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Policy Brief

India's Defence and Security Priorities

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Summary

Defending national territory, offshore assets and sea lanes of communication from external aggression, preserving national unity in the face of internal challenges, and protecting small South Asian neighbours from destabilisation by domestic and extra-regional actors have been India's defence priorities until now. Intensifying economic links to the rest of Asia and aspiration to play a leading role have impelled an expansion in the country's interests throughout the Extended Neighbourhood spanning between Suez and Shanghai. While financial constraints and the imperative of not eroding extant capabilities against external and internal challenges render impractical the defence of interests in the extended neighbourhood, it should be feasible to adopt as a fourth priority the defence of the island countries and extended sea lanes of the Indian Ocean.

Henry Kissinger offered a pithy definition of foreign policy a few years ago when he described it as "the art of establishing priorities".[1] This commonsensical definition can be applied to defence policy as well.

But then, one of the staples of the popular and even academic discourse on India's national security during the last few decades has been the assertion that India does not have a defence policy. Such a view is widely shared not only by Indian and foreign scholars and analysts but also by retired high-ranking civilian and military officials. Thus, George Tanham famously asserted that Indians do not have a history of thinking strategically.[2] Indian decision makers do not engage in purposive action. Instead, they react in an *ad hoc* manner to the actions and initiatives of other countries, as Bharat Karnad as well as VP Malik and Gurmeet Kanwal have argued separately.[3] It is also contended that India's *ad hoc* approach is most evident in how it has been arming itself since the 1950s – without aim or purpose, an argument that was first advanced by Chris Smith in the 1990s and reprised by Stephen Cohen and Sunil Dasgupta a few years ago.[4]

Defence Guidelines

This picture of India's defence policy, or more accurately the absence of policy driven by the lack or inability to assign a purpose and priorities, is a caricature at best and a misrepresentation at worst. When this drumbeat of criticism about India not having a defence policy began to be echoed by parliamentarians in the first half of the 1990s, the then prime minister, Narasimha Rao, felt compelled to rebut on the floor of Parliament what he referred to as "a rather extraordinary kind of criticism".[5] While conceding that there was no document called India's National Defence Policy, Rao asserted that such a policy existed in the form of guidelines that were followed by successive governments. These guidelines were:

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[1] Henry Kissinger, "How the Ukraine Crisis Ends," *Washington Post*, 6 March 2014, http://www.washingtonpost.com/opinions/henry-kissinger-to-settle-the-ukraine-crisis-start-at-the-end/2014/03/05/46dad868-a496-11e3-8466-d34c451760b9_story.html

[2] George Tanham, *Indian Strategic Thought: An Interpretive Essay* (Santa Monica, CA: RAND, 1992).

[3] Bharat Karnad, *Why India is not a Great Power (Yet)* (New Delhi: Oxford University Press, 2015); V. P. Malik and Gurmeet Kanwal, *Defence Planning in India* (New Delhi: Observer Research Foundation, 2005), https://www.orfonline.org/wp-content/uploads/2005/01/Defence.pdf

[4] Chris Smith, *India's Ad Hoc Arsenal: Direction or Drift in Defence Policy?* (Oxford: Oxford University Press, 1994); Stephen P. Cohen and Sunil Dasgupta, *Arming Without Aiming: India's Military Modernization* (New Delhi: Penguin/Viking, 2010).

[5] "Towards a Clear Defence Policy," *P.V. Narasimha Rao Selected Speeches. Volume IV: July 1994 – June 1995* (New Delhi: Government of India, 1995), p. 125.

- "Defence of national territory over land, sea and air encompassing among others the inviolability of our land borders, island territories, offshore assets and our maritime trade routes.
- "To secure an internal environment whereby our nation-state is insured against any threats to its unity or progress on the basis of religion, language, ethnicity or socio-economic dissonance.
- "To be able to exercise a degree of influence over the nations in our immediate neighbourhood to promote harmonious relationships in tune with our national interests.
- "To be able to effectively contribute towards regional and international stability and to possess an effective out-of-the-country contingency capability to prevent destabilisation of the small nations in our immediate neighbourhood that could have adverse security implications for us."[6]

In short, defence against external aggression, defeat of armed internal challenges, and maintaining stability in the immediate neighbourhood of South Asia have been India's defence priorities since Independence. Since India's assertion of nuclear status in 1998 and its economic emergence in subsequent years, senior leaders and officials have been highlighting the country's economic and geopolitical interests in the Extended Neighbourhood stretching between Suez and Shanghai. But even 20 years later, the protection of these interests do not appear to have become translated into a defence priority.

The new Defence Planning Committee (DPC), which was recently notified as a new and permanent institutional mechanism for defence planning, ought to rectify this omission. Chaired by the National Security Advisor and comprising of the three Service Chiefs and the Defence, Foreign and Expenditure Secretaries as members, the DPC has a broad mandate including the preparation of drafts of the national security strategy, strategic defence review and doctrines. One key prerequisite for undertaking these tasks is the identification of the country's defence and security priorities, for the purpose of which the DPC may constitute a separate sub-committee, according to the notification.[7]

Against the above backdrop, this Brief offers an overview of India's long established as well as more recent external defence and security priorities, and delineates the

[6]Ibid., pp. 125-26.

[7] Press Information Bureau, "Inaugural meeting of the Defence Planning Committee," 3 May 2018, http://pib.nic.in/newsite/PrintRelease.aspx?relid=179109; Nitin Gokhale, "DPC Decides to Evolve Time-Bound Action Plan," *Bharat Shakti*, 6 May 2018, http://bharatshakti.in/dpc-decides-to-evolve-time-bound-action-plan/; Sushant Singh, "NSA will chair panel set up for new security roadmap; Foreign, Defence Secys its members," *Indian Express*, 19 April 2018, http://indianexpress.com/article/india/nsa-will-chair-panel-set-up-for-new-security-roadmap-foreign-defence-secys-its-members-5143179/

three options available to the DPC under the extant economic and geopolitical circumstances.

Dealing with Pakistan

Since 1947, the immediate external threat to India has been from Pakistan. While Kashmir has been the principal bone of contention, India-Pakistan conflict is actually deep-rooted in incompatible national identities and divergent geopolitical interests. The idea of Pakistan as a homeland for the protection and progress of India's Muslims remains incompatible with the idea of India as a composite entity that is home to multiple communities, irrespective of contending ideologies on how domestic inter-communal relationships should be structured.[8] And whereas India endeavours to preserve the geopolitical unity of the subcontinent by establishing its predominance in the region, Pakistan seeks to deny such a role for India by seeking parity with it through both the mobilisation of internal resources and the borrowing of power from extra-regional states.[9]

For India, the principal defence imperative vis-à-vis Pakistan has been to deter, and if deterrence fails, then, defeat Pakistan's efforts to alter the territorial status quo. Since 1947, Pakistan has repeatedly sought to annex Kashmir by relying on irregulars trained, backstopped and reinforced by its Army.[10] India has been able to cope with this challenge, albeit not to complete satisfaction, by maintaining a measure of conventional superiority, and based on that superiority, threatening or employing escalation to deter or defeat Pakistan's attempts at changing the territorial status quo.[11]

Thus, when Pakistan attempted to prise Kashmir away in 1965 by first despatching a large number of trained irregulars and followed it up with a military assault, India expanded the war to the Punjab front. In fact, this policy response was decided upon in 1950 by the Defence Committee of the Cabinet based on the recommendation made by the military leadership.[12] It was the logic dictated by this policy that drove

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[8] Stephen Philip Cohen, *The Idea of Pakistan* (New Delhi: Oxford University Press, 2006 paperback edn.), p. 2; Sunil Khilnani, *The Idea of India* (London: Hamish Hamilton, 2003 edn.); M. G. Vaidya, "One Nation, One Culture," *Indian Express*, 24 March 2016, http://indianexpress.com/article/opinion/columns/one-nation-one-culture-india-nationalism-rss-bharat-mata/;

[9] The formulation about Pakistan borrowing power from extra-regional states was Ambedkar's, as cited in Stephen Cohen, *Idea of Pakistan*, p. 121.On India and Pakistan's divergent geopolitical interests, see Mohammed Ayoob, "India in South Asia: The Quest for Regional Predominance," *World Policy Journal*, vol. 7, no. 1, Winter 1989/1990, p. 119.

[10] C. Christine Fair, *Fighting to the End: The Pakistan Army's Way of War* (Oxford: Oxford University Press, 2014).

[11] Raju G. C. Thomas, *Indian Security Policy* (Princeton, N.J.: Princeton University Press, 1986), p. 22.

[12] Lorne J. Kavic, *India's Quest for Security: Defence Policies, 1947-1965* (Dehradun: EBG Publishing and Distributing Co., n.d.), pp. 36-38.

the military modernisation of the 1980s and the Army's adoption of the Sundarji Doctrine, which envisaged an armoured offensive to sever Pakistan in two.

More recently as well, when Pakistani terrorists attacked the Indian Parliament in December 2001, India mobilised and threatened war. This exercise in coercive diplomacy did yield some results, especially a ceasefire in Kashmir lasting a good 12 years until 2015, as well as Pakistan initiating the first reluctant steps towards placing curbs against anti-India terrorist groups on its soil.[13] Thereafter, in order to achieve a greater degree of coercive success, the Indian Army devised the Cold Start doctrine, which envisages a swift response to a grave Pakistani terrorist provocation by undertaking multiple shallow thrusts to capture slices of territory and attrite Pakistani forces.[14] Circumstances until now have not been conducive for applying this doctrine in actual combat. In the meantime, the Indian Army has been resorting to intense fire fights and Special Forces operations along and across the Line of Control with a view to imposing costs on the Pakistan Army. But this course of action has serious limits in that such pinpricks only enrage Pakistan and provide it an opportunity to engage in a potentially endless cycle of tit-for-tat actions and reactions, as is being witnessed during the last several years.[15]

The China Challenge

A second external challenge confronting India is China. In contrast to the pressing but limited challenge posed by Pakistan, it is widely acknowledged that China poses a strategic challenge with both short and long term implications for India's role and influence in South Asia and the Indian Ocean Region as well as in Asia and the world at large.[16] Until recently, the China challenge was largely limited to Chinese claims on, continued occupation of, and constant nibbling at, Indian territory, on the one hand, and the possibility of a Chinese intervention in an India-Pakistan war (the two front war scenario), on the other. Indeed, China issued two ultimatums and moved troops close to the border in the Ladakh and Sikkim sectors during the 1965 India-Pakistan War.[17] It was the fear of a Chinese intervention in the 1971 War that led India to forge an alliance with the Soviet Union through the Treaty of Peace and

[13] S. Kalyanaraman, "Operation Parakram: An Indian Exercise in Coercive Diplomacy," *Strategic Analysis*, vol. 26, no. 4, October-December 2002, pp. 478-92.

[14] Walter C. Ladwig, "A Cold Start for Hot Wars? The Indian Army's New Limited War Doctrine," *International Security*, vol. 32, no. 3, Winter 2007/08, pp. 158-90.

[15] Rajesh Rajagopalan, "India's Clueless deterrence 'strategy'," *ORF War Fare Blog*, 9 March 2018, http://www.orfonline.org/expert-speaks/india-clueless-deterrence-strategy/

[16] Shyam Saran, *How India Sees the World: From Kautilya to 21st Century* (New Delhi: Juggernaut Books, 2017), p. 58.

[17] S. Kalyanaraman, "The Context of the Cease-Fire Decision in the 1965 India-Pakistan War," *IDSA Special Feature*, 21 September 2015, https://idsa.in/system/files/comments/SpecialFeature_skalyanaraman_210915.pdf

Friendship signed in August 1971. And it is the fear of China and the imperative of constraining it that has been impelling India in recent years to forge diplomatic and defence cooperation with the United States in particular but also Japan and Australia.[18]

The key difference between how India has sought to deal with the Pakistan and China challenges was nicely captured by the then Union Finance Minister P. Chidambaram in his K. Subrahmanyam Memorial Lecture delivered in 2013. The approach to Pakistan, he said, was marked by efforts to deter or defeat it through military might. But a war with China has remained unthinkable and therefore India has been employing a mixture of engagement, diplomacy and trade backed by a dissuasive military posture.[19] The dissuasive military posture is maintained by 10 mountain divisions and the new mountain strike corps being raised as well as by the repositioning of frontline aircraft and strengthening of air infrastructure along the border.[20] Overall, then, India's policy towards China has been to prevent the relationship from degenerating into conflict and, in the event of such a denouement, dissuade China from initiating war by convincing it that the Indian military is capable of denying victory to its Chinese counterpart. That this broad approach continues to be practised is evident from the recent effort to 'reset' relations with China, which saw a considerable degree of deterioration in recent years due to a number of differences. The catchphrase that the two leaders, Modi and Xi, agreed upon last year is that differences should not be allowed to become disputes, meaning that differences have begun to degenerate into disputes and this should be put a stop to.[21]

Recent years have seen the emergence of two additional dimensions to the China challenge. The first is the power asymmetry that has yawned between India and China over the last 10 or 15 years. In the year 2016, China's GDP of $11.199 trillion was nearly five times greater than India's $2.264 trillion.[22] And in the same year,

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[18] S. Kalyanaraman, "External Balancing in India's China Policy," *IDSA Issue Brief*, 28 March 2018, https://idsa.in/issuebrief/external-balancing-in-indias-china-policy_skalyanaraman_280318

[19] P. Chidambaram, "India's National Security – Challenges and Priorities," *K. Subrahmanyam Memorial Lecture*, 6 February 2013, http://idsa.in/keyspeeches/IndiasNationalSecurityChallengesandPriorities

[20] Cecil Victor, "India's security challenge: A two-and-half-front war," *IAPSDialogue*, 21 September 2017, https://iapsdialogue.org/2017/09/21/indias-security-challenge-a-two-and-half-front-war/

[21] P. S. Raghavan, "The dragon beckons again," *The Hindu*, 25 April 2018, http://www.thehindu.com/opinion/lead/the-dragon-beckons-again/article23662063.ece; Raj Chengappa and Ananth Krishnan, "A fresh start: Can Modi-Xi's Wuhan summit repair strained India-China relations?," *India Today*, 26 April 2018, https://www.indiatoday.in/amp/magazine/cover-story/story/20180507-naredra-modi-xi-jinping-wuhan-summit-strained-india-china-relations-1221306-2018-04-26

[22] World Bank Data, https://data.worldbank.org/?locations=CN-IN

China's defence expenditure of an estimated $215 billion was nearly four times greater than India's $55.9 billion.[23] While the balance of military power and capabilities across the Himalayan border remains finely balanced now, if the current power asymmetry persists for another decade, the military balance will inevitably shift in China's favour.[24]

Maintaining Stability in the Indian Subcontinent

The second new dimension to the China challenge is its economic, diplomatic and military inroads into South Asia and the Indian Ocean Region. This, in turn, impinges on India's third defence policy priority, namely, maintaining stability in small South Asian neighbours. China's inroads into these countries are indeed understandable and even inevitable. It has emerged as an important trading partner for most countries in Asia. Its enormous foreign exchange reserves make it a good source of investment for these countries. For its part, China is looking to keep its economy ticking by finding business opportunities abroad for state owned enterprises. It is also naturally interested in protecting sea lanes that stretch across the South China Sea and the Indian Ocean, as evident from its participation in the anti-piracy mission in the waters off Somalia and even more glaringly from its acquisition of a naval base in Djibouti. Finally, as China emerges as a superpower, it is naturally seeking a greater role for itself in Asian and international affairs. All in all, China is no longer the long-term strategic challenge that will emerge a decade or two later; it has begun to pose a clear and present challenge now.

But the fact remains that the expansiveness of China's interests and projects such as the Belt and Road Initiative are corroding Indian influence and colliding with India's imperative of maintaining its own predominance in South Asia in particular. That India has sought to maintain the subcontinent, minus Pakistan of course, as a *cordon sanitaire* in which the influence of external powers is circumscribed is evident from the following: In 1949 and 1950, it renewed the security treaties which the British Raj had maintained with the Kingdoms of Nepal, Bhutan and Sikkim, thereby inheriting the Raj's supervisory role over the foreign and defence policies of these kingdoms. In 1951, India intervened in Nepal's domestic affairs and enabled the political transition from the rule of the Ranas to the rule of the Shah dynasty. While Nepal has striven to assert its autonomy in subsequent decades, India has

[23] Nan Tian et. al., "Trends in World Military Expenditure, 2016," *SIPRI Fact Sheet*, April 2017, p. 5, https://www.sipri.org/sites/default/files/Trends-world-military-expenditure-2016.pdf

[24] For a comparative assessment of Indian and Chinese air power, see Arjun Subramaniam, "Closing the Gap: A Doctrinal & Capability Appraisal of the IAF & the PLAAF," in Pushan Das and Harsh Pant, ed., *Defence Primer: An Indian Military in Transformation?* (New Delhi: Observer Research Foundation, 2018), pp. 35-43, https://www.orfonline.org/wp-content/uploads/2018/04/Defence_Primer_2018.pdf

maintained a close vigil on happenings within that country and continues to be a factor in Nepal's internal and external policy calculations.[25] In the case of Sikkim, when the Chogyal attempted to assert his independence in the 1970s, India ousted him from power and formally integrated the Kingdom.[26] Through the 1980s, India played a role in Sri Lanka's ethnic conflict, which culminated in the deployment of the Indian Peacekeeping Force.[27] The late 1980s also saw India undertaking a military rescue mission to save the government of Maldives from a coup.[28]

It is this predominant role in South Asia in particular but also India's aspiration to carve out a larger role throughout the Indian Ocean that is coming under challenge due to China's ongoing inroads. President Yameen's defiance of India on re-establishing democracy in Maldives, President Rajapaksa's backtracking on his promise to India that he would devolve power and autonomy to the Tamils after defeating the LTTE, the Nepali hill elite's refusal to consider Indian suggestions on providing greater representation for the people of the plains and disadvantaged communities – have all been enabled by the economic and diplomatic support that China has lent them.[29]

In response, India has stepped up its own economic assistance programme and defence cooperation initiatives with Bangladesh, Bhutan, Maldives, Mauritius, Nepal, Seychelles and Sri Lanka. In addition, it is teaming up with Japan to promote the Asia Africa Growth Corridor as an alternative to China's BRI.[30] While the Indian Navy has been undertaking regular patrols of the Exclusive Economic Zones of

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[25] For a concise overview on India-Nepal relations, see Saran, *How India Sees the World*, pp. 149-72.

[26] P. N. Hoon, "Sikkim – The Little Tibet," undated, http://www.hoonslegacy.com/sikkim-brigade/

[27] S. D. Muni, *Pangs of Proximity: India and Sri Lanka's Ethnic Crisis* (New Delhi/Oslo: Sage/PRIO, 1993).

[28] Arun Kumar Banerji, "Maldives Revisited," *Occasional Paper No. 39* (New Delhi: IDSA, 2015), https://idsa.in/system/files/opaper/OP39_MaldivesRevisited_akBanerjee.pdf

[29] Indrani Bagchi, "How 'India First' turned into 'China First' for Maldives," *Times of India*, 10 February 2018, https://timesofindia.indiatimes.com/india/how-did-india-first-turn-into-china-first-in-the-maldives/articleshow/62864889.cms; Prashant Jha, "A leader falls: Why Sri Lanka ousted Mahinda Rajapaksa," *Hindustan Times*, 20 January 2015, https://www.hindustantimes.com/world/a-leader-falls-why-sri-lanka-ousted-mahinda-rajapaksa/story-qKUYmWXpOkuzC1BVQ494PN.html; Shyam Saran, "Kathmandu's triumphalism about China is misplaced," *Hindustan Times*, 31 March 2016, https://www.hindustantimes.com/analysis/kathmandu-s-triumphalism-about-china-is-misplaced/story-1xzcjDjg3qzldr9YXy1pTN.html

[30] Vipul Vivek, "India gives most foreign aid to Bhutan, not its new priorities Afghanistan and Africa," 24 April 2017, https://scroll.in/article/835481/india-gives-most-foreign-aid-to-bhutan-not-its-new-priorities-afghanistan-and-africa; Ruchita Beri, "India's New Initiative in Africa: The Asia–Africa Growth Corridor," *IDSA Comment*, 13 June 2017, https://idsa.in/idsacomments/indias-new-initiative-in-africa-asia-africa-growth-corridor_rberi_130617

Mauritius and Madagascar since the early-2000s, more recently, in response to the PLA Navy's forays into the Indian Ocean, it has reconfigured its deployment pattern so as to regularly patrol all the important portions and choke points of the Indian Ocean.[31] Finally, India has signed logistics pacts with the United States, Singapore and France to facilitate the Navy's tasks of maintaining its presence throughout the Indian Ocean as well as in the larger Indo-Pacific domain.

India's Interests in the Extended Neighbourhood

Since the late 1990s, first as part of the Vajpayee government's assertion of India's nuclear status and articulation of larger Asian aspirations, and subsequently during the prime ministership of Manmohan Singh when India began to be recognised as a major emerging economy, senior leaders and officials have been articulating the idea of the country's Extended Neighbourhood. Stretching between Suez and Shanghai, the Extended Neighbourhood encompasses within it, the Persian Gulf in particular but also the broader region of West Asia, Central Asia, Southeast and Northeast Asia and even Oceania, and the island states of the Indian Ocean.[32]

West Asia is the principal source of oil imports (64 per cent of the total) for India's rapidly growing economy, which makes the region very important from the perspective of energy security.[33] However, India's trade with the region is not confined to petroleum alone, given that it exported nearly $50 billion worth of goods to the region in 2016-17.[34] Overall, India's trade with the region in 2016-17 stood at nearly $130 billion, representing nearly 20 per cent of the country's total trade with the world. West Asia moreover hosts an estimated 7.268 million Indian citizens, who annually remit some $35 billion constituting nearly 56 per cent of all remittances into the country.[35] Instances of instability and conflict in countries of the region and

[31] "Indian Navy's cheeky tweet to China conveys message 'we see you'," *Times of India*, 18 April 2018, https://timesofindia.indiatimes.com/india/indian-navys-cheeky-welcome-tweet-to-china-shows-its-dominance-in-indian-ocean/articleshow/63809251.cms; R. S. Vasan, "Indian Navy's 'CAMPING' Expeditions in the Indian Ocean Region," *National Maritime Foundation Commentary,* 6 April 2018, http://www.maritimeindia.org/View%20Profile/636585847056911533.pdf

[32] David Scott, "India's 'Extended Neighborhood' Concept: Power Projection for a Rising Power," *India Review*, vol. 8, no. 2, 2009, pp. 107-43.

[33] See Table 3, Lok Sabha, Unstarred Question No. 267, Answered on 18 December 2017, http://164.100.47.190/loksabhaquestions/annex/13/AU267.pdf

[34] Unless otherwise specified, all the trade figures cited in this and the next two paragraphs are drawn from data contained in the website of the Ministry of Commerce at http://commerce-app.gov.in/eidb/ergncntq.asp

[35] The estimated number of Indian citizens is as of January 2015. See Ministry of External Affairs, "Population (Estimate/Assumed) of Overseas Indians: Country Wise," http://www.mea.gov.in/images/pdf/3-population-overseas-indian.pdf; Shafeeq Rahman, "Why Remittances from the Middle East Matter to India," *Fair Observer*, 26 February 2018, https://www.fairobserver.com/region/middle_east_north_africa/global-remittances-middle-east-gulf-india-labor-force-news-43199/

the consequent threat to the lives of Indian citizens has compelled India to serially evacuate thousands from Iraq, Lebanon, Libya, Egypt, and Yemen.[36] In addition, piracy off the coast of Somalia has produced a timely reminder of the importance of safeguarding sea lanes of communication.

India's trade is even larger with the countries in the eastern part of Asia, totalling $216 billion in 2016-17 and representing fully one-third of the country's total trade with the world. According to one study, nearly 55 per cent of India's total trade passes through the Strait of Malacca.[37] In addition, some 1.024 million Indian citizens live in the various countries of the region.[38] Although the region continues to remain stable, it is not entirely devoid of potential conflicts as evident from China's determination to annex Taiwan by force if necessary, evict Japan from the Senkakus and perhaps even the entire Ryukyus, exercise its self-assumed sovereign rights in the South China Sea, and establish its predominance in Asia by compelling the United States to withdraw from the region.[39]

In contrast to its deep economic linkages with East and West Asia, India's trade with Central Asia stands at a mere $950 million. Nevertheless, the region is important both because it has abundant fossil fuel reserves and three countries – Tajikistan, Uzbekistan and Turkmenistan – share a border with Afghanistan. It is from the Farkhor air base in Tajikistan that India, in coordination with Iran and Russia, had extended support for the Northern Alliance against the Taliban in the 1990s. More recently, India upgraded the Ayni air base in Tajikistan but was reportedly denied use of the facility due to Russia's opposition.[40]However, even as successive prime ministers, defence ministers and foreign ministers have highlighted India's interests in the Extended Neighbourhood, they have also at the same time cautioned against ignoring the challenges and interests along the country's borders and in the

[36] Constantino Xavier, "India's Expatriate Evacuation Operations: Bringing the Diaspora Home," *Carnegie Paper*, December 2016, http://carnegieendowment.org/files/CP_299_Xavier_India_Diaspora_Final.pdf

[37] Ministry of External Affairs, "15th ASEAN-India Summit and 12th East Asia Summit in Manila, Philippines (November 14, 2017)," 9 November 2017, http://www.mea.gov.in/outoging-visit-detail.htm?29102/15th+ASEANIndia+Summit+and+12th+East+Asia+Summit+in+Manila+Philippines+November+14+2017; Chietigj Bajpaee, "Reaffirming India's South China Sea Credentials," *The Diplomat*, 14 August 2013, http://thediplomat.com/2013/08/14/reaffirming-indias-south-china-sea-credentials/

[38] Ministry of External Affairs, "Population (Estimate/Assumed) of Overseas Indians: Country Wise".

[39] For an overview of simmering conflicts in the region, see S. Kalyanaraman, "Asia-Pacific – Fulcrum of the International System," *Defence and Security Alert*, July 2016, http://www.dsalert.org/asian-century-growth-and-potential-empowering-indian-defence-100-fdi/1504-fulcrum-of-the-international-system

[40] Catherine Putz, "Will There Be an Indian Air Base in Tajikistan?," *The Diplomat*, 15 July 2015, https://thediplomat.com/2015/07/will-there-be-an-indian-air-base-in-tajikistan/

immediate neighbourhood. Thus, in October 2011, even as he described the Indian Navy as 'a net security provider', former Defence Minister Antony limited this role to the "island nations in the Indian Ocean Region". And he went on to caution the Navy's top commanders to "be mindful of the core area of … responsibility that mainly includes preserving and strengthening our shore lines and coastal security" even as they went about pursuing the important task of "reaching out to our extended neighbourhood".[41] Such a circumscribed role for the Navy as a "net security provider in the adjoining seas" was also articulated in December 2016 by then Defence Minister Manohar Parrikar.[42]

In addition to the unignorable challenges to sovereignty and territorial interests, another factor that has contributed to circumscribing the role of the armed forces is the inability of the government to substantially increase defence allocations. Thus, the Navy's recent proposal to acquire new warships, aircraft, and submarines with a view to moving towards a 200-ship force within a decade has been dismissed by the Ministry of Defence as 'unrealistic' given "projected national growth and spending power".[43] The Air Force's position appears even worse. Not only is its squadron strength dwindling due to delays in contracting for replacement aircraft, but in the most recent budget the service has not even been allocated sufficient funds to make tranche payments for past purchases of weapons and equipment.[44]

While part of the problem lies in the economy's suboptimal performance in the last several years due to a combination of domestic and external factors, an equally important contributor is ballooning manpower costs. For instance, nearly 27 per cent of the total defence allocation in FY 2018-19 goes towards defence pensions alone. Further, pay and allowances are budgeted to account for 70 per cent of the revenue expenditure and 44 per cent of the overall defence budget during the current year. These large outlays for pay, allowances and pensions are crowding out allocations for capital acquisition. This is evident from the fact that the 34 per cent share of capital expenditure in the current defence budget is six percentage points lower than the ideal capital-revenue budget ratio of 40:60. Indeed, between 2011-12 and 2018-19, even as the share of pay, allowances and pensions has risen from 44 to 56 per

[41] "Indian Navy-Net Security Provider to Island Nations in IOR: Antony," *Press Information Bureau*, 12 October 2011, http://pib.nic.in/newsite/PrintRelease.aspx?relid=76590

[42] Pravin Sawhney, "Underprepared for a New Role," *The Pioneer*, 12 December 2016, http://www.dailypioneer.com/columnists/ite/underprepared-for-a-new-role.html (accessed 18 May 2018)

[43] Manu Pubby, "Defence ministry blocks Navy's 'unrealistic' five-year acquisition plan," *The Print*, 13 September 2017, https://theprint.in/security/defence-ministry-blocks-navys-unrealistic-five-year-acquisition-plan/9928/

[44] Manu Pubby, "This year, the Indian Air Force doesn't have enough funds to pay for past purchases," *The Print*, 8 March 2018, https://theprint.in/national-security/year-indian-air-force-doesnt-enough-funds-pay-past-purchases/40082/

cent of total defence allocations, the share of capital procurement in total allocations for the Ministry of Defence has declined from 26 to 18 per cent.[45]

Options before the DPC

Given financial constraints and the imperative of maintaining fiscal prudence, on the one hand, and the importance of securing the national interests beyond the immediate neighbourhood especially in the wake of China's deepening inroads into the Indian Ocean Region, on the other, the Defence Planning Committee has three options before it.

The first and easiest option is to persist with the status quo of concentrating only upon the three established priorities of defence against external aggression, defeat of armed domestic challengers, and maintain stability and considerable influence in the smaller South Asian neighbours. A nominal increase in the annual defence budget should be adequate for all these tasks in the short and medium terms, although they may not suffice for the more intense challenges that China is likely to pose in the longer term both along the border as well as in South Asia and in the Indian Ocean Region.

The second option is to be expansive and formally recognise the national interests in the Extended Neighbourhood as a fourth defence priority. But this would require an enormous build-up of combat capability as well as deep structural and organisational reforms such as those advocated by Prime Minister Modi in December 2015. Addressing the senior commanders of the three services, the Prime Minister noted the imperatives of reducing manpower, increasing reliance on technology, building up capabilities to "win swift wars" instead of preparing for "long drawn battles", shortening the teeth-to-tail ratio, and enhancing the range and mobility of the military in keeping with its expanding "security horizons and responsibilities". In particular, the Prime Minister highlighted the fact that simultaneous "modernisation and expansion of forces … is a difficult and unnecessary goal."[46] But such major reforms, and especially a reduction in manpower, is highly risky and unlikely to be accepted by the Army in particular. As the Shekatkar Committee has pointed out, the Army's mandate of defending mountainous borders against both China and Pakistan as well as serving as the last resort in internal security situations are tasks

[45] Laxman Kumar Behera, "Defence Budget 2018-19: The Imperative of Controlling Manpower Cost," *IDSA Issue Brief*, 5 February 2018, *passim*, https://idsa.in/system/files/issuebrief/ib-defence-budget-2018-19-manpower-cost-lkbehera.pdf

[46] "PM chairs Combined Commanders Conference on board INS Vikramaditya at Sea," *Press Information Bureau*, 15 December 2015, http://pib.nic.in/newsite/mbErel.aspx?relid=133265

that require a very large number of troops.[47] Thus, while the vision laid down by the Prime Minister ought to be followed and suitable reforms based on them implemented, these need to unfold over the very long term and incrementally rather than in a big bang fashion.

The third and the ideal option under the circumstances would be to adopt an incremental approach of identifying only the defence of the island countries and extended sea lanes of the Indian Ocean as a fourth priority, while postponing consideration of the national interests in the extended neighbourhood. It would cater for more robustly maintaining India's interests both in South Asia and in the Indian Ocean, while at the same time retaining the necessary capacities for defence against external aggression. This option should be financially feasible to an extent given that the economy's fundamentals remain sound, the effects of recent domestic disruptions are dissipating, and the growth rate in the coming years is projected to increase up to 7.5 per cent or more.[48] Determinedly implementing a set of prudential reforms that help achieve economies, such as those recommended by the Shekatkar Committee, for instance, would also enable savings and rebalance expenditure towards the build-up of the required levels of combat capability in the three services.[49]

[47] Sushant Singh, "Defence Reforms: Shekatkar panel recommends four-star rank for top military adviser," *Indian Express*, 11 January 2017, http://indianexpress.com/article/india/defence-reforms-shekatkar-panel-recommends-four-star-rank-for-top-military-adviser-4468665/

[48] The World Bank, *India Development Update: India's Growth Story*, March 2018, http://documents.worldbank.org/curated/en/814101517840592525/pdf/123152-REVISED-PUBLIC-MARCH14-IDU-March-2018-with-cover-page.pdf

[49] "A leaner military is on the cards," *The Hindu*, 26 March 2017, http://www.thehindu.com/news/national/a-leaner-military-is-on-the-cards/article17664580.ece

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