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## France & India Decoding the Strategic Partnership

**Yves-Marie Rault**

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# France and India

## Decoding the Strategic Partnership



**Yves-Marie Rault**  
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“The sculpted faces on Hindu temples, the smiling bodhisattvas and the dreaming Angel of the Reims Cathedral”, wrote the French novelist André Malraux, echoing a wide-spread admiration for India in France, and enlightening the similarities between the two countries. Particularly, several elements of culture are seen as common. In his New Delhi’s speech in February 2013, the President François Hollande stressed that both countries viewed culture as an inestimable treasure, not as a commercial good. “We both defend the principle of “cultural exception”. And there is no better illustration than cinema. [...] because India, with France, have invented cinema”.

These cultural considerations justify for a part the Indo-French Strategic Partnership that has been in the making since several years. In 1998, the President Jacques Chirac was the first to express this idea of “a partnership for the 21st century”, in his historical speech of Vigyan-Bhavan’s, thus laying the foundations for an intense cooperation in several domains, ranging from industry to culture. “I came with the proposition to build a strong relation between our two countries, a global partnership grounded on our complementarities and our common interests”, he said. The concrete deals he came with, particularly in the fields of defence, civilian nuclear, space, and internal security, are still shaping today’s bilateral relations.

On 26 July 2013, at the Institute for Defence Studies and Analyses (IDSA), New Delhi, the French Minister of Defence Jean-Yves Le Drian re-affirmed the importance of such ties. He termed India as a “major priority” for French diplomacy, stressing that military cooperation and the enforcement of their strategic autonomy should be pursued in order “to feel stronger, safer, closer to each other”. The Indo-French cooperation has indeed shown achievements in several domains, resulting from regular meetings and the constant dialogue between government officials. The recent visits and official statements are significant of the French will to take steps to make a major partner out of India. Motivating this diplomatic attitude are the perception of converging interests, a shared vision of the world, and the need for France to shape new international partnerships.

However, the commercial trade between the two countries has remained notably negligible during the last decade, despite the repetitive attempts to pull up the economic exchanges since 1998. At this time, the then 4th world economic power prioritized the enforcement of its industrial, commercial and financial ties with the emerging India. But so far, the level of bilateral trade is low, and the French presence is limited to big multinational groups.

In this paper we will be seeking to deconstruct the French idea of India. Why has France recently perceived India as a crucial partner? To what extent is the French view on India shaping the bilateral relation?

# I

## THE AMBITIOUS PARTNERSHIP

### A SHARED HISTORICAL LEGACY?

“The relationship between France and India is truly unique and deeply rooted in our common history. [...] From these historical relations was born a strategic partnership” the French President stated in February 2013 in Mumbai. This way, he wanted to bring out that France and India are sharing a particular link, grounded in the sharing of a common history. Indeed, from the first half of the 17th century, France has been one of the major European powers trying to establish colonies in India. Through the French East India Company, the Monarchy established its first trading post on Indian territory in 1719. The French possessed 510 km<sup>2</sup> of Indian land till 1954, when the incorporation of these territories into the Union of India was finally achieved. They included Chandernagor in Bengal, Mahé on the Malabar Coast, and Pondichéry, Karikal and Yanam in the current Tamil Nadu. In 1798, the Directory, in spite of the huge cost of such an enterprise, agreed to send “a force of 15 000 men from Suez to India, to join the forces of Tipu-Sahib and drive away the English”. Napoléon Bonaparte even promised that “as soon as he had conquered Egypt, he would establish relations with the Indian princes and, together with them, attack the English in their possessions”.

But despite these irregular rises of interest towards India, the English presence has always remained overwhelming. The French governments, whether monarchic or republican, never saw the benefits of a counter-attack worthy of the expenses. France could have played a bigger role in India, but no government ever dared to involve further, even when the public finances were making it possible. For example, the French East-India company was only created after the British, the Dutch, the Spanish and the Portuguese. From 1741, under the lead of Joseph François Dupleix, the French troops managed to expand their territory through an aggressive policy against both Indians and British. But in 1754, when this conflict was threatening the peace in Europe, the French government sent a special commissioner with orders to stop Dupleix's expansionist policy. He was then compelled to embark for France.

Therefore, the French legacy to India remains limited, except from a handful of institutions such as the La Martinière schools. Also, among the foreign languages chosen in high school, French is the most popular choice in India, partly due to the successful decolonization in the fifties, when Nehru wanted to turn Pondichéry into “an open window on French culture”. Consequently, there are nowadays 16 offices of “Alliances Françaises”, and almost 300 000 individuals are currently learning French from 3 000 teachers (Lexiophiles, 2009). To the same extent, prior to the abandon of their colonies after the Second World War, the French also established diplomatic and economic relations with the newly-independent India. For instance, J.R.D. Tata, from the successful Tata family, was born and raised in France, as his mother was French. He moved to India only in his twenties, after having served a time in the French Army. From 1929, he contributed to the development of Tata Company, creating notably Tata Motors. He was buried in Paris after his death.

However, it would be an exaggeration to affirm the existence of special and long-lasting ties between the two countries. In comparison, the British ties with India are way deeper. They share a common language and are part of a same organization, the Commonwealth. For instance, the first French President to show up in India in the 20th century without tourist purpose was Valéry Giscard d'Estaing... in 1980. And he did not show a real will to build a strategic partnership with India. Only the diplomacy-lover Jacques Chirac came with concrete propositions in 1998. Thus, the historical ties are not as deep as the official speeches pretend. However, a different history does not necessary generate a conflict of values and ideas.

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## COMMON DEMOCRATIC AND HUMAN VALUES

In every single speech by French officials in diplomatic visit, the constant repetition of “biggest democracy of the world” in regards to India is striking. After the visit of the President Hollande in February 2013, the media sarcastically pinpointed the overuse of this term in all his speeches. During his visit, he congratulated several times his counterpart Manmohan Singh for the respect of human and minority rights in India. The French diplomats indeed perceive the country as a monolithic unit exempt from internal pressures. Even in 1998, Chirac was raising as a territorial issue the sole tensions with Indian neighbors, wishing that the nation-state would soon eliminate “the fratricide antagonisms inherited from History”. The French view thus totally obliterates that the unity of the Indian territory is still threatened in several locations. For example, one week before Hollande's visit, the Kashmiri militant Afzal Guru was hanged, accused of participation in an attempt against the Indian Parliament. Indeed, emergency laws are still ruling several States where expeditious trials and army abuses continue to take place (M. Bulard, 2013). Usually, the repression against minority movements is severe and the response to independence claims is tough. The creation of the Telangana State was agreed by the government in the end of July, but the French media ignored this major event. Just the same way they now ignore the implications of this decision in Northeast, especially in Sikkim, where the claims for independence are growing.

Although India's attitude towards human rights is not perfect, the country is as France signatory of the Universal Declaration of Human Rights. In regards to India, a respectful and democratic image thus prevails. For the former President Chirac, “Nowadays, the Indian and the French share the most important. These values we both fought for at different stages of our History. We have in common the idea of a nation creating people's adhesion, their will to live together, and their projects of future. Each nation following its path, India and France made live and grow these universal values: justice, liberty, equality, and fraternity. These same principles are the basis of the French Republic and included in your Constitution. Both claim the principle of secularism on which lay tolerance and people's unity”. In 1998, he was therefore highlighting the reasons why the solidarity and cooperation between the two countries was making sense. In today's globalized world, such countries should stick together to impact the multilateral game and impose their shared vision of a multi-polar world (J. Chirac, 1998).

### A SHARED VIEW OF A MULTI-POLAR WORLD

France understood long ago that India is not a blend copy of a Western democracy. The non-alignment promoted by Nehru after the war drove the country away from the United States, and more generally from the Western world. India has always refused the American diktat “who is not with us is without”. Even when the liberal theses prevailed under the lead of Thatcher or Reagan, the country made the choice of the economic protectionism (J-L Racine, 2009). After the cold war, India re-shaped its foreign policy and relations with the United States. The Indo-American reconciliation really moved forward under Bush. However, India will never be an unwavering performer of the American policy in Asia. Indeed, the Asian nation is a lonely player in the international game, in the way that it does not align on other's view (J-L Racine, 2009). In order to defend its own interests, the country multiplied strategic dialogues with every potential partner on specific issues. Therefore Delhi forged alliances in North-South groups (India, Brasil, Japan, Germany) to reform the United Nations Security Council, as well as in South-South groups or even the World Trade Organization, to denounce the US and EU protectionism in agriculture. India is also working on a deepened collaboration with emerging countries such as Brasil and South-Africa (J-L Racine, 2009).

In 1998, when India launched its nuclear tests, France did not condemn the event. The international context was however particularly hostile at that time, as three years ago the International Community had extended the Non-Proliferation Treaty of 1970, and two

*Despite the prolonged arguing and bickering of the campaign, polling day saw a rise in voter turnout with 66.1%, or 252,485 votes cast out of 381,790 registered voters. To the surprise of many observers, the DPT was not at all able to capitalize on its good results from the primary round.*

years ago had been signed the Comprehensive-Nuclear-Test Ban treaty, signed by 180 States. India discarded both treaties. So the attitude of the French government cannot be understood as an official support to the struggle against the “nuclear apartheid”, which gives privilege to five nuclear countries also permanent members of the UN Security Council. It is more to be understood as an effect of the French view of a multi-polar world. For instance, in June 2013, the Indian Foreign Secretary Mr Ranjan Mathai re-affirmed that France was one of the fiercest support in his country's quest for a permanent seat in the UN Security Council. “France reiterated it's very strong support to India which is important for us because there are other countries which have not come on board to the same extent”, he said. France is also supporting India in its search for an increased involvement in the decision-making process of international institutions such as the G8, and to a better access to nuclear civil cooperation (E. Woerth, P. Giacobbi, 2012). In fact, Paris and New Delhi share the same ambition. They both want to shape a multi-polar world where they have a say in the international game. Hence, they are calling together for a search of the “balance of interests” more than the “balance of powers”.

### THE GAP BETWEEN ELITES' AMBITIONS AND PEOPLE'S FEARS

There is an obvious divide between the vision of the French elite and the idea of India by the man in the street. This is actually the gap between someone without any particular opinion on India because he has not interest in it, and the informed view of a businessman or a political leader, who is looking carefully into the benefits of a bilateral relation. For the last decade, and particularly after 2008, France has been undergoing economic hardships. Nowadays the GDP growth is close to zero and the unemployment reached historical summits (around 11%). The Eurozone crisis is not over, and the public finances are undergoing the burden of crawling deficits. Therefore, globalization has been recently taken as a scapegoat by several political parties and trade unions. The outsourcings, especially in the manufacturing sectors, are blamed to a large extent for having stolen the jobs of French workers. And India is pointed as one of the main responsible for this employment drain. The prevailing view of India is indeed the view of a poor and undeveloped country with uneducated people living in slums, ready to work for ridiculous wages in comparison to their French counterparts’.

The Lakshmi Mittal story did not improve the way French people perceive economic relations with the emerging country. For most of them, the perception of the Indian economy is limited to the relation between their country and the steel magnate (G. Raymond, 2012). In April 2013, the tycoon confirmed the suppression of 629 jobs in his factory of Florange. Once again, the Indian financial predator made the cover page of the French newspapers, indicting him for deceitfulness and ruthlessness. Indeed, the story started years before, in 2006, when Mittal bought the French world second steelmaking company Arcelor. At this time he promised the shareholders and the employees that he would not change the group's policy. In three months, he took over the whole company. He stuck the knife deeper in October 2012, when he announced that he would shut down the blast furnaces in the ArcelorMittal steel plant in Florange, north-eastern France, a region deeply stuck into depression. After weeks of discussion with the French government, Mittal promised to invest 180 million Euros in five years to avoid the shutdown. But he did not, and the blast furnaces stopped functioning on last April. The Ministry of Industry, Arnaud Montebourg, officially summed up the grievances of the French people about the man dubbed “the iron hand in a steel glove”: “non-respect of commitment”, “blackmail”, “threats” (V Naravane, 2012).

As of today, Lakshmi Mittal is probably the most famous Indian in France. But if the media have been bashing on Arcelor-Mittal since 2006, these last months a series of rapes in India have also obtained a large coverage. It started in December 2012, when an Indian student was gang raped in New Delhi. The shameful circumstances of the rape, and the subsequent huge demonstrations of the Indian civil society, caught the attention of the French public. Since then, every case of rape has been reported by the

media, especially concerning foreign women. A South-Korean lady in January, a Swiss tourist in March, an Irish NGO volunteer in May, an American woman in June, were raped in India in 2013. The horrid conditions of these sexual aggressions profoundly shocked the French opinion and emphasized the image of patriarchal society in strife with deep macho issues, where the women are dominated and abused by the male population. The Indian law keeps calling the sexual aggressions “eve teasing”, and the police does not seem to give priority to these cases. Therefore, in France, people imagine the society as backward and unsafe for women.

However, it would be untrue to say that there is a large interest about India, and even lesser about the Indo-French relations in the public debate of the European country. The links with its neighbours are much more tightened, and the relation with China draws a closer interest. Hence, there is no public pressure to the French government to develop its bilateral relation with India, despite the hopes it generates.

## II

### THE PERCEIVED INDIAN POTENTIAL

#### AWARENESS OF CONVERGING STRATEGIC INTERESTS

“In the South Asian region, India appears to us as a factor of stability”, said Jean-Yves Le Drian in a speech about the Indo-French defence Strategic Partnership, in July 2013. Indeed, India is seen as a possible counterbalance in the South-Asian geopolitical scheme. The French officials, especially François Hollande in his last speeches on the Indian soil, re-affirmed their support to India as a reasonable actor of stability and security in Asia. He said it clearly, “India reassures where China is scaring”. The role of India is therefore crucial to ensure a balance in a region irremediably dominated by the powerful China. For instance, during the visit of the Indian Defence Minister, one of the questions asked by the French diplomats showed their concerns about the Chinese neighbour, and their credit in the Indian capacity to solve the issue. He was indeed asked whether China's string of pearls program, which recently worked on several maritime locations in India's neighbourhood, was a cause of worry for Mr Mathai. Apparently this French concern was not shared by the Indian minister. Eventually, the disappointing visit of the French President in Shanghai and Beijing, in April 2013, urged their needs to forge other alliances in the region. The sudden rise of interest towards India thus makes sense.

If China is a major actor in the region, the United States' influence is also not to be neglected. At several occasions, France refused to play the US game in Asia. For instance, in 2003, France refused to answer the call by the American government to send troops in Iraq. The famous anti-war speech of the Foreign Minister in front of the UN assembly stunned the US officials and its allies who did not dare to oppose the intervention. India has also interest in leading a distinct policy in Asia. For instance, in Afghanistan, both countries have been more or less constrained to follow the US view in the region. The partnership with India is therefore seen as a boon for France in order to weigh more on the strategic policies and the regional stability (A.K. Mehra, 2012).

Furthermore, the struggle against international terrorism is a priority for both government, since they have both (France to a lesser extent) undergone or been the target of terrorist attacks. With Pakistan as a neighbour, a country carefully scrutinized by the French anti-terrorism services, India appears as a key partner. The French Defence Minister affirmed that his country was “ready to share with India the military lessons drawn from its action against terrorism. High risks exist beyond Mali in the other countries of the Sahel region and the entire geographic axis that runs from Pakistan to the North Atlantic.” The potential acquisition of the nuclear bomb by Iran

is also a shared concern, and India must play a crucial role in terms of negotiations or economic sanctions against the Muslim country. The last common threat is of a new kind, as cyber attacks and piracy risks are growing as globalization is going on. France and India could cooperate positively to fight back criminal networks and powerful states controlling technologies (J-Y. Le Drian, 2013).

### THE POSSIBILITY OF MUTUAL BENEFITS

India has a big territory and must therefore deal with multiple threats on its borders, especially with China and Pakistan. These two neighbours both have the nuclear weapon and spend a large part of the State resources on military purposes. Therefore, France sees the defence partnership as an opportunity to become the official supplier of India (M. Bulard, 2013). The Asian country already bought quantity of military equipment. India has already bought aircrafts (Mirage 2000), submarines (Scorpène class), and missiles. More recently, India promised to buy 126 Rafale aircrafts to Dassault Company, whereas France had never managed to sell them abroad so far. This purchase order is of major importance for the military industry, as the government recently decided that it would stop to purchase these aircrafts. Hence, the re-affirmation by the French President that his country would continue to share industrial secrets with the emerging power is comprehensible, as India is its best customer in nuclear, military and high technology domains.

Moreover, the cooperation with India would create synergies. Indeed, technological transfers have already proved to be working between the two countries, when they cooperated in building the Indian civilian nuclear energy network. For instance, as urbanization is scrawling in India, the failures of the urban public network are becoming more and more challenging. Water management became an ordeal due to an obsolete leaking network and illegal plugging (B. Manier, 2010). Bombay's administration assessed that the state of the network wastes around 700 million litres of water each day. So the needs for food processing logistics, environmental management or urban infrastructures in general are increasing whereas in France there is a know-how gained by private companies in several sectors, particularly in agriculture, environment, energy, urban management... Hence, as the need in sanitation and water distribution is increasing, these groups are taking more parts in India's development. In March 2013, the French company Suez Environment signed new contracts for the construction and exploitation of two waste water treatment plants in New Delhi and Bangalore. Total amount of these contracts was 41 million Euros. But it has already been more than thirty years that the corporation has been eating slices of the lucrative environment sector. Suez indeed built 150 drinking water and treatment plants in India, and is currently exploiting 10 % of them (B. Henault, 2013).

In summer 2012, a gigantic black out hit twenty states and half of the Indian population, during several hours. This event, which got a large media coverage, particularly surprised French people, who thought that such a situation could not happen anymore in today's world. In last March, the historical drought in Maharashtra last March addresses new concerns about the public management of the resources. In June, the flooding in Uttarakhand, which led to the death of one thousand individuals, showed once again that the state was unable to react to natural catastrophes. With the upcoming global warming and the climatic changes, the management of nature and energetic resources is becoming a critical issue. As the Indian administration is unable to face these challenges, the French private companies with know-how in the energetic domain see an opportunity to supersede the failing State. The biggest French companies, Alstom, Areva, GDF, Legrand, Schneider Electric, Suez, Technip, Total and Veolia have already a foothold in the energetic domain where they substitute themselves to the State.

### THE DISTANT PROMISES OF TRADING GAINS



The French investors are taking a lustful gaze at India's market outlets. This new Eldorado offers a consumer market of 200 million inhabitants with high purchasing power. This number is expanding at a regular pace, and consequently are the earning prospects (A. Fournier, 2013). In July 2013, Air-France was for example signing a cooperation pact with Jet Airways, stating that India was a "strategic market". On the side of the supply, India is a boon for the companies as the workforce is cheap and abundant. This has led to the outsourcing of several English-speaking service companies, making out of India the "office of the world". As France's language is French, the preference for outsourcing their after-sales services went to Marocco, Tunisia or Algeria.

Hence, the French interest for low-skilled workers is limited, but the presence of highly competent and knowledgeable workers in India is undeniably an attraction. The Indian educational system, composed of a 370 universities' network, is a productive brain farm, particularly in engineering, Information Technology, biotechnology and pharmacy. From 2000 to 2010, India almost doubled its graduated population, which is expected to be 11.6% of the global one in 2020 (OCDE, 2013). The system suffers from the same loopholes as France's ones, especially in terms of administrative hindrances, inadequacy between higher education and labour market, weak employability... But in comparison, India produces lower paid workers, who are consequently more price-competitive and thus able to answer to international firms' needs. This is why the French firm Renault recently chose India for the development of "the future car of the emerging countries", in collaboration with Mahindra and Mahindra. The group built in Chennai one of its biggest engineering centre in the world, gathering almost 3,900 engineers.

But in spite of the high potential of the growing Indian economy, the French companies are still reluctant to invest in this wild land, where the business culture and environment are often feared. There is indeed a deep suspicion towards extraneous objects in India. This suspicion has even been turned into rejection in 2012. This movement has been particularly felt by the foreign retail companies, when the opening of the retail sales sector was questioned by the government. In India, small groceries or "kiranas" are the most common kind of business, estimated to 12 million units. These familial shops employ no less than 24 million persons (Reuters, 2012). Nevertheless, after months of tergiversations, endless negotiations and suspicions of bribery in the Parliament, the foreign retailers have finally been allowed to detain 51% of a multi-brand retail business. The French retailer Carrefour happily welcomed this decision, but emitted several concerns, that have for now been partially addressed by the government. These concerns are fed by the uncertainty of the reform, as several strikes and Minister resignations immediately followed the Parliament vote. Moreover, the BJP already announced that it will invalidate the bill when the party will come to power. Consequently, no foreign investment has taken place in the retail sector so far.

This resistance comes mostly as a symbol of the Indian indomitable spirit. Indeed, this law allows foreign retailers to settle only in cities of more than 1 million inhabitants, i.e. 53 cities. And that after the federal State agrees. Half of their leaders already said they were opposed to this "foreign intrusion"... This repulsion is also felt by French firms in several other sectors yet to be liberalized. For instance, in the insurance and retirement-saving sectors, several laws to fluidize the functioning are still blocked by the Indian government (L'Express, 2013). Thus, the French President participated in the flow of criticisms, stating that "There are still obstacles to the markets opening [...] India will have to make some efforts in this way". Among other things, he was thinking about the tariffs on exchange and trade, and the recurrent judgment in favour of the Indian companies counterfeiting pharmaceutical products patented in Europe. For instance, in last April, the Indian Supreme Court rejected once again the demand for a patent on the Swiss anticancer drug, le "Glivec", stirring up the anger of the EU and the WTO.

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Settling down in the South-Asian Republic appears to be an ordeal for the entrepreneurs. The feedback by several French companies who tried, successfully or not, to settle down in India, shows that the French and Indian teams diverge in analyzing the business goals. They mostly blame cultural and economic differences. Beside, the management of the staff is made difficult because of a high level of labour “turnover”, even though the Indians are very respectful of the hierarchy. The culture of negotiation, accounting differences, and the endless taxes in every step of business transaction also burden the capacity to deal with the Indian business environment. The complexity of the country and the pernickety administration are therefore difficult to embrace (Afplane, 2008).

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However, most of the companies settled in the country have realized that once the obstacles of the establishment are overcome, the efforts are quickly and largely rewarded. Several MFN, like the IT firm Capgemini, count on the profits made in India to absorb the effects of the bad economic climate in France. Thus, François Hollande called in February 2013 the French firms to “invest more in India, especially in the high tech sectors”, that in spite of the initial reluctances. On the other side, he advised the Indian investors to be curious about France, declaring them that “you do not simply have an open window, our door is entirely open for you”.

### III

## BILATERAL RELATION AND THE FRENCH TOUCH

### A DEEPENED STRATEGIC COOPERATION

The French identified common interest with India in terms of defence, internal security and nuclear energy. This vision largely participated in shaping the Strategic Partnership. The cooperation in defence has always been seen as a priority for the French government. Therefore, in this particular field, the cooperation has been deeply engaged. For instance, in 2009, the Bastille Day Military Parade opened with a 400-strong contingent of Indian troops from the Army, Navy and Air Force. It was the first time ever that Indian troops took part in another country's national day parade. The Prime Minister Manmohan Singh was the guest of honour, while its counterpart Nicolas Sarkozy had already come as the chief guest of India's Republic Day Celebrations in 2008. These symbols show that France wants to nourish a deepened partnership with India. The iconic example is the Shakti exercise, which consists in joint manoeuvres between the armies. The first exercise was conducted in India in 2011. The upcoming bilateral exercise will be in September 2013 in France, and both Navies and Air Forces are also finalizing the schedule of their joint exercises, planned for 2014. These accomplishments are permitted for a part by exchange programmes between Indian and French Armed Forces, attending courses in each other's institutions. The French Defence Minister recently highlighted these successes, and encouraged to pursue the military cooperation.

In January 2008 was signed between the two countries the “Framework Agreement for Civil Nuclear Cooperation”, which made out of France one of today's largest suppliers of nuclear fuel to India. This landmark has been the ground for the implementation of EPR Units in Jaitapur. This is a major transfer of technology, which is generated by the French diplomatic vision of a peaceful and reasonable India. This view also allows the cooperation in the space field. French and Indian scientific communities are major partners, and they already have a rich history of cooperation behind them. They jointly participated in radiation experiment, space component development and space education. Recently, major achievements showed the depth of this collaboration. A first Indo-French satellite was successfully launched in September 2012, followed by a second one in February 2013, aimed at oceanic and climatic research.

### LIMITED FRENCH ECONOMIC PRESENCE

But these accomplishments in the strategic partnership should not hide the major flaws in the bilateral relation. 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 800 French companies are settled in India, employing almost 150 000 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% since then. Even worse, there has been a decrease of 3.71% 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 % of total FDI equity inflows in India for the period (IGIC, 2012).

## **BASICS OF COOPERATION AND THE FRENCH WAY AHEAD**

The weakness of the economic exchanges is also significant of the limited presence of French organizations promoting trade in India. The Indo-French Chamber of Commerce and Industry is the sole institute dedicated to foster business links between France and India, and only present in three cities. Moreover, its mission is limited to industry and trade. The absence of an organizational structure funded by public and private sources is also disabling the ability to mobilize the means of a deeper commitment in India.

However, the promotion of French culture in India takes the best of the numerous dedicated organizations. Indeed, France's cultural policy has always been strong, mostly because it is seen as a mean to enhance its "soft power". Indeed, cultural exchanges are seen as a mean to promote tourism and educational exchanges. Therefore, the Indo-French Cultural Exchange Programme (CEP) has been given an extended mission in 2013, notably to provide a deeper support to the French Institutes in India, such as the 16 Alliances Françaises, French Clubs, Institut Français, Maison de l'Inde... The 3-months long festival "Bonjour India" in 2013 comes from this will to show the French "cultural exception". The Latin country is extremely proud of its culture while Indian one is also perceived as strong through Bollywood cinema. Therefore, the two countries both share interest in fighting against the threats on their cultural identity. This partnership is consequently a mean to preserve it. A concrete realization of this common will was the commemoration of the centenary of the Indian cinema in the French world famous Cannes festival in 2013.

*The Indo-French Chamber of Commerce and Industry is the sole institute dedicated to foster business links between France and India, and only present in three cities. Moreover, its mission is limited to industry and trade.*

*But in spite of the efforts, the results remain very disappointing, as for the academic year 2011-2012, only 2550 Indian students came to France (French Embassy, 2013).*

But the development of cultural exchanges should not be hiding the flaws in terms of academic exchanges. France knows that India is undergoing a bottleneck in its educational system. Today, the number of graduates from its top schools is not sufficient to fill the high executive and engineering positions in the industrial sector, which thus suffers from an unexploited potential (E. Woerth, P. Giacobbi, 2012). Several agreements have thus been signed between universities, engineering and management schools, while the Educational Exchange Programme (EEP) includes the mutual recognition of degrees. But in spite of the efforts, the results remain very disappointing, as for the academic year 2011-2012, only 2550 Indian students came to France (French Embassy, 2013). In order to enhance these figures, the President Hollande fixed the objective to raise the number of Indian students in France by 50% in the coming five years. Concretely, he encouraged the facilitation of visas for Indian students and allowed an increased number of scholarships offered by the French administration.

To conclude, the French interest towards India is grounded in the perception of common features, and the possibility to realize synergies and mutual benefits in specific domains. The identified fields of cooperation are the result of a specific idea of India, its needs, its potential, and the possibility of gains. This has shaped the Strategic Partnership, which represents a great part of the bilateral relation today. Significantly, the constant attitude of French officials to come in India with a book sale in mind participated in building a customer-supplier relation.

However, if we reverse the viewpoint, the bilateral relation has been influenced to a large extent by the Indian idea of France. For instance, the partnership proposed by the President Chirac in 1998 was also aiming at developing a decentralized cooperation and the sustainable development. Both of these domains are either not Indian priority, either not matching with the political objectives of the government. Hence they constitute the weakest branches of the partnership. As of today, India sees France as an aging power willing to find new outlets to overcome the economic crisis. The French insistence in selling their Rafale aircrafts to India since 2008 comes as a symbol of it... Hence, the main difference between the French and Indian idea of each other is probably that the appeal is not reciprocal.





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