was expressed in the Indian media as “India’s first post-Pokhran naval exercise with a UN Security Council member (Racine 2002:168). This drill, codenamed Springex-2000, ‘aimed at authenticating present and future tactical doctrines along with new weaponries and sensors’. It was not part of the Varuna series of joint Indo-French naval exercises, which are now set up between the two navies and constitute the bulk of their joint exercises (Roger 2007:15).

While the Indian navy has numerous joint naval exercises with foreign powers, France figures among the only three states with which it has institutionalised these exercises. The Varuna series of joint naval exercises between France and India was conceptualised in 1998 and commenced in

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<sup>18</sup>Décret n° 2006-1403 du 17 novembre 2006 portant publication de l'accord de coopération dans le domaine de la défense entre le Gouvernement de la République française et le Gouvernement de la République de l'Inde, signé à New Delhi le 20 février 2006 (1), <http://www.admi.net/jo/20061119/MAEJ0630095D.html>



2001. Since then, these naval partnerships exercises have grown noticeably both in scope and in intricacy. Encompassing of only naval vessels during their first exercise in November 2001 off the Mumbai coast, they have grown up to integrating aerial components. Since 2002, the French nuclear powered aircraft carrier *Charles de Gaulle* frequently takes part in these exercises. Aircrafts and vessels which participate in the exercises are placed alternately under Indian and French command. Frequent visits of naval establishments, professional discussions, training sessions, cultural activities, sports and social events occur during the harbour phase of each exercise. Such theoretical and operational exchanges enable the two navies to co-operate professionally in various areas of maritime warfare. They are aimed at achieving greater comprehensibility and interoperability between the two navies in the view of attaining joint operations at sea. They constitute a significant indicator of the growing Indo-French defence cooperation. The Varuna exercises have greatly evolved and have covered a variety of fields, ranging from counter-mine measures to anti-submarine warfare.

### **Aerial Exercises and Trainings**

Bilateral exercises are also on the rise between the French and the Indian Air Forces. The first bilateral exercise of Indian Air Force's (IAF) with a foreign counterpart was Garuda I was performed with the French *Armée de l'Air*, in Gwalior (India) in February 2003. India was exposed to French mid-air refuelling tankers for the first time during this exercise. In June 2005, Garuda II was completed at the Air Force Station 125 "Charles Monier" in Istres (Southern France). This second exercise took place for two weeks and was notable since it was the first time a contingent of the Indian Air Force exercised in European skies. Garuda II focused on Beyond Visual Range (BVR) combat and In-Flight Refuelling (IFR) procedures. The French contingent, led by Lieutenant-Colonel Jean-Sébastien Macke, second-in-command of the 2/5 fighter squadron, consisted of five *Mirage 2000RI* and *Mirage 2000-5* fighters of the 2/5 "Ile-de-France" fighter squadron, one *Boeing KC-135 FR* and an *E-3F AWACS* aircraft. On the Indian side, six *Sukhoi-30* Multi-Role Combat Aircraft, an *Illyushin-78MKI IFR* tanker and two *Illyushin-76* transport aircrafts were led by Group Captain Shreesh Mohan and comprised 120 personnel. Garuda II gave the IAF the distinctive chance to work with *E-3Fs*, which it does not own, and to acquaint itself with NATO processes, while it facilitated the French Air Force to drill with the *Sukhoi-30s*. India has of late involved in joint air exercises with foreign countries, and the Garuda experiences are

very novel in this sense. They demonstrate both India's desire to benchmark tactics and procedures with friendly air arms, and France's interest in expanding air links with India within their larger defence cooperation. In addition to these joint exercises, the IAF staffs often participate in training programmes in France (Roger 2007:15-16).

### **Joint Research and Development programs**

As its economic power rapidly developed, India has gradually intended at evolving a state controlled and home grown defence industry as well as a R&D (research and development) capability to back its armed forces. The motivating idea was to bring to an end its long-term dependency on foreign supplies. Being fairly rookie in the areas of defence R&D, it has greatly valued experience sharing and external support. Indeed, despite being one of the most noteworthy defence producers in the developing world, India 'has been stunningly unsuccessful in growing its defence R&D capability'. India indicated its intent to develop and deploy indigenously produced weapons systems by 2005, but these outcomes have been erratic, since the bulk of the important plans experienced time and cost over-runs. Therefore, it sees France's offer to develop common materials with great enthusiasm. Joint production and collaboration projects are becoming gradually frequent between Indian and French defence companies. For instance, the French aviation giant Snecma is already work together with HAL on the making of aero engines powering the Advanced Light Helicopters (ALH) and is functioning with the DRDO's on making Kaveri engines for the Tejas Light Combat Aircraft (LCA). Turbomeca is also collaborating with HAL, to co-develop the Arden 1H - called "Shakti" – an engine for the twin-engined Dhruv ALH. This is developing under an industrial partnership signed in February 2003, and the engines were ready in March 2007. GIAT is collaborating with the DRDO to develop a redesigned turret for the Arjun Mk2 Main Battle Tank (MBT).

In September 2006, during the Defence Minister Pranab Mukherjee's visit to France, a proposal was made for the joint research and development of missiles. The planned agreement visualised the transfer of technology from European missile consortium MBDA to India's Defence Research and Development Organisation (DRDO). The deal, was meant to be signed during Mr Mukherjee's visit but was postponed for unknown reasons (Roger 2007:16).

### **Procurement of the Defence Equipment**

Arms sales, which used to be the only characteristic feature of the defence cooperation between India and France during the Cold War, still continues to remain the core of their present defence cooperation. As it is evident that the Russian purchases constituted the bulk of India's defence procurement. Yet France for many years constituted an alternative source of supply, and it still does. French military sales to India have been averaging €300 millions to €2 billions a year, for the past few years, making French defence companies the third largest weapons and armament system suppliers to India. Proportionally, French weapons sales to India remain relatively small despite their strategic partnership and their growing cooperation on defence issues. Between 1998 and 2005, France represented only 2.48 percent of India's total weapons imports, compared to 76.65 percent for Russia. Indo-French defence equipment cooperation is nonetheless broad in the scope it covers: rather than being limited to sales and deliveries, it increasingly evolves in encompassing local construction under licence, transfer of technology, joint research and industrial cooperation.

Several major deals have been struck between France and India since 1998. The deal for six *PA-6* Diesel Engine was concluded in 1999, and four pieces still need to be delivered. This contract was followed by a much more prominent one: that of the ten *Mirage-2000H* and *Mirages-2000TH* jets in 2000, delivered in 2004. This deal was worth approximately \$320 millions. Apart for a deal struck in 2001 for *TM-333 Ardiden* turboshaft engines for the Dhruv LCH combat helicopter, two other Indo-French arms deals are worth looking into: the finalised *Scorpène* deal and the deal of 126 fighter aircrafts *Rafale*. The selection of Dassault's *Rafale* aircrafts over the American Lockheed Martin's *F-16* and Boeing's *F/A-18* fighter aircrafts was a game changer event for the Defence Cooperation between India and France under the Strategic Partnership. The negotiation is still MEAng on with a price tag ranging between US\$ 12 and 20 billion according to estimates. This deal of *Rafale* aircrafts is also important because it serves the Indian expectations of transfer of technology as France has agreed for building 108 of the 126 planes in India under licence at Hindustan Aeronautics Limited. This deal is an example of the success of the Strategic partnership as the negotiation is being done by the governments of both countries. It is possible mainly because the lobby of the French military industry has very close relations with the French government<sup>19</sup>

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<sup>19</sup> Saint-Mezard, Isabelle (2017), Personal interview, IFRI, Paris, 23 March 2017.

(Saint-Mezard 2017). Besides the Rafale deal, India is also working on upgrading its Mirage 2000 fleet. These aircrafts will be added with 500 MICA missiles which will cost more than US\$ 3 billion.

Another ambitious defence deal between India and France is the US\$3 billions 6 *Scorpène* submarines deal which was signed in October 2005 between India and Armaris (a subsidiary of France's Thales group) and *Direction des Constructions Navales* (DCN). The submarines is being developed by DCN, in cooperation with the Spanish industrial company Izar, and the commercialisation part of the project is granted to Armaris. This contract is a technology transfer agreement under which six submarines are being assembled by India's state-owned Mazagon Dockyards Limited (MDL) in Mumbai. These submarines will be armed with 36 MBDA *SM39 Exocet* anti-ship missiles as well as *Black Shark* and other advanced torpedoes. The construction of the first *Scorpène* started in April 2006, in DCN Cherbourg. The French company will be in charge of all the "sensitive" parts, such as the torpedo tubes, the modern sonar detection equipment, the missile launchers, the propellers, the hatches and the front and back bulkheads. The French defence group Thales will be providing the electronics. The assembling of the first *Scorpène* started on 14 December 2006 in Mumbai (Roger 2007:17) but unfortunately, it has not been prepared yet. Another deal has been agreed upon to develop short-range surface to air new-generation missile systems. This will again be produced by companies from both countries. In France, it will be developed by Matra BAE Dynamics Alenia, and in India, it will be developed by the Indian public agency, the Defence Research and Development Organisation (DRDO).

Thus, today, India is engaging with France on a number of deals for the defence equipment ranging from fighter aircrafts to submarines to light helicopters and artillery. France still is one of the prominent suppliers of India's defence equipment requirements. These deals are always supported by the goodwill in India which France generated during the Cold War when it continued supply of spare parts of defence equipment to India when there was an embargo imposed by other western countries. As Jean-Luc Racine (2016) claims that for India, "political reliability and trust are decisive criteria" behind defence deals with France. The selection of *Rafale* aircrafts is "not merely" due to "the operational qualities of the French planes." Rather it is an assurance that "in case of war, France will not stop the supply of spare parts and weapons, while uncertainty prevails

on this point with regard to the US planes, as well as to the *Eurofighter*, due to German constraints.” (Racine 2016:256)

Another reason for growing volume of defence deals with France is that India does not want to put all the eggs in the same basket. It wants to diversify its procurement sources. Still, Russia supplies the maximum requirements of Indian defence. Recently, Israel has also amplified its defence deals with India. Nonetheless, France still remains a major defence partner for India having decade’s long history of cooperation. Third major reason for such defence deals is that India is now looking forward for technology transfer rather having a seller-buyer relation. “India wants to transform defence ties beyond buyer-seller relationship and to pursue opportunities for technological cooperation for co-development and co-production of defence equipment” (US DOS 2013). The French have agreed this policy, even after tough negotiations.

### **Indo-French Trade and Investment after 1998**

Trade and investment have always been the focal points of the comprehensive strategic partnership between India and France. After the economic reforms launched in 1991, economic diplomacy has been a major component of India’s foreign policy. India has invited countries from all over the world to invest in India. With France also, it has established a strong business relation. Several fora have been constituted to help trade and investment between the two countries grow. A Joint Committee for Economic and Technical Cooperation was constituted at the level of Ministers of Commerce. The Committee had its 16<sup>th</sup> round of meeting on 23-25 June, 2010 in Paris. Efforts were made to bring businessmen closer from both countries and in this regard, the Indo-French CEOs Forum was formed in 2009. This forum was given the task of “identification of new avenues for cooperation and to take initiatives to facilitate business links between both countries.” (MEA 2013a) The CEOs Forum met for the sixth time in Paris on 8-9 July 2013. Despite innumerable ministers’ visits, business associations meetings, industrial seminars and trade fairs, it is always said that the bilateral trade and French representation in Indian market is not up to the mark. Though some progress has been done and the results are encouraging, but the results are not meeting the expectations. In the year 2000, France remained at ninth position in overall country ranking in terms of FDI in India. Power, petroleum, telecom, pharmaceuticals, and water

management projects attracted French interests making them sectors where major investments have been done. Still, the bilateral relationship is mostly dependent on large projects, the network of dynamic middle-sized companies is very less. As Racine (2002) explains:

“Despite progress, the difficulties underlined by Ambassador Ranganathan in 1994 remain partly valid. On one hand, India still suffers from the competition of China and other markets. On the other hand, French businessmen remain less India-oriented than a number of their European counterparts. Many consider that the process of investing in India is still too intricate, and too uncertain.” (Racine 2002:173).

France is the 5th largest economy of the world with a total GDP of €2.1 trillion in 2015 with a GDP growth rate of 1.1 percent in 2015. It had a Per Capita GDP (PPP) of € 34144 in 2015 (French Embassy in India 2016). France is an important member of the G-8, OECD and G-20. Its technological strengths make it the leader in sectors such as aviation, space, food processing, transport, railways and agricultural research. In the recent years, the interest has increased in both countries to expand its trade with the other one. The French Embassy in India explains the willingness of expanding economic relations with India as:

“The series of high-level visits in the commercial and economic field reflects the growing interest of both the governments in expanding trade between the two countries. France considers India an important market for its products and is looking to increase the number of Joint Ventures and encouraging investments in and from India.” (French Embassy in India 2016)

Thus, the economic and commercial relations are an important component of India’s bilateral relations with France.

### **Bilateral Trade in Goods**

France is ranked 5th in the list of India’s trading partners among EU countries (after the UK, Belgium, Germany and Italy). Indo-French bilateral trade has been growing over the years. In 2011, the Indo-French trade increased by 6 percent compared to 2010 (from € 7.02 billion to € 7.46 billion). Though, in the first ten months of 2012, there has been a decrease of 3.71 percent in the bilateral trade over the same period of 2011. The overall trade in the year 2012 increased with the rate of 5.98 percent. The bilateral trade received a decline in the following year of 2013 when it declined with the rate of -9.59 percent.

**Table 5 Indo-French trade since 2001 is as follows (figures in million Euros):**

<b>Year</b>	<b>Indian exports to France</b>	<b>French exports to India</b>	<b>Total Trade</b>	<b>Balance of Trade for India</b>	<b>Percentage of increase/decrease</b>
<b>2001</b>	1497	1018	2515	+477	+5
<b>2002</b>	1471	1000	2471	+471	-1
<b>2003</b>	1484	1002	2486	+480	+0.6
<b>2004</b>	1684	1296	2980	+388	+19
<b>2005</b>	2109	1838	3947	+271	+32
<b>2006</b>	2499	2635	5134	-136	+30
<b>2007</b>	2784	3351	6135	-567	+19
<b>2008</b>	3461	3327	6787	+131	+10
<b>2009</b>	2911	2460	5371	+447	-20
<b>2010</b>	4127	2900	7027	+1227	+30
<b>2011</b>	4696	2769	7465	+1927	+6
<b>2012</b>	4656	3256	7912	+1400	+6
<b>2013</b>	4440	2713	7153	+1727	-9

Source: Le Chiffre du Commerce Extérieur (Foreign Trade Statistics), French Ministry of Economy, Finance and Industry.

During President Sarkozy's visit to India in January 2008, it was decided to double the two-way trade by 2012 to € 12 billion. This was reiterated during PM Dr. Manmohan Singh's visit to France in September 2008 and again during President Sarkozy's visit to India in December 2010. Considerable effort will be required on both sides to increase two way trade to achieve this target through enhancement and diversification of the trade basket and encouragement to investments. During President Sarkozy's visit in December 2010, a number of commercial agreements worth US\$ 20 billion were signed. Yet the aforesaid target of a bilateral trade of €12 has not been achieved. In 2012, the volume of bilateral trade reached almost € 8 billion but the next year it came

down to € 7.1 billion. According to the Embassy of India in Paris (2012), major commodities being exported from India to France and vice-versa are as follows:

The top commodities of Indian exports to France during the twelve month period of (Aug. 2011-July 2012) were:

- Refined petroleum products
- Underwear and other wearing apparel & accessories
- Apparel & accessories
- Basic organic chemicals
- Footwear
- Edible oils & fats
- Textile articles
- Garment & accessories
- Automobile vehicles
- Pumps & compressors

The top commodities of Indian imports from France over the same period were:

- Aircraft & spacecraft
- Instruments and appliances for measuring, checking & testing
- Steel & iron alloy products
- Electrical equipment & apparatus
- Basic organic chemicals
- Non-dangerous waste
- Motors & turbines
- Chemical products
- Pharmaceutical, medicinal, chemical & botanical products
- Paper & cardboard (Embassy of India Paris 2012)

### **Bilateral Trade in Services**

In the service sector, the growth remains promising in last few years. Based on annual data provided by Banque de France, bilateral trade in services has reached €3.6 billion in 2014, an increase of 25.94 percent over 2013 figures. Total Indian exports in the services sector stood at 2.1 billion Euros in 2014 (+31.4 percent), with exports of telecommunication, computer & information services & other services provided to businesses representing 1.16 billion Euros, i.e. 55.2 percent of total exports. Export of French services to India increased by 18.9 percent in 2014. The major areas for trade in services include: transport, travel, communication services, construction services, insurance services, financial services, IT services, licence fees & royalties, other services to businesses, cultural & leisure services.



**Table 6: India-France Trade in Services for past 4 years (in million €)**

Year	Indian exports to France	French exports to India	Total	Percentage of increase/decrease
2011	1328	664	1992	+2.25
2012	1405	1236	2641	+32.58
2013	1635	1287	2922	+10.6
2014	2149	1531	3680	+25.94

**Table 7: Composition of India-France Trade in Services in 2014 (in million €)**

Major categories of services	Export to France	Import From France
Manufacturing services supplied by physical inputs held by third parties	62	16
Maintenance and repair services	3	150
Transport	401	573
Travel	229	183
Building and public works	4	5
Pension and insurance services	8	-4
Financial services	172	32
Commission for use of intellectual property	40	123
Telecommunication, computer and information services	423	75
Other services to businesses	740	374
Cultural, leisure and personal services	57	1
Goods and services of public administration	9	4
Other services (not included elsewhere)	0	0

Source: Banque de France

## **French Investments in India**

France has emerged as a major source of FDI for India with about 750 big French companies (subsidiaries or JVs, representative offices or branch offices) already present in India employing around 250,000 persons. France is the 9th largest foreign investor in India with a cumulative investment of US\$ 3.01 billion from April 2000 to June 2012 which represents 2 percent of the total FDI inflows into India (MEA 2013a). But, the French Embassy in India differs from the statistics of the Ministry of External Affairs of the Government of India. The French Embassy in India argues that these data are misleading:

“Such statistics, based upon the sole territorial origin of the [capital] flux give a very inadequate image of the reality of the French presence in India. The survey conducted by the New Delhi Regional Economic Service [the branch of the French Ministry of Economy and Finance at the French Embassy in Delhi] shows that the 750 French companies located in India have invested, by the end of 2012, a stock of US\$ 17 billion. So France appears to be one of the major investors in India, besides the U.S. and Japan.” (Trésor 2013)

Racine (2016) explains such discrepancy as:

“The discrepancy is due to the investments related either to the French companies located outside France, or to investments transiting through third countries (in Indian statistics, Mauritius and Singapore are by far the largest purveyors of FDI in India).” (Racine 2016:259)

According to statistics provided by the French Embassy in India, the highest FDI equity inflows are in the services sector, with cement & gypsum products in second place followed by drugs & pharmaceuticals, food processing industries, industrial machinery and most big French Groups have their subsidiaries in India. However, there are a few joint ventures and liaison offices of French companies in India. 39 of the 40 CAC 40 (French stock market index) companies are present in India. Around 50-70 SMEs are also present in India essentially in the mechanical & pharma-chemical sectors. French companies are present in a wide range of sectors: services (BNP Paribas, Cap Gemini, Havas, Sodexo etc); pharmaceutical-chemical (Arkema, l’Oréal, Sanofi, Total etc); aero-space (Airbus, Dassault, Eurocopter, Safran, Thales etc); agro-food (Bongrain, Danone, Lactalis, Lesaffre Pernod Ricard etc); electronics (Crouzet, Gemalto, Oberthur, Safran, STMicroelectronics etc); construction mechanics (Alstom, Cermex, Legris Group, Poclair, Sidel...); electrical components (Hager, Legrand, Schneider Electric...); automobile (Faurecia, Michelin, Plastic Omnium, Renault, Valeo etc).

French investments cleared during 2015 include amongst others, proposals from Louis Vuitton Malletier (Luggage & Luxury Leather Goods), Freyssinet International & Compagnie (Constructing Heavy Construction Projects), Sanofi Pasteur (Healthcare Solutions), Safran Engineering Services (Engineering services to the aerospace, energy & ground transport industries), Serap Industries (Liquid & food preservation), Arkadin (Conferencing services), Aubert & Duval (alloy steels, stainless steel & special steels), Beaujon (Insurance and Asset Management) and Péters Surgical (surgical sutures and meshes).

**Table 4 FDI equity inflows from France in India:**

Financial year (April-March)	FDI Equity Inflows from France			
	Rs. In crores	USD million	€ million	Change in percent
2000-01	455	104	92	/
2001-02	488	108	95	+3.5
2002-03	533	111	98	+3.3
2003-04	176	38	33	-65.6
2004-05	536	117	104	+206.7
2005-06	82	18	16	-84.2
2006-07	527	117	103	+533
2007-08	582	145	128	+23.7
2008-09	2098	466	412	+221.4
2009-10	1436	302	267	-35.1
2010-11	3348	734	649	+142.6
2011-12	3110	662	586	-9.7
2012-13	3487	646	571	-2.4
2013-14	1841	305	270	-52.7
2014-15	3881	634	587	+117.4
2015-16 (up to Dec. 2015)	2372	367	316	/
<b>Cumulative Inflows (April 2000 to Dec. 2015)</b>	24,960	4,888	4,288	/

(Based on RBI and DIPP data)

## **Indian Investment in France**

There are almost 75 Indian companies operating in France (more than 120 including sub-subsidiaries), employing more than 7,000 people. Twelve new Indian investments were recorded in 2015, creating or maintaining 290 jobs. 42 percent of Indian investments in France were in production/manufacturing, 33 percent were in business services, followed by 17 percent in decision-making centres.

India was the 30th largest foreign investor in France with cumulative FDI inflows amounting to € 457 million (acc. to 2013 statistics by the French Central Bank). Indian Investments in France have been growing and it is estimated that the total stock of Indian investments in France is approximately € 1 billion. Indian investment in France has come in different sectors such as pharmaceuticals (Ranbaxy and Wockhardt), software and IT (Tata Consultancy Services, Infosys & Wipro), wine (Kingfisher), steel (Tata Steel, Electrosteel), plastics (Sintex Industries), railway wagons (Titagarh Wagons), aerospace (Cades, Axis Aerospace & Technologies), Auto Parts (Jyoti), Two-wheelers (Mahindra& Mahindra), Metal Forging (Bharat Forge). Sintex Industries, Tata Group, Mahindra & Mahindra, Mahajan Group and Motherson Sumi are the four largest Indian employers in France. The following Indian companies invested in France in 2015: Mahindra & Mahindra which acquired 51 percent share of Peugeot Two-Wheelers and Bharat Forge which acquired Mécanique Générale Langroise (MGL) (Embassy of India in Paris 2016).

Though the trade between India and France has not reached the level it was expected by the two countries, several efforts have been made to enhance the trade by successive governments. The India-France CEOs Forum was constituted afresh in 2009 after the visit of French President Nicolas Sarkozy in 2009. This was beyond the India-France Joint Committee for Economic and Technical Cooperation (JCETC) which was set up on 26 January 1976 at the ministerial level. To enhance the productivity of the India-France CEOs Forum, Narayana Murthy, the iconic Infosys mentor, was asked to lead the Indian side who was later replaced by Dhruv Sawhney. Sawhney has been in contact with his French counterparts for more than twenty years through Confederation of Indian Industries/Mouvements des Entreprises de France joint seminars. Moreover, Francois Hollande nominated Paul Hermelin, a Special Representative for Indo-French Economic Relations. He was the CEO of French information technology company Cape Gemini, a leading IT company having a wide spread in India. In addition, governments from both countries have continuously tried to invite investors to invest more in their countries. In one such effort, French

President, during his visit to India, in Mumbai, while addressing the business community said, “You do not have a window of opportunity in France. You have a door wide open” (French Embassy in India 2013). Following the same pattern, the Indian Embassy has released a report on facilitating Indian investments in France (Indian Embassy 2012) and French Embassy in India has opened an office for promotion of France as a destination for foreign investment, the ‘Invest France Agency’. With such efforts, it is expected that the figures of trade and investment would change in future.

## **Space Cooperation**

India and France are important partners in space technology and applications. Indian Space Research Organisation (ISRO) and its French counterpart Centre National d’Etudes Spatiales (CNES) have a rich history of cooperation and collaboration spanning more than five decades. In the field of space research, the collaboration between India and France began in 1960s, when France provided assistance to India’s Rohini sounding rockets programme (Lele 2015:2). France has always played a constructive role in helping India to develop its ground and space infrastructure, as well as its launching platforms and human resources. In point of fact, France has emerged as one of India’s most dependable partner in the realm of space technology. And while this space relationship witnessed a period of dormancy in the 1990s, it gained momentum with the strategic partnership agreement of January 1998. Since then, India and France have further engaged in joint satellite development programmes as well as in joint commercial launch services. This relationship received a major boost in 1998 when space was defined as a priority area of the newly launched strategic partnership between the two countries. From then on, India and France envisaged cooperation on joint satellite development. This bilateral relationship gained further momentum ten years later, when the Indo-French framework agreement was signed in September 2008, detailing a need to set up joint research programmes, instruments and launch satellites. This agreement mainly covered the areas of mutual cooperation as follows<sup>20</sup>:

- Study of climate change with earth observation satellites;
- Development of micro-satellites and mini-satellites for scientific purposes;

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<sup>20</sup> “50 Years of Indo-French Space Co-Operation”, <<http://indembkwt.org/Englishpercent2050percent20YEARSpercent20OFpercent20INDOFRENCHpercent20SPACEpercent20COOPERATION.pdf>>, accessed on 09 July 2016.

- Joint research and development activities;
- Development of ground infrastructure for joint satellite missions;
- Organization of combined training programmes;
- Exchange of technical and scientific personnel.

This agreement was taken forward during President Sarkozy's 2010 visit to India. During this visit the progress made in developing the Megha-Tropiques and SARAL satellites<sup>21</sup> for possible 2011 launch was discussed and it was also decided that both states needed to broaden the scope of their exchanges and further develop their joint efforts in this field<sup>22</sup>. The Megha-Tropiques satellite was successfully launched on 12 October, 2011 by ISRO's Polar Satellite Launch Vehicle (PSLV). The SARAL satellite carrying a Ka-band altimeter to study the ocean surface was later launched on 25 February, 2013 by PSLV. These two satellites were dedicated to the study of climate and oceanography. The engagement of ISRO and CNES ranges from developing and launching of satellites of vital requirements, joint radiation experiments, space components development and space education. Their cooperation in space can be explained as:

“Under a commercial Launch Service Agreement between Antrix Corporation Limited (ANTRIX), the commercial arm of ISRO and ASTRIUM SAS, a Company under EADS, France, an advanced Remote Sensing satellite - SPOT -6 built by ASTRIUMSAS was successfully launched on-board ISRO's Polar Satellite Launch Vehicle (PSLV – C21) on 9 September 2012. Moreover, Arianespace based at France has been the major provider of launch services to Indian Geo-Stationary satellites. Subsequent to the launch of APPLE satellite on a co-operative mode, 14 Geo-Stationary satellites of India have been launched by Ariane on a commercial basis. On 28 September 2012, India's GSAT-10 was successfully launched on board Ariane-V launcher from Kourou, French Guyana” (MEA 2013a).

Further, on 5-6 February 2013, both India and France participated in the Science Seminar and Research and Technology Workshop held at Bangalore in India, and developed ambitious follow-on space cooperation proposals. Those plans were included in the Joint Statement issued by India and France during the state visit of President Hollande to India on 14 February 2013. The list of cooperation between India and France is very long and encouraging. It has a very vast range that

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<sup>21</sup>ISRO and CNES (French National Space Agency) have an umbrella agreement, operating successfully since 1993, under which joint missions like Megha-Tropiques and SARAL have been taken up.

<sup>22</sup> “50 Years of Indo-French Space Co-Operation”, <<http://indembkwt.org/Englishpercent2050percent20YEARSpercent20OFpercent20INDOFRENCHpercent20SPACEpercent20COOPERATION.pdf>>, accessed on 09 July 2016.

spreads from education in space research to civil space programmes to commercial programmes. This is also a major pillar of the Indo-French strategic partnership.

### **Civil Nuclear Energy Cooperation**

France has always been supportive to India's civil nuclear energy programme. It has provided its support to India whenever needed, but strictly under the ambit of international law. France also looks at India as a potential market of its nuclear technology. Looking at the pace of growth of India, her energy requirement is also growing exponentially. This provides France a favourable condition to promote its technology in India. In the same way, India looks at France as a potential supplier of sophisticated nuclear technology to India. Being a pioneer in nuclear technology, France can quench India's thirst of nuclear energy. During the Cold War also, France supplied heavy water to India's Tarapur nuclear reactor in the early 1980s taking over from the United States (Racine 2002:160). This is one of the examples of how deep the cooperation between India and France is, in the field of civil nuclear energy cooperation. France was also one of the few countries that did not criticise India for testing nuclear devices in May 1998.

In the area of nuclear energy, the global approach towards India changed dramatically after the announcement of the 2005 Indo-US civilian nuclear agreement. This was later endorsed by the International Atomic Energy Agency (IAEA) and Nuclear Suppliers' Group (NSG) allowing India to resume full civil nuclear cooperation with the international community. France was the first country to grab this opportunity and to enter into an agreement on nuclear energy with India. France has also been a strong supporter of India's increasing role in international organisations, including as a permanent member of the United Nations Security Council. Moreover, France endorses India joining the four important multilateral export controls regimes: the Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group, and Wassenaar Arrangement (Lele 2015:9).

A landmark Agreement on Civil Nuclear Cooperation was signed between India and France on 30 September, 2008 during the visit of Prime Minister Dr. ManmohanSingh to France. This agreement was to "form the basis of wide ranging bilateral cooperation from basic and applied research to full civil nuclear cooperation including reactors, nuclear fuel supply, nuclear safety, radiation and environment protection and nuclear fuel cycle management" (Racine 2016: 257). Subsequently, during the visit of President Nicolas Sarkozy to India from 4-7 December 2010, the

General Framework Agreement and the Early Works Agreement between NPCIL and Areva for implementation of EPR NPP Units at Jaitapur for 10,000 MW as well as supplying fuel for twenty-five years were signed (MEA 2013a).

A matter of discord came in 2010 when the Indian Parliament passed the Civil Liability for Nuclear Damage Act. This was seen as a big hurdle in expanding cooperation in the field of civil nuclear energy. According to this Act, in the case of disaster, the victim was made liable to compensation not only from the operator but also from the supplier. This Act was against the international practice and was criticised all over. Contrastingly, this Act was criticised in India for being too generous. Nonetheless, French announced to work under the framework of the new law, but the complex negotiations are yet to be finalised (Racine 2016:257).

### **Cultural Exchange**

Indian culture enjoys a wide and discerning audience among the French population, as is evident in the numerous and frequent cultural events organized all over France, spanning the entire gamut of Indian art, music, dance, cinema and literature. While the Indian Council for Cultural Relations (ICCR) sponsors visits of Indian artists to France as also exchange of students in the field of culture and art, there is a growing number of private impresarios who organize cultural events throughout France. A significant number of Indian artists are therefore giving performances in France regularly on a commercial basis or at the initiative of the various local cultural associations outside the purview of the official exchanges. The Indo-French Cultural Exchange Programme (CEP) provides the overall umbrella for the organization of a variety of cultural programmes. The last (16th) session of the Joint Commission on Culture which reviews the CEP was held on 29 September 2009, in New Delhi.

**Namaste France:** The 15-month long Indian cultural festival - "Namaste France" was held from 14 April, 2010 to 28 June, 2011. It was successful in terms of putting India on the cultural radar of France. 'Namaste France' was a comprehensive presentation of Indian culture including art, music, dance, fashion, tourism, films, and literature as also business and education in both its traditional and contemporary forms. The Namaste France Festival was organized in response to 'Bonjour India' a similar French cultural festival, organized by the French Embassy in India in 2009-2010. During the visit of Honourable Minister of Culture, Housing and Urban Poverty



Alleviation, Kumari Selja to Paris to inaugurate the exhibition ‘The Last Harvest – Paintings of Tagore’ at the prestigious Petit Palais museum from 26 January to March 11, 2012, a Declaration of Intent was signed with her French counterpart for further reinforcing cultural cooperation on 26th January 2012. On the same day, a MOU was signed between the Ministry of Culture of India and the Louvre Museum with the aim of establishing an active partnership in the area of exchange of competencies and expertise, particularly in the field of museology, temporary exhibitions and other cultural events.

The 2012 Cannes Film Festival was important for India. For the first time, four Indian films were selected for screening in different categories of the festival namely “Miss Lovely”, “Kalpana”, “Peddlers” and “Gangs of Wasseypur”. India is MEAng to celebrate 100 years of Indian cinema in 2013. The Cannes Festival (15-26 May, 2013), the Vesoul International Film Festival of Asian Cinema (Festival international des cinémas d'Asie) from 5-12 February, 2013, and the 35th International Short Film Festival of Clermont-Ferrand (1-9 February, 2013) have confirmed India as a ‘Country of Honour’ in 2013 to celebrate the Centenary of the Indian Film Industry.

### **Educational and Technical Cooperation**

The bilateral educational cooperation between India and France has grown over the last few years. Around 300 MoUs have been signed between Indian and French universities and private institutions. The number of Indian students studying in France in various fields has increased over the years. For the academic year 2011-2012, 2550 Indian students came to France.

The framework for bilateral educational cooperation is provided by the Educational Exchange Programme (EEP), which includes mutual recognition of degrees, bolstering the research programme and increasing student-scholar research mobility through a flexible visa regime was signed in 2007 by Joint Secretary, Department of Higher Education, Ministry of Human Resource Development and Secretary, Cooperation and Culture, French Ministry of Foreign Affairs (MFA). A Joint Working Group has also been set up under the EEP.

One of the most important initiatives in the field of education has been the cooperation on the new IIT in Rajasthan, following a joint declaration in 2008. A Letter of Intent (LOI) has been signed in 2012.

The Indo-French Centre for Promotion of Advanced Research (CEFIPRA) is the nodal framework for promoting bilateral scientific cooperation in fundamental and applied research, frontier technologies and exchange of scientists and post-doctoral researchers. The office of CEFIPRA has been established in Delhi and the centre is currently funded through an annual corpus of € 3 million with India and France equally contributing € 1.5 million each. CEFIPRA completes 25 years in 2012. The 25th Anniversary Celebrations of CEFIPRA were formally launched in a programme organized in New Delhi on 6 March 2012. As part of the Silver Jubilee celebrations, a number of programmes have been envisaged; these include holding of seminars, organizing science quiz in schools and screening of documentary films. The French authorities have provided land for extending the Maison de l'Inde, which will contribute to augmenting accommodation facilities for Indian students in France.

### **Challenges for the Indo-French Strategic Partnership**

The Agreement of Strategic Partnership in January 1998 opened a new era of cooperation between India and France. France was the first country to establish a Strategic Partnership with India. It realised the growing importance of India in the new world order came into existence after the end of the Cold War. After a turbulent beginning of the last decade of the millennium, India embarked on the path of economic growth after reforms. By the mid-1990s, it became clear that India was meant to play a big role in the world politics. France established the Strategic Partnership with India when there was a political uncertainty in India. Moreover, India tested five nuclear devices few months later. France did not react to this event like other developed countries that imposed various sanctions on India. Rather, it supported India's cause and welcomed her proposals to sign the non-proliferation regimes. This was the first hurdle in the realisation of the Strategic Partnership which was signed just a few months earlier. This reaction of France was extremely welcomed in India and very soon high officials were visiting France; a permanent member in the United Nations Security Council (UNSC). Things went well and the framework of partnership was materialised during the visit of Prime Minister Atal Bihari Vajpayee to France in September 1998 and the first meeting under the umbrella of Indo-French Strategic Partnership took place in October in 1998. Since then, the relation has achieved several success in various fields. But, still there is a lot to achieve. There are several challenges also in realisation of goals set by the partnership. These

challenges vary from international norms to competition given by other countries. From political point of view, India would appreciate stronger statements from France regarding Pakistan's policy in Kashmir and towards terrorism.

In the economic cooperation, the strategic partnership has not achieved what it aimed to achieve. During his visit to India in January 2008, President Nicolas Sarkozy set the target of €12 billion trade between the two countries. In 2012, the trade reached just €8 billion. This is a matter of concern vis-à-vis the Strategic Partnership. At the same time, trade between India and other developed countries like the United States, Japan, the United Kingdom are much higher than that between India and France. Similarly, the trade of France with China is several times that with India. Indeed, despite the optimistic public statements, the economic links remain very weak. During the days following the meeting of the two countries' presidents in February 2013, an Indian editorialist of the Hindustan Times sarcastically pinpointed that Belgium was a bigger commercial partner than France. However, the direct sales from State to State are considerable for France, as India is a major customer for military and nuclear equipment. In fact, every French President visiting India has been depicted as a salesman, and said to be coming only to get contracts for the big companies. Recently, the main goal of François Hollande was indeed to sell aircrafts -the *Rafale*, never sold abroad so far -, and nuclear plants (M. Bulard, 2013). Consequently, France's exports toward India mostly depend on the signature of big contracts in armament and infrastructures. As of today, less than 750 French companies are settled in India, employing almost 250,000 Indian workers (French Embassy, 2013). Given the tremendous population of the country, this is far from being impressive. Furthermore, these groups are mostly big multinational firms with international experience like Alstom, Areva or Suez. Small and Medium Size Businesses suffers from a very weak implementation, as they meet significant difficulties in finding their place in India, and very often do not see the risks worthy of it (J. Bouissou, 2013).

Actually, despite the direct official sales, the economic relations have always been shyly encouraged before 2008 and the visit of action-oriented Nicolas Sarkozy, which showed his ability to forge direct contacts with local entrepreneurs. But this recent economic voluntarism did not improve significantly the level of commercial trade between the two countries, which did not exceed € 8 billion in 2013. The volume of exchange never reached the 12 billion Euros targeted in 2008, and the bilateral trade has been growing by a small 6 percent since then. Even worse, there

has been a decrease of 3.71 percent in the bilateral trade in the first ten months of 2012, in comparison with the same period of 2011 (French Embassy, 2013). Hence, France is today the 9th investing-country in India, with a cumulative investment of approximately € 2.31 billion from April 2000 to June 2012, far behind Cyprus and Netherlands. In sum, France represented 2 percent of total FDI equity inflows in India for the period (IGIC, 2012).

Here, one thing is worth mentioning that France has its own priority in trade. It is more comfortable and its former colonies in the North-Africa and Mediterranean countries along with countries from the Middle East to do business. In Asia also, the major focus is on Japan and China. India comes later. Though French people visit Indian for tourism, but people to people contact is very less<sup>23</sup>. This reluctant approach is quite visible in terms of trade. There is almost no representation of French small and medium sized industry in India. In addition, the EU plays a major role in the trade policy of its member states. France being a member state is bound to rules of the EU. From Indian perspective, it is still negotiating the terms of Trade Agreement with the EU. This again increases impediments in growth of trade between India and France.

Other than these impediments, there are some systemic issues responsible for lack of trade between India and France. Company Laws and Tax Laws in India are very complex. This is accentuated by the relation between central and state government and bureaucracy. These conditions lead to time-consuming process of decision-making which make India not a favourable place for doing business<sup>24</sup>. This reflects in the World Bank's index of ease of doing business where India stands at 130<sup>th</sup> position (World Bank 2016). This analogy may not be true in terms of Indo-French trade as despite being at the 29<sup>th</sup> position in the World Bank's index of ease of doing business, Indian presence in French economy is very less.

Racine<sup>25</sup> (2017) points out that apart from above-said reasons, one prominent impediment in the growth of trade between India and France is that the lack of understanding of Indian market and society by French investors. This was the major reason behind the failure of Peugeot, the leading

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<sup>23</sup> Saint-Mezard, Isabelle (2017), Personal interview, IFRI, Paris, 23 March 2017.

<sup>24</sup> *ibid*

<sup>25</sup> Racine, Jean-Luc (2017), Personal interview, CEIAS, CNRS/EHESS, Paris, 24 March 2017

French automobile company, in Indian market in 1994 as well as in 2011. There is a difference in working culture in France and India. One needs to understand this before investing in either country. Moreover, the barrier of language also plays its role in creating difficulty in doing business by people from India in France.

In the field of space cooperation, France's CNES faces a strong competition from NASA of the United States. NASA and ISRO have engaged in an active collaboration over the last decade. In many ways, India's first mission to the Moon (2008) stands as the pivot of recent Indo-US space cooperation. ISRO's Moon mission carried two payloads from NASA, a Miniature Synthetic Aperture Radar to map ice deposits on the lunar surface and a Moon Mineralogy Mapper to assess the mineral resources of the Moon. This has been executed under the framework of an agreement with NASA to carry out lunar exploration, signed in July 2008. Subsequently, scientists from both nations succeeded in making a path-breaking discovery about the presence of water on the Moon, based on the data generated from this mission. The civil space cooperation between India and the US has been shaped under the framework of the Joint Working Group on Civil Space Cooperation, which was constituted as the follow-up to the US-India Conference on Space Science, Application, and Commerce held in Bangalore in June 2004. Since then, space cooperation has expanded to the areas of space science, earth observation, satellite navigation, natural hazards research, disaster management support and education. India and the US have signed various agreements and formed joint working groups to encourage data sharing and expert collaboration between the space agencies and academia. Following the fourth meeting of the India-US Joint Working Group on Civil Space Cooperation, in March 2013, both sides agreed to improve the use of earth observation data to promote sustainable development, carry forward the proposed cooperation in L- and S-band SAR missions, and to discuss on promoting compatibility and interoperability in satellite navigation systems. In addition, the working group has agreed to establish scholarship in Aerospace Engineering at the California Institute of Technology every year (Lele 2015:24).

Finally, India is implementing a Global Positioning System Aided Geo Augmented Navigation System (GAGAN) for civil aviation purposes (to augment GPS signals over the India region) under a commercial agreement with Raytheon, a US-based firm. Efforts are underway to ensure compatibility between the seven-satellite constellation of the Indian Regional Navigation Satellite System (IRNSS) and the US Global Positioning System (GPS) (Lele and Sharma 2015).

Another area of concern for both countries is their policies towards the nuclear regimes. Though France extended her support to India after the nuclear tests in 1998 and subsequently, India's bid to sign control regimes, the view on such regimes are completely different for both nations. After the nuclear tests conducted by India and Pakistan, the French Minister of Foreign Affairs stated in the National Assembly that, "these tests change absolutely nothing in the French nuclear doctrine" and that "the first priority would be to restore the credibility of the NPT".<sup>26</sup> Even after three years, the official statement on France's defence policy, set out by President Chirac, remains unambiguous. 'Nuclear deterrence is the crux of the resources enabling France to affirm the principle of strategic autonomy from which derives our defence policy', and is above all 'an important factor of global security'. As far as global rules are concerned, Paris considers that the NPT, 'a vital instrument for stability' which must not be weakened, 'constitutes the basis for implementing nuclear disarmament'. France calls as well for 'the entry into force of the CTBT and the opening of negotiations on FMCT'.<sup>27</sup>

By contrast, India has her own reservations against international control regimes. India thinks that the inequitable NPT regime is a failure. Commenting upon the NPT Review Conference in May 2000, Jaswant Singh reiterated: 'the nuclear weapon states (NWS, France being one of them) parties to NPT and their allies have not diminished the role of nuclear weapons'. 'The NWS have either been active collaborators in or silent spectators to continuing proliferation', and instead of beginning 'any kind of collective, meaningful negotiations aimed at global disarmament', they have arrogated themselves 'a permanent special right to possess nuclear weapons and only for their exclusive security' (Racine 2002:177).

Yet, 'though not a party to the NPT, India's policies have been consistent with the key provisions of the NPT that apply to the NWS'. When India's Minister of External Affairs argues that 'India cannot join the NPT as a nonnuclear weapon state', it can be derived that if the NPT was altered in order to accommodate new members, India was ready to join the NPT. But, it is difficult to imagine the NWS accepting officially the new nuclearized countries in their fold, a process which

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<sup>26</sup> Statement by Hubert Védrine during question hour, National Assembly, Paris, on 2 June 1998.

<sup>27</sup> Speech of Jacques Chirac, Paris, 8 July 2001.

would be seen as encouraging other countries to nuclearize themselves thus, creating a hurdle for India to receive technology from other nuclear weapon states.

Thus, the Strategic Partnership between India and France, established in January 1998 has come a long way so far. This has opened a wide range of cooperation in various fields including defence, nuclear energy, space, economy, education, railways and more. The relations has grown rapidly after the establishment of the Strategic Partnership. Sharp growth is recorded in almost all the sectors of cooperation. Both countries have achieved a lot under this partnership. Yet, a lot has to be achieved. There are areas where special attention is required. In the globalised world and a globalised economy, both countries have to give special attention to increase their trade and investment to compete with other countries. Similarly, in the area of nuclear energy cooperation, the partnership has to pass the test from the international control regimes. Though steady in the beginning, the partnership is growing fast in recent years despite changes in governments. Both countries together have a bright future.

# **CHAPTER 5**

## **Conclusion**



## **CHAPTER 5**

### **CONCLUSION**

The end of the Cold War with the disintegration of the USSR was the beginning of new era for the world politics. This ended the bipolar structure of the world politics existing after the World War II and the United States emerged as the only superpower of the world. This status of superpower was based on its overwhelming military and economic superiority. This was seen as triumph of one ideology over other where political idea of liberalism and market economy became victorious over socialism and controlled economy. This also reinforced the Western model of democratic government. The post Cold War period also saw a rise in new forms of cooperation, partnerships and alliances were established among established and emerging powers. Among such partnerships, the Strategic Partnership emerged as one of the latest tools of foreign policy for establishing relations between states.

Strategic Partnership as a new form of cooperation between states emerged in the years following the end of the Cold War. This research finds that the concept of Strategic Partnership is difficult to define due to its ambiguity. Yet, it can be said that a Strategic Partnership is a form of engagement between states which goes beyond conventional bilateral relationship as it provides a framework, and evidence, for assessing progress in implementing strategic partnerships. Such partnerships aim at enhancing cooperation at domestic as well as global levels. In addition, it is also observed that a strategic partnership is a signal of having a special relationship with important partner states. Had it not a special relation, all the bilateral relations would have been named as a strategic partnership. It is the acknowledgement of a bilateral relationship as worth giving importance and investing diplomatic energy. In the aftermath of the end of the Cold War, strategic partnership was used vastly as a tool to engage countries of special importance. This was also aimed at formation of a more complex and multipolar world order. In order to achieve that, established countries like France and the United Kingdom established strategic partnerships with emerging countries like India.

Due to the initiative by France, the Strategic Partnership with India came about in January 1998. It was a very important partnership for India since France is one of the five permanent members of the United Nations Security Council (UNSC). The Strategic Partnership with France was an acknowledgement of India's growing potential in the South-Asian region and on global level by

the Western countries as almost all major Western powers established strategic partnership with India within a decade after this. On the other hand, France was aiming at its creation of a multipolar world order through engaging with a fast growing economy in the South-Asian region which grew at the rate of seven percent for three consecutive years from 1994 to 1997. It was also fully aware of the potential of large market India offered. for its defence, energy, technology and other industries .

### **The post-Cold War Period and Enhanced Engagement between India and France**

The study examined the reasons behind the establishment of the Strategic Partnership between India and France. It found that the changed political situation after the end of the Cold War played a vital role in bringing France as an established power close to India as an emerging power. The end of the Cold War brought several changes in the world politics. The United States emerged as the sole superpower and the long existing divide of camps among countries ceased to exist. This brought a wave of opportunities for countries belonging to different camps earlier, to engage with each other without having the baggage of bipolar world order. France and India came closer in this context and extended their engagements through cooperation in the areas of defence, economy, science and technology, energy and space. To understand it better, it is required to visit this period again from an Indian as well as French perspective.

The fall of the Berlin Wall and subsequently, the end of the Cold War after the disintegration of the Soviet Union, put France in a situation where it was concerned about its slowing economy and the new security threat emerged after the unification of Germany. The French economy was based on big industries unlike that of Germany which was based mainly on small and medium sized industries. French industries were pioneers in their areas and after the end of the Cold War they were facing the challenge to sustain their position in the world. The French economy was slowing down and it grew at the rate of just 1 percent in 1991. Certainly, France was looking for new avenues for its industrial products apart from the Middle East and Africa. India served this requirement of France as it had opened its economy and was growing at a fast rate of seven percent in the middle of the 1990s.

This was the time when France advocated for a multipolar world order rather an existing unipolar world order led by the United States. On several occasions and from different fora, France had reiterated its desire of establishing a multipolar world order for a more stable and durable world system. In the South-Asian region, France considered India as a potential and responsible country

growing fast to achieve its due place in the world economic scene. It also regarded India as a balancing power in the region against China. Moreover, it recognised the potential of India in the Indian Ocean region where France still had its territories. France did not want any confrontation with India on these territories citing colonisation. This is why France proposed to India to build up a global partnership based on mutual interests while complementing each other. It extended its cooperation in economy, defence, energy and technology through strategic partnership. Though it wanted to establish cooperation in the area of nuclear energy, it was not possible then due to the control regimes existing at that time.

The end of the Cold War brought challenges as well as range of opportunities for India. In the early period of the 1990s, India suffered a lot due to global as well as domestic factors. At the global level, India lost a big economic partner in the form of the Soviet Union where it used to deal in rupee. This trade with the Soviet Union gave strength to the Indian currency and economy. This loss of a great trade partner put India in a very difficult situation. Moreover, the Gulf War which started in August 1990, augmented the problem for the already crisis ridden Indian economy. All these events brought the Indian economy at the verge of bankruptcy in 1991. This led to the policy change in India and the economy was further reformed by the policies based on the idea of liberalisation, privatisation within a new globalised environment . By the mid 1990s, it became clear that India had embarked on the path of development through high rate of its GDP which touched 7 percent for three consecutive years from 1994-97. It placed India among the world's best performing countries and thus attracted the interests of countries like France that was looking for new markets for their industries. With the high growth rate, India required the ample supply of energy to sustain its growth. For this reason it had to look for established countries like France which had advanced technology and was capable to help India quench its thirst of energy requirements. Thus, both were complementing each other in this area.

In the security area, India had lost a great ally in the form of the Soviet Union after the end of the Cold War. Consequently, it had lost the security benefit it enjoyed with the Soviet Union since the Indo-Soviet Treaty of Peace, Friendship and Cooperation signed in 1971. Russia was a shattered state at that time and India was facing border issues with its neighbours. It was also facing a threat of cross-border terrorism in the state of Kashmir. At the same time, India was being pressurised to surrender its nuclear weapons ambition through various discriminatory control regimes like the

Nuclear Proliferation Treaty (NPT), Nuclear Suppliers' Group (NSG), Comprehensive Test Ban Treaty (CTBT) and Missile Technology Control Regime (MTCR).

In such a situation, when France was recognising its security threats and was supporting India on different global fora, they were bound to come closer. The fact that France was having a permanent membership in the prestigious UNSC also played a role in bringing India closer to France. The level of importance given to India by France can be understood with one example when President Jacques Chirac, during his historic visit to India in January 1998, extended his clear support to India as a permanent member state in an enlarged UNSC. This is important because this support came before India conducted nuclear tests in May 1998 and the stand did not change even after the nuclear tests and India and France continued their Strategic Partnership.

Thus, the study found that India and France came closer in the context of the post-Cold War geopolitical situation and both as emerging and established powers formed Strategic Partnership to complement each other and to serve their shared interests. This strengthened the Indo-French relationship in the twenty-first century in various areas including political, defence security, energy and space.

### **Convergence of Ideas on Bilateral Level**

The Indo-French Strategic Partnership is conducted through high-level meetings at the level of Head of State/Head of Government to enhance cooperation in the areas of strategic importance as defence, nuclear energy, economy and space. The Strategic Partnership has initiated a high-level Strategic Dialogue at the level of National Security Advisors which discusses key elements of the bilateral as well as global agenda. This is followed by extensive rounds of meeting between higher officials, ministers, Secretaries and Chiefs of armed forces. This has increased cooperation between India and France in almost all the areas of engagement.

On the political level, India and France have exhibited areas of convergence on various platforms on the global level since the beginning of the Strategic Partnership. France has expressed its desire for reforms in treaties and the practices which regulate the international political order which has been a long demand from India. Further, it has given clear support to the Indian bid for the permanent seat in the UNSC from the beginning of the Strategic Partnership. In recent time, France has supported India's membership for Nuclear Suppliers' Group and other control regimes. On the issue of terrorism, France has acknowledged Indian concerns over cross-border terrorism and has agreed that Pakistan should bring all the perpetrators of Mumbai attacks to justice as soon as

possible. On the issues of Afghanistan, where both countries have their stakes, both have emphasised on in the Joint statement “the necessity of joint efforts and cooperation among the countries of the region to counter the threat of terrorism by dismantling terrorist sanctuaries and safe havens to curtail the financial and tactical support enjoyed by terrorist groups”. In 2016, during the state visit of President Francois Hollande to India, both countries issued a separate joint statement on counter terrorism and both countries advocated for “early conclusion of negotiations and adoption of the Comprehensive Convention on International Terrorism in the United Nations.” Though, India and France expressed different opinion on some occasions such as the issue of military intervention in Libya and Syria, India supported the French military operation in Mali started on 11 January 2013. The depth of understanding can be observed as India was informed about the issue and the requirement of operation before the French troops actually deployed. Similarly, India has criticised the European countries and America over enormous amount of agriculture subsidies which led to the failure of the World Trade Organisation’s Doha Round. On the issue of climate change, again both countries have their reservations. Yet, they agreed to engage each other under the Durban Platform to reach an equitable and comprehensive outcome under the UNFCCC at COP21. The successful conclusion of COP21 in Paris in December 2015 and the adoption of the Paris Agreement was also seen as an example of convergence of ideas between India and France. Thus, it is observed that the strong partnership between India and France gives more importance to national sovereignty and strategic autonomy that permits both countries to take independent stand on issues related to such issues. Even if they do not agree on an issues, they try to convince each other rather opposing each other.

In the area of defence, the cooperation between India and France has reached far beyond the mere seller-buyer relation since the establishment of the Strategic Partnership in 1998. Both countries conduct regular exchanges through a High Level Committee for Defence Cooperation (HCDC). Today the relationship has grown significantly and both countries conduct joint exercises on regular basis under the names of Garuda for the air force, Varuna for the navy, and Shakti for the army. These joint exercises have worked for creating better understanding which leads to confidence building between the two countries exposing each other to their technology. France is aiming at showcasing its latest technology in defence equipment through these joint exercises. Procurement of defence equipment is one of the major aspects of the defence cooperation between India and France. France has been an important and reliable supplier of defence equipment to India

since 1950s. France continued supply of spare parts of its aircrafts to India during the war of 1965 against Pakistan. This was the time when other Western countries imposed embargo on India. This reliability factor was important when India selected Dassault's *Rafale* fighter aircraft for its air force over Lockheed Martin's F-16 and Boeing's F/A-18 aircrafts. This selection was important because Pakistan also had F-16 aircrafts. In the time when India needs to strengthen its armed forces, concerning the existing nexus of China and Pakistan in its neighbourhood, this is MEAng to be a game changer deal for India as France has agreed after negotiations to build 108 of 126 *Rafale* aircrafts in India under licence. Similarly, 6 *Scorpène* submarines are under construction at Mazagaon Dock Ltd in Mumbai worth over US\$3 billion. Besides these deals, India is upgrading its Mirage 2000 fleet with 500 MICA missiles. Beyond the volume of these deals, one underlying fact is that France has moved beyond seller-buyer relation with India and has supported India's quest for technology transfer and is augmented its cooperation with Indian companies like Hindustan Aeronautics Ltd (HAL), Mazagaon Dock Ltd and Defence Research and Development Organisation (DRDO). In addition, the increasing volume of defence deals between India and France reaffirms India's desire to diversify its procurement sources and reliability on France which they attained while supplying spare parts during war time when other western countries put embargo on India.

In the field of nuclear energy, France shares a long history of cooperation with India and has supported India's civil nuclear energy programme. It even supplied heavy water to India's Tarapur nuclear plant in early 1980s. India's energy requirement has increased enormously after the economic reforms. This was the time when India was diversifying its energy sources. The civil nuclear energy came out to be one of the major components of India's energy quest. France being a pioneer in nuclear technology could help India quench its thirst for nuclear energy. India was a big market for France to promote its advanced nuclear technology in India. This condition led to a landmark Agreement on Civil Nuclear Cooperation between India and France on 30 September, 2008 just few weeks later when the International Atomic Energy Agency (IAEA) and Nuclear Suppliers' Group (NSG) allowed India to resume full civil nuclear cooperation with the international community. France was the first country to establish such kind of agreement with India. This agreement was aiming at cooperation in major issues like nuclear reactor, nuclear fuel supply, nuclear safety, radiation and environment protection and nuclear fuel cycle management.

To deepen the cooperation in civil nuclear energy a General Framework Agreement and the Early Works Agreement between NPCIL and Areva were signed in 2010 for implementation of EPR NPP Units at Jaitapur for 10,000 MW as well as to supply fuel for twenty-five years. Though, cooperation in civil nuclear energy is increasing with time, there are some issues of contention between India and France. The Civil Liability for Nuclear Damage Act passed by the Indian Parliament in 2010 was a big hurdle in expanding cooperation in this field. This act made victims liable to compensation from the supplier of the nuclear plant also which is against the international practice. Yet, France announced to strengthen its cooperation with India under this framework but the negotiations are still continue. This shows the strength of Strategic partnership between India and France.

Space is another area where India and France have a long history of cooperation since the inception of Indian Space Research Organisation (ISRO). The space cooperation gained momentum with the establishment of the Strategic Partnership in January 1998 and further in 2008 when Indo-French Framework Agreement was signed made it one of the major components of the Strategic Partnership. Today, India and France are engaged in joint satellite development programmes and in joint commercial launch services. The Megha-Tropiques and SARAL satellites developed jointly by ISRO and CNES were launched successfully in 2011 and 2013 respectively. These satellites were dedicated to study climate and oceanography.

### **Areas of Challenges for Partnership**

In the field of trade and investment however, there is a lot of scope for improvement. The study found that despite various steps were taken to improve the situation in this field, the results were not up to the expectation. France being the fifth world economy by GDP is at ninth position in foreign investors list in India. In the year 2000-12, the cumulative investment in India from France was US\$3 billion which amounted only 2 percent of total FDI inflow in India. Similarly, the target of achieving a trade of €12 billion is yet to be achieved. Though the French Embassy in India denies the fact stating FDI from France coming to India through third country and amounts US\$17 billion. Whatever be the exact data, both countries want to improve their cooperation in this area. One of the main reasons found by the study was that the difficulty in understanding the working culture and society leads to failure of French ventures in India as it happened with Peugeot in 1994. A complex network of Company and direct and indirect Tax rules on central as well as state levels and bureaucracy also played a role of hurdle to encourage investments from France.

These hurdles were expressed in the form of India's low ranking in the World Bank's index on ease of doing business, where it stood at 130<sup>th</sup> position among 190 economies of the world in 2016. On the other hand, China ranked 78<sup>th</sup> in the World Bank's index on ease of doing business and the trade between France and China amounted €64.5 billion which was eight times the Indo-French trade in the same year. This discrepancy was possible due to two major reasons. First, the decision on trade was taken by the EU and the member states had very less share in decision making as far as trade is concerned. The EU and China established a Trade Agreement in 1978 which was further replaced by the Agreement on Trade and Economic Cooperation in 1985. On the other hand, India was yet to finalise its Trade Agreement with the EU. Second, France has traditionally been focusing on its former colonies in Africa and then the countries of Middle East with which it enjoyed a long history in trade. South-Asia comes very late in the priority of France. In India, France has very few colonial imprints, therefore there is very less enthusiasm among investors and a reluctance in investing in India.

In the field of education and cultural exchange, the results are not encouraging. Both governments have undertaken several efforts, yet a lot needs to be done to improve people to people interaction and number of students in French universities. India and France have around 300 MoUs signed with their universities and private institution. For the academic year of 2011-12, 2550 Indian students went France for their studies. The Educational Exchange Programme (EEP) provides the framework for bilateral educational cooperation which aims at mutual recognition of degrees, encouraging research programmes and increasing student-scholar research mobility through a flexible visa regime. Similarly for cultural exchange, Indo-French Cultural Exchange Programme (CEP) provides the overall umbrella for organising a variety of cultural programme. The two governments held interactive programmes like Namaste France and Bonjour India in France and India respectively to promote cultures from the other country. Yet the level of interaction between people of India and France is very less due to the fact that French people are alienated from India. They have much closer relations with former French colonies in Africa and the Middle East which are near neighbours for them. India comes late in this aspect though a number of French people come to visit India for tourism and for expeditions in the Himalayas.

Thus, the research found that there was asymmetry in the results of cooperation in different areas under the Strategic Partnership between India and France. There are some areas where the Strategic Partnership enhanced a robust cooperation whereas there are some areas where a lot had to be done



to achieve good results. On political level, both countries exhibited areas of convergence at several occasions. Similarly, in the field of defence, civil nuclear energy and space the Strategic Partnership brought the cooperation to a whole new level. But, at the same time, it was observed that in the areas of trade and investment, science and technology, culture and education both countries have not achieved what they intended to through the Strategic Partnership and there was a big scope of improvement in these areas.

### **Key Findings**

Based on the study undertaken, followings are the key findings:

#### **1. Strategic Partnership is a new tool in the foreign policy and is yet to be defined.**

Strategic Partnership is a recent phenomenon in international relations. and is a new concept of engagement between states and it is used to establish a special relationship with a partner state. . Many scholars have tried to frame it in a definition but are not successful in giving a comprehensive definition of strategic partnership. This is mainly because of its ambiguity that gives partner states an opportunity to manoeuvre according to their requirements. This is why stark differences are observed in the strategic partnership established by the same state with different states. Despite such ambiguity, it can be said that Strategic Partnership is a special form of engagement between states which goes beyond traditional bilateral relations. It provides a framework for engagement as well as gives opportunity to assess the progress in implementing strategic partnership. It is observed that it is used more in political manner to express importance one state gives to other one. It is a signal that the bilateral relation is worthy enough and needs special status. Here, engagements are done on domestic as well as global issues.

#### **2. The changed geopolitical situation after the end of the Cold War brought India and France closer.**

India and France had a very limited relation during the Cold War period and is was mainly because both were in different camps of countries in that period. After the end of the Cold War when the US emerged as the sole superpower, France and India were propelled to come closer by their requirements generated due to the changed world order. India, which was growing after its economic reforms in the early 1990s needed energy and latest technology to sustain the growth. It was also looking for support from nuclear weapons state as it had lost a good ally having nuclear

weapons in the form of Soviet Union. India was also facing border issues as well as cross-border terrorism from its neighbours. At this time, support from a permanent member state of the UNSC was very important and relieving. From French perspective, India had a great potential to balance power in the South-Asian region. It was seen as an emerging power to contain China. At the same time, India was observed as a big market full of opportunities. These conditions brought France and India closer in the post-Cold War period.

### **3. India and France were able to complement each other under Strategic Partnership.**

India and France established a Strategic Partnership in 1998 to fulfil their mutual interests. In the 1990s, India was growing at a high rate after economic reforms. This growth rate touched 7 percent for three consecutive years from 1994-97. This became clear by that time that India was developing to attain its due position in the world. But India was facing an acute shortage of energy because the energy requirements increased very fast. France being a pioneer in the nuclear energy technology was seen in India as a potential partner. The disintegration of the Soviet Union put India in a difficult situation. India has enjoyed a very close relation with the Soviet Union. When France proposed for a Strategic Partnership, it fulfilled its requirements in many areas. For France, India was a potential and reliable country to balance power in the region. It was seen a potential state to counter China. Thus, India was fit for the French aspiration of formation of a multipolar world order. Moreover, French economy was slowing down and to maintain the status of its industries, France had to look for new avenues. India was providing the required market for French Industries. Thus, it can be said that both countries were complementing each other and this still continues after so long time.

### **4. The Strategic Partnership has increased the areas of convergence on the global level for India and France.**

From the beginning of the Strategic Partnership between India and France in 1998, both countries have shown areas of convergence on several occasions. France has supported India's demand for reforms in the United Nations Security Council (UNSC) and India's bid for permanent membership in the UNSC and in other control regimes like India's entry to the Nuclear Suppliers' Group (NSG). An understanding has evolved between India and France on the issue of terrorism in recent years. After the attacks of 9/11, both countries have intensified their cooperation in counter-terrorism. Now they have come to a point where France acknowledges cross-border

terrorism in India and both countries agree on fighting against terrorism. On the issue of Afghanistan, India and France have come together to criticise safe havens and terrorist sanctuaries beyond borders of Afghanistan. In the same way, exhibiting convergence of understanding India supported French military operations in Mali though it has criticised France for its operations in Libya as well as in Syria. On the issue of climate change, India and France played an important role at COP21 for its successful conclusion and adoption of the Paris Agreement in December 2015. In addition, India and France concluded the long standing *Rafale* deal after discussion at governmental level which was seen as a great success of this Strategic Partnership. Thus, it is observed that both countries have come closer on the global fora and have taken common stand on global issues on several occasions. This also shows how both countries value and complement each other.

Thus, the research draws the conclusion that in the post-Cold War period, strategic partnership emerged as a tool of foreign policy to engage with a country or international actor with potential. It shows that each partner gives importance to the relation which goes beyond a mere bilateral engagement. It is a bilateral relationship where partners discuss bilateral as well as the global issue. This is also like an acknowledgment of growing potential of partner countries on the global level. India has established around 30 strategic partnerships with major powers of the world. Out of those ones, the Strategic Partnership established with France is very special as it took place in January 1998 when India had not conducted its nuclear test. Today, India and France have come a long way together and the governments of both countries give importance to this Strategic partnership which values their sovereignty and strategic autonomy. Leaders from both countries have reiterated their commitment to the Strategic Partnership on several occasions. The strength of the partnership can be observed with the fact that the relationship is still robust despite changes in governments in both countries. This is mainly thanks to the institutional framework of the Strategic Partnership. The number of French Presidents invited on the occasion of Republic Day celebration itself is a testimony of the growing strength of this strategic partnership. Both sides understand that this Strategic Partnership is important and in addition, there is no issue of contestation between the two countries. Both New Delhi and Paris understand the potential of each other and engage with each other with trust and a degree of freedom. This creates a win-win situation for both countries to carry the Strategic Partnership to the next level.

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# **ANNEXURES**

**Annexure I****List of interview taken during field trip**

<b>Name</b>	<b>Institution</b>	<b>Date</b>	<b>Consent</b>
Christian Wagner	SWP, Berlin	13/03/2017	Yes
Gill Boquerat	FRS, Paris	17/03/2017	Yes
Isabelle Saint - Mezard	IFRI, Paris	23/03/2017	Yes
Jean – Lue Racine	CEIAS, CNRS/ EHSS, Paris	24/03/2017	Yes
High Official	Ministry of Defence	30/03/2017	No

## **Annexure II**

### **INDIA-FRANCE: PARTNERSHIP FOR THE FUTURE**

December 06, 2010

At the invitation of the Prime Minister of India, the President of the French Republic paid a working visit to India from 4 to 7 December, 2010. Mr. Nicolas Sarkozy and Dr. Manmohan Singh had detailed and useful discussions on bilateral, regional and international issues of mutual interest.

Reaffirming their shared vision and values inspired by multilateralism, justice, freedom, equality and fraternity, France and India reiterated their determination and confirmed their commitment to work together towards peace and global security.

As the Strategic Partnership between France and India enters its 12th year, the French President and the Prime Minister of India, recognizing India's growing role on the international stage, have shown their determination to give a new impetus to the Indo-French Strategic Partnership.

#### **1. Global and regional challenges**

France and India would like to work together to make the G20 as effective as possible and help it find its place within an international system that will better reflect today's world and challenges. Monetary instability, major macroeconomic imbalances, volatility of the price of commodities including agricultural food products, development gap especially infrastructure and lack of food security are tangible threats which our two countries refuse to ignore. The G20 has become and must remain the premier forum for international economic cooperation with a view to laying new foundations for strong, sustainable and balanced growth and the international economic system. In respect of multilateral trade, the two countries are looking forward to the ambitious, comprehensive and balanced conclusion of the Doha Development Round of Negotiations in 2011.

India and France reiterated the need for in-depth reform of the United Nations, including of its Security Council, to make it more representative of today's world. France reaffirmed its support for India to become a permanent member of an expanded Security Council without further delay.

With the French Presidency of the G20 which has just started, India's dual participation in the G20 and the Security Council for the 2010/2011 timeframe present an historic opportunity to step up joint work in these two bodies. Both countries will look to all members and groupings, including G20, to make clear support for reform of the Security Council.

France and India reaffirm their wish to continue and expand their dialogue and concrete cooperation in multilateral bodies, especially in UNSC during the 2011-2012 biennium, so as to address threats such as regional crises, terrorism, climate change and proliferation of weapons of

mass destruction and their delivery systems, as well as to promote arms control and global disarmament.

International Terrorism is a common threat that needs to be countered jointly. Today, it has become one of the core issues in our bilateral strategic cooperation. International cross-border terrorism needs to be addressed at the global multilateral level by supporting initiatives in the framework of the United Nations such as the draft Comprehensive Convention on International Terrorism. We need to work together in international bodies like the FATF to counter financing of terrorism and money laundering.

France and India reaffirm their determination to work for peace, democracy and development in Afghanistan. The French President and the Indian Prime Minister welcome their countries' contribution and efforts towards the reconstruction and security of Afghanistan. The two countries underline the need for adequate development of the Afghan National Security Forces to enable Afghanistan to defend its sovereignty and independence.

They expressed concern at the continuing existence of safe havens and sanctuaries for terrorist groups beyond Afghanistan's borders and resurgence of terrorist groups. They agree that terrorism must be combated firmly by the international community. The two countries call on the neighbours of Afghanistan to play a constructive role conducive to the country's stabilization and development in its regional environment.

India and France have pledged to enhance cooperation at bilateral and global level to effectively address climate change. The two countries have decided to pursue this objective by working to achieve ambitious outcomes in Cancun in the form of balanced operational decisions on mandated issues in accordance with the Bali Road Map. France and India have also reaffirmed their determination to continue to work in the framework of the bilateral working group on environment established in 2008 which is to convene in Paris in the first quarter of 2011.

Recognizing India's non-proliferation record as well as its willingness to further contribute to global non-proliferation efforts and with a view to enhancing the international non-proliferation regime, France favors and will jointly work with India towards India's increased participation with international non proliferation initiatives and full membership of multilateral export control regimes NSG, MTCR, AG, WA in a manner consistent with procedures and objectives of these groups.

In the context of their shared commitment to universal and general disarmament and to the reinforcement of the non-proliferation regime, India and France affirm the need for a meaningful dialogue among all states possessing nuclear weapons, in particular those holding the largest arsenals, to build trust and confidence and promote international stability, peace and security. They support international cooperative efforts to reduce the risk of terrorists acquiring nuclear weapons or material. The two countries reiterate their support to starting immediate negotiations in the Conference of Disarmament for a multilateral treaty banning the production of fissile material for use in nuclear weapons or other nuclear explosive devices.

France and India reaffirmed their commitment to diplomacy to resolve the Iranian nuclear issue,



and discussed the need for Iran to take constructive and immediate steps to meet its obligations to the IAEA and the UN Security Council.

India and France also expressed concern about the situation in the Korean peninsula and urged DPRK to comply with UNSC and IAEA BoG resolutions.

France and India will continue to support the development of relations between the EU and India more so when India and EU are enhancing cooperation as reflected in the deepening of the strategic relationship as well as the entry of the Lisbon Treaty into Force. The two countries welcome the holding of the EU-India Summit on 10 December 2010 in Brussels and call for renewed efforts to achieve the mutually beneficial conclusion of the EU-India broad-based Trade and Investment Agreement.

## 2. Indo-French Strategic Partnership

### *Civil nuclear energy*

The two States welcome the entry into force on 14 January 2010 of the India-France Cooperation Agreement on the Development of Peaceful Uses of Nuclear Energy and the signing of Agreements on the protection of Confidentiality of Technical data and information relating to cooperation in the peaceful uses of nuclear energy, and concerning intellectual property rights on the development of the peaceful uses of nuclear energy which supplement it.

Noting the innovative, broad-based and dynamic nature of their partnership in the field of civil nuclear energy cooperation, France and India welcome the progress towards further strengthening cooperation between the two countries including in research and development and in setting up joint nuclear power projects. In this context the signing of the General Framework Agreement between NPCIL and AREVA represents a significant milestone.

Following India's enactment of a civil nuclear liability legislation, both countries stand ready to further exchange views on this issue so as to ensure the appropriate framework for the sound development of their cooperation.

The "Commissariat à l'Énergie Atomique et aux Énergies Alternatives – CEA" for France and the "Department of Atomic Energy – DAE" for India have concluded on December 6 a Cooperation Agreement in the field of Nuclear Science and Technology for peaceful Uses of Nuclear Energy with the aim to establish a general framework to enhance their collaboration and signed a specific implementing agreement in the field of education and research.

The CEA expressed its interest in cooperating with India's Global Centre for Nuclear Energy Partnership (GCNEP), as a means to contributing to multilateral cooperative efforts to promote peaceful uses of nuclear energy.

### *The fight against terrorism*

Terrorism strikes not only the people and the interests of our two countries but also imperils

peace and stability of our respective regions and the world. We reaffirm our irrevocable condemnation of this scourge in all its forms and our will to intensify our cooperation to counter it.

Since our Joint Statement of 25 January 2008, we have aimed at intensifying bilateral consultations and exchanges with the objective of better assessing these threats and sharing relevant information. Today, we have decided to make this cooperation a priority of the Indo-French security relationship.

With the tragic losses suffered in the November 2008 terrorist attacks in Mumbai particularly in mind, we call for the active prosecution of the authors of such crimes and their accomplices, and urge that they be brought to justice expeditiously.

In our common fight against terrorism, we will continue to enhance our operational cooperation as far as possible and will seek to ensure that the widest possible measure of mutual legal assistance is rendered, and that extradition requests are processed expeditiously.

Our two governments will coordinate their endeavours in international bodies such as the Financial Action Task Force in order to define common positions and promote concrete initiatives.

In the pursuance of our efforts to strengthen the international legal framework against terrorism, we resolve to intensify our efforts to urgently conclude the Comprehensive Convention on International Terrorism at the United Nations. France and India call on all countries to become part, as a matter of urgency, of all international counter-terrorism conventions.

Both sides reiterated the importance of adhering to sanctions regime against Al Qaeda and Taliban as established by UNSCR 1267 and subsequent Resolutions and the need to preserve its credibility.

#### *Security and defence*

France and India reaffirm their common interest in continuing to strengthen their defence relationship, which is an important pillar of their Strategic Partnership and reflects their common determination to work for global peace and security.

The two States agree to continue and intensify their cooperation on counter piracy and maritime security. France and India recognize the need for an intensified cooperation in combating piracy in the Gulf of Aden and other areas.

The two states welcome the onMEAng exercises between their Navies (Varuna) and Air Forces (Garuda) and have confirmed their interest towards extension of their cooperation through exercises between the two Armies.

The two States also welcome the on-MEAng efforts and future prospects for joint

programmes in defence industry, which would include joint research and development and transfer of technology. In this regard and as a first step, the two States expect to launch soon the SRSAM and Kaveri program. Discussions concerning the upgrading of Mirage 2000 aircraft are expected to be finalised soon.

### *Space Cooperation*

Acknowledging the essential nature of cooperation in the field of space, which is a key sector for scientific cooperation between the two countries, India and France intend to /broaden the scope of their exchanges and further develop their joint efforts in this field. In the spirit of the Framework Agreement signed between Indian Space Research Organisation (ISRO) and French National Space Agency (CNES) on a wide range of issues related to use of space for peaceful purposes, they applaud the Space establishments of both nations for the progress made in developing the Megha-Tropiques and SARAL satellites, due to be launched in 2011 timeframe.

The two governments reaffirm their determination to pursue space cooperation in the fields of Earth Observation for climate change studies and space exploration.

India and France also acknowledged the ascending trend of the industrial cooperation over the years nurtured by space industries of both countries. In this regard, they gladly welcome the recent /breakthroughs made by Astrium and Antrix Corporation in the joint development and marketing of communications satellites, following their 2005 Agreement. They also welcome continuing this promising collaboration in the coming years.

### 3. Bilateral cooperation

#### *Development of economic and trade exchanges*

France and India welcome the outstanding development of their bilateral economic exchanges in recent years. The two countries welcome the contracts signed in the latter part of 2010 for aircraft leasing, satellite launching, biometric technology, energy and urban transportation.

Aware of the potential for the development of their bilateral exchanges and investments, and confident about the opportunities afforded by the dynamism of their economies – ranking among the leading global economies – the two governments reiterate their objective of doubling their trade exchanges in a balanced way despite the crisis, over the period 2008-2012.

Beyond that, the liberalization of exchanges provided for by the EU-India /broad-based Trade and Investment Agreement, combined with onMEAng cooperation in the field of civil nuclear energy and the resumption of aviation industry contracts, will further boost trade between the two countries.

France and India welcome the significant development of cross-investments between the two countries and large-scale investment by India-based French companies in the car

industry, building materials, electrical equipment, public water utilities and rail transport. They also welcome prospects for Indian investments in France.

They welcome the private sector's involvement in boosting bilateral trade and call on the Indo-French CEOs Forum to continue to play a decisive role in identifying new avenues for cooperation and facilitating the business climate between the two countries.

#### *Cooperation in the field of Agriculture and Food Processing*

France and India recognize the strategic importance of the agricultural and food processing sector in addressing the needs for affordable, healthy, high quality and sustainable food products in both countries.

They express in particular their will to double and balance exchanges of agricultural products as part of comprehensive cooperation including food products logistics, the distribution sector and agrifood research.

The two sides expressed satisfaction at the on-MEANg cooperation between the two countries through the Indo-French Joint Working Group on Agriculture. The areas identified for further cooperation include strengthening the post-harvest management capacities (e.g. cold chains, storage...), wine/Vineyards, research and training and exchange programmes, animal identification and tracing and genetic improvement of dairy cattle /breeds.

#### *Cooperation in the field of sustainable development (town planning, transport, housing)*

Both parties expressed their commitment to the continuation of bilateral exchanges in the field of standards, best practices and capacity building in order to further enhance cooperation between Indian and French institutional structures as well as business partnerships.

#### *Cooperation in the field of human exchanges*

France and India, reiterating the importance they attach to encouraging people to people contacts and human exchanges in accordance with the joint declarations of 25 January 2008 and 30 September 2008, reaffirm their determination to cooperate closely in the field of migration, with a view to encourage legal and orderly migration of students, professionals and skilled workers to each others' country, depending on opportunities available, to assure the return to their country of illegal migrants who have been properly identified as their nationals and to combat irregular migration.

Welcoming the preliminary talks held in New Delhi in November, 2009 and which led to beginning of negotiations on a bilateral partnership agreement on migrations under this comprehensive approach to migration, the two States agreed to swiftly launch these negotiations between the two countries based on a draft text submitted by France with a view to conclude them as soon as possible.

### *University and scientific cooperation*

The two States reaffirm their determination to pursue efforts in order to ensure that human exchanges permeate and stimulate all areas of bilateral cooperation, including in the fields of research, education and cultural exchanges. They encouraged the trend of increasing number of Indian students studying in France and French students studying in India. More than 200 framework agreements for promoting student mobility have been signed by French and Indian higher education institutions. The five scholarship programmes established under the "Quai d'Orsay / Entreprises" scheme have helped welcome 101 Indian students to the best schools and universities in France since 2006. A total of almost 400 scholarships were awarded in 2009. France and India call for an increase in bilateral student exchanges and pledge to facilitate the academic stays of French students in India and Indian students in France.

France and India support the launch of an ambitious cooperation at the Indian Institute of Technology (IIT) Rajasthan, which is to allow a consortium of French higher education institutions, to initiate a partnership and joint works on sustainable development and on green accounting project. This project will ultimately make it possible to incorporate the environment into the daily business of enterprises and to develop the territory and urban heritage targeted by decentralized cooperation actions.

Recognizing the essential contribution of education and scientific research to global prosperity and stability, they welcome the success of the Franco-Indian Centre for Advanced Research (CEFIPRA) which has been steering closely science and technology-related projects since 1986. They welcome the ambitious initiatives envisaged to increase its outreach and develop its partnerships. They further reiterate their common determination to strengthen Indo-French cooperation in the field of innovation. They welcomed research collaborations in the areas of solar thermal technology, ICT in health lab, systems and designs for automobiles and aerospace, robotics and control systems, art, culture and heritage restoration.

India and France recognize that with the 21st century being hailed as the century of knowledge, alliances in the knowledge economy will be critical for both countries, especially by leveraging Information and Communication Technology. Based on their shared endeavour to strengthen democracy, transparency and accountability, France and India wish to start an initiative on Democratising Information and Open Government as a way to use Information and Communication Technology to modernize the relationship between the State and the citizen.

The two governments welcome the action of the French Development Agency (AFD) which contributes through concessional financing for supporting projects in the field of renewable energies and energy efficiency, sustainable forest management and biodiversity conservation. As a key instrument of our cooperation in the field of sustainable development, the AFD's level of intervention is to increase significantly over the next few years.

*Cultural exchanges*

France and India welcome the holding of the cross cultural seasons Bonjour India and Namaste France which meet the desire for understanding and exchange on the part of the Indian and French peoples. They welcome the launching of the news channel France 24 in India. They reaffirm their determination that an Indian Cultural Centre should be established at 3 Avenue de Lowendal in Paris and intend to finalize the necessary arrangements to that end.

The two governments welcome the signing of the film Co-Production Agreement which is to inspire our future joint co-operation projects in the film industry and will be viewed as an example in terms of co-production.

**New Delhi**

**December 6, 2010**

### **Annexure III**

## **Joint Statement issued by India and France during the State Visit of President of France to India**

February 14, 2013

1. At the invitation of Prime Minister of India, the President of the French Republic paid a state visit to India on 14-15 February 2013. Dr. Manmohan Singh and Mr. Francois Hollande had detailed and useful discussions on bilateral, regional and international issues of mutual interest.
2. Reaffirming that, fifteen years after the launch of the Franco-Indian strategic partnership in 1998, the bilateral relationship has been steadily strengthening, widening in scope and has reached exemplary level, the Leaders agreed on a robust framework for its future development.
3. France and India have similar vision based on common shared values, relating to democracy, rule of law, civil liberties, fundamental freedoms and respect for human rights.
4. Reaffirming their independence and strategic autonomy, France and India confirmed their commitment towards a strengthened multilateralism. They seek a world at peace, in accordance with the UN Charter.
5. With the support of both Indian and French people, France and India will take their relationship to even higher heights across the board, in a long term perspective.
6. As global strategic partners, India and France consult each other on all international matters in a spirit of mutual understanding, respect, trust, and support, taking account of respective security interests.
7. France and India reaffirm the need to reform the United Nations, and, in particular, the UN Security Council so as to make it more representative. France expresses anew its support to India acceding to a permanent seat in an enlarged UNSC at the earliest. France also reiterates its support to India joining the Nuclear Suppliers Group and other export controls bodies.
8. On the 100th anniversary of the First World War in 2014, France will pay tribute to the Indian armed forces, in remembrance of their soldiers who fought and died for France's freedom.

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9. The Leaders agreed to give further impetus to the Strategic Partnership;
10. In the field of defence, the Leaders reaffirmed their continued interest to enhance bilateral cooperation which is an important pillar of their strategic partnership and reflects their common determination to work for global peace and security.
11. The Leaders welcomed the onMEAng exercises between their Armies (Shakti), Navies (Varuna) and Air Forces (Garuda) and confirmed their willingness to further bilateral defence cooperation, by continuing to conduct such interactions.
12. The Leaders reiterated their desire to cooperate in high technology programmes and projects in the defence sector which would include joint research and development and transfer of technology. In this connection, the Leaders noted that the projects for the Scorpene submarine and upgrade of the Mirage 2000 are moving forward and steps are being taken for early finalization of the SRSAM Project. Both sides noted the progress of onMEAng negotiations on the MMRCA programme and look forward to their conclusion.

The Leaders reaffirmed their interest in continuing their cooperation in combating piracy in the Gulf of Aden and other areas.

13. In space, the Leaders agreed to move forward, after the success of Megha-Tropiques satellite launch in October 2011 and the upcoming SARAL satellite launch. Both satellites contribute significantly to environmental and maritime survey purposes.
14. As next step, the Leaders acknowledged the ambitious follow-on space cooperation proposals drawn by the space agencies as an outcome of successful Science Seminar and Research and Technology Workshop held at Bangalore during February 5-6 2013.
15. In the field of energy, the Leaders expressed satisfaction in regard to onMEAng collaborative projects in R&D on the peaceful uses of nuclear energy and agreed to further strengthen bilateral civil nuclear scientific cooperation. Recalling the Memorandum of Understanding signed on 4 February 2009 between NPCIL and AREVA for setting up of 6 x 1650 MWe EPR units at Jaitapur, the Leaders reviewed the status in regard to the first two EPR units and noted that NPCIL and AREVA were engaged actively in techno-commercial discussions. They expressed hope for the expeditious conclusion of the negotiations. It was emphasized that the Nuclear Power Plant at Jaitapur would incorporate the highest safety standards.
16. On climate change, the Leaders agreed to remain engaged under the Durban Platform for favour an ambitious, development-oriented, inclusive response, in preparation for equitable and comprehensive outcome under the UNFCCC at COP21.
17. In the security and counter terrorism fields, close consultations and cooperation have been established. No compromise is possible with terrorists. India and France are determined to support each other when facing this scourge. Cross border terrorism needs to be addressed at the multilateral level by supporting initiatives in the framework of the UN such as the draft Comprehensive Convention on International Terrorism.
18. In this context, the two sides recognized that terrorism poses the main threat to Afghanistan's security and stability, as well as the need for joint concerted efforts and cooperation by countries of the region to effectively counter it, including dismantling terrorist sanctuaries and safe havens, beyond Afghanistan's border, disrupting financial and tactical support being provided to terrorist groups. The Leaders expressed commitment to the key principles for a peaceful inter afghan dialogue : acceptance of the Afghan Constitution, renunciation to violence and breaking links with terrorism. They expressed support for free, fair and transparent elections in 2014 and 2015. Both sides agreed that Pakistan must abide by its commitment to expeditiously bring all the perpetrators of Mumbai terror attacks to justice. Both Leaders also reiterated their strong support for onMEAng efforts aimed at defeating terrorism in Mali, preserving Mali's territorial integrity, re-establishing a fully sovereign democratic government in Mali, and to contributing strongly to Mali's national reconstruction and sustainable economic development.
19. Both sides shall act with utmost dedication in the fight against the illicit traffic of narcotic drugs and psychotropic substances through a specific bilateral agreement. We shall also expand our dialogue to high-tech criminality and cyber-threats.

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20. The Leaders agreed to encourage closer people –to-people contact, through inter alia, easing mobility and human exchanges and promoting education, science and cultural cooperation as well as expanding trade and investment.



21. To this end, both sides have decided:

- to promote an ambitious and balanced Free Trade Agreement between India and the EU based on reciprocity and mutual benefit which will boost our bilateral economic relationship;
- to establish an annual bilateral dialogue between the two Finance Ministries on economic and financial issues;
- to foster comprehensive sustainable urban development cooperation, including infrastructure, transport, water, waste management as well as urban planning;
- to give an impetus to the cooperation on railways between Indian and French railways; a Memorandum of Understanding between Ministry of Railways and SNCF (French National Railways) has been agreed in this regard;
- to facilitate and support investments from French companies into India and Indian companies into France which contribute to growth and employment in both countries;
- to foster people mobility between the two countries. To that end, both sides noted the progress in the negotiations of a bilateral agreement on people mobility and migration, with a view to conclude them as soon as possible;
- to build up an ambitious education plan, including twining of higher education institutions, mutual recognition of degrees, research collaborations and training of teachers. A Letter of Intent and several agreements between Indian and French Universities and Institutions have been signed in this regard. We encourage greater student exchanges between both countries;
- to bolster research, technology and innovation between our research institutions, universities and business. To that end, we decided to launch the "Raman-Charpak Fellowship" which will enable exchange of doctoral students between the two countries and, in order to broaden the scope and depth of future engagements in science, technology and innovation, we have concluded several memorandum of understanding and letter of intent between Institutions. Both sides noted with satisfaction the silver jubilee celebrations of the bi-national Indo-French Centre for the Promotion of Advanced Research. It was also noted with satisfaction that France will be the partner country for the 2013 Global Technology Summit to be held in New Delhi;
- to encourage even deeper cultural links through i.e. the "Bonjour India" festival of France and the "Namaste France" festival of India at a future date and a new cultural exchanges program as well as museum and heritage cooperation. India will be the Guest Country at the "Festival de Cannes" in 2013 on the occasion of the 100th anniversary of Indian Cinema. The "Musée du Louvre" will organise an exhibition in India around 2016.

**New Delhi**

**14 February 2013**