

Challenges in Defence Planning

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Abstract

Among the various functions of a government, defence planning is perhaps the most complex. There is need to assess the international security environment, identify threats and opportunities, the domestic situation, technologies and resources available, current capabilities, etc. It has also to take into reckoning the historical and cultural ethos of the people. India has adopted the British pattern of defence administration but defence planning has not been streamlined so as to integrate civil and military elements. The complex nature of our governance has inhibited the process of bringing in radical systemic changes. Defence procurement too is an area which has not received its due attention. This has led to lost opportunities and lower operational capabilities. There is also a need to strike a balance between the required level of confidentiality and internal transparency in planning for national defence.

Defence planning is essentially a subset of overall national level planning in the political, economic and social spheres and has to be evolved in the context of global and proximate factors affecting the nation. . It has also to take into account the philosophy and ethos animating the national psyche; in other words the historical and cultural forces which have shaped the collective memory and outlook of the people over the centuries.

The Cold War, was a classic example of the factors stated above. There were fundamental philosophical differences between the adversaries – the western bloc, advocating the virtues of free enterprise and its own interpretations of democracy, and the Soviet bloc, equally strongly asserting the merits of the socialist system as the only one genuinely meeting democratic aspirations and assuring social equality and economic well-being of the people as a whole, rather than for a few. Fifty years of the Cold War could not conclude the capitalism-socialism debate, though, in

the end, it did push the socialist forces into, perhaps temporary, retreat. This was because the struggle was really for power and domination. "The evil empire" of Ronald Reagan's description may have withered away, but the necessity for the US to target the so called "rogue states" has not disappeared.

Many examples can be found of philosophical differences leading to stand-offs, usually with the USA as one of the parties. The USA-Cuba divide is a long-standing one. USA-Venezuela stand-off is just developing and resonating in other Latin American countries. Sometimes the differences are couched in the language of anticipated threats, such as in US-North Korea, or US-Iran relations. The true reasons and underlying causes are buried in verbiage and obfuscation. A more serious rift has developed over the selective and poorly conceptualised US war on terrorism, launched for spurious reasons in Iraq, when the real source of terror was elsewhere and far more complex. Differing religious beliefs and rigidities are often cited as causes but do not sufficiently explain conflicts within the same religion, as between Protestants and Catholics in Northern Ireland or the Shias and Sunnis in Iraq and elsewhere.

Planning for the security and defence of a vast country like India with its particular geographic location, historical experiences and associations, social, ethnic, religious and cultural diversity, political and economic structure and a large, relatively poor, democratically governed population, is a complex and challenging task. It is rendered more so in the context of the national and international situation in the last sixty years or so, embracing post-World War II de-colonisation, partition, the creation of Pakistan and later Bangladesh, conflicts with Pakistan and China, the Cold War and its aftermath, the disintegration of the Soviet Union, the re-definition of NATO's role, and of most recent and decisive significance, the September 11, 2001 terror attack on the United States mainland. This last factor is significant because it resulted in a major re-orientation in US foreign policy

Strategic Overview

Planning for defence pre-supposes identification of threats and contingencies. Until about five years ago, the strategic situation for India was difficult but relatively clear. Pakistan was a definite threat, conventional, clandestine and nuclear. China was a strategically reducing threat, though

its international power, influence and economy were growing. Uncertainties in Bangladesh and Nepal required us to be vigilant for fall-out effects. There were problems in the north-east of insurgent groups exploiting the ethnic ties and jungles in Myanmar, and the destabilising spill-over effects of the activities of the Liberation Tigers for Tamil Eelam (LTTE) in Sri Lanka.

The presence in our proximate waters, of non-littoral naval forces in substantial numbers, such as those of the US, which has been traditionally supportive of Pakistan, had to be taken cognisance of. Also the fact that warfare at sea, because of its distinctive characteristics of rapidity of concentration and dispersal of forces, mobility, flexibility and speed of execution, requires a different, longer term approach to threat assessment.

Strategically the global situation is now evolving in a manner less inimical to India's interests than in the preceding fifty years. Yet the end of the Cold War did not see any easing of pressures on India. On the contrary, economic sanctions and technology denials were increased so as to coerce India to conform to norms of international behaviour prescribed by dominant world powers, led by the US and the European Union on the one hand and China on the other. The reason was the desire of the P-5, the five permanent members of the UN Security Council, who are also the N-5, the self-certified nuclear powers, to preserve their monopoly power status in the face of India's challenge through the nuclear tests of 1998.

Yet, the re-evaluation of foreign policies by leading powers set off by the September 11, 2001 terrorist attack on the USA, has initiated processes that are, by and large, beneficial to India. An indication of this is the US declaration of seeing India as a strategic partner for the 21st century, and its efforts to legislate exceptions to its domestic laws to allow supply of nuclear materials for peaceful civilian use to India by the cartel operated by the Nuclear Suppliers Group (NSG).

Nearer home, the pathological hostility of the Pakistanis establishment towards India is rooted in its quest for a national identity, which no novel interpretations, distortions or reinventions of sub-continental history seem able to provide. It will be a long time before there can be normal relations with Pakistan because they are influenced more by the internal contradictions and dynamics of the Pakistani state rather than considerations of mutual benefits through good relations. Since the Pakistan army is the self-appointed guardian of the undefined "ideology

of Pakistan”, normalcy will come when the Army decides it should be so; or the cost-benefit equation alters.¹

With China, there is perceptible progress on resolving disputes and fostering economic and cultural relations. As for Nepal, Bangladesh, Myanmar and Sri Lanka, there is no significant positive change, and because of shared borders, internal problems in those countries will continue to spill over into India. Instability in Afghanistan remains a cause of concern, especially because of Pakistan’s dubious role, and this will have its impact on the pursuit of India’s energy and strategic interests in Central Asia.

Non-littoral naval forces in significant numbers are still present in the Indian Ocean, but there is no coercive or inimical intent as in the past. Indeed, the Indian Navy holds regular friendly exercises with them on a routine basis. China’s long term plans for a naval presence in the region have to be taken note of. There are ample signs of Chinese maritime interest, starting from building and operating communications facilities in Myanmar to financing and building Pakistan’s Gwadar Port on the Makran coast, collaboration in building warships for the Pakistan navy at Karachi shipyard, as well as port building in Sri Lanka. On the western rim of the Indian Ocean, China is vigorously pursuing options in Africa, underlined by the meeting of 49 heads of state/government in Beijing in early November this year.

National Objectives in the Long Term

Planning for defence has to be in the framework of national objectives over a period of decades ahead, even if these are not publicly articulated. USA does not hesitate to state its intention to remain the dominant global technological, space and military power for the foreseeable future and tailors strategic policies accordingly. China has, by its actions, investments and developments over the years, demonstrated that it intends to be at least the equal of the USA, though with “Chinese characteristics”. Pakistan makes no secret of its intention to be “different” from India, and to compete with and undermine India at every opportunity.

India too has shown in various ways that it intends to be in the forefront of nations in every sphere: economic, technological, industrial and human development. What about military capability? Does it wish to have only a

capacity to ward off aggression by land and sea? Or does it aspire to play a larger role in the region? If it emerges as the world's third or fourth largest economy in a few years, would a commensurate military role follow? Or are national objectives to be largely achieved by a combination of diplomacy and economic policies? If it aspires for a permanent seat in the UN Security Council, is it prepared for the increased diplomatic and military responsibilities attached? Many of these seemingly philosophical issues require to be debated to facilitate meaningful defence planning for the future.

Organisation for Defence Planning

Planning for defence involves almost all aspects of government, not only because of the extreme seriousness of the undertaking, but also because a long duration war will require marshalling the total resources of the nation. It can never be presumed that hostilities will always be of short duration, as there is a tendency to do so in the context of India-Pakistan conflicts. Many instances in history illustrate this, for example the US misadventure in Iraq. The US-led coalition forces were injected on the assumption of a quick victory, a warm welcome by Iraqi citizenry and a glorious return home for Christmas. They are still there nearly three years later, as also in Afghanistan, with no indications of an early resolution of the conflicts. Madeleine Albright, the former US Secretary of State has this to say about the US Iraq expedition: "We have damaged our reputation very badly. Iraq may turn out to be the greatest disaster in American foreign policy, which by its very nature means that it is worse than Vietnam."² In this context, it is worth recalling the words attributed to Frederick the Great: "No war is accidental or unintended. The only thing unintended is the bloodiness and duration of the conflict. Defeat too is unintended".³

No rational planning can be done on basis of a worst-case scenario. Apart from being illogical, it is unaffordable, and therefore unachievable. Rather, realistic defence planning requires a thorough and detailed analysis and evaluation of the security environment, threat perceptions, technological assessments, etc. and should result in an integrated defence plan. Such a plan should be linked to national capacity in the civil sector and integrate utilisation of resources such as road transport, civil aviation and technical manpower in a pre-determined manner for war.

British Example

Through almost four hundred years of wars and colonial expansion and contraction, the British learnt to restructure their fleets and armies as the situation demanded and finances allowed. This was not done at the cost of contingency planning and military effectiveness, as the rapid mobilisation at the time of the Falklands war in 1982 showed.

A major defence costs study, *Front Line First* was initiated in 1994, whereby the entire UK defence organisation was to be reorganised to effect economies, especially at headquarters, with maximum integration of civil and military staff at all levels, enhanced delegation of financial powers and simplification of procedures.⁴ Some of the conclusions of the Study could apply equally to Indian defence organisations:

- The Ministry of Defence Head Office and other headquarters at all levels were seen as being too large, too top heavy and too bureaucratic.
- The process of delegating responsibility to individual budgetholders was generally seen as the key to maximising efficiency. There were too many minor rules and regulations that were rigidly applied, and stood in the way of maximising value for money.
- There was a need for greater cost consciousness so that costs could be linked more explicitly to output.
- Rationalisation of command, training and support structures on a joint Service basis could increase operational effectiveness as well as offer savings. (Huge differences in the size of the three services and the sub-continental geographic spread would make this impractical in India).
- Changes were necessary in the culture of the Department, in simplification of working practices and in placing more weight on personal responsibility and accountability.

The possible savings envisaged according to the study were:⁵

- Equipment and Logistics- 51 per cent.
- Estate and Support Infrastructure – 14 per cent.
- Organisation and Management – 16 per cent.
- Personnel and Training – 19 per cent.

The reduction in Head Office personnel was to be drastic indeed, from 12,700 in 1990, to 5,200 in 1995 and finally to 3,750 by 1998.⁶

The report contains other interesting observations that have relevance for us:⁷

- There is no single body below the Ministerial level with authority and responsibility for the full range of the Department's policy activity and management. (One may ask whether this is feasible or even desirable).
- Align single Service Chief of Staff's responsibility as professional head, with financial responsibility and accountability.

The MoD in UK is a unique *integrated* organisation in the government, as it is both a Department of State, as well as the headquarters of the Armed Forces as a whole. The Study states: "The importance of preserving clear lines of functional responsibility to Ministers for the different aspects of the business remains. We do not believe that this requires parallel, separate, military or civilian hierarchies. It was encouraging that the study found little evidence of this in the existing structure".⁸ (Emphasis added).

United States Experience

Whereas the UK defence organisation has evolved over a considerable period in a measured way, the Defence structure in the United States in its present form is largely a post-World War II creation. Due to the preponderant role of the US armed forces during and after the war ("*military policy was foreign policy*")⁹, its emergence as a SuperPower with a global reach, the requirements of major wars (Korea and Vietnam), the Cold War, numerous smaller military involvements, and because of the possibility of nuclear war, the US defence organisation has become extraordinarily large and complex.

A further impetus for change and streamlining of the US, UK and other European defence organisations, was the creation of the North Atlantic Treaty Organisation (NATO) and the Warsaw Pact and the half-century long nuclear stand-off between the Western and the Soviet blocs. These changes were brought about by stark necessity and were *politically driven*, often in the teeth of opposition and even sabotage by the civil and military establishments. The fear of a pre-emptive nuclear attack without warning drove the adversaries to demonstrate an organisational capability

to retaliate instantaneously and overwhelmingly, and thus hope to deter the attack altogether.

Major organisational changes in the USA, such as the creation of a Joint Chiefs of Staff Committee (JCSC), and a national security set-up were initiated during President Truman's time in 1947. The last major reorganisation was in 1986 under the Goldwater-Nichols Act of 1986.¹⁰ Changes in UK followed, notably under Prime Minister Margaret Thatcher.

It should be remembered that fear of nuclear war was very real in the minds of national leaderships and military planners during the Cold War. Extremely complex and high cost weapon systems were developed and money had to be found by curtailing duplication and waste in the armed forces and in the civilian and military bureaucracies

Apart from operational considerations, the creation of the Joint Chiefs of Staff (JCS) in the USA and the CDS in the UK were felt to be necessary for budgetary reasons, to clarify lines of control and responsibility, and to facilitate legislative supervision. All democracies require that armed forces be firmly under civil direction and control, but there is also nagging fear that somehow they manage to evade legislative oversight. In mature democracies, these concerns are not necessarily about relative power, but about better financial management of the requirements of the state, and the apportioning of the budgetary pie. The aim is also to forestall military inspired adventures. Sometimes, however, it is the civilian political authority that goads the military into action, as the USA did in Iraq, despite sound advice to the contrary.

Delays, Cost Overruns and Failures

Despite the more evolved and refined systems of defence management in advanced countries, delays, cost overruns and plain failures of major weapons systems are not infrequent. Here is what the US Government Accountability Office has to say about the Pentagon's failure "to deliver high quality products in a timely and cost-efficient fashion", asserting that future national security is at risk as a result. It is "not unusual to see cost increases that add up to tens or hundreds of millions of dollars, schedule delays that add up to years and large and expensive programmes frequently re-baselined or even scrapped after years of failing to achieve promised capability". The GAO also criticised the lack of accountability in the

Department of Defence, and that the Pentagon “has never clearly specified who is accountable for what, invested responsibility for execution in any single individual, or even required programme leaders to stay until the job is done.”¹¹

The UK experience is much the same as far as major defence projects are concerned. For example, according to the National Audit Office major projects report, the current cost estimates for the three latest Astute class nuclear attack submarines (SSNs) has risen from UK Pounds 2.6 billion to UK Pounds 3.5 billion. The project has barely survived “cost overruns and schedule delays, arising from a combination of poor project management, an immature computer-aided design (CAD) tool and a haemorrhaging of skills and experience in the submarine industry”.¹²

Planning for a future submarine nuclear deterrent platform is also not very optimistic. Assuming the UK government takes a decision in 2006, the submarine is not likely to be delivered before 2024, which according to the UK Director General Nuclear and Controller of the Navy, Rear Admiral Andy Mathews, “sounds a long way off, but is actually quite a tight timescale for something like this”.¹³

If this is the fate of defence planning in mature and experienced countries such as in the UK and the USA, is it any surprise that our planning too is beset with inadequacies?

Situation in India

Effecting major organisational changes in the management of the armed forces has to be politically driven from a full understanding of the issues involved, the benefits to be derived, the efficiencies and savings to be achieved, without undermining operational effectiveness. A pre-condition has to be that the highest political executive be convinced of the necessity for change, has a hands-on familiarity with the management of defence issues in broad terms, and has the will, time, and organisational, legislative and people skills to see the changes through. Such conditions existed in varying degrees in the USA, UK and most European countries during and after the major wars, and urgency was provided by the people’s instinct for survival in the face of possible nuclear holocaust. In India, the necessary conditions for driving change are largely absent, despite the dysfunctional nature of the organisation for defence planning and endemic delays, cost overruns and failure to meet specifications.

Planning for defence is an extremely complex matter abounding in uncertainties. Since the state is dealing with future requirements, the success of research or design effort, availability of material resources or skilled personnel, capability of the builder, manufacturer or supplier, or even assurance of funding and stability of policy cannot be taken for granted. This is further complicated if foreign governments or manufacturers are involved, introducing uncertainties of licensing, sanctions, denial regimes, end-user issues and even unrelated matters such as diplomatic pressure. There are also the complications of offsets, sweeteners, kickbacks and disinformation/misinformation by competitors and interested parties.

Integrated Defence Planning

Whatever the complications, it would seem self-evident that comprehensive integrated planning for the defence of India would reduce duplication and waste, better utilise technical and manpower resources, make for more efficient and cost-effective procurement for the armed forces, and simplify their logistics management. This is of course easier said than done. The first difficulty is the vastly disproportionate size of the Indian army compared to the Navy and the Air Force, the nature of its operational role and its special equipment requirements, very little of which is common to the other two services. Until more common platforms such as the Advanced Light Helicopter (ALH) and the Light Combat Aircraft (LCA) enter service, shared logistics will remain restricted to basic items such as ammunition, transport vehicles, rations, medical supplies and the like. Some commonality also exists in indigenously developed missiles, UAVs, radars, communications equipment etc, but the list could be expanded.

Nevertheless, there is a modest degree of integration in the Indian armed forces, starting with the common training of officer cadets at the National Defence Academy which began in January 1949 long before the concept gained favour with leading military powers. The Indian armed forces have been moving towards integration at the higher levels of the defence organisation too with deliberation, within the limitations of the security environment, the infirmities of the political system, the shortcomings of bureaucracy and the doubts within the military establishment itself.

The Service Headquarters are now styled as the Integrated

Headquarters, Ministry of Defence (Army/Navy/Air Force) as the case may be, and there is limited integration of civil and military staffs on a functional basis. There is also more devolution of financial powers, the positive effect of which is discernible even at the unit level. However, despite strenuous efforts and comprehensive recommendations by a “Group of Ministers”,¹⁴ the nettle that is yet to be grasped is that of the Higher Defence Organisation at the level of the Defence Minister, the Chief of Defence Staff (CDS) and his charter and responsibilities, and the reorganisation of the Departments of Defence, Defence Production and Research and Development.

No integrated staff can function effectively unless there is a common professional superior, and none exists. All joint planning and proposals routed through the Chiefs of Staff Committee (COSC), are agreed to (or shelved) on the basis of consensus and promulgated under the authority of the rotational Chairman, COSC. Consensus is not a bad thing; it causes less frictions and has a greater chance of succeeding. But it is critically dependent on the co-operative relationship between the services, mutual accommodation, goodwill, personalities of the three Chiefs, their interpretations of parochial service interests and willingness to moderate them for common objectives. Instances are known of a single service secretly processing cases that have implications for the other two, in cooperation with some civil servants for their own ends, and together, misleading the minister. Naturally, trust is the biggest casualty, with not only administrative but operational implications.

Since budgets are always tight, no consensus is possible on the equipment plans of the three services if it entails sacrificing a major service project. Budgetary proposals are, therefore, merely aggregations of each service requirements, and no matter how justified, result only in separate rough and ready budgetary provision for the Army, Navy and the Air force in the national budget. This by no means implies authority to spend the amounts on the proposals submitted, which have to be again justified individually up the tortuous chain for approval by the “competent authority”, whosoever that might be in a given case. Delays and shortfalls are in-built into the system and seem to worry only the military that has to live with the consequences in terms of diminished operational capability or personnel hardship and morale.

Another major deficiency is that the Department of Defence under the Defence Secretary, who is the *de-facto* Chief Staff Officer to the Defence

Minister¹⁵, does not participate in any meaningful way in formulating and developing the proposals received from the armed forces before they are moved for financial and executive approval, preferring instead to “examine” them for ministerial endorsement, often without being technically or professionally equipped to do so.¹⁶ Because of the staffing pattern, its competence lies in procedural matters, but as “examiner”, it feels obliged to raise numerous, supposedly searching queries that are often based on superficial information.

Chief of the Defence Staff (CDS)

The creation of a Chief of Defence Staff will not solve the problems associated with the defence planning process without a complete overhaul of the Ministry of Defence organization. Here the UK experience is directly relevant in conceptual terms but will differ greatly in detailed execution. The Minister, termed Secretary of State for Defence in UK parlance, presides over a ministry and armed forces, integrated on a functional basis at all levels. Thus, a largely military office could have several civilian officers; a largely civilian office could have military representatives. These would work through their respective chains, largely civilian or largely military. At the top, the CDS and the Permanent Under Secretary (PUS), a civil servant, “neither of whom is subordinate to the other”, are the Principal Advisers to the Secretary of State for their respective areas of responsibility. The services Chiefs offer their *collective advice* to the CDS in the forum of the Chiefs of Staff Committee. All four senior military officers have direct independent access to the Secretary of State and the Prime Minister.¹⁷

The functional integration of the Indian Ministry of Defence requires parliamentary legislation and a competent minister to oversee the implementation over a period of years. There have undoubtedly been some strong ministers in the past with sound grasp of administrative issues and the political clout to force through the desired change. But these have been rare, and, in the present era of coalition politics with a paucity of talent in individual political parties, it is somewhat unlikely that such a minister can be found for the requisite duration, assuming that the government lasts its term.

There is another more important consideration. A fundamental change of the type being contemplated has to be driven by a Prime Minister committed to the change and who understands its implications and

consequences and is confident and capable of directing and controlling the process. Assuming such a Prime Minister is equipped to do all this, he must have the time for personal involvement to see the change through as it takes place.

Heads of government in the UK or the USA are not beset by daily severe domestic crises, and can devote substantial portion of their day to foreign or military affairs, which, given the global nature of their involvement, are closely intertwined. Rare is the day when the Indian Prime Minister is not rushing to put out political fires lit by “allies” or opponents. The author once asked Prime Minister, PV Narasimha Rao, how much time he could actually devote to his job of perspective planning for the nation and its vital international diplomatic, security and economic concerns. He replied without hesitation, “Not even twenty percent”.¹⁸ Nothing more was asked or said; the Babri Masjid demolition was two days away, and thousands of men carrying so-called consecrated bricks were on the march through the roads, villages and towns of northern India towards Ayodhya.

Defence Procurement

The armed forces procure stores, equipment, weapons and systems costing billions of rupees every year after a labyrinthine process of proposals and approvals. As the experience in most other countries indicates, there are factors, which make it difficult to streamline the process. We need to import most of our defence equipment, as India does not yet possess all the advanced technologies required for modern military hardware. The navy has achieved the maximum indigenisation through its shipbuilding programmes but still has to import major weapon systems and vessels, especially submarines, from abroad or seek collaborations. Until recently, this was complicated by US and western sanctions against India that restricted the transfer of numerous technologies.

Defence procurement is the area where maximum delay is caused by our tortuous bureaucratic and financial procedures and lack of accountability and internal transparency. It is also hamstrung by allegations of corruption and resultant political paralysis. The case of the Bofors guns and the HDW (SSK) German submarines are well known and the truth is still to be made public.¹⁹ But while the political charades go on, the armed forces are deprived of capability build up and go into conflict without

having the weapons and wherewithal, no heads roll, and no one is arraigned for any gross impropriety or crime.

The HDW SSK submarine project was to set India on the path of indigenous design capability and enable their building in India with increasingly locally manufactured equipment. Two submarines were built in Germany and two at Mazagon Docks in Mumbai — the last some ten years ago — after which the project ground to a halt because some persons were alleged to have taken bribes. The political attacks and scandal that followed ensured that no government would bite that particular bullet. Meanwhile, the HDW has changed hands several times, and at one time was owned by an American bank as a speculative investment.

Interestingly, South Korea started building similar HDW SSK type 209 submarines about the same time as India did. While our programme has floundered, the Koreans built nine of these boats and have launched the much-improved follow-on type 214 on June 6, 2006. Nine of these will be built, for a total of eighteen.²⁰ Korea is no stranger to corruption and political scandals, yet defence capability build up has not been compromised.

We have now turned to the French, who have so far been supplying the Daphne and Agosta class submarines to Pakistan. The plan is to build the Scorpene class in India. No sooner plans are announced, scandals erupt about alleged dubious and shady deals. Even if the project gets going, it will be five years or more before the first Scorpene enters service. What happens to India's deteriorating submarine capability and operational readiness in the event of war? Who is the person or persons whom the nation will call to account for putting India's security in jeopardy? The country bears an enormous cost for controversies over corruption in terms of opportunity lost and diminished defence capability.

Transparency and Confidentiality

There is need for confidentiality, even secrecy, in defence procurement for reasons of security, price negotiations and vendor competitiveness. But certainly there should be *internal* transparency in the procurement process, in the formulations of proposals, their processing, recommendations at various stages and financial and political decisions. Some of this will automatically come about if an integrated defence organisation is created since much of the *procedural opacity* is in fact located in the Department

of Defence and the Ministry of Finance where the political inputs are injected.

Political interventions in the national interest can be entirely legitimate if they are in consideration of vital economic, security or diplomatic issues. They are wholly improper if they are to further political party or personal interests, as has too often been the case. Transparency is a goal earnestly to be wished for but it is futile to talk of overall transparency unless there is honesty in the political system. This would appear to be a bleak prospect if former Cabinet Secretary TSR Subramanian is right. He says: "In my four decades of public service I have come across thousands of politicians... I have worked closely with hundreds of them in one context or another. I am saddened to say that I have come across only a handful of honest politicians." He is unsparing too of his own tribe, the civil servants and succinctly articulates the reasons for the collapse of the "the steel frame"-the Indian Civil Services.²¹

Importing equipment from abroad has long-term implications for supplier reliability, costs, etc. Increasingly, as a consequence of business restructuring in Europe, companies get taken over by others, perhaps from another country or even continent, with ensuing business complications. Add to this, arbitrary restrictions on spares or support placed under NATO or US stipulations that effectively render the equipment unserviceable over time. We have experienced this with several major systems. It is for such reasons that India has hesitated to procure US equipment and Venezuela, for example, is turning to Russia and China for its defence requirements.²² Moreover, hardly any country in Europe has sovereign ownership of its firms, only majority holdings, though the French try to retain substantial control over companies such as Thales and EADS. Most firms are part owned by other firms from other European countries. This is fine for buyers from the EU, NATO and western allies but has serious implications for assured supply of spares for a country like India, and also because equipment life cycles are of 15 to 20 years.

It would seem logical from several points of view to manufacture and build within India to the maximum extent. In this we should follow the Russian or Chinese model rather than be beguiled into thinking that we will have ready access to western equipment sources for the asking, despite their friendlier stance in the changed environment led by US initiatives. Besides, with their higher costs, there is always the question of affordability.

Our past experience of sanctions and denial regimes under the NPT, MTCR and other such stipulations should always be kept in mind. There have been instances of even manufacturers in India — subsidiaries of foreign firms— selling equipment to the private sector but refusing to supply to the Indian defence forces under directions from their home country.

Even between western NATO allies the technology transfer relationship is not without pitfalls, and many US weapon systems are denied, even to close allies such as the UK. The policy of “buy American” and export restrictions insisted upon from time to time by the US Congress, as much due to vote bank considerations as for safeguarding technology, strains even the US-EU arms relationship. India would do well to temper its expectations on technology transfer from the USA, Europe or any other foreign source for that matter.

Public-Private Partnership

With the maturing of technology in the private sector in India, the prospects of Public-Private partnership have greatly improved. Warships being built in India are a very good example of this carefully nurtured relationship over a period of nearly 40 years. But the growing demand for privatization of Public Sector Undertakings (PSUs), should be cautiously handled in the case of strategic PSUs. Vitriolic criticism in the media of defence PSUs and the Defence Research and Development Organisation (DRDO) from an imperfect understanding of the totality of issues involved, including the historical context, ill serves India’s interests for self-reliance in defence technology and weaponry.²³ It is vital for India to retain control over strategic PSUs as our private industry is not evolved, diversified and mature enough to handle the kind of turmoil caused by takeovers in the European pattern. We should rather consider the French model where the state continues to substantially own the asset, while granting it functional freedom. French defence firms like Thales and EADS, are some of the largest, most high-tech and competitive in the world, while being substantially state-owned.

The emerging pattern in European defence industrial structure has another uncertainty. Can we be certain that the European Union will exist in the future? It too can disintegrate like the Soviet Union or Yugoslavia if major differences arise over, for example, the admission of Turkey or some other emotive issue, or the differing visions of powerful, charismatic national

leaders. History has witnessed this over and over again. The eastward expansion of NATO and its newly conceptualised global role could provoke strategic reassessment and political retaliation from an already resentful and economically recuperating Russia that is still trying to overcome the trauma of the disintegration of the Soviet Union.

The re-assertion of national sovereignty over the defence industry in a fractured European environment will be messy indeed, and foreign customers will be the biggest sufferers. India has already experienced this in the dissolution of the Soviet Union when many manufactures located in Ukraine, Belorussia, Latvia, etc., went their separate ways, leaving the Indian armed forces high and dry for necessary spares and support. Even the re-unification of Germany disrupted supplies from East German firms that were closed down.

Conclusion

Planning for defence is one of the most complex functions of a government. It begins with an appreciation of the international security environment, the global political, social, economic and military forces at work, and takes into account long-term national and security objectives and economic factors.

We have adopted the British pattern of defence administration but have not carried it to its logical conclusion of a streamlined, functional organization, integrating civilian and military elements. The nature of the Indian state and system of governance make it difficult to make radical changes. The creation of the post of the CDS is a case in point and is unlikely to come about until the Prime Minister is freed from domestic crisis management and can be more directly involved in supervising defence through a competent minister and functionally integrated ministry.

India with its size, economy and technological competencies, should design, develop and build most of its defence requirements within the country. Production assets should be substantially state-owned, but meaningful private-public partnership should also be energetically encouraged. Reliance on foreign suppliers should be greatly reduced in a deliberate, phased manner.

Defence procurement is beset with delays, high costs and dubious transactions rooted in the political process. These result in lost opportunities

and lowered operational capabilities, yet no one is held to account and the public seldom gets to know the truth. In the absence of political probity, expecting transparency in the process of defence procurement appears to be optimistic. Nevertheless, apart from required confidentiality, internal transparency at staff and decision-making levels is both desirable and feasible.

References/End Notes

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- ⁸ *Ibid.*, p.10
- ⁹ Source unknown.
- ¹⁰ Official website of the Chairman, US Joint Chiefs of Staff.
- ¹¹ *Jane's Defense Weekly*, April, 12, 2006, p. 19.
- ¹² *Jane's Defense Weekly*, March 22, 2006, p. 35
- ¹³ *Jane's Defense Weekly*, August 30, 2006, p 13
- ¹⁴ "Reforming the National Security System" – Recommendations of the Group of Ministers, February, 2001.
- ¹⁵ There was an attempt to alter this with the creation of the Defence Planning Staff during the Prime Ministership of Rajiv Gandhi, with Arun Singh as the Minister of State for Defence. The Director General (DGDPs), was sought to be shaped in the manner of a Chief of Staff to the Defence Minister/ Prime Minister (in the US Presidential style?) insofar as military plans and inputs were concerned. The concept did not survive the political falling-out between Rajiv Gandhi and Arun Singh. The Defence Planning Staff morphed into the present Integrated Defence Staff, which will presumably become the secretariat of the Chief of the Defence Staff (CDS), as and when created.
- ¹⁶ Author's notes of meeting on August 7, 2000, of several retired Chiefs of Services with representatives of the Task Force headed by former Minister of State for Defence Arun Singh, to generate inputs for the Group of Ministers' Report of February, 2001. Arun Singh observed to the effect that "The Minister cannot be well informed on defence matters overnight. Hence he relies on civil servants who are also not well informed (vis-à-vis the service headquarters staff). The

only thing they understand is cash. The Ministry of Finance has no respect for defence budgeting documents. They go by availability (of funds) or the monsoons”.

- ¹⁷ Official website of the Ministry of Defence, UK.
- ¹⁸ Conversation with Prime Minister PV Narasimha Rao at Navy Day reception, Navy House, New Delhi, December 4, 1992. The author was Vice-Chief of Naval Staff at the time.
- ¹⁹ Former Prime Minister V P Singh claimed at the launch of his book *Manzil Se Zyada Safar*, that the Congress Party had been collecting funds for elections through defence deals from the days of Indira Gandhi. He added: “I believe every party has to generate resources. Previously funds were procured from corporate houses. But a time came when funds began to be collected through defence deals abroad”. *The Economic Times*, New Delhi, June 26, 2006.
- ²⁰ *Jane’s Defense Weekly*, June 21, 2006, p. 29
- ²¹ TSR Subramanian, *Journeys through Babudom and Netaland: Governance in India*, Rupa & Co., New Delhi, 2004, p. 336, p235.
- ²² *Jane’s Defense Weekly*, April 26, 2006, p.7
- ²³ Ajai Shukla, “Broadsword”, *Business Standard*, New Delhi, August 29, 2006.

Adm V S Shekhawat was Chief of Naval Staff, from 1993 to 1996.