

DEFENCE PLANNING IN INDIA

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National Security, Defence Policy and Planning

It is generally acknowledged that the approach to national security requires a comprehensive view of various political, social, economic, technological and strategic aspects. National security implies not only safeguarding territorial boundaries but also that the nation is able to build a cohesive, egalitarian, technologically efficient and progressive society with a good quality of life. Compared with national security, defence policy is more focussed, concerned with the protection of the state and its citizens from direct and indirect (proxy) military threats and actions of other states. In defence planning, the emphasis shifts to national security concerns that are mainly military in nature.

There are two concepts at this level: deterrence (including coercive diplomacy) and defence (dissuasion). Deterrence refers to policies designed to discourage the adversary from taking direct or proxy military action, by raising the cost so that it outweighs the gains that he may wish to attain. Defence (dissuasion) policies are designed to reduce the capability of the adversary to cause damage—and own costs and risks—in the event deterrence fails. Deterrence and defence are two interwoven strands of defence policy. Defence planning involves the conceptualisation of plans and decisions for the execution of defence policy.

Long-term planning for defence is essential for the following reasons:

- (a) The existence of a highly fluid strategic environment, which results in continuous shifts and changing profiles of threat and power equations.
- (b) To ensure judicious allocation of resources and cost effective utilisation.

- (c) Revolution in Military Affairs (RMA), i.e. advances in technology, which result in weapons and equipment systems becoming obsolete at a fast rate.
- (d) Lead time required to raise and prepare defence units; to produce or acquire and introduce new weapons and equipment systems.
- (e) The changing nature of conflict and reduced reaction time.
- (f) Coordination problems between defence, economic, science and technology, infrastructure and industrial activities, as well as among the Defence Forces.

The defence planning process attempts to match the budgetary resources likely to be made available for the requirement to establish the defence capability necessary to face the threats and challenges. This exercise is undertaken in two phases:

- (a) What should be the proportion allocated to the defence effort as against other areas of national security concerns and economic growth? This exercise involves a ‘visionary’ analysis of external and internal security threats (often linked) and challenges. In order to minimise adverse affects of high military expenditure on socio-economic development, it is necessary to harmonise national development planning with defence planning.
- (b) Optimisation of allocated resources, i.e. distribution of resources within the Ministry of Defence (MoD) based on Force planning (Force and weapons mix, command and control, logistics and human resources management) by the Defence Services to combat current and future threats, and development of required capabilities by the Defence Research and Development Organisation (DRDO), defence production and other agencies concerned. The quantum of indigenous production and the requirements to be procured from outside are decided in this phase. The objective is to achieve maximum defence capability from the given resources.

Both allocation and distribution are closely linked. They need to be reviewed periodically but not so frequently that the planning process becomes ad hoc. In India’s case, this is done at five-year intervals.

Background of Defence Planning in India

Before independence, the defence services worked on a system of contract budget. Defence expenditure was pegged at Rs 55 crore per year, which was more than half of the Central Government's revenue. There was no serious threat from outside (except during World War II, when a fresh agreement was signed) and this amount was more than adequate to maintain the establishment. The savings were not allowed to lapse but put away in the Defence Reserve Fund that was utilised to finance measures for re-equipment of the Defence Services, thus freeing the Government from having to provide fund money greater than the contract amount.

Expenditure on defence rose steeply soon after independence. However, there was no planned effort and defence programmes consisted mainly of outright purchases from abroad, drawing heavily on available Sterling reserves. In the late 1950s, some efforts were made to initiate domestic weapons production by the Ministry of Defence when Mr Krishna Menon was the Defence Minister. The Sino-Indian conflict in 1962 aroused a new defence consciousness in the country. After taking care of immediate post-war requirements, systematic defence planning started in 1964. Defence requirements were assessed on a five-year basis and the First Five Year Defence Plan (1964-69) was drawn up. This plan took into account the resources available and assistance which could be expected from friendly foreign countries. The plan was primarily based on an expansion and modernisation programme considered necessary by each Service in the light of the respective threat perception assessed. It also proposed a defence production base that would gradually reduce the country's external dependence, provide for improvements in border roads and communications, and a modest expansion of DRDO.

The Government recognised the imperative need to synergise 'defence' and 'development' instead of planning each on a separate and un-related level. The MoD emphasised the "inevitable need to harness all resources of the country for the country's defence and for the defence effort to derive full sustenance from the country's economic development plans". Thereafter, the National Development Council authorised the Chairman of the Planning Commission to review the needs of both development and

defence. A Planning Cell was established in 1965 in the Ministry of Defence 'to deal with the wider aspects of defence planning'. The new system was intended to facilitate medium and long-term defence planning and to maintain constant liaison with the Planning Commission and other ministries. It was expected that the MoD would derive maximum advantage from the development effort by being able to place its priorities for consideration along with the overall economic and industrial plans drawn up by the Planning Commission.

The experience of the First Five Year Defence Plan showed that the development of weapons and equipment was a long drawn out process. The Government realised that there could be no forward movement in attaining self-sufficiency in weapons and equipment unless these requirements were planned over a reasonably long period, long enough to cover the span of development and production of new weapons systems and other fighting tools. The inadequacy of foreign exchange reserves was another hindrance in planning and implementation.

In order to mitigate some of these drawbacks, the Second Five Year Defence Plan (1969-74) was instituted on a "roll-on" basis. After a year, an additional year was added so that the Defence Services would have before them a revised and up-dated five-year plan. In this context, the MoD commented: "Opportunity is taken by this annual exercise to take note of and reflect the change in priorities, the shifts in emphasis and the latest concepts and programmes to reorient the plan within the scheme of resources so that the aims and means are most effectively balanced." This system was expected to facilitate the planning of projects that took five years or more and to revise or eliminate projects, depending on the prevailing foreign exchange situation and availability of domestic resources. For a period of five years, firm assurances were to be given on the availability of resources. This, unfortunately, never happened.

In 1971, it was impossible to adhere to the discipline and the pattern of the roll-on plan. Instead of roll-on annual revisions, immediate requirements dominated the Government's attention that pre-empted plan efforts. In its 1971-72 Annual Report, the MoD acknowledged that having a Planning Cell in the ministry was an insufficient and

unsatisfactory method of meeting a crisis. The Planning Cell was not taken seriously in the crucial stages of economic planning and the argument that defence needs would be adjusted in the over-all allocation of resources was proved wrong.

In 1974, an Apex Group headed by the Union Minister for Planning again suggested that steady long-term defence programmes would be more cost effective and economical rather than fluctuating allocations due to periodic economic and security crises. In order to integrate defence planning with the overall economic planning effort, defence and economic development plans were made co-terminus.

The Planning Machinery

Most of the defence planning machinery and planning methodology was developed in the decade 1964-74. The Joint Intelligence Committee (JIC) was established in the Cabinet Secretariat to provide external and internal threat assessments. Inputs for this purpose were to be provided by all Intelligence agencies of the Government. The Service Chiefs were to assess the broad military aims and a strategy, coordinated in the Chiefs of Staff Committee, was to be approved by the Defence Minister. However, this was seldom done. Each Service ended up planning its own force level, choice of weapons and equipment, and build-up of infrastructure.

In 1977, the Government formed a Committee for Defence Planning (CDP) to “undertake regular assessments relevant to defence planning in the light of all factors having a bearing on national security and defence”. However, this committee could not function smoothly nor meet the desired goals.

Planning units were also established in the Department of Defence Production and DRDO. A Planning and Coordination Cell was created in the MoD to coordinate and compile various plans into a ‘Defence Plan’ for Cabinet approval. As the bureaucrats in the ministry had no professional knowledge or background, this cell could only compile different requirements without any analysis.

In Army Headquarters, the Deputy Chief of Army Staff was made responsible for preparing the Army plan. A Perspective Planning Directorate was established in the late

1970s. Naval and Air plans were prepared in the respective Planning Directorates. Financial considerations, non-existent at this level earlier, were introduced through Finance Planning Sections attached to these Directorates.

In 1986, the Directorate General of Defence Planning Staff (DGDPS), comprising officers from the three Services, DRDO, and Ministries of Defence and External Affairs, was established under the Chiefs of Staff Committee (COSC) to coordinate and harmonise defence planning. Civilian officers from the Ministries probably did not find the job professionally satisfying and were gradually withdrawn, thus leaving the DGDPS a tri-Service set up.

All these measures enabled each Service headquarters to prepare defence plans in a more rational manner. But due to lack of clear political direction and each Service primarily planning for itself, joint planning, coordination between Services and other departmental plans of the MoD, were largely ignored.

After the Kargil conflict in 1999, the Group of Ministers (GoM) and later the Cabinet Committee on Security (CCS) approved several reforms. An Integrated Defence Headquarters (IDH) was established and the DGDPS was merged with it. The creation of the post of Chief of Defence Staff (CDS), whose tasks would include ensuring intra and inter-Services prioritisation of defence plans and improvement in joint functioning of the Defence Services, was recommended. The reforms also included establishment of a Defence Intelligence Agency and creation of Defence Equipment Production, Research and Planning councils in the IDH and MoD, respectively. Unfortunately, the CDS, who would be the cornerstone of integrated operational planning for defence, has not been appointed.

Analysis of the System

Despite several years of planning efforts, defence planning in India is characterised by seesaw bouts of frenzied activity followed by long periods of relative inaction. Five-year defence plans have rarely been formally approved before commencement. The Tenth Defence Plan, now in its third year, is yet to be accorded

formal government approval. Ad-hocism is the order of the day, leading to knee-jerk responses and haphazard planning, making India a reactive rather than pro-active nation in matters pertaining to national security. Whenever India's major adversaries plan a big defence purchase, there is an outcry for similar acquisitions, resulting in piecemeal decisions regardless of long-term impact and overall requirements.

The Defence Forces are forced to follow "a case-by-case" approach to modernisation and procurement of arms, ammunition and equipment to replace obsolescent items, in many cases long after their life cycle is over and they cannot be maintained in a cost effective manner. The Army's Vijayanta tanks, MiG-21s of the IAF, and IL-38 maritime reconnaissance aircraft of the Navy are some examples. Weapons development, procurement and absorption are complex processes. A lead-time of 15-20 years is required to plan and execute major projects. Despite this, for several years, a large amount of the capital acquisition budget has been surrendered.

In the prevailing era of strategic uncertainty, the changing nature of warfare demands a judicious mix of threat and capabilities-based forces that can operate efficiently as combined arms, joint Services teams and components of multi-national coalition forces.

National Security Policy and Strategy

The concept of national security rests mainly on the proposition that many foreign and domestic political, economic and military issues are inter-related, each with implications on the other. In India's case, this has been highlighted by insurgencies and other political events, particularly in border-states, and other outside pressures, which are brought to bear on the country's economy and technological progress from time to time. A response to this type of environment calls for a highly focussed national security policy and strategy.

Effective guidance on national security and defence policy objectives is fundamental to the defence planning process. National security is a relative matter without a firm criteria but unless firm national security objectives are set and a defence

policy evolved, there can be no military doctrine or balancing of defence effort with other national objectives and priorities such as maintaining a viable economy and supporting development of society.

The lack of a cohesive national security strategy and defence policy has many implications. First, it results in the absence of clear political direction regarding politico-military objectives, which is the very basis of sound defence planning. Secondly, there is inadequate coordination of defence plans and economic development. Finally, science and technology policies for defence, general industrialisation and other development programmes are not coordinated properly to achieve security goals and objectives.

Perspective Planning

A Defence Plan has to be prepared on the basis of a 15-year long perspective planning system, such that the first five years of the plan are very firm (Definitive Plan), the second five years less firm (Indicative Plan) and the third five-year term tentative (Vision Plan). There has to be a reasonably firm allocation of financial resources for the first five years and an indicative allocation for the subsequent period.

Perspective planning needs to be done in the Integrated Defence Headquarters, where military, technical and R&D experts take an integrated view of future threats and challenges. This has to be based on future battlefield scenarios, and array of forecasts, evaluation of strategic options and force mixes, and analysis of potential technical and industrial capabilities. Based on this, the respective Service should work on their perspective plans and the R&D and Defence Production/Supplies experts should spell out their requirements in terms of effort, technology and indigenous production.

Integrated Planning

As stated earlier, the CDS, who would be the cornerstone of integrated operational planning for defence, has not been appointed. India's defence planning, therefore, continues to be Service based. Often, the threat perception of one Service is at variance with that of another Service. What emerges is essentially a sum of total of

Service or department wise programmes. The focus is not on overall goals or priorities but on what is required by a particular Service. In its endeavour to lay the groundwork for an increased share of the budget, each Service tends to exercise its own priorities, favouring its own plans to the detriment of joint plans.

Subjects like surveillance, air defence, electronic warfare, and amphibious operations, which relate to more than one Service, do not get adequate attention. Integrated planning for defence is essential for creating balanced force structures and for the successful execution of all military missions. In fact, it is the most effective manner of ensuring effective defence. According to Charles Hitch, “the revolution in military technology has not only changed the character of our military programmes, it has also to a significant degree blurred the lines of demarcation among various Services”. Most major military missions today require the participation of more than one military service. Therefore, the principal concern now must be centred on what is required by the defence establishment as a whole to perform a particular mission—not what is required by a particular Service to perform its individual part of that ‘mission’. The areas of commonality in modern weapon systems are immense and growing rapidly. Communications, guidance systems, missiles, radars, lasers—even traditional equipment such as guns, fuses, ammunition and vehicles are common. Integrated defence planning is necessary in view of escalating costs of these weapons and equipment.

Self-reliance in Defence Technology

The DRDO has a network of 51 laboratories and establishments. The Scientific Advisor (SA) to the Raksha Mantri (RM) is the Secretary of this Department. The DRDO has a staff of 30,000, including 6,800 scientists and engineers. It receives approximately four to six per cent of the defence budget annually. The DRDO is engaged in the pursuit of self-reliance in critical technologies relevant to defence. It formulates and executes a programme of scientific research, design and development for the induction into the Armed Forces of state-of-the-art weapons and other equipments. In April 1984, the

DRDO envisaged a programme “to transform the Department into a leader of international class with the mission to capture and retain commanding heights in critical technologies”. A ‘mission mode’ organisational structure and approach was approved by the Government with a view to increasing the element of self-reliance from the current 30 per cent to 70 per cent by 2005. This goal, however, is nowhere in sight.

The Department has developed more than 1,100 items of weapon systems and equipment with a production value of over Rs 6,000 crore. But it has not been able to make any major contribution to the state-of-art weapons and equipment. Most of its programmes, like Prithvi (sea borne version), Trishul (short-range surface to air missile), Akash (medium-range surface to air missile), Nag (anti-tank missile), Light Combat Aircraft with Kaveri engine, Pinaka (multiple-barrel rocket system), MBT Arjun, Electronic Warfare equipment, new radio sets for the Army, Sonar system for Navy, and many other items, are way behind schedule.

Despite the media hype, the costs have been heavy. MBT Arjun, when it goes into production mode, will have more than 60 per cent imported components, including several crucial components like the engine and gun control system. It will cost over Rs 25 crore a piece whereas the cost of a T-90 tank, which is as superior (if not more), is less than Rs 10 crore along with technology transfer. Matters have come to such a pass that the Armed Forces have stopped believing media reports about the so-called ‘successful trials’ of weapons and equipment.

Because of the failure to deliver the required weapons and equipment, defence planning and Force structuring by the Services has suffered continuously. The DRDO’s inability to deliver in time has caused a crisis of confidence and constant dissatisfaction in the Services. In order to ensure smooth progress towards self-reliance in defence technology, the Government must undertake a periodic performance audit of DRDO projects to reinforce efforts in areas of success and weed out projects that are unproductive.

Defence Production and Supply

The Defence Production Department created in 1962 and the Department of Defence Supply set up in 1965 were merged in 1984 to constitute the Department of Defence Production and Supplies. Presently, 39 Ordnance factories and eight Defence Public Sector Undertakings (DPSUs) come under this department. The Directorate of Quality Assurance, Air Technical Development and Production (Air), Standardisation, and Exhibition Organisation also form part of this Department.

The Ordnance Factories produce more than 1,500 items of arms, ammunition, equipment and components. Most of these products constitute relatively low to medium technology items. Twenty per cent of the output goes to non-defence customers. Due to the very high cost of production, delivery delays and suspect quality, it has not been possible to meet export targets and, sometimes, even orders given by the Services. Ordnance factories as well as DPSUs need to shed the manufacture of low technology items to the private sector and focus on hi-tech products. They should also be in a position to take up substantial product improvement themselves and not be dependent on DRDO.

Defence Planning Tools

In recent years, defence economics and management techniques have made an important contribution to defence planning. A number of techniques such as Operational Research and Systems Analysis (ORSA), Planning Programming and Budgeting System have been developed to make the planning process more systematic and to maximise the benefits obtained from the given amount of resources. Systems Analysis can assist in developing rational procedures for procurement of new weapons systems. Systems performance at design stage can be evaluated through computer simulation. Planners all over the world are using computerised war-gaming techniques and structure analysis. Prospects exist for a more enlightened approach that can bring together military officers, historians, technologists and quantitative analysts.

In many countries, there is a growing interest in analytical realism, operational relevance and integrated defence planning. In India the Services are far behind in introducing these aids in our defence planning system. The planning directorates in Service Headquarters do not even have data banks which can provide relevant information on a specified subject. Most of the planners have high combat and command qualifications but little clue of the modern techniques. There is an urgent need to introduce modern planning aids into our planning system. Defence planners should also learn the basic principles and techniques of economic analysis and not leave it to their 'Finance' colleagues.

Management of Defence Budget

A major lacuna in defence planning and implementation has been lack of financial commitment for the Plan period. Financially, the defence plans are treated more as annual plans rather than composite five years plan. There is a rush to spend the annual capital budget by the end of the financial year since the amount not spent has to be surrendered.

In FY 2004-05, the previous government had proposed to institute a non-lapsable Defence Modernisation Fund of Rs 25,000 crore. This was a long awaited reform in the defence-finance mechanism as budgeted capital expenditure worth thousands of crores was surrendered year after year. However, the new government, being of the view that there are no provisions in the budgetary rules and regulations to carry forward unspent funds for three years, has done away with this reform.

It needs to be pointed out that a similar procedure was being followed in the 1930s and 1940s. The provisions invoked at that time need to be studied carefully and could be used as a precedent. Action should be taken expeditiously to revive the Defence Modernization Fund. Otherwise, funds earmarked for capital expenditure on an annual basis will continue to lapse, leading to lack of systematic defence preparedness.

In the Revenue Budget, there is a need to include incentives to save and reduce annual maintenance expenditure without adversely affecting operational efficiency. It is also necessary to exploit the increasing domestic industrial capability to support the

existing infrastructure and thus reduce maintenance costs and enhance the quality of maintenance.

Human Resources Management

The development of human resources must keep pace with the modernisation of the armed forces so that new, state-of-the-art equipment can be optimally exploited by well trained and motivated soldiers, sailors and airmen. The age profile of military personnel, particularly in the Army, and the age of commanders at battalion and brigade levels needs to be looked into. Currently, a soldier has to serve for 15 to 17 years to earn his pension. When he retires, besides the lifelong pension that has to be paid, a trained individual is lost to the nation. Similarly, while there is a shortage of approximately 14,000 officers, most officers retire in rank of Lieutenant Colonel or Colonel at the age of 52-54 years when they still have years of productive life ahead though they are no longer fit for active combat.

Innovative measures need to be adopted to reduce the effects of the current national loss on this account. The best method would be to institute a procedure of 'lateral induction' under which both officers and personnel below officer rank can be transferred to central police and paramilitary forces(CPMFs). The colour (active) service of jawans should be reduced to 7-10 years with no pension liability after which the volunteers are transferred to the BSF, CRPF, ITBP, CISF and other such forces. Similarly, the Shipping Corporation of India, National Port Trust and other such maritime organisations can fruitfully employ Naval personnel. Ex-servicemen will be expected to serve in these organisations till superannuation, after which they would be entitled to pension. This will improve the age profile of the Services, provide trained manpower to the CPMFs, ensure productive long-term employment for a large number of trained men till superannuation, and also reduce the pension bill of the Central Government.

The Army should increase the recruitment of Short Service Officers to make up its shortfall. Induction of these officers to the CPMFs after five years of service will

improve junior leadership and effectiveness of these forces in internal security and counter insurgency operations.

RECOMMENDATIONS

- Given the fluid strategic environment and the rapid advances in defence technology, there is a need for judicious allocation of the limited budgetary resources. Long lead times are required for creating futuristic Forces, hence the need to make long-term defence planning mandatory. Greater synergy between defence and development plans is required.
- The lack of a cohesive national security strategy and defence policy has resulted in inadequate political direction regarding politico-military objectives. The Government should prepare a clear national security strategy, defence policy, and review it every 4-5 years.
- In view of the time taken to create the capabilities necessary for facing future threats and challenges, it is essential for the Defence Services to evolve 10 to 15-year perspective plans with the required budgetary support.
- The Chiefs of Staff Committee has not been successful in preparing comprehensive 'integrated defence plans' due to emphasis on single Service planning and constant competition among the Services for a bigger share of resources. The civilian bureaucrats in the MoD do not have the professional expertise to decide on inter-Service priorities. Hence, the early appointment of Chief of Defence Staff (CDS) is essential as he will be the cornerstone for integrated defence and operational planning.
- A non-lapsable Defence Modernisation Fund must be expeditiously created to ensure that allocations are optimally utilised and funds earmarked for capital acquisitions are not allowed to lapse.
- The Revenue Budget of the Services needs to be better managed. Annual maintenance expenditure can be curtailed by greater exploitation of the available

public and private sector industrial infrastructure capability and offering incentives to the Services to save.

- To ensure smooth progress towards self-reliance in defence technology, the Government must undertake a periodic performance audit of the DRDO plans and projects. The review should reinforce efforts in areas of success and weed out unproductive projects.
- Ordnance Factories should produce only hi-tech products and shed the production of low-tech items to the private sector.
- Integrated Defence Staff and the Services' perspective planners should acquire expertise in operational research and systems analysis, as also financial planning, for evolving complex integrated defence plans.
- In order to improve the age profile of the Services and simultaneously reduce the pension bill of the Central Government, personnel below officer rank should be transferred to central police and paramilitary forces (CPMFs) after active service of 7-10 years.
- The Army should increase recruitment of Short Service Officers to make up its shortfall. Induction of these officers to the CPMFs after five years of service will improve junior leadership and effectiveness of these forces in internal security and counter insurgency operations.

CONCLUSION

Defence planning has been neglected for long in India. This has led to ad-hocism in decision-making and adversely affected the modernisation plans of the Services. The key issues needing immediate attention include the need for formal prior approval for five-year defence Plans, better management of the defence revenue and capital acquisition budgets, streamlining of the defence procurement process and better human resources management. The Government of India should appoint a group of eminent experts to study the present defence planning process, identify the lacunae and grey areas in the process and recommend structural and procedural changes. The aim should be to

streamline defence planning, harmonize it with national development plans, and make the process more responsive in order to deal effectively with the rapidly changing geo-strategic and regional security environment.

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