

INDIAN DEFENCE INDUSTRY ISSUES OF SELF RELIANCE

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Published By: IDSA Monograph Series No 21 July 2013

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With 52 research laboratories, 9 defence PSUs and 39 Ordnance Factories and now a small but growing private sector, the Defence Industrial Base in India though significant, has not prevented it from achieving the dubious distinction of being one of the largest arms importers in the world. Self-reliance, an objective set out long ago still eludes us to the extent that there is lack of evidence on how to measure its progress.

The author takes us through an overview of the Indian Defence Industry and listing the annual Import Dependency of the DPSUs & OFs for years 2006-2011 as a percentage of production. From these the study has estimated the self-reliance index.

He then reviews the policy recommendations of at least eight committees/task forces that have been set up since 1999 to look into various aspects of national defence, including indigenous defence production and self reliance and reflects on the progress or lack of it on their recommendations.

He then covers a host of reform measures that the MoD has been instituting to enhance self-reliance starting in 2001 when the decision was taken to open the private sector to defence production. In addition the MoD had also announced the major policies relating to Joint Venture Guidelines and Defence production Policy.

In the final chapter the author gives his views on the agenda for change towards greater self-reliance and notes that a fundamental weakness remains the absence of a strong overarching institutional mechanism for setting out policy goals, bringing stakeholders on board, monitoring projects and fixing accountability. The role of the Department of Defence Production, specially its conflict of interest vis a vis the private sector and the need for change also finds mention. It is mentioned that there is a demand for shifting the administrative responsibility of the defence industry to the Prime Minister's office, which is perceived to have successfully managed space and atomic energy sectors. This is an interesting comment and it is possible that the relative success of these two sectors has more to do with greater administrative responsibility being undertaken by technocrats rather than bureaucrats. Certainly this is an interesting area for greater study.

Going through this well researched and compiled study, one comes away with the impression that the challenges and proposed remedies are known and have been articulated by a series of studies and committees, but as normally happens in a bureaucratically driven system, the simpler recommendations are usually implemented whilst the more difficult or complex ones remain in limbo. This unbalanced approach sometimes results in more harm than good. Here again the author's views of an absent overarching mechanism ring true.

As national security challenges mount, technology becomes the driver of defence capability and costs of defence systems escalate, there is a dying need for clearly defined technology and defence industrial goals along with associated institutions and mechanisms to administer these not just for enhancing self reliance, but to increase our defence production footprint into the export markets. The author's work will certainly help those who would wish to delve into further into this area of study.
