74

ORF SPECIAL REPORT

AUGUST 2018

Scraping the bottom of the barrel: Budgets, organisation and leadership in the Indian defence system

Manoj Joshi

Photo: Press Trust of India

ABSTRACT

A recent report of the 2017-2018 Parliamentary Standing Committee on Defence (PSCOD) has revealed that India's defence services are facing a severe resource crunch. Given the enormous amount of money that the country is already spending on defence, the chances are slim that the government will come up with the significantly higher amounts of funds needed for moderni-

ISBN 978-93-88262-20-0

sation. Meanwhile, the armed forces are facing obsolescence in equipment. The way out is a systematic and deep reform of the organisation and better management of the defence system—these, in fact, have been recommended by various expert groups and the PSCOD over the past two decades.

(This report is part of ORF's series on National Security. Find all the papers in the series here: https://www.orfonline.org/series/national-security/)

INTRODUCTION

India has one of the largest military forces around the world and its defence budget is the fifth largest globally. However, it is well known that its forces—currently manpower-intensive—are struggling against obsolescence, and modernisation lags anywhere between ten to 15 years.

On paper, the Indian armed forces have been given instructions to ensure their capabilities for dealing with the possibility of war on two fronts, viz. against China and Pakistan.[1] However, there are many who doubt whether the forces indeed have the ability to fight and win such a war.[2]

The problem of modernisation has been shadowing all three wings of the armed forces for some time now. Ill-conceived and poorly executed R&D and production programmes have triggered acquisition delays, which cannot be met by imports alone because of resource constraints. The Indian military—whose modernisation is behind by more than a decade and, to begin with, is hobbled by an archaic organisation and command system—is simply not ready for the kind of contact-less warfare that emphasises long-range precision strikes and information dominance.

This issue was echoed earlier this year, when a report of the 2017-2018 Parliament's Standing Committee on Defence (PSCOD) cited a deposition of the Vice Chief of the Army, stating, "Typically, any modern armed forces should have one-third of forces, one-third of its equipment in the vintage category, one-third in the current category, and one-third in the state of the art category. As far as we are concerned, the state today is 68 percent of our equipment is in the vintage category, with just about 24 percent in the current, and eight per cent in the state-of-the-art-category."[3]

Faced with this situation, the armed forces have been scrambling to respond, usually by shaving off their capabilities slowly. The Army has traditionally looked at maintaining War Wastage Reserves for a period of 40 days of intense fighting, termed 40(I). Some years ago it whittled down its requirements of some types of ordnance, such as rockets and anti-tank missiles and specialised anti-tank shells to just 10 days or 10(I), but it is finding it difficult to even meet this goal.[4]

At a recent meeting of its top commanders, the Army decided to discontinue the purchase of spares for the so-called vintage platforms. In addition, it stated that it would not spend money on spares to maintain "vintage" OSA/AK SAM's, Tunguska Anti-aircraft systems, and KrAZ and Zil high-mobility vehicles. What was startling was the revelation that the Army would not buy critical ammunition, such as Smerch rockets, Konkurs anti-tank missiles, specialised tank ammunition and influence mines which are needed to provide the Army units firepower for 10 (I) situations.[5]

According to a paper published by Stockholm International Peace Research

Institute (SIPRI), "India was the world's largest importer of major arms in the period 2013–17, and accounted for 12 per cent of the global total. Its imports increased by 24 per cent between 2008–12 and 2013–17." [6] Yet by their own accounting, the modernisation plans of the three Services are hugely delayed.

THE PROBLEM OF ALLOCATING FUNDS

According to one report, the Army had spent INR 11,000 crore for emergency procurement of ammunition and another INR 15,000 crore for making up 10(I) stocks of spares and ammunition. The government, however, had not provided additional funds and the money had to come from the annual procurements budget. With money being deployed for emergency purchases, routine procurement has suffered, adding to the crisis. [7]

Instead of addressing the issues at hand, however, the governments, be it the UPA or the current NDA, are seeking to block the channels through which the services are able to draw the attention of their political masters. First, the annual "state of the forces" presentations by service chiefs to the political executive were stopped. The service chiefs were asked to instead pen down their deficiencies. In 2012, the leak of a letter from the then Army Chief General VK Singh complaining about debilitating shortages resulted in this exercise being terminated. Presentations before the PSCOD became a channel for venting the complaints.[8]

This situation has wider implications. India is a nuclear weapons power and does not face any external existential threat. At the conventional level, there can be no doubt that the Indian military will fight any adversary to protect the interests of the country if ordered to do so. However, whether or not they can prevail and terminate the conflict at a point of a desired outcome depends on their capabilities.

There has been talk of India playing a larger regional role, and even emerging as a "net security provider" in South Asia. However, as scholar Shashank Joshi has pointed out, the core of modernisation lies in three areas: capabilities, procurement, and higher defence management. India's record in all three areas has been mixed: there was capability growth in some areas, but there was also stagnation in others. In the short to medium term, Joshi concluded, "India's ability to project force will remain constrained by a range of factors—such as intelligence, institutions, and surplus combat capacity—even as combat platforms of longer range come into service." [9]

THE 2018-2019 DEFENCE BUDGET: AN OVERVIEW

Defence is the second largest expenditure of the Union government, the first being the interest paid out for debt. The biggest pressure that the defence budget is facing is in the area of modernisation with respect to capabilities and procurement. For some years now, the allocation for capital expenditure has been below what is projected.

What the PSCOD report reveals is that there is massive shortage at the level of capabilities and procurement. Its report noted that in 2017-2018, the services had asked for INR 1,32,212 crore for their capital budget, but they got only INR 86,488 crore. In the current year's budget, the projected demand was INR 1,72,203 crore, but the allocation was INR 93,982 crore. It is not as though the armed forces were making some extraordinary demands. The fact is, as the PSCOD noted, of the

sum of INR 172,203 crore, as much as INR 110,043 crore was actually for committed liabilities, namely, equipment for which payments had to be made.[10]

In terms of numbers, the Ministry of Defence budget totalled INR 4,04,365 crore. But the ministry has arbitrarily decided not to count the costs of the expenditure in the Ministry of Defence (1 in Table 1) and the Defence Pensions (3 in Table 1) in what it calls its budget.[11] Since all the money is coming from the same pool, this report counts it as part of the budget. This is more revealing since it brings out the dangerous salience of defence pensions in the expenditure. At INR 1,08,853 crore, this amounts to roughly one-fourth of the budget. Indeed, it already exceeds the total salary bill of the three services, which stands at INR 1,03,096 crore. The salary of the auxiliary forces and civilian employees amounts to another INR 16,000 crore or so.

Table 1. The Defence Budget

1. Ministry of Defence	INR 16,206 crore
2. Army	INR 130,862
Navy	INR 20,221
Air Force	INR 30,121
Ordnance factories	INR 15,644
R&D	INR 8,276
Total	INR 205,125
Capital outlay on Defence services	INR 93,982.13
	INR 299,107 minus receipts of INR 19,802
Total 1+2	INR 279,305
3. Defence Pensions	INR 108,853
Grand Total 1+2+3	INR 404,365

From Demand for Grants, Government of India Demand for Grants 2018-19

According to the Ministry of Defence, adjusting for inflation, the increase in the budget estimate for the current financial year is only 0.75 percent over the 2017-2018 budget. Taken altogether, including the pensions, it amounts to INR 4,04,365 crore, which accounts for 16.6 percent of the Central Government Expenditure (CGE) and 2.16 percent of the GDP. The Defence capital expenditure is 33 percent of the Capital Expenditure of the Union Government.[12]

The reality is that the defence budget, as a percentage of GDP, has been declining. However, if one goes by the official convention and ignores the MoD and Pensions, one can see that defence expenditure as a share of the GDP has declined from 2.08 percent in 2013 and 2014, to 1.56 percent and 1.49 percent in 2017 and 2018, respectively. The share of the 2017 and 2018 budget as a proportion of CGE amounts to 11.86 and 11.44 percent, respectively. [13]

Manpower costs have been growing exponentially—from 44 percent in 2010-2011, to 56 percent in 2018-2019. In the same period, capital expenditure has declined from 26 to 18 percent. The worst affected unit has been the Indian Army, which spends 83 percent of its budget on revenue expenditure, which includes salaries and maintenance of existing equipment. This could go up to 90 percent in the coming years. Experts say that the ideal is 60:40 where 60 percent is revenue

expenditure, and 40 percent is capital outlays for acquisition and modernisation.[14]

WHAT THE PSCOD REPORT MEANS

The PSCOD reports for the 2018-2019 budget indicate that the situation is serious. The Indian armed forces' capabilities are dipping to an alarmingly low level, even as the government's efforts to energise procurement and reform higher defence management are faltering. In its testimony to the PSCOD, the Ministry of Defence acknowledged that the provisions for salary and other 'obligatory' expenses would have to be met, as well as those for maintenance, transportation and ordnance. Similarly, when it comes to capital expenditure, committed liabilities will have to be accounted for first. In view of the funds constraints, the Ministry testified, "The procurement plan for capital modernization schemes may have to be reviewed and reprioritized, based on available funds." For the 2018-19 budget, at least such funds are not available.[15]

A deeper look at the defence budget reveals that the existing system may be scraping the bottom of the metaphorical barrel in terms of effectiveness. Two alarming figures bring out the intractable nature of the problem. First, despite well-publicised deficits in the area of submarines, fighter aircraft and artillery, to name but a few high-value systems, defence already consumes as much as 33 percent of the Union Government's annual capital budget. The second is the revelation that the Defence pensions account, which is officially not counted in the budget, now exceeds the salary and allowances bill of the three services.

The reason for this is the enormous manpower holdings of the defence services, primarily the Indian Army. One of the more important issues that emerges from the PSCOD is the need to tackle the matter of manpower. The paradoxical nature of the problem is evident from the fact that the Army, despite being nearly 1.2-million strong, remains below its authorised strength.

Table 2. Existing and sanctioned manpower [16]

	Army	**Navy**	**Air Force**
	Officers/JCO OR	Officers/ JCO OR	Officers/ JCO OR
Sanctioned	49,932/ 1215,049	11,827/ 71,656	12,550/ 142,529
Existing	42,253/ 1,19486	10,393/ 56,835	12,404/ 127,172

**JCO=Junior Commissioned Officers; OR= Other Ranks*

Dealing with the Demand for Grants of the previous year (2017-2018), the Committee had suggested that one way out was to institute a five-year compulsory military service for individuals wanting to join the Central and State government services. The Ministry's response was that the proposal had been sent to the Department of Personnel and Training (DoPT). However, at the time of the hearings on the 2018-2019 demands, nothing had been heard on the proposal.[17]

The issue of rising manpower has been worrying the political authorities for some time now. Speaking to the Combined Commanders Conference held on INS Vikramaditya in December 2015, Prime Minister Narendra Modi declared that "modernisation and expansion of forces, both at the same time is a difficult and unnecessary goal." He was referring to the Mountain Strike Corps, whose demand for budgetary resources has been so high that the plan to raise these forces has been

scaled back, if not abandoned.[18]

IMPACT ON THE THREE SERVICES

Since disbursing salary and allowances of the personnel has first claim on the budget, the primary impact of the lack of resources falls on maintenance of existing equipment and acquisition of new systems to replace the obsolete ones. The Indian military already has a backlog in maintaining its older systems even as it confronts the challenge of modernising, because resource constraints and bad management have led to an accumulation of demands.

The Army is looking for new tanks, artillery, combat vehicles, improved communications systems, and better ability to engage in nocturnal battles. The Navy is looking for a massive expansion of its fleet, and to acquire more submarines, aircraft carriers, and better aviation capacity. Meanwhile, the Air Force wants to increase its squadron strength from the current 32 aircraft, by another 10. In addition, it wants more Airborne Warning and Control Systems (AWACS), refuellers, and helicopters.

Vice Chief Lt Gen Sarath Chand told the PSCOD that 63 percent of the Army budget goes into paying salaries. Maintenance and routine operational requirements take another 20 percent, leaving 14 percent for modernisation, "which is grossly inadequate."[19] The marginal increase in 2018-19 Budget Estimates barely accounted for inflation and did not even cater for the taxes. The allocation of INR 21,338 crore for modernisation was insufficient even to cater for the already committed payments of INR 29,033 crore for 125 ongoing schemes, emergency procurements, and other ordnance requirements.

Complaints from the Army about shortages are not new. In 2012, a leaked letter from Army Chief General VK Singh said that Army tanks lacked critical ammunition and 97 percent of the air defence systems were obsolete. The letter also stated that there were "large scale voids" in essential weaponry and surveillance and night fighting equipment of the infantry.[20] In its 11th Plan (2007-2012) review, the Army had listed the huge gaps in artillery, aviation, air defence, night fighting equipment, anti-tank missiles, precision-guided munitions as well as tank and rifle ammunition.[21]

Details of the shortages of ammunition were laid out in the Comptroller and Auditor General's Report No. 15 of 2017. An annexure to the report lists the shortfall in the availability of various types of munitions as of December 2016. While shortages in standard 155mm artillery shells had been filled, those in other specialised munitions ranged anywhere from 32 to 100 percent. The same was true of mortar shells, specialised fuses and charges for artillery ammunition.[22]

The Navy and Air Force are capital-intensive services. The Navy projected INR 35,695 crore, but was allotted only INR 20,004 crore for its capital outlay. Of this sum, committed liabilities will consume INR 15,083 crore. The PSCOD observed that this budget deficit of nearly 40 percent "will indeed have a cascading impact on the operational preparedness and technological upgradation of the Navy."[23]

The Committee also noted that the share of the naval budget to the total defence budget was declining from 18.12 percent in 2012-13 to 13.11 percent in 2018-19. This was also reflected in the capital outlay, which was 12.81 percent of the total defence in 2012-13. It came down to 8.83 in 2016-2017, to 7.46 in 2017-18,

and is only 7.1 percent this year.[24] This is ironic: Since former US President Barack Obama's visit to New Delhi in 2015, India has been signalling its growing commitment to the American Indo-Pacific strategy and the Quadrilateral grouping. However, the reality of declining capital expenditures on the Navy sends quite another message. Incidentally, neither in the PSCOD's observations nor the presentations made by the Navy and the Ministry of Defence, is there any reference to the follow-on aircraft carrier – the IAC-2 – also known as Vishal.

One of the problems in the current acquisition process is its haphazard and unplanned nature. Today India has a fleet of modern P-15A destroyers or P-28 corvettes, but they lack an adequate multi-role helicopter, which is vital for hunting submarines. The Sea King Mk 42B has been the mainstay of ASW ops since the 1980s, while the older ones have already retired 20 years ago.

The Navy needs approximately 140 MRHs, but there has been no movement even for the limited purchase of 16 machines. A tender for 16 Sikorsky S-70B Seahawk was scrapped because the slow decision-making process led to the price increasing by 40 percent by the time it was finalised. The Navy has 10 Kamov 28s and 16 Sea Kings, of which only about 10 machines are serviceable at any given time.[25]

In addition to the helicopters, these ships also lack their active towed array sonar systems. According to reports, a contract has finally been signed—years after many of the ships have been commissioned and have been sailing—to obtain the systems which will be fitted in the newer ships and retrofitted in the older ones.[26]

The IAF projected INR 1,14,256 crore for both, the revenue and capital outlays, and got roughly half that amount, which is INR 65,891 crore. Given that the revenue budget was short by INR 6,440 crore, and that the salary account could not be touched, the burden would fall in the area of spares, fuel and maintenance and training.

Funds scarcity will also impact the efforts of the IAF to develop its 10 (I) capabilities. In his testimony, the Vice Chief of the Air Force, Air Marshal S B Deo, said that while deals worth INR 20,000 crore had been entered into for the purpose, the budget allocation did not meet those requirements.[27]

As is the case with the other capital-intensive service, the Navy, the Air Force, too, has found that as a proportion of the overall defence budget its capital outlays have declined. It was 17.51 percent in 2007-08, and in 2016-17 it went down to 11.96, though it has gone up marginally in 2018-19 to 12.8 percent.[28]

HIGHER DEFENCE MANAGEMENT

The budget situation is unlikely to change in the near to medium term. For this reason it is important to emphasise the need for deep reforms in the defence system, as well as its effective management to both mitigate the current problem and transform the Indian military into a modern war-winning force. Better higher defence management is needed to maintain the existing capabilities at their optimum through timely replacement of obsolete equipment, proper maintenance and upgrade of existing equipment, as well as adjusting organisational structure and strategic plans to deal with emerging threats.

Over the years, two key reports—that of the Group of Ministers (GOM) in

2001, and the Naresh Chandra Committee in 2012—have focused on the following:

i). Promoting jointness in the armed forces through the appointment of a Chief of Defence Staff (CDS), essentially a figure who will lead the process of integration of the armed forces; and

ii) The entry of uniformed expertise into the civilian Ministry of Defence and achieve synergies to enable India to develop a vibrant defence industrial base and streamline procurement processes.

Most students of modern warfare acknowledge that no single service can win a war by itself. Applying all the force they possess in a synergised manner requires different methods of command than what the Indian military is used to. Similarly, to ensure maximum synergy, it is important to have a ministry of defence which has an optimum mix of expert civilians and uniformed officers.

The PSCOD recalled its earlier recommendations of the need to create the post of a CDS. It also noted that the GOM recommendation to the effect had actually been approved by the government in May 2001, subject to consultation with various political parties.[29] Following this, the government had created the Integrated Defence Staff (IDS), which would support a CDS, but never got around to actually appointing the CDS. Currently, the Chief of Integrated Defence Staff (CISC), therefore, serves the existing Chiefs of Staff Committee (COSC), and most recently, it had been asked to work with the newly created Defence Planning Committee (DPC). Similarly, the GOM recommendations led to the creation of a tri-Service Defence Intelligence Agency, which comes under the IDS.

The Ministry of Defence response to the current 2017-2018 PSCOD was, as usual, circular. It said that with the recommendation of a permanent chairman, Chief of Staff Committee, made by the Naresh Chandra Task Force on National Security having been placed before the Cabinet Committee on Security in April 2014, there were now "two proposals for the establishment of the CDS and Permanent Chairman COSC" and that when the CCS finally got down to take a decision on the Naresh Chandra Task Force's recommendations, "both proposals will be taken note of and a final decision would settle both proposals." The committee's acerbic comment was that it found "this reply repetitive and routine in nature."[30] In its final recommendations, the PSCOD noted, "The Committee are of the view that a permanent Chief of Defence Staff is urgently required for interwoven and synchronised efforts of the Services to achieve desired results in peace and war."[31]

The PSCOD, however, has not taken up the larger issue of civil-military integration in the Ministry of Defence. Currently, though the ministry calls itself the 'Integrated Ministry of Defence', it is simply a relabelling exercise aimed at misleading observers.[32] The fact is that the civil and military sides are entirely separate entities, and even maintain parallel files on issues. The GOM had recommended the integration of the Service Headquarters into the Ministry of Defence, even though it believed that the separation was merely an administrative measure, and not a management device. The change in nomenclature was carried out, but the Transaction of Business Rules and the Allocation of Business Rules were not amended, resulting in little change.

The Naresh Chandra Task Force pointed out that through the Services HQs were notionally upgraded to the Integrated HQ of the Ministry of Defence, "there was in effect no substantial delegation of authority to the Service Chiefs." As of now, though the minister runs the MoD, it is the civilian secretary who remains the

person responsible for the "proper transaction of business" of the Ministry. The rules remain silent on the responsibilities of the uniformed personnel.

As former chairman of the Chief of Staff Committee, Admiral Arun Prakash has noted, "The chiefs receive perfunctory attention from the politicians and bureaucrats because they have no locus standi in the edifice of the GOI. It is the Secretary DoD (Department of Defence) who, by Rules of Business, represents the three Services."[33] Besides calling for the suitable amendments of the TOBR and AOBR, the Naresh Chandra Task Force specifically recommended cross-staffing to have military personnel service in the chain of command of the ministry of defence and its offices, and civilian officers in the Service HQs. The report called for the creation of a specialised cadre of defence specialists that will manage the Ministry of Defence in place of the generalist civil service personnel.[34]

THE QUESTION OF POLITICAL LEADERSHIP

None of the committees, including the GOM of 2001, which comprised ministers who were also members of the Cabinet Committee on Security, chose to examine the important issue of the political leadership of the Ministry of Defence—its weaknesses, scope and requirements. It is true that in a democratic system, there are no expectations that the ministers in-charge will have any specific expertise in the departments they are asked to handle. Yet, what is most certainly needed are management skills in running complex organisations and, when it comes to dealing with weighty issues like reform and restructuring, the minister concerned needs to have political heft to carry issues within their ministry and in the Cabinet Committee on Security and Parliament.

Operation Bluestar is a lesson on the importance of political leaders paying attention to operational issues relating to the military. Had the political leadership been in the loop in the planning and execution of the operation, maybe it would not have taken the turn it did. Fortunately, when the political class did get involved, as they did in Kargil, a disastrous situation was effectively turned around through skilful military handling and diplomacy.

Since 1962, the Indian political class has tended to avoid getting involved in operational matters and confining their stewardship of the armed forces by providing strategic guidance. This is an outdated concept that does not meet contemporary needs. Today, as 9/11 in the US showed, a terrorist attack can have far-reaching, strategic consequences requiring political guidance at every level of response.

India's political leadership needs to confront the resource and organisational crisis confronting the armed forces. To run the military effectively in a situation where resources will be constrained for the next decade, at the least, there is need for deep restructuring and reform. This is not a task that can be done by the bureaucracy, but requires the stewardship of the CCS. A response of sorts emerged in April 2018, shortly after the PSCOD was released, when the government announced the setting up of the Defence Planning Committee (DPC) to be headed by National Security Adviser, Ajit Doval. [35]

THE DEFENCE PLANNING COMMITTEE

The government notification for setting up the body was not made public, but a copy given to the media revealed that it was seen as a 'new institutional mechanism for

Defence Planning.' According to the notification of the Ministry of Defence, dated 18 April 2018, the DPC "would analyse and evaluate all relevant inputs relating to defence planning, inter alia, national defence and security priorities, foreign policy imperatives, operational directives and associated requirements, relevant strategic and security-related doctrines, defence acquisition and infrastructure development plans, including the 15-year Long Term Integrated Perspective Plan (LTIPP), defence technology and development of the Indian defence industry and global technological advancements."[36] In addition, the DPC has been asked to prepare the National Security Strategy (NSS) and the Strategic Defence Review (SDR). Presumably, the future operational directives of the Defence Minister will emerge from the doctrine and strategy worked out by the committee.

This hybrid higher-defence management group is then set to provide not only the higher strategic direction to the country, but also get into the nuts and bolts of defence manufacturing, procurement and exports. The membership of the body suggests an effort to get defence planning out of the various silos. Its principals are the NSA, Service Chiefs, Foreign Secretary, Expenditure Secretary and Defence Secretary. Strangely enough, the intelligence chiefs are excluded.

While this may be a "whole of government" approach to defence planning, the members of the DPC are all preoccupied and therefore the question is whether they can provide more than token leadership. The presumption, though, is that their work will be done by the four subcommittees that the outfit has on Policy and Strategy, Plans and Capability, Defence Diplomacy, and Defence Manufacturing.

Questions remain at this juncture. Is the DPC being seen as a substitute for the long-standing need for integration between the civilians and uniformed personnel in the Ministry of Defence? What will be the role of the COSC, if key duties like the LTIPP are taken up by the DPC? The fact that the HQ IDS is the anchor of the DPC will suggest that, indeed, that is what the government is thinking. In that sense, setting it up may not be a bad idea and could, given the resistance to reform, be seen as the evolution of a higher defence management system with "Indian characteristics". Militaries may require staffs and committees for organisation and logistics, but the bottomline is that they also need a command culture to prosecute war.

Yet, the DPC does not address many of these issues critical for the effective functioning of the Indian defence system. These relate to the integration of the higher command of the armed forces, their possible reorganisation into theatre commands, and the assimilation of military expertise into the civilian Ministry of Defence for its effective functioning.

The DPC may be able to achieve a great deal, produce a first-rate National Security Strategy or LTIPP, give a push to the defence R&D and industry, and get the government to shell out additional money. However, all this will be to little avail if the military instrument they need to execute it is dysfunctional because of the lack of thorough, top-to-down reforms in its organisation and the way it is commanded.

CONCLUSION

There was a time when running the Ministry of Defence was a fairly straightforward task, largely handled by the bureaucracy. However, such path has turned out to be

unsustainable. Today, to even run the Ministry of Defence effectively, there is a need to first carry out deep reforms and a restructuring of the ministry and its various attached offices.

The PSCOD hearings and report have revealed an abyss confronting the Indian defence system. The present situation has emerged not only because of lack of funds, but owing to a combination of poorly deployed resources, institutional weaknesses, and zero strategic guidance.

Perhaps the most important of the tasks ahead is the appointment of a CDS. The Group of Minister's report of 2001 observed that "the functioning of the Chiefs of Staff Committee has, to date, revealed serious weaknesses in its ability to provide single-point military advice to the government and resolve substantive inter-Service doctrinal, planning, policy and operational issues adequately."[37] This position remains unchanged.

This system not only leads to waste and duplication, as there is no authority to prioritise capability acquisitions, it also leads to an unhealthy competition for resources, as has been the case with, for example, the Air Force and the Army over attack helicopters, or the Air Force and the Navy over maritime strike. Multiple committees since the 1990s have argued for a greater integration of the three wings of the armed forces under a CDS-like figure, the most recent being the Shekatkar committee appointed by the previous Defence Minister Manohar Parrikar.

Such a figure will be the go-to person for the government when seeking to adjudicate issues that relate to two Services. S/he will be put in charge of joint-planning, author the joint defence strategy, handle 'out of area' contingencies, command existing tri-service institutions and shape future theatre commands. In this scheme of things, human resource management, training and service specific doctrines, equipping and maintaining readiness of forces will be the responsibility of the respective service chiefs. The actual war-fighting will be done through theatre commanders who will organise the combat-ready forces to execute the required strategy.

The Defence Department will continue to play the role of managing budgets of the various defence plans, supervising their execution, and maintaining financial accountability to Parliament. In that sense, the Defence Secretary will be the principal defence adviser to the government, responsible for policy advice, financial management, parliamentary accountability of the department and coordinating the finalisation of the Defence Perspective Plan, the Five Year Plan and the annual budget. However, given the specialised nature of the task, he/she needs to be assisted by a bureaucracy, which should comprise uniformed and civilian personnel. Here the civilian bureaucracy will have to develop the kind of expertise that their uniformed counterparts will bring to the job.

This report has focused extensively on the inelastic nature of the resource crunch facing the military. Enormous savings are possible through the reduction of multiple headquarter formations that exist today. A more efficient use of resources will also arise from working out joint logistics, training and housing of the forces. The movement on such reforms, which will see the optimal use of resources, will be a precondition and an incentive for the government to make the extra effort to find them.

In its 2017-2018 report, the PSCOD had recommended that a five-year compulsory military service be established as a precondition for entry into the

Civil Services of the Union and State governments. The 2018-2019 report noted the Ministry of Defence response that the issue had been taken up with the Department of Personnel & Training, observing that the Ministry "has not taken up the matter with due seriousness." This recommendation was in the context of the shortage of officers, but it has within it the kernel of a larger solution to manpower costs.[38]

As this report has shown, despite the fact that salary and allowances are skewing both the modernisation and maintenance of the armed forces, all three services state that they are below their sanctioned strength. The rising pension bill, which exceeds the salary and allowances one, is a standing rebuke to the system. The way out is to institute a system whereby all recruitment of civil, police and paramilitary personnel is made through a pool of personnel who have done colour service between seven to ten years. Their training will benefit them as civil servants or police officers, while the government will be able to stem the massive pension outflow as well as check the salary and allowances bill of the armed forces. Needless to say, there should be sufficient flexibility to ensure the recruitment of people with special technical or language skills or disabilities that prevent them from serving in the military.

The government has come up with the new DPC, but in terms of its scope and its tasks, it does not meet the job at hand. What the country's armed forces need is not more committees or bureaucratic attention. Rather, the leadership and sustained stewardship of the armed forces by the political class who should begin the process by, first, carrying out drastic reform, which will then enable them to optimise the resources available and make the Indian military capable of fighting and winning modern wars.

The key recommendation, and this is the one that is most difficult to implement, is to get the political class to be more involved in defence policymaking. What is clear is that as members of the PSCOD, they are strong advocates of reform and restructuring, but when in government they find it difficult to implement their own recommendations. ORF

ABOUT THE AUTHOR

Manoj Joshi is Distinguished Fellow at Observer Research Foundation.

ENDNOTES

1. The Operational Directive is cited in Sandeep Unnithan, "Flat Broke", *India Today* (New Delhi), May 14, 2018 p 29
2. On india's inability to fight and win two front wars see Gurmeet Kanwal, "Can India fight China and Pakistan simultaneously ?" *Rediff.com*, October 10, 2017 http://www.rediff.com/news/column/can-india-fight-china-and-pakistan-simultaneously/20171010.htm; the same point was made by the Western Army Commander, Lt Gen Surinder Singh at a seminar last year when he said that a two front war is "not a smart idea." Man Aman Singh Chhina, "Two-front war not a good idea says top general," *Indian Express*, March 1, 2018, https://indianexpress.com/article/india/two-front-war-not-a-good-idea-says-top-general-5082346/
3. Standing Committee on Defence (2017-2018) Ministry of Defence, Forty Second Report: Demands for Grants (2018-2019) Capital Outlay on Defence Services, Procurement Policy and Defence Planning (Demand No 21) (New Delhi, Lok Sabha Secretariat March 2018) section 1.1. The quote does not quite add up, but it is taken directly from the report.
4. Unnithan, "Flat Broke" ,p 29
5. Sushant Singh, "Cash Crunch, Army lists high-end ammunition it won't buy," *Indian Express*, April 20, 2018 https://indianexpress.com/article/india/cash-crunch-army-lists-high-end-ammunition-it-wont-buy-defence-commanders-conference-5144507/
6. "Asia and the Middle East lead rising trend in arms imports, US exports grow significantly, says SIPRI," March 12, 2018 https://www.sipri.org/news/press-release/2018/asia-and-middle-east-lead-rising-trend-arms-imports-us-exports-grow-significantly-says-sipri
7. Sushant Singh, "Cash crunch " n.5
8. Unnithan, "Flat Broke" p. 32
9. Shashank Joshi, "India's Military Modernisation," in Sumit Ganguly et al, eds. The Oxford Handbook of India's National Security, (New Delhi, OUP, 2018) Chapter 20.
10. Standing Committee (2017-2018) Ministry of Defence, Fortieth Report: Demand For Grants (2018-19) General Defence Budget and other subjects (Demand Nos 19&22) (Lok Sabha Secretariat, New Delhi, March 2018) Section 1.24
11. This decision was taken in 1984-85, see Air Cmde Jasjit Singh (retd) India's Defence Spending: Assessing future needs (New Delhi, KW and IDSA,2000) p. 36
12. PSCOD Fortieth Report Sections 1.13 and 1.14
13. Ibid
14. Unnithan, "Flat Broke" p 33-34.
15. PSCOD Fortieth report Section 1.26
16. Ibid Section 1.29
17. PSCOD, Fortieth Report n x Section 1.34
18. Sandeep Unnithan, "The mountain is now a molehill," *India Today*, February 24, 2016 https://www.indiatoday.in/magazine/defence/story/20160307-indian-army-mountain-chinese-territory-general-dalbir-singh-arun-jaitley-budget-828539-2016-02-24

19. PSCOD Forty Second Report n.1, Sections 1.11 and 1.18.
20. Saikat Dutta, "DNA Exclusive: Gen V K Singh tells PM some hard truths," *DNA*, March 28,2012 http://www.dnaindia.com/india/report-dna-exclusive-gen-vk-singh-tells-pm-some-hard-truths-1668283
21. "Army Chief's letter to PM: General V K Singh exposes chinks in armour," *Times of India*, March 29, 2012, https://timesofindia.indiatimes.com/india/Army-chiefs-letter-to-PM-General-V-K-Singh-exposes-chinks-in-armour/articleshow/12447751.cms
22. Report of the Comptroller and Auditor General of India for year ending March 2016, Union Government (Defence Services) Army and Ordnance Factories, Report No. 15 of 2017 Annexure VI
23. Standing Committee (2017-2018) Ministry of Defence, Forty first Report: Demand For Grants (2018-19) Army, Navy and Air Force (Demand No 20) (Lok Sabha Secretariat, New Delhi, March 2018) Observ ations/Recommendations para 33.
24. Ibid., Sections 2.6, 2.9 and 2.8. A telling observation of the committee was that at the time of last year's Demand for Grants, the force level of the Indian Navy was at 138 ships and submarines and 235 aircraft. This time, they were told that the existing strength is 136 ships and submarines and 219 aircraft. See Para 39 in Observations/Recommendations. Percentages here do not take into account the Defence Pensions as per the official protocol.
25. Rajat Pandit, "Lack of helicopters hits Navy's operational capabilities against enemy submarines," *Times of India*, March 5, 2017 https://timesofindia.indiatimes.com/india/lack-of-helicopters-hits-navys-operational-capabilities-against-enemy-submarines/articleshow/57481765.cms
26. "Navy to get latest sonar systems for anti-sub warfare," *The Economic Times*, July 14, 2018 https://economictimes.indiatimes.com/news/defence/navy-to-soon-get-latest-sonar-systems-for-anti-sub-warfare/articleshow/47473138.cms
27. PSCOD Forty First Report Section 51
28. Ibid Section 54 The percentages relate to the Defence Budget minus Defence Pensions as per official protocol. The Indian Air Force's current strength is around 31 squadrons, though it is sanctioned 42. Besides the acquisition of new fighters, the air force also has the challenge of acquiring more trainer aircraft, especially basic trainers. In addition, it is seeking to replace its existing fleet of Cheetah and Chetak helicopters by the Russian-made Kamov Ka-226T, and add force multipliers like aerial refuelling and surveillance aircraft.
29. PSCOD Fortieth Report Section 1.41
30. Ibid
31. Ibid "Observations/Recommendations on General Defence Budget para 20.
32. An example of the effort to mislead is available in an earlier PSCOD report. When asked about the Kargil Review Committee and GOM recommendations on cross-staffing uniformed personnel in the MOD, the Ministry's response was to provide details of how many civilian officers now worked in the HQ IDS, a tiny outfit. The PSCOD, tartly noted, "The Committee fail to understand how the cross staffing pattern in the structure of HQIDS can address the recommendation of the Committee which relate to the appointment of Armed Forces personnel in the Ministry of Defence." PSCOD, Action Taken Report on the recommendations/

observations of the Committee contained in the Thirty-sixth Report (Fourteenth Lok Sabha) on 'Status of implementation of Unified Command for Armed Forces' (New Delhi, February 24, 2009) para 8.

33. Admiral Arun Prakash, "Better Civil-Military Relations Needed for Improved Security of Indian State", *South Asia Monitor*, July 22, 2018 https://southasiamonitor.org/news/better-civil-military-relations-needed-for-improved-security-of-indian-state/sl/27673

34. Manoj Joshi, "The Unending Quest to Reform India's National Security System", Policy Report, March 2014 (S Rajaratnam School of International Studies, Nanyang Technological University) pp 2-3.

35. Shishir Gupta, "India to create super-committee for defence planning," *Hindustan Times*, August 14, 2018 https://www.thehindu.com/news/national/nsa-headed-committee-for-higher-defence-management/article23599248.ece

36. Ibid

37. Recommendations of the Group of Ministers on Reforming the National Security System February 2001 p. 97

38. PSCOD, Fortieth Report, Observations/ Recommendations para 15.

Observer Research Foundation (ORF) is a public policy think tank that aims to influence the formulation of policies for building a strong and prosperous India. ORF pursues these goals by publishing in-depth research and organising stimulating discussions. The Foundation is supported in its mission by a cross-section of India's leading public figures, academics, and business leaders.

Ideas • Forums • Leadership • Impact

20, Rouse Avenue Institutional Area,
New Delhi - 110 002, INDIA
Ph. : +91-11-35332000
Fax : +91-11-35332005
E-mail: contactus@orfonline.org
Website: www.orfonline.org