

Defence Planning in India

*Laxman Kumar Behera**

Although India's defence planning mechanism has evolved over the years, it is still inadequate with respect to prioritisation of precious resources, optimum force suture and creation of a strong domestic defence industrial base. Given India's complex security environment and massive expenditure on national defence, the planning mechanism needs to be strengthened by articulation of national security objectives and creation of Chief of Defence Staff (CDS). The CDS and its supporting structure, as argued by the Group of Ministers (GoM), would be in a better position to bring in necessary reforms which the present system is constrained to do.

Introduction

Planning for a country's defence assumes significance on account of various factors. The first and foremost is the uncertainty of threats that have to be factored in the planning process. With the changing nature of security threats, a little margin of

error in predicting or pinpointing threats and a lack of prompt action thereof by concerned agencies can create havoc to national security. The second factor is related to the huge cost of maintaining defence. Given the alternative uses of scarce resources, over-use of national resources for military purpose crowds out precious funds for developmental needs of the economy and may prove counter productive in the long term. Considering the fact that investments on defence are significant in size and often long-term in nature, commitments made in a particular year would have cost implications, in terms of maintaining and supporting, in many years to come.

is linked with rapid obsolescence of military technologies in the backdrop of revolutionary transformation of military science, leading to faster obsolescence of weapon and equipment systems available with

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the armed forces. This in turn requires constant technical upgradation of assets which have cost implications also. The fourth factor is related to development of new technologies in-house. Since there exists a considerable amount of time lag in developing new technologies or products, the planning process becomes more important to streamline the indigenous defence research and development (R&D) and manufacturing efforts. This requires synergy between R&D agencies, production agencies and the users so as to make available the new products to the Armed Forces in time.

In the above background, the paper examines India's defence planning mechanism, in term of its evolution, and weakness that hinder prioritisation of precious resources, optimum force structure and progress of domestic defence industry.

Evolution of India' Defence Planning Structure

Post-Chinese aggression in 1962, India felt the acute need for systematic defence planning. Consequently a defence Planning Cell was created within the MoD, which undertook the task of formulating the defence five year plan and thus the first plan was prepared for the period 1964-69. However the Plan "was not based on long term requirements nor did it have the assurance of resources to support it."

¹ In addition, the performance of the Cell was later found to be "insufficient and unsatisfactory". These factors led to major changes in seventies and eighties. In 1974, an Apex Group was established under then Planning Minister, in an effort to bring defence planning within the broader purview of the national planning.² In 1977, the government set up a Committee for Defence Planning (CDP) under the Cabinet Secretary, with the other members being the Principal Secretary to PM, Defence Secretary, Secretary Defence Production and Supplies, Secretary R&D, Finance Secretary, Secretary Planning Commission, Secretary (R) in the Cabinet Secretariat and the three Service Chiefs. The Committee was tasked to allocate resources among the Services and "undertake regular assessments relevant to defence planning in the light of all factors having a bearing on national security and defence."³

In addition to the CDP, planning units were also set up within the three services and in the Department of Defence Production (DDP) and Defence Research and Development Organisation (DRDO). To coordinate among all these agencies, a Planning and Coordination Cell was set up in the Defence Ministry, under the Defence Secretary. The utility of the Cell was however proved to be limited as its function was found to be restricted to 'compilation of different requirements [of various agencies] without any analysis.'

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To overcome the above lacuna, a new set up was created in the form of Directorate General of Defence Planning Staff (DGDPS) in 1986, under the Chiefs of Staff Committee (COSC). The new agency, which drew officials from the Services, Ministries of External Affairs and Finance, DRDO and MoD, was mandated to perform the following functions:

- a. Threat analysis and formulation of threat assessments for various time frames;
- b. Evolution military aims;
- c. Evolution of concept of combined operations;
- d. Conception of and recommendations regarding balanced force levels to achieve military aims;
- e. Carrying out joint training and joint logistic management;
- f. Co-ordinating perspective planning for 15/20 years period; and
- g. Close interaction with R&D, Defence Production, Industry and Finance.

DGDPS's multi-disciplinary nature and large mandate notwithstanding, the agency suffered primarily from two accounts. First, the organisation did not receive "due importance" that it merited for its effective functioning. In six years during the first decade of its existence, the agency had six DGs. Commenting on this, the Parliamentary Standing Committee on Defence in 1996 noted: "the frequent changes at the Director General level do not augur well and makes it well nigh impossible for the Directorate to provide coherent and coordinated assessment for perspective planning, achieve positive results and generate the desired level of involvement in the planning process." Second, the organisation was constrained to make any meaningful contribution due to several factors, which are best captured by the Report of the Group of Ministers (GoM) on *Reforming the National Security System*. The Chapter VI of the GoM Report - Management of Defence - which discusses, among others, then defence planning system noted:

The defence planning process is greatly handicapped by the absence of a national security doctrine, and commitment of funds beyond the financial year. It also suffers from a lack of inter-Service prioritization, as well as the requisite flexibility. It is of prime importance that the process is optimally managed to produce the most effective force structure based on a carefully worked out long term plan, in the most cost effective manner.⁴

In the light of above, the GoM recommended a host of measures, the most important being the induction of Chief of Defence Staff (CDS) and Vice Chief of Defence Staff

(VCDS). The GoM was of the firm opinion that the CDS and its supporting structures would be in a position to:

Prepare a holistic integrated defence perspective plan for 15-20 years through rigorous process of Inter-Service prioritisation. The Five Years Defence Plans by the Services should be prepared on the basis of the LTDPP [Long Term Defence Perspective Plan]. These are to be followed up by analysis and preparations of the Joint Services Plan by the VCDS, which may be finalised through consultation between the CDS and Defence Secretary. The Defence Planning Process incorporating the long term defence plan, 5 year plan and annual budget should be revised at the earliest⁵

Acting upon the recommendations of the GoM, the government in 2001 created the Head Quarters Integrated Defence Staff (HQ IDS), under the Chief of Integrated Defence Staff to the Chairman, Chiefs of Staff Committee (CISC). As regards planning, HQ IDS is entrusted with the task of formulating 15 years Long Term Integrated Perspective Plan (LTIPP) and Five Year Plan.

While the structure and procedures are well laid out, the question arises as to how much the new structure fulfils the objectives as laid out by the GoM. In the following some of the deficiencies are noted.

National Security Objectives and Defence Planning

India is perhaps the only major power in the world where the defence planning is not formally linked with national security objectives. This has been pointed out by the GoM as a major handicap in the system.

In contrast to India, developed countries like the US, the UK, and France have well-calibrated national security objectives, flowing, in some cases like in France, from the highest political authorities, delineating the nature of threats, both internal and external, military capability and financial resources required to counter such threats. The advantage of having such national doctrines lies in its acceptability by various stakeholders responsible for a nations' security and its commitment with regard to resources required for security. The objectives make sure that defence planning is a subset of the national objectives and in a way directs the defence establishment to muster its capability to achieve those objectives. From the financial angle, the policy document guarantees resources over a period to attain those capabilities. Otherwise, directions without commitments loose its sanctity. This

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is why the GoM emphasised that the Finance Ministry needs to “give a firm indication of the availability of financial resources, for the period of 5 years, at least 6 months before the commencement of the ensuing Five Year Plan.”

In the absence of a compressive document delineating the national security objective, the HQ IDS has however made a modest attempt recently to prepare security and defence strategy document, named Draft National Security Strategy, which has been forwarded to the National Security Adviser.⁶ Besides, the IDS has also formulated or is in the process of formulating, a host of other documents such as Defence Planning Guidelines, Long-Term

Perspective Plan, Defence Capability Strategy and Defence Capability Plan, among others.⁷ However, how far these documents enjoy the sanctity is an open question. As discussed subsequently, some of the documents, especially the five year plans are constrained to get approval of other concerned agencies, as they are not obliged to do so due to lack of clear guideline from higher authorities.

Approval of Plan Documents: Delays and Differences

Long-term Perspective Plan and 5-year Defence Capability Plan are two vital documents for the armed forces. These documents are therefore required to be prepared with rigour and approved in right time by concerned authorities, to facilitate budget formulation, timely acquisition and industrial preparedness, among others. However, as pointed out by successive Reports of the Standing Committee on Defence, these vital documents lack the desired rigour, often prepared after the commencement of plan period and are not approved by the concerned agencies. The first ever long term integrated perspective plan (LTIPP) covering the period 2002-17 was revised mid-way (to cover the period 2007-22) due to lack of comprehension of the “likely availability of funds... and shift from equipment based approach to capacity based approach.”⁸ Although, the revised plan was prepared subsequently, it was not approved by the Defence Acquisition Council - the highest decision making body of the MoD - before the commencement of the plan period.

The delay in the approval of Plan documents is more visible in the side of Five year plan. The most recent five year plan document, i.e., the 11th Defence Five Year Plan, covering the period 2007-12 was although finalized in time by the MoD it is yet to be approved by the Ministry of Finance. The earlier plan documents, 7th to 10th to be precise, also faced similar fate. Commenting on this, a former Secretary, Ministry of Defence, termed it “something that is neither desirable nor justifiable.”⁹

The primary reason for delay in finalisation of plan by the MoD and Ministry of Finance (MoF) is largely due to weaknesses in the existing financial system and the manner in which the five year plans are prepared. Under the existing financial system, which does not commit assured flow of resources to defence on a long term basis, the MoF is bound to allocate resources on annual basis where as the defence plan requirements are based on five year projections. Given the resource constraints, uncertainty about availability of resources in future and competing demands from other sectors, it becomes difficult on the part of the MoF to give its stamp of approval with regard to financial commitments to the MoD for the ensuing five years. The problem becomes more acute when MoD's five year financial projection exceeds the comfort zone of MoF. Although, there is a mechanism to arrive at an amount agreeable to both, it rarely works to the satisfaction of both. In fact, the difference remains so wide that it sometimes takes the personal interventions of the Prime Minister, the Finance Minister besides the Defence Minister.¹⁰

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If the MoF is partly responsible for delay in finalisation of Plan, the content of plan document is also equally responsible. According to some, the five year plans are the aggregates of "statistical projections" based on "current level of expenditure escalated marginally" and "itemised list of likely purchases by the three Services"¹¹ There is no reference to any well-defined military programmes clearly linked with specific military objectives, which could be so convincing for MoF to agree to MoD's resource demands. This in some way indicates the inherent weakness within the existing planning set up.

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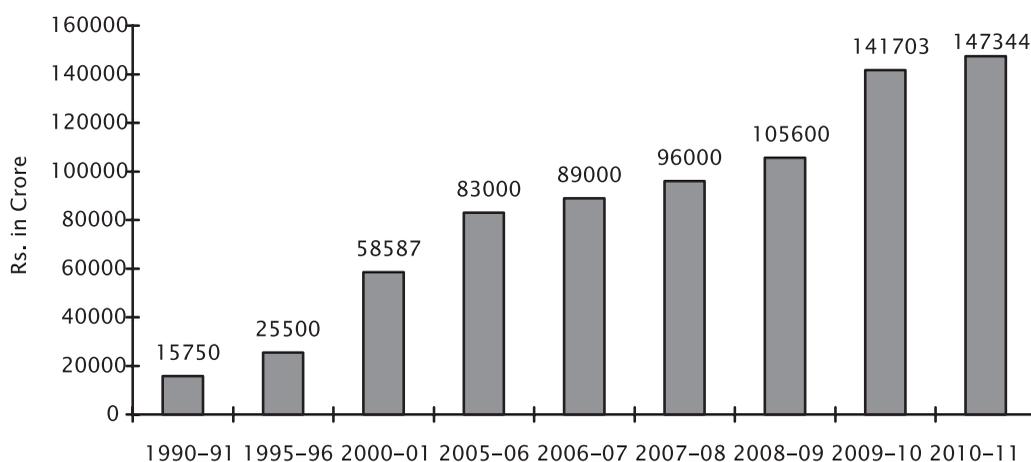
Prioritisation of Resources

Resources are never adequate. The US, the biggest military spender in the world with a budget over US \$ 700 billion still finds resources inadequate to meet all its military requirements, forcing the policy makers to either abandon or rationalize many a military projects. India being a developing country, with huge social and developmental needs, faces competing resources demands from various sectors, be it health, education or basic

infrastructure, among others. In the light of this, optimization of resources assumes greater significance. It is noteworthy that allocation of resources for defence has increased significantly over the last two decades, reaching a whopping Rs. 1,47,344 crore in 2010-11 (see Figure).

Considering the facts that defence accounts for over one-sevenths of total central government expenditure, the question is whether the resources made available to defence are being used optimally. The GoM pointed out, “optimal utilisation of resources can not be achieved unless greater emphasis and attention is given to the process of budget formulation and implementation, including forecasting, monitoring and control.”¹² The GoM though did not make any direct reference of optimisation to the Planning, it did however indicated that budgetary aspects would flow, after the creation of CDS, from long and medium perspective plans through a “rigorous process of Inter-Service and Intra-Service prioritisation.”

Figure: India’s Defence budget, 1990-91 to 2010-11



Source: Ministry of Defence, Government of India, *Defence Services Estimates* (relevant years).

“The current modality for such an exercise [of prioritisation] does not exist, because no Service Chief will brook any further curtailment of his requirement list by HQ IDS.”¹³

Pending the decision of setting up CDS, HQ IDS though has undertaken the exercise of formulating various plan documents, defence analysts are critical about the “rigorousness” of such exercises. They argue that the IDS is not empowered enough vis-à-vis Services to bring any meaningful prioritisation into the planning process. As a former Naval Chief says, “the current modality for such an exercise [of prioritisation] does not exist, because no Service Chief will brook any further curtailment of his requirement list by HQ IDS.”¹³ In the absence of prioritisation, he says the force planning is

undertaken by “merely adding up ‘wish lists’ of the three Services”. He further adds “there is rarely a meaningful debate amongst the informed professional (the Armed Forces) because of the unstated understanding amongst the Chiefs that ‘if you don’t interfere with my plans, I’ll not comment on yours.’”¹⁴

Focus on Self-Reliance

While defence planning mainly deals with equipping the Armed Forces in the best possible manner, the planning process can not overlook the aspect of self-reliance. This is more so keeping in view the enormous cost involved in buying weapons and systems from abroad and supporting them through its life span, and the denial regime affecting the capability of Armed Forces. In other words, the focus on self-reliance through in-house development, production and life-time support needs to be imbibed in the planning culture. This in turn requires long-term planning, advance information to and synergy with R&D and production enterprises. The absence of these in planning are evident from low self-reliance index (of around 30-35 per cent), although India has long cherished to attain a minimum 70 per cent self-reliance in defence production. Considering that the Indian industry, especially that in the private sector, has shown tremendous progress, the planning process has to ensure that the industry’s view and capability are well reflected in defence planning process.

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Capability Planning: Concept of PPBS

In the face of resource constraints and changing nature of threats, some of the countries, have moved toward the concept of Planning-Programming-Budgeting System (PPBS). The PPBS which was first introduced in the US Defence during McNamara’s tenure as Secretary of Defence has although undergone some changes, yet the principle has still remained intact. The advantage of PPBS as a defence planning tool is its facilitation of

Decision making, based on explicit criteria related to the national interest in defence programmes as opposed to decision making by compromise among various institutional and parochial interest. PPBS also emphasises the consideration of real alternatives, the importance of evaluating needs and costs together, the need for a multiyear force and financial plan, the regular use of an analytical staff as an aid to decision makers at the top level, and the importance of making analyses open and explicit.¹⁵

The manner in which McNamara’s team used PPBS in defence planning is extremely useful in the Indian context if it is practiced in true letter and spirit. The five year defence plan, prepared by McNamara’s team was focussed simultaneously on

the force projection along with the cost projection. This way, the team members were able to provide “a series of force tables”, carrying “force, cost and manpower information from ... a recorded past as well as projected future.”¹⁶ In contrast, in India, the five year plans are incremental in nature, based on equipment requirements of the each of services, without any meaningful consideration of the cost of various alternatives available for meeting the same objective.

Conclusion

Given India’ complex security environment and the volume of expenditure on national defence, the country can least afford to have a strong defence planning mechanism. The present system, which has evolved over the years, is still

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insufficient to cater to the rigour necessary for the planning purpose. Among other weakness, the defence planning continues to suffer in the absence of the national security objectives, which needs to be articulated, as done in several advanced countries, by the higher political authority.

Although, the HQ IDS has been created to perform, *inter alia*, the planning task, the body in its current form is not empowered to perform its function optimally. Considering that a strong planning has

many advantages, in terms of savings by way of rigours prioritisation of resources, optimal force structure and push for domestic defence industrialisation, the IDS needs to be strengthened. This would only be possible if the recommendation of the GoM, which suggested creation of CDS and VCDS, are given due importance and IDS be upgraded suitably.

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Notes:

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- 3 Standing Committee on Defence (1995-96), 10th Lok Sabha, “Defence Policy, Planning and Management”, 6th Report, Lok Sabha Secretariat, New Delhi, p.14.
- 4 “Reforming the National Security System”, Recommendations of the Group of Ministers, February 2001, p. 98.
- 5 Ibid
- 6 Ministry of Defence, Government of India, *Annual Report 2007-08*, p.9.
- 7 Ministry of Defence, Government of India, *Annual Report 2008-09*, p.13; and *Annual Report 2009-10*, p.14.
- 8 Standing Committee on Defence (2006-07), Ministry of Defence, 14th Lok Sabha, *Demands for Grants 2007-08*, 16th Report, Lok Sabha Secretariat, New Delhi, p.30.

- 9 Amiya Kumar Ghosh, *Defence budgeting and planning in India: The way forward*, (New Delhi: Knowledge World, 2006), p.224.
- 10 Standing Committee on Defence (2007-08), Ministry of Defence, 14th Lok Sabha, *Demands for Grants 2008-09*, 29th Report, Lok Sabha Secretariat, New Delhi, p.21.
- 11 Amiya Kumar Ghosh, *Defence budgeting and planning in India: The way forward*, (New Delhi: Knowledge World, 2006), Pp.225-226.
- 12 "Reforming the National Security System", Recommendations of the Group of Ministers, February 2001, p. 108.
- 13 Arun Prakash, "India's higher Defence Organisation: Implications for National Security and Jointness", *Journal of Defence Studies*, Vol. 1, No. 1, August 2007, p.28.
- 14 Ibid, Pp.28-29.
- 15 Alain C. Enthoven and K. Wayne Smith, *How Much is Enough? Shaping the Defence Program 1961-1969*, RAND Corporation, p.47
- 16 Ibid, p.48.